United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

FEB 08 2002

Honorable John Daniels, Jr.
Chairman
Muckleshoot Indian Tribe
39015 172nd Avenue, Southeast
Auburn, Washington 98092

Dear Chairman Daniels:

On January 22, 2002, we received the Third Amendment to the Tribal-State Compact for Class III Gaming between the Muckleshoot Indian Tribe (Tribe) and the State of Washington (State), dated January 16, 2001. We have completed our review of this Amendment and conclude that it does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), Federal law, or our trust responsibility. Therefore, pursuant to my delegated authority and Section 11 of IGRA, we approve the Amendment. The Amendment shall take effect when the notice of our approval, pursuant to Section 11(d)(3)(B) of IGRA, 25 U.S.C. § 2710(d)(3)(B), is published in the FEDERAL REGISTER.

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

Sincerely,

Assistant Secretary - Indian Affairs

Enclosure

Similar Letter Sent to: Honorable Gary Locke
Governor of Washington
State Capitol
Olympia, Washington 98504

THIRD AMENDMENT TO THE
TRIBAL – STATE COMPACT
FOR CLASS III GAMING
Between the
MUCKLESHOOT INDIAN TRIBE
and the
STATE OF WASHINGTON

INTRODUCTION

The MUCKLESHOOT INDIAN TRIBE (hereafter "Tribe") and the STATE OF WASHINGTON (hereafter "State") entered into a Class III gaming compact on February 19, 1993 pursuant to the Indian Gaming Regulatory Act of 1988 (hereafter "IGRA"). The Tribe and the State amended that compact by mutual agreement on May 4, 1995 and again on November 25, 1998. At the request of the Tribe, the Tribe and the State entered into negotiations for further amendments to the compact. The parties have reached agreement on compact amendments as set forth in this document. The parties believe the conduct of Class III gaming under the terms and conditions set forth below will, from a regulatory perspective, benefit the Tribe and the State and protect the members of the Tribe and the citizens of the State consistent with the objectives of IGRA.

COMPACT AMENDMENTS

1. Section II, H, I, J and O are amended to read as follows:

"H. "Gaming Employee" means any individual 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 gaming operation or management services to the Tribe, including but not limited to, gaming operation managers and assistant managers; accounting personnel; surveillance and security personnel; cashiers; supervisors; dealers or croupiers, box men; floormen; pit bosses; shift bosses; cage personnel; collection personnel; gaming consultants; parimutuel clerks; management companies and their principals; and any person whose employment duties require or authorize access to areas of ~~the~~ gaming facilities~~y~~ related to gaming which are not otherwise open to the public, or to areas designated by the Tribal and State Gaming Agencies.

I. "Gaming Facility" or "Gaming Facilities" means the building or buildings or portion thereof in which Class III Gaming activities as authorized by this Compact are conducted by ~~on~~ the ~~Muckleshoot~~ Tribe ~~Reservation~~.

J. "Gaming Operation" means the enterprise or enterprises operated by the Tribe ~~on the Muckleshoot Reservation~~ for the conduct of any form of Class III gaming in any gaming facility."

O. "Management Entity" means any individual with whom, or other business entity with which, the Tribe has entered into a contractual agreement for financing, development or operation of any Class II or Class III gaming establishment ~~on the Muckleshoot Reservation~~."

2. Section III, A and D through M are amended to read as follows:

"A. Scope of Class III Gaming Activities. The Tribal gaming operation may utilize in its gaming facilit~~y~~ies, subject to the provisions of this Compact, any or all of the following Class III activities:

1. Baccarat;
2. Beat My Shake;
3. Beat the Dealer;
4. Blackjack (to the extent not played as a Class II game)
5. Chemin De Fer;
6. Chuck-a-luck;
7. Craps;
8. 4-5-6;
9. Horses (stop dice);
10. Horse Race;
11. Money-Wheel;
12. Satellite (off-track) wagering on horse races, subject to Appendix B;
13. Over/Under Seven;
14. Pai-gow (to the extent not played as a Class II game);
15. Poker (to the extent not played as a Class II game);
16. Red Dog;
17. Roulette;
18. Ship-Captain-Crew;
19. Sic-Bo;
20. Sports Pools, subject to Appendix B;
21. Sweet Sixteen;
22. Punchboards and Pull Tabs, subject to Appendix B; and
23. Washington State Lottery tickets, subject to Appendix B.

