

DEPARTMENT OF THE INTERIOR**Bureau of Indian Affairs****Indian Gaming**

AGENCY: Bureau of Indian Affairs,
Interior.

ACTION: Notice of Approved Tribal/State
Compact.

SUMMARY: Pursuant to 25 U.S.C. 2710, of the Indian Gaming Regulatory Act of 1988 (Pub. L. 100-497), the Secretary of the Interior shall publish, in the Federal Register, notice of approved Tribal/State Compacts for the purpose of engaging in Class III (casino) gambling on Indian reservations. The Assistant Secretary—Indian Affairs, Department of the Interior, through her delegated authority, has approved the Tribal/State Gaming Compact between the Skokomish Indian Tribe and the State of Washington, which was executed on May 25, 1995.

DATES: This action is effective upon date of publication.

FOR FURTHER INFORMATION CONTACT:
George T. Skibine, Director, Indian
Gaming Management Staff, Bureau of
Indian Affairs, Washington, DC 20240,
(202) 219-4088.

Dated: August 25, 1995.

Ada E. Deer,

Assistant Secretary—Indian Affairs.

(FR Doc. 95-22046 Filed 9-5-95; 8:45 am)

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United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240



Honorable Gordon James
Chairman
Skokomish Tribal Council
N. 80 Tribal Center Road
Shelton, Washington 98584

AUG 25 1995

Dear Chairman James:

On July 12, 1995, we received the Tribal/State Gaming Compact between the Skokomish Indian Tribe (Tribe) and the State of Washington (State), dated May 25, 1995. We have completed our review of this Compact and conclude that it does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), Federal law, or our trust responsibility. Therefore, pursuant to my delegated authority and Section 11 of the IGRA, we approve the Compact. The Compact shall take effect when the notice of our approval, pursuant to Section 11 (d)(3)(B) of IGRA, 25 U.S.C. § 2710(d)(3)(B), is published in the FEDERAL REGISTER.

Notwithstanding our approval of the Compact, Section 11(d)(1) of the IGRA, 25 U.S.C. § 2710(d)(1), requires that tribal gaming ordinances be approved by the Chairman of the National Indian Gaming Commission (NIGC). Regulations governing approval of Class II and Class III gaming ordinances are found in 25 C.F.R. §§ 501.1-577.15 (1994). Pursuant to the IGRA and the regulations, even previously existing gaming ordinances must be submitted to the NIGC for approval when requested by the Chairman. The Tribe may want to contact the NIGC at (202) 632-7003 for further information to determine when and how to submit the ordinance for approval by the NIGC.

We note, however, that the Tribe must come within an exception to the Professional and Amateur Sports Protection Act (PASPA), 28 U.S.C. §§ 3701-3704, to conduct sports betting under the Compact. PASPA makes it unlawful for a government entity, including an Indian tribe, to sponsor or operate gambling on amateur or professional sports. To be lawful, any sports gaming pursuant to § 3(E) of the Compact must come within one of the exceptions authorized by Section 3704 of PASPA.

The exception at Section 3704 (a)(2) establishes two criteria which must be met to authorize sports betting. First, the gambling must be authorized by a statute in effect on October 2, 1991. Second, the gambling must actually have

been conducted sometime between September 1, 1989, and October 2, 1991. Sports pools are authorized by Washington statutes which were enacted in 1987. Washington Code Annotated Section RCW 9.46.0335. The 1987 law authorizing sports pools passed by the Washington Legislature became effective March 16, 1987. Therefore, if games were conducted as authorized by the Washington statutes during the relevant period, we believe the Tribe may establish that it falls within the exception to the general prohibition against sports betting. We are not, however, in a position to verify the factual basis for establishing whether the Tribe comes within the exception. Therefore, we express no opinion on the matter.

In addition, if the Tribe enters into a management contract for the operation and management of the Tribe's gaming facility, the contract must likewise be submitted to, and approved by the Chairman of the NIGC pursuant to Section 11(d)(9) of the IGRA, 25 U.S.C. § 2710(d)(9) and the NIGC's regulations governing management contracts. The Tribe may want to contact the NIGC for information on submitting the ordinance and the management contract for approval by the NIGC.

We wish the Tribe and the State success in their economic venture.

Sincerely,

/s/ Ada E. Deer

Ada E. Deer
Assistant Secretary - Indian Affairs

Enclosures

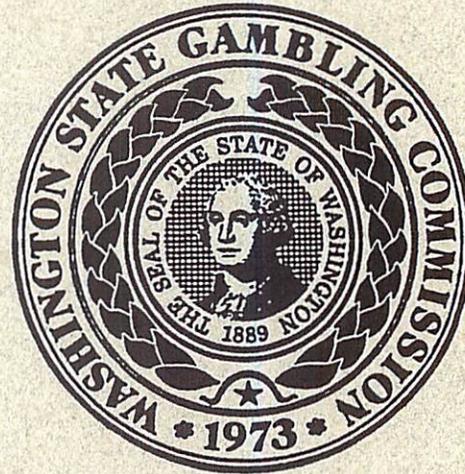
Identical Letter Sent to: Honorable Mike Lowry
Governor of Washington
State Capitol
Olympia, Washington 95804

cc: Portland Area Director w/copy of approved Compact
Supt., Puget Sound Agency w/copy of approved Compact
National Indian Gaming Commission w/copy of approved Compact
Portland Regional Solicitor w/copy of approved Compact
Western Dist. U.S. Attorney w/copy of approved Compact

bcc: Secy Surname, Secy RF(2), SOL-IA, 101-A, Bureau RF,
Surname, Chron, Hold

BIA:PHart:trw:219-4068:8/22/95

a:skokomis.ltr



**TRIBAL-STATE COMPACT
FOR CLASS III GAMING**

Between the

Skokomish Indian Tribe

and the

State of Washington

IGMS -tw
RECEIVED
7-12-95

TABLE OF CONTENTS

INTRODUCTION 1

PARTIES 1

DECLARATION OF POLICY AND PURPOSE 1

I. TITLE 4

II. DEFINITIONS 4

III. NATURE, SIZE AND SCOPE OF CLASS

 III GAMING 9

 A. Scope of Class III Gaming Generally and
 Specific Table Games Included 9

 B. Scope of Gaming - Punchboards and Pull
 Tabs and Washington State Lottery -
 Separate Locations 11

 C. Scope of Gaming - Keno and Satellite (Off
 Track) Wagering 11

 D. Scope of Gaming - Sports Pools 11

 E. Scope of Gaming - Other Class III Gaming
 Activity 12

 F. Authorized Gaming Operation and Facility 13

 G. Forms of Payment 13

 H. Size of Gaming Floor 14

 I. Number of Gaming Stations 14

 J. Wagering Limitations 15

K.	Hours of Operation	15
L.	Ownership of Gaming Facility and Gaming Operation	16
M.	Prohibited Activities	17
N.	Concurrent Operation of Class III and Class II Activities	17
O.	Age Limitations	19
P.	Prohibition on Firearms	19
Q.	Conditions	19
R.	Renegotiation/Amendments Moratorium	21
IV.	LICENSING AND CERTIFICATION REQUIREMENTS	22
A.	Gaming Facility	22
B.	Gaming Employees	23
C.	Manufacturers and Suppliers of Gaming Services	23
D.	Financiers	24
V.	LICENSING AND STATE CERTIFICATION PROCEDURES	25
A.	Procedures for Tribal License Applications and State Certification	25
B.	Review of Applicants by State	25
C.	Right to Hearing for Denial of State Certification and Tribal License	26
D.	Right to Hearing for Revocation or Suspension of State Certification and Tribal License	27

E.	Grounds for Revocation, Suspension or Denial of State Certification	27
F.	Grounds for Revocation, Suspension or Denial of Tribal License by Tribal Gaming Agency	30
G.	Duration and Renewal of Tribal Issued Licenses and State Certifications	31
H.	Identification Cards	31
I.	Exchange of Tribal Licensing and State Certification Information	32
J.	Fees for State Certification	32
K.	Fees for Tribal License	33
L.	Temporary Certification of Gaming Employees	33
M.	Summary Suspension of Tribal License or State Certification	34
N.	Tribal Licensing Through State Certification	34
O.	State Advisement of its Application Procedures	35
P.	Decertification of Key Management Personnel	35
VI.	TRIBAL ENFORCEMENT OF COMPACT PROVISIONS AND STATE COOPERATION	36
A.	Tribal Gaming Agency	36
B.	Tribal Gaming Agents/Inspectors	37
C.	Tribal Reporting of Violations	37
D.	Tribal Investigation, Sanctions and State Cooperation	38

E.	Other Tribal Reporting	38
F.	Information Sharing Meetings	39
VII.	STATE ENFORCEMENT OF COMPACT PROVISIONS AND TRIBAL COOPERATION	39
A.	State Gaming Agents/Inspectors	39
B.	Monitoring	40
C.	Access to Records	41
D.	Cooperation with Tribal Gaming Agency	42
VIII.	REGULATORY JURISDICTION RELATING TO ENFORCEMENT OF THE PROVISIONS OF THIS COMPACT	42
A.	Jurisdictional Issues	42
B.	Concurrent Jurisdiction	43
C.	Investigative Authority	44
D.	Jurisdictional Forums	44
E.	Consent to Application of State Law and Incorporation in Tribal Ordinance	45
F.	Law Enforcement Coordination	46
IX.	ENACTMENT OF COMPACT PROVISIONS	47
A.	State Gaming Agency Rules or Regulations	47
B.	Tribal Gaming Agency Regulations	47
X.	REGULATIONS FOR THE OPERATION AND MANAGEMENT OF THE TRIBAL GAMING OPERATION	47
A.	Adoption of Regulations for Operation and Management	47

B.	Additional Operational Requirements Applicable to Class III Gaming	49
XI.	REMEDIES FOR BREACH OF COMPACT PROVISIONS - INJUNCTIONS	53
A.	Injunction Against the State	53
B.	Injunction Against the Tribe, the Tribal Gaming Operation, or any Individual	53
XII.	REMEDIES FOR BREACH OF COMPACT PROVISIONS - DISPUTE RESOLUTION	54
A.	Dispute Resolution Policy Statement	54
B.	Dispute Resolution Methods	55
1.	Good faith negotiations	55
2.	Mediation	55
3.	Arbitration	56
a.	Non-binding arbitration	57
b.	Mandatory binding arbitration	57
c.	Breach of provisions may be remedied by injunction	57
C.	Sanctions	58
D.	Method of Collection and Disbursement of Sanctions Collected	60
XIII.	TRIBAL REIMBURSEMENT FOR EXPENSES INCURRED BY THE STATE GAMING AGENCY	61
XIV.	PUBLIC HEALTH AND SAFETY	62
A.	Compliance	62
B.	Emergency Service Accessibility	63
C.	Community Impact Contribution	63
D.	Community Relations	66

E.	Alcoholic Beverage Service	66
XV.	AMENDMENTS, DURATION AND EFFECTIVE DATE	66
A.	Effective Date	66
B.	Voluntary Termination	66
C.	Other Termination - Change of State Law	67
D.	Amendments/Renegotiations	67
1.	Amendments - Mutual	67
2.	Amendments - Contractual	68
3.	Renegotiation - Tribe	68
4.	Renegotiation - State	69
5.	Renegotiation - Either Party	69
6.	Process and Negotiation Standards	70
7.	Authorization to Other Tribes	71
XVI.	LIMITATION OF LIABILITY	71
XVII.	INCORPORATION	71
XVIII.	PRECEDENCE	72
XIX.	RIGHTS UNDER ACT	72
XX.	NO JOINT ENTERPRISE	72
XXI.	EXCLUSIVITY	72
XXII.	NOTICES	72
XXIII.	SEVERABILITY	73
XXIV.	COMPACT CLARIFICATION AND MINOR MODIFICATION	73
XXV.	AUTHORITY TO EXECUTE	74

SKOKOMISH INDIAN TRIBE -- STATE OF WASHINGTON
GAMING COMPACT

INTRODUCTION

THIS COMPACT is entered into pursuant to the Indian Gaming Regulatory Act of 1988, P.L. 100-497, codified at 25 USC §2701-2721 and 18 USC §1166-1168 (hereafter IGRA or Act).

