JAMESTOWN S'KLALLAM TRIBE

# TRIBAL - STATE COMPACT FOR CLASS III GAMING

*Between the*

## Jamestown S'Klallam Tribe

*and the*

## State of Washington

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## JAMESTOWN S'KLALLAM TRIBE - STATE OF WASHINGTON CLASS III GAMING COMPACT

## STANDARDS OF OPERATION AND MANAGMENT FOR CLASS III ACTIVITIES


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## INTRODUCTION

This CLASS III TRIBAL-STATE GAMING 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), which provides in part for a tribal-state compact to be negotiated between an Indian tribe and a state to govern the conduct of certain gaming activities which constitute Class III gaming for purposes of the Act.

## PARTIES

This Tribal-State Compact is made and entered into by and between the Jamestown S'Klallam Tribe (hereafter Tribe), a federally recognized Indian tribe, possessed of all sovereign powers and rights thereto pertaining; and the State of Washington (hereafter State), a sovereign state of the United States, with all rights and powers thereto pertaining.

## RECITALS

An understanding of the unique nature and characteristics of the Jamestown S'Klallam Tribe and its people as well as the location of the Jamestown Tribal Lands provided the background against which the Tribe and the State negotiated this Compact to govern the conduct of Class III gaming on the Jamestown S'Klallam Reservation.

A. The Jamestown S'Klallam Tribe has a unique history that is reflected in its current outlook, successes and approach to new opportunities. The Tribe's history is permeated with the theme of

self-determination and self-reliance. In the late 1800's the Tribal Community resisted pressure from the federal government to move to the Lower Elwha or the Skokomish Reservation. To preserve their cultural and community independence they raised $500 and, as a community, purchased 500 acres of land on Dungeness Bay, in an area now known as Jamestown. The intense belief in self-determination has directed the decisions and actions of the community and the Tribal government. Over the intervening decades the Tribe's reluctance to recognize and submit to federal directives, evidenced by their refusal to move to an existing reservation, meant that they lost most of their access to federal services.

B. The Tribe obtained federal recognition in 1981, resulting in the recognition of the Tribe's Treaty rights and the authority to operate and negotiate as a sovereign in government to government settings. During the recognition process, the Tribal community worked to crystalize the goals and visions for their government and community. The outcome of this process was the development of a clear strategic plan and documentation of the community's goals.

C. The Jamestown S'Klallam Tribe confronts a unique situation regarding land acquisition. When the Tribe received federal recognition a reservation was not established for the Tribe and its members. All land owned by the Tribe has been purchased by the Tribe since 1983. When the Tribe was recognized in 1981, the Federal Government also recognized the need for the Tribe to have a process for identifying and acquiring land, and having it declared as reservation land. Without an existing land base or reservation, a suitable method for land conversion was necessary.

D. Through a five year process involving agency, area and central offices of the BIA and the Department of the Interior, input from local governments and other Indian Tribes, the Portland Area Director approved the land consolidation plan, under authority delegated to him by the Secretary of the Interior. The Jamestown S'Klallam Tribe is the only Tribe in Washington state authorized to identify land sites to be converted into reservation status under the terms of a land consolidation plan. This plan identified areas of cultural, historical, environmental and economic development interest. The consolidation plan area extends roughly from Port Angeles to Sequim Bay, to Port Townsend and to Brinnon.

E. The Jamestown Reservation now consists of approximately nine usable acres. The Reservation is located in the northwestern part of Washington State, on the Olympic Peninsula, approximately seven miles east of the city of Sequim and some distance from the State's major population centers.

F. Approximately 250 Indian people are members of the Jamestown S'Klallam Tribe, with the majority living between Port Angeles and Port Gamble. From information in the 1990 Census and other public information sources, a private analyst has calculated that the Tribe provides services to 641 Native Americans.

G. The market area for the gaming operation will be Clallam and Jefferson Counties, with approximately 25% of the potential patrons expected to be tourists. The Class III gaming facility will be developed in conjunction with a Bingo enterprise on trust land at Blyn, adjacent to the site of the current Tribal fireworks stand and close to the Tribal administration offices. The Tribe does not consider this site a suitable long term site. Due to the

extremely limited land available currently in trust or Reservation status, and the Tribe's desire to instigate a Class III gaming operation in the immediate future, this site represents the only land upon which the Jamestown S'Klallam Tribe can develop a Class III gaming facility at this time. In the future, the Tribe expects to purchase a more suitable site within the Tribal Land Consolidation Area, endeavor to get such purchased land into Reservation status, and obtain the necessary approvals to subsequently relocate the initial Class III facility to the new location. The Tribe also envisions that this subsequent facility could be part of a destination resort within the Tribal Land Consolidation Area. The Tribe acknowledges that, under the provisions of IGRA, certain approvals would be required in siting a Class III gaming facility on land not in trust status on October 17, 1988. Further, the approval of this Compact should not be construed to imply any approval of the current or any subsequent Governor of the State for use of any property acquired after the above date for gaming purposes.

H. Any gaming associated with a proposed resort is anticipated to undergo seasonal variations. Seventy percent of the tourists who visit the Olympic Peninsula do so in the five-month period between the beginning of May and the end of September. The Tribe must establish a destination resort orientation during the peak season and provide an entertainment package for families for long term operation of the facility. In order to carry the enterprise through the off-season, a flexible schedule of operating hours is included in this Compact to assist the Tribe in scheduling hours of operation for a successful operation.

I. The Jamestown S'Klallam Tribe does not currently operate a law enforcement agency, but plans to work with the governmental agencies currently responsible for law enforcement and fire protection on tribal lands in order to ensure the safety of patrons and employees at the Tribe's gaming facilities. The Jamestown S'Klallam Tribe is a member of the Northwest Intertribal Court System.

J. The Jamestown S'Klallam Tribe is a leader nationally in the area of tribal self-governance and was one of seven Tribes nationally to cross the threshold towards implementing the Tribal Self-Governance Demonstration Project for Fiscal Year 1991. After two years of planning and research, the Tribe, under the leadership of Tribal Chairman Ron Allen, negotiated the "Compact of Self-Governance Between the Jamestown S'Klallam Tribe and the United States of America" and the "Annual Funding Agreement for Fiscal Year 1991". The Tribe recently completed negotiations for the third year of funding for the Self-Governance Project.

K. The 1990 Chelan Agreement was developed as a cooperative response to the history of water conflict in Washington State. This agreement established the Water Resources Forum composed of groups with major interests in water resources including state, local and Tribal governments, agriculturalists, commercial enterprises, environmentalists, recreational interests and fishermen. This Forum, together with the Washington State Department of Ecology, selected two watersheds as pilot planning projects. The Dungeness watershed proposed by the Jamestown S'Klallam Tribe was incorporated with the Quilcene watershed and became one of the two projects selected. Because of its

outstanding commitment to safeguarding and harboring natural resources, as well as demonstrated skills in governmental expertise, the Jamestown S'Klallam Tribe was selected as the lead entity to coordinate the project scoping for the Dungeness - Quilcene Water Resource Pilot Project.

## DECLARATION OF POLICY AND PURPOSE

The IGRA provides for the negotiation of compacts between States and Indian tribes to govern the conduct of Class III gaming. In enacting the IGRA, Congress found that Indian tribes have the right to regulate gaming activities on Indian lands if the 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. The over-arching policy of the Act is to provide a framework for the operation of gaming by Indian tribes as a means of promoting tribal economic development, self-sufficiency and strong tribal governments, while providing a basis for the regulation of gaming to shield the activities from organized crime and other corrupting influences, and ensure that the Tribe is the primary beneficiary of the gaming operation and that gaming is conducted fairly and honestly by both the operator and players.

The United States has determined, through the adoption of the IGRA, that the conduct of certain gaming activities should benefit Indian tribes and their members. The terms and conditions set forth below to regulate Class III gaming conducted by the Jamestown S'Klallam Tribe have been developed pursuant to that congressional mandate.

This Compact is intended to be the immediate means by which the Jamestown S'Klallam Tribe may lawfully conduct Class III gaming activities within Washington State, which permits such gaming for any purpose by any person, organization or entity, and to define the manner in which laws regulating the conduct of those gaming activities are applied in order that Tribal and State interests may be met.

The Jamestown S'Klallam Tribe and the State of Washington have mutually agreed, within the parameters established by the Act, to Compact provisions governing the conduct of Class III activities on the lands of the Tribe, designed to:

- protect the health, welfare and safety of the citizens of the Tribe and the State;
- develop and implement a means of regulation for the conduct of Class III gaming on Indian lands, as that term is defined in the Act, in an effort to ensure the fair and honest operation of such gaming activities and to deter corrupt or illegal practices in conjunction with such activities;
- to maintain the integrity of all activities conducted in regard to Class III gaming; and
- to mitigate negative impacts on surrounding communities.

The policy of the State of Washington regarding the gaming authorized under this Compact is set forth in Chapter 9.46 of the Revised Code of Washington (RCW). The provisions of Chapter 9.46 RCW and Title 230 of the Washington Administrative Code (WAC) regulate such gaming activities in the State. The policy of the

State is to allow limited and highly regulated gaming for non-profit organizations, and to restrain persons from seeking profit from professional gambling activities. The State agrees that the Tribe shall be authorized, as a result of the provisions of the IGRA and the terms of this Compact, to engage in the Class III gaming activities expressly permitted herein.

The Jamestown S'Klallam Tribe and the State of Washington believe that the conduct of Class III Gaming under the terms and conditions set forth below will benefit the Jamestown S'Klallam Tribe and protect the members of the Jamestown S'Klallam Tribe and the citizens of the State of Washington consistent with the objectives of the IGRA.

IN CONSIDERATION of the foregoing and the mutual benefits to be derived, the JAMESTOWN S'KLALLAM TRIBE and the STATE OF WASHINGTON do enter into a CLASS III TRIBAL-STATE COMPACT as provided for herein.

## I. TITLE

This document shall be cited as "The State of Washington - Jamestown S'Klallam Tribe Gaming Compact."

## II. DEFINITIONS

For purposes of this Compact the following definitions apply:

A. The "Act" means the Indian Gaming Regulatory Act, 25 USC §2701 et seq. and 18 USC §1166 et seq. (also IGRA).

B. "Applicant" means any individual who has applied for a tribal license or state certification, whether or not such license or certification is ultimately granted.

C. "Class III Gaming" means all forms of gaming authorized by this Compact which are neither Class I or Class II as the latter terms are defined in the IGRA, 25 USC §§2703(6) and (7); and the regulations promulgated thereunder.

D. "Tribe" means the Jamestown S'Klallam Tribe.

E. "Jamestown S'Klallam Tribal Lands" means Indian lands as defined by 25 USC §2703(4), subject to the provisions of 25 USC §2719.

F. "Compact" means this State of Washington - Jamestown S'Klallam Tribe Gaming Compact.

G. "Management Entity" means any individual with whom, or other business entity with which the Jamestown S'Klallam Tribe enters into a contractual agreement for financing, development and operation of any Class III gaming establishment on the Jamestown S'Klallam Reservation.

H. "Gambling Device" means any device or mechanism 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.

I. "Gaming Employee" means any natural person employed in the operation or management of 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 on or off-site gaming operation or management services to the Tribe, including, but not limited to, gaming operation managers and assistant managers; accounting personnel; gaming facility surveillance or security personnel;

cashier supervisors; dealers or croupiers; boxmen; floormen; pit bosses; shift bosses; cage personnel; collection personnel; computer operators and technicians; gaming management consultants, management companies and their principals; and any other person whose employment duties require or authorize access to areas of the gaming facilities related to gaming which are not otherwise open to the public, or to areas specifically designated by the Tribal and State Gaming Agencies.

J. "Gaming Facility" means the building, and specifically the room or rooms, in which Class III gaming as authorized by this Compact is conducted on the Jamestown S'Klallam Reservation.

K. "Gaming Operation" means any business activities operated by the Tribe on the Reservation, for the conduct of any form of Class III gaming in any gaming facility.

L. "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 maintenance, security or other services for the gaming facility, testing of gaming equipment, and manufacture, distribution, maintenance or repair of gaming equipment specifically authorized under this Compact.

M. "Gaming Station" means one gaming table of the general size and scope as commonly used in Nevada.

N. "Local Law Enforcement Agency" means law enforcement agencies in the immediate vicinity of the gaming operation and which have jurisdiction to enforce tribal, local or state laws on Jamestown S'Klallam Tribal Lands.

O. "National Indian Gaming Commission" means the Commission established pursuant to Section 5 of the Act, 25 USC §2704.

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

Q. "Net Win" means the total amount of Class III gaming station income (gross gaming revenue) i.e., the difference between the total amount wagered or played and the amounts paid to winners.

R. "Principal" means with respect to any enterprise: (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 10% 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 (iv) above between any two or more entities, those entities shall be deemed to be a single entity.

S. "Financiers" means any one providing development or initial operating capital to the Tribe or Gaming operation for Gaming facilities or operation. This shall not include trade creditors established in the normal course of business.

T. "State" means the State of Washington, its authorized officials, agents, and representatives.

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

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

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

X. "Tribal Gaming Agency" means the Jamestown S'Klallam Gaming Commission to be established in accordance with Tribal Ordinance #01-92 as the tribal agency responsible for independent regulatory oversight of Class III Gaming as authorized by this Compact.

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

## III. NATURE AND SCOPE OF CLASS III GAMING

A. Location of the Gaming Facility

The Tribe may establish one gaming facility on the Reservation for the operation of any Class III games as authorized under this Compact. Class III gaming will initially be conducted in conjunction with the Tribe's proposed Class II gaming operation located on Tribal trust land (in trust status since 1986) adjacent to the Tribal fireworks sales business at Blyn. Any change in the location of the Class III gaming will be to a location on

Reservation land and require renegotiation under IGRA and compliance with the process established by the state for public input and approvals. The parties agree to renegotiate prior to the relocation and under the provisions of IGRA to address the issues specific to the relocation and the permanent siting of the Class III gaming facility.

