United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

TAKE PRIDE IN AMERICA

JUL 30 2002

Honorable Gary Locke
Governor of Washington
State Capital
Olympia, Washington 98504

Dear Governor Locke:

On June 12, 2002, we received the Amendment to the Tribal-State Compact for Class III Gaming (Amendment) between the Tulalip Tribes of Washington (Tribe) and the State of Washington (State), dated June 7, 2002. 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.

Notwithstanding our approval, Section 15(d)(ii)(cc) of the Amendment does not provide for amendments to be submitted to the Secretary for approval and publication in the Federal Register. In order for a provision to be in effect "such compact [amendment] shall take effect only when notice of approval by the Secretary of such compact [amendment] has been published by the Secretary in the Federal Register." *See* 25 U.S.C. § 2710 (d)(3)(B). Therefore we recommend that an amendment be made to Section 15 that would require amendments be submitted to the Secretary in accordance with IGRA.

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

Sincerely,

Assistant Secretary - Indian Affairs

Enclosure

Similar Letter Sent to: Honorable Herman A. Williams, Jr.
Chairman, Tulalip Tribes of Washington
6700 Totem Beach Road
Marysville, Washington 98271-9715

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NATIONAL INDIAN
GAMING COMMISSION

FIFTH AMENDMENT TO TRIBAL/STATE COMPACT FOR CLASS III GAMING BETWEEN TULALIP TRIBES OF WASHINGTON AND THE STATE OF WASHINGTON

INTRODUCTION

The Tulalip Tribes of Washington ("Tribes") and the State of Washington ("State") entered into a Class III Gaming Compact on August 2, 1991, pursuant to the Indian Gaming Regulatory Act of 1988 ("IGRA"). The Tribe and State entered a First Amendment on May 29, 1992, a Second Amendment on September 21, 1993, a Third Amendment on December 26, 1994, and a Fourth Amendment on November 25, 1998. At the request of the Tribes, the Tribes and the State entered into negotiation 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 as set forth in this Fifth Amendment will, from a regulatory perspective, benefit the Tribes and the State and protect the members of the Tribes and the citizens of the State consistent with the objectives of IGRA.

COMPACT AMENDMENTS

1. **Section 2(f), (g) and (h) are amended to read as follows:**

(f) "Gaming Employee" means any person employed in the operation or management of the gaming operation, whether employed by or contracted to the Tribe or by any person or enterprise providing on or off-site services to the Tribe within or without the gaming ~~facility~~facilities regarding any Class III activity, including, but not limited to, gaming operation managers and assistant managers; accounting personnel; surveillance personnel;

cashier supervisors; dealers or croupiers, box men; floormen; pit bosses; shift bosses; cage personnel; collection personnel; gaming consultants; management companies and their principals; and any other natural person whose employment duties require or authorize access to restricted areas of the gaming ~~facility~~facilities not otherwise opened to the public.

(g) "Gaming Facility" or "Gaming Facilities" means the ~~room or rooms~~building or buildings or portions thereof in which Class III Gaming as authorized by this Compact is conducted on Tulalip Tribal Lands.

(h) "Gaming Operation" means the enterprise or enterprises operated by the Tribe on Tulalip Tribal Lands for the conduct of any form of Class III gaming in any gaming facility.

2. **Section 3(a), (c), (e), (f), (g), (h), (i), (j), (k), (l) and (m) are amended to read as follows:**

(a) Scope of Class III Gaming Activities. The Tribal gaming operations may utilize in its gaming ~~facility,~~facilities, subject to the provisions of this Compact, any or all of the following Class III activities:

(i) Blackjack;

(ii) Money-wheel;

(iii) Roulette;

(iv) Baccarat;

(v) Chuck-a-luck;

(vi) Pai-gow;

(vii) Red dog;

(viii) Chemin De Fer;

(ix) Craps;

(x) 4-5-6;

(xi) Ship-Captain-Crew;

(xii) Horses (stop dice);

(xiii) Beat the Dealer;

(xiv) Over/Under Seven;

(xv) Beat My Shake;

(xvi) Horse Race;

(xvii) Sweet Sixteen;

(xviii) Sports Pools;

(xix) Sic-bo;

(xx) Poker card games. The Tribes shall submit the proposed rules, manner of regulation and manner of play of such poker card games to the State Gaming Agency at least thirty (30) days prior to the time play shall begin. If the State Gaming Agency does not respond within the thirty (30) days, the Tribe may begin offering the game. If a dispute arises between the Tribe and the State Gaming Agency with respect to the nature of the game, security issues, rules of play or training and enforcement associated with regulation, it shall be resolved pursuant to Section 12(c) of this Compact.