D. Authorized Gaming Operation and Facilities. The Tribe may establish ~~one Class III gaming operation and~~ two (2) gaming facilit~~y~~ies, to be located on trust lands within or contiguous to the boundaries of the Muckleshoot Reservation, for the operation of any Class III games authorized pursuant to this Compact.

E. Forms of Payment. All payment for wagers made in authorized forms of Class III gaming conducted by the Tribe on the Muckleshoot Reservation, including the purchase of chips or tokens for use in wagering, shall be made by cash, cash equivalent, credit card or personal check. Except for said use of credit cards, no credit shall be extended to any patron of ~~the~~ a gaming facility for gaming activities.

F. Size of Gaming Floor. The actual size of the gaming floor devoted to Class III activities within ~~the~~ each gaming facility shall be determined by the Tribe.

G. Number of Gaming Stations. ~~During the first six months of operation, the maximum number of Class III gaming stations initially authorized for use on the gaming floor within the gaming facility shall be thirty one (31). Notwithstanding the foregoing,~~ tThe Tribe has the option to use a total of ~~thirty two~~seventy five(~~32~~75) gaming stations within ~~the~~one facility and a total of fifty (50) gaming stations within a second facility. However, the Tribe has the option to add one (1) additional nonprofit gaming station ("Nonprofit Station") for every twenty five (25) gaming stations allowed in a facility. ~~if and when~~ tThe proceeds from all Nonprofit ~~one (1) of those gaming s~~Stations ~~are~~ shall be dedicated to support bona-fide nonprofit organizations and their activities within the state of Washington. PROVIDED, that the Tribe is required to obtain transfers of Class III gaming station authorization from another tribe which has entered into a compact with the State for the use of Class III gaming stations as defined in this Compact for any Class III gaming stations, except for Nonprofit Stations, beyond sixty (60) in total for all gaming facilities. PROVIDED FURTHER, that the transfer of Class III gaming station authorization from another tribe shall be effectuated through the use of a "Class III Gaming Station Transfer Agreement" appended hereto as Appendix C of this Compact. For the purpose of the determination of "proceeds" from a~~the~~ nNonprofit sStation only, proceeds shall mean the net win less the pro rata cost of regulation and operation, specifically excluding capital costs. The net win from a~~the~~ nNonprofit sStation is not subject to community contribution established under Section XIV.C. of this Compact. The Tribal Gaming Ordinance or Tribal Council Resolution shall set forth regulations concerning the types of bona-fide nonprofit organizations and/or the types of projects of such organizations which shall be supported by the ~~n~~Non-profit ~~s~~Stations; and the Washington State Council on Problem Gambling, or a successor organization if the Council ceases to exist, shall be a beneficiary with respect to the ~~n~~Non-profit ~~s~~Stations unless otherwise funded by community and enforcement impact ~~contributions~~ as defined in Section XIV C. ~~When the gaming operation has met the conditions set forth in Section III.H.2., "phase two" may be implemented, providing for up to fifty (50) gaming stations plus, at the option of the Tribe, two (2) additional gaming stations ("the nonprofit stations"). At the time the operation is increased to 52gaming 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.~~

H. Wagering Limitations.

1. ~~During the first six months of operation, w~~Wager limits shall not exceed ~~two hundred fifty dollars ($250). When the gaming operation has met the conditions set forth in Section III.H.2. below, "phase two" may be implemented, providing for wager limits of up to~~ five hundred dollars ($500).

2. ~~After six months of operation, the State Gaming Agency shall conduct a review of the Class III operation to determine general compact compliance and whether the conditions set forth below have been satisfied. If as a result of the review, the State~~

~~Gaming Agency determines that the operation is in compliance with these conditions, the Class III operation may implement a phase two immediately. If the State Gaming Agency determines that the Class III operation has not satisfied the conditions, any resulting dispute will be resolved through the dispute resolution procedures set forth in Section XII.C. of this Compact. An increase in the number of gaming stations, hour of operation, and/or wager limits authorized is conditioned on compliance with the following criteria:~~

~~a. There have been no violation(s) of the provisions of this Compact which have resulted in sanctions imposed by the Federal District Court;~~