B. Conditions

Any increase in the number of gaming stations or increase in wager limits beyond that initially authorized shall be conditioned on the following criteria:

1. There have been no violations of the provisions of the Compact which have resulted in sanctions imposed by the Federal District Court, or the National Indian Gaming Commission.

2. There have been no substantial and repeated violations of Sections III, IV, V, or VII of this Compact.

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

If the State claims that any of the three conditions in this subsection have not been met, the issue shall be subject to the provisions of Section XII. During this dispute resolution process, the Tribe will be precluded from expansion of gaming stations within the existing facility.

C. Additional Provisions

1. Ownership and Control

The Class III gaming operation shall be wholly owned and operated by the Jamestown S'Klallam Tribe. Provided, the Tribe may

grant a minority interest in the facility, consistent with the requirements of the IGRA and this Compact, including licensing and certification, if market factors and business reasons dictate. If the Tribe utilizes a management company, the management company shall also be subject to the annual certification and licensing requirements of this Compact.

2. Construction

As with any major development project on the Jamestown S'Klallam Reservation, this project will comply with all applicable tribal and federal regulations, including by way of example: zoning, building, environmental review and water quality protection.

3. Operations

The scope of the operation will be established by management of the gaming operation through evaluation of marketing, economics and public policies within the parameters established by the Jamestown S'Klallam Gambling Control Ordinance of 1992, regulations promulgated by the Jamestown S'Klallam Gaming Commission, and consistent with the provisions of this Compact.

(a) Public Health, Safety and Environmental Protection

The number of persons permitted to engage in gaming at any tribal facility will not exceed the number authorized by applicable fire and building codes. The Tribal Gaming Agency shall make provisions for adequate emergency accessibility and service. The Tribe shall comply with and enforce standards no less stringent than those contained in the following laws, regulations and codes:

- Indian Health Service public health standards.

- All Federal laws establishing minimum standards for environmental protection.
- Applicable Environmental Protection Agency program standards and National Environmental Policy Act requirements.
- Federal water quality and safe drinking water standards.
- Uniform Building Code, including codes for electrical, fire and plumbing.
- Public health standards for food and beverage handling in accordance with U.S. Public Health Service requirements.
- Tribal Codes regarding public health, safety and environmental protection standards.

(b) Community Contribution

(1) The Jamestown S'Klallam Tribe recognizes that activities directly and indirectly associated with the operation of gaming facilities on Jamestown S'Klallam Tribal Lands will likely impact surrounding local law enforcement agencies and place an increased burden on them. It is important to the Tribe and the State that adequate law enforcement resources are available to ensure that enforcement concerns related in whole or in part to the gaming operation are adequately and appropriately addressed. The Tribe hereby agrees to establish a fund for purposes of providing assistance to local law enforcement agencies, emergency services and/or other service agencies impacted by the Class III Gaming Facility and to withhold and disburse at least 2.0% of the net win from the Class III gaming operation for this fund ("community

contribution"). County law enforcement shall be the first priority for distribution of the community contribution funds in an amount up to one-half of the total monies available for distribution.

(2) A committee consisting of a representative of the Tribal Council; a representative from the county in which the gaming facility is located; and a representative of the State Gaming Agency shall be established. The makeup of this committee may be altered by mutual agreement of the Tribal and State Gaming Agencies, if necessary. The committee shall meet at least annually to discuss impacts within the county and on the Reservation. No Class II gaming revenues or non-gaming revenues such as food, beverage, wholesale or retail sales, shall be included within the 2.0% budgeted and disbursed as set forth in this Section III.C.3(b).

(3) Within six (6) months of the date of final approval of this Compact, the Tribe and all local jurisdictions potentially impacted shall enter into a Memorandum or Memoranda of Understanding (MOU) delineating the anticipated governmental relationships and responsibilities both on and off Reservation with respect to the utilization of the community contribution. In the event that the parties shall be unable to enter into such a MOU(s) then the community contribution shall be placed in an interest bearing escrow account(s) pending the execution of such agreements. The Tribe shall be entitled to any interest earned on such funds unless it is subsequently determined, under the provisions of Section XII, that the Tribe acted unreasonably in refusing to sign such agreements.

(4) The community contribution shall be paid within thirty (30) days following the end of each quarter (January 30, April 30, July 30, and October 30), following the opening of the Class III gaming facility to the public.

(5) The MOU(s) shall provide that the committee may adjust annually the allocation of the community contribution to meet the impacts associated with Class III gaming by the Tribe.

(6) At any time after one year from the opening of the Class III gaming facility, or from time to time thereafter, either the State Gaming Agency or the Tribal Gaming Agency may request a reevaluation, and possible adjustment of the community contribution based upon impacts being different than anticipated. In the event the State and Tribal Gaming Agencies mutually agree, the community contribution shall be adjusted at that time.

(7) In the event of the creation of an escrow account(s), either the State Gaming Agency or the Tribe shall be entitled to invoke the alternative dispute resolution procedures of Section XII. The determination of the arbitrator shall be binding on all parties, including the local governments, and the MOU terms as determined by the arbitrator shall be approved and executed by all parties. Upon execution, the community contribution shall be disbursed.

(c) 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, personal check, or credit card. The Tribal gaming

operation shall not extend credit to any patron of the gaming facility for gaming activities.

(d) Size of Gaming Floor

The actual Class III gaming floor within the gaming facility at the initial location shall not exceed 15,000 square feet.

(e) Number of Gaming Stations

1. The number of gaming stations allowed during the first twelve (12) months of operation at the Class III gaming facility shall not exceed twenty-five (25) gaming stations plus, at the option of the Tribe, one (1) additional gaming station (the "non-profit station"). The proceeds from the non-profit station shall be dedicated to support non-profit organizations and their activities located within Clallam County or the State of Washington. For the purpose of determination of "proceeds" from the non-profit station only, proceeds shall mean the net win less the pro rate cost of regulation and operation, specifically excluding capital costs. Therefore, the proceeds shall equal the net win less the costs of regulation and operation, divided by the 26 gaming stations. The Tribal gaming ordinance shall set forth regulations concerning the types of bona-fide non-profit organizations or types of projects of such organizations which shall be supported by the non-profit station.

2. At the conclusion of twelve (12) months of actual operations at the Class III gaming facility, subject to the provisions of Section III.B of the Compact, the number of gaming stations may be increased to no more than thirty-one (31). Provided, after nine (9) months of continual operation of the Class

III gaming facility, the State and Tribal Gaming Agencies will review the gaming operation and activities and, if there is no evidence under the conditions set forth in Section III.B of the Compact or other evidence of recurring violations to indicate that the operation should not expand to the thirty-one (31) gaming stations, upon a showing of the ability of the staff/management to operate and regulate the increased gaming consistent with the Compact, the Tribal and State Gaming Agencies may by mutual agreement authorize an increase in the number of gaming stations immediately, or at a specified date prior to the twelve (12) month period. Provided further, such expansion shall not occur while a state initiated action in Federal District Court or a dispute under Section XII of the compact is pending on this issue. At the time the operation is increased to 31 gaming stations the State and Tribal Gaming Agencies will thoroughly review the non-profit program conducted by the Tribe, and conduct discussions and negotiations regarding the terms and conditions of an extension of this non-profit program by amendment of this Compact.

(f) Wagering Limitations

In the Class III gaming facility, for the first twelve (12) months of operation, no less than thirteen (13) of the gaming stations shall have a maximum ten dollar ($10) per wager limit; the remaining gaming stations shall have a maximum twenty-five dollar ($25) per wager limit. If the gaming operation is authorized to expand after the twelve (12) months of operation, subject to the provisions of Section III.B of this Compact, at least fifteen (15) of the thirty-one (31) stations shall utilize a maximum wager of ten dollars ($10) and one (1) station may utilize a maximum wager

of one hundred dollars ($100). The remainder of the stations shall utilize a maximum of up to twenty-five dollars ($25) per wager.

(g) Hours of Operation

The maximum number of operating hours per gaming facility shall not exceed eighty (80) hours per week averaged annually. The Tribe shall provide a schedule of the hours of operation to the State Gaming Agency prior to commencement of operations in the gaming facility and on a quarterly basis thereafter. The gaming facility authorized in this Compact shall be closed for a minimum of four hours in each twenty-four hour period and will close between the hours of 2:00 a.m. and 6:00 a.m. each day unless and until the Tribal and State Gaming Agencies, after consultation with enforcement officials from surrounding jurisdictions, mutually agree in writing to a different closing period.

(h) Prohibited Activities

Any gaming activity not specifically authorized in Section IV.A is prohibited as a Class III gaming activity unless subsequently authorized under this Compact. Nothing in the provisions of this Compact authorizes the use of any slot machine, electronic facsimile of any gaming activity, or gambling device, except as specifically authorized under IV.A of this Compact; for example, a roulette table used for play of the authorized game of roulette.

(i) Prohibition on Minors

No person under the age of eighteen (18) shall participate in any gaming activity, or be allowed on the gaming floor of the gaming facility authorized by this Compact. Provided, should alcoholic beverages be offered within any gaming facility,

pursuant to applicable law, then no patron under the age of twenty-one (21) shall be permitted in the gaming facility. The standards for alcohol service shall be subject to applicable laws.

(j) Prohibition on Firearms

The possession of firearms by any person within the gaming facility shall be strictly prohibited, and the Tribal Gaming Agency will post a notice of this prohibition near the entrance to the facility. Provided, this prohibition shall not apply to authorized agents or officers of the Tribal Gaming Agency, State Gaming Agency, State Patrol, or Local Law Enforcement Agencies.

## IV. CLASS III GAMING

A. Authorized Class III Games

1. The Jamestown S'Klallam Tribe may conduct, subject to the terms and conditions of this Compact, any or all of the following games:

(a) Black Jack and currently approved variations, Caribbean stud, Baccarat, Chemin de Fer, Red Dog, Pai Gow, Money-wheel, Chuck-a-luck, Craps, 4-5-6, Ship-Captain-Crew, Horses (Stop Dice), Beat the Dealer, Over/Under Seven, Single and Double Zero Roulette, Beat My Shake, Horse Race, Sweet Sixteen, Sic-bo.

(b) Sports Pools, on regularly scheduled athletic contests, of one hundred (100) squares wherein each square is sold for not more than ten ($10) dollars and all proceeds, less a tribal administrative charge of no more than 50 cents for each $10 wagered, are awarded as prizes. All other provisions of RCW 9.46.0335 shall be applicable.

B. Other Class III Table Games

The Tribe may wish to play other Class III table games that would also be authorized for play for any purpose by any person, organization, or entity in the State of Washington and that is not otherwise treated as Class II gaming in the state pursuant to 25 USC §2703(7). In that event, the Tribe shall provide 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 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, and the provisions of Section XII will be available to resolve disputes if necessary.

C. Lottery-type Games

For games including keno and keno-type games, instant tickets, on-line game, or other lottery-type games authorized for play for any purpose by any person, organization, or entity in the State of Washington that are not otherwise treated as Class II gaming in Washington pursuant to 25 USC §2703(7), the Tribe will submit the proposed rules, manner of regulation and manner of play to the State Gaming Agency at least sixty (60) days prior to time play shall begin. If the State takes no action within the 60 days, the Tribe may begin offering the game. If a dispute arises between the Tribe and the State with respect to the nature of the game, security issues, rules of play, or training and enforcement

associated with regulation, the State and Tribal Gaming Agencies shall meet and resolve the dispute prior to the time play of that game can begin. If the dispute cannot be resolved by the parties through discussion, then the Tribe may initiate formal negotiations subject to the provisions of the IGRA. Provided further, that upon mutual agreement of the State and Tribal Gaming Agencies, some or all of the unresolved issues may be submitted to arbitration under Section XII.

D. Punchboards and Pull Tabs - Separate Locations

In addition to the games authorized by Section IV.A, the Jamestown S'Klallam Tribe may utilize punchboards and pull tabs in its gaming facilities and at other locations under the jurisdiction of the Jamestown S'Klallam Tribe subject to regulation and licensing by the Tribe and operated in a manner consistent with the sale of punchboards and pull tabs in the Tribal Bingo Hall and under the IGRA.

E. Additional Class III Games

The parties understand that the Jamestown S'Klallam Tribe may later wish to conduct other Class III games allowed under the IGRA, that are not included in this Compact, to be played on Jamestown S'Klallam Tribal Lands; for example, a tribal lottery or horse racing activity. In that event, the parties agree that if the Tribe wishes to conduct such activities, the following process will be followed:

1. The Tribe will submit a letter from the Tribal Chairman to the Governor identifying specifically the additional proposed activities as well as applicable amendments or additions to the Jamestown S'Klallam Gambling Control Ordinance of 1992.

2. The Tribe will submit to the State Gaming Agency, together with a copy of the above letter, draft regulations covering the proposed activity.

3. The State will review the regulations submitted and, with the Tribe, negotiate to develop a Compact covering operation and regulation of the Tribal activity, within the next sixty (60) days after receipt.

4. If the State disapproves the proposed regulations during the sixty (60) day period or a Compact covering the proposed activity is not finalized during the sixty (60) day period, the State and the Tribe agree to continue to negotiate to develop regulations and a compact for at least an additional 120 days prior to any action being filed against the State pursuant to 25 USC §2710(d)(7)(A)(i).

## V. LICENSING AND CERTIFICATION REQUIREMENTS

A. Gaming Facilities

The gaming facility authorized by this Compact shall be licensed by the Tribal Gaming Agency and relicensed annually. The Tribal Gaming Agency shall not permit a licensee to commence operations unless in compliance with the provisions of this Compact. Verification of this requirement shall be made by the Tribal Gaming Agency by conducting, at least ten days prior to scheduled opening to the public, a joint pre-operation inspection with the State Gaming Agency. If the facility does not meet the requirements, the State Gaming Agency or the Tribal Gaming Agency 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 Tribal and State Gaming Agencies within thirty (30) days, the parties may seek resolution pursuant to Section XII of this Compact. The actual costs of final inspection of the facility under this Section shall be assessed to the Tribe.