PARTIES

THIS TRIBAL-STATE COMPACT is made and entered into by and between the SKOKOMISH INDIAN TRIBE (hereafter "Tribe"), a federally-recognized Indian Tribe, possessed of all sovereign powers and rights thereto pertaining, reorganized pursuant to section sixteen of the Indian Reorganization Act of 1934; and the STATE OF WASHINGTON (hereafter "State"), as a sovereign state of the United States, with all rights and powers thereto pertaining.

DECLARATION OF POLICY AND PURPOSE

IGRA provides for the negotiation of compacts between states and tribes to govern the conduct of Class III gaming. Indian tribes have the exclusive right under IGRA, to regulate gaming activity on Indian lands if gaming activity is not specifically prohibited by federal law and is conducted within a state which does not, as a matter of criminal law and public policy, prohibit such gaming activity. IGRA provides a framework for the operation

of gaming by Indian tribes as a means of promoting tribal economic development, self-sufficiency and strong tribal governments, as well as providing a basis for the regulation of gaming by an Indian tribe adequate to shield it from organized crime and other corrupting influences, to ensure that the Indian tribe is the primary beneficiary of the gaming operation and to assure that gaming is conducted fairly and honestly by both the operator and players. The terms and conditions set forth below to regulate Class III gaming conducted by the Tribe have been agreed to pursuant to that congressional mandate.

It is the policy of the Tribe to exercise and retain its rights to regulate gaming activities upon its lands and Reservation for the purpose of encouraging Tribal employment, economic and social development, and of developing funding to meet Tribal goals and to deliver services consistent with the directives of the Skokomish Tribal Council, while ensuring the prevention or corruption or infiltration by criminal or other unwanted influences and the fair operation of such gaming.

It is the stated intention of the parties hereto to foster full cooperation between the Tribe and the State on the basis of a shared concern for the health and safety of all the members of the Tribe and citizens of the State as a result of gaming on the

Skokomish Indian Reservation. Through the partnership of this Compact, the parties desire to further the purposes of IGRA for the benefit of the Tribe while protecting Tribal and State interests, by creating a cooperative means through which the Tribe may lawfully conduct Class III gaming activities on the Skokomish Indian Reservation, as Washington State permits such gaming for any purpose by any person, organization or entity. To that end, this Compact defines the manner in which laws regulating the conduct of the Tribe's Class III gaming activities are to be applied in order that the respective Tribal and State interests may be met.

The policy of the State, is set forth in Chapter 9.46 RCW. The provisions of Chapter 9.46 RCW and Title 230 WAC regulate gambling activities; the provisions of Chapter 67.16 RCW and Title 260 WAC authorize and regulate horse racing activities, including parimutuel satellite wagering, in Washington State. The State agrees that the Tribe is authorized, as a result of the provisions of IGRA and the terms of this Compact, to engage in the Class III gaming activities expressly permitted herein.

The Tribe and the State believe the conduct of Class III gaming under the terms and conditions set forth below will, from a regulatory perspective, benefit the Tribe and the State and protect

the members of the Tribe and the citizens of the State consistent with the objectives of IGRA.

NOW, THEREFORE, in consideration of the foregoing and the mutual benefits to be derived, the Tribe and State do enter into this Compact as provided for herein.

I. TITLE

This document shall be cited as "The Skokomish Indian Tribe - State of Washington Gaming Compact."

II. DEFINITIONS

A. "Class III Gaming" means all forms of gaming as defined in 25 USC §2703(8) and by regulations of the National Indian Gaming Commission and are authorized under this Compact as Class III games. Pull tabs and punchboards, even though discussed herein, are specifically deemed to be Class II games when operated in conjunction with bingo.

B. "Gambling Device" means any device or mechanism by the operation of which a right to money, credits, deposits or other things of value may be created, in return for a consideration, as the result of the operation of an element of chance and any device or mechanism which, when operated for a consideration, does not return the same value or thing of value for the same consideration upon each operation thereof. Gambling device does not include

gaming equipment for authorized games under this Compact, i.e., roulette wheel.

C. "Gaming Employee" means any individual employed in the operation or management of Class III gaming in connection with the Tribe's gaming operation or facility, whether employed by or contracted to the Tribe or by or to any person or enterprise providing gaming operation or management services to the Tribe, including but not limited to, gaming operation managers and assistant managers; accounting personnel; surveillance and security personnel; cashiers; supervisors; dealers or croupiers, box men; floormen; pit bosses; shift bosses; cage personnel; collection personnel; gaming consultants; parimutuel clerks; management companies and their principals; and any person whose employment duties require or authorize access to areas of the gaming facility related to gaming which are not otherwise open to the public, or to areas designated by the Tribal and State Gaming Agencies.

D. "Gaming Facility" means the building in which Class III Gaming activities as authorized by this Compact are conducted on the Skokomish Indian Reservation.

E. "Gaming Services" means the providing of any goods or services to the Tribe, whether on or off site, directly in connection with the operation of Class III gaming in a gaming

facility, including equipment, maintenance or security services for the gaming facility. Gaming services shall not include professional legal and accounting services or indirect goods and services such as food and beverage suppliers. Upon prior written agreement between the State Gaming Agency and the Tribal Gaming Agency, gaming services shall not include small purchases from local suppliers, i.e. Thurston or Mason counties until purchases exceed \$15,000 dollars in a calendar year. Once purchases do exceed \$15,000 in a calendar year, the business will be subject to certification and licensing and the annual fee.

F. "Gaming Station" means a gaming table of the same general size and as is commonly used in Nevada for similar games.

G. "Individual" means, but is not limited to, natural persons and business entities including business sole-proprietorships, partnerships, corporations, joint ventures, organizations and associations.

H. "Local Non-Tribal Law Enforcement" means any non-Tribal law enforcement agency in the vicinity of the gaming operation and which has jurisdiction to enforce state laws on the Skokomish Indian Reservation, or is subject to the terms of a cross deputization agreement. Except as specifically provided in this Compact, nothing in this definition or in any provision set forth

herein, however, is intended to expand, waive or confer or limit any jurisdiction upon any law enforcement agency on the Skokomish Indian Reservation.

I. "Net Win" means the total amount of gaming station income (gross gaming revenue) after prizes or winnings have been paid out; i.e., the difference between the total amount wagered or played and the amounts repaid to winners, or as appropriate for table games, drop minus payout.

J. "Principal" means with respect to any entity: (i) each of its officers and directors; (ii) each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer, or general manager; (iii) each of its owners or partners, if an unincorporated business; (iv) each of its shareholders who own more than ten percent of the shares of the corporation, if a corporation; and (v) each person or entity other than a banking institution who has provided financing for the enterprise constituting more than ten percent of the start-up capital or operating capital over a twelve month period, or a combination thereof. For purposes of this definition, where there is any commonality of the characteristics identified in (i) through (v) above between any two or more entities, those entities shall be deemed to be a single entity.

K. "RCW" means the Revised Code of Washington, as amended.

L. "State Certification" means the process utilized by the State Gaming Agency to assist the Tribe and ensure that all individuals, principals or other entities required to be licensed or certified are qualified to hold such license or certification in accordance with this Compact and the provisions of Chapters 9.46 and 67.16 RCW.

M. "State Gaming Agency" means the Washington State Gambling Commission.

N. "Tribal Gaming Agency" means the Skokomish Tribal Gaming Commission or such other agency of the Tribe as the Tribe may from time to time designate by written notice to the State as the Tribal agency primarily responsible for independent regulatory oversight of Class III Gaming as authorized by this Compact. No employee of the gaming operation may be a member or employee of the Tribal Gaming Agency.

O. "Tribal Law Enforcement Agency" means any police force which may be established and maintained by the Tribe pursuant to the Tribe's powers of self-government to carry out law enforcement within the Skokomish Indian Reservation.

P. "Tribal Licensing" means the licensing process utilized by the Tribe to ensure all individuals and other entities required

to be licensed are qualified to hold such license in accordance with provisions of the Skokomish Tribal Gaming Ordinance.

Q. "Skokomish Tribal Lands" means Indian lands as defined by 25 USC §2703(4)(A) and (B), subject to the provisions of 25 USC §2719, which lands are subject to the jurisdiction of the Tribe.

R. "WAC" means the Washington Administrative Code, as amended.

III. NATURE, SIZE AND SCOPE OF CLASS III GAMING

A. Scope of Class III Gaming Generally and Specific Table Games Included. The Tribal gaming operation may utilize in its gaming facility, subject to the provisions of this Compact, any or all of the Class III gaming activities not specifically prohibited by federal law and not prohibited by the State as a matter of criminal law, including:

1. Baccarat;
2. Beat My Shake;
3. Beat the Dealer;
4. Blackjack (to the extent not played as a Class II game);
5. Caribbean Stud Poker (to the extent not played as a Class II game);
6. Chemin De Fer;

7. Chuck-a-luck;
8. Craps;
9. 4-5-6;
10. Horses (stop dice);
11. Horse Race;
12. Jackpot Poker;
13. Money-wheel;
14. Over/Under Seven;
15. Pai-gow (to the extent not played as a Class II game);
16. Poker (to the extent not played as a Class II game);
17. Red Dog;
18. Roulette;
19. Ship-Captain-Crew;
20. Sic-Bo;
21. Sweet Sixteen;
22. Other table games authorized for play in Nevada and played in accordance with applicable Nevada rules, upon twenty days written notice to the State Gaming Agency, provided should a dispute arise, the game shall not be utilized until the dispute is resolved

in accordance with Section XII.B.3.b's final and unappealable arbitration provisions.