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

~~c. There have been no material adverse impacts on the public safety or welfare of the surrounding communities in the nature of criminal activities directly related to the operation of the Class III operation.~~

~~d. There have been no unresolved and material violations of Appendix A of this Compact.~~

~~e. The Tribal Gaming Agency has developed a strong program of regulation and control demonstrating an adequate level of proficiency, which includes the hiring of trained Tribal Gaming Agents, an independent regulatory and reporting structure separate from that of the gaming operation or tribal bodies, a thorough and developed system for the reporting of Compact violations, and a strong and consistent presence within the Class III facility. If the State claims that any of the five conditions in this subsection have not been met, the issue shall be subject to the provisions of Section XII.C. During this dispute resolutions process, the Tribe will be precluded from expansion of gaming stations, hours of operation, or wagering limits within the existing facility.~~

~~3. Should the State or any political subdivision thereof increase the wagering limits permitted for licensed fund-raising events or card games operated by any person for any purpose, upon thirty (30) days written notice to the State Gaming Agency from the Tribe, the Tribe may authorize the same wagering limits.~~

I. Hours of Operation. ~~During the first six months of operation, operating hours may not exceed one hundred twelve (112) hours per week on an annualized basis. When the gaming operation has met the conditions set forth in Section III.H.2. above, "phase two" may be implemented, providing for operating hours of up to one hundred forty (140) hours per week on an annualized basis. Provided, gaming operations may not operate more than twenty (20) hours per day and must close between the hours of 2:00 a.m. to~~

~~6:00 a.m. 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, including the conduct of Class III gaming operations beyond 2:00 a.m. Provided further, upon thirty (30) days written notice to the State Gaming Agency and upon written mutual agreement between the State Gaming Agency and Tribal Gaming Agency, t~~The Tribe may~~, not more than three (3) times per calendar year,~~ conduct ~~continuous~~ Class III operations for up to ~~seventy two~~one hundred and fifty six (~~72~~156) hours per week in each Class III gaming facility. ~~Prior to the opening of the gaming operation, and on a quarterly basis thereafter, t~~The Tribal Gaming Agency will provide to the State Gaming Agency and the City of Auburn a schedule indicating the hours of operation of ~~the~~each Class III facility. PROVIDED, that upon twenty (20) days written notice to the Tribal gaming Agency and the State Gaming Agency, the Tribe may, not more than three (3) times in each facility in any twelve (12) month period, conduct operations for up to one hundred and sixty (160) hours per week. This shall be accomplished only by shifting hours or portions of hours from other weeks and consequently reducing the corresponding period of operation during such weeks.

J. Ownership of Gaming Facility~~y~~ies and Gaming Operation. The gaming operation and ~~the~~ gaming facility~~y~~ies shall be owned and operated by the Tribe, but the Tribe shall be entitled to contract for management of ~~the~~ gaming facility~~y~~ies and ~~gaming~~ operation. Any such contract shall subject the manager to the terms of this Compact, including annual certification and licensing.

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

L. Age Limitations. No person under the age of eighteen (18) shall participate in any gaming operation, or be allowed on the Class III gaming floor authorized by this Compact during actual hours of operation. Should alcoholic beverages be offered i~~o~~n the gaming area~~floor~~ pursuant to applicable law, then no patron under the age of twenty-one (21) shall be permitted i~~o~~n the gaming area~~floor~~ during actual hours of operation. PROVIDED, that such age limitation shall not apply to an individual accompanied by an adult for the specific and limited purpose of proceeding directly and immediately across the gaming area for a legitimate non-gaming purpose, with no gaming area loitering or gaming participation by the under age person or accompanying adult.

M. Prohibition on Firearms. The possession of firearms by any person within ~~the~~ gaming facility~~y~~ies shall be strictly prohibited. Provided, this prohibition shall not apply to authorized agents or officers of the Tribal Gaming Agency, Tribal Law Enforcement Agency, State Gaming Agency, or State and Local law enforcement agencies."