B. Gaming Employees

Every gaming employee shall be licensed by the Tribal Gaming Agency and relicensed annually. Further, all gaming employees must be certified by the State Gaming Agency and recertified annually. No license or renewal shall be issued unless the standards and provisions set forth in this Compact have been met. Provided, the Tribal Gaming Agency may issue a license if the employee has a current license or 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, prior to licensing, that the employee is currently licensed or certified and is in good standing.

C. Manufacturers and Suppliers of Gaming Services and Management Entities

Each manufacturer and each supplier of gaming services and each management entity shall be subject to the licensing requirements of the Tribal Gaming Agency and shall be required to obtain state certification pursuant to Section VI prior to the sale or installation of any gaming equipment. If the supplier or manufacturer is licensed or certified by the State to provide those

goods or services, it shall be deemed certified for purposes of this Compact. The licensing and certification shall be maintained and renewed annually. Upon request of the Tribal Gaming Agency, the State Gaming Agency will expedite these certifications to the extent possible. For small, one-time purchases from local suppliers see note 1 in Appendix B.

D. Financiers

Financiers shall be subject to the annual licensing requirements of the Tribal Gaming Agency and shall be required to obtain State certification prior to disbursement of funds under any financing agreement covered by this Compact and annually thereafter. These licensing and certification requirements do not apply to financing provided by a federally regulated commercial lending institution, the Jamestown S'Klallam Tribal government, or the Federal government. Provided, the source of all funds will be fully disclosed to the State.

## VI. LICENSING AND CERTIFICATION PROCEDURES

A. Procedures For Tribal License Applications

Each applicant for a tribal gaming employee license shall submit a completed application to the Tribal Gaming Agency on the required forms provided by that agency. The forms shall contain such information, documentation and assurances as may be required by the Tribal and State Gaming Agencies concerning the applicant's personal and family history, personal and business references, criminal record, business activities, financial affairs, gaming industry experience, general work history and educational background. Each completed application shall be accompanied by the

applicants' fingerprint card(s), two current photographs, and the fees required by the Tribal Gaming Agency and State Gaming Agency. Upon receipt, the Tribe will transmit a copy of the license application materials for each applicant, together with fingerprint cards, a current photograph and any fee required, to the State Gaming Agency.

B. State Certification and Background Investigation

Upon receipt of a completed application and the certification fee, the State Gaming Agency shall conduct the necessary background investigation to ensure the applicant is qualified for state certification. The State Gaming Agency shall expedite state certification requests submitted by the Tribe. Upon completion of the necessary background investigation, the State Gaming Agency shall either issue a state certification to the applicant with a copy to the Tribal Gaming Agency, or deny certification. If the State Gaming Agency denies the request for certification, 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.

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, the applicant may appeal the State denial directly to the State Gaming Agency in which case the Tribal Gaming Agency shall stay its

consideration of the tribal license application pending the final outcome of the state appeal. Provided further, the State retains the right to take action, through State or Tribal court or administrative processes, to deny, suspend or revoke a state certification.

Applicants for State certification shall agree to submit to State jurisdiction to the extent necessary to determine qualification to hold such initial certification and annual certification thereafter, including the 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 applying for state certification waive any immunity, defense, or other objection they might otherwise have to this limited exercise of State jurisdiction, but only for the purposes set forth in this paragraph. Nothing in this Section shall be deemed or interpreted as a waiver of immunity or submission to State jurisdiction for any other purpose or cause of action.

C. Temporary Certification

Unless the background investigation undertaken by the State Gaming Agency, within thirty (30) days of the State Gaming Agency's receipt of a completed application, discloses that the applicant has a criminal history, or unless other grounds that may be sufficient to disqualify the applicant pursuant to Section VI.E are apparent or are discovered, the State Gaming Agency shall, upon written request of the Tribal Gaming Agency, 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.

D. Provisional/Conditional Certification of Tribal Members

For enrolled members of the Jamestown S'Klallam Tribe who are applicants for Class III gaming certification and licensing, the State Gaming Agency will consult with the Tribal Gaming Agency prior to denying certification to such an applicant who does 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.

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 or reasons it deems to be in the public interest. In addition, 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.

4. 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 or convicted of the following non-gambling related offenses the occasion of which occurred prior to Supreme Court rulings on the subject: (1) hunting or fishing offense; or (2) a cigarette or alcohol sales offense. The parties agree that Indians from federally recognized Indian tribes charged or convicted in cases involving the exercise of non-gambling related trust or treaty rights; in the absence of other violations, activities or factors which would warrant denial, revocation or suspension; shall not be barred solely as a result of such activities from certification.

F. Fees For State Certification

The current fees for state certification are set forth in Appendix B of this Compact. Provided, should actual costs incurred by the State Gaming Agency for processing certification applications exceed the fees established in the Appendix B fee schedule, those costs will be assessed to the applicant 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 the certification fees charged if the State amends its general certification fee schedule and provides sixty (60) days notice to the Tribe prior to the effective date of the new fee schedule.

G. Fees For Tribal License

The fees for all gaming licenses issued by the Tribe shall be set by the Tribal Gaming Agency.

H. Denial, Suspension, or Revocation of Licenses Issued 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.

I. Duration and Renewal of Tribal Licenses and State Certifications

Any Tribally issued license or State issued certification shall be effective for one year from the date of issuance. Provided, that a licensed or certified employee or entity that has applied for renewal may continue to be employed under the expired license or state certification until final action is taken on the renewal application by the Tribal Gaming Agency. Applicants for renewal of a license 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. No additional background investigation shall be required unless new information is discovered or concerns are noted regarding the applicant's continuing suitability or eligibility for a license or certification by either the Tribal Gaming Agency or the State Gaming Agency.

J. 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, safety or welfare.

K. Identification Cards

The Tribal Gaming Agency shall require all gaming employees to wear identification cards issued by the Tribal Gaming Agency which shall include photo; first name; a tribal seal or signature; identifying number and a date of expiration.

L. Exchange of Tribal Licensing and State Certification Information

In order to ensure that a qualified work force is maintained throughout the State in all areas of Class III gaming as well as in all other types of gambling authorized in Washington, the Tribal Gaming Agency and the State Gaming Agency shall promptly forward to the other agency a copy of the final disposition of any administrative action or legal proceeding taken by either agency against a tribal license or state certification issued under the provisions of this Compact. This information shall be maintained as part of the licensing records of each agency.

## VII. TRIBAL ENFORCEMENT OF COMPACT REQUIREMENTS

A. Tribal Gaming Agency

The primary responsibility for the regulation, control and security of the gaming operation authorized by this Compact, and

for the enforcement of the Compact regulatory requirements on Jamestown S'Klallam Tribal Lands shall be that of the Tribal Gaming Agency. No employee of the gaming operation shall be a member or employee of the Tribal Gaming Agency.

As part of its structure the Tribal Gaming Agency shall perform the following functions:

1. Enforce all relevant laws in the gaming establishment;
2. Ensure the physical safety of patrons in the establishment;
3. Ensure the physical safety of personnel employed by the establishment;
4. Ensure 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 persons that may be involved in illegal acts, for the purpose of notifying law enforcement authorities; and
7. Record, in a permanent and detailed manner, any and all unusual occurrences within the gaming facility for which the assignment of a security department employee or tribal gaming agent is made. Each incident shall be assigned a sequential number.

B. Tribal Gaming Agents

The Tribal Gaming Agency shall employ qualified inspectors or agents under the authority of the Tribal Gaming Agency. These agents or inspectors shall be independent of the tribal gaming operation, and shall be supervised by and accountable only to the Tribal Gaming Agency.

C. Reporting of Violations

A Tribal gaming agent shall be present in the gaming facility during all hours of gaming operations, and shall have immediate

access to any and all areas of the gaming operation for the purpose of ensuring compliance with the provisions of this Compact and the Tribal Gambling Control Ordinance. Any violation(s) of the provisions of this Compact, or any violation of Chapter 9.46 RCW made applicable under the provisions of this Compact, by the Tribal gaming operation, 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 by the Tribal Gaming Agency to the State Gaming Agency within 72 hours after the violation was noted.

D. Investigation and Sanctions

The Tribal Gaming Agency shall investigate any reported violation and shall require the Tribal gaming operation to correct the violation by bringing charges, levying sanctions or other penalties upon such terms and conditions as the Tribal Gaming Agency determines are necessary. The Tribal Gaming Agency shall be empowered by the Tribal Gambling Control Ordinance to impose fines and other sanctions upon the Tribal gaming operation, a gaming employee, a management company employee, or any other person or entity directly or indirectly involved in, or benefiting from, the gaming operations.

E. Reporting to State Gaming Agency

The Tribal Gaming Agency shall forward copies of all complete investigative reports and final dispositions to the State Gaming Agency on a continuing basis. 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 ensure proper compliance with the provisions of this

Compact, the Tribal Gambling Control Ordinance, laws of the Tribe, and applicable laws of the State.

F. Tribal Problem-Gambling Program

The Jamestown S'Klallam Tribe recognizes that gambling activities can lead to compulsive behavior that is as severe and has the same negative consequences as other behavioral addictions. The Tribe will work with the State Gaming Agency, who currently maintains an affiliation with a nationally recognized problem gambling organization, to establish an education and awareness program for the Reservation and surrounding communities. The program may be independent or developed as an adjunct to the program with which the state currently works.

## VIII. STATE ENFORCEMENT OF COMPACT REQUIREMENTS

A. State Gaming Agents -- Monitoring

To assist the Tribal Gaming Agency in enforcing the Tribal Gaming Code and implementing the terms of this Compact, qualified agents of the State Gaming Agency as determined by and designated by the State Gaming Agency Director will be assigned in the gaming facility. Whenever possible, these agents will be identified to the Tribal Gaming Agency. Prior to the State Gaming Agency's designation of these agents, the Directors of the respective agencies shall meet to discuss logistics including the number and type of agents required, and any other details necessary to effectively fulfill the requirements of this Compact. The State Gaming Agency Director may, as necessary, assign unidentified agents for the purposes of special investigations. In conducting

monitoring or investigations, all officials in the facility will conduct themselves in a professional manner.

The State Gaming Agency shall, pursuant to the provisions of this Compact, have the authority to monitor the Tribal gaming operations to ensure that the operations are conducted in compliance with the provisions of this Compact. Agents of the State Gaming Agency shall have unrestricted access to all areas of the gaming facilities during operating hours, and shall not be required to give prior notice to the Tribal gaming operation. When possible, the State Gaming Agency will give notice to the Tribal Gaming Agency or a tribal gaming inspector in the facility, and the Tribal Gaming Agency may assign a representative to accompany or assist the State gaming agents while on tribal land.

B. Enforcement Actions By State Gaming Agency

In the event the State Gaming Agency has information that may indicate that an individual's tribal license should be revoked or suspended the State Gaming Agency will notify the Tribal Gaming Agency who shall either bring an action in accordance with tribal law; refer the case back to the State for action under State procedures; or decline to take the case, thereby deferring to the State to take any action the Tribe or the State deems necessary for resolution of the issues. Provided, the State retains the right to take action, through Tribal or State court or administrative processes, to suspend or revoke a state certification.

C. Access to Records

Agents of the State Gaming Agency shall have authority to review and copy, during normal business or operating hours, all records maintained by the Tribal gaming operation. The Tribal

Gaming Agency may inspect and copy records maintained by the State concerning Class III gaming of the Jamestown S'Klallam Tribe or otherwise conducted on Jamestown S'Klallam Tribal Lands.

All tribal records and state records are and shall be considered proprietary information and shall be treated as confidential, consistent with the terms and provisions of this Compact and any regulations promulgated hereunder and shall be protected as follows from public disclosure: (1) the State shall notify the Tribe of any requests for disclosure of information; and (2) the State shall not disclose until the Tribe has had a reasonable opportunity to challenge the request or to seek judicial relief. Provided, this public disclosure prohibition shall not apply to evidence used in any proceeding authorized by this Compact.

D. Investigations and Tribal Gaming Agency Notification

The State Gaming Agency may conduct such investigations, and may employ all authority granted under Chapter 9.46 RCW, including subpoena powers, consistent with the IGRA and the terms of this Compact as it deems appropriate to investigate violations of activities over which it has regulatory authority under this Compact with respect to Tribal gaming operations. At the completion of any inspection or investigation, copies of the investigative reports shall be forwarded to the Tribal Gaming Agency.

E. State Gaming Agency Activities

Monitoring activities, enforcement actions, review and copying of records maintained by the Tribal gaming operation and investigations promulgated by the State Gaming Agency shall be

consistent with, and sufficient only to discharge, its duties and obligations under the terms of this Compact, Tribal and State laws. Should the State Gaming Agency activities not meet these standards, the Tribal Gaming Agency may register a dispute with the State Gaming Agency and such dispute may be resolved, if necessary, under the provisions of Section XII.

F. Quarterly Meetings

To develop and foster a partnership in the enforcement of the provisions of this Compact, representatives of the State Gaming Agency and the Tribal Gaming Agency shall meet on at least a quarterly basis to review past practices and examine methods to improve the regulatory program created by this Compact. Further, the parties also contemplate that they will periodically meet jointly with the neighboring communities, including law enforcement agencies, to discuss any concerns regarding impacts of the Class III gaming operation(s).