(xxi) Any other table game authorized for play in Nevada and played in accordance with applicable Nevada rules, upon 20 days written notice to the State Gaming Agency. Provided, should a dispute arise, the game shall not be utilized until the dispute is resolved in accordance with Section 12(c).

(xxii) Lottery-type games, including but not limited to, keno and keno-type games, instant tickets, on-line games, lotto, jackpot poker 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 I or II in the State of Washington pursuant to 25 USC Section 2703(6) and (7). For the purposes of the jackpot poker activity, the Class II poker stations associated with jackpot poker as well as the employees directly associated with jackpot poker shall be subject to Sections 4, 5, 6, 7, 8 and 9 of this Compact. For all such lottery-type games the Tribe shall submit the proposed rules, manner of regulation and manner of play to the State Gaming Agency at least thirty (30) days prior to the time play shall begin. If the State Gaming Agency takes no action within the thirty (30) days, the Tribe may begin offering the game. If a dispute arises between the Tribe and the State Gaming Agency with respect to the nature of the game, security issues, rules of play or training and enforcement associated with regulation, it shall be resolved pursuant to Section 12(c) of this Compact.

(xxiii) Satellite (off-track) wagering on horse races, subject to Appendix C.

(xxiv) Tribal Lottery Systems. Notwithstanding anything in this Compact which could be construed to be the contrary, Tribal Lottery Systems operated in conformity with Appendix X are hereby authorized.

(c) Authorized gaming operation. The Tribe may establish ~~one gaming operation and gaming facility~~two Class III gaming facilities on the Tulalip Tribal Lands which are within or contiguous to the Tulalip Indian Reservation that are held in trust by the United States for the benefit of the Tribe or held by the Tribe subject to restriction by the United States against alienation over which the Tribe exercises governmental power for the operation of

any Class III games as authorized pursuant to the subsection (a) of this Section. ~~At the option of the Tribe, the existing gaming operation and gaming facility located at 6410-33rd Avenue Northeast, Marysville, Washington 98271, may be relocated on other Tulalip Tribal lands and opened to the public, subject to the provisions of Compact Section 4(a); provided however,~~ Class III lottery-type games may be conducted by the Tribe at Tribal Class II gaming facilities contiguous and adjoining to the Class III gaming ~~facility.~~facilities.

(e) Size of gaming floor. The actual gaming floor within ~~the~~a gaming facility upon which the gaming stations and other Class III gaming are located shall not exceed the square footage determined as appropriate by the Tribe.

(f) Size of Class III Gaming Operation. The maximum number of Class III gaming stations shall not exceed ~~thirty-one (31)~~seventy-five (75) gaming stations within one facility and a total of fifty (50) gaming stations within a second facility plus, at the option of the Tribe, one (1) additional gaming station ("the nonprofit station) for every twenty-five (25) gaming stations allowed in a facility. The proceeds from ~~the~~all nonprofit stations shall be dedicated to support nonprofit and charitable organizations and their activities located within Snohomish County or 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 a 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" substantially in the form appended hereto as Appendix D of this Compact. For purposes of determination of "proceeds" from ~~the~~a nonprofit station only, proceeds shall mean

the pro rata net profit of the nonprofit station. Such proceeds are not subject to the calculation for the community contribution under Section 14(c) of this Compact. The Tribal gaming ordinance shall require regulations be adopted concerning the types of bona fide nonprofit and charitable organizations or types of projects of such organizations that shall be supported by ~~the~~a nonprofit station. ~~When the gaming operation has met the conditions set forth in Section 3(n), "phase two" may be implemented, providing for up to fifty (50) gaming stations plus, at the option of the Tribe, two (2) additional "nonprofit" gaming stations.~~

(g) Wagering Limitations. Wager limits shall not exceed~~two hundred fifty dollars ($250). When the gaming operation has met the conditions set forth in Section 3(n), "phase two" may be implemented, providing for wager limits of up to~~ five hundred dollars ($500).