3. Section IV, A and D are amended to read as follows:

"A. Gaming Operation and Facilityies. The gaming operation and gaming facilityies authorized by this Compact shall be licensed by the Tribal Gaming Agency in conformity with the requirements of this Compact prior to commencement of operation, and annually thereafter. Verification of this requirement shall be made by the Tribal Gaming Agency and the State Gaming Agency and, as applicable to the satellite wagering facility and operation the Washington Horse Racing Commission, through a joint pre-operation inspection scheduled at least ten (10) days prior to the scheduled opening to the public. If ~~the~~a facility does not meet the requirements, the Tribal Gaming Agency and/or State 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~~a facility meets the requirements, the agencies will meet within ten (10) working days from receipt of the non-compliance letter and work together to resolve concerns. If a dispute regarding this inspection cannot be resolved by the gaming agencies within a reasonable time, the parties may seek resolution pursuant to Section XII.C of this Compact. The actual costs of final inspection of the facilityies under this Section shall be the responsibility of the Tribe.

D. Financiers. Any party extending financing, directly or indirectly, to the gaming facilityies or gaming operation shall be subject to the annual licensing requirements of the Tribal Gaming Agency, and shall be required to obtain State certification prior to completion of the financing agreement and annually thereafter. These licensing and certification requirements do not apply to financing provided by a federally regulated commercial lending institution, the Muckleshoot Tribal government, or the federal government. The source of all funds will be fully disclosed in accordance with IGRA and a copy provided to the State Gaming Agency and, as applicable to the satellite wagering facility and activities, to the Washington Horse Racing Commission."

4. Section V, C. 5. is amended to read as follows:

"5. For enrolled members of the 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 facilityies. 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."

5. **Section VI, A through F are amended to read as follows:**

"A. Tribe. The Ultimate responsibility for ensuring the regulation, control and integrity of the gaming authorized by this Compact shall be that of the Tribe. The Tribe shall provide for and oversee the following functions:

1. Ensure the enforcement in the gaming operation, including the facilities, of all relevant laws;

2. Ensure that the gaming operation has adequate policies in place for the physical safety of patrons in the establishment;

3. Ensure the physical safety of personnel employed by the establishment;

~~A~~B. Tribal Gaming Agency. The primary responsibility for the on-site regulation, control and security of the gaming operation authorized by this Compact, and for the enforcement of this Compact ~~on the Muckleshoot Reservation~~, shall be that of the Tribal Gaming Agency. As part of its structure, the Tribal Gaming Agency shall perform the following functions, as related to the regulation and integrity of gaming:

~~1. Enforce in the gaming operation, including the facility, all relevant laws;~~

~~2. Ensure that the gaming operation has adequate policies in place for the physical safety of patrons in the establishment;~~

~~3. Ensure the physical safety of personnel employed by the establishment;~~

~~4~~1. Ensure the physical safeguarding of assets transported to and from gaming facilities and cashier's cage departments;

~~5~~2. Protect the patrons and the establishments' property from illegal activity;

~~6~~3. Temporarily detain, to the extent of its authority, persons who may be involved in illegal acts for the purpose of notifying the law enforcement authorities; and

~~7~~4. Record in a permanent and detailed manner any and all unusual occurrences within each gaming facility. Each ~~incident, without regard to materiality,~~occurrence shall be assigned a sequential number and, at a minimum, the following information shall be recorded in indelible ink in a bound notebook from which pages cannot be removed and each side of each page of which is sequentially numbered:

(a) the assigned number;

(b) the date;

(c) the time;

(d) the nature of the incident;

(e) the person involved in the incident; and

(f) the security department or tribal gaming agency employee assigned.

~~B~~C. Tribal Gaming Agents/Inspectors. The Tribal Gaming Agency shall employ qualified inspectors or agents ("Tribal Inspectors") under the authority of the Tribal Gaming Agency. Tribal Inspectors shall be independent of the Tribal gaming operation, and shall be supervised and accountable only to the Tribal Gaming Agency. Tribal Inspectors shall not be required to be certified by the State. At the sole discretion of the Tribe, the Tribe may utilize State Gaming Agents, pursuant to Section VII.A, to fulfill this function.

~~C~~D. Reporting of Violations. A Tribal Inspector shall be present in each ~~the~~ gaming facility during all hours of such facility's gaming operation, and shall have immediate access to any and all areas of the gaming facility for the purpose of ensuring compliance with the provisions of this Compact and Tribal Ordinances. Any violations of the provisions of this Compact, or of Tribal Ordinances 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 to the State Gaming Agency within seventy-two (72) hours of the time the violation(s) was noted.

