



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

*Between the*

**Puyallup Tribe of Indians**

*and the*

**State of Washington**

**TABLE OF CONTENTS**  
**PUYALLUP TRIBE OF INDIANS - STATE OF WASHINGTON**  
**CLASS III GAMING COMPACT**

INTRODUCTION . . . . . 1

PARTIES . . . . . 1

DECLARATION OF POLICY AND PURPOSE . . . . . 1

I. TITLE . . . . . 3

II. DEFINITIONS . . . . . 3

III. NATURE, SIZE AND SCOPE OF CLASS III GAMING . . . . . 5

A. Scope of Class III Gaming Generally and  
Specific Table Games Included . . . . . 5

B. Scope of Gaming - Punchboards and Pull Tabs and  
Washington State Lottery - Separate Locations . . . . . 5

C. Scope of Gaming - Keno and Satellite (Off Track) Wagering . . . . . 5

D. Scope of Gaming - Sports Pools . . . . . 6

E. Scope of Gaming - Other Class III Gaming Activity/Tribal Lottery . . . . . 6

F. Authorized Gaming Operation and Facility . . . . . 6

G. Forms of Payment . . . . . 6

H. Size of Gaming Floor . . . . . 6

I. Number of Gaming Stations . . . . . 6

J. Wagering Limitations . . . . . 7

K. Hours of Operation . . . . . 7

L. Ownership of Gaming Facility and Gaming Operation . . . . . 7

M. Prohibited Activities . . . . . 7

N. Concurrent Operation of Class III and Class II Activities . . . . . 8

O. Age Limitations . . . . . 8

P. Prohibition on Firearms . . . . . 8

Q. Conditions . . . . . 8

R. Renegotiation/Amendments Moratorium . . . . . 9

IV. LICENSING AND CERTIFICATION REQUIREMENTS . . . . . 9

A. Gaming Facility . . . . . 9

B. Gaming Employees . . . . . 10

C. Manufacturers and Suppliers of Gaming Services . . . . . 10

D. Financiers . . . . . 10

V. LICENSING AND STATE CERTIFICATION PROCEDURES . . . . . 11

A. Procedures for Tribal License Applications & State Certification . . . . . 11

B. Review of Applicants by State . . . . . 11

C. Right to Hearing for Denial of State  
Certification and Tribal License . . . . . 11

D.	Right to Hearing for Revocation or Suspension of State Certification and Tribal License . . . . .	11
E.	Grounds for Revocation, Suspension or Denial of State Certification . . . . .	12
F.	Grounds for Revocation, Suspension or Denial of Tribal License by Tribal Gaming Agency . . . . .	13
G.	Duration and Renewal of Tribal Issued Licenses and State Certifications . . . . .	13
H.	Identification Cards . . . . .	13
I.	Exchange of Tribal Licensing and State Certification Information . . . . .	13
J.	Fees for State Certification . . . . .	13
K.	Fees for Tribal License . . . . .	14
L.	Temporary Certification of Gaming Employees . . . . .	14
M.	Summary Suspension of Tribal License or State Certification . . . . .	14
N.	Tribal Licensing Through State Certification . . . . .	14
O.	State Advisement of its Application Procedures . . . . .	14
P.	Decertification of Key Management Personnel . . . . .	15
VI.	TRIBAL ENFORCEMENT OF COMPACT PROVISIONS AND STATE COOPERATION . . . . .	15
A.	Tribal Gaming Agency . . . . .	15
B.	Tribal Gaming Agents/Inspectors . . . . .	15
C.	Tribal Reporting of Violations . . . . .	16
D.	Tribal Investigation, Sanctions and State Cooperation . . . . .	16
E.	Other Tribal Reporting . . . . .	16
F.	Information Sharing Meetings . . . . .	16
VII.	STATE ENFORCEMENT OF COMPACT PROVISIONS AND TRIBAL COOPERATION . . . . .	16
A.	State Gaming Agents/Inspectors . . . . .	16
B.	Monitoring . . . . .	17
C.	Access to Records . . . . .	17
D.	Cooperation with Tribal Gaming Agency . . . . .	17
VIII.	REGULATORY JURISDICTION RELATING TO ENFORCEMENT OF THE PROVISIONS OF THIS COMPACT . . . . .	18
A.	Jurisdictional Issues . . . . .	18
B.	Concurrent Jurisdiction . . . . .	18
C.	Investigative Authority . . . . .	18
D.	Jurisdictional Forums . . . . .	18
E.	Consent to Application of State Law and Incorporation in Tribal Ordinance . . . . .	19
F.	Law Enforcement Coordination . . . . .	19

IX. ENACTMENT OF COMPACT PROVISIONS . . . . .	19
A. State Gaming Agency Rules or Regulations . . . . .	19
B. Tribal Gaming Agency Regulations . . . . .	19
X. REGULATIONS FOR THE OPERATION AND MANAGEMENT OF THE TRIBAL GAMING OPERATION . . . . .	20
A. Adoption of Regulations for Operation and Management . . . . .	20
B. Additional Operational Requirements Applicabl to Class III Gaming . . . . .	20
XI. REMEDIES FOR BREACH OF COMPACT PROVISIONS-INJUNCTIONS . . . .	22
A. Injunction Against the State . . . . .	22
B. Injunction Against the Tribe, the Tribal Gaming Operation, or any Individual . . . . .	22
XII. REMEDIES FOR BREACH OF COMPACT PROVISIONS - DISPUTE RESOLUTION . . . . .	22
A. Dispute Resolution Policy Statement . . . . .	22
B. Dispute Resolution Methods . . . . .	22
1. Good faith negotiations . . . . .	23
2. Mediation . . . . .	23
3. Arbitration . . . . .	23
a. Non-binding arbitration . . . . .	23
b. Mandatory binding arbitration . . . . .	23
c. Breach of provisions may be remedied by injunction . . . . .	23
C. Sanctions . . . . .	24
D. Method of Collection and Disbursement of Sanctions Collected . . . . .	24
XIII. TRIBAL REIMBURSEMENT FOR EXPENSES INCURRED BY THE STATE GAMING AGENCY . . . . .	25
XIV. PUBLIC HEALTH AND SAFETY . . . . .	25
A. Compliance . . . . .	25
B. Consultation with Local Government . . . . .	25
C. Emergency Service Accessibility . . . . .	26
D. Community Impact Contribution . . . . .	26
E. Community Relations . . . . .	27
F. Alcoholic Beverage Service . . . . .	27
XV. AMENDMENTS, DURATION AND EFFECTIVE DATE . . . . .	27
A. Effective Date . . . . .	27
B. Voluntary Termination . . . . .	27
C. Other Termination - Change of State Law . . . . .	28

D. Amendments/Renegotiations . . . . .	28
1. Amendments - Mutual . . . . .	28
2. Amendments - Contractual . . . . .	28
3. Renegotiation - Tribe . . . . .	28
4. Renegotiation - Stat . . . . .	28
5. Renegotiation - Either Party . . . . .	29
6. Process and Negotiation Standards . . . . .	29
7. Authorization to Other Tribes Modifying Scope of Compact. . . . .	29
8. State Authorization of Additional Class III Gaming Activities . . . . .	29
XVI. LIMITATION OF LIABILITY . . . . .	30
XVII. INCORPORATION . . . . .	30
XVIII. PRECEDENCE . . . . .	30
XIX. RIGHTS UNDER I.G.R.A. . . . .	30
XX. NO JOINT ENTERPRISE . . . . .	30
XXI. EXCLUSIVITY . . . . .	30
XXII. NOTICES . . . . .	31
XXIII. SEVERABILITY . . . . .	31
XXIV. COMPACT CLARIFICATION AND MINOR MODIFICATION . . . . .	31
XXV. AUTHORITY TO EXECUTE . . . . .	31
APPENDIX A	
APPENDIX B	
APPENDIX C	

**PUYALLUP TRIBE OF INDIANS - STATE OF WASHINGTON  
CLASS III GAMING COMPACT**

**INTRODUCTION**

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

**PARTIES**

THIS TRIBAL-STATE COMPACT is made and entered into by and between the Puyallup Tribe of Indians (hereafter "Tribe"), a federally-recognized Indian Tribe, possessed of all sovereign powers and rights thereto pertaining, operating under a Constitution and Bylaws approved by the Secretary of the Interior; and the STATE OF WASHINGTON (hereafter "State"), as a sovereign state of the United States, with all rights and powers thereto pertaining.

**DECLARATION OF POLICY AND PURPOSE**

IGRA provides for the negotiation of compacts between states and tribes to govern the conduct of Class III gaming. Indian Tribes have the exclusive right under IGRA, to regulate gaming activity on Indian lands if gaming activity is not specifically prohibited by federal law and is conducted within a state which does not, as a matter of criminal law and public policy, prohibit such gaming activity. IGRA provides a framework for the operation of gaming by Indian Tribes as a means of promoting tribal economic development, self-sufficiency and strong tribal governments, as well as providing a basis for the regulation of gaming by an Indian Tribe adequate to shield it from organized crime and other corrupting influences, to ensure that the Indian Tribe is the primary beneficiary of the gaming operation and to assure that gaming is conducted fairly and honestly by both the operator and players. The terms and conditions set forth below to regulate Class III gaming conducted by the Tribe have been agreed to pursuant to that congressional mandate.

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

It is the stated intention of the parties hereto to foster full cooperation between the Tribe and the State on the basis of a shared concern for the health and safety of all the members of the Tribe and citizens of the State as a result of gaming on the Puyallup Indian Reservation. Through the partnership of this Compact, the parties

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

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

The Tribe and the State believe the conduct of Class III gaming under the terms and conditions set forth below will, from a regulatory perspective, benefit the Tribe and the State and protect the members of the Tribe and the citizens of the State consistent with the objectives of IGRA.

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

## I. TITLE

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

## II. DEFINITIONS

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

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

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

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

E. "Gaming Services" means the providing of any goods or services to the Tribe, whether on or off site, directly in connection with the operation of Class III gaming in a gaming facility, including equipment, maintenance or security services for the gaming facility. Gaming services shall not include professional legal and accounting services or indirect goods and services such as food and beverage suppliers. Upon prior written agreement between the State Gaming Agency and the Tribal Gaming Agency, gaming services shall not include small purchases from local suppliers, i.e. Pierce and King counties, until purchases exceed \$15,000 dollars in a calendar year. Once purchases do exceed \$15,000 in a calendar year, the business will be subject to certification and licensing and the annual fee.

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



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

H. "Local Non-Tribal Law Enforcement" means any non-Tribal law enforcement agency in the vicinity of the gaming operation and which has jurisdiction to enforce state laws on the Puyallup Indian Reservation, or is subject to the terms of a cross deputization agreement and/or local law enforcement mutual aid agreement. Except as specifically provided in this Compact, nothing in this definition or in any provision set forth herein, however, is intended to expand, waive or confer or limit any jurisdiction upon any law enforcement agency on the Puyallup Indian Reservation.

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

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

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

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

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

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

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

P. "Tribal Licensing" means the licensing process utilized by the Tribe to ensure all individuals and other entities required to be licensed are qualified to hold such license in accordance with provisions of the Puyallup Tribal Gaming Ordinance.

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

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

### III. NATURE, SIZE AND SCOPE OF CLASS III GAMING

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

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

1. Baccarat;
2. Beat My Shake;
3. Beat the Dealer;
4. Blackjack (to the extent not played as a Class II game);
5. Caribbean Stud Poker (to the extent not played as a Class II game);
6. Chemin De Fer;
7. Chuck-a-luck;
8. Craps;
9. 4-5-6;
10. Horses (stop dice);
11. Horse Race;
12. Jackpot Poker;
13. Money-wheel;
14. Over/Under Seven;
15. Pai-gow (to the extent not played as a Class II game);
16. Poker (to the extent not played as a Class II game);
17. Red Dog;
18. Roulette;
19. Ship-Captain-Crew;
20. Sic-Bo;
21. Sweet Sixteen;
22. Other table games authorized for play in Nevada and played in accordance with applicable Nevada rules, upon twenty days written notice to the State Gaming Agency, provided should a dispute arise, the game shall not be utilized until the dispute is resolved in accordance with Section XII.B.3.b's final and unappealable arbitration provisions.

23. Any gaming devices as defined under the Johnson Act, which are authorized for the operation of pull tab games in the State of Washington.

B. Scope of Gaming - Punchboards and Pull Tabs and Washington State Lottery - Separate Locations. In addition to the games authorized by Section III (a), and in addition to the Class II punchboards and pull tabs presently operated by the Tribe, the Tribe may utilize punchboards and pull tabs in the facility and at other locations within Puyallup Tribal Lands subject to regulation by the Tribe. Tribally licensed punchboards and pull tabs operated on trust land outside of the Tribal gaming facility shall be licensed and operated consistent with the sale of punchboards and pull tabs in the Tribal bingo facility. The operation of State lottery retail locations within Puyallup Tribal Lands shall be subject to the provisions of RCW 67.70, WAC 315, and Tribal Ordinance.

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

D. Scope of Gaming - Sports Pools. Sports pools, as historically been operated on tribal lands, on regularly scheduled athletic contests, of one hundred (100) squares wherein each square is sold for not more than ten dollars (\$10) and all proceeds, less a Tribal administrative charge of no more than fifty cents for each ten dollars (\$10) wagered, are awarded to winners as prizes. The sports pool shall be conducted only as follows: (1) a board of paper is divided into 100 equal squares, each constituting a chance to win and each offered directly to prospective contestants; (2) the purchaser of each chance or square signs his or her name on the face of each square purchased; (3) no later than prior to the start of the athletic contest, the pool is closed and no further chances are sold; (4) after the pool is closed, a prospective score is assigned by random drawing to each square; and (5) the sports pool board must be available for inspection by any person purchasing a chance, by the State Gaming Agency and the Puyallup Tribal Gaming Commission or by a local law enforcement agency at all times prior to payment of the prize.