(h) Hours 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 3(n), "phase two" may be implemented, providing for operating hours of up to one hundred forty (140)hours per week on an annualized basis. Provided, however, the Class III gaming operation shall be open no more than twenty (20) hours in any twenty-four (24) hour period, and shall be closed to the public from 2:00 a.m. until 6:00 a.m. each day of operation. Provided, further, the Tribe may conduct Class III gaming operations beyond 2:00 a.m. upon mutual written agreement by the State Gaming Agency, the Tribal Gaming Agency, and the Snohomish County Sheriff's Department. Provided further, upon thirty (30)~~fifty-six (156) hours per week in each Class III gaming facility. The Tribe shall provide to the State Gaming Agency a schedule indicating the hours of operation of each Class

III facility. Provided, upon ~~thirty (30)~~twenty (20) days written notice to the State Gaming Agency and~~upon written mutual agreement between the State Gaming Agency and~~ Tribal Gaming Agency, the Tribe may, but not more than three (3) times ~~per calendar year, conduct continuous~~in each gaming facility in any twelve (12) month period, conduct Class III operations for up to one hundred sixty (160) hours per week. This shall be accomplished only by shifting hours or portions of hours from ~~seventy-two (72) hours.~~other weeks and consequently reducing the corresponding period of operation during such weeks. In the event the Tribe engages in lottery-type gaming activities and/or if the satellite wagering authorized by this Compact is for events occurring at hours other than the then-established operating hours for the Class III gaming facility, the satellite wagering and lottery-type gaming activities, subject to the other provisions and restrictions herein regarding hours of operation may be conducted independently of other Class III gaming activities.

(i) Ownership of Gaming ~~Facility and Gaming Operation. The gaming operation,~~Facilities and Gaming Operation. The gaming operations, including the gaming ~~facility,~~facilities, shall be owned, operated and managed by the Tribe; provided however, the Tribe shall be entitled to contract for the management of ~~the~~any gaming facility and gaming operation. Any such management contract shall be subject to the terms of this Compact, including all certification and licensing requirements.

(j) Prohibited Activities. Any Class III gaming activity not specifically authorized in Section 3(a) is prohibited. Unless authorized by the Tribe and the State, any electronic facsimile of a gaming activity, and all gaming devices are prohibited. Except as provided in Section 3(a)(xx), nothing herein is intended to prohibit or restrict

otherwise lawful and authorized Class II gaming activities upon Tulalip Tribal Lands or within ~~the~~ any gaming facility.

(k) Prohibition on Minors. No person under the age of eighteen shall participate in any gaming operation, or be allowed on the gaming ~~floor~~area authorized by this Compact during actual hours of operation. Should alcoholic beverages be offered on the gaming floor pursuant to applicable law, then no person under the age of twenty-one shall be permitted on the gaming 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 legitimate non-gaming purpose, with no gaming area loitering or gaming participation by the underage person or accompanying adults.

(l) Prohibition on Firearms. The possession of firearms by any person within the gaming ~~facility~~facilities 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, state and local law enforcement agencies.

(m) Financing. Any person, firm, corporation or entity extending financing, either directly or indirectly, to the gaming ~~facility~~facilities or gaming operations 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; provided however, the foregoing licensing and certification requirements shall not apply to any third party financing extended or guaranteed for the Class III operation and facility from either an agency of the United States or a member institution of the FDIC or an institution regulated by the Comptroller of the Currency.

3. **Section 4(a) is amended to read as follows:**

(a) Gaming Operation and Facility. The gaming operations and gaming ~~facility~~facilities 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 State Gaming Agency and the Tribal Gaming Agency through a joint pre-operation inspection and letter of compliance. If a dispute arises during the inspection, it shall be resolved pursuant to Section 12(c) of this Compact.