B. Scope of Gaming - Punchboards and Pull Tabs and Washington State Lottery - Separate Locations. The Tribe will utilize punchboards and pull tabs in the facility and at other locations within Skokomish Tribal Lands subject to regulation by the Tribe. Punchboards and pull tabs operated outside of the Tribal gaming facility shall be operated consistent with Tribal Ordinance and the applicable provisions of IGRA. The operation of State lottery retail locations within Skokomish Tribal Lands shall be subject to the provisions of RCW 67.70, WAC 315, and Tribal Ordinance.

C. Scope of Gaming - Keno and Satellite (Off Track) Wagering. Keno and Satellite (off track) wagering will be conducted subject to Appendix B.

D. Scope of Gaming - Sports Pools. Sports pools, on regularly scheduled athletic contests, of one hundred (100) squares wherein each square is sold for not more than ten dollars (\$10) and all proceeds, less a Tribal administrative charge of no more than fifty cents for each ten dollars (\$10) wagered, are awarded to winners as prizes. The sports pool shall be conducted only as follows: (1) a board of paper is divided into 100 equal squares,

each constituting a chance to win and each offered directly to prospective contestants; (2) the purchaser of each chance or square signs his or her name on the face of each square purchased; (3) no later than prior to the start of the athletic contest, the pool is closed and no further chances are sold; (4) after the pool is closed, a prospective score is assigned by random drawing to each square; (5) the sports pool board must be available for inspection by any person purchasing a chance, by the State Gaming Agency and the Skokomish Tribal Gaming Commission or by a local law enforcement agency at all times prior to payment of the prize; and (6) the Tribe will conduct no other sports pool on the same athletic event.

E. Scope of Gaming - Other Class III Gaming Activity. With respect to any other Class III activities including ones similar to those set forth above or other gaming activity that would also be authorized for play for any purpose by any person, organization, or entity in the State and which are not otherwise treated as Class II gaming in Washington pursuant to 25 USC §2703(7), the Tribe shall provide the game regulations thereof to the State Gaming Agency at least thirty (30) days prior to the time play shall begin. If the State Gaming Agency takes no action within the 30 days, the Tribe may begin offering the game. If a dispute arises between the Tribe

and the State Gaming Agency with respect to issues including, but not limited to, the rules of the game, legality of the game, manner of play, or training and enforcement associated with the regulation thereof, the State and Tribal Gaming Agencies shall meet and attempt to resolve the dispute through good faith negotiations prior to the time play of that game can begin. If either party believes, after such negotiations have commenced, that a resolution by the parties cannot be achieved, then either or both parties shall be entitled to have the dispute resolved pursuant to the dispute resolution provisions of Section XII.B. including XII.B.3.a. In the interest of providing for maximum flexibility consistent with what the State deems is its public policy of limited gaming, the following limits will apply:

F. Authorized Gaming Operation and Facility. Initially the Tribe may establish one Class III gaming operation and gaming facility, to be located on the Skokomish Indian Reservation or Tribal land held in trust contiguous to the Reservation, for the operation of any Class III games authorized pursuant to this Compact.

G. Forms of Payment. All payment for wagers made in authorized forms of Class III gaming conducted by the Tribe, including the purchase of chips or tokens for use in wagering,

shall be made by cash, cash equivalent, credit card or personal check. Except for said use of credit cards, no credit shall be extended to any patron of the gaming facility for gaming activities.

H. Size of Gaming Floor. The actual size of the Class III gaming floor within the gaming facility shall be determined by the Tribe.

I. Number of Gaming Stations. During the first nine months of operation or earlier as provided in Section III.Q., the maximum number of Class III gaming stations shall not exceed thirty-one (31) plus, at the option of the Tribe, one (1) additional gaming station ("the nonprofit station"). The proceeds from the nonprofit station shall be dedicated to support non-Tribal nonprofit organizations and their activities located within Mason County or the State of Washington. For purposes of determination of "proceeds" from the nonprofit station only, proceeds shall mean the net win less the pro rata cost of regulation and operation, specifically excluding capital costs. The net win from the nonprofit station is not subject to the community contribution established under Section XIV.C of this Compact. Therefore, the proceeds shall equal the net win less the costs of regulation and operation, divided by the thirty-two (32) gaming stations. The

Tribal gaming ordinance shall set forth regulations concerning the types of bona-fide nonprofit organizations or types of projects of such organizations that shall be supported by the nonprofit station. At the end of nine months continual operation or earlier as provided in Section III.Q., if the gaming operation has met the conditions set forth in Subsection Q., "phase two" may be implemented, providing for up to fifty gaming stations plus, at the option of the Tribe, two (2) additional gaming stations ("the nonprofit stations").

J. Wagering Limitations. During the first nine months of operation or earlier as provided in Section III.Q., wager limits shall not exceed two hundred fifty dollars (\$250). At the end of nine months continual operation, if the gaming operation has met the conditions set forth in Subsection Q., "phase two" may be implemented, providing for wager limits of up to five hundred dollars (\$500).

K. Hours of Operation. During the first nine months of operation or earlier as provided in Section III.Q., operating hours may not exceed one hundred twelve (112) hours per week on an annualized basis, not to exceed 20 hours in any 24-hour period with the exception of the three (3) special occasions delineated below. The Tribe may schedule the hours to best meet market conditions and

may operate any day of the week, provided after consultation with local non-tribal law enforcement, local non-tribal law enforcement has no reasonable concerns regarding any proposed non-closure between the hours of 2 a.m. and 6 a.m. Provided further, on three (3) special occasions, the State and the Tribe may agree to twenty-four (24) hour operation, not to exceed seventy-two (72) hours per occasion, so long as the Tribe gives thirty (30) days notice of its desire to do so. If the Tribe and the State cannot mutually agree, the issue will be resolved according to Section XII.B.3.b's final and unappealable binding arbitration provision. At the end of nine months continual operation or earlier as provided in Section III.Q., if the gaming operation has met the conditions set forth in Subsection Q., "phase two" may be implemented providing for operating hours of up to one hundred forty (140) hours per week on an annualized basis, not to exceed 20 hours in any 24-hour period with the exception of the three (3) special occasions delineated above.

L. Ownership of Gaming Facility and Gaming Operation. The gaming operation and the gaming facility shall be owned and operated by the Tribe.

M. Prohibited Activities. Any Class III gaming activity not authorized in this Compact is prohibited. Unless authorized by the State, all Class III gambling devices are prohibited. Nothing herein is intended to prohibit or restrict otherwise lawful and authorized Class II gaming activities on the Skokomish Indian Reservation or within the gaming facility.

N. Concurrent Operation of Class III and Class II Activities. The IGRA provides authority to Indian tribes to offer specific gaming activities as Class II gaming, and the operation of this Class II gaming is under the jurisdiction of the Tribe subject to the provisions of the IGRA. The parties to this Compact anticipate that any Class II activities on Skokomish Tribal Lands will be conducted in a separate facility or in a portion of the gaming facility that is separate from that portion where the Class III games authorized by this Compact are offered. Commingling of those Class III games with the Class II activities could impact the regulatory scheme established in this Compact, necessitating a separation of gaming revenues, records, and licensees and identification of the Class II and Class III gaming stations and operations. In the event the Tribe wishes to commingle Class III

and Class II activities, the Tribal and State Gaming Agencies agree to fully review these issues and shall execute an agreement to facilitate and ensure effective and efficient monitoring and regulation under the terms of this Compact and the IGRA.

1. With regard to the regulation of Jackpot Poker, the following shall be observed: The Tribe shall submit the proposed game regulations to the State Gaming Agency at least thirty (30) days prior to the time play begins. If the State takes no action within the thirty (30) days, the Tribe may begin offering the game. If a dispute arises between the Tribe and the State regarding issues including but not limited to rules of the game, legality of the game, manner of play, or ability of the parties to regulate, the State and the Tribal Gaming Agencies shall meet and resolve the dispute prior to the time play of that game can begin. The provisions of Section XII. B may be utilized to resolve disputes, if necessary. For purposes of this activity, Class II and/or Class III poker stations associated with the jackpot as well as the employees associated with the jackpot shall be subject to the jurisdictional provisions set forth in Sections IV and V of this Compact and the enforcement provisions set forth in Section VII, VIII and IX of this Compact.

O. Age Limitations. No person under the age of eighteen (18) shall participate in any gaming operation, or be allowed on the Class III gaming floor authorized by this Compact during actual hours of operation. Should alcoholic beverages be offered on the gaming floor pursuant to applicable law, then no patron under the age of twenty-one (21) shall be permitted on the gaming floor during actual hours of operation.

P. Prohibition on Firearms. The possession of firearms by any person within the gaming facility shall be strictly prohibited. Provided, this prohibition shall not apply to authorized agents or officers of the Tribal Gaming Agency, Tribal Law Enforcement Agency, State Gaming Agency, or Federal, State, and Local non-tribal law enforcement.

Q. Conditions. After six months of operation, the State Gaming Agency shall conduct a review of the Class III operation to determine general compact compliance and whether the conditions set forth below have been satisfied. If, as a result of the review, the State Gaming Agency determines that the operation is in compliance with these conditions, the Class III operation may implement "phase two" immediately. If the State Gaming Agency determines that the Class III operation has not satisfied the conditions, any resulting dispute will be resolved through the

dispute resolution procedures set forth in Section XII.B.3.b. of this Compact. Any increase in the number of gaming stations, hours of operation, or wager limits beyond that initially authorized during "phase one" of the Class III gaming operations shall be conditioned upon the following criteria:

1. There have been no violations of the provisions of the Compact that have resulted in sanctions imposed by the Federal District Court.

2. There have been no violations of the Compact which are substantial or would be deemed material due to repetition.

3. There have been no material adverse impacts on the public safety or welfare of the surrounding communities in the nature of criminal activities directly related to the operations of the Class III gaming facility.

4. The Tribal Gaming Agency has developed a program of regulation and control demonstrating a level of proficiency sufficient to protect the integrity of the tribal gaming operation, which includes the hiring of trained Tribal Gaming Agents, an independent management and reporting structure separate from that of the Gaming Facility, a system for the reporting of Compact violations, and a consistent presence within the Gaming Facility.

R. Renegotiation/Amendments Moratorium. Section III. F., I., J. and K. will not be subject to renegotiation or amendment for thirty-six (36) months from the date of this Compact, unless one of the following occurs: (1) the laws of the State are amended, expanding gaming beyond that which is now allowed under the terms of this Compact; (2) a State or Federal court within the State of Washington or a Federal court interpreting the laws of the State of Washington issues a final and unappealable decision permitting participation in a gaming activity that according to the State's position was not authorized for any purpose by any person, organization, or entity at the time this Compact was executed or not authorized by this Compact; (3) the State compacts or otherwise there is authorized any other tribal or non-tribal gaming facility west of the Cascade Mountains to possess greater levels of wagering, hours of operation, size and/or scope of Class III gaming activities, than authorized by the provisions of this Compact; or (4) another tribe east of the Cascade Mountains obtains, through a Compact approved by the Secretary of the Interior, greater levels of wagering, hours of operation, size and/or scope of Class III gaming activities, than authorized by the provisions of this Compact and the Tribe can demonstrate that such levels have resulted in an adverse economic impact on the Class III gaming

operation. Further Paragraph XV.D.1 and XV.D.5. which provides that the parties may "mutually agree" to renegotiations and/or compact amendments may not be invoked during this thirty-six (36) month time period for renegotiation or amendment of Section III. F., I., J. and K.