E. Scope of Gaming - Other Class III Gaming Activity/Tribal Lottery. With respect to any other Class III activities or tribal lottery, including ones similar to those set forth above, or other gaming activity that would also be authorized for play for any purpose by any person, organization, or entity in the State and which are not otherwise treated as Class II gaming in Washington pursuant to 25 USC §2703(7), the Tribe shall provide the game regulations thereof to the State Gaming Agency at least thirty (30) days prior to the time play shall begin. If the State Gaming Agency takes no action within twenty (20) days, the Tribe may begin offering the game on the thirtieth day. If a dispute arises between the Tribe and the State Gaming Agency with respect to issues including, but not limited to, the rules of the game, legality of the game, manner of play, or training and enforcement associated with the regulation thereof, the State and Tribal Gaming Agencies shall meet and attempt to resolve the dispute through good faith negotiations prior to the time play of that game can begin. If either party believes, after such negotiations have commenced, that a resolution by the parties cannot be achieved, then either or both parties shall be entitled to have the dispute resolved pursuant to the dispute resolution provisions of Section XII.B., including XII.B.3.a. In the interest of providing for maximum flexibility consistent with what the State deems is its public policy of limited gaming, the following limits will apply:

F. Authorized Gaming Operation and Facility. Initially the Tribe may establish one Class III gaming operation and gaming facility, to be located on the Puyallup Indian Reservation at 2002 East 28th, Tacoma, Washington, or Tribal land held in trust within or contiguous to the Reservation as agreed to by the parties, for the operation of any Class III games authorized pursuant to this Compact.

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

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

I. Number of Gaming Stations. During the first six months of operation the maximum number of Class III gaming stations shall not exceed thirty-one (31) plus,

at the option of the Tribe, one (1) additional gaming station ("the nonprofit station"). The proceeds from the nonprofit station shall be dedicated to support non-Tribal nonprofit organizations and their activities located within Pierce County or the State of Washington. For purposes of determination of "proceeds" from the nonprofit station only, proceeds shall mean the net win less the pro rata cost of regulation and operation, specifically excluding capital costs. The net win from the non-profit station is not subject to the community contribution established under Section XIV.C of this Compact. The Tribal gaming ordinance shall set forth regulations concerning the types of bona-fide nonprofit organizations or types of projects of such organizations that shall be supported by the nonprofit station. When the gaming operation has met the conditions set forth in Section III.Q., "phase two" may be implemented, providing for up to fifty gaming stations plus, at the option of the Tribe, two (2) additional gaming stations ("the nonprofit stations"). At the time the operation is increased to 52 gaming stations the State and Tribal Gaming Agencies will thoroughly review the non-profit program conducted by the Tribe, and conduct discussions and negotiations regarding the terms and conditions of an extension of this non-profit program by amendment of this Compact.

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

K. Hours of Operation. During the first six months of operation or earlier as provided in Section III.Q., operating hours may not exceed one hundred twelve (112) hours per week on an annualized basis, not to exceed 20 hours in any 24-hour period with the exception of the three (3) special occasions delineated below. The Tribe may schedule the hours to best meet market conditions and may operate any day of the week, provided after consultation with local non-tribal law enforcement, local non-tribal law enforcement has no reasonable concerns regarding any proposed non-closure between the hours of 2 a.m. and 6 a.m. Provided further, on three (3) special occasions, the State and the Tribe may agree to twenty-four (24) hour operation, not to exceed seventy-two (72) hours per occasion, so long as the Tribe gives thirty (30) days notice of its desire to do so. If the Tribe and the State cannot mutually agree, the issue will be resolved according to Section XII.B.3.b's final and unappealable binding arbitration provision. At the end of six months continual operation or earlier as provided in Section III.Q., if the gaming operation has met the conditions set forth in Subsection Q., "phase two" may be implemented providing for operating hours of up to one hundred forty (140) hours per week on an annualized basis, not to exceed 20 hours in any 24-hour period with the exception of the three (3) special occasions delineated above.

L. Ownership of Gaming Facility and Gaming Operation. The gaming operation and the gaming facility shall be owned and operated by the Tribe, but the Tribe shall be entitled to contract for management of the gaming facility and gaming operation, consistent with the requirements of IGRA and this Compact.

M. Prohibited Activities. Any Class III gaming activity not authorized in this Compact is prohibited. Unless authorized by the State, all Class III gambling devices

are prohibited. Nothing herein is intended to prohibit or restrict otherwise lawful and authorized Class II gaming activities on the Puyallup Indian Reservation or within the gaming facility.

N. Concurrent Operation of Class III and Class II Activities. The IGRA provides authority to Indian tribes to offer specific gaming activities as Class II gaming, and the operation of this Class II gaming is under the jurisdiction of the Tribe subject to the provisions of the IGRA. The parties to this Compact anticipate that any Class II activities on Puyallup Tribal Lands will be conducted in a separate facility or in a portion of the gaming facility that is separate from that portion where the Class III games authorized by this Compact are offered. Commingling of those Class III games with the Class II activities could impact the regulatory scheme established in this Compact, necessitating a separation of gaming revenues, records, and licensees and identification of the Class II and Class III gaming stations and operations. In the event the Tribe wishes to commingle Class III and Class II activities, the Tribal and State Gaming Agencies agree to fully review these issues and shall, prior to any commingling, execute an agreement to facilitate and ensure effective and efficient monitoring and regulation under the terms of this Compact and the IGRA.

1. With regard to the regulation of Jackpot Poker, the following shall be observed: The Tribe shall submit the proposed game regulations to the State Gaming Agency at least thirty (30) days prior to the time play begins. If the State takes no action within twenty (20) days, the Tribe may begin offering the game on the thirtieth day. If a dispute arises between the Tribe and the State regarding issues including but not limited to rules of the game, legality of the game, manner of play, or ability of the parties to regulate, the State and the Tribal Gaming Agencies shall meet and resolve the dispute prior to the time play of that game can begin. The provisions of Section XII. B may be utilized to resolve disputes, if necessary. For purposes of this activity, Class II and/or Class III poker stations associated with the jackpot as well as the employees associated with the jackpot shall be subject to the jurisdictional provisions set forth in Sections IV and V of this Compact and the enforcement provisions set forth in Section VII, VIII and IX of this Compact.

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

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

Q. Conditions. After six months of operation, the State Gaming Agency shall conduct a review of the Class III operation to determine general compact compliance and whether the conditions set forth below have been satisfied. If, as a result of the review, the State Gaming Agency determines that the operation is in compliance with these conditions, the Class III operation may implement "phase two" immediately. If the State Gaming Agency determines that the Class III operation has

not satisfied the conditions, any resulting dispute will be resolved through the dispute resolution procedures set forth in Section XII.B.3.b. of this Compact. An increase in the number of gaming stations, hours of operation, or wager limits beyond that initially authorized during "phase one" of the Class III gaming operations shall be conditioned upon the following criteria:

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

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

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

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

R. Renegotiation/Amendments Moratorium. Section III. F., I., J. and K. will not be subject to renegotiation or amendment until January 26, 1998, unless one of the following occurs: (1) the laws of the State are amended, expanding gaming beyond that which is now allowed under the terms of this Compact; (2) a State or Federal court within the State of Washington or a Federal court interpreting the laws of the State of Washington issues a final and unappealable decision permitting participation in a gaming activity that according to the State's position was not authorized for any purpose by any person, organization, or entity at the time this Compact was executed or not authorized by this Compact; (3) the State compacts or otherwise there is authorized any other tribal or non-tribal gaming facility west of the Cascade Mountains to possess greater levels of wagering, hours of operation, size and/or scope of Class III gaming activities, than authorized by the provisions of this Compact; or (4) another tribe East of the Cascade Mountains obtains, through a Compact approved by the Secretary of the Interior (or procedures approved by the Secretary in lieu of a Compact under 25 U.S.C. 2710(d)(7)(B)(vii) or an alternative provision under any successor act to IGRA), greater levels of wagering, hours of operation, size and/or scope of Class III gaming activities, than authorized by the provisions of this Compact and the Tribe can demonstrate that such levels have resulted in an adverse economic impact on the Class III gaming operation; Provided, that the Tribe shall not have to demonstrate an adverse economic impact on its Class III gaming operation if the scope of Class III gaming activities is expanded to include the use of any gaming devices, including electronic facsimiles of Class II or Class III gaming, not already authorized by this Compact.

#### **IV. LICENSING AND CERTIFICATION REQUIREMENTS**

A. Gaming Facility. The gaming facility authorized by this Compact shall be licensed by the Tribal Gaming Agency and relicensed annually. Verification of this requirement shall be made by the Tribal Gaming Agency and the State Gaming Agency

and, as applicable to the satellite wagering facility and operation by the Washington Horse Racing Commission, through a joint pre-operation inspection scheduled at least ten (10) days prior to the scheduled opening to the public. If the facility does not meet the requirements, the Tribal Gaming Agency, State Gaming Agency and/or Washington Horse Racing Commission as applicable, must send a non-compliance letter within seven (7) working days after completion of the inspection. If the Tribal and State Gaming Agencies do not agree on whether the facility meets the requirements, the agencies will meet within ten (10) working days from receipt of the non-compliance letter and work together to resolve concerns. If a dispute regarding this inspection cannot be resolved by the gaming agencies within a reasonable time, the parties may seek resolution pursuant to Section XII.B.3.b.'s final and unappealable arbitration provisions. The reasonable cost of final inspection of the facility by the State Gaming Agency under this section shall be the responsibility of the Tribe.

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

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

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

## V. LICENSING AND STATE CERTIFICATION PROCEDURES

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

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

C. Right To Hearing For Denial Of State Certification and Tribal License. If the State Gaming Agency denies the request for certification, the Tribal Gaming Agency shall not issue a license and the applicant may appeal the Tribal Gaming Agency's refusal to issue a license as provided in the Tribal Gaming Code; provided, that the applicant may appeal the State's denial of certification directly to the State Gaming Agency, in which case the Tribal Gaming Agency shall stay its proceeding pending the final outcome of the state appeal. A successful tribal appeal does not substitute for a State decision within the State appeals system, nor does a successful state appeal substitute for a Tribal decision. The right to take action to suspend or revoke a license or certification through State or Tribal court or administrative processes is retained as herein provided.

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



E. Grounds for Revocation, Suspension or Denial of State Certification. The State Gaming Agency may revoke, suspend or deny a State certification under the provisions of RCW 9.46.075, and rules promulgated thereunder, for any reason it deems to be in the public interest. For example, these reasons shall include, but shall not be limited to, when an applicant or holder of certification or principal of an entity:

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

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

3. Has had a Tribal or State gaming license revoked or denied during the twelve (12) months prior to the date of receipt of the application; is currently on probation; or has demonstrated a willful disregard for compliance with gaming regulatory authority in any jurisdiction, including offenses that could subject the individual or entity to suspension, revocation or forfeiture of a gaming license.

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

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

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

applicant. Additional fees may be required to maintain a conditional or provisional certification.

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

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

H. Identification Cards. The Tribal Gaming Agency shall require all gaming employees to wear identification cards in plain view while working in the facility. The identification cards will be issued by the Tribal Gaming Agency and will include photo, first name and an identification number unique to the individual tribal license and/or certification which shall include a Tribal seal or signature, and a date of expiration.

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

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

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

Management Entities, Suppliers, Manufacturers or Financiers Renewal . . . . .	\$ 500.00
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Provided, should actual costs reasonably incurred by the State Gaming Agency exceed the above fees, those costs will be assessed to the applicants during the investigation process. Payment in full to the State Gaming Agency will be required prior to the issuance of State certification. Notwithstanding any other provision of this Compact, the State Gaming Agency may modify any of the above fees consistent with like fees charged by the State Gaming Agency for non-Compact gaming elsewhere in the State by giving the Tribe sixty (60) days notice of intent to modify fees. Should a dispute arise under this Section it shall be resolved pursuant to Section XII.B.3.b.'s final and unappealable arbitration provisions.

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

L. Temporary Certification of Gaming Employees. Unless the review undertaken by the State Gaming Agency within thirty (30) days of the receipt of a completed application discloses that the applicant has a criminal history, or unless other grounds sufficient to disqualify the applicant pursuant to Section V of this Compact are apparent or have been discovered during that period, the State Gaming Agency shall, upon request of the Tribal gaming operation, issue a temporary certification to the applicant. The temporary certification shall become void and be of no effect upon either the issuance of a State certification or upon the issuance of intent to deny, in accordance with the provisions of this Compact. During the twelve (12) month period immediately following the effective date of this Compact, as provided herein, any applicant who has a current license issued by the State Gaming Agency, together with his or her completed application shall be immediately issued a temporary certification by the State Gaming Agency pending completion of the certification investigation.

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

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

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

Applicants for State certification agree by submitting this application for certification that they will submit to State jurisdiction to the extent necessary to determine qualification to hold such certification, including all necessary administrative procedures, hearings and appeals pursuant to RCW 9.46, WAC 230-50 and the State Administrative Procedures Act, RCW 34.05. Tribal

members who apply specifically waive any immunity, defense, or other objection they might otherwise have to the exercise of State jurisdiction for these purposes, but only for these purposes.

P. Decertification of Key Management Personnel. The State will not summarily suspend or revoke the certification of key management personnel with supervisory responsibilities in the Class III gaming facility for noncompliance with only the procedural requirements of this Compact and applicable laws incorporated herein. Because summary suspension or revocation of certification of such personnel could jeopardize proper operation of the gaming facility, the intent of the State to summarily suspend or revoke certification of such personnel will first be discussed with the Tribal Gaming Agency. In the event that the Tribe challenges a summary suspension or revocation of key management personnel under the provisions stated in this section, the management employee shall not be removed from employment pending completion of a hearing process unless that individual poses an imminent threat to public health, safety and welfare or to the lawful operation of the gaming facility.

## **VI. TRIBAL ENFORCEMENT OF COMPACT PROVISIONS AND STATE COOPERATION**

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

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

B. Tribal Gaming Agents/Inspectors. The Tribal Gaming Agency shall employ qualified inspectors or agents ("Tribal Inspectors") under the authority of the Tribal Gaming Agency. Tribal Inspectors shall be independent of the Tribal gaming operation, and shall be supervised by and accountable only to the Tribal Gaming

Agency or to the Tribal Law Enforcement Agency, if so authorized by the Tribal Gaming Agency. Tribal Inspectors shall not be required to be certified by the State.

C. Tribal Reporting of Violations. A Tribal Inspector shall be present in the gaming facility during all hours of gaming operation, and shall have immediate access to any and all areas of the gaming operation for the purpose of effectuating compliance

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

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

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

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

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

A. State Gaming Agents/Inspectors. The State Gaming Agency already does or shall employ qualified agents or inspectors ("State Agents"). State Agents used in connection with the Tribal Operations which are the subject of this Compact shall be fully qualified according to all requirements of the State, and in addition, will complete one state training course on Native American cultural heritage and will also complete one training course (not to exceed two eight hour days) on Puyallup tribal culture which will be conducted by the Puyallup Tribe of Indians.