G. Penalties Against the Tribal Gaming Operation

The parties to this compact have set forth a process for taking action against certified and/or licensed individuals or entities who act in violation of the provisions of this compact. In the event the Tribal gaming operation fails to take action to resolve violations of the compact, in addition to other remedies provided herein, the State reserves the right to pursue a remedy against the Tribal gaming operation as a penalty for these actions. Should the Tribal Gaming Agency oppose such penalty, the State reserves the right to pursue an action on its own. The following schedule is established to set maximum penalties that the State Gaming Agency may levy against the Tribal gaming operation for

infractions of the provisions of the Compact Sections specified below. The Tribal Gaming operation retains the right to contest the event or circumstances occasioning the charge and the extent and amount of the penalty for the infraction under the dispute resolutions provisions of Section XII. Any penalties collected will be distributed to the program developed under Section VII.F of this Compact to provide an education and awareness program for problem gambling.

1. For violation of terms, conditions and provisions of Sections III or IV: 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 per violation, or the dollar equivalent of the net win to the Tribe from operations for the number of days of suspension.

2. Violation of the terms, conditions and provisions of Sections V or VI related to the use of non-certified or non-licensed gaming employees, manufacturers, financiers, suppliers or other entities:

a. For employees first infraction - fine equal to daily net win for each day of employment divided by the number of stations in play for each day of employment. For employees second and subsequent infractions - one day's suspension 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, financiers and other entities - up to $5,000 for the first infraction; and up to $20,000 for the second and subsequent infractions.

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

a. For first infractions - written warning.

b. For second infractions - up to $250.

c. For third infractions - up to $500.

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

Provided, that all penalties listed in subsections 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. During the first six (6) months of actual operation of the Class III gaming operation only written warnings will be issued.

## IX. STANDARDS OF OPERATION AND MANAGEMENT

A. Adoption of Standards of Operation and Management

The Tribal Gaming Agency shall adopt standards of operation and management to govern all gaming operations utilizing the authority of the Tribe to operate games of chance as defined in this Compact. Such standards shall protect the public interest in the integrity of the gaming operations and shall reduce the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of Class III gaming activities. The initial standards of operation and management shall be those set forth in Appendix A. The Tribal Gaming Agency shall provide written notification to the State Gaming Agency of any intent to revise the standards of operation and management set forth in Appendix A, and shall request the approval of the State Gaming Agency for such revised standards. State approval shall be deemed granted unless disapproved within thirty (30) days of submission of the revised

standards. The State Gaming Agency shall concur with the revised standards upon request unless it finds that they would have a material adverse impact on the public interest or on the integrity of the gaming operations, and shall disapprove only such portions of any proposed revised standards which are determined to have a material adverse impact on such interests, setting forth specifically the reasons for such disapproval. If the State Gaming Agency disagrees with the proposed revised standards, they will meet with the Tribal Gaming Agency and attempt, in good faith, to resolve any differences. If unsuccessful, the matter shall be resolved pursuant to Section XII of this Compact.

B. Additional Standards Applicable to Class III Gaming

The following additional standards shall apply to the operation by the Tribe of the Class III gaming activities permitted by this Compact:

1. The Tribe 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 VIII.C of this Compact: a surveillance log recording all surveillance activities in the gaming facility; a security log recording all occurrences for which the assignment of a security department employee is made; a cashier's cage log recording all exchanges of gaming chips for cash by persons who cannot reasonably be thought to have been gaming.

2. The Tribal Gaming Agency shall establish a list of persons barred from the gaming facilities because their criminal history or association with career offenders or career offender organizations poses a threat to the integrity of the gaming

activities of the Tribe. The Tribal Gaming Agency shall also exclude persons engaging in disorderly conduct or other conduct jeopardizing public safety in the gaming facility. The Tribal Gaming Agency shall send a copy of its lists on at least a quarterly basis to the State Gaming Agency.

3. The Tribal Gaming Agency shall require the completion of an audit of the gaming activities of the Tribe, 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 of chance which will be operated by the Tribe and of any change in such rules. 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 of each game shall assure that the game will be operated in a manner which is honest, fair to patrons and amenable to regulatory oversight. Rules for games identified in Section IV.A shall be based upon such games as commonly practiced in Nevada, with such variations in the manner of wagering or play as do not fundamentally alter the nature of the game and as are approved by the State and Tribal Gaming Agencies. The Tribal Gaming Agency will provide the State Gaming Agency with adequate advance notice of the rules of each game and any modification thereof, and will also provide adequate notice to patrons of the gaming facilities to advise them of the applicable rules in effect.

5. The Tribal facility 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 State Gaming Agency with copies of its floor plan and closed circuit television system and any modifications thereof, allowing sufficient time for detailed review by the State Gaming Agency. If the floor plan or closed circuit television system do not provide unobstructed camera views in accordance with such standards, the Tribal operation shall modify such floor plan or closed circuit television system in order to remedy such deficiency. If necessary to resolve differences, the Tribal and State Gaming Agencies shall promptly confer in good faith in an effort to reach agreement on the closed circuit television system. If agreement cannot be reached, the matter will be resolved in accordance with Section XII of this Compact.

6. The Tribal facility shall maintain all cashier's cages in accordance with the standards set forth in Section 7(3)(d) and Section 9 of Appendix A, and shall not modify such standards without the agreement of the State Gaming Agency. The State Gaming Agency may review all aspects of cashier's cage security. If a cashier's cage does not comply with the security standards set forth in Appendix A, the Tribal facility shall modify the cashier's cage to remedy such deficiency. If necessary to resolve differences, the Tribal and State Gaming Agencies shall promptly confer in good faith in an effort to reach agreement on cashier's cage security standards. If agreement cannot be reached, the

matter will be resolved in accordance with Section XII of this Compact.

7. The Tribal Gaming Agency shall provide the State Gaming Agency with a description of the Tribal gaming operation's minimum requirements for supervisory staffing for each gaming pit operated in its facilities. In the event that the State Gaming Agency regards such supervisory staffing as inadequate, the Tribal operation and Tribal and State Gaming Agencies shall promptly confer in good faith in an effort to reach agreement on supervisory staffing requirements. If agreement cannot be reached, the matter will be resolved in accordance with Section XII of this Compact.

## X. JURISDICTION

A. Criminal Matters

1. Investigative Authority

The Tribal Gaming Agency, the County Sheriff, the Washington State Patrol, and the State Gaming Agency shall have the authority to investigate and make arrests if necessary for all gambling and related crimes against the laws of the Tribe and applicable laws of the State that occur within the gaming facility or within Jamestown S'Klallam Tribal Lands.

2. Venue

Following investigation and arrest, formal charges will be brought in the appropriate venue. Criminal prosecution will be through the proper state, tribal or federal court.

B. Civil Matters

1. 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 the appropriate forum, in accordance with Tribal Laws or the provisions of Chapter 9.46 RCW and Chapter 230-50 WAC, made applicable by this Compact, against any individual or entity that is licensed by the Tribal Gaming Agency, or certified by the State Gaming Agency in accordance with the provisions of this Compact. In recognition of the need to foster a joint regulatory program to enforce the provisions of this Compact, the Tribe consents to the exercise of jurisdiction by the Office of Administrative Hearings and Superior Courts of the State with respect to those actions taken to enforce the provisions of this Compact.

2. Tribal Jurisdiction

Civil disputes arising from the conduct of gaming under the Jamestown S'Klallam Gambling Ordinance of 1992 may be heard in the Northwest Intertribal Court or appropriate administrative forum as established by the Ordinance.

C. Limited Application of State Law

For the purposes of 18 USC §1166(d), for enforcing the provisions of this Compact, and for protection of the public health, safety and welfare; the following provisions of Chapter 9.46 RCW, including later amendments, to the extent they are not inconsistent with other provisions of this Compact, are made applicable to and incorporated as part 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; and 9.46.240. The Tribe consents to this limited transfer of jurisdiction to the State with respect to Class III gaming activities on Jamestown S'Klallam Tribal Lands.

D. Preservation of Tribal Self-Government

Nothing in this Compact shall be deemed to authorize the State to regulate in any manner the government of the Tribe, or to interfere with the Tribe's selection of its governmental officers, including members of the Tribal Gaming Agency. No licensing or registration requirement contemplated by this Compact shall be applicable to such officers with respect to their capacity as officers of the Tribe.

## XI. 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 of costs on a quarterly basis to the Tribal Gaming Agency and the Tribal Gaming Operation. The Tribal Gaming Operation shall reimburse the State Gaming Agency within thirty (30) days after receipt of the statement of costs. In the event of differences regarding the cost statements, the State and Tribal Gaming Agencies shall promptly

confer and attempt to resolve any disputes. If they are unable to agree, the dispute will be resolved pursuant to Section XII of this Compact. Nothing in this Compact shall be deemed to authorize the State to impose any tax, fee, charge or assessment upon the Tribe or any Tribal gaming operation except for charges expressly authorized pursuant to this Compact.

## XII. DISPUTE RESOLUTION

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 order to foster a spirit of cooperation and efficiency in the administration and monitoring of performance and compliance with the terms, provisions and conditions of this Compact. The particular nature of the dispute will determine which of the following procedures will be used. In a number of instances throughout the Compact the parties have specified procedures which range from resolution by the Tribal and State Gaming Agencies to binding arbitration. Nothing in this Section is intended to preclude either party from seeking injunctive relief against the other as provided in Section XIII.

A. Tribal and State Gaming Agency Procedure

Unless other procedures and time limits are set forth elsewhere in this Compact, in the event of a dispute or disagreement between the parties regarding the implementation of and compliance with this Compact as referenced, or otherwise by mutual agreement of the parties, disputes and disagreements shall be resolved by the Tribal and State Gaming Agencies as follows:

1. 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;

2. The parties shall meet and confer not later than ten (10) days from receipt of the notice;

3. If the dispute is not resolved to the satisfaction of the parties within twenty (20) days of the first meeting, then the parties may agree to resolve the dispute using the Arbitration procedures set forth below or, if appropriate, utilize the remedies in Section XIII.

B. Arbitration

The parties have specified in various Sections of this Compact that arbitration is an appropriate mechanism to resolve disputes regarding those particular issues.

1. The arbitration will be conducted by and in accordance with the policies and procedures of the Judicial Arbitration and Management Service (JAMS);

2. The judge(s) shall be selected within seven (7) days of the request for arbitration. The hearing, unless another date is stipulated to by the parties, shall occur no later than fourteen (14) days from the selection of judge(s). The hearing shall be before a JAMS judge or judges of agreed selection by the parties, but in the event there is no agreement on selection of a judge or judges, then as selected by JAMS or by the parties;

3. The hearing shall occur at a time, place and location of mutual selection, but if such cannot be agreed to, then as selected by JAMS or by the judge(s) chosen;

4. The decision of JAMS shall be final and unappealable. If the party against whom sanctions are sought is required to take curative or other conforming action and it is not performed or the party does not expeditiously undertake to effect a cure, or if that party is not capable of an immediate remedy, then that failure shall be deemed a default and breach of the provision(s) of the Compact at issue.

5. Should the JAMS cease to provide these necessary functions, then the parties agree to substitute the services of another comparable and agreed-upon arbitration service.

C. Remedy Not Intended To Be Exclusive

Nothing in Section XII 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, mediation, arbitration, or utilization of a technical advisor to the Tribal and State Gaming Agencies. Provided, that neither party is under an 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.

## XIII. REMEDIES

A. Injunction Against the State

If the Tribe believes the State, whether or not through the State Gaming Agency, is in breach or default or is otherwise acting contrary to or failing to act in the manner required by the provisions of this Compact, the Tribe may bring an action to seek injunctive or other relief in a court of competent jurisdiction. Prior to bringing such action the Tribe shall notify the State and State Gaming Agency of the alleged violation(s).

B. Injunction Against the Tribe, the Tribal Gaming Operation, or any Individual

The State may bring an action to enjoin the Tribe, the Tribal gaming operation, or any individual if the State determines that any gaming 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 on Jamestown S'Klallam Tribal Lands in violation of the provisions of this Compact. Such action shall be brought in the U.S. District Court, pursuant to 25 USC §2710(d)(7)(A)(ii). Prior to bringing such action, the State shall notify the Tribe, the Tribal gaming operation, and the Tribal Gaming Agency of the alleged violation(s). For purposes of this remedy, the Tribe consents to this suit and waives any defense it may assert by way of its sovereign immunity.

## XIV. LIMITATION OF LIABILITY

Neither the Jamestown S'Klallam 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 Jamestown S'Klallam Tribe nor the State have waived their 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.

## XV. EFFECTIVE DATE AND DURATION; AMENDMENTS

A. Effective Date

This Compact shall be effective upon publication of notice of approval by the Secretary of the Interior of the United States in the Federal Register in accordance with 25 USC §2710(d)(3)(B).

B. Termination

Once effective, this Compact shall be in effect until terminated by written agreement of both parties, under the provisions of the IGRA. Provided, the Tribe will provide written notice to the Governor of the State sixty (60) days prior to termination of the Compact. Suspension or injunction of Class III gaming activities shall not constitute termination for the purpose of this subsection.

C. Amendment and Modification

The terms and conditions of this Compact may be amended or modified by written agreement of both parties, and as provided in this Compact.

D. Subsequent Negotiations

Nothing in this Compact shall be deemed to waive the right of the Tribe to request negotiations for a tribal-state compact with respect to a Class III gaming activity which is to be conducted on

the Jamestown S'Klallam Tribal Lands, but is not permitted under the provisions of this Compact, including forms of Class III gaming which were not permitted by the State for any purpose by any person, organization, or entity at the time when this Compact was negotiated but are subsequently so permitted by the State, in accordance with 25 USC §2710(d)(3)(A).

E. Class II Gaming

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 provisions of the IGRA. Nothing in this Compact is intended to prohibit or restrict the operation of otherwise lawful and authorized Class II gaming on Jamestown S'Klallam Tribal Lands or within the gaming facility.

The parties to this Compact anticipate that any Class II games on Jamestown S'Klallam 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 these Class II games with the Class III games could impact the regulatory scheme established in this Compact, necessitating a separation of gaming revenues, records, and licensees and an identification of the Class II and Class III gaming stations and operations. In the event the Tribe wishes to commingle Class II and Class III games, 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.