4. **Section 6 (a), (b), (c), (d), (e) and (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:

(i) Ensure the enforcement in the gaming operation, including the facilities, of all relevant laws;

(ii) Ensure that the gaming operation has adequate policies in place for the physical safety of patrons in the establishment;

(iii) 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 within Tulalip Tribal Lands, shall be that of the Tribal Gaming Agency. As part of its structure, the Tribal Gaming Agency shall perform the following functions:

~~(i) the enforcement in the gaming operation, including the facility, of all relevant laws;~~

~~(ii) the physical safety of patrons in the establishment;~~

~~(iii) the physical safety of personnel employed by the establishment;~~

~~(iv)~~(i) the physical safeguarding of assets transported to and from the gaming ~~facility~~facilities and cashier's cage departments;

~~(v)~~(ii) the protection of the patrons and the ~~establishment's~~establishments' property from illegal activity;

~~(vi)~~(iii) the detention of persons who may be involved in illegal acts for the purpose of notifying the law enforcement authorities; and

~~(vii)~~(iv) the recording of any and all unusual occurrences within the gaming ~~facility. Each incident, without regard to materiality,~~facilities. Each 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:

(aa) the assigned number;

(bb) the date;

(cc) the time;

(dd) the nature of the incident;

(ee) the person involved in the incident; and

(ff) the security department employee assigned.

~~(b)~~(c) Inspectors. The Tribal Gaming Agency shall employ qualified inspectors or agents under the authority of the Tribal Gaming Agency. Said inspectors shall be independent of the Tribal gaming operation, and shall be supervised and accountable only to the Tribal Gaming Agency.

~~(c)~~(d) Reporting of Violations. A Tribal gaming inspector shall be present in ~~the~~each gaming facility during all hours of such facility's gaming operation, 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 Tribal Ordinances. Any violation(s) 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 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 and the Tribal Gaming Agency 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 meeting 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 with any person, organization or entity, if such disclosure will not compromise the interest sought to be protected.

5. **Section 7(a) and (d) are amended to read as follows:**

(a) Monitoring. The State Gaming Agency shall, pursuant to the provisions of this Compact, have the vested 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, agency of the State Gaming Agency shall have free and unrestricted access to all areas of ~~the~~each gaming facility during normal operating hours without giving prior notice to the Tribal gaming operation.

(d) Cooperation with Tribal Gaming Agency. The State Gaming Agency 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 immediately notify the Tribal Gaming Agency of any activity suspected or occurring whether within ~~the~~each gaming facility or not, which adversely affects State, Tribal or public interests relating to ~~the~~each gaming facility

and operation. Provided, such disclosure shall not compromise the interest sought to be protected.

6. **Section 10 (b) is amended to read as follows:**

(b) Tribal Gaming Agency Regulations. Pursuant to Tribal Ordinance providing for its general rule making authority, the Tribal Gaming Agency may enact as part of its regulations governing gambling, all or part of the provisions of this Compact.

7. **Section 11 (a) is amended to read as follows:**

(a) Adoption of Regulations for Operation and Management. Pursuant to Tribal Ordinance, the Tribal Gaming Agency shall adopt regulations to govern the operation and management of the gaming operation conducted under the authority of this Compact. The regulations shall ensure that the interests of the Tribe and the State relating to Class III gaming are preserved and protected. The regulations shall maintain the integrity of the gaming operation and shall reduce the dangers of unfair or illegal practices in the conduct of the Class III gaming operation. The initial regulations to govern the operation and management of the Tribal gaming operation shall be the standards set forth in Appendix A. The Tribal Gaming Agency shall notify the State Gaming Agency of any intent to revise the standards set forth in Appendix A and shall request the concurrence of the State Gaming Agency for such revisions. State Gaming Agency concurrence shall be deemed granted unless written disagreement within sixty (60) days of submission of the revised standards is delivered to the Tribal Gaming Agency. The State Gaming Agency shall concur with the proposed revisions upon request, unless it finds that they would have a material adverse impact on the public interest in the integrity of the gaming operation, and shall disagree with such portions which are determined to have a material adverse impact upon that interest. If the State Gaming Agency disagrees with the request, it shall set

forth with specificity the reasons for such disagreement. Upon a notice of disagreement, the parties shall meet, and in good faith try to resolve the differences. If unsuccessful, the matter shall be resolved pursuant to Section 12(c) of this Compact.

8. **Section 11(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:

(i) 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 Section 7(b) of this Compact: a surveillance log recording all surveillance activities in the monitoring room ~~of the~~for each gaming facility; a security log recording all unusual occurrences for which the assignment of a Tribal Gaming Agency employee is made.