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

C. Access to Records. Agents of the State Gaming Agency and, as applicable to the satellite wagering activities, the Washington State Horse Racing Commission, shall have authority to review and copy, during all operating hours, all Class III gaming records maintained by the Tribal gaming operation. Review and copying of records shall be conducted in the company of a tribal official as designated by the Puyallup Tribal Gaming Commission. Such inspections shall be conducted in a manner which minimizes disruption during normal business operations. Similarly, Agents of the Tribal Gaming Agency shall have authority to inspect and copy records maintained by the State concerning Class III gaming conducted on the Puyallup Indian Reservation. Provided, that any copy thereof and any information derived therefrom, from any parties' review or other activity under this Compact, shall be deemed strictly confidential and/or proprietary information, or financial information, of the Tribe. The State Gaming Agency and, as applicable to the satellite wagering facility and activities, the Washington Horse Racing Commission, shall notify the Tribe of any requests for disclosure of such information, and such information shall not be disclosed until the Tribe has had a reasonable opportunity to challenge the request or seek judicial relief. All tribal records including copies removed from the premises shall be forthwith returned to the Tribe after use, unless otherwise permitted to be retained by the State under this Compact. Provided further, this public disclosure prohibition shall not apply to evidence used in any proceeding authorized by this Compact. Independent audits permitted to be retained by the State will be returned to the Tribe after use.

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

and Tribal interests relating to the gaming facility and operation but only in the event that such disclosure shall not compromise the interest sought to be protected.

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

A. Jurisdictional Issues. Except as expressly set forth herein, nothing in this Compact is intended nor shall it confer upon the State or any other non-Tribal entity any jurisdiction with respect to non-gaming related activities on the Puyallup Indian Reservation. Except as expressly set forth herein, and then only to the extent expressly set forth herein, the terms of this document do not constitute a waiver of sovereign immunity and any such waiver is and shall be deemed to be only a limited waiver solely for the purposes set forth in this Compact. The terms of such limited waiver of sovereign immunity shall be strictly construed.

B. Concurrent Jurisdiction. The Tribal Gaming Agency and the State Gaming Agency shall have concurrent jurisdiction to investigate violations of the provisions of this Compact, and to bring administrative charges, in accordance with Tribal Laws and the incorporated provisions of Chapter 9.46 RCW, Chapter 34.05 RCW and Chapter 230-50 WAC, against any individual or business entity that is licensed by the Tribal Gaming Agency or certified by the State Gaming Agency in accordance with this Compact. The Tribe further consents to the limited waiver of sovereign immunity solely with respect to this exercise of jurisdiction by the Federal District Court of the Western District of Washington with respect to actions to enforce the provisions of this Compact, but if any such court declines to exercise subject matter jurisdiction, then by any court of competent jurisdiction. With the exception of those jurisdictional issues specifically addressed in this Compact, this Compact should not be construed to affect any other jurisdictional issues between the State and the Tribe.

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

D. Jurisdictional Forums. Following investigation and arrest, formal charges will be brought in the appropriate forum. Criminal prosecution of non-Indians will be through the proper State or Federal courts. Indians who are criminal defendants will be prosecuted in Tribal or Federal Court. Wherever possible, for criminal defendants who are Tribal members, Tribal Court will be the preferred forum for individual prosecutions unless an action is not pending before the court within six months of apprehension by law enforcement.

E. Consent to Application of State Law and Incorporation in Tribal Ordinance. For the purposes of 18 USC §1166 (d), for enforcing the provisions of this Compact with respect to certification and criminal conduct, for protection of the public health and safety and, to the extent not inconsistent with other provisions of this Compact, RCW 9.46.075; 9.46.140; 9.46.155; 9.46.160; 9.46.170; 9.46.180; 9.46.185; 9.46.190; 9.46.196; 9.46.198; 9.46.215; 9.46.220; 9.46.221; 9.46.222; 9.46.231; 9.46.240; 67.16.060; as now or hereafter amended, to the extent such amendments concern the same subject matter as the old statutory provision, shall be applicable and incorporated herein as part of this Compact and shall also be incorporated into a Tribal ordinance regarding any gaming affected by such statutory sections, in a manner which is consistent with the tribe's laws and procedures with respect to adoption and codification of tribal law. In the event any such provisions of State law are amended or repealed, the Tribe will amend its gaming ordinance accordingly, provided the State Gaming Agency has given at least 30 days notice of same prior to its effective date. Notwithstanding anything herein to the contrary, any penalty or fine contained in the state law statutory provisions set forth above which are in conflict with the limitations on the tribe under federal statute, shall be made, in the Tribe's gaming ordinance, to comport with applicable federal law.

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

## **IX. ENACTMENT OF COMPACT PROVISIONS**

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

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



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

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

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

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

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

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

4. The Tribal Gaming Agency shall notify the State Gaming Agency of the rules of each game operated by the Tribe and of any change in such rules. To the extent such rules have been adopted prior to the execution of this Compact they

are set forth in Appendix B hereto and shall be deemed approved by the State. Summaries of the rules of each game relevant to the method of play and odds paid to winning bets shall be visibly displayed or available in pamphlet form in the gaming facility. Betting limits applicable to any gaming station shall be displayed at such gaming station. Rules for games identified in Section III, except as specified in Appendix B, shall be based upon such games as commonly practiced in Nevada, including wagering, as do not fundamentally alter the nature of the game as the Tribal Gaming Agency may approve. Rules for games identified in Section III, except as specified in Appendix B, shall be submitted to the State Gaming Agency for review, to determine if the rules fundamentally alter the nature of the game. The Tribe will provide the State Gaming Agency ten (10) days advance notice of the rules of each game and any modifications thereof, and will provide adequate notice to patrons of the gaming operation facility to advise them of the applicable rules in effect. In the event of a dispute, the matter will be handled in accordance with Section XII.B.3.b.'s final and unappealable arbitration provisions.

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

6. The Tribal gaming operation shall maintain a cashier's cage in accordance with the standards set forth in Section 7(3)(d) of Appendix A, and shall not modify such standards without the concurrence of the State Gaming Agency. The Tribal Gaming Agency and the State Gaming Agency may review cashier's cage security. If the cashier's cage does not comply with the security standards set forth in Appendix A, the Tribal operation shall modify its cashier's cage to remedy such deficiency. In the event of a dispute, the matter will be handled in accordance with provisions of Section XII.B.3.b.'s final and unappealable arbitration provisions.

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

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

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

## **XI. REMEDIES FOR BREACH OF COMPACT PROVISIONS - INJUNCTIONS**

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

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

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

A. Dispute Resolution Policy Statement. The Tribe and the State recognize that disputes may arise during the implementation of this Compact and have established the following dispute resolution process in recognition of the government-to-government relationship of the Tribe and State, and to foster cooperation and efficiency in the performance of the terms of this Compact. Unless otherwise specified in this Compact, the nature of the dispute and agreement of the parties will determine which of the following informal or formal procedures will be used. Nothing in this Section shall prejudice the right of either party to seek injunctive relief against the other when circumstances require such immediate relief.

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

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

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

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

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

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

c. Breach of Provisions may be Remedied by Injunction: If after binding arbitration or decision of the reviewing court, the party against whom sanctions are sought, or curative or conforming action is required, does not perform or expeditiously undertake to effect a cure, or that party is not capable of immediate remedy, then that failure shall be deemed a default and breach of the provision(s) of

the Compact at issue, and if otherwise qualified, may be the subject of injunctive relief.

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

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

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

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

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

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

b. For manufacturers, suppliers and other entities: (1) first infraction - up to \$5,000; and (2) second and subsequent infractions - up to \$20,000.

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

a. For first infraction - written warning.

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

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

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

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

D. Method of Collection and Disbursement of Sanctions Collected. One half of the sanctions collected by the State Gaming Agency pursuant to the provisions of

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

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

The Tribe shall reimburse the State Gaming Agency for all reasonable costs and expenses actually incurred by the State Gaming Agency in carrying out its responsibilities as authorized under the provisions of this Compact. Reimbursement shall be made for monitoring, investigative, and processing costs and shall be calculated on an hourly basis; provided, that the method of reimbursement may be changed by mutual agreement of the Tribal and State Gaming Agencies. With regard to administrative actions, reimbursement shall be made to the extent that costs incurred exceed the certification fees received. The State shall submit a verified, detailed statement with supporting documentation after the gaming operation has been open to the public for no less than three (3) months, and on a quarterly basis thereafter, to the Tribal Gaming Agency. The Tribe shall reimburse the State Gaming Agency within thirty (30) days after the receipt of the statement of expenses. The State Gaming Agency agrees to meet at least annually with the Tribal Gaming Agency to discuss any issues related to reimbursements from the Tribe and to develop an estimate of the reimbursable costs to be sought during the next year, based on the information reasonably available to the parties at that time. In the event a dispute arises, it will be resolved pursuant to Section XII.B.3.b.'s final and unappealable arbitration provisions.

### **XIV. PUBLIC HEALTH AND SAFETY**

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

B. Consultation with Local Governments. The Tribe and State agree that the process by which the parties must consult local governments about a tribal gaming operation established pursuant to the Compact shall be in compliance with the

consultation procedures established in Section VIII (C) of the Puyallup Tribe Land Claim Settlement Agreement of August 27, 1988 (attached hereto as Appendix C), to which the State and other local governments are parties thereto, and Section C of Technical Document 7, which is referenced in the Agreement (attached hereto as Appendix C). In the event the location of the Tribe's gaming facility is changed, the Tribe agrees to implement the consultation process in accordance with the terms of the Land Claim Settlement Agreement.

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

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

At least annually, or sooner as determined by the Tribe, the Tribe shall distribute this Fund to State and local governmental service agencies materially impacted by the Class III gaming operation. The Tribe shall retain the exclusive right to make any public statement or announcement regarding the contributions made to or from the Fund.

Monies deposited in the Fund shall be awarded to all State and local governmental service agencies materially impacted by the gaming operation based on evidence of impacts presented by each agency under one of the following systems of distribution as may be decided by a majority vote of the Community Fund Committee. The Community Fund Committee shall consist of eleven (11) votes: five (5) votes by the Puyallup Tribal Council or its designees, one (1) vote by the Director of the State Gaming Agency, or his/her designee, one (1) vote by the City of Tacoma Mayor, or his/her designee, one (1) vote by the City of Fife Mayor, or his/her designee, one (1) vote by the City of Puyallup Mayor, or his/her designee, one (1) vote by the Pierce County Executive, or his/her designee, and one (1) vote by a representative from the city in which the Class III facility is located or, if not located within an incorporated city, then by a representative from Pierce County. The composition of this committee may be altered by mutual agreement of the Tribal and State Gaming Agencies, if necessary.

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

accordance with evidence of impacts presented. A majority vote of the Community Fund Committee shall be final and unappealable.

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

In the event that the parties cannot agree on the distribution of the Fund, the Fund shall be placed in an interest bearing escrow account(s) pending agreement by the Community Fund Committee. The Tribe shall be entitled to any interest earned on such funds. If after fourteen (14) months of the date of opening of the Class III facility, funds remain in the escrow account(s) that have not been allocated to any jurisdiction, those funds shall be immediately allocated and disbursed by agreement of a committee made up of the Tribal Chair, the Director of the State Gaming Agency, and a representative from the city in which the Class III facility is located or, if not located within an incorporated city, then a representative from Pierce County.

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

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

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

## **XV. AMENDMENTS, DURATION AND EFFECTIVE DATE**

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

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



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

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

It is the Tribe's position that as a sovereign nation, it has the inherent right to engage in gaming activities within its own territorial jurisdiction and that this Compact is entered into only for the purpose of complying with the I.G.R.A. The Tribe disagrees that such subsequent State legislation would have this effect under IGRA and the Compact, but does agree that the stated forum is the appropriate forum for the purpose of litigating the issue.

D. Amendments/Renegotiations.

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

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

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

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

(c) federal legislation authorizes the operation of or participation in gaming activity that was not authorized at the time this Compact was executed or was not authorized by this Compact.

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

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

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

4. Renegotiation - State. The parties shall renegotiate Compact Sections containing provisions affecting health and safety or environmental requirements, including Sections IV, V, VII, XI or XIV, upon the written notice and request by the State to the Tribe if and when circumstances and events unforeseen at the time of the negotiation and execution of this Compact occur meriting discussion

and renegotiation of such provisions. The notice to amend or renegotiate shall include the activities or circumstances the State wishes to negotiate, together with a statement of the basis supporting the request.

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

5. Renegotiation - Either Party. Notwithstanding anything in this Section XV.D to the contrary, at any time after twenty-four (24) months from the date of opening the gaming facility authorized under this Compact, either the Tribe or the State may request renegotiation of any of the provisions of this Compact if and when circumstances or events occur that merit the discussion and renegotiation of such provisions. Provided, however, this provision does not apply to III.R. which provides that renegotiation or amendments shall not occur until January 26, 1998. The request to renegotiate shall include the activities or circumstances the party wishes to negotiate, together with a statement of the basis supporting the request. The parties agree that negotiations shall commence in good faith under IGRA and within thirty (30) days of the request. The original terms and provisions of the Compact will remain in effect unless and until the parties agree on the renegotiated terms.

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

7. Authorization to Other Tribes Modifying Scope of Gaming Compact. Notwithstanding any other provision of this Compact to the contrary, if after the signing of this Compact the State enters into or amends an agreement with another tribe or entity located West of the Cascade Mountains and such agreement allows more gaming stations, higher wager limits, more hours of operation, other Class III gaming activities, or any combination thereof, then this Compact shall be amended automatically to maintain equality. Provided, either party shall have the right to take the issue to dispute resolution under the provisions of Section XII.B of this Compact if a dispute arises regarding the applicability of this automatic amendment provision to a particular term approved in another compact.

8. State Authorization of Additional Class III Gaming Activities. In the event the State hereafter authorizes any additional Class III gaming activity, including electronic facsimiles of Class II or Class III gaming, the Tribe shall be authorized to immediately commence conducting such activity prior to completion of the subsequent negotiations as provided in Section XV.D.2, if such activity is conducted in accordance with all of the limitations, regulations and requirements of the State.

## **XVI. LIMITATION OF LIABILITY**

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

## **XVII. INCORPORATION**

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

## **XVIII. PRECEDENCE**

To the extent that State law or Tribal ordinances, or any amendments thereto, are inconsistent with any provision of this Compact, this Compact shall control. Provided, nothing in this Compact is intended to supersede, amend, or repeal the consultation procedures established in Section VIII (C) of the Puyallup Tribe Land Claim Settlement Agreement of August 27, 1988 (attached hereto as Appendix C), to which the State and other local governments are parties thereto, and Section C of Technical Document 7, which is referenced in the Agreement (attached hereto as Appendix C).