F. Enactment of Compact Provisions

Pursuant to the general rule making authority of the agencies, the Tribal Gaming Agency or the State Gaming Agency may each enact all or part of the provisions of this Compact as part of their regulations or rules governing gambling.

G. Revision of State Regulations

Whenever the State adopts or revises any rule or regulation which corresponds to any provision of the Tribe's Standards of Operations and Management relating to the same type of gaming, the State Gaming Agency may notify the Tribal Gaming Agency that it requests analogous changes in such Standards. The Tribal Gaming Agency will promptly confer with the State Gaming Agency in good faith concerning the appropriateness and applicability of such changes.

H. Change of State Law

If the laws of the State authorizing the activities set forth herein as Class III gaming activities are repealed, thereby prohibiting such gaming for any purpose by any person, organization or entity, it is the State's position that the provisions of this Compact providing for such gaming would not be authorized and the continued operation of such gaming would constitute a violation of the Compact for which the State could 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 the provisions of the IGRA and this Compact, but does agree that such an action, if commenced in that forum, is the appropriate State recourse and for that purpose

consents to the suit and waives any defense it may assert by way of its sovereign immunity.

I. Amendments/Renegotiations

1. Compact Clarification and Modification

The terms and conditions of this Compact may be amended at any time by the mutual and written agreement of both parties. The parties recognize that circumstances may arise in implementation, operation, and regulation of the Class III gaming facility that require modification or clarification of Compact provisions. For such 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.

2. Amendments - Contractual

(a) Amendments and Renegotiation - Tribe

The parties shall amend through renegotiation the nature and/or scope of Class III gaming as set forth in this Compact upon written notice and request by the Tribe to the State, if and when:

(i) The laws of the State are amended, expanding gaming beyond that which is now allowed under the terms of this Compact; or

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

Compact; or

(iii) Another tribe within the Point Elliott, Point No-Point and/or Medicine Creek, Quinault, or Makah Treaty areas 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. Provided, that the provisions of this Compact will be reviewed in their entirety in light of the more recently approved Compact(s) and amendments made to maintain competitive equality. Any disputes under this subsection may be resolved under Section XII if necessary.

(b) Renegotiation - State

The parties shall renegotiate Compact Sections containing provisions affecting health, safety, welfare or environmental issues, including Sections III.C.3(a), III.C.3(b), V, VI, VIII, and/or IX upon the written notice and request by the State to the Tribe, if and when circumstances or events unforeseen at the time of the negotiation and execution of this Compact occur that merit the 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 within twenty (20) days of the request. If the renegotiations are unsuccessful, the matter shall be resolved pursuant to Section XII, which in this instance shall be mandatory and binding.

(c) Renegotiation - State and Tribe

At any time after thirty-six (36) months from the date of signing this Compact, either party may request renegotiation of any of the provisions of this Compact if and when circumstances or events unforeseen at the time of the negotiation and execution of this Compact, or which could not be adequately addressed at the time of negotiation, occur that merit the discussion and renegotiation of such provisions. 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 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.

(d) State Authorization of Additional Class III Gaming Activities

In the event the State hereafter authorizes any additional class III activity, including but not limited to electronic facsimiles of Class II or Class III gaming, the Tribe shall be authorized to conduct such activity prior to completion of the subsequent negotiations as provided in this Compact, if such activity is conducted in accordance with all of the limitations, regulations and requirements of the State.

(e) 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 subsection proviso, the parties shall confer and the 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 subsections where a different resolution is specifically provided in the event of an unsettled dispute or where agreement is not reached by the parties.

## XVI. NOTICES

All notices required or authorized to be served shall be in writing and shall be sent by first class or priority mail or be delivered by other expedited service to the following addresses:

Tribal Chairman
Jamestown S'Klallam Tribe
305 Old Blyn Highway
Sequim, Washington 98382.

Governor
State of Washington
State Capitol
Olympia, Washington 98504

Director
Washington State Gambling Commission
4511 Woodview Drive S.E.
Olympia, Washington 98504 - 2400

## XVII. 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.

**IN WITNESS WHEREOF, the Jamestown S'Klallam Tribe and the State of Washington have executed this Compact.**

**JAMESTOWN S'KLALLAM TRIBE**

BY: _____ 02-19-93
W. Ron Allen, Chairman — Date
Jamestown S'Klallam Tribal Council

**STATE OF WASHINGTON**

BY: _____ 02-19-93
Mike Lowry, Governor — Date

BY: _____ 4/20/93
Acting ASSISTANT SECRETARY - INDIAN AFFAIRS — Date

# APPENDIX A

# JAMESTOWN S'KLALLAM TRIBE - STATE OF WASHINGTON

# CLASS III GAMING COMPACT

# STANDARDS OF OPERATION AND MANAGEMENT

# FOR CLASS III ACTIVITIES

**STANDARDS OF OPERATION AND MANAGEMENT FOR CLASS III ACTIVITIES**

1. DEFINITIONS

In these standards, unless the context indicates otherwise:

"Accounting Department" is that established in the tribal gaming operation's system of organization in accordance with these standards;

"Cage Cashiers" are the cashiers performing any of the functions in the Cashier's Cage as set forth in these standards;

"Cash Equivalent" means a treasury check, personal check, travelers check, wire transfer of funds, money order, certified check, cashiers check, a check drawn on the tribal gaming operation payable to the patron or to the tribal gaming operation, or a voucher recording cash drawn against a credit card or charge card;

"Chief Operating Officer" is the senior executive of the tribal gaming operation exercising the overall management or authority over all the operations of the tribal gaming operation and the carrying out by employees of the tribal gaming operation of their duties;

"Closer" means the original of the table inventory slip upon which each table inventory is recorded at the end of each shift;

"Credit Slip" (known as a "Credit") is the document reflecting the removal of gaming chips and coins from a gaming station in accordance with these standards;

"Drop Box" is the metal container attached to a gaming station for deposit of cash and certain documents received at a gaming station as provided by these standards;

"Fill Slip" (known as a "Fill") is the document reflecting the distribution of gaming chips and coins to a gaming station as provided in these standards;

"Gaming Facility" means any gaming facility as defined in the Compact in which a tribal gaming operation is conducted;

"Gaming Facility Supervisor" is a reference to a person in a supervisory capacity and required to perform certain functions under these standards, including but not limited to, Pit Bosses, Gaming Facility Shift Managers, the Assistant Gaming Facility Manager and the Gaming Facility Manager;

"Imprest Basis" means the basis on which Cashier's Cage funds are replenished from time to time by exactly the amount of the net expenditures made from the funds and amounts received and in which a review of the expenditure is made by a higher authority before replenishment;

"Incompatible Function" means a function, for accounting and internal control purposes, that places any person or department in a position to both perpetrate and conceal errors or irregularities in the normal course of his or her duties. Anyone both recording transactions and having access to the relevant assets is in a position to perpetrate errors or irregularities.

"Independent Accountant" means a professional accountant suitably qualified and sufficiently independent to act as auditor of the tribal gaming operation;

"Inspector" means an employee of the Tribal Gaming Agency duly appointed by the agency as an inspector;

"Master Game Report" means a record of the computation of the win or loss for each gaming station, each game, and each shift;

"Opener" means the duplicate copy of the table inventory slip upon which each table inventory is recorded at the end of each shift and serves as the record of each table inventory at the beginning of the next succeeding shift;

"Pit" means the area enclosed or encircled by an arrangement of gaming stations in which gaming facility personnel administer and supervise the games played at the tables by the patrons located on the outside perimeter of the area;

"Request for Credit" is the document reflecting the authorization for preparation of a credit with respect to removal of gaming chips and coins from a gaming station in accordance with these standards;

"Request for Fill" is the document reflecting the request for the distribution of gaming chips and coins to a gaming station as provided in these standards;

"Security Department Member" means any person who is a member of the Security Department as provided in the organization of the tribal gaming operation in accordance with these standards;

"Table Game Drop" means the sum of the total amounts of currency and coin removed from a drop box;

"Table Game Win or Loss" is determined by adding the amount of cash or coin, the amount recorded on the closer, removed from

a drop box, plus credits, and subtracting the amount recorded on the opener and the total of the amounts recorded on fills removed from a drop box.

2. ACCOUNTING RECORDS

(1) The tribal gaming operation shall maintain complete accurate and legible records of all transactions relating to the revenues and costs of the gaming operation.

(2) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on the accruals basis, and detailed, supporting, subsidiary records, sufficient to meet the requirements of paragraph (4).

(3) The forms of accounts adopted should be of a standard form which would ensure consistency, comparability, and effective disclosure of financial information.

(4) The detailed, supporting and subsidiary records shall include, but not necessarily be limited to:

(a) Records of all patrons' checks initially accepted, deposited, and returned as "Uncollected", and ultimately written off as "Uncollectible";

(b) Statistical game records to reflect drop and win amounts for each station, for each game, and for each shift;

(c) Records of investments in property and services, including equipment used directly in connection with the operation of Class III gaming;

(d) Records of amounts payable by the tribal gaming operation; and

(e) Records which identify the purchase, receipt and destruction of gaming chips used in wagering.

(5) All accounting records shall be kept for a period not less than two (2) years from their respective dates.

3. SYSTEM OF INTERNAL CONTROL

(1) The tribal gaming operation shall submit to the Tribal Gaming Agency and the State Gaming Agency a description of its system of internal procedures and administrative and accounting controls before gaming operations are to commence.

(2) Each such submission shall contain both narrative and diagrammatic representation of the internal control system to be utilized by the tribal gaming operation.

(3) The submission required by paragraph (1) shall be signed by the executive responsible for its preparation and shall be accompanied by a report of an independent accountant stating that the submitted system conforms in all respects to the principles of internal control required by these standards.

4. FORMS, RECORDS, DOCUMENTS AND RETENTION

(1) All information required by these standards is to be placed on a form, record or document or in stored data in ink or other permanent form.

(2) Whenever duplicate or triplicate copies are required of a form, record or document:

(a) The original, duplicate and triplicate copies shall be color coded.

(b) If under these standards, forms, records, and documents are required to be inserted in a locked dispenser, the last copy shall remain in a continuous unbroken form in the dispenser; and

(c) If under these standards, forms or serial numbers of forms are required to be accounted for or copies of forms are required to be compared for agreement and exceptions noted, such exceptions shall be reported immediately in writing to the Tribal Gaming Agency for investigation.

(3) Unless otherwise specified in these standards or exempted by the Tribal Gaming Agency, all forms, records, documents and stored data required to be prepared, maintained and controlled by these standards shall:

(a) Have the title of the form, record, document, or stored data imprinted or pre-printed thereon or therein;

(b) Be located on Jamestown S'Klallam Tribal Lands or such other location as is approved by the Tribal Gaming Agency; and

(c) Be retained for a period of at least two (2) years in a manner that assures reasonable accessibility to inspectors of the Tribal Gaming Agency and personnel of the State Gaming Agency.

5. ANNUAL AUDIT AND OTHER REPORTS

(1) The tribal gaming operation shall, at its own expense, cause its annual financial statements to be audited in accordance with generally accepted auditing standards by an independent accountant.

(2) The annual financial statements shall be prepared on a comparative basis for the current and prior calendar or fiscal year and shall present the financial position and results of operations in conformity with generally accepted accounting principles.

(3) Two copies of the audited financial statements, together with the report thereon of the tribal gaming operation's independent accountant shall be filed with the Tribal Gaming Agency and with the State Gaming Agency not later than 120 days following the end of the calendar or fiscal year. Extensions may be granted by the Tribal Gaming Agency for extenuating circumstances.

(4) The tribal gaming operation shall require its independent accountant to render the following additional reports:

(a) A report on material weakness in accounting and internal controls. Whenever, in the opinion of the independent accountant, there exists no material weaknesses in accounting and internal controls, the report shall say so; and

(b) A report expressing the opinion of the independent accountant that, based on his or her examination of the financial statements, the tribal gaming operation has followed, in all material respects, during the period covered by his or her examination, the system of accounting and internal control on file with the Tribal Gaming Agency. Whenever, in the opinion of the independent accountant, the tribal gaming operation has deviated from the system of accounting and internal controls filed with the Tribal Gaming Agency, or the accounts, records, and control procedures examined are not maintained by the tribal gaming operation in accordance with the Compact and these standards, the report shall enumerate such deviations regardless of materiality, the areas of the system no longer considered effective and shall make recommendations in writing regarding improvements in the system of accounting and internal controls.

(5) Two copies of the reports required by paragraph (4) and two copies of any other reports on accounting and internal control, administrative controls, or other matters relating to the tribal gaming operation's accounting or operating procedures rendered by the tribal gaming operation's

independent accountant, shall be filed with the Tribal Gaming Agency and with the State Gaming Agency by the tribal gaming operation within 120 days following the end of each fiscal year or within thirty (30) days of receipt whichever is earlier. Provided, extensions may be granted for extenuating circumstances by the Tribal Gaming Agency.

6. CLOSED CIRCUIT TELEVISION SYSTEM

(1) The tribal gaming operation shall install a closed circuit television system according to the following specifications.

(2) The closed circuit television system shall include, but need not be limited to the following:

(a) Light sensitive cameras some with zoom, scan and tilt capabilities to effectively and clandestinely monitor in detail and from various vantage points, the following:

(i) The gaming conducted at each gaming station in the gaming facility and the activities in the gaming facility pits;

(ii) The operations conducted at and in the cashier's cage;

(iii) The count processes conducted in the count rooms in conformity with these standards;

(iv) The movement of cash, gaming chips, drop boxes, and drop buckets in the establishment;

(v) The entrances and exits to the gaming facility and the count rooms; and

(vi) Such other areas as the Tribal Gaming Agency designates.