(ii) The Tribal Gaming Agency shall establish a list of persons barred from ~~the~~each 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.

(iii) 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 or casinos of the American Institution of Certified Public Accountants.

(iv) 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. 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~~each gaming facility. Betting limits applicable to any gaming station shall be displayed at such gaming station. Rules for games identified in Section 3(a) 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 3(a) shall be submitted to the State Gaming Agency for review, which review shall determine if said rules do not fundamentally alter the nature of the game. The Tribe will provide the State Gaming Agency ten (1) 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~~y~~ies to advise them of the applicable rules in effect. In the event of a dispute, the matter will be handled in accordance with Section 12(c) of this Compact.

(v) 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. A single, common monitoring room may be used for both facilities if such is deemed adequate by the State and Tribal Gaming Agencies. In the event of a dispute, the matter will be handled in accordance with the provisions of Section 12(c).

(vi) 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 standard 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 said Appendix, 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 the provisions of Section 12(c).

(vii) 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, and in the event that the State Gaming Agency regards such supervisory staffing as inadequate to protect the integrity of the table games, 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 12(c) of this Compact.

9. **Section 14 (b) is amended to read as follows:**

(b) Emergency Service Accessibility. The ~~Tribal Gaming Agency~~Tribe shall make provisions for adequate emergency accessibility and service.

10. **Section 15 (d) (ii) (cc) is amended to read as follows:**

(cc) ~~another tribe within the State of Washington 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 however, that if the other tribe is located East of the Cascade Mountains then the Tribe must also demonstrate that the greater level or activities have resulted in an adverse economic activity upon the Tribe's Class III gaming operations.~~notwithstanding any other provision of this Compact to the contrary, in the event the State enters into or amends a Compact with another tribe 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 that provided under the terms of this Compact, then this Compact shall be amended 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.

11. **Appendix D is added to the Compact as follows:**

Appendix D
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 _____, 20___ through _____, 20____ and shall commence at 12:01 A.M. on the first date entered above and expire 11:59 P.M. on 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 its terms of valid Tribal – State Compacts to utilize Class ~~Iii~~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 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 documentation 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 have duly executed this Class III Gaming Station Transfer Agreement.

Transferee

By: _____

Transferor

By: _____

State

By: _____

IN WITNESS WHEREOF, the Tulalip Tribes of Washington and the State of Washington have executed this Fifth Compact Amendment.

Tulalip Tribes of Washington

By: _____ **Dated:** 6.07, 2002.
Herman A. Williams, Jr.
Chairman

The State of Washington

By: _____ **Dated:** May 19, 2002.
Gary Locke, Governor

THE UNITED STATES DEPARTMENT OF INTERIOR

_____
Neal A. McCaleb
Assistant Secretary - Indian Affairs

JUL 30 2002
_____
Date

APPENDIX A

Section 11 of the Compact allows for revision of Appendix A by agreement of the Tribal and State Gaming Agencies. Check with the agencies for latest revisions to Appendix A.

APPENDIX A

TULALIP TRIBES – STATE OF WASHINGTON

GAMING COMPACT

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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;

"Tribal Gaming Agency" means the Tulalip Tribal Gaming Commission;

"Compact" means the Tulalip Tribes of Washington - State of Washington Gaming Compact adopted pursuant to the Indian Gaming Regulatory Act, 25 U. S. C. s2701 et seq.;

"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;

"State Gaming Agency" means the state agency responsible for review of the tribal gaming operation in accordance with the provisions of the Compact;

"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 loser, 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;

"Tribal Gaming Operation" means the Class III gaming operation involving games authorized under section 3(a) of the Compact;

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 Tulalip 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 units with time and date insertion capabilities for taping what is being viewed by any camera of the system;

(c) Audio capability in the count rooms; and

(d) 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.

(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 audio-video 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; and

(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.

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 3(a).

(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) A fully 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 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 sorted 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, not to exceed two hundred and fifty ($250.00) per patron per day; 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, if $50.00 or over, 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.

(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 11 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 from 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. 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.

23. 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 station float shall be brought back to the imprest value.

(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.