## **XIX. RIGHTS UNDER THE I.G.R.A.**

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

## **XX. NO JOINT ENTERPRISE**

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

## **XXI. EXCLUSIVITY**

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

## XXII. NOTICES

Unless otherwise indicated by this Compact, all notices required or authorized to be served shall be served by certified mail or be delivered by other expedited services which require a signature for receipt at the following addresses:

Governor  
State of Washington  
State Capitol  
Olympia, Washington 98504

Tribal Chair  
Puyallup Tribe of Indians  
2002 East 28th Street  
Tacoma, Washington 98404

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

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

## XXIII. SEVERABILITY

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

## XXIV. COMPACT CLARIFICATION AND MINOR MODIFICATION

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

## XXV. AUTHORITY TO EXECUTE


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

IN WITNESS WHEREOF, the Puyallup Tribe of Indians and the State of Washington have executed this compact.

THE PUYALLUP TRIBE OF INDIANS

THE STATE OF WASHINGTON

BY:

  
Herman Dillon, Sr., Chairman

BY:

  
Mike Lowry, Governor

Date: May 28, 1996

Date: May 28, 1996

**PUYALLUP TRIBE OF INDIANS**

**APPENDIX A**

## STANDARDS OF OPERATION AND MANAGEMENT FOR CLASS III ACTIVITIES

### 1. DEFINITIONS

In these standards, unless the context indicates otherwise:

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

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

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

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

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

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

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

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

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

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

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

"Incompatible Function" means a function, for accounting and internal control purposes, that places any person or department in a position to both perpetrate and conceal errors or

irregularities in the normal course of his or her duties. Anyone both recording transactions and having access to the relevant assets is in a position to perpetrate errors or irregularities.

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

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

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

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

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

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

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

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

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

"Table Game Win or Loss" is determined by adding the amount of cash or coin, the amount recorded on the closer, removed from a drop box, plus credits, and subtracting the amount recorded on the opener and the total of the amounts recorded on fills removed from a drop box.

## 2. ACCOUNTING RECORDS

- (1) The tribal gaming operation shall maintain complete accurate and legible records of all transactions relating to the revenues and costs of the gaming operation.
- (2) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on the accruals basis, and detailed, supporting, subsidiary records, sufficient to meet the requirements of paragraph (4).

- (3) The forms of accounts adopted should be of a standard form which would ensure consistency, comparability, and effective disclosure of financial information.
- (4) The detailed, supporting and subsidiary records shall include, but not necessarily be limited to:
  - (a) Records of all patrons' checks initially accepted, deposited, and returned as "Uncollected", and ultimately written off as "Uncollectible";
  - (b) Statistical game records to reflect drop and win amounts for each station, for each game, and for each shift;
  - (c) Records of investments in property and services, including equipment used directly in connection with the operation of Class III gaming;
  - (d) Records of amounts payable by the tribal gaming operation; and
  - (e) Records which identify the purchase, receipt and destruction of gaming chips used in wagering.
- (5) All accounting records shall be kept for a period not less than two (2) years from their respective dates.

### 3. SYSTEM OF INTERNAL CONTROL

- (1) The tribal gaming operation shall submit to the Tribal Gaming Agency and the State Gaming Agency a description of its system of internal procedures and administrative and accounting controls before gaming operations are to commence.
- (2) Each such submission shall contain both narrative and diagrammatic representation of the internal control system to be utilized by the tribal gaming operation.
- (3) The submission required by paragraph (1) shall be signed by the executive responsible for its preparation and shall be accompanied by a report of an independent accountant stating that the submitted system conforms in all respects to the principles of internal control required by these standards.

### 4. FORMS, RECORDS, DOCUMENTS AND RETENTION

- (1) All information required by these standards is to be placed on a form, record or document or in stored data in ink or other permanent form.
- (2) Whenever duplicate or triplicate copies are required of a form, record or document:
  - (a) The original, duplicate and triplicate copies shall be color coded.



- (b) If under these standards, forms, records, and documents are required to be inserted in a locked dispenser, the last copy shall remain in a continuous unbroken form in the dispenser; and
  - (c) If under these standards, forms or serial numbers of forms are required to be accounted for or copies of forms are required to be compared for agreement and exceptions noted, such exceptions shall be reported immediately in writing to the Tribal Gaming Agency for investigation.
- (3) Unless otherwise specified in these standards or exempted by the Tribal Gaming Agency, all forms, records, documents and stored data required to be prepared, maintained and controlled by these standards shall:
- (a) Have the title of the form, record, document, or stored data imprinted or pre-printed thereon or therein;
  - (b) Be located on Puyallup Tribal Lands or such other location as is approved by the Tribal Gaming Agency; and
  - (c) Be retained for a period of at least two (2) years in a manner that assures reasonable accessibility to inspectors of the Tribal Gaming Agency and personnel of the State Gaming Agency.

## 5. ANNUAL AUDIT AND OTHER REPORTS

- (1) The tribal gaming operation shall, at its own expense, cause its annual financial statements to be audited in accordance with generally accepted auditing standards by an independent accountant.
- (2) The annual financial statements shall be prepared on a comparative basis for the current and prior calendar or fiscal year and shall present the financial position and results of operations in conformity with generally accepted accounting principles.
- (3) Two copies of the audited financial statements, together with the report thereon of the tribal gaming operation's independent accountant shall be filed with the Tribal Gaming Agency and with the State Gaming Agency not later than 120 days following the end of the calendar or fiscal year. Extensions may be granted by the Tribal Gaming Agency for extenuating circumstances.
- (4) The tribal gaming operation shall require its independent accountant to render the following additional reports:
  - (a) A report on material weakness in accounting and internal controls. Whenever, in the opinion of the independent accountant, there exists no material weaknesses in accounting and internal controls, the report shall say so; and
  - (b) A report expressing the opinion of the independent accountant that, based on his or her examination of the financial statements, the tribal gaming operation has followed, in all material respects, during the period covered by his or her

examination, the system of accounting and internal control on file with the Tribal Gaming Agency. Whenever, in the opinion of the independent accountant, the tribal gaming operation has deviated from the system of accounting and internal controls filed with the Tribal Gaming Agency, or the accounts, records, and control procedures examined are not maintained by the tribal gaming operation in accordance with the Compact and these standards, the report shall enumerate such deviations regardless of materiality, the areas of the system no longer considered effective and shall make recommendations in writing regarding improvements in the system of accounting and internal controls.

- (5) Two copies of the reports required by paragraph (4) and two copies of any other reports on accounting and internal control, administrative controls, or other matters relating to the tribal gaming operation's accounting or operating procedures rendered by the tribal gaming operation's independent accountant, shall be filed with the Tribal Gaming Agency and with the State Gaming Agency by the tribal gaming operation within 120 days following the end of each fiscal year or within thirty (30) days of receipt whichever is earlier. Provided, extensions may be granted for extenuating circumstances by the Tribal Gaming Agency.

## 6. CLOSED CIRCUIT TELEVISION SYSTEM

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

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

- (a) Light sensitive cameras some with zoom, scan and tilt capabilities to effectively and clandestinely monitor in detail and from various vantage points, the following:
- (i) The gaming conducted at each gaming station in the gaming facility and the activities in the gaming facility pits;
  - (ii) The operations conducted at and in the cashier's cage;
  - (iii) The count processes conducted in the count rooms in conformity with these standards;
  - (iv) The movement of cash, gaming chips, drop boxes, and drop buckets in the establishment;
  - (v) The entrances and exits to the gaming facility and the count rooms; and
  - (vi) Such other areas as the Tribal Gaming Agency designates.
- (b) Video recording units with time and date insertion capabilities for recording what is being viewed by any camera of the system; and
- (c) One or more monitoring rooms in the establishment which shall be in use at all times by the employees of the security department assigned to monitor the activities in the gaming facility and which may be used as necessary by the

inspectors of the Tribal Gaming Agency and agents of the State Gaming Agency;  
and

- (d) Audio capability in the count rooms.
- (3) Adequate lighting shall be present in all areas, including gaming stations and pits, where closed circuit camera coverage is required.
- (4) The tribal gaming operation shall be required to maintain a surveillance log of all surveillance activities in the monitor room. The log shall be maintained by monitor room personnel and shall include, at a minimum, the following:
  - (a) Date and time of surveillance;
  - (b) Person initiating surveillance;
  - (c) Reason for surveillance;
  - (d) Time of termination of surveillance;
  - (e) Summary of the results of the surveillance;
  - (f) A record of any equipment or camera malfunctions.
- (5) The surveillance log shall be available for inspection at any time by inspectors of the Tribal Gaming Agency and agents of the State Gaming Agency.
- (6) Video or audio tapes shall be retained for at least seven (7) days and at least thirty (30) days in the case of tapes of evidentiary value, or for such longer period as the Tribal Gaming Agency or the State Gaming Agency may require.
- (7) Entrances to the closed circuit television monitoring rooms shall not be visible from the gaming facility area.

## 7. ORGANIZATION OF THE TRIBAL GAMING OPERATION

- (1) The tribal gaming operation shall have a system of internal control that includes the following:
  - (a) Administrative control, which includes but is not limited to the plan of organization and the procedures and records that are concerned with the decision processes leading to management's authorization of transactions; and
  - (b) Accounting control which includes the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and are consequently designed to provide reasonable assurance that:

- (i) Transactions are executed in accordance with the management's general and specific authorization which shall include the requirements of these standards;
- (ii) Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and with these standards, and to maintain accountability for assets;
- (iii) Access to assets is permitted only in accordance with management's authorization which shall include the requirements of these standards; and
- (iv) The recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

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

- (a) Competent personnel with an understanding of prescribed procedures; and
- (b) The segregation of incompatible functions so that no employee is in a position to perpetrate and conceal errors or irregularities in the normal course of his or her duties.

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

- (a) A security department supervised by the head of the security department who shall co-operate with, yet perform independently of, all other departments and shall report directly to the Chief Operating Officer of the tribal gaming operation regarding matters of policy, purpose, and responsibilities. The head of security shall be responsible for, but not limited to the following:
  - (i) The clandestine surveillance of the operation and conduct of the table games;
  - (ii) The clandestine surveillance of the operation of the cashier's cage;
  - (iii) The video and audio taping of activities in the count rooms;
  - (iv) The detection of cheating, theft, embezzlement, and other illegal activities in the gaming facility, count rooms, and cashier's cage;
  - (v) The video taping of illegal and unusual activities monitored;
  - (vi) The notification of appropriate gaming facility supervisors, and the Tribal Gaming Agency upon the detection and taping of cheating, theft, embezzlement, or other illegal activities; and
  - (vii) Security Department to control issue, collection and storage of cards, shoes, dice and other gaming devices deemed appropriate, and to control disposition and/or destruction of same.

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

- (b) A gaming facility department supervised by a gaming facility manager who shall perform independently of all other departments and shall report directly to the chief operating officer. The gaming facility manager shall be responsible for the operation and conduct of all Class III activities conducted in the gaming facility.
- (c) A gaming facility accounting department supervisor who shall report directly to the chief operating officer. The supervisor responsibilities shall include, but not be limited to, the following:
  - (i) accounting controls;
  - (ii) the preparation and control of records and data required by these standards;
  - (iii) the control of stored data, the supply of unused forms, the accounting for and comparing of forms used in the gaming operating and required by these standards; and
  - (iv) the control and supervision of the cashier's cage.
- (d) A cashier's cage supervised by a cage supervisor who shall supervise cage cashiers and co-operate with, yet perform independently of, the gaming facility and security departments, and shall be under the supervision of, and report directly to the chief operating officer. The cashier's cage shall be responsible for, but not limited to the following:
  - (i) the custody of currency, coin, patron checks, gaming chips, and documents and records normally associated with the operation of a cashier's cage;
  - (ii) the approval, exchange, redemption and consolidation of patron checks received for the purpose of gaming in conformity with the gaming operation's standards;
  - (iii) the receipt, distribution and redemption of gaming chips in conformity with these standards; and
  - (iv) such other functions normally associated with the operation of a cashier's cage.

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

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

- (1) Table games shall be operated by dealers or croupiers who shall be the persons assigned to each gaming station as authorized under Section III.A of the Compact.
- (2) A pit boss shall be the supervisor assigned the responsibility for the overall supervision of the operation and conduct of gaming at the table games played within a single pit and shall oversee any intermediate supervisors assigned by the tribal gaming operation to assist in supervision of table games in the pit.
- (3) A gaming facility shift manager shall be the supervisor assigned to each shift with the responsibility for the supervision of table games conducted in the gaming facility. In the absence of the gaming facility manager, the gaming facility shift manager shall have the authority of a gaming facility manager.
- (4) Nothing in this standard shall be construed to limit the tribal gaming operation from utilizing personnel in addition to those described herein.

## 9. CASHIER'S CAGE

- (1) As part of the gaming operation there shall be on or immediately adjacent to the gaming floor a physical structure known as the cashier's cage ("cage") to house the cashiers and to serve as the central location for the following:
  - (a) The custody of the cage inventory comprising currency, coin, patron checks, gaming chips, forms, documents and records normally associated with the operation of a cage;
  - (b) the approval of patron checks for the purpose of gaming in conformity with these standards;
  - (c) the receipt, distribution, and redemption of gaming chips in conformity with these standards; and
  - (d) such other functions normally associated with the operation of a cage.
- (2) The tribal gaming operation shall have a reserve cash bankroll in addition to the imprest funds normally maintained by the cashier's cage, on hand in the cashier's cage or readily available to the cashier's cage at the opening of every shift in a minimum amount established by the tribal gaming operation.

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

- (a) An enclosed structure except for openings through which items such as gaming chips, checks, cash, records, and documents can be passed to service the public and gaming stations;
- (b) Manually triggered silent alarm systems connected directly to the monitoring rooms of the closed circuit television system and the security department office;
- (c) Access shall be through a locked door.
  - (i) The system shall have closed circuit television coverage which shall be monitored by the gaming facility security department.

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

10. ACCOUNTING CONTROLS WITHIN THE CASHIER'S CAGE

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

- (a) Cashiers functions shall be, but are not limited to the following:
  - (i) Receive cash, checks, and gaming chips from patrons for check consolidations, total or partial redemptions or substitutions;
  - (ii) Receive gaming chips from patrons in exchange for cash;
  - (iii) Receive travelers checks and other cash equivalents from patrons in exchange for currency or coin;
  - (iv) Receive documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashier's cage; and
  - (v) Receive from security department members, chips and coins removed from gaming stations in exchange for the issuance of a credit;
  - (vi) Receive from security department members, requests for fills in exchange for the issuance of a fill and the disbursement of gaming chips;
  - (vii) Receive cash from the coin and currency count rooms;

- (viii) Prepare the overall cage reconciliation and accounting records; and
- (ix) Perform such other functions as necessary to ensure proper accountability consistent with these standards.
- (x) The tribal gaming operation in its discretion may utilize the necessary number of independent cashiers to ensure compliance with these standards.