IV. LICENSING AND CERTIFICATION REQUIREMENTS

A. Gaming Facility. The gaming facility authorized by this Compact shall be licensed by the Tribal Gaming Agency and relicensed annually. Verification of this requirement shall be made by the Tribal Gaming Agency and the State Gaming Agency and, as applicable to the satellite wagering facility and operation by the Washington Horse Racing Commission, through a joint pre-operation inspection scheduled at least ten (10) days prior to the scheduled opening to the public. If the facility does not meet the requirements, the Tribal Gaming Agency, State Gaming Agency and/or Washington Horse Racing Commission as applicable, must send a non-compliance letter within seven (7) working days after completion of the inspection. If the Tribal and State Gaming Agencies do not agree on whether the facility meets the requirements, the agencies will meet within ten (10) working days from receipt of the non-compliance letter and work together to resolve concerns. If a dispute regarding this inspection cannot be

resolved by the gaming agencies within a reasonable time, the parties may seek resolution pursuant to Section XII.B.3.b.'s final and unappealable arbitration provisions. The reasonable cost of final inspection of the facility by the State Gaming Agency under this section shall be the responsibility of the Tribe.

B. Gaming Employees. Every Class III gaming employee shall be licensed by the Tribal Gaming Agency and relicensed annually. Further every Class III gaming employee shall be certified or issued a permit by the State and recertified annually. Provided, the Tribal Gaming Agency may issue a license if the employee has a current Class III gaming certification issued by the State Gaming Agency, the employee consents to disclosure to the Tribal Gaming Agency of all information held by the state agency, and the State Gaming Agency certifies in writing prior to licensing that the employee is in good standing. If Class II and Class III table games are combined on one Class III gaming area, the Class II table gaming employees shall be certified as if they were Class III gaming employees. This provision, for example does not apply to employees engaged in activities related to bingo, pull tabs and/or punchboards.

C. Manufacturers and Suppliers of Gaming Services. Each manufacturer and supplier of gaming services shall be licensed by

the Tribal Gaming Agency and shall be certified by the State prior to the sale of any gaming services. If the supplier or manufacturer of the services or goods is licensed, certified or issued a permit by the State of Washington, it shall be deemed certified to supply those services or goods for the purposes of this Compact. The licensing and certification shall be maintained annually after initial certification. Upon request of the Tribal Gaming Agency, the State will expedite these certifications to the extent possible. Professional legal and accounting services shall not be subject to the certification and licensing requirements, and neither shall small purchases from local suppliers, see definition of "Gaming Services." Provided, at the discretion of the Director of the State Gaming Agency, the requirement for certification of manufacturers of certain limited gaming services of a non-continuing nature may be waived.

D. Financiers. Any party extending financing, directly or indirectly, to the gaming facility or gaming operation shall be subject to the annual licensing requirements of the Tribal Gaming Agency, and shall be required to obtain State certification prior to completion of the financing agreement and annually thereafter. These licensing and certification requirements do not apply to financing provided by a federally regulated commercial lending

institution, the Skokomish Tribal government, or the Federal government. However, the source of all funds will be fully disclosed in accordance with IGRA and a copy provided to the State Gaming Agency and, as applicable to the satellite wagering facility and activities, to the Washington Horse Racing Commission.

V. LICENSING AND STATE CERTIFICATION PROCEDURES

A. Procedures For Tribal License Applications and State Certification. Each applicant for a Tribal gaming license and for State certification shall submit the completed application along with the required information to the Tribal Gaming Agency. Each completed application shall be accompanied by the applicant's fingerprint card(s), current photographs, and fees required by the State and Tribal Gaming Agencies. Upon receipt of the completed application, the Tribal Gaming Agency may conduct a background investigation of applicants and will thereafter transmit all conditionally approved applications together with a set of fingerprint cards, a current photograph, and the fee required to the State Gaming Agency. For applicants who are business entities, these provisions shall apply to the principals of such entities.

B. Review of Applicants By State. Upon receipt of a completed conditionally approved application and required fee for State certification, the State Gaming Agency shall conduct the

necessary background investigation to ensure the applicant is qualified for State certification. Upon completion of the necessary background investigation, the State Gaming Agency shall either issue a State certification to the applicant, or deny the application. In either event a copy of the certificate or denial statement shall be sent to the Tribal Gaming Agency. If the application for certification is denied, a statement setting forth the grounds for denial shall be forwarded to the applicant in accordance with the provisions of Chapter 230-50 WAC with a copy forwarded to the Tribal Gaming Agency. The State shall not apply more rigorous standards than those actually applied in the approval of state licenses/certifications in gaming activities regulated exclusively by the State.

C. Right To Hearing For Denial Of State Certification and Tribal License. If the State Gaming Agency denies the request for certification, the Tribal Gaming Agency shall not issue a license and the applicant may appeal the Tribal Gaming Agency's refusal to issue a license as provided in the Tribal Gaming Code; provided, that the applicant may appeal the State's denial of certification directly to the State Gaming Agency, in which case the Tribal Gaming Agency shall stay its proceeding pending the final outcome of the state appeal. A successful tribal appeal does not

substitute for a State decision within the State appeals system, nor does a successful state appeal substitute for a Tribal decision. The right to take action to suspend or revoke a license or certification through State or Tribal court or administrative processes is retained as herein provided.

D. Right To Hearing For Revocation or Suspension Of State Certification and Tribal License. If either the Tribal or State Gaming Agencies revokes or suspends the license or certification of any person, that person is deemed to have both his or her license and certification so revoked or suspended, and that person may appeal the Tribal Gaming Agency's revocation or suspension of a license as provided in the Tribal Gaming Code; provided, that that person may appeal the State's revocation or suspension of his or her certification directly to the State Gaming Agency, in which case the Tribal Gaming Agency shall stay its proceeding pending the final outcome of the state appeal. A successful tribal appeal does not substitute for a State decision within the State appeals system, nor does a successful state appeal substitute for a Tribal decision.

E. Grounds for Revocation, Suspension or Denial of State Certification. The State Gaming Agency may revoke, suspend or deny a State certification under the provisions of RCW 9.46.075, and

rules promulgated thereunder, for any reason it deems to be in the public interest. For example, these reasons shall include, but shall not be limited to, when an applicant or holder of certification or principal of an entity:

1. Is determined to be a person whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or enhance the chances of unfair or illegal practices, methods and activities in the conduct of the gaming activities permitted pursuant to this Compact; or the person has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by any provision of a Tribal/State Compact.

2. Has failed to provide any information reasonably required to investigate the application for state certification or to reveal any fact material to such application, or has furnished any information which is untrue or misleading in connection with such application.

3. Has had a Tribal or State gaming license revoked or denied during the twelve (12) months prior to the date of receipt of the application; is currently on probation; or has demonstrated a willful disregard for compliance with gaming regulatory authority

in any jurisdiction, including offenses that could subject the individual or entity to suspension, revocation or forfeiture of a gaming license.

For the purpose of reviewing any application for a state certification and for considering the denial, suspension or revocation of any state certification, the State Gaming Agency may consider any prior criminal conduct or current probationary status of the applicant or holder of certification and the provisions of RCW 9.95.240 and of Chapter 9.96A RCW shall not apply to such cases.

Notwithstanding anything herein to the contrary, in the absence of other violations, it shall not be automatic grounds for revocation, suspension or denial for an Indian from a federally recognized Indian tribe to have been charged and convicted of the following non-gambling related offenses, the occasion of which occurred prior to Supreme Court rulings on the subject: (1) fishing or hunting offenses; (2) cigarette, fireworks or alcohol sales offenses; or (3) cases involving the exercise of trust or treaty rights. In the absence of other violations, activities or factors which would warrant denial, revocation or suspension, these Indian individuals shall not be barred solely as a result of such activities from certification.

For enrolled members of the Tribe who apply for or receive Class III gaming certification and licensing, the State Gaming Agency will consult with the Tribal Gaming Agency prior to revoking, suspending or denying certification to such members who do not meet the criteria for certification. The Tribal and State Gaming Agencies may waive, by mutual agreement, through a provisional or conditional certification, certain criteria for such enrolled tribal members if the waiver does not pose an appreciable risk to the public or the lawful operation of the gaming facility. If the Tribe can show extenuating circumstances why an enrolled tribal member who does not meet all criteria should be further considered for a provisional or conditional certification, the Tribal and State Gaming Agencies may agree to a temporary certification, based on specific conditions and a further detailed review of the applicant. Additional fees may be required to maintain a conditional or provisional certification.

F. Grounds For Revocation, Suspension or Denial of Tribal License by Tribal Gaming Agency. The denial, suspension, or revocation of any Tribal gaming license by the Tribal Gaming Agency shall be in accordance with Tribal ordinances and regulations governing such procedures and the grounds for such actions shall not be less stringent than those of Section V.E.

G. Duration and Renewal of Tribal Issued Licenses and State Certifications. Any Tribal issued license or State certification shall be effective for one year from the date of issuance. Provided, that a licensed or certified employee or party that has applied for renewal may continue to be employed under the expired license or State certification until action is taken on the renewal application by the Tribal Gaming Agency or State Gaming Agency or a summary suspension has occurred. Applicants for renewal of the license or certification shall provide updated material as requested, on the appropriate renewal forms, but shall not be required to re-submit historical data already available to the Tribal Gaming Agency or the State Gaming Agency. Additional background investigation shall not be required unless new information concerning the applicant's continuing suitability or eligibility for a Tribal license or a State certification is discovered by either the Tribal Gaming Agency or the State Gaming Agency.

H. Identification Cards. The Tribal Gaming Agency shall require all gaming employees to wear identification cards in plain view while working in the facility. The identification cards will be issued by the Tribal Gaming Agency and will include photo, first name and an identification number unique to the individual tribal

license and/or certification which shall include a Tribal seal or signature, and a date of expiration.

I. Exchange of Tribal Licensing and State Certification Information. In an effort to ensure a qualified work force in all areas of Class III gaming, and in all types of gambling authorized under the laws of the State, upon completion of any administrative action or legal proceeding against a Tribal license or State certification, the final disposition shall be forwarded to either the Tribal Gaming Agency or the State Gaming Agency and maintained as part of both agencies permanent licensing records.