24. 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 audio-video 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) Audio-video taping of the entire count process and any other activities in the count room.

25. 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 an audio-video 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.

26. 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

TULALIP TRIBES – STATE OF WASHINGTON

GAMING COMPACT

Section	Subject Matter	Page
10	Amendment to 9.46 RCW	B-1
11	New Chapter to 9.46 RCW	B-2
12	New Chapter to 9.46 RCW	B-3

AMENDATORY SECTION. Sec. 10. RCW 9.46.220 and 1987 c 4 s 42 are each amended to read as follows:

(1) A person is guilty of professional gambling in the first degree if he or she engages in, or knowingly causes, aids, abets, or conspires with another to engage in professional gambling as defined in this chapter, and:

(a) While engaging in professional gambling acts in concert with or conspires with five or more people;

(b) Accepts wagers exceeding five thousand dollars during any calendar month on future contingent events; or

(c) Operates, manages, or profits from the operation of a premises or location where persons are charged a fee to participate in card games, lotteries, or other gambling activities that are not authorized by this chapter or licensed by the commission.

(2) However, this section shall not apply to those activities enumerated in RCW 9.46.0305 through 9.46.0361 or to any act or acts in furtherance of such activities when conducted in compliance with the rules adopted pursuant to this chapter.

(3) Professional gambling in the first degree is a class B felony subject to the penalty set forth in RCW 9A.20.021.

NEW SECTION. Sec. 11. A new section is added to chapter 9.46 RCW to read as follows:

(1) A person is guilty of professional gambling in the second degree if he or she engages in or knowingly causes, aids, abets, or conspires with another to engage in professional gambling as defined in this chapter, and:

(a) While engaging in professional gambling acts in concert with or conspires with less than five people;

(b) Accepts wagers exceeding two thousand dollars during any calendar month on future contingent events;

(c) Maintains a "gambling premises" as defined in this chapter; or

(d) Maintains gambling records as defined in RCW 9.46.020.

(2) However, this section shall not apply to those activities enumerated in RCW 9.46.0305 through 9.46.0361 or to any act or acts in furtherance of such activities when conducted in compliance with the provisions of this chapter and in accordance with the rules adopted pursuant to this chapter.

(3) Professional gambling in the second degree is a class C felony subject to the penalty set forth in RCW 9A.20.021.

NEW SECTION. Sec. 12. A new section is added to chapter 9.46 RCW to read as follows:

(1) A person is guilty of professional gambling in the third degree if he or she engages in, or knowingly causes, aids, abets, or conspires with another to engage in professional gambling as defined in this chapter; and

(a) His or her conduct does not constitute first or second degree professional gambling;

(b) Operates any of the unlicensed gambling activities authorized in this chapter in a manner other than as prescribed by this chapter; or

(c) Is directly employed in but not managing or directing any gambling operation.

(2) This section shall not apply to those activities enumerated in RCW 9.46.0305 through 9.46.0361 or to any acts in furtherance of such activities when conducted in compliance with the provisions of this chapter and the rules adopted pursuant to this chapter.

(3) Professional gambling in the third degree is a gross misdemeanor subject to the penalty established in RCW 9A.20.021.

APPENDIX C

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RULES AND REGULATIONS GOVERNING CLASS III SATELLITE (OFF-TRACK) WAGERING ON HORSE RACES ON THE TULALIP INDIAN RESERVATION

SECTION 1.0 SATELLITE (OFF-TRACK) WAGERING ON HORSE RACES

1.1 DEFINITIONS.

1.1.1 "Conventional parimutuel pool" means the total wager under the parimutuel system on any horse or horses in a particular race to win, place, or show.

1.1.2 "Commission Regulations" means Title 260 WAC.

1.1.3 "Exotic parimutuel pool" means the total wagers under the parimutuel system on the finishing position of two or more horses in a particular race, such as Quinella or Exacta wagers, or on horses to win two or more races, such as Daily Double wagers, Pick Six wagers, or on other wagers other than conventional parimutuel pool wagers.

1.1.4 "Horse Racing Law" means Chapter 67.16 RCW.

1.1.5 "Parimutuel wagering" means a form of wagering on the outcome of horse races in which those who wager purchase tickets of various denominations on a horse or horses in one or more races. When the outcome of the race or races has been declared official, there is a distribution of the total wagers comprising each pool, less any amounts permitted to be retained by law or under this Compact to holders of winning tickets on the winning horse or horses.