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

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

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

#### 11. DROP BOXES

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

(2) Each drop box shall have:

- (a) One separate lock securing the contents placed into the drop box, the key to which shall be different from any other key;
- (b) A separate lock securing the drop box to the gaming stations, the key to which shall be different from the key to the lock securing the contents of the drop box;
- (c) An opening through which currency, coins, forms, records and documents can be inserted into the drop box;
- (d) Permanently imprinted or impressed thereon, and clearly visible a number corresponding to a permanent number on the gaming station to which it is attached, and a marking to indicate game, table number, and shift, except that emergency drop boxes may be maintained without such number or marking, provided the word "emergency" is permanently imprinted or impressed thereon and, when put into use, are temporarily marked with the number of the gaming station and identification of the game and shift.

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



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

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

- (1) All drop boxes removed from the gaming stations shall be transported, at a minimum, by one security department member and one employee of the tribal gaming operation directly to, and secured in, the count room.
- (2) All drop boxes, not attached to a gaming station, shall be stored in the count room in an enclosed storage cabinet or trolley and secured in such cabinet or trolley by a separately keyed, double locking system. The key to one lock shall be maintained and controlled by the security department and the key to the second lock shall be maintained and controlled by the Tribal Gaming Agency inspector.
- (3) Drop boxes, when not in use during a shift may be stored on the gaming stations provided that there is adequate security. If adequate security is not provided during this time, the drop boxes shall be stored in the count room in an enclosed storage cabinet or trolley as required in paragraph (2).

13. PROCEDURE FOR EXCHANGE OF CHECKS SUBMITTED BY GAMING PATRONS

- (1) Except as otherwise provided in this section, no employee of the tribal gaming operation, and no person acting on behalf of or under any arrangement with the tribal gaming operation, shall make any loan, or otherwise provide or allow to any person any credit or advance of anything of value or which represents value to enable any person to take part in gaming activity as a player; provided, that nothing in these standards shall restrict the use of any automatic device for providing cash advances on patrons' credit cards or bank cards in accordance with normal commercial practices; Provided further, that nothing in these standards shall restrict the use of patron checks when utilized in accordance with these standards.
- (2) All personal checks sought to be exchanged in the tribal facility by a patron shall be:
  - (a) Drawn on a bank and payable on demand;
  - (b) Drawn for a specific amount;
  - (c) Made payable to the tribal gaming operation; and
  - (d) Currently dated, but not post dated.
- (3) All checks sought to be exchanged at the cashiers' cage shall be:
  - (a) Presented directly to the cashier who shall:
    - (i) Restrictively endorse the check "for deposit only" to the tribal gaming operation's bank account;

- (ii) Initial the check;
- (iii) Date and time stamp the check;
- (iv) Immediately exchange the check for currency and coin in an amount equal to the amount for which the check is drawn; and
- (v) Forward all patron checks to the main bank cashier.

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

- (a) Requiring the patron to countersign the travelers check in his or her presence;
- (b) Comparing the countersignature with the original signature on the travelers check;
- (c) Examining the travelers check for any other signs of tampering, forgery or alteration; and
- (d) Performing any other procedures which the issuer of the travelers check requires in order to indemnify the acceptor against loss.

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

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

#### 14. PROCEDURE FOR DEPOSITING CHECKS RECEIVED FROM GAMING PATRONS

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

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

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

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

- (1) All dishonored checks returned by a bank ("returned checks") after deposit shall be returned directly to, and controlled by accounting department employees.
- (2) No person other than one employed within the accounting department may engage in efforts to collect returned checks except that a collection company or an attorney-at-law representing the tribal gaming operation may bring action for such collection. Any verbal or written communication with patrons regarding collection efforts, shall be documented in the collection section.
- (3) Continuous records of all returned checks shall be maintained by accounting department employees. Such records shall include, at a minimum, the following:
  - (a) The date of the check;
  - (b) The name and address of the drawer of the check;
  - (c) The amount of the check;
  - (d) The date(s) the check was dishonored;
  - (e) The date(s) and amount(s) of any collections received on the check after being returned by a bank.
- (4) A check dishonored by a bank may be immediately redeposited if there is sufficient reason to believe the check will be honored the second time.
- (5) If a check is dishonored a second time, the name of the person who submitted the check shall be kept in a log, and available to the cashier. Such person shall be prohibited from submitting a future check until the amount owed is paid in full.

16. PROCEDURE FOR ACCEPTING CASH AT GAMING STATIONS

- (1) The cash shall be spread on the top of the gaming station by the croupier or dealer, accepting it in full view of the patron who presented it and the facility supervisor specifically assigned to such gaming station.
- (2) The amount of cash shall be announced by the croupier or dealer accepting it in a tone of voice calculated to be heard by the patron who presented the cash and the facility supervisor specifically assigned to such gaming station. All cash changes of \$50.00 or over shall be verified by the supervisor.
- (3) Immediately after an equivalent amount of gaming chips has been given to the patron, the cash shall be taken from the top of the gaming station and placed by the croupier or dealer into the drop box attached to the gaming station.

17. ACCEPTANCE OF GRATUITIES FROM PATRONS

- (1) No tribal gaming operation employee directly concerned with management, accounting, security and surveillance shall solicit or accept any tip or gratuity from any player or patron.
- (2) The tribal gaming operation shall establish a procedure for accounting for all tips received by other gaming employees.
- (3) Upon receipt from a patron of a tip, a croupier or dealer assigned to a gaming station shall tap the table or wheel and extend his or her arm to show the pit boss that he has received a tip and immediately deposit such tip in the tip box. Tips received shall be retained by employees or pooled among employees in such manner as determined by the tribal gaming operation.

18. ADOPTION OF RULES FOR CLASS III ACTIVITIES

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

- (a) Specifications provided by the equipment manufacturer or supplier applicable to gaming equipment:
  - (i) Physical characteristics of chips; and
  - (ii) Physical characteristics of the following:
    - (A) roulette tables;
    - (B) roulette balls;
    - (C) roulette wheels;
    - (D) cards (including procedures for receipt and storage);
    - (E) blackjack tables;
    - (F) blackjack layouts;
    - (G) poker tables;
    - (H) dice (including procedures for receipt and storage);
    - (I) craps tables;
    - (J) craps layouts;

- (K) money wheels;
- (L) money wheel layouts;
- (M) baccarat and mini-baccarat tables;
- (N) baccarat and mini-baccarat layouts;
- (O) chuck-a-luck tables;
- (P) chuck-a-luck layouts;
- (Q) red dog tables;
- (R) red dog layouts;
- (S) beat the dealer layouts;
- (T) pai-gow tables and layouts;
- (U) dealing shoes (including procedures for receipts and storage);
- (V) bill changer devices;
- (W) such other equipment as may be required for use in otherwise authorized Class III activities.

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

- (a) Procedures of play;
- (b) Minimum and maximum permissible wagers;
- (c) Shuffling, cutting and dealing techniques, as applicable;
- (d) Payout odds on each form of wager;
- (e) Procedures to be followed on occurrence of irregularities, including definition of irregularities as applicable to each game; and
- (f) Prohibitions on side betting between and against player and against the house.

19. STATION INVENTORIES AND PROCEDURE FOR OPENING STATIONS FOR GAMING

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

- (a) In exchange for cash;
  - (b) In payment of winning wagers and collection of losing wagers made at such gaming station;
  - (c) In exchange for gaming chips received from a patron having an equal aggregate face value; and
  - (d) In conformity with the fill and credit procedures described in these standards.
- (2) Each station inventory and the station inventory slip prepared in conformity with the procedures set forth in these standards shall be stored during non-gaming hours in a separate locked, clear container which shall be clearly marked on the outside with the game and the gaming station number to which it corresponds. The information on the station inventory slip shall be visible from the outside of the container. All containers shall be stored either in the cashier's cage during non-gaming hours or secured to the gaming station subject to arrangements for security approved by the Tribal Gaming Agency.
- (3) The keys to the locked containers containing the station inventories shall be maintained and controlled by the gaming facility department in a secure place and shall at no time be made accessible to any cashier's cage personnel or to any person responsible for transporting such station inventories to or from the gaming stations.
- (4) Whenever gaming stations are to be opened for gaming activity, the locked container securing the station inventory and the station inventory slip shall be unlocked by the gaming facility supervisor assigned to such station.
- (5) A croupier or dealer assigned to the gaming station shall count the contents of the container in the presence of the gaming facility supervisor assigned to such station and shall agree the count to the opener removed from the container.
- (6) Signatures attesting to the accuracy of the information on the opener shall be placed on such opener by the croupier or dealer assigned to the station and the gaming facility supervisor that observed the croupier or dealer count the contents of the container.
- (7) Any discrepancy between the amount of gaming chips and coins counted and the amount of the gaming chips and coins recorded on the opener, shall be immediately reported to the gaming facility manager, assistant gaming facility manager, or gaming facility shift manager in charge at such time, the security department and the Tribal Gaming Agency inspector verbally. Security will complete the standard security report in writing and immediately forward a copy to the Tribal Gaming Agency.
- (8) After the count of the contents of the container and the signing of the opener, such slip shall be immediately deposited in the drop box attached to the gaming station by the croupier or dealer after the opening of such station.

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

- (1) A request for fill ("Request") shall be prepared by a gaming facility supervisor to authorize the preparation of a fill slip ("Fill") for the distribution of gaming chips and coins to gaming stations. The request shall be prepared in a duplicate form and restricted to gaming facility supervisors.
- (2) On the original and duplicate of the request, the following information, at a minimum, shall be recorded:
  - (a) The date, time and shift of preparation;
  - (b) The denomination of gaming chips or coins to be distributed to the gaming stations;
  - (c) The total amount of each denomination of gaming chips or coins to be distributed to the gaming stations;
  - (d) The game and station number to which the gaming chips or coins are to be distributed.
  - (e) The signature of the gaming facility supervisor; and
  - (f) The signature of the security department member.
- (3) After preparations of the request, the original of such request shall be transported directly to the cashier's cage.
- (4) The duplicate copy of the request shall be placed by the croupier or dealer in public view on the gaming station to which the gaming chips or coins are to be received. Such duplicate copy shall not be removed until the chips and coins are received, at which time the request and fill are deposited in the drop box.
- (5) A fill shall be prepared by a cashier whenever gaming chips or coins are distributed to the gaming stations from the cashier's cage.
- (6) Fills shall be serially pre-numbered forms, and each series of fills shall be used in sequential order, and the series of numbers of all fills received by a gaming facility shall be separately accounted. All the originals and duplicates of void fills shall be marked "VOID" and shall require the signature of the preparer.
- (7) The following procedures and requirements shall be observed with regard to fills:
  - (a) Each series of fills shall be in triplicate form to be kept in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still located in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser;
  - (b) Access to the triplicate copy of the form shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of fills, placing fills in the dispensers, and removing from the dispensers, each day, the triplicate copies remaining therein.

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

- (a) The denomination of the gaming chips or coins being distributed;
- (b) The total amount of the gaming chips or coins being distributed;
- (c) The total amount of all denominations of gaming chips or coins being distributed;
- (d) The game and station number to which the gaming chips or coins are being distributed;
- (e) The date and shift during which the distribution of gaming chips or coins occur; and
- (f) The signature of the preparer.

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

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

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

- (a) The cashier upon preparation;
- (b) The security department member transporting the gaming chips or coins to the gaming station upon receipt from the cashier of gaming chips or coins to be transported;
- (c) The croupier or dealer assigned to the gaming station upon receipt;
- (d) The gaming facility supervisor assigned to the gaming station, upon receipt of the gaming chips or coins at such station.

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

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



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

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

- (1) A request for credit ("Request") shall be prepared by a gaming facility supervisor to authorize the preparation of a credit ("Credit") for the removal of gaming chips and coins to the cashier's cage. The request shall be in duplicate form and access to such form shall, prior to use, be restricted to gaming facility supervisors.
- (2) On the original and the duplicate copy of the request the following information, at a minimum, shall be recorded:
  - (a) The date, time and shift of preparation;
  - (b) The denomination of gaming chips or coins to be removed from the gaming station;
  - (c) The total amount of each denomination of gaming chips or coins to be removed from the gaming station;
  - (d) The game and station number from which the gaming chips or coins are to be removed; and
  - (e) The signature of the gaming facility supervisor and croupier or dealer assigned to the gaming station from which gaming chips or coins are to be removed.
- (3) Immediately upon preparation of a request and transfer of gaming chips or coins to a security department member, a gaming facility supervisor shall obtain on the duplicate copy of the request, the signature of the security department member to whom the gaming chips or coins were transferred and the croupier or dealer shall place the duplicate copy in public view on the gaming station from which the gaming chips or coins were removed, and such request shall not be removed until a credit is received from the fill bank at which time the request and credit are deposited in the drop box.
- (4) The original of the request shall be transported directly to the cashier's cage by the security department member who shall at the same time transport the gaming chips or coins removed from the gaming station.
- (5) A credit shall be prepared by a fill bank cashier whenever gaming chips or coins are removed from the gaming stations to the cashier's cage.
- (6) Credits shall be serially pre-numbered forms, each series of credits shall be used in sequential order, and the series number of all credits received by a gaming facility shall be separately

accounted for. All original and duplicate copies of credits shall be marked "VOID" and shall require the signature of the preparer.

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

- (a) Each series of credits shall be a three-part form and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser.
- (b) Access to the triplicate shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of credits, placing credits in the dispensers, and removing from the dispensers, each day, the triplicates remaining therein.

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

- (a) The denomination of the gaming chips or coins removed from the gaming station to the cashier's cage;
- (b) The total amount of each denomination of gaming chips or coins removed 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. A. PROCEDURE FOR SHIFT CHANGES AT GAMING STATIONS

- (1) Whenever gaming stations are to remain open for gaming activity at the conclusion of a shift, the gaming chips and coins remaining at the gaming stations at the time of the shift change shall be counted by either the croupier or dealer assigned to the outgoing shift, and the croupier or dealer assigned to the incoming shift, or the croupier or dealer assigned to the gaming station at the time of a drop box shift change which does not necessarily coincide with an employee shift change. The count shall be observed by the gaming facility supervisor assigned to the gaming station at the time of a drop box shift change.
- (2) The gaming chips and coins counted shall be recorded on the station inventory slip by the gaming facility supervisor assigned to the gaming station of the outgoing shift or the gaming facility supervisor assigned to the gaming station at the time of the drop box shift change.
- (3) Station inventory slips shall be three-part serially pre-numbered forms and on the original of the slip ("Closer"), the duplicate of the slip ("Opener"), and on the triplicate, which is maintained and controlled by security, the gaming facility supervisor shall record the following:
  - (a) The date and identification of the shift ended;
  - (b) The game and station number;
  - (c) The total value of each denomination of gaming chips and coins remaining at the station.