(b) Video recording units with time and date insertion capabilities for recording what is being viewed by any camera of the system; and

(c) One or more monitoring rooms in the establishment which shall be in use at all times by the employees of the security department assigned to monitor the activities in the gaming facility and which may be used as necessary by the inspectors of the Tribal Gaming Agency and agents of the State Gaming Agency; and

(d) Audio capability in the count rooms.

(3) Adequate lighting shall be present in all areas, including gaming stations and pits, where closed circuit camera coverage is required.

(4) The tribal gaming operation shall be required to maintain a surveillance log of all surveillance activities in the monitor room. The log shall be maintained by monitor room personnel and shall include, at a minimum, the following:

(a) Date and time of surveillance;

(b) Person initiating surveillance;

(c) Reason for surveillance;

(d) Time of termination of surveillance;

(e) Summary of the results of the surveillance;

(f) A record of any equipment or camera malfunctions.

(5) The surveillance log shall be available for inspection at any time by inspectors of the Tribal Gaming Agency and agents of the State Gaming Agency.

(6) Video or audio tapes shall be retained for at least seven (7) days and at least thirty (30) days in the case of tapes of evidentiary value, or for such longer period as the Tribal Gaming Agency or the State Gaming Agency may require.

(7) Entrances to the closed circuit television monitoring rooms shall not be visible from the gaming facility area.

7. ORGANIZATION OF THE TRIBAL GAMING OPERATION

(1) The tribal gaming operation shall have a system of internal control that includes the following:

(a) Administrative control, which includes but is not limited to the plan of organization and the procedures and records that are concerned with the decision processes leading to management's authorization of transactions; and

(b) Accounting control which includes the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and are consequently designed to provide reasonable assurance that:

(i) Transactions are executed in accordance with the management's general and specific authorization which shall include the requirements of these standards;

(ii) Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and with these standards, and to maintain accountability for assets;

(iii) Access to assets is permitted only in accordance with management's authorization which shall include the requirements of these standards; and

(iv) The recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(2) The tribal gaming operation's system of internal control shall provide for:

(a) Competent personnel with an understanding of prescribed procedures; and

(b) The segregation of incompatible functions so that no employee is in a position to perpetrate and conceal errors or irregularities in the normal course of his or her duties.

(3) The tribal gaming operation shall, at a minimum, establish the following departments:

(a) A security department supervised by the head of the security department who shall co-operate with, yet perform independently of, all other departments and shall report directly to the Chief Operating Officer of the tribal gaming operation regarding matters of policy, purpose, and responsibilities. The head of security shall be responsible for, but not limited to the following:

(i) The clandestine surveillance of the operation and conduct of the table games;

(ii) The clandestine surveillance of the operation of the cashier's cage;

(iii) The video and audio taping of activities in the count rooms;

(iv) The detection of cheating, theft, embezzlement, and other illegal activities in the gaming facility, count rooms, and cashier's cage;

(v) The video taping of illegal and unusual activities monitored;

(vi) The notification of appropriate gaming facility supervisors, and the Tribal Gaming Agency upon the detection and taping of cheating, theft, embezzlement, or other illegal activities; and

(vii) Security Department to control issue, collection and storage of cards, shoes, dice and other gaming devices deemed appropriate, and to control disposition and/or destruction of same.

No present or former surveillance department employee shall be employed in any other capacity in the tribal gaming operation unless the Tribal Gaming Agency, upon petition approves such employment in a particular capacity upon a finding that: (i) one year has passed since the former surveillance department employee worked in the surveillance department; and (ii) surveillance and security systems will not be jeopardized or compromised by the proposed employment of the former surveillance department employee in the capacity proposed; and (iii) errors, irregularities, or illegal acts cannot be perpetrated and concealed by the former surveillance department employee's knowledge of the surveillance system in the capacity in which the former surveillance department employee will be employed.

(b) A gaming facility department supervised by a gaming facility manager who shall perform independently of all other departments and shall report directly to the chief operating officer. The gaming facility manager shall be responsible for the operation and conduct of all Class III activities conducted in the gaming facility.

(c) A gaming facility accounting department supervisor who shall report directly to the chief operating officer. The supervisor responsibilities shall include, but not be limited to, the following:

(i) accounting controls;

(ii) the preparation and control of records and data required by these standards;

(iii) the control of stored data, the supply of unused forms, the accounting for and comparing of forms used in the gaming operating and required by these standards; and

(iv) the control and supervision of the cashier's cage.

(d) A cashier's cage supervised by a cage supervisor who shall supervise cage cashiers and co-operate with, yet perform independently of, the gaming facility and security departments, and shall be under the supervision of, and report directly to the chief operating officer. The cashier's cage shall be responsible for, but not limited to the following:

(i) the custody of currency, coin, patron checks, gaming chips, and documents and records normally associated with the operation of a cashier's cage;

(ii) the approval, exchange, redemption and consolidation of patron checks received for the purpose of gaming in conformity with the gaming operation's standards;

(iii) the receipt, distribution and redemption of gaming chips in conformity with these standards; and

(iv) such other functions normally associated with the operation of a cashier's cage.

(4) The tribal gaming operation's personnel shall be trained in all accounting and internal control practices and procedures relevant to each employee's individual function. Special instructional programs shall be developed by the tribal gaming operation in addition to any on-the-job instruction sufficient to enable all members of the departments required by this standard to be thoroughly conversant and knowledgeable with the appropriate and required manner of performance of all transactions relating to their function.

8. PERSONNEL ASSIGNED TO THE OPERATION AND CONDUCT OF CLASS III GAMING ACTIVITIES

(1) Table games shall be operated by dealers or croupiers who shall be the persons assigned to each gaming station as authorized under Section III.A of the Compact.

(2) A pit boss shall be the supervisor assigned the responsibility for the overall supervision of the operation

and conduct of gaming at the table games played within a single pit and shall oversee any intermediate supervisors assigned by the tribal gaming operation to assist in supervision of table games in the pit.

(3) A gaming facility shift manager shall be the supervisor assigned to each shift with the responsibility for the supervision of table games conducted in the gaming facility. In the absence of the gaming facility manager, the gaming facility shift manager shall have the authority of a gaming facility manager.

(4) Nothing in this standard shall be construed to limit the tribal gaming operation from utilizing personnel in addition to those described herein.

9. CASHIER'S CAGE

(1) As part of the gaming operation there shall be on or immediately adjacent to the gaming floor a physical structure known as the cashier's cage ("cage") to house the cashiers and to serve as the central location for the following:

(a) The custody of the cage inventory comprising currency, coin, patron checks, gaming chips, forms, documents and records normally associated with the operation of a cage;

(b) the approval of patron checks for the purpose of gaming in conformity with these standards;

(c) the receipt, distribution, and redemption of gaming chips in conformity with these standards; and

(d) such other functions normally associated with the operation of a cage.

(2) The tribal gaming operation shall have a reserve cash bankroll in addition to the imprest funds normally maintained by the cashier's cage, on hand in the cashier's cage or readily available to the cashier's cage at the opening of every shift in a minimum amount established by the tribal gaming operation.

(3) The cage shall be designed and constructed to provide maximum security including, at a minimum, the following:

(a) An enclosed structure except for openings through which items such as gaming chips, checks, cash, records, and documents can be passed to service the public and gaming stations;

(b) Manually triggered silent alarm systems connected directly to the monitoring rooms of the closed circuit television system and the security department office;

(c) Access shall be through a locked door.

(i) The system shall have closed circuit television coverage which shall be monitored by the gaming facility security department.

(4) The tribal gaming operation shall place on file with the Tribal Gaming Agency the names of all persons authorized to enter the cage, those who possess the combination or the keys or who control the mechanism to open the locks securing the entrance to the cage, and those who possess the ability to operate the alarm systems.

10. ACCOUNTING CONTROLS WITHIN THE CASHIER'S CAGE

(1) The assets for which the cashiers are responsible shall be maintained on an imprest basis. At the end of each shift, the cashiers assigned to the outgoing shift, shall record on a cashier's count sheet the face value of each cage inventory item counted and the total of the opening and closing cage inventories and shall reconcile the total closing inventory with the total opening inventory.

(a) Cashiers functions shall be, but are not limited to the following:

(i) Receive cash, checks, and gaming chips from patrons for check consolidations, total or partial redemptions or substitutions;

(ii) Receive gaming chips from patrons in exchange for cash;

(iii) Receive travelers checks and other cash equivalents from patrons in exchange for currency or coin;

(iv) Receive documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashier's cage; and

(v) Receive from security department members, chips and coins removed from gaming stations in exchange for the issuance of a credit;

(vi) Receive from security department members, requests for fills in exchange for the issuance of a fill and the disbursal of gaming chips;

(vii) Receive cash from the coin and currency count rooms;

(viii) Prepare the overall cage reconciliation and accounting records; and

(ix) Perform such other functions as necessary to ensure proper accountability consistent with these standards.

(x) The tribal gaming operation in its discretion may utilize the necessary number of independent cashiers to ensure compliance with these standards.

(3) Signatures attesting to the accuracy of the information contained on the following sheets shall be, at a minimum:

(a) On the cashiers count sheet, the fill bank closeout sheet, and the main bank closeout sheet, the signatures of the cashiers assigned to the incoming and outgoing shifts.

(4) At the conclusion of gaming activity each day, at a minimum, copies of the cashier's count sheet, recapitulation, fill, main, and related documentation, shall be forwarded to the accounting department for agreement of opening and closing inventories, and agreement of amounts thereon to other forms, records and documentation required by these standards or for the recording of transactions.

11. DROP BOXES

(1) Each gaming station in a gaming facility shall have attached to it a metal container known as a "Drop Box", in which shall be deposited all cash, duplicate fills and credits, requests for fills and credits, and station inventory forms.

(2) Each drop box shall have:

(a) One separate lock securing the contents placed into the drop box, the key to which shall be different from any other key;

(b) A separate lock securing the drop box to the gaming stations, the key to which shall be different from the key to the lock securing the contents of the drop box;

(c) An opening through which currency, coins, forms, records and documents can be inserted into the drop box;

(d) Permanently imprinted or impressed thereon, and clearly visible a number corresponding to a permanent number on the gaming station to which it is attached, and a marking to indicate game, table number, and shift, except that emergency drop boxes may be maintained without such number or marking, provided the word "emergency" is permanently imprinted or impressed thereon and, when put into use, are temporarily marked with the number of the gaming station and identification of the game and shift.

(3) The key utilized to unlock the drop boxes from the gaming stations shall be maintained and controlled by the security department.

(4) The key to the lock securing the contents of the drop boxes shall be maintained and controlled by the Tribal Gaming Agency.

12. DROP BOXES, TRANSPORTATION TO AND FROM GAMING STATIONS AND STORAGE IN THE COUNT ROOM

(1) All drop boxes removed from the gaming stations shall be transported, at a minimum, by one security department member and one employee of the tribal gaming operation directly to, and secured in, the count room.

(2) All drop boxes, not attached to a gaming station, shall be stored in the count room in an enclosed storage cabinet or trolley and secured in such cabinet or trolley by a separately keyed, double locking system. The key to one lock shall be maintained and controlled by the security department and the key to the second lock shall be maintained and controlled by the Tribal Gaming Agency inspector.

(3) Drop boxes, when not in use during a shift may be stored on the gaming stations provided that there is adequate security. If adequate security is not provided during this time, the drop boxes shall be stored in the count room in an enclosed storage cabinet or trolley as required in paragraph (2).

13. PROCEDURE FOR EXCHANGE OF CHECKS SUBMITTED BY GAMING PATRONS

(1) Except as otherwise provided in this section, no employee of the tribal gaming operation, and no person acting on behalf of or under any arrangement with the tribal gaming operation, shall make any loan, or otherwise provide or allow to any person any credit or advance of anything of value or which represents value to enable any person to take part in gaming activity as a player; provided, that

nothing in these standards shall restrict the use of any automatic device for providing cash advances on patrons' credit cards or bank cards in accordance with normal commercial practices; Provided further, that nothing in these standards shall restrict the use of patron checks when utilized in accordance with these standards.

(2) All personal checks sought to be exchanged in the tribal facility by a patron shall be:

(a) Drawn on a bank and payable on demand;

(b) Drawn for a specific amount;

(c) Made payable to the tribal gaming operation; and

(d) Currently dated, but not post dated.

(3) All checks sought to be exchanged at the cashiers' cage shall be:

(a) Presented directly to the cashier who shall:

(i) Restrictively endorse the check "for deposit only" to the tribal gaming operation's bank account;

(ii) Initial the check;

(iii) Date and time stamp the check;

(iv) Immediately exchange the check for currency and coin in an amount equal to the amount for which the check is drawn; and

(v) Forward all patron checks to the main bank cashier.

(4) Prior to acceptance of a travelers check from a patron, the general cashier shall verify its validity by:

(a) Requiring the patron to countersign the travelers check in his or her presence;

(b) Comparing the countersignature with the original signature on the travelers check;

(c) Examining the travelers check for any other signs of tampering, forgery or alteration; and

(d) Performing any other procedures which the issuer of the travelers check requires in order to indemnify the acceptor against loss.

(5) Prior to the acceptance of any tribal gaming operation check from a patron, a general cashier shall examine that patron's identification credentials to ensure the patron's identity and shall maintain documentation supporting that examination.

(6) A person may obtain cash at the cashier's cage to be used for gaming purposes by presenting a recognized credit card to a general cashier. Prior to the issuance of cash to a person, the general cashier shall verify through the recognized credit card company the validity of the person's credit card, or shall verify through a recognized electronic funds transfer company which, in turn, verifies through the credit card company the validity of the person's credit card, and shall obtain approval for the amount of cash the person has requested. The general cashier shall then prepare such documentation as required by the tribal gaming operation to evidence such transactions and to balance the imprest fund prior to the issuance of the cash.

14. PROCEDURE FOR DEPOSITING CHECKS RECEIVED FROM GAMING PATRONS

(1) All checks received in conformity with these standards shall be deposited in the tribal gaming operation's bank account in accordance with the tribal gaming operations normal business practice, but in no event later than seven (7) days after receipt.