~~D~~E. Investigation and Sanctions. The Tribal Gaming Agency shall investigate any reported violation of the Compact provisions and shall require the Tribal gaming operation to correct the violation upon such terms and conditions as the Tribal Gaming Agency determines are necessary. The Tribal Gaming Agency shall be empowered by Tribal Ordinance to impose fines and other sanctions within the jurisdiction of the Tribe against a gaming employee, or any other person directly or indirectly involved in, or benefiting from, the gaming operation.

~~E~~F. Reporting to State Gaming Agency. The Tribal Gaming Agency shall forward copies of all completed incident and investigation reports and final dispositions to the State Gaming Agency on a continuing basis. 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, Tribal Ordinances, laws of the Tribe, or applicable laws of the State.

~~F~~G. Quarterly Meetings. In an attempt to develop and foster a relationship in the enforcement of the provisions of this Compact, representatives of the State Gaming Agency the Tribal Gaming Agency, and the Washington Horse Racing Commission as applicable, shall meet not less than on a quarterly basis to review past practices and examine methods to improve the regulatory program created by this Compact. The

meetings shall take place at a location selected by the Tribal Gaming Agency. The State Gaming Agency prior to or during such meetings shall disclose to the Tribal Gaming Agency any concerns, suspected activities or pending matters reasonably believed to possibly constitute violations of this Compact by any person, organization or entity, if such disclosure will not compromise the interest sought to be protected."

6. Section VII, A and D are amended to read as follows:

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

D. Cooperation With Tribal Gaming Agency. The State Gaming Agency and the Commission shall meet periodically with the Tribal Gaming Agency and cooperate fully in all matters relating to the enforcement of the provisions of this Compact and promptly notify the Tribal Gaming Agency of any activity suspected or occurring whether within eachthe gaming facility or not, which adversely affects State, Tribal or public interests relating to eachthe gaming facility and operation. Provided, such disclosure shall not compromise the interest sought to be protected."

7. Section XI, B is amended to read as follows:

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

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

2. The Tribal Gaming Agency shall establish a list of persons barred from eachthe gaming facility 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 employ its best efforts to exclude persons on such list from entry into ~~its~~each gaming facility. The Tribal Gaming Agency shall send a copy of its list on a quarterly basis to the State Gaming Agency.

3. The Tribal Gaming Agency shall require the audit of the Tribal gaming operation, not less than annually, by an independent certified public accountant, in accordance with the auditing and accounting standards for audits of casinos of the American Institute of Certified Public Accountants.

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

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

6. The Tribal gaming operation shall maintain a cashier's cage for each facility in accordance with the standards set forth in Section 7(3) of Appendix A, and shall not modify such standards without the concurrence of the State Gaming Agency. The Tribal Gaming Agency and the State Gaming Agency may review cashier's cage security. If ~~the~~a cashier's cage does not comply with the security standards set forth in Appendix A, the Tribal operation shall modify ~~its~~the cashier's cage to remedy such

deficiency. In the event of a dispute the matter will be handled in accordance with provisions of SectionXII.C.

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

8. Standards for management and operation of the satellite wagering activities shall be consistent with the provisions of this Compact, including Appendix B, and those applicable to non-tribal satellite wagering facilities and activities in the State to the extent not inconsistent with this Compact."

8. Section XIV, B and C are amended to read as follows:

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

C. Community and Enforcement Impact Contribution.

1. The Tribe recognizes that activities directly and indirectly associated with the operation of gaming facilities on the Muckleshoot Reservation may impact surrounding local law enforcement agencies and other services and place an increased burden on them. The Tribe hereby agrees to establish a fund for purposes of providing assistance to non-tribal law enforcement, emergency services and/or service agencies impacted by ~~the~~ Class III gaming ~~facility~~ and to withhold 2.0% of the Net Win from ~~the~~Class III table games~~gaming operation, with the exclusion of the satellite wagering activities,~~ for this fund ("Community Contribution") and disburse from this fund up to the extent actual impacts are identified. A committee consisting of a representative of the Tribal Council; a representative from the county in which the facility is located; a representative from the City of Auburn; and a representative of the State Gaming Agency shall be established. The composition 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 and identify actual impacts within the county and on the Reservation. No Class II gaming revenues, satellite wagering revenues, or non-gaming revenues shall be included with the 2.0% withheld~~budgeted and disbursed~~ as set forth in this Section. All withheld funds not disbursed for actual impacts in each fiscal year shall be released for Tribal projects. PROVIDED, that the committee must retain sufficient funds to cover any requests which were tabled or carried over at prior meetings, until the committee votes upon such requests, if any. The committee must also retain any funds that it agreed to set aside for a particular project, if the requesting local agency has not yet started said project."