- (4) Signatures attesting to the accuracy of the information recorded on the station inventory slips shall be of either the croupier or dealer and the gaming facility supervisor assigned to the incoming and outgoing shifts or the croupier or dealer and the gaming facility supervisor assigned to the gaming station at the time of a drop box shift change.
- (5) Upon meeting the signature requirements as described in paragraph (4), the closer shall be deposited in the drop box that is attached to the gaming station immediately prior to the change of shift at which time the drop boxes shall then be removed and the opener shall be deposited in the replacement drop box that is to be attached to the gaming stations immediately following the change of shift. The triplicate shall be forwarded to the accounting department by a security department member.

#### B. PROCEDURE FOR CLOSING GAMING STATIONS

- (1) Whenever the daily gaming activity at each gaming station is concluded, the gaming chips and coins on the gaming station shall be counted by the croupier or dealer assigned to the gaming station and observed by a gaming facility supervisor assigned to the gaming station, and the entire count and closure process shall be monitored and taped by the surveillance department and those tapes retained for a period of at least thirty (30) days.
- (2) The gaming chips and coins counted shall be recorded on a station inventory slip by the gaming facility supervisor assigned to the gaming station.
- (3) Station inventory slips shall be three-part serially pre-numbered forms and on the original of the slip ("Closer"), the duplicate of the slip ("Opener"), and on the triplicate, which is maintained and controlled by security, the gaming facility supervisor shall record the following:
  - (a) The date and identification of the shift ended;
  - (b) The game and station number;
  - (c) The total value of each denomination of gaming chips and coins remaining at the stations; and
  - (d) The total value of all denominations of gaming chips and coins remaining at the gaming stations.
- (4) Signatures attesting to the accuracy of the information recorded on the station inventory slips at the time of closing the gaming stations shall be of the croupier or dealer and the gaming facility supervisor assigned to the gaming station who observed the croupier or count the contents of the station inventory.
- (5) Upon meeting the signature requirements specified in paragraph (4), the closer shall be deposited in a drop box attached to the gaming station immediately prior to the closing of the station.
- (6) The triplicate copy of the station inventory slip shall be forwarded to the accounting department by a security department member.

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

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

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

### 23. COUNT ROOM: CHARACTERISTICS

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

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

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

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

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

(3) Located within the count room shall be:

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

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

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

- (ii) Effective, detailed video-monitoring of the count room, including storage cabinets or trolleys used to store drop boxes; and
- (iii) Video and audio taping of the entire count process and any other activities in the count room.

24. PROCEDURE FOR COUNTING AND RECORDING CONTENTS OF DROP BOXES

- (1) The contents of drop boxes shall be counted and recorded in the count room in conformity with this standard.
- (2) The tribal gaming operation shall notify the Tribal Gaming Agency through an inspector whenever the contents of drop boxes removed from gaming stations are to be counted and recorded, which, at a minimum, shall be once each gaming day.
- (3) The opening, counting and recording of the contents of drop boxes shall be performed in the presence of an inspector and by those employees assigned by the tribal gaming operation for the conduct of the count ("Count Team") who have no incompatible functions. To gain entrance to the count room, the inspector may be required to present an official identification card containing his or her photograph issued by the Tribal Gaming Agency.
- (4) Immediately prior to the opening of the drop boxes, the doors to the count room shall be securely locked and except as otherwise authorized by this standard, no person shall be permitted to enter or leave the count room, except during a normal work break or in an emergency, until the entire counting, recording and verification process is completed.
- (5) Immediately prior to the commencement of the count, one count team member shall notify the person assigned to the closed circuit television monitoring station in the establishment that the count is about to begin, after which such a person shall make a video and audio recording, with the time and date inserted thereon, of the entire counting process which shall be retained by the security department for at least seven days from the date of recording unless otherwise directed by the Tribal Gaming Agency or State Gaming Agency.
- (6) Procedures and requirements for conducting the count shall be the following:
  - (a) As each drop box is placed on the count table, one count team member shall announce, in a tone of voice to be heard by all persons present and to be recorded by the audio recording device, the game, station number, and shift marked thereon;
  - (b) The contents of each drop box shall be emptied and counted separately on the count table, which procedures shall be at all times conducted in full view of the closed circuit television cameras located in the count room;
  - (c) Immediately after the contents of a drop box are emptied onto the count table, the inside of the drop box shall be held up to the full view of a closed circuit television camera, and shall be shown to at least one other count team member and the Tribal Gaming Agency inspector to confirm that all contents of the drop box have been removed, after which the drop box shall be locked and placed in the storage area for drop boxes;

- (d) The contents of each drop box shall be segregated by a count team member into separate stacks on the count table by denominations of coin and currency and by type of form, record or document;
- (e) Each denomination of coin and currency shall be counted separately by at least two count team members who shall place individual bills and coins of the same denomination on the count table in full view of the closed circuit television cameras, and such count shall be observed and the accuracy confirmed orally or in writing, by at least one other count team member;
- (f) As the contents of each drop box is counted, one count team member shall record or verify on a master game report, by game, station number, and shift, the following information:
  - (i) The total amount of currency and coin counted;
  - (ii) The amount of the opener;
  - (iii) The amount of the closer;
  - (iv) The serial number and amount of each fill;
  - (v) The total amount of all fills;
  - (vi) The serial number and amount of each credit;
  - (vii) The total amount of all credits; and
  - (viii) The win or loss.
- (g) After the contents of each drop box have been counted and recorded, one member of the count team shall record by game and shift, on the master game report, the total amounts of currency and coin, station inventory slips, fills and credits counted, and win or loss, together with such additional information as may be required on the master game report by the tribal gaming operation;
- (h) Notwithstanding the requirements of sub-paragraphs (f) and (g), if the tribal gaming operation's system of accounting and internal controls provides for the recording on the master game report of fills, credits, and station inventory slips by cage cashiers prior to the commencement of the count, a count team member shall compare for agreement the serial numbers and totals of the amounts recorded thereon to the fills, credits, and station inventory slips removed from the drop boxes;
- (i) Notwithstanding the requirements of sub-paragraphs (f) and (g), if the tribal gaming operation's system of accounting and internal controls provides for the count team functions to be comprised only of counting and recording currency, coin, and credits; accounting department employees shall perform all other counting, recording and comparing duties herein;

- (j) After completion and verification of the master game report, each count team member shall sign the report attesting to the accuracy of the information recorded thereon;
  - (k) At no time after the inspector has signed the master game report shall any change be made to it without prior written approval of the Tribal Gaming Agency.
- (7) Procedures and requirements at the conclusion of the count for each gaming shift shall be the following:
- (a) All cash removed from each drop box after the initial count shall be presented in the count room by a count team member to a cashier who, prior to having access to the information recorded on the master game report and in the presence of the count team and the inspector, shall re-count, either manually or mechanically, the cash received, after which the inspector shall sign the report evidencing his or her presence during the count and the fact that both the cashier and count team have agreed on the total amount of cash counted;
  - (b) The top copy of the master game report, after signing, and the requests for fills, the fills, the requests for credits, the credits, and the station inventory slips removed from drop boxes shall be transported directly to the accounting department and shall not be available to any cashier's cage personnel;
  - (c) A duplicate of the master game report, but no other document referred to in this standard whatsoever, shall be retained by the inspector.
  - (d) If the tribal gaming operation's system of accounting and internal controls does not provide for the forwarding from the cashier's cage of the duplicate of the fills, credits, request for credits, request for fills, such documents recorded or to be recorded on the master game report shall be transported from the count room directly to the accounting department.
- (8) The originals and copies of the master game report, request for fills, fills, request for credits, credits and station inventory slips shall on a daily basis, in the accounting department be:
- (a) Compared for agreement with each other, on a test basis, by persons with no recording responsibilities and, if applicable, to triplicates or stored data;
  - (b) Reviewed for the appropriate number and propriety of signatures on a test basis;
  - (c) Accounted for by series numbers, if applicable;
  - (d) Tested for proper calculation, summarization, and recording;
  - (e) Subsequently recorded; and
  - (f) Maintained and controlled by the accounting department.

## 25. SIGNATURES



(1) Signatures shall:

- (a) Be, at a minimum, the signer's first initial and last name;
- (b) Be immediately adjacent to, or above the clearly printed or pre-printed title of the signer and his or her certificate or permit number; and
- (c) Signify that the signer has prepared forms, records, and documents, and/or authorized to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with these standards and the tribal gaming operation's system of accounting and internal control.

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

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

**PUYALLUP TRIBE OF INDIANS**

**APPENDIX B**

**APPENDIX B**

**PUYALLUP TRIBE OF INDIANS - STATE OF WASHINGTON  
CLASS III GAMING COMPACT**

**RULES GOVERNING CLASS III GAMING  
on the  
PUYALLUP RESERVATION**

**SECTION 1. SPORTS POOLS**

The Tribe shall be entitled to offer sports pools, on regularly scheduled athletic contests, of one hundred (100) squares wherein each square is sold for not more than ten (10) dollars (wager) plus an administrative charge payable to the Tribe of not more than fifty cents (\$0.50) per \$10.00 wager. All wagers shall be awarded to winners as prizes. All other provisions of state law established in RCW 9.46.0335 regarding the conduct of sports pools shall be applicable.

**SECTION 2. PUNCHBOARDS AND PULL-TABS**

"Reserved"

**SECTION 3. SALE OF WASHINGTON STATE LOTTERY TICKETS**

The sale of Washington State lottery tickets on the Puyallup Reservation shall be subject to the provisions of RCW 67.70, WAC 315, and the Tribal Ordinance.

**SECTION 4. SATELLITE (OFF-TRACK) WAGERING ON HORSE RACES**

**4.1 DEFINITIONS.**

4.1.1 "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.

4.1.2 "Commission Regulations" means Title 260 WAC.

4.1.3 "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.

4.1.4 "Horse Racing Law" means Chapter 67.16 RCW.

4.1.5 "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.

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

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

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

4.1.9 "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.

4.1.10 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.

4.2 APPLICABILITY OF LAWS. Wagering at the Puyallup 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 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.

#### 4.3 REGULATION OF SATELLITE (OFF-TRACK) WAGERING.

4.3.1 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, 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. 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, and shall be deemed to have been made at the location of such pool for the purposes of assessment of fees, charges, taxes or other assessments. 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 assessments upon the Tribe or any person or entity authorized to conduct such activities on behalf of the Tribe for the satellite wagering activities regulated hereunder, other than those generally applicable to the parimutuel pool.

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 or State may request arbitration under Section XII.B 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 for an equivalent number of races, to be offered within the subsequent twelve (12) month period, 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 section (Section 4) 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 or the State may request arbitration under Section XII.C of this Compact.

4.3.2 Hours of Operation. The wagering authorized in the Tribe's satellite wagering facility shall be conducted within the hours authorized for Class III gaming under this Compact. Provided, however, when a track providing a simulcast to the tribal facility operates outside the Tribe's regularly scheduled 80 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.

4.3.3 Approval of Facility. Subject to approval of the physical adequacy of the facility, the Puyallup Reservation is hereby approved as 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.

4.3.4 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:

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

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

4.3.4.3 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.

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

4.3.4.5 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.

4.3.5 Other Facilities Within Area. In the event the Commission considers allocation of exclusive or limited areas in which satellite wagering facilities may be located, the Commission will give good faith consideration to designating the Puyallup 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 its satellite wagering facility at any time.

4.3.6 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).

4.3.7 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.

4.3.8 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 rules and regulations, if any, as are applied to satellite wagering facilities in the State.

**Puyallup Tribe of Indians**

**APPENDIX C**



# **Agreement**

**between  
the Puyallup Tribe of Indians,  
local Governments in Pierce County,  
the State of Washington,  
the United States of America,  
and certain private property owners.**

**August 27, 1988**

AGREEMENT  
August 27, 1988

AGREEMENT: TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
PURPOSE AND SCOPE OF AGREEMENT; PARTIES	1
I. SETTLEMENT LANDS	2
A. Property Conveyed Other Than Current Riverbed	2
B. Current Riverbed	3
Map of Port Properties	5
Map of Fife Properties	6
II. PAYMENTS TO MEMBERS OF PUYALLUP TRIBE	7
III. PERMANENT TRUST FUND FOR TRIBAL MEMBERS	7
A. Trust Fund	7
B. Distribution of Trust Fund Income and Review of Trust Fund Management	8
C. Duration of Trust	8
IV. FISHERIES	8
A. Fisheries Enhancement Program	8
B. Fisheries Protection	9
1. Mitigation and Enhancement Measures for Specific Port of Tacoma Development Projects	9
2. Tribe's Approval of Specified Port of Tacoma Projects	10
3. General Purpose Local Government Actions	11

C.	Access to Fishery	13
1.	Navigation	13
2.	Milwaukee Peninsula/Puyallup River-Mouth Fishing Station	14
D.	Resolving Conflicts Between Development and Fisheries Protection	14
V.	JOB TRAINING & PLACEMENT PROGRAM; SOCIAL & HEALTH SERVICE IMPROVEMENTS	15
A.	Job Training and Placement	15
B.	Private Sector Jobs	15
C.	Social & Health Service Improvements	16
1.	Capital Projects	16
2.	Training Trust Fund	16
VI.	ECONOMIC DEVELOPMENT	16
A.	Economic Development and Land Acquisition Fund	16
B.	Small Business Fund for Tribal Members	16
C.	Blair Navigation Project Participatory Payments	16
VII.	BLAIR NAVIGATION PROJECT	17
VIII.	FUTURE GOVERNMENTAL AUTHORITY, RESPONSIBILITY, AND COOPERATION	17
A.	Governmental Jurisdiction and Authority	18
1.	Tribal Jurisdiction and Governmental Authority - General	18
2.	Tribal Jurisdiction and Governmental Authority - Fisheries	19
3.	Tribal Jurisdiction and Governmental Authority - Environmental	20
4.	Jurisdiction and Governmental Authority - Other Governments	21

B.	Future Trust Lands	22
C.	Future Consultation Between the Tribal Government and Local Governments	22
D.	Governmental Services	23
E.	Agreement for Fife	24
F.	Law Enforcement	25
	1873 Survey Area: Illustration	27
IX.	RESOLUTION OF PUYALLUP TRIBAL LAND CLAIMS	28
X.	IMPLEMENTATION AND MODIFICATION	30
A.	Structure of Agreements	30
B.	Ratification By the Tribal Members	30
C.	Federal and State Participation	31
D.	Effective Date	31
E.	Modification	32
XI.	FEDERAL COURT JURISDICTION	32
A.	Liability	32
B.	Consent to Sue	33
XII.	LEGAL DISCLAIMER	33

## AGREEMENT

### PURPOSE AND SCOPE OF AGREEMENT; PARTIES

This Agreement establishes a framework for cooperation and a mutually beneficial future for the community. The Agreement: (1) adds to the Tribe's land base and provides resources for economic development; (2) provides each enrolled adult member of the Tribe with funds to meet personal needs, (3) provides resources for the Tribe to meet its members' health, education, and social needs; (4) provides for substantial restoration of the fishery resource, and allows for future development while lessening impacts on fisheries; (5) provides for significant employment and training opportunities for Puyallup Tribal members; (6) provides funds for land acquisition and development, and small business assistance; (7) provides for construction of Blair Project; (8) resolves conflicts over governmental jurisdiction; and (9) resolves all land claims by the Puyallup Indian Tribe, except as reserved in this Agreement.