J. Fees For State Certification. The fees for State certification shall be the following:

Gaming Employee (in-state)	
Initial Certification	\$200.00
Gaming Employee (out-of-state)	
Initial Certification	\$250.00
Gaming Employee - Renewal	\$125.00
Management Entities, Suppliers, Manufacturers or Financiers	
Initial Certification	
(in-state)	\$1500.00
(out-of-state)	\$5000.00
Management Entities, Suppliers, Manufacturers or Financiers	
Renewal	\$ 500.00

Provided, should actual costs reasonably incurred by the State Gaming Agency exceed the above fees, those costs will be assessed to the applicants during the investigation process. Payment in full to the State Gaming Agency will be required prior to the issuance of State certification. Notwithstanding any other provision of this Compact, the State Gaming Agency may modify any of the above fees consistent with like fees charged by the State Gaming Agency for non-Compact gaming elsewhere in the State by giving the Tribe sixty (60) days notice of intent to modify fees. Should a dispute arise under this Section it shall be resolved pursuant to Section XII.B.3.b.'s final and unappealable arbitration provisions.

K. Fees For Tribal License. The fees for all gaming employee licenses including any background investigation shall be set by the Tribal Gaming Agency.

L. Temporary Certification of Gaming Employees. Unless the review undertaken by the State Gaming Agency within thirty (30) days of the receipt of a completed application discloses that the applicant has a criminal history, or unless other grounds sufficient to disqualify the applicant pursuant to Section V of this Compact are apparent or have been discovered during that period, the State Gaming Agency shall, upon request of the Tribal

gaming operation, issue a temporary certification to the applicant. The temporary certification shall become void and be of no effect upon either the issuance of a State certification or upon the issuance of intent to deny, in accordance with the provisions of this Compact. During the twelve (12) month period immediately following the effective date of this Compact, as provided herein, any applicant who has a current license issued by the State Gaming Agency, together with his or her completed application shall be immediately issued a temporary certification by the State Gaming Agency pending completion of the certification investigation.

M. Summary Suspension of Tribal License or State Certification. The Tribal Gaming Agency, pursuant to the laws of the Tribe, and the State Gaming Agency, pursuant to the laws of the State, may summarily suspend any respective Tribal license or State certification if the continued licensing or certification of a person or party constitutes a threat to the public health or safety.

N. Tribal Licensing Through State Certification. The Tribe for any licensing or tribal certification process may, in its sole election, rely upon the certification of the State as the Tribe's qualification process for a tribal gaming license or tribal gaming certification.

shall not be removed from employment pending completion of a hearing process unless that individual poses an imminent threat to public health, safety and welfare or to the lawful operation of the gaming facility.

VI. TRIBAL ENFORCEMENT OF COMPACT PROVISIONS AND STATE COOPERATION

A. Tribal Gaming Agency. The primary responsibility for the on-site regulation, control and security of the gaming operation authorized by this Compact, and for the enforcement of this Compact on the Skokomish Indian Reservation, shall be that of the Tribal Gaming Agency, and other tribal agencies as it may designate; provided that any other tribal agencies and the scope of their authority shall be disclosed as needed to the State, and that the State may rely on the Tribal Gaming Agency as the coordinating entity and communication link to the State Gaming Agency. As part of its structure, the Tribal Gaming Agency and its designees shall perform the following functions:

1. Enforce in the gaming operation, including the facility, all relevant laws;
2. Protect the physical safety of patrons in the establishment;
3. Protect the physical safety of personnel employed by the establishment;

O. State Advisement of Its Application Procedures. The State advises that it currently does and plans to continue to require all applicants for State certification as a Class III gambling employee to sign an agreement as follows as a prerequisite to obtaining such State certification:

Applicants for State certification agree by submitting this application for certification that they will submit to State jurisdiction to the extent necessary to determine qualification to hold such certification, including all necessary administrative procedures, hearings and appeals pursuant to RCW 9.46, WAC 230-50 and the State Administrative Procedures Act, RCW 34.05. Tribal members who apply specifically waive any immunity, defense, or other objection they might otherwise have to the exercise of State jurisdiction for these purposes, but only for these purposes.

P. Decertification of Key Management Personnel. The State will not summarily suspend or revoke the certification of key management personnel with supervisory responsibilities in the Class III gaming facility for noncompliance with only the procedural requirements of this Compact and applicable laws incorporated herein. Because summary suspension or revocation of certification of such personnel could jeopardize proper operation of the gaming facility, the intent of the State to summarily suspend or revoke certification of such personnel will first be discussed with the Tribal Gaming Agency. In the event that the Tribe challenges a summary suspension or revocation of key management personnel under the provisions stated in this section, the management employee

4. Protect the physical safeguarding of assets transported to and from the gaming facility and cashier's cage department;
5. Protect the patrons and the establishment's property from illegal activity;
6. Temporarily detain, to the extent of its authority, persons who may be involved in illegal acts for the purpose of notifying the law enforcement authorities; and
7. Record in a permanent and detailed manner any and all unusual occurrences within the gaming facility. Each incident, without regard to materiality, shall be assigned a sequential number.

B. Tribal Gaming Agents/Inspectors. The Tribal Gaming Agency shall employ qualified inspectors or agents ("Tribal Inspectors") under the authority of the Tribal Gaming Agency. Tribal Inspectors shall be independent of the Tribal gaming operation, and shall be supervised and accountable only to the Tribal Gaming Agency or to the Tribal Law Enforcement Agency, if so authorized by the Tribal Gaming Agency. Tribal Inspectors shall not be required to be certified by the State.

C. Tribal Reporting of Violations. A Tribal Inspector shall be present in the gaming facility during all hours of gaming operation, and shall have immediate access to any and all areas of the gaming operation for the purpose of effectuating compliance with the provisions of this Compact and Tribal Ordinances. Any violation of the provisions of this Compact, or of Tribal

Ordinances by the Tribal gaming operation, by a gaming employee, or any person on the premises whether or not associated with the Tribal gaming operation shall be reported immediately to the Tribal Gaming Agency and forwarded to the State Gaming Agency within seventy-two (72) hours of the time the violation was noted.

D. Tribal Investigation, Sanctions and State Cooperation.

The Tribal Gaming Agency shall investigate any reported violation of the Compact provisions and shall require the Tribal gaming operation to correct the violation upon such terms and conditions as the Tribal Gaming Agency determines are necessary. The Tribal Gaming Agency shall be empowered by Tribal Ordinance to impose fines and other sanctions within the jurisdiction of the Tribe against a gaming employee, or any other person directly or indirectly involved in, or benefiting from, the gaming operation. If requested by the Tribal Gaming Agency, the State Gaming Agency shall assist in any investigation initiated by the Tribal Gaming Agency and provide other requested services to effectuate proper compliance with the provisions of this Compact.

E. Other Tribal Reporting. The Tribal Gaming Agency shall forward copies of all completed incident and investigation reports and final dispositions to the State Gaming Agency on a continuing basis.

F. Information Sharing Meetings. In an attempt to develop and foster a relationship in the enforcement of the provisions of this Compact, representatives of the State Gaming Agency; the Tribal Gaming Agency; and the Washington Horse Racing Commission, as applicable, shall meet upon the reasonable request of any of the above parties to review past practices and examine methods to improve the regulatory program created by this Compact. The meetings shall take place at a location selected by the Tribal Gaming Agency. The State Gaming Agency prior to or during such meetings shall disclose to the Tribal Gaming Agency any concerns, suspected activities or pending matters reasonably believed to possibly constitute violations of this Compact by any person, organization or entity, if such disclosure will not compromise the interest sought to be protected.

**VII. STATE ENFORCEMENT OF COMPACT PROVISIONS AND
TRIBAL COOPERATION**

A. State Gaming Agents/Inspectors. The State Gaming Agency already does or shall employ qualified agents or inspectors ("State Agents"). State Agents used in connection with the Tribal Operations which are the subject of this Compact shall be fully qualified according to all requirements of the State, and in addition, will complete one state training course on Native American cultural heritage and will also complete one training

course (not to exceed two eight hour days) on Skokomish tribal culture which will be conducted by the Skokomish Indian Tribe.

B. Monitoring. The State Gaming Agency and, as applicable to the satellite wagering facility and activities, the Washington Horse Racing Commission, shall pursuant to the provisions of this Compact have the authority to monitor whether the Tribal gaming operation is conducted in compliance with the provisions of this Compact. In order to properly monitor the Tribal gaming operation, these agents of the State Gaming Agency and the Washington State Horse Racing Commission shall have free and unrestricted access to all areas of the gaming facility during normal operating hours with or without giving prior notice to the Tribal gaming operation. Provided, that notice shall be given, when possible, to the Tribal Gaming Agency or to a Tribal gaming inspector in the facility, and the Tribal Gaming Agency may assign a Tribal inspector or other representative to accompany the State agent while on the Skokomish Indian Reservation. Following the investigation, and to the extent such disclosure does not jeopardize the investigation or the personal safety of individuals, the State shall provide the Tribal Gaming Agency with a report of the investigation, including information about evidence gathered in connection with the investigation. Once the threat to the investigation or personal

safety of individuals is ended or the investigation is concluded, whichever occurs first, such information shall be provided to the Tribal Law Enforcement or Tribal Gaming Agency.

C. Access to Records. Agents of the State Gaming Agency and the Washington State Horse Racing Commission shall have authority to review and copy, during all operating hours, all Class III gaming records maintained by the Tribal gaming operation. Review and copying of records shall be conducted in the company of a tribal official as designated by the Skokomish Tribal Gaming Commission. Such inspections shall be conducted in a manner which minimizes disruption during normal business operations. Similarly, Agents of the Tribal Gaming Agency shall have authority to inspect and copy records maintained by the State concerning Class III gaming conducted on the Skokomish Indian Reservation. Provided, that any copy thereof and any information derived therefrom, from any parties' review or other activity under this Compact, shall be deemed strictly confidential and/or proprietary information, or financial information, of the Tribe. The State Gaming Agency shall notify the Tribe of any requests for disclosure of such information and shall not disclose until the Tribe has had a reasonable opportunity to challenge the request or seek judicial relief. All tribal records including copies removed from the premises shall be

forthwith returned to the Tribe after use, unless otherwise permitted to be retained by the State under this Compact. Provided further, this public disclosure prohibition shall not apply to evidence used in any proceeding authorized by this Compact. Independent audits permitted to be retained by the State will be returned to the Tribe after use.

D. Cooperation With Tribal Gaming Agency. The State Gaming Agency, and the Washington State Horse Racing Commission if appropriate, upon reasonable request shall meet with the Tribal Gaming Agency and cooperate fully in sharing information on all matters relating to the enforcement of the provisions of this Compact and promptly notify the Tribal Gaming Agency of any activity suspected or occurring whether within the gaming facility or not, which adversely affects the State and Tribal interests relating to the gaming facility and operation. Provided, such disclosure shall not compromise the interest sought to be protected.