1.1.6 "Satellite Wagering" means parimutuel wagering on simulcast results.

1.1.7 "Satellite wagering facility" means any facility in which satellite wagering is conducted.

1.1.8 "Simulcast" means the simultaneous television or radio transmission of a race to a facility other than where the race meet is being held.

1.1.9 "Wagering employee" means any person who is employed by the Tribe or at any satellite wagering facility hereunder to handle any monies, materials, records or equipment related to the satellite wagering permitted herein, or who supervises any person who does so or supervises any such supervisor.

1.1.10 Except as otherwise provided herein, meanings

ascribed to terms used in the Horse Racing Law and the Commission Regulations are hereby adopted by reference wherever such terms are used in this Compact.

1.2 APPLICABILITY OF LAWS. Wagering at the Tulalip tribal satellite wagering facility will be conducted in accordance with this Compact, the Indian Gaming Regulatory Act, the Interstate Horseracing Act, any ordinances or regulations adopted by the Tribe, and those Washington Horse Racing Laws as made applicable herein. Nothing herein shall otherwise be deemed a prohibition upon or limitation upon tribal operation of a satellite wagering facility by the Tribe or on behalf of the Tribe.

1.3 REGULATION OF SATELLITE (OFF-TRACK) WAGERING.

1.3.1 Wagering Permitted. The Tribe is entitled to operate a single satellite wagering facility pursuant to this Compact subject to the following terms and conditions:

a. Unless permitted in accordance with subparagraph c., below, the Tribe may conduct satellite wagering only on events simulcast from any Washington State track (whether of a live race, or an authorized simulcast of an out-of-state signal) on the same terms and conditions permitted any other satellite wagering facility in the State without limitation on the distance such tribal facility is from a live race meet, provided, the Tribe is entitled to receive simulcast signals from each Washington State track on terms at least as advantageous as those made available by such track to any other satellite facility operated at a track holding a Class A or Class B Washington Horseracing Commission license or at any other facility operated or leased by an entity holding such a license. Negotiations conducted between the Tribe and the track shall cover areas including, but not limited to, the following: percent of handle received; equipment required and who provides such equipment; who provides wagering employees; and how and on what schedule funds will be transferred. The track shall provide at no expense to the Tribe and upon request all information deemed necessary by the Tribe relating to the areas covered by the negotiations. All wagers accepted at the tribal facility on such events shall be made into the parimutuel pool of the Washington State track which provides the simulcast signal. Nothing herein shall prohibit assessment by the Tribe of taxes, fees or other charges for wagering conducted at the tribal facility; nor shall the State or any of its political subdivisions be authorized to impose any taxes, fees, charges or other assessments upon the Tribe or upon any person or entity authorized to engage in such activities by the Tribe on the activities regulated hereunder, other than those generally applicable to the parimutuel pool; provided such taxes, fees,

charges or other assessments generally applicable to the parimutuel pool are consistent with the holding of Cabazon Band of Mission Indians, et al. v. Wilson, et al., 1994 WL 541987 (9th CIR. [CAL.]), _____ F.3d _____ (1994) and 25 USC Section 2710(d)(4).

b. In the event the Tribe believes it is not offered simulcast signals from a Washington State track on terms at least as advantageous as those made available by such track to the other satellite wagering operators as set forth in subparagraph a., above, the Tribe may request a formal determination from the Commission. The sole issues in such determination will be whether the Washington State track provides terms to those other satellite wagering operators which are more advantageous than those offered to the Tribe and, if so, what terms are less advantageous to the Tribe. Provided, the Commission shall conduct a hearing and render a decision within ninety (90) days after receipt of the request for a determination from the Tribe; and further provided, that if the Commission decision is not rendered within that time, the Tribe is entitled to conduct satellite wagering in accordance with the provisions of subparagraph c., below. If the Commission determines that the terms offered Tribe are less advantageous, the Washington State track shall have thirty (30) days to offer terms that are at least as advantageous to the Tribe, or the Tribe will be entitled to conduct satellite wagering in accordance with subparagraph c., below. If the Tribe disputes the determination of the Commission regarding whether the terms offered to the Tribe are less advantageous, the Tribe may request dispute resolution under Section 12(c) of this Compact.