This is an agreement between the Puyallup Indian Tribe and the United States, the State of Washington, and the signatory local governments and private parties. The Agreement will become effective when the steps shown in Section X. have been completed. At that time, this document and the documents specified in Section X. will become the Agreement of the parties.

Throughout the negotiations leading to this Agreement, both sides had the benefit of legal counsel and technical consultants. It is therefore agreed that all parties had the necessary resources to understand and make the difficult decisions required.

The following are the parties to this Agreement:

1. United States of America
2. Puyallup Indian Tribe
3. State of Washington
4. Port of Tacoma
5. Pierce County
6. City of Tacoma
7. City of Fife
8. City of Puyallup
9. Union Pacific Railroad Company
10. Burlington Northern Inc.
11. Commencement Bay Tideland Owners Committee, a non-profit corporation
12. Riverbed Owners Committee

All parties recognize that this Agreement cannot reverse or erase all of the injustices and problems that have occurred, and no one pretends that it does. Instead, the parties, although mindful of the past, have negotiated this Agreement to allow the Tribe and its members to provide themselves a secure future, to give greater certainty to Indians and non-Indians alike, and to encourage a cooperative relationship which will reduce the danger of continued injustice and continuing conflicts in the future.

I. SETTLEMENT LANDS

A. Property Conveyed Other Than Current Riverbed

The Tribe will receive an estimated 899 acres of land. Those properties and certain improvements have an estimated current value of \$37,460,000. Legal descriptions, improvements, restrictions and encumbrances are contained in Document 1. Two location drawings of the properties are included in this section.

Blair Waterway Property

The Tribe will receive 43.4 acres fronting on the Blair Waterway. The value of this property will increase substantially with completion of the Blair Project.

Blair Backup Property

The Tribe will receive 85.2 acres located between Taylor Way and Alexander Avenue, together with the buildings on the property. This property will retain its current designation as a Foreign Trade Zone. The value of this property will increase substantially with completion of the Blair project.

Inner Hylebos Property

The Tribe will receive 72.9 acres of property on the Inner Hylebos, including a marina and a log storage site.

Upper Hylebos Property

The Tribe will receive 5.9 acres of property located at the head of the Hylebos Waterway.

Union Pacific Property (Fife)

The Tribe will receive 57 acres, subject to an easement for a roadway of approximately 4 acres. The Tribe will have an option to buy an additional 22 acres of land at its appraised fair market value.

Union Pacific and the City of Fife agree to fund up to \$2 million of the cost of construction of an underpass or overpass at Frank Albert Road. For purposes of this Agreement, the improvement value to the property will be \$800,000.

#### Torre Property (Fife)

The Tribe will receive 27.4 acres located on Frank Albert Road in Fife, or the cash value of that property. The Port will determine which option will be implemented.

#### Taylor Way/East-West Road Properties

The Tribe will receive two pieces of property totalling 7.4 acres, one on Taylor Way, the other on East-West Road. These properties will retain their current designation as a Foreign Trade Zone.

#### Forest, Recreation and Cultural Areas

The Tribe will receive \$500,000 for the purchase of open space, forest and cultural lands for uses to be determined by the Tribe and its members. It is estimated this amount would purchase approximately 600 acres.

#### General Requirements for Lands Conveyed to Tribe Under This Agreement

The parties agree that lands conveyed by this Agreement will be placed in trust with on-reservation status by federal legislation enacting this Agreement, subject to the uses specified in Document 1. However, nothing in that designation shall be construed as a precedent for or against the granting of on-reservation status to other lands interior or exterior to the 1873 Survey Area. Forest, recreation and cultural lands will be placed in trust and designated as off-reservation status.

Final transfers of property will be consistent with established land exchange procedures. Contamination audits will be completed by the Port on its properties for the purpose of establishing that each property complies with applicable federal or state contamination law, and is reasonably useful for commercial/industrial development by the Tribe. See Document 1 for details.

#### B. Current Riverbed

The non-Indian parties will convey any right, title or interest they have in the submerged lands in the Puyallup

River within the 1873 survey area below the mean high water line to the United States in trust for the Tribe.

1. The United States and the Tribe confirm all existing rights-of-way across the river bed and the right to maintain them. The Tribe agrees it will not impose any charge for or regulate the use and maintenance of such rights-of-way.

2. The Tribe shall not deny, condition or impose any charge for discharges of waste water, storm water, or sanitary waters which discharges comply with applicable federal water standards and do not interfere with the Tribe's treaty protected fishing rights.

3. Any other easements for public purposes or utilities shall not be unreasonably withheld, but reasonable charges can be imposed by the Tribe for such easements valued in the same manner as the valuation of property in eminent domain proceedings. However, the Tribe, because of funds advanced by the State in this Agreement agrees that it will not charge the State for an additional transportation easement, including necessary support structures, to cross the river so long as the structure is substantially completed within 15 years of the effective date of this Agreement.

4. Within 3 years of the effective date of this Agreement, the Tribe, State, Federal Government, and the County will agree to a plan for flood control. That plan is to address the location, amount and timing of necessary gravel removal, vegetation control, and the roles and responsibilities of the Tribe, State, County and Federal Government in the plan development and implementation.

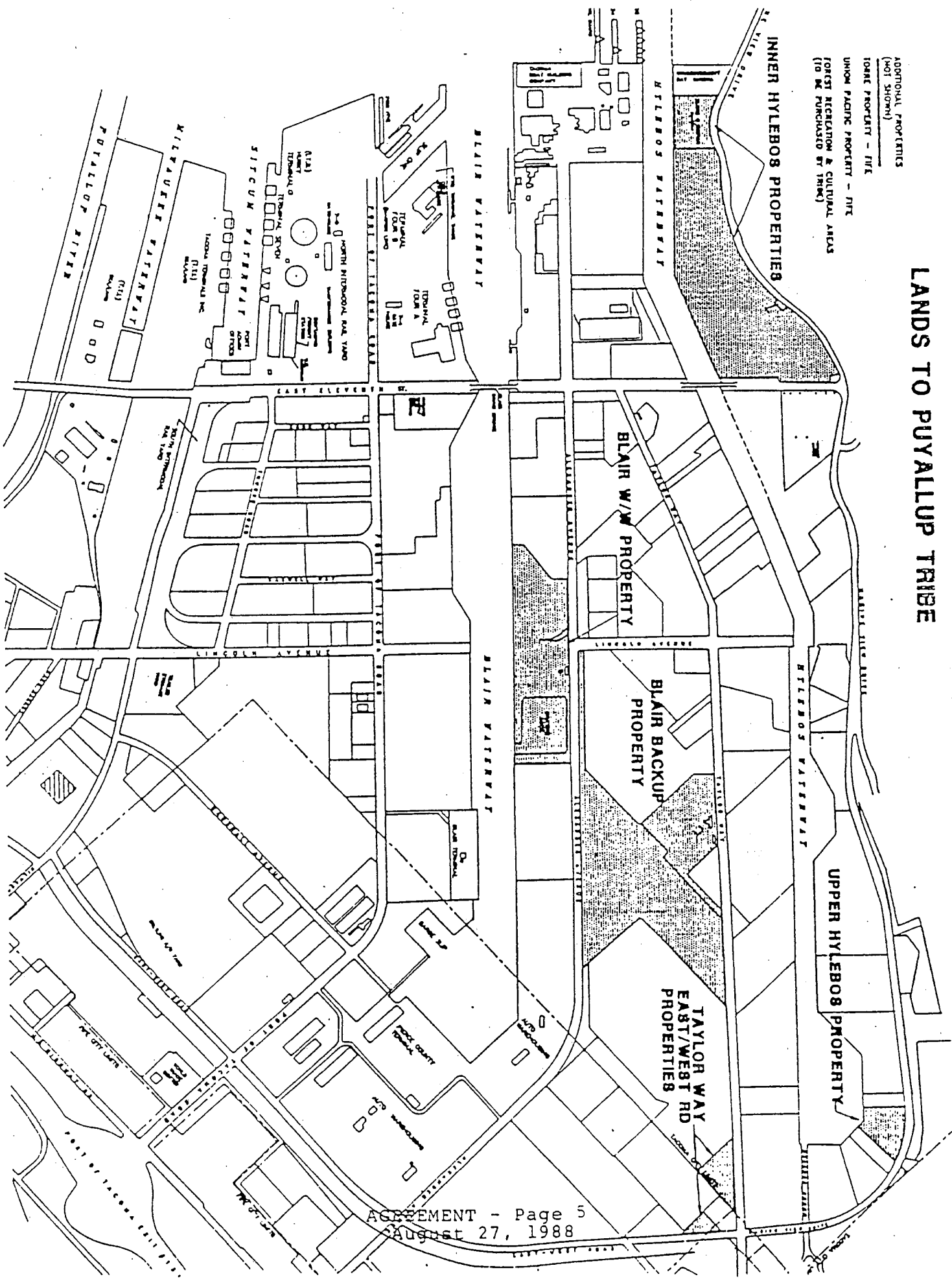
5. The Tribal Trust ownership of the river bed shall not enlarge or diminish the fishing rights of any person or party.

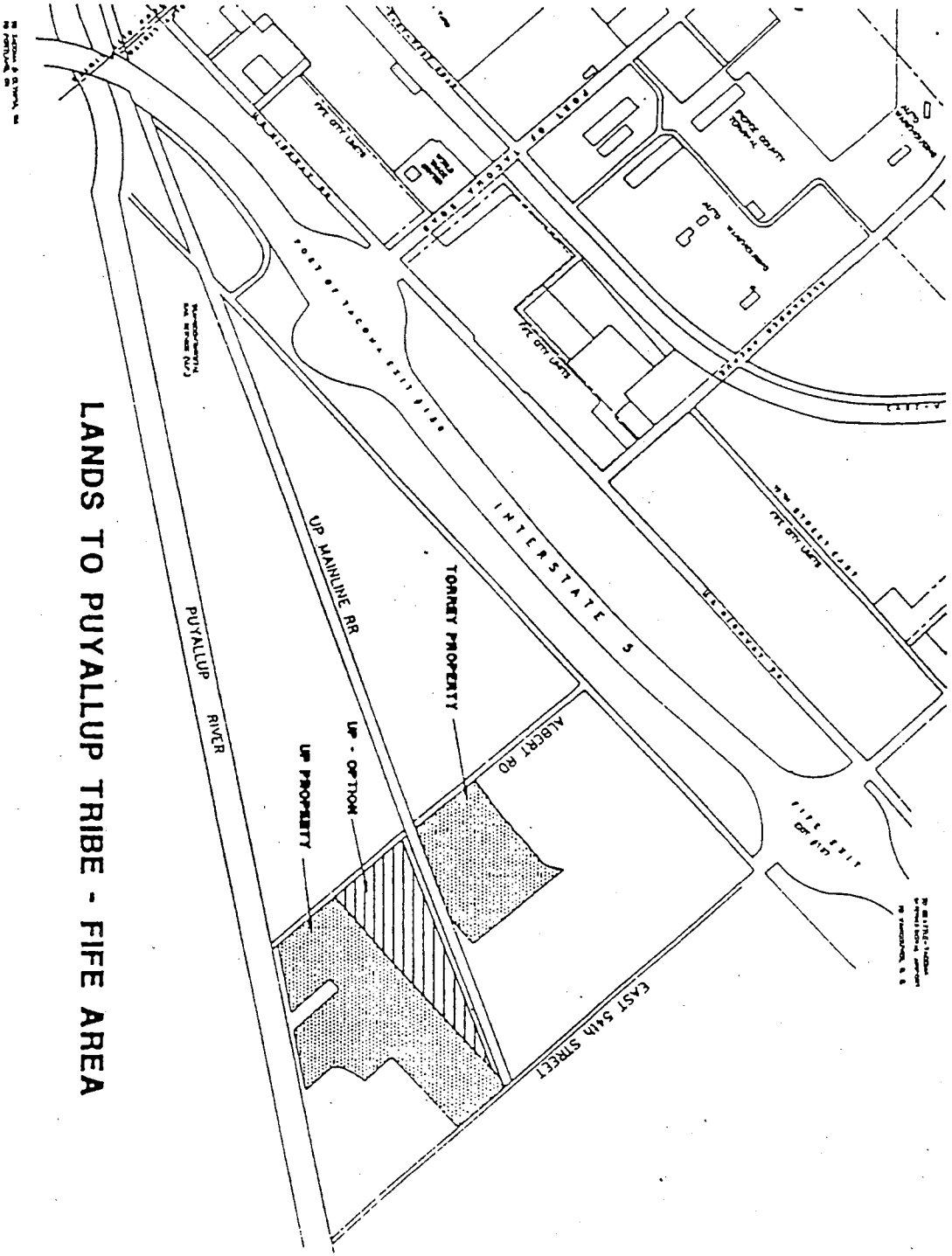


# LANDS TO PUYALLUP TRIBE

ADDITIONAL PROPERTIES  
(NOT SHOWN)  
 TOBE PROPERTY - FIVE  
 UMON PACIFIC PROPERTY - FIVE  
 FOREST RECREATION & CULTURAL AREAS  
 (TO BE PURCHASED BY TRIBE)

INNER HYLEBOS PROPERTIES





**LANDS TO PUYALLUP TRIBE - FIFE AREA**

## II. PAYMENTS TO MEMBERS OF PUYALLUP TRIBE

The Tribal members will receive \$24 million that will be placed in an annuity fund or other investment program. Each person who is an enrolled member of the Tribe at the time of ratification of this Agreement by an affirmative vote of the Tribe's members will receive a one-time payment from the fund. Each enrolled member who has reached the age of 21 at the time that the Agreement becomes effective will receive the payment as soon as possible after that date. All other members will receive payment upon reaching the age of 21.