VIII. REGULATORY JURISDICTION RELATING TO ENFORCEMENT OF THE PROVISIONS OF THIS COMPACT

A. Jurisdictional Issues. Except as expressly set forth herein, nothing in this Compact is intended nor shall it confer upon the State or any other non-Tribal entity any jurisdiction with respect to non-gaming related activities on the Skokomish Indian

Reservation. Except as expressly set forth herein, and then only to the extent expressly set forth herein, the terms of this document do not constitute a waiver of sovereign immunity and any such waiver is and shall be deemed to be only a limited waiver solely for the purposes set forth in this Compact. The terms of such limited waiver of sovereign immunity shall be strictly construed.

B. Concurrent Jurisdiction. The Tribal Gaming Agency and the State Gaming Agency shall have concurrent jurisdiction to investigate violations of the provisions of this Compact, and to bring administrative charges, in accordance with Tribal Laws and the incorporated provisions of Chapter 9.46 RCW, Chapter 34.05 RCW and Chapter 230-50 WAC, against any individual or business entity that is licensed by the Tribal Gaming Agency or certified by the State Gaming Agency in accordance with this Compact. The Tribe further consents to the limited waiver of sovereign immunity solely with respect to this exercise of jurisdiction by the Federal District Court of the Western District of Washington with respect to actions to enforce the provisions of this Compact, but if any such court declines to exercise subject matter jurisdiction, then by any court of competent jurisdiction. With the exception of those jurisdictional issues specifically addressed in this Compact,

this Compact should not be construed to affect any other jurisdictional issues between the State and the Tribe.

C. Investigative Authority. The Tribal Gaming Agency, the Tribal Law Enforcement Agency, the Mason County Sheriff or law enforcement agencies cross deputized by the Tribal Law Enforcement Agency, the Washington State Patrol and the State Gaming Agency shall have the authority to investigate any gambling and related crimes against Chapter 9.46 RCW to the extent said State laws are expressly made applicable herein, and that occur on the Skokomish Indian Reservation. Except as expressly set forth in this Compact, nothing herein shall be or be deemed to be a consent, grant or waiver of any sovereign right or immunity of the Tribe with respect to the Skokomish Indian Reservation, the Tribe, members of the Tribe, or any other individuals or entities subject to Tribal jurisdiction.

D. Jurisdictional Forums. Following investigation and arrest, formal charges will be brought in the appropriate forum. Criminal prosecution of non-Indians will be through the proper State or Federal courts. Indians who are criminal defendants will be prosecuted in Tribal or Federal Court. Wherever possible, for criminal defendants who are Tribal members, Tribal Court will be the preferred forum for individual prosecutions unless an action is

not pending before the court within six months of apprehension by law enforcement.

E. Consent to Application of State Law and Incorporation in Tribal Ordinance. For the purposes of 18 USC §1166 (d), for enforcing the provisions of this Compact with respect to certification and criminal conduct, for protection of the public health and safety and, to the extent not inconsistent with other provisions of this Compact, RCW 9.46.075; 9.46.140; 9.46.155; 9.46.160; 9.46.170; 9.46.180; 9.46.185; 9.46.190; 9.46.196; 9.46.198; 9.46.220; 9.46.221; 9.46.222; 9.46.230; 9.46.240; 67.16.060; as now or hereafter amended, to the extent such amendments concern the same subject matter as the old statutory provision, shall be applicable and incorporated herein as part of this Compact and shall be incorporated into a Tribal ordinance regarding any gaming affected by such statutory sections, in a manner which is consistent with the tribe's laws and procedures with respect to adoption and codification of tribal law. In the event any such provisions of State law are amended or repealed, the Tribe will amend its gaming ordinance accordingly, provided the State Gaming Agency has given notice of same within 30 days of the effective date. Notwithstanding anything herein to the contrary, any penalty or fine contained in the state law statutory provisions

set forth above which are in conflict with the limitations on the tribe under federal statute, shall be made, in the Tribe's gaming ordinance, to comport with applicable federal law.

F. Law Enforcement Coordination. In an attempt to foster a spirit of cooperation between the law enforcement agencies authorized to enforce the criminal laws of the State or the Tribe, and those laws affecting the public health, safety and welfare of the surrounding communities, representatives of those law enforcement agencies shall meet prior to commencement of operations and periodically thereafter to discuss mutual concerns and coordinate the enforcement actions necessary to minimize those concerns. For example, notice shall be given, when possible, to Tribal law enforcement, the Tribal Gaming Agency or to a Tribal gaming inspector in the facility, and the entity notified may assign a Tribal representative to accompany any State agent while on the Skokomish Indian Reservation and following the investigation, and to the extent such disclosure does not jeopardize the investigation or the personal safety of individuals, the State shall provide Tribal law enforcement, or the Tribal Gaming Agency with a report of the investigation, including information about evidence gathered in connection with any investigation. Once the threat to the investigation or personal

safety of individuals is ended or the investigation is concluded, whichever occurs first, such information shall be provided to the Tribal Law Enforcement or Tribal Gaming Agency.

IX. ENACTMENT OF COMPACT PROVISIONS

A. State Gaming Agency Rules or Regulations. Pursuant to the general rule making authority contained in state law, the State Gaming Agency and the Washington Horse Racing Commission may enact as part of those agencies' rules or regulations governing gambling and horse racing activities, all or part of the provisions of this Compact.

B. Tribal Gaming Agency Regulations. Pursuant to its general rule making authority, the Tribal Gaming Agency may enact as part of its regulations governing gambling, all or part of the provisions of this Compact.

X. REGULATIONS FOR THE OPERATION AND MANAGEMENT OF THE TRIBAL GAMING OPERATION

A. Adoption of Regulations for Operation and Management. The Tribal Gaming Agency shall adopt regulations to govern the operation and management of the gaming operation conducted pursuant to this Compact. To the extent such regulations have been adopted prior to the execution of this Compact they are set forth in Appendices A and B hereto and shall be deemed approved by the State. Any regulations adopted by the Tribe shall protect and

preserve the interests of the Tribe and the State relating to Class III gaming. The regulations shall maintain the integrity of the gaming operation and shall reduce the dangers of unfair or illegal practices in the conduct of the Class III gaming operation. The Tribal Gaming Agency shall notify the State Gaming Agency of any intent to revise its standards or of any other regulations issued thereafter and shall request the concurrence of the State Gaming Agency for such revisions. State Gaming Agency concurrence shall be deemed granted unless disapproved in writing within twenty (20) days of submission of the revised standards. The State Gaming Agency shall concur with the proposed revisions upon request, unless it finds that they would have a material adverse impact on the public interest in the integrity of the gaming operation, and shall disapprove only such portions of the proposed revised standards which are determined to have a material adverse impact upon such interests. If the State Gaming Agency disagrees with the proposed revised standards, it shall set forth with specificity the reasons for such disagreement. Upon a notice of disagreement, the parties shall meet, and in good faith try to resolve the differences. If unsuccessful, the matter shall be resolved pursuant to Section XII.B.3.b.'s final and unappealable arbitration provisions.

B. Additional Operational Requirements Applicable To Class III Gaming. The following additional requirements shall apply to the Class III gaming operation conducted by the Tribe:

1. The Tribal gaming operation shall maintain the following logs as written, or computerized records which shall be available for inspection by the State Gaming Agency in accordance with Section VII.C of this Compact: a surveillance log recording all surveillance activities in the monitoring room of the gaming facility; a security log recording all unusual occurrences for which the assignment of a Tribal Gaming Agency employee is made.

2. The Tribal Gaming Agency shall establish a list of persons barred from the gaming facility because their criminal history or association with career offenders or career offender organizations pose a threat to the integrity of the gaming activities of the Tribe. The Tribal Gaming Agency shall employ its best efforts to exclude persons on such list from entry into its gaming facility. The Tribal Gaming Agency shall send a copy of its list on a quarterly basis to the State Gaming Agency.

3. The Tribal Gaming Agency shall require the audit of the Tribal gaming operation, not less than annually, by an independent certified public accountant, in accordance with the

auditing and accounting standards for audits of casinos of the American Institute of Certified Public Accountants.

4. The Tribal Gaming Agency shall notify the State Gaming Agency of the rules of each game operated by the Tribe and of any change in such rules. To the extent such rules have been adopted prior to the execution of this Compact they are set forth in Appendix B hereto and shall be deemed approved by the State. Summaries of the rules of each game relevant to the method of play and odds paid to winning bets shall be visibly displayed or available in pamphlet form in the gaming facility. Betting limits applicable to any gaming station shall be displayed at such gaming station. Rules for games identified in Section III, except as specified in Appendix B, shall be based upon such games as commonly practiced in Nevada, including wagering, as do not fundamentally alter the nature of the game as the Tribal Gaming Agency may approve. Rules for games identified in Section III, except as specified in Appendix B, shall be submitted to the State Gaming Agency for review, to determine if the rules fundamentally alter the nature of the game. The Tribe will provide the State Gaming Agency ten (10) days advance notice of the rules of each game and any modifications thereof, and will provide adequate notice to patrons of the gaming operation facility to advise them of the

applicable rules in effect. In the event of a dispute, the matter will be handled in accordance with Section XII.B.3.b.'s final and unappealable arbitration provisions.

5. The Tribal gaming operation shall maintain a closed circuit television system in accordance with the standards set forth in Appendix A, and shall not modify such standards without the agreement of the State Gaming Agency. The Tribal gaming operation shall provide the Tribal Gaming Agency and the State Gaming Agency with copies of its floor plan and closed circuit television system and any modifications thereof for review. If the floor plan or closed circuit television system does not provide unobstructed camera views in accordance with such regulations, the Tribal Gaming Agency shall modify such floor plan or closed circuit television system in order to remedy such deficiency. The Tribal Gaming Agency shall forward a copy of the floor plan and closed circuit television system to the State Gaming Agency for review and consideration prior to final approval. In the event of a dispute, the matter will be handled in accordance with the provisions of Section XII.B.3.b.'s final and unappealable arbitration provisions.

6. The Tribal gaming operation shall maintain a cashier's cage in accordance with the standards set forth in Section 7(3)(d) of Appendix A, and shall not modify such standards

without the concurrence of the State Gaming Agency. The Tribal Gaming Agency and the State Gaming Agency may review cashier's cage security. If the cashier's cage does not comply with the security standards set forth in Appendix A, the Tribal operation shall modify its cashier's cage to remedy such deficiency. In the event of a dispute, the matter will be handled in accordance with provisions of Section XII.B.3.b.'s final and unappealable arbitration provisions.

7. The Tribal gaming operation shall provide the Tribal Gaming Agency and the State Gaming Agency with a description of its minimum requirements for supervisory staffing for each table gaming pit operated in its gaming facility. In the event that the State Gaming Agency regards such supervisory staffing as inadequate, the Tribal Gaming Agency and State Gaming Agency shall promptly confer in good faith, in an effort to reach agreement on supervisory staffing requirements. If agreement cannot be reached between the State Gaming Agency and the Tribal Gaming Agency, the dispute shall be handled in accordance with Section XII.B.3.b.'s final and unappealable arbitration provisions.

8. Standards for management and operation of the satellite wagering activities shall be consistent with the provisions of this Compact, including Appendix B, and those

applicable to non-tribal satellite wagering facilities and activities in the State to the extent not inconsistent with this Compact.