(2) In computing a time period prescribed by this section, the last day of the period shall be included unless it is a Saturday, Sunday, or a state or federal holiday, in which event the time period shall run until the next business day.

(3) Any check deposited into a bank will not be considered clear until a reasonable time has been allowed for such check to clear the bank.

15. PROCEDURE FOR COLLECTING AND RECORDING CHECKS RETURNED TO THE GAMING OPERATION AFTER DEPOSIT

(1) All dishonored checks returned by a bank ("returned checks") after deposit shall be returned directly to, and controlled by accounting department employees.

(2) No person other than one employed within the accounting department may engage in efforts to collect returned checks except that a collection company or an attorney-at-law representing the tribal gaming operation may bring action for such collection. Any verbal or written communication

with patrons regarding collection efforts, shall be documented in the collection section.

(3) Continuous records of all returned checks shall be maintained by accounting department employees. Such records shall include, at a minimum, the following:

(a) The date of the check;

(b) The name and address of the drawer of the check;

(c) The amount of the check;

(d) The date(s) the check was dishonored;

(e) The date(s) and amount(s) of any collections received on the check after being returned by a bank.

(4) A check dishonored by a bank may be immediately redeposited if there is sufficient reason to believe the check will be honored the second time.

(5) If a check is dishonored a second time, the name of the person who submitted the check shall be kept in a log, and available to the cashier. Such person shall be prohibited from submitting a future check until the amount owed is paid in full.

16. PROCEDURE FOR ACCEPTING CASH AT GAMING STATIONS

(1) The cash shall be spread on the top of the gaming station by the croupier or dealer, accepting it in full view of the patron who presented it and the facility supervisor specifically assigned to such gaming station.

(2) The amount of cash shall be announced by the croupier or dealer accepting it in a tone of voice calculated to be heard by the patron who presented the cash and the facility supervisor specifically assigned to such gaming station. All cash changes of $50.00 or over shall be verified by the supervisor.

(3) Immediately after an equivalent amount of gaming chips has been given to the patron, the cash shall be taken from the top of the gaming station and placed by the croupier or dealer into the drop box attached to the gaming station.

17. ACCEPTANCE OF GRATUITIES FROM PATRONS

(1) No tribal gaming operation employee directly concerned with management, accounting, security and surveillance shall

solicit or accept any tip or gratuity from any player or patron.

(2) The tribal gaming operation shall establish a procedure for accounting for all tips received by other gaming employees.

(3) Upon receipt from a patron of a tip, a croupier or dealer assigned to a gaming station shall tap the table or wheel and extend his or her arm to show the pit boss that he has received a tip and immediately deposit such tip in the tip box. Tips received shall be retained by employees or pooled among employees in such manner as determined by the tribal gaming operation.

18. ADOPTION OF RULES FOR CLASS III ACTIVITIES

(1) The tribal gaming operation shall submit for approval to the Tribal Gaming Agency rules to govern the conduct of Class III activities operated in the tribal gaming facility. Copies of game rules in effect, from time to time, shall be provided to the State Gaming Agency in accordance with Section XI of the Compact. Summaries of the rules of each game relevant to the method of play and odds paid to winning bets shall be visibly displayed in the gaming facility and betting limits applicable to any gaming station shall be displayed at such gaming station. Game rules adopted by the Tribal Gaming Agency shall include in addition to the rules of play:

(a) Specifications provided by the equipment manufacturer or supplier applicable to gaming equipment:

(i) Physical characteristics of chips; and

(ii) Physical characteristics of the following:

(A) roulette tables;

(B) roulette balls;

(C) roulette wheels;

(D) cards (including procedures for receipt and storage);

(E) blackjack tables;

(F) blackjack layouts;

(G) poker tables;

(H) dice (including procedures for receipt and storage);

(I) craps tables;

(J) craps layouts;

(K) money wheels;

(L) money wheel layouts;

(M) baccarat and mini-baccarat tables;

(N) baccarat and mini-baccarat layouts;

(O) chuck-a-luck tables;

(P) chuck-a-luck layouts;

(Q) red dog tables;

(R) red dog layouts;

(S) beat the dealer layouts;

(T) pai-gow tables and layouts;

(U) dealing shoes (including procedures for receipts and storage);

(V) bill changer devices;

(W) such other equipment as may be required for use in otherwise authorized Class III activities.

(2) Rules for each authorized game, to include:

(a) Procedures of play;

(b) Minimum and maximum permissible wagers;

(c) Shuffling, cutting and dealing techniques, as applicable;

(d) Payout odds on each form of wager;

(e) Procedures to be followed on occurrence of irregularities, including definition of irregularities as applicable to each game; and

(f) Prohibitions on side betting between and against player and against the house.

19. STATION INVENTORIES AND PROCEDURE FOR OPENING STATIONS FOR GAMING

(1) Whenever a gaming station is opened for gaming, operations shall commence with an amount of gaming chips and coins to be known as the "Station Inventory" and the tribal gaming operation shall not cause or permit gaming chips or coins to be added to or removed from such station inventory during the gaming day except:

(a) In exchange for cash;

(b) In payment of winning wagers and collection of losing wagers made at such gaming station;

(c) In exchange for gaming chips received from a patron having an equal aggregate face value; and

(d) In conformity with the fill and credit procedures described in these standards.

(2) Each station inventory and the station inventory slip prepared in conformity with the procedures set forth in these standards shall be stored during non-gaming hours in a separate locked, clear container which shall be clearly marked on the outside with the game and the gaming station number to which it corresponds. The information on the station inventory slip shall be visible from the outside of the container. All containers shall be stored either in the cashier's cage during non-gaming hours or secured to the gaming station subject to arrangements for security approved by the Tribal Gaming Agency.

(3) The keys to the locked containers containing the station inventories shall be maintained and controlled by the gaming facility department in a secure place and shall at no time be made accessible to any cashier's cage personnel or to any person responsible for transporting such station inventories to or from the gaming stations.

(4) Whenever gaming stations are to be opened for gaming activity, the locked container securing the station inventory and the station inventory slip shall be unlocked by the gaming facility supervisor assigned to such station.

(5) A croupier or dealer assigned to the gaming station shall count the contents of the container in the presence of the gaming facility supervisor assigned to such station and shall agree the count to the opener removed from the container.

(6) Signatures attesting to the accuracy of the information on the opener shall be placed on such opener by the croupier or dealer assigned to the station and the gaming facility

supervisor that observed the croupier or dealer count the contents of the container.

(7) Any discrepancy between the amount of gaming chips and coins counted and the amount of the gaming chips and coins recorded on the opener, shall be immediately reported to the gaming facility manager, assistant gaming facility manager, or gaming facility shift manager in charge at such time, the security department and the Tribal Gaming Agency inspector verbally. Security will complete the standard security report in writing and immediately forward a copy to the Tribal Gaming Agency.

(8) After the count of the contents of the container and the signing of the opener, such slip shall be immediately deposited in the drop box attached to the gaming station by the croupier or dealer after the opening of such station.

20. PROCEDURE FOR DISTRIBUTING GAMING CHIPS AND COINS TO GAMING STATIONS

(1) A request for fill ("Request") shall be prepared by a gaming facility supervisor to authorize the preparation of a fill slip ("Fill") for the distribution of gaming chips and coins to gaming stations. The request shall be prepared in a duplicate form and restricted to gaming facility supervisors.

(2) On the original and duplicate of the request, the following information, at a minimum, shall be recorded:

(a) The date, time and shift of preparation;

(b) The denomination of gaming chips or coins to be distributed to the gaming stations;

(c) The total amount of each denomination of gaming chips or coins to be distributed to the gaming stations;

(d) The game and station number to which the gaming chips or coins are to be distributed.

(e) The signature of the gaming facility supervisor; and

(f) The signature of the security department member.

(3) After preparations of the request, the original of such request shall be transported directly to the cashier's cage.

(4) The duplicate copy of the request shall be placed by the croupier or dealer in public view on the gaming station to which the gaming chips or coins are to be received. Such

duplicate copy shall not be removed until the chips and coins are received, at which time the request and fill are deposited in the drop box.

(5) A fill shall be prepared by a cashier whenever gaming chips or coins are distributed to the gaming stations from the cashier's cage.

(6) Fills shall be serially pre-numbered forms, and each series of fills shall be used in sequential order, and the series of numbers of all fills received by a gaming facility shall be separately accounted. All the originals and duplicates of void fills shall be marked "VOID" and shall require the signature of the preparer.

(7) The following procedures and requirements shall be observed with regard to fills:

(a) Each series of fills shall be in triplicate form to be kept in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still located in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser;

(b) Access to the triplicate copy of the form shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of fills, placing fills in the dispensers, and removing from the dispensers, each day, the triplicate copies remaining therein.

(8) On the original, duplicate and triplicate copies of the fill, the preparer shall record, at a minimum, the following information:

(a) The denomination of the gaming chips or coins being distributed;

(b) The total amount of the gaming chips or coins being distributed;

(c) The total amount of all denominations of gaming chips or coins being distributed;

(d) The game and station number to which the gaming chips or coins are being distributed;

(e) The date and shift during which the distribution of gaming chips or coins occur; and

(f) The signature of the preparer.

(9) Upon preparation, the time of preparation of the fill shall be recorded, at a minimum, on the original and the duplicate.

(10) All gaming chips or coins distributed to the gaming stations from the cashier's cage shall be transported directly to the gaming stations from the cashier's cage by a security department member who shall agree to the request to the fill and sign the original of the request, maintained at the cashier's cage, before transporting the gaming chips or coins and the original and duplicate of the fill for signature.

(11) Signatures attesting to the accuracy of the information contained on the original and duplicate of the fills shall be, at a minimum, of the following personnel at the following times:

(a) The cashier upon preparation;

(b) The security department member transporting the gaming chips or coins to the gaming station upon receipt from the cashier of gaming chips or coins to be transported;

(c) The croupier or dealer assigned to the gaming station upon receipt;

(d) The gaming facility supervisor assigned to the gaming station, upon receipt of the gaming chips or coins at such station.

(12) Upon meeting the signature requirements as described in paragraph (11), the security department member that transported the gaming chips or coins and the original and duplicate copies of the fill to the station, shall observe the immediate placement by the croupier or dealer of the duplicate fill and duplicate request in the drop box attached to the gaming station to which the gaming chips or coins were transported and return the original fill to the fill bank where the original fill and request shall be maintained together and controlled by employees independent of the gaming facility department.

(13) The original and duplicate "VOID" fills, the original request and the original fill, maintained and controlled in conformity with paragraph (12) shall be forwarded to:

(a) The count team for agreement with the duplicate copy of the fill and duplicate copy of the request removed from the drop box after which the original and duplicate copy of the request and the original and duplicate copy of the fill shall be forwarded to the

accounting department for agreement, on a daily basis, with the triplicate; or

(b) The accounting department for agreement, on a daily basis, with the duplicate fill and duplicate copy of the request removed from the drop box and the triplicate.

21. PROCEDURE FOR REMOVING GAMING CHIPS AND COINS FROM GAMING STATIONS

(1) A request for credit ("Request") shall be prepared by a gaming facility supervisor to authorize the preparation of a credit ("Credit") for the removal of gaming chips and coins to the cashier's cage. The request shall be in duplicate form and access to such form shall, prior to use, be restricted to gaming facility supervisors.

(2) On the original and the duplicate copy of the request the following information, at a minimum, shall be recorded:

(a) The date, time and shift of preparation;

(b) The denomination of gaming chips or coins to be removed from the gaming station;

(c) The total amount of each denomination of gaming chips or coins to be removed from the gaming station;

(d) The game and station number from which the gaming chips or coins are to be removed; and

(e) The signature of the gaming facility supervisor and croupier or dealer assigned to the gaming station from which gaming chips or coins are to be removed.

(3) Immediately upon preparation of a request and transfer of gaming chips or coins to a security department member, a gaming facility supervisor shall obtain on the duplicate copy of the request, the signature of the security department member to whom the gaming chips or coins were transferred and the croupier or dealer shall place the duplicate copy in public view on the gaming station from which the gaming chips or coins were removed, and such request shall not be removed until a credit is received from the fill bank at which time the request and credit are deposited in the drop box.

(4) The original of the request shall be transported directly to the cashier's cage by the security department member who shall at the same time transport the gaming chips or coins removed from the gaming station.

(5) A credit shall be prepared by a fill bank cashier whenever gaming chips or coins are removed from the gaming stations to the cashier's cage.

(6) Credits shall be serially pre-numbered forms, each series of credits shall be used in sequential order, and the series number of all credits received by a gaming facility shall be separately accounted for. All original and duplicate copies of credits shall be marked "VOID" and shall require the signature of the preparer.

(7) The following procedures and requirements shall be observed with regard to credits:

(a) Each series of credits shall be a three-part form and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser.

(b) Access to the triplicate shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of credits, placing credits in the dispensers, and removing from the dispensers, each day, the triplicates remaining therein.

(8) On the original, duplicate and triplicate copies of a credit, the preparer shall record, at a minimum, the following information:

(a) The denomination of the gaming chips or coins removed from the gaming station to the cashier's cage;

(b) The total amount of each denomination of gaming chips or coins removed form the gaming station to the cashier's cage;

(c) The total amount of all denominations of gaming chips or coins removed from the gaming station to the cashier's cage;

(d) The game and station number from which the gaming chips or coins were removed;

(e) The date and shift during which the removal of gaming chips or coins occurs; and

(f) The signature of the preparer.

(9) Upon preparation, the time of preparation of the credit shall be recorded, at a minimum, on the original and duplicate copy.