c. If, following an adverse determination from the Commission, the Washington State track does not offer the terms identified by the Commission in accordance with subparagraph b., above, the Tribe shall be entitled to negotiate for and receive simulcast signals from out-of-state races on such terms and conditions as it may obtain. Acceptance of signals from out-of-state tracks shall be made in compliance with the Interstate Horseracing Act, 15 USC §3001, et seq. Nothing in this Appendix C shall be deemed to limit acceptance of satellite wagers to the extent permitted under the Interstate Horseracing Act. Consent of the Commission, as required under the Interstate Horseracing Act shall not be unreasonably withheld. For disputes concerning whether the Commission has unreasonably withheld its consent, the Tribe may request dispute resolution under Section 12(c) of this Compact.

1.3.2 Hours of Operation. The wagering authorized in the Tribe's satellite wagering facility shall be conducted within the one hundred forty (140) hours per week, averaged annually, as authorized for Class III gaming under Section 3(h) of this Compact. Provided, however, when a track providing a simulcast to the tribal

facility operates outside the Tribe's regularly scheduled hours of operation, then the satellite wagering portion of the Class III facility authorized under this Compact may be open to the public during the time the sending track is open to the general public.

1.3.3 Approval of Facility. Subject to approval of the physical adequacy of the facility, Tulalip Tribal Lands are hereby approved as a location for the conduct of satellite wagering as permitted under this Compact. The right of Tribe to conduct satellite wagering from a facility at such location shall not be affected by its distance from any live race meet being broadcast to such facility, and statutes and regulations imposing distance limitations on the location of satellite wagering facilities relative to live race meets, including but not limited to RCW 67.16.200(c), shall not be applicable to Tribe.

1.3.4 Wagering Rules. All of the rules set forth in Chapter 260-48 WAC ("Mutuels") are hereby incorporated by reference as being applicable to any satellite wagering facility authorized hereunder, subject to the following qualifications:

1.3.4.1 References therein to "racing associations" shall mean the Tribe.

1.3.4.2 References therein to "enclosure of any race track" shall mean the satellite wagering facilities authorized hereunder.

1.3.4.3 Parimutuel machines shall be locked at the time and by the same means as are applicable to parimutuel machines at other satellite wagering facilities within the State or as otherwise required by the parimutuel pool operator at the host race track or other authorized source, if different therefrom, but in all cases prior to the start of any race for which bets are being accepted.

1.3.4.4 References to "the manager of the parimutuel department" shall refer to any person appointed to manage the satellite wagering facility authorized under this Compact.

1.3.4.5 The Tribe may accept exotic bets, including but not limited to daily doubles, quinellas, exactas, wagering on "short fields," daily triples, "Pick n," trifectas, and other exotic bets to the extent made available through parimutuel pools by the parimutuel pool operator.

1.3.5 Other Facilities Within Area. In the event the Commission considers allocation of exclusive or limited areas in which satellite wagering facilities may be located, other than the Tribal facility authorized herein, the Commission shall give their

good faith consideration to designating the Tulalip satellite wagering facility as one of those exclusive or limited area satellite wagering sites. Notwithstanding the foregoing, the conduct of satellite wagering at any other facility, including a live racing facility, in the State shall not affect the right of the Tribe to operate a satellite wagering facility at any time.

1.3.6 Amounts Received by Tribe. The Tribe may receive from parimutuel wagers made at its satellite wagering facility such amounts as may be negotiated between it and the operator of the parimutuel pool (track).

1.3.7 Security Control. The Tribe shall maintain such security controls over any satellite wagering facility authorized hereunder as would be required by the Commission for a comparable facility off the Reservation. The Tribe shall remove, deny access to, eject or exclude persons whose presence within such facility would be contrary to the interests of the Tribe or the State in operating an honest, legitimate facility or in meeting the goals and objectives of this Compact or the Act.

1.3.8 Accounting Practices and Audits. Any satellite wagering facility authorized hereunder shall maintain its books and records in accordance with generally accepted accounting principles and such like rules and regulations, if any, as are applied to satellite wagering facilities in the State.

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