9. Section XV, D is amended to read as follows:

"D. Amendments/Renegotiations.

~~1. Amendments - Mutual, Except as provided for in Section XV.D.2.(a), the terms and conditions of this Compact may be amended at any time by the mutual and written agreement of both parties, and as provided in this Compact.~~

~~2. Amendments - Contractual.~~

~~a. Amendments and Renegotiations: Moratorium: Subsections III.D., G., H., and I will not be subject to renegotiation or amendment for thirty six (36) months from the date this amendment is signed by the State, unless one of the following occurs:~~

~~(1) the laws of the State are amended, allowing expanded gaming on any Indian lands or other lands within the State beyond that which is now allowed under the terms of this Compact;~~

~~(2) a State or Federal court within the State of Washington or a Federal court interpreting the laws of the State of Washington issues a final and unappealable decision that permits participation in a gaming activity that the State takes (or has taken) the position 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;~~

~~(3) another tribe West of the Cascade Mountains obtains, through a Compact approved by the Secretary of the Interior (or procedures approved by the Secretary in lieu of a Compact under 25 U.S.C. § 2710(d)(7)(B)(vii) or an alternative provision under any successor act to IGRA), greater levels of wagering, hours of operation, size and/or scope of Class III gaming activities, than authorized by the provision of this Compact; or~~

~~(4) another tribe East of the Cascade Mountains obtains, through a Compact approved y the Secretary of the Interior (or procedures approved by the Secretary in lieu of a Compact under 25 U.S.C. § 281O(d)(7)(B)(vii) or an alternative provision under any successor act to IGRA), greater levels of wagering, hours of operation, size and/or scope of Class III gaming activities, than authorized by the provisions of this Compact and the Tribe can demonstrate that such levels have resulted in adverse economic impact on the Class III gaming operation. Nothing in this subsection (a) shall be deemed to apply to issues involving satellite (off-track) wagering or to limit the ability of the parties to negotiate or renegotiate with respect thereto.~~

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

~~(1) the laws of the State are amended, allowing expanded gaming on any Indian lands or other lands with the State beyond that which is now allowed under the terms of this Compact;~~

~~(2) a State or Federal court within the State of Washington or a federal court interpreting the laws of the State of Washington issues a final and unappealable decision that permits participation in a gaming activity that the state takes (or has taken) the position was n6t authorized for any purpose by any person, organization or entity at the time this Compact was executed or is not authorized by this Compact.~~

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

~~a. laws in the State are enacted allowing gaming which is now prohibited;~~

~~or~~

~~b. the Tribe wishes to engage in forms of Class III gaming other than those games authorized in Section III including, but not limited to, live horse racing.~~

~~4.~~Renegotiation – State. ~~The parties shall renegotiate Compact Sections containing provisions affecting health, safety and welfare or environmental requirements, including Sections IV, V, VII, XI or XIV, upon the written notice and request by the State to the Tribe if and when circumstances and events unforeseen at the time of the negotiation and execution of this Compact occur meriting discussion and renegotiation of such provisions. The notice to amend or renegotiate shall include the activities or circumstances the State wishes to negotiate, together with a statement of the basis supporting the request. The parties agree that negotiations shall commence in good faith and within thirty (30) days of the request. If the renegotiations are unsuccessful, then the matter shall be resolved pursuant to Section XII.C.~~

~~5~~1. Renegotiation - ~~Either Party~~. ~~Except as provided for in Section XV.D.2.(a), at any time after twenty four (24) months from the date of opening the gaming facility authorized under this Compact, e~~Either the Tribe or the State may request renegotiation of any of the provisions of this Compact if and when circumstances or events occur that merit the discussion and renegotiation of such provisions. The request to renegotiate shall include the activities or circumstances the party wishes to negotiate, together with a statement of the basis supporting the request. The parties agree that

negotiations shall commence in good faith under IGRA and within thirty (30) days of the request. The ~~original~~current terms and provisions of the Compact will remain in effect unless and until the parties agree on the renegotiated terms.