(10) Signatures attesting to the accuracy of the information contained on the original and the duplicate copy of a credit shall be, at a minimum, the following personnel at the following times:

(a) The fill bank cashier upon preparation;

(b) The security department member transporting the gaming chips or coins to the cashier's cage;

(c) The croupier or dealer assigned to the gaming station upon receipt at such station from the security department member; and

(d) The gaming facility supervisor assigned to the gaming station upon receipt at such station.

(11) Upon meeting the signature requirements as described in paragraph (10), the security department member transporting the original and duplicate copies of the credit to the gaming station, shall observe the immediate placement by the croupier or dealer of the duplicate copies of the credit and request in the drop box attached to the gaming station from which the gaming chips or coins are removed. The security department member shall expeditiously return the original credit to the fill bank where the original of the credit and request shall be maintained together, and controlled by employees independent of the gaming facility department.

(12) The original and duplicate copies of "VOID" credits and the original request and credit, maintained and controlled in conformity with paragraph (11) shall be forwarded to:

(a) The count team for agreement with the duplicate credit and the duplicate request removed from the drop box, after which the request and the original and duplicate credit shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or

(b) The accounting department for agreement, on a daily basis, with the duplicate copies of the credit and request removed from the drop box and the triplicate.

22. A. PROCEDURE FOR SHIFT CHANGES AT GAMING STATIONS

(1) Whenever gaming stations are to remain open for gaming activity at the conclusion of a shift, the gaming chips and

coins remaining at the gaming stations at the time of the shift change shall be counted by either the croupier or dealer assigned to the outgoing shift, and the croupier or dealer assigned to the incoming shift, or the croupier or dealer assigned to the gaming station at the time of a drop box shift change which does not necessarily coincide with an employee shift change. The count shall be observed by the gaming facility supervisor assigned to the gaming station at the time of a drop box shift change.

(2) The gaming chips and coins counted shall be recorded on the station inventory slip by the gaming facility supervisor assigned to the gaming station of the outgoing shift or the gaming facility supervisor assigned to the gaming station at the time of the drop box shift change.

(3) Station inventory slips shall be three-part serially pre-numbered forms and on the original of the slip ("Closer"), the duplicate of the slip ("Opener"), and on the triplicate, which is maintained and controlled by security, the gaming facility supervisor shall record the following:

(a) The date and identification of the shift ended;

(b) The game and station number;

(c) The total value of each denomination of gaming chips and coins remaining at the station.

(4) Signatures attesting to the accuracy of the information recorded on the station inventory slips shall be of either the croupier or dealer and the gaming facility supervisor assigned to the incoming and outgoing shifts or the croupier or dealer and the gaming facility supervisor assigned to the gaming station at the time of a drop box shift change.

(5) Upon meeting the signature requirements as described in paragraph (4), the closer shall be deposited in the drop box that is attached to the gaming station immediately prior to the change of shift at which time the drop boxes shall then be removed and the opener shall be deposited in the replacement drop box that is to be attached to the gaming stations immediately following the change of shift. The triplicate shall be forwarded to the accounting department by a security department member.

B. PROCEDURE FOR CLOSING GAMING STATIONS

(1) Whenever the daily gaming activity at each gaming station is concluded, the gaming chips and coins on the gaming station shall be counted by the croupier or dealer assigned to the gaming station and observed by a gaming facility

supervisor assigned to the gaming station, and the entire count and closure process shall be monitored and taped by the surveillance department and those tapes retained for a period of at least thirty (30) days.

(2) The gaming chips and coins counted shall be recorded on a station inventory slip by the gaming facility supervisor assigned to the gaming station.

(3) Station inventory slips shall be three-part serially pre-numbered forms and on the original of the slip ("Closer"), the duplicate of the slip ("Opener"), and on the triplicate, which is maintained and controlled by security, the gaming facility supervisor shall record the following:

(a) The date and identification of the shift ended;

(b) The game and station number;

(c) The total value of each denomination of gaming chips and coins remaining at the stations; and

(d) The total value of all denominations of gaming chips and coins remaining at the gaming stations.

(4) Signatures attesting to the accuracy of the information recorded on the station inventory slips at the time of closing the gaming stations shall be of the croupier or dealer and the gaming facility supervisor assigned to the gaming station who observed the croupier or count the contents of the station inventory.

(5) Upon meeting the signature requirements specified in paragraph (4), the closer shall be deposited in a drop box attached to the gaming station immediately prior to the closing of the station.

(6) The triplicate copy of the station inventory slip shall be forwarded to the accounting department by a security department member.

(7) Upon meeting the signature requirements specified in paragraph (4), the opener and the gaming chips remaining at the station shall be placed in the clear container provided for that purpose as specified in these standards after which the container shall be locked.

(8) At the end of each gaming day, if the locked containers are transported to the cashier's cage, a cage cashier shall determine that all locked containers have been returned or, if the locked containers are secured to the gaming station, a gaming facility supervisor shall account for all the locked containers.

Provided, that an alternative method to the procedures set forth in this Section 22 above may be approved by mutual agreement of the Tribal and State Gaming Agencies in a Memorandum of Understanding.

23. COUNT ROOM: CHARACTERISTICS

(1) As part of the gaming operation, there shall be a room specifically designated for counting the contents of drop boxes which shall be known as the count room.

(2) The count room shall be designed and constructed to provide maximum security for the materials housed therein and for the activities conducted therein, to include at a minimum, the following:

(a) A door equipped with two separate locks securing the interior of the count room, the keys to which shall be different from each other and from the keys to the locks securing the contents of the drop boxes, and one key shall be maintained and controlled by the security department in a secure area within the security department, access to which may be gained only by a nominated security department member, and the other key maintained and controlled by the gaming facility department;

(b) The security department shall establish a sign out procedure for all keys removed from the security department; and

(c) An alarm device connected to the entrance of the count room in such a manner as to cause a signalling to the monitors of the closed circuit television system in the gaming facility's surveillance monitor room whenever the door to the count room is opened.

(3) Located within the count room shall be:

(a) A table constructed of clear glass or similar material for the emptying, counting and recording of the contents of the drop boxes which shall be known as the "Count Table";

(b) Closed circuit television cameras and microphones wired to monitoring rooms capable of, but not limited to the following:

(i) Effective and detailed video and audio monitoring of the entire count process;

(ii) Effective, detailed video-monitoring of the count room, including storage cabinets or trolleys used to store drop boxes; and

(iii) Video and audio taping of the entire count process and any other activities in the count room.

24. PROCEDURE FOR COUNTING AND RECORDING CONTENTS OF DROP BOXES

(1) The contents of drop boxes shall be counted and recorded in the count room in conformity with this standard.

(2) The tribal gaming operation shall notify the Tribal Gaming Agency through an inspector whenever the contents of drop boxes removed from gaming stations are to be counted and recorded, which, at a minimum, shall be once each gaming day.

(3) The opening, counting and recording of the contents of drop boxes shall be performed in the presence of an inspector and by those employees assigned by the tribal gaming operation for the conduct of the count ("Count Team") who have no incompatible functions. To gain entrance to the count room, the inspector may be required to present an official identification card containing his or her photograph issued by the Tribal Gaming Agency.

(4) Immediately prior to the opening of the drop boxes, the doors to the count room shall be securely locked and except as otherwise authorized by this standard, no person shall be permitted to enter or leave the count room, except during a normal work break or in an emergency, until the entire counting, recording and verification process is completed.

(5) Immediately prior to the commencement of the count, one count team member shall notify the person assigned to the closed circuit television monitoring station in the establishment that the count is about to begin, after which such a person shall make a video and audio recording, with the time and date inserted thereon, of the entire counting process which shall be retained by the security department for at least seven days from the date of recording unless otherwise directed by the Tribal Gaming Agency or State Gaming Agency.

(6) Procedures and requirements for conducting the count shall be the following:

(a) As each drop box is placed on the count table, one count team member shall announce, in a tone of voice to be heard by all persons present and to be recorded

by the audio recording device, the game, station number, and shift marked thereon;

(b) The contents of each drop box shall be emptied and counted separately on the count table, which procedures shall be at all times conducted in full view of the closed circuit television cameras located in the count room;

(c) Immediately after the contents of a drop box are emptied onto the count table, the inside of the drop box shall be held up to the full view of a closed circuit television camera, and shall be shown to at least one other count team member and the Tribal Gaming Agency inspector to confirm that all contents of the drop box have been removed, after which the drop box shall be locked and placed in the storage area for drop boxes;

(d) The contents of each drop box shall be segregated by a count team member into separate stacks on the count table by denominations of coin and currency and by type of form, record or document;

(e) Each denomination of coin and currency shall be counted separately by at least two count team members who shall place individual bills and coins of the same denomination on the count table in full view of the closed circuit television cameras, and such count shall be observed and the accuracy confirmed orally or in writing, by at least one other count team member;

(f) As the contents of each drop box is counted, one count team member shall record or verify on a master game report, by game, station number, and shift, the following information:

(i) The total amount of currency and coin counted;

(ii) The amount of the opener;

(iii) The amount of the closer;

(iv) The serial number and amount of each fill;

(v) The total amount of all fills;

(vi) The serial number and amount of each credit;

(vii) The total amount of all credits; and

(viii) The win or loss.

(g) After the contents of each drop box have been counted and recorded, one member of the count team shall record by game and shift, on the master game report, the total amounts of currency and coin, station inventory slips, fills and credits counted, and win or loss, together with such additional information as may be required on the master game report by the tribal gaming operation;

(h) Notwithstanding the requirements of sub-paragraphs (f) and (g), if the tribal gaming operation's system of accounting and internal controls provides for the recording on the master game report of fills, credits, and station inventory slips by cage cashiers prior to the commencement of the count, a count team member shall compare for agreement the serial numbers and totals of the amounts recorded thereon to the fills, credits, and station inventory slips removed from the drop boxes;

(i) Notwithstanding the requirements of sub-paragraphs (f) and (g), if the tribal gaming operation's system of accounting and internal controls provides for the count team functions to be comprised only of counting and recording currency, coin, and credits; accounting department employees shall perform all other counting, recording and comparing duties herein;

(j) After completion and verification of the master game report, each count team member shall sign the report attesting to the accuracy of the information recorded thereon;

(k) At no time after the inspector has signed the master game report shall any change be made to it without prior written approval of the Tribal Gaming Agency.

(7) Procedures and requirements at the conclusion of the count for each gaming shift shall be the following:

(a) All cash removed from each drop box after the initial count shall be presented in the count room by a count team member to a cashier who, prior to having access to the information recorded on the master game report and in the presence of the count team and the inspector, shall re-count, either manually or mechanically, the cash received, after which the inspector shall sign the report evidencing his or her presence during the count and the fact that both the cashier and count team have agreed on the total amount of cash counted;

(b) The top copy of the master game report, after signing, and the requests for fills, the fills, the requests

for credits, the credits, and the station inventory slips removed from drop boxes shall be transported directly to the accounting department and shall not be available to any cashier's cage personnel;

(c) A duplicate of the master game report , but no other document referred to in this standard whatsoever, shall be retained by the inspector.

(d) If the tribal gaming operation's system of accounting and internal controls does not provide for the forwarding from the cashier's cage of the duplicate of the fills, credits, request for credits, request for fills, such documents recorded or to be recorded on the master game report shall be transported from the count room directly to the accounting department.

(8) The originals and copies of the master game report, request for fills, fills, request for credits, credits and station inventory slips shall on a daily basis, in the accounting department be:

(a) Compared for agreement with each other, on a test basis, by persons with no recording responsibilities and, if applicable, to triplicates or stored data;

(b) Reviewed for the appropriate number and propriety of signatures on a test basis;

(c) Accounted for by series numbers, if applicable;

(d) Tested for proper calculation, summarization, and recording;

(e) Subsequently recorded; and

(f) Maintained and controlled by the accounting department.

25. SIGNATURES

(1) Signatures shall:

(a) Be, at a minimum, the signer's first initial and last name;

(b) Be immediately adjacent to, or above the clearly printed or pre-printed title of the signer and his or her certificate or permit number; and

(c) Signify that the signer has prepared forms, records, and documents, and/or authorized to a sufficient extent to attest to the accuracy of the information

recorded thereon, in conformity with these standards and the tribal gaming operation's system of accounting and internal control.

(2) Signature records shall be prepared for each person required by these standards to sign or initial forms, records and documents, and shall include specimens of signatures and initials of signers. Such signature records shall be maintained on a dated signature card file, alphabetically by name, within a department. The signature records shall be adjusted on a timely basis to reflect changes of personnel.

(3) Signature records shall be securely stored in the accounting department.

# APPENDIX B

# JAMESTOWN S'KLALLAM TRIBE - STATE OF WASHINGTON

# CLASS III GAMING COMPACT

## STATE CERTIFICATION FEES

## (NOVEMBER 1992)

**APPENDIX B**

**STATE OF WASHINGTON - JAMESTOWN S'KLALLAM TRIBE GAMING COMPACT**

**FEES FOR STATE CERTIFICATION**
**EFFECTIVE NOVEMBER 1992**

GAMING EMPLOYEES:

| | |
|---|---|
| INITIAL CERTIFICATION | |
| (In-state) | $ 200.00 |
| (Out-of-state) | $ 250.00 |
| ANNUAL RENEWAL | $ 125.00 |

MANUFACTURERS, SUPPLIERS, FINANCIERS OR MANAGEMENT COMPANIES:

| | |
|---|---|
| INITIAL CERTIFICATION | |
| (In-state) | $1,500.00 |
| (Out-of-state) | $5,000.00 |
| ANNUAL RENEWAL | $ 500.00 |

**NOTE 1:** To provide for small and one time purchases from local suppliers, upon written agreement of the State and Tribal Gaming Agencies, initial Certification will not be required of businesses located in Clallam and Jefferson county 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 renewal fee.

**NOTE 2:** Minimum fees for state certification are subject to change, under the provisions of this Compact. If actual costs incurred by the state for processing certification applications exceed the fees established, those costs will be assessed to the applicant during the investigation process. Payment in full will be required prior to issuance of the state certification.