XI. REMEDIES FOR BREACH OF COMPACT PROVISIONS - INJUNCTIONS

A. Injunction Against the State. If the Tribe believes the State, whether or not through the State Gaming Agency or Washington State Horse Racing Commission, is in breach or default or is otherwise acting contrary to, or failing to act in the manner required by, any of the provisions of this Compact, the Tribe may seek injunctive or other relief in a court of competent jurisdiction. As set forth in VIII.B., the Tribe has consented to the limited waiver of sovereign immunity solely with respect to this exercise of jurisdiction by the Federal District Court of the Western District of Washington with respect to actions to enforce the provisions of this Compact, but if any such court declines to exercise subject matter jurisdiction, then by any court of competent jurisdiction. Prior to bringing such action, the Tribe shall notify the State and the State Gaming Agency of the alleged violations.

B. Injunction Against the Tribe, the Tribal Gaming Operation, or any Individual. The State Gaming Agency may bring an action to enjoin the Tribe or the Tribal gaming operation if the

State determines that any gaming operation authorized by the provisions of this Compact is being conducted in violation of the provisions of this Compact or if any Class III activity is being conducted by others elsewhere on the Skokomish Indian Reservation in violation of the provisions of this Compact. As set forth in VIII.B., the Tribe has consented to the limited waiver of sovereign immunity solely with respect to this exercise of jurisdiction by the Federal District Court of the Western District of Washington, pursuant to 25 USC §2710(d)(7)(A)(ii), with respect to actions to enforce the provisions of this Compact, but if any such court declines to exercise subject matter jurisdiction, then by any court of competent jurisdiction. Prior to bringing such action, the State Gaming Agency shall notify the Tribe, the Tribal Gaming Agency and the Tribal Gaming Operation of the alleged violations and the parties shall meet and confer in a good faith attempt to correct the alleged violation before court action is sought.

**XII. REMEDIES FOR BREACH OF COMPACT PROVISIONS -
DISPUTE RESOLUTION**

A. Dispute Resolution Policy Statement. The Tribe and the State recognize that disputes may arise during the implementation of this Compact and have established the following dispute resolution process in recognition of the government-to-government relationship of the Tribe and State, and to foster cooperation and

efficiency in the performance of the terms of this Compact. Unless otherwise specified in this Compact, the nature of the dispute and agreement of the parties will determine which of the following informal or formal procedures will be used. Nothing in this Section shall prejudice the right of either party to seek injunctive relief against the other when circumstances require such immediate relief.

B. Dispute Resolution Methods. In the event of a dispute the parties shall make best efforts to resolve disputes by following the dispute resolution procedures below or otherwise as mutually agreed by the parties:

1. Good Faith Negotiations. Either party shall give the other, as soon as possible after the event giving rise to the concern, a written notice setting forth the issues to be resolved. The parties shall meet and confer in a good faith attempt to resolve the dispute through negotiation not later than ten (10) days from receipt of the notice. If the dispute is not resolved to the satisfaction of the parties within twenty (20) days of the first meeting, then either party may seek to have the dispute resolved by mediation.

2. Mediation. Mediation shall follow the procedures of good faith negotiations above except that prior to or after the

good faith negotiations, the parties shall meet with a mutually agreed mediator to attempt to resolve the dispute according to processes directed by that mediator. If no mediator or process of selecting a mediator, can be agreed to, either party may seek to have the dispute resolved by arbitration.

3. Arbitration. If the dispute is not resolved to the satisfaction of the parties during good faith negotiation and/or mediation then the party may seek to have the dispute resolved by and in accordance with the policies and procedures of the Judicial Arbitration Management Service of Seattle, Washington (JAMS). Arbitration shall take place at sites chosen by the parties in an alternating manner. The Skokomish Indian Tribe may choose the first arbitration's site until it is completed; the next arbitration's site until completed, shall be chosen by the State; and so forth. The arbitration, unless another date is stipulated to by the parties, shall occur no later than fourteen (14) days from the date an arbitrator or JAMS judge is agreed upon by the parties, but in the event no agreement is made, then as selected by JAMS. The rules of pleading and procedure of the American Arbitration Association - Seattle for commercial disputes shall supplement those of JAMS, unless the parties otherwise agree to other rules and procedures and document the same by an appendix to

this Compact. Should JAMS cease to provide these functions, then the parties agree to substitute the services of a similar arbitration/mediation service.

a. Non-binding Arbitration: The decision of the arbitrator shall be final and unappealable only if agreed by the parties in writing prior to the arbitration. In many cases, it may be that if the parties are unwilling to agree that the decision of the arbitrator is final and unappealable, they may wish to, and either then can, proceed to litigation in the courts. However, in those cases, if any, where the parties wish to arbitrate even though arbitration is not previously agreed to be final and unappealable, the arbitration may at the election of either party be reviewed by a judge of the U.S. District Court pursuant to 25 U.S.C. §2710(d)(7)(A)(ii). The standard of review shall be de novo on the record presented to the arbitrator.

b. Mandatory Binding Arbitration: The decision of the arbitrator and the arbitration process itself shall be mandatory, binding and unappealable for all disputes arising under the specific provisions of this Compact where reference to this Subsection XII.B.3.b. is specifically set forth.

c. Breach of Provisions may be Remedied by Injunction: If after binding arbitration or decision of the

reviewing court, the party against whom sanctions are sought, or curative or conforming action is required, does not perform or expeditiously undertake to effect a cure, or that party is not capable of immediate remedy, then that failure shall be deemed a default and breach of the provision(s) of the Compact at issue, and if otherwise qualified, may be the subject of injunctive relief.

4. Nothing in this Section shall be construed to waive, limit or restrict any remedy which is otherwise available to either party to enforce or resolve disputes concerning the provisions of this Compact. Nor shall this Section be construed to preclude, limit or restrict the ability of the parties to pursue, by mutual agreement, alternative methods of dispute resolution, including but not limited to utilization of a technical advisor to the Tribal and State Agencies; provided that neither party is under any obligation to agree to such alternative method of dispute resolution. The parties to this Compact agree that the favored method of resolving differences is for the State and Tribal Gaming Agencies to meet and confer in good faith regarding the issues in dispute and attempt to resolve disputes through their joint working relationship.

C. Sanctions. The following are schedules of sanctions for any violation of the provisions of the Compact Sections set forth

below. These sanctions are set forth as maximums to be set within the reasonable discretion of the complaining party and charged and levied as applicable. The event or circumstances occasioning the charge and the extent and amount of the sanction for the violation, if contested by the Tribe, are subject to dispute resolution under Section XII.B.3.b.'s final and unappealable arbitration provisions.

1. For violation of terms, conditions and provisions of Section III; nature, size and scope of Class III Gaming:

a. First and subsequent infractions: up to a maximum suspension of gaming operations within the Class III facility not to exceed five (5) days of operation (up to 20 hours per day) per violation, or the dollar equivalent of the Net Win to the Tribe from operations for the number of days of suspension, all not to exceed 30 days.

2. For violations of the terms, conditions and provisions of Sections IV and V, licensing and certification requirements and procedures:

a. For employees: (1) first infraction - fine equal to daily Net Win for each day of employment divided by the number of gaming stations in play for each day of employment; and (2) second and subsequent infractions - suspension of twenty (20)

hours of gaming operations for each day of employment or a fine equal to the Net Win for each day of employment.

b. For manufacturers, suppliers and other entities:

(1) first infraction - up to \$5,000; and (2) second and subsequent infractions - up to \$20,000.

3. For violation of the terms, conditions and provisions of Section X and Appendix A:

a. For first infraction - written warning.

b. For second infraction - up to \$250.

c. For third infraction - up to \$500.

d. For subsequent violations - up to \$1,000.

All penalties listed in this subsection (3.a. through d.) will be charged and monitored on a per-violation basis on an annual basis dating from the issuance of the written warning. Provided, during the first six (6) months of actual operation of the Class III gaming operation only written warnings will be issued.

D. Method of Collection and Disbursement of Sanctions Collected. One half of the sanctions collected by the State Gaming Agency pursuant to the provisions of this Compact shall be disbursed at the end of each fiscal year to the Washington State Council on Problem Gambling, a bona fide nonprofit organization, provided that the organization offers some program which takes

affirmative steps to reach the Indian community in Washington State. In the event the Washington State Council on Problem Gambling does not have such an Indian program, or ceases to exist, or substantially changes its purpose, then the parties agree to meet and in good faith designate a successor recipient bona fide nonprofit organization whose primary purposes are related to addressing the ills of compulsive and/or problem gambling within the State, the Skokomish Indian Reservation and the neighboring communities. One half of the sanctions collected by the State Gaming Agency pursuant to the provisions of this Compact shall be disbursed among non-profit organizations selected by the Tribe which provides substance abuse prevention or other charitable food and shelter services to the Tribe and local community. Provided, in the event a dispute arises, it will be resolved pursuant to Section XII.B.3.b.'s final and unappealable arbitration provisions.

**XIII. TRIBAL REIMBURSEMENT FOR EXPENSES INCURRED BY THE
STATE GAMING AGENCY**

The Tribe shall reimburse the State Gaming Agency for all reasonable costs and expenses actually incurred by the State Gaming Agency in carrying out its responsibilities as authorized under the provisions of this Compact. Reimbursement shall be made for monitoring, investigative, and processing costs. With regard to administrative actions, reimbursement shall be made to the extent

that costs incurred exceed the certification fees received. The State shall submit a verified, detailed statement with supporting documentation after the gaming operation has been open to the public for no less than three (3) months, and on a quarterly basis thereafter, to the Tribal Gaming Agency. The Tribe shall reimburse the State Gaming Agency within forty-five (45) days after the receipt of the statement of expenses. The State Gaming Agency agrees to meet at least annually with the Tribal Gaming Agency to discuss any issues related to reimbursements from the Tribe and to develop an estimate of the reimbursable costs to be sought during the next year, based on the information reasonably available to the parties at that time. In the event a dispute arises, it will be resolved pursuant to Section XII.B.3.b.'s final and unappealable arbitration provisions.

XIV. PUBLIC HEALTH AND SAFETY

A. Compliance. For the purposes of this Compact the Tribal gaming operation shall comply with all applicable federal and tribal laws with respect to public health and safety including environmental protection laws, building codes, and food and beverage handling standards.

B. Emergency Service Accessibility. The Tribal Gaming Agency shall make provisions for adequate emergency accessibility and service.