~~6~~2. Process and Negotiation Standards. The notices to amend or renegotiate shall include the activities or circumstances to be negotiated together with a statement of the basis supporting the request. ~~If the request meets the requirements of this sub-section proviso, t~~The parties shall confer and ~~required~~ negotiations shall commence within thirty (30) days of the request. All matters involving negotiations or other amendatory processes under this Section shall be otherwise governed, controlled and conducted in conformity with the provisions and requirements of 25 U.S.C. § 2710(d), except in sub-sections where a different resolution is specifically provided in the event of an unsettled dispute or where agreement is not reached by the parties.

~~7~~3. Authorization to Other Tribes. Notwithstanding any other provision of this Compact to the contrary, in the event that the State enters into or amends a compact with another tribe ~~located in the counties of Whatcom, Skagit, Snohomish, King, Pierce, Pacific, Clark, Thurston, Mason, Grays Harbor, Kitsap or Clallam~~ and such agreement gives any such tribe more gaming facilities, activities, stations or higher wager limits, more hours of operation, or any combination thereof than provided under the terms of this Compact, then this Compact shall be ~~renegotiated and~~ amended ~~to maintain equality with tribes located in the above listed counties~~ thereby upon approval and acceptance of any such increases by the Tribe and written incorporation of such amendments to this Compact provided to the State."

10. Appendix C is added to the Compact as follows:

Appendix C
Class III Gaming Station Transfer Agreement

This Class III Gaming Station Transfer Agreement ("Agreement"), is made and entered into between _____ ("Transferor"), and _____("Transferee"), and the State of Washington ("State") for purposes of transferring authority and use of Class III Gaming Stations between Tribes which have entered into Tribal – State Compacts for Class III Gaming with the State and as a Memorandum of Understanding between the State and Tribal parties authorizing and memorializing the transfer.

AGREEMENT

1. TRANSFER. Transferor hereby transfers and assigns to Transferee, for the Term set forth below, all of Transferor's Class III Gaming Station authority for the use of _____ Class III Gaming Stations to which Transferor is now or may hereafter become entitled during the Term of this Agreement.

2. TERM. The Term of this Agreement, and all rights and authority granted hereby, shall be from _____, 200__ through _____, 200__ and shall commence at 12:01 AM on the first date entered above and expire at 11:59 PM of the last date entered above unless other hours are so specified herein.

3. REPRESENTATIONS AND AGREEMENTS. Transferor represents and agrees that it is or will become at the commencement of the term of this Agreement, capable and authorized to utilize the number of Class III Gaming Stations noted above, that no other grant or transfer of any rights relative to the number of Class III Gaming Stations which would conflict with the authority transferred hereby has occurred or will occur, and that it fully waives and surrenders the right to utilize the number of Class III Gaming Stations noted above for the term of this Agreement. Transferee represents and agrees that it is legally authorized to utilize Class III Gaming Stations and is capable and authorized to accept the transfer of authority herein. State represents and agrees that both Transferor and Transferee are authorized under the terms of valid Tribal – State Compacts to utilize Class III Gaming Stations, and, that upon execution of this Agreement by the parties, Transferor and Transferee may effectuate the transfer of authority for the use of the number of Class III Gaming Stations specified herein for the term of this Agreement.

4. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties as to the legal capabilities and authorizations for the transfer specified herein. No party is relying on any statement, representation or document which is not contained or referenced in this Agreement. Transferor and Transferee may enter into separate agreements related to the utilization of Class III Gaming Stations transferred hereby, PROVIDED, that the terms of such separate agreements shall not affect the legal capabilities and authorizations for the transfer specified herein.

IN WITNESS WHEREOF, the parties hereto have duly executed this Class III Gaming Station Transfer Agreement.

Transferee

By:_____

Transferor

By:_____

State

By:_____

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

MUCKLESHOOT INDIAN TRIBE

By _____ DATED: 1-16-02
John Daniels Jr., Tribal Chairman

THE STATE OF WASHINGTON

By _____ DATED: 1-16-02
Gary Locke, Governor

APPROVED BY THE DEPARTMENT OF INTERIOR, ASSISTANT SECRETARY - INDIAN AFFAIRS:

By _____ **DATED:** FEB 08 2002
Neal A. McCaleb