C. Community Impact Contribution. The Skokomish Indian Tribe provides a law enforcement department and participates in a tribal court system to enforce the codes within the Tribe's jurisdiction. Gaming activities and those activities directly and indirectly associated with the operation of a Class III gaming facility on Skokomish Tribal lands may nevertheless impact State and local governmental services. The Tribe hereby agrees to establish a fund ("Community Contribution Fund" or "Fund") for the purpose of providing assistance to non-tribal emergency services and/or other State or local governmental services (including those agencies responsible for traffic and transportation) actually impacted by the Class III gaming facility. Two percent (2%) of the Net Win, drop minus payout, shall be contributed to the Fund on a date no later than one year after the opening of the initial facility, unless this payment to the Fund would leave the gaming operation at a loss, in which event this initial contribution may be provided to the Fund on a pro rata basis, yearly, over a five year period. In no event shall proceeds from the charitable table in Section III.I., Class II gaming revenues, Keno, satellite

wagering, sports pools or non-gaming activities be included within the fund.

At least annually, the Tribe shall distribute this fund to State and local governmental service agencies materially impacted by the Class III gaming operation. The Tribe shall retain the exclusive right to make any public statement or announcement regarding the contribution of these funds.

These funds shall be awarded to all State and local governmental service agencies materially impacted by the gaming operation based on evidence of impacts presented by each agency under one of the following systems of distribution as may be decided by a majority vote of the Community Fund Committee. The Community Fund Committee shall consist of three (3) votes: one (1) vote by the Skokomish Tribal Council, one (1) vote by the State Gaming Agency, and one (1) vote by the elected Commissioner from Mason County Commission District #2. The composition of this committee may be altered by mutual agreement of the Tribal and State Gaming Agencies, if necessary.

1. The committee may meet to review the impact evidence presented by any agency seeking an award and to determine the distribution of awards in accordance with evidence of impacts

presented. A majority vote of the Community Fund Committee shall be final and unappealable.

2. Alternatively, the committee set forth above may enter into a Memorandum or Memoranda of Understanding (MOU) delineating the anticipated governmental relationships, responsibilities, services to be provided during one or more of the following years, and the utilization of the funds over one or more years. The MOU(s) will prioritize the disbursements to mitigate off-reservation impacts. The MOU(s) shall also provide that the committee may adjust annually the funds distributed to meet the impacts associated with Class III gaming. Interpretations or disputes that may arise under the MOU(s) shall be decided by a majority vote of the Community Fund Committee which shall be final and unappealable.

At any time after one year from the opening of the Class III gaming facility, either the State or the Tribal Gaming Agency may request a reevaluation, and possible reduction or elimination of, the Community Contribution based on fewer than anticipated impacts or other considerations. In the event the State and Tribal Gaming Agencies mutually agree, the Community Contribution shall be reduced at that time concerning all funds not yet disbursed.

D. Community Relations. The Tribal Gaming Agency agrees to be reasonably available to meet and discuss with neighboring communities any concerns regarding the impact of the Class III gaming operation upon the neighboring communities.

E. Alcoholic Beverage Service. Standards for alcohol service shall be subject to applicable law.

XV. AMENDMENTS, DURATION AND EFFECTIVE DATE

A. Effective Date. This Compact shall constitute the agreement between the State and the Tribe pursuant to IGRA and shall be amendable and modified only under provisions of the Compact. This Compact shall take effect upon publication of notice of approval by the U.S. Secretary of the Interior in the Federal Register in accordance with 25 USC §2710(d)(3)(B).

B. Voluntary Termination. Once effective, this Compact shall be in effect until terminated by the written agreement of both parties. Provided, should the Tribe wish to cease Class III gaming operations, the Tribe may unilaterally terminate this Compact by submitting written notice sixty (60) days prior to the date of termination to the Governor of the State of Washington. Provided, State jurisdiction under this Compact shall continue until the completion of any pending investigation or court action.

Suspension or injunction of Class III gaming operations shall not constitute termination for the purpose of this sub-section.

C. Other Termination - Change of State Law. If the laws of the State authorizing the activities set forth herein as Class III gaming activities are repealed prohibiting such gaming for any purpose by any person, organization or entity, it is the State's position that the provisions of the Compact providing for such gaming would not be authorized and continued operation of such gaming would constitute a violation of the Compact and the State may bring an action in Federal District Court pursuant to 25 USC §2710 (d) (7) (A) (ii).

The Tribe disagrees that such subsequent State legislation would have this effect under IGRA and the Compact, but does agree that such an action, if commenced in that forum, is the appropriate State recourse and for such purpose the Tribe consents to such a suit and hereby grants a limited waiver of sovereign immunity solely for the purpose of litigating the said issue.

D. Amendments/Renegotiations.

1. Amendments - Mutual. Except as set forth in III.R., the terms and conditions of this Compact may be amended at any time by the mutual and written agreement of both parties, and as provided in this Compact.

2. Amendments - Contractual. The parties shall amend through renegotiation the number of locations or facilities, wagering limitations, hours of operation, size and/or scope of Class III gaming, as set forth in Section III above, upon written notice and request by the Tribe to the State if and when:

(a) the laws of the State are amended, expanding gaming beyond that which is now allowed under the terms of this Compact or of Compacts of other Washington tribes;

(b) a State or Federal court within the State of Washington or a federal court interpreting the laws of the State of Washington issues a final and unappealable decision that permits participation in a gaming activity that was not deemed by the State to be authorized, or was not authorized for any purpose by any person, organization or entity at the time this Compact was executed and is not authorized by this Compact.

3. Renegotiation - Tribe. The parties shall renegotiate the nature and/or scope of Class III gaming as set forth in Section III upon the written notice and request by the Tribe to the State if and when:

(a) laws in the State are enacted allowing gaming which is now prohibited; or

(b) the Tribe wishes to engage in forms of Class III gaming other than those games authorized in Section III.

4. Renegotiation - State. The parties shall renegotiate Compact Sections containing provisions affecting health and safety or environmental requirements, including Sections IV, V, VII, XI or XIV, upon the written notice and request by the State to the Tribe if and when circumstances and events unforeseen at the time of the negotiation and execution of this Compact occur meriting discussion and renegotiation of such provisions. The notice to amend or renegotiate shall include the activities or circumstances the State wishes to negotiate, together with a statement of the basis supporting the request.

The parties agree that negotiations shall commence in good faith and within thirty (30) days of the request. If the renegotiations are unsuccessful, then the matter shall be resolved pursuant to Section XII.B.3.b.'s final and unappealable arbitration provisions.

5. Renegotiation - Either Party. Notwithstanding anything in this Section XV.D to the contrary, at any time after twenty-four (24) months from the date of opening the gaming facility authorized under this Compact, either the Tribe or the State may request renegotiation of any of the provisions of this

Compact if and when circumstances or events occur that merit the discussion and renegotiation of such provisions. Provided, however, this provision does not apply to III.R. which provides for a thirty-six (36) month moratorium if certain conditions obtain. The request to renegotiate shall include the activities or circumstances the party wishes to negotiate, together with a statement of the basis supporting the request. The parties agree that negotiations shall commence in good faith under IGRA and within thirty (30) days of the request. The original terms and provisions of the Compact will remain in effect unless and until the parties agree on the renegotiated terms.

6. Process and Negotiation Standards. The notices to amend or renegotiate shall include the activities or circumstances to be negotiated together with a statement of the basis supporting the request. If the request meets the requirements of this sub-section proviso, the parties shall confer and required negotiations shall commence within thirty (30) days of the request. All matters involving negotiations or other amendatory processes under this Section shall be otherwise governed, controlled and conducted in conformity with the provisions and requirements of 25 USC §2710(d), except in sub-sections where a different resolution is specifically provided in the event of an unsettled

dispute or where agreement is not reached by the parties.

7. Authorization to Other Tribes. Notwithstanding any other provision of this Compact to the contrary, in the event that the State enters into or amends an agreement with another tribe or entity located west of the Cascade Mountains and such agreement allows more gaming stations, higher wager limits, more hours of operation, or any combination thereof, then this Compact shall be renegotiated and amended to maintain competitive equality with those entities.

XVI. LIMITATION OF LIABILITY

Neither the Skokomish Indian Tribe nor the State are creating, or intend to create, any rights in third parties which would result in any claims of any nature whatsoever against the Tribe or the State as a result of this Compact. Neither the Skokomish Indian Tribe nor the State has waived immunity from third party suits or claims of any kind or nature whatsoever against them, and nothing contained in this Compact shall be construed to effect a waiver, in whole or in part, of said immunity.

XVII. INCORPORATION

The Gaming Code of the Tribe and the rules and regulations of the Skokomish Tribal Gaming Commission, as they may be from time-to-time adopted and amended, are incorporated by reference into

this Compact.

XVIII. PRECEDENCE

To the extent that State law or Tribal ordinances, or any amendments thereto, are inconsistent with any provision of this Compact, this Compact shall control.

XIX. RIGHTS UNDER THE ACT

Nothing in this Compact shall be construed to limit the rights or remedies available to the parties under the Act, except as specifically provided herein.

XX. NO JOINT ENTERPRISE

By the execution or performance hereof, no relationship of co-partnership or joint venture or other joint enterprise shall be deemed to be now or hereafter created between the State and the Tribe.

XXI. EXCLUSIVITY

Except as provided in this Compact, no prohibition upon, or regulation of, the establishment or operation of a gaming facility or activity on the Skokomish Indian Reservation will be imposed upon the Tribe by the State.

XXII. NOTICES

Unless otherwise indicated by this Compact, all notices required or authorized to be served shall be served by certified

mail or be delivered by other expedited services which require a signature for receipt at the following addresses:

Governor
State of Washington
State Capitol
Olympia, Washington 98504

Tribal Chair
Skokomish Indian Tribe
N. 80 Tribal Center Road
Shelton, Washington 98584

Director
Washington State Gambling
Commission
P.O. Box 42400
Olympia, WA 98504-2400

Executive Secretary
Washington Horse Racing
Commission
3700 Martin Way
Olympia, WA 98504-5052

XXIII. SEVERABILITY

In the event that any Section or provision of this Compact is held invalid, or its application to any particular activity held invalid, it is the intent of the parties that the remaining Sections of the Compact, and the remaining applications of such Section or provision shall continue in full force and effect.

XXIV. COMPACT CLARIFICATION AND MINOR MODIFICATION

The parties recognize that circumstances may arise in implementation, operation, and regulation of the Class III gaming facility that require minor modification or clarification of Compact provisions. For such non-substantive and agreed-upon clarification or modification, the State and Tribe will execute and sign a Memorandum of Understanding that will be attached to and made part of this Compact.

XXV. AUTHORITY TO EXECUTE

Each of the undersigned represents to each of the other parties that he or she is duly authorized and has the authority to execute this agreement on behalf of the party for whom he or she is signing.

IN WITNESS WHEREOF, the Skokomish Indian Tribe and the State of Washington have executed this compact.

THE SKOKOMISH INDIAN TRIBE

BY: Patrick LaClair 5-25-95
Patrick LaClair
Acting Chairperson
Date

THE STATE OF WASHINGTON

BY: Mike Lowry 5-25-95
Mike Lowry
Governor
Date

THE DEPARTMENT OF THE INTERIOR

Ada E. Deer 8-25-95
Ada E. Deer
Assistant Secretary - Indian Affairs
Date