The \$24 million will be placed in an annuity fund or other financial investment program so that each member of the Tribe will receive a payment of approximately \$20,000. The Board of Trustees described in Section III below will be responsible for selecting a financial institution or institutions to administer the funds. The financial institution(s) shall be selected by the Board no later than 60 days after the Board is elected. It is the intention of the parties to this Agreement that the payments to each qualified member be made as soon as is practicable and financially prudent, as determined by the Board in consultation with the financial institution(s). No payments of any kind except the approximately \$20,000 per capita payable to all Tribal members shall be paid to the Board or its members out of this fund. A reasonable and customary fee may be paid out of income from the fund to the financial institution(s) for administration of the fund.

This estimate of \$20,000 per member is based on an assumed enrolled membership of 1,400 on the date of ratification. The exact amount which each member will receive may be slightly higher or lower depending on interest rates at the time the Agreement is implemented, and the ages of members at the time the Agreement is ratified. This program will last for 21 years from the date of ratification.

For details, see Document 2.

## III. PERMANENT TRUST FUND FOR TRIBAL MEMBERS

### A. Trust Fund

The Tribe shall receive a trust fund totalling \$22 million for the benefit of the Tribe and its members. The full amount provided by this Agreement shall be held in trust by the United States. Only the income may be spent in any one year. Income earned from the fund shall be used solely for the following purposes:

1. Housing
2. Elderly Needs
3. Burial and Cemetery Maintenance
4. Education and Cultural Preservation
5. Supplemental Health Care
6. Day Care
7. Other Social Services

B. Distribution of Trust Fund Income and Review of Trust Fund Management:

Distribution of the income from the trust fund shall be directed by a nine-member Board of Trustees. The Board shall also oversee the trustees' administration of the fund. The Board will have three Trustees elected by the Tribe from its members; three Trustees elected by the Tribal Council; one Trustee designated by the Department of Interior; and two Trustees from the financial or social service community, selected by the Tribal and Federal Trustees.

C. Duration of Trust:

The Trust Fund shall be in existence for the duration of the existence of the Tribe, as recognized by the United States Government.

See Document 3 for details of Permanent Trust Fund.

#### IV. FISHERIES

Introduction: The goal of the fisheries portion of this Agreement is to enhance the fisheries resource, including protection of necessary habitat, while allowing construction and development to occur. The total value of the fisheries program is \$10,165,000, and an unspecified value for mitigation and enhancement for approved development projects. These funds will be used by the State and Tribal fisheries managers, through their cooperative management programs, to develop and implement a comprehensive production plan for the Basin. These funds are separate from any additional money that may be provided through the Congress, and do not include any monies previously agreed to by the State of Washington as a result of prior cooperative management projects.

A. Fisheries Enhancement Program

1. The Tribe will receive \$7,935,000 from the State of Washington for its use in improving the Puyallup River and Commencement Bay Basins fishery through: (a) site acquisition; (b) facilities construction and improvement; (c) habitat improvement; (d) equipment purchase;

(e) research; and (f) operation and maintenance of facilities. In addition, the State will make improvements to existing state facilities in the Puyallup River Basin to achieve increased production in the Basin, at a cost of \$800,000.

2. The Port of Tacoma will provide \$1,300,000 to the Tribe for fisheries enhancement. These funds are in addition to \$675,000 transferred from the Port of Tacoma to the Tribe under the Terminal 3 Agreement.

3. The parties recognize the Tribe's program for fisheries enhancement through the siting and development of Tribal net pen facilities. The Tribe and the State Departments of Fisheries and Wildlife will jointly identify those potential sites which are biologically and environmentally suitable for Tribal net pens. The parties with permitting authority will use their best efforts to facilitate the permitting of pen sites necessary to the implementation of the fisheries enhancement goals of this Agreement.

4. The Federal Government will spend \$100,000 for Commencement Bay navigation equipment. Additionally, \$30,000 will be provided by the Port for replacement of damaged fishing equipment.

B. Fisheries Protection

1. Mitigation and Enhancement Measures for Specific Port of Tacoma Development Projects

The approval given to the projects listed in the next subsection is conditioned on completion of the following mitigation and enhancement measures, as they relate to those individual projects:

- a. Reduced Fill Area and Milwaukee Waterway Shallowing
- b. Sitcum Waterway End Slope Revision
- c. Pier Construction Standards
- d. Slip 5 Shallowing
- e. Slip 1 Fill Slopes
- f. Blair Waterway Dredging Slopes
- g. Blair Waterway Bank Improvements
- h. Wapato Creek-Blair Waterway Outfall
- i. Wapato Creek Bridging
- j. Inner Hylebos Shallowing

These mitigation and enhancement projects will be constructed in coordination with the development projects listed below.

In addition to the above mitigation and enhancement measures to be carried out by the Port, the Port will provide a \$1,300,000 cash payment, both as part of the Fisheries Enhancement program outlined in Section IV.A. above.

The Port will work with Tribal biologists in developing the Port's plans. Within the cost parameters of meeting the area requirements, the Port staff will work with the Tribal staff to maximize the fisheries benefits from the proposed activities and construction design.

2. Tribe's Approval of Specified Port of Tacoma Projects

The Port of Tacoma has proposed certain construction projects listed below, with the provisions for specified mitigation and enhancement stated above. The Tribe agrees to give approval to the following projects, on the condition that the Port constructs them in the manner described in Document 4. If the conditions are met, the Tribe agrees not to oppose the projects in any federal, state, or local permitting processes. Projects are fully defined in Document 4, Fisheries, and Document 6, Blair Project.

a. Milwaukee Waterway Fill. Filling of 72.5 percent of the Milwaukee Waterway using Blair Waterway dredged material.

The Port will not begin the dredging or construction of this project and will stop all further processing of permits for this project prior to reaching the comment stage for the FEIS, and delay the restart of that process until the effective date of this Agreement. The Tribe shall not oppose the application during this delay period, but reserves all rights to oppose the project if the Agreement does not become effective.

As part of this stoppage of further processing, the Port will request the Corps of Engineers to delay its formal review and publication of the Draft Supplemental FEIS currently being prepared. The Tribe will notify the Corps that their letters of March 1 and May 17, 1988 relating to that draft document are to be held in abeyance pending the

Tribe's reevaluation of the project and the effective date of this Agreement.

b. Expansion of Terminal 3. Filling of Slip 1 and extension of Terminal 3 pier by up to 1,000 feet.

c. Northeast Blair Pier. Construction of a pier at the Blair Waterway turning basin of a length not to exceed 1,000 feet.

d. Blair Navigation Project. Widening and deepening of the Blair Waterway navigational channel to include dredging and placement of the dredge material into the Milwaukee Fill project and replacement or bypass of the East 11th Street (Blair) bridge across the Waterway. Also included in this project is long-term maintenance dredging of both the Blair and Sitcum Waterways.

The bypass road portion of the Blair Navigation Project includes an elevated bridge crossing over a portion of Tribal land located along the east bank of the Puyallup River, downstream from the existing Highway 99 Bridge. As part of the Tribe's approval of this project which is to be completed by the Washington State Department of Transportation, it is agreed that land will be provided by the Tribe for bridge construction. Details of agreed compensation and continued access by Tribal fishermen is in Document 6.

The Port agrees to schedule construction of the listed projects and their mitigation and enhancement measures in a manner which minimizes fisheries impacts, in accordance with agency requirements. Mitigation and enhancement measures shall be completed concurrently with the project.

### 3. General Purpose Local Government Actions

#### a. Definition

For purposes of this Section IV, the phrase "general purpose local government" (hereinafter "local government") refers to cities and the county who are parties to this Agreement.

b. Goals

The Tribe's treaty fishery must be managed to achieve increased salmon and steelhead production, including protection of necessary habitat, while providing for residential, commercial, industrial and other development, natural resource use, and protection of lives and property from flooding. These goals will be recognized by the local governments which are parties to this Agreement and after review they may adopt or modify as needed: (1) watershed action plans; (2) shoreline master programs; (3) land and resource use plans and regulations; and (4) environmental protection regulations. In addition, the local government parties, in consultation with the Tribe, will develop procedures for land use matters as a part of this Agreement.

c. Implementation

The appropriate local governments will take the following actions as needed to implement the goals:

- (1) Prepare action plans for drainage basins in Water Resource Inventory Area (WRIA) #10, including the Puyallup River and Commencement Bay drainage basins, in accordance with Puget Sound Water Quality Management Plan or other appropriate standards.
- (2) Develop and implement a County wetland management program, in consultation with the Tribe;
- (3) Provide regulations to preserve or provide streamside vegetation, for the purpose of maintaining water temperature, minimizing erosion sedimentation, providing food, and retaining protection from predation;
- (4) Modify flood control activities to offer increased protection to the fisheries habitat;
- (5) Expand or modify County Basin Flood Control Study to evaluate alternative measures for flood control regarding fisheries and flood control benefits and impacts; provide the Tribe with copies of County Hydraulic Permit applications on request; work with Tribe to carry out gravel removal in a manner



which takes into account protection of fisheries habitat;

(6) Develop culvert and floodgate designs and installation, maintenance and inspection guidelines and programs for improved fish passage;

(7) Dechlorinate treated sewage discharges to fresh water if necessary to protect the fisheries resource;

In addition, the Tribe may review existing land use plans, regulations and policies and consider whether changes are needed to afford greater protection of the fisheries resource. Local governments will provide the Tribe with access to necessary information to accomplish such review. The local government shall consider any recommendation from the Tribe regarding fisheries habitat concerns.

C. Access to Fishery

1. Navigation

Conflicts between Tribal fishing and commercial shipping will be reduced through a Navigation Agreement which will:

(a) Establish vessel traffic lanes for shipping traffic;

(b) Identify anchoring sites for ships;

(c) Set forth operation and communication procedures for implementation of the Agreement.

In addition, the Federal Government will spend \$100,000 to provide navigational lights and other equipment to reduce conflict between Tribal fishing and commercial shipping traffic in Commencement Bay.

Additionally, \$30,000 will be provided by the Port for establishment of a revolving fund to pay for the cost of equipment damaged by shipping traffic, as part of the Terminal 3 agreement.

2. Milwaukee Peninsula/Puyallup River-Mouth Fishing Station.

The Port will provide and maintain a 12-foot gravel road access and turn-around to this site, and permit emergency vehicle access through the Sea-Land site. Details of the above access assurances are provided in Document 4.

D. Resolving Conflicts Between Development and Fisheries Protection

1. This section establishes a process and standards to resolve conflicts between specific proposed development projects and protection of the fishery. A schedule and procedures will be provided to ensure communication between developers and the Tribe in order to encourage resolution of disputes, and to provide a voluntary arbitration system for unresolved disputes.

2. The standards for determining appropriate mitigation and/or enhancement are contained in Document 4. At a minimum, mitigation and enhancement will meet all applicable Federal and State requirements. Some developers may choose to reach an agreement with the Tribe which exceeds those requirements.

3. Projects undertaken by the parties to this system will be done in a manner that results in no net degradation to the fisheries resource and in addition provides, in appropriate cases, an enhancement element to improve the resource. The technical standards for determining appropriate mitigation and/or enhancement are contained in Document 4.

4. A developer who complies with the requirements for mitigation and enhancement as set forth in Document 4 will receive the concurrence of the Tribe and an agreement not to oppose the project in any federal, state or local permitting processes, or to seek a restraining order or injunction or otherwise seek to delay or stop construction of the project.

When the developer has completed the required mitigation and enhancement measures, the developer shall have met the conditions of this Agreement; provided, however, that the developer is fully responsible for ensuring that the measures are properly implemented, and that the intended operation and functioning of the mitigation and enhancement elements do take place, and that the mitigation and enhancement measures continue to function for a

reasonable period of time comparable to what could have been expected for the undisturbed habitats.

V. JOB TRAINING & PLACEMENT PROGRAM; SOCIAL & HEALTH SERVICE IMPROVEMENTS

A. Job Training and Placement

265 Tribal members will have the opportunity to participate in a Job Training program, directed by the State Department of Employment Security in cooperation with the Tribe. This program includes the job training program developed as a result of the Terminal 3 agreement between the Port and the Tribe. The program will last for 4 years and cost \$937,000. It will provide: 1) pre-employment training, 2) basic skills remediation, 3) job search workshops and on-the-job training, 4) vocational training, 5) support services and follow-up, 6) job placement program, and 7) technical assistance for development of Tribal industries.

The program will be administered under the guidance of a steering committee composed of representatives from the Tribe, Employment Security Department, Bates Vocational/Technical Institute, Tacoma-Pierce County Private Industry Council, Commencement Bay Tideland Owners Committee and other employers providing jobs to Tribal members under Section V.B. of the Agreement. Specific implementation provisions are described in Document 5.

As a part of this program, the State will provide training for at least four Tribal members in culture activities.

B. Private Sector Jobs

A job placement program will be implemented by the Employment Security Department to provide for placement of Tribal members in jobs to match the members' skill and training. One hundred fifteen jobs for Tribal members, valued at \$2,500,000, will be provided by members of the Commencement Bay Tideland Owners Committee and other private businesses in the community, with placement through the Employment Security Department. In addition, the private sector will provide a coordinator for implementation of this commitment, at a cost of \$100,000.

See Document 5 for details.

C. Social & Health Service Improvements

1. Capital Projects

The State Department of Social and Health Services (DSHS) will provide to the Tribe funds for a 20-bed elder care facility, 20-bed youth substance abuse facility, a 42-child day care center, as well as computer equipment for the Tribal mental health center, at a cost of \$1,255,000. DSHS shall provide these funds upon its acceptance of facilities plans prepared by the Tribe to meet these needs. A final accounting of the costs and expenditures of each project shall be provided to DSHS by the Tribe.

2. Training Trust Fund

Tribal members will receive funds for training in alcoholism counseling, day care, child welfare, mental health and social service management. This will be accomplished by the Department through a fund of \$127,000. Training will be provided through the Department's programs, or through local educational programs.

VI. ECONOMIC DEVELOPMENT

A. Economic Development and Land Acquisition Fund

The Tribe will receive \$9,500,000 to develop Tribal lands, and to make future purchases of land.

These funds can be used to acquire lands and to develop business and commercial ventures which will provide income to the Tribe for the operations and programs of the Tribal government, as well as additional jobs for Tribal members.

B. Small Business Fund For Tribal Members

The Tribe will receive \$2 million to be used to support and assist in the development of business enterprises by Tribal members.

This fund could provide start-up funds and/or low interest loans to Tribal members to begin or expand their own businesses, wherever they may live.

C. Blair Navigation Project Participatory Payments

Tribal incentives in the form of long-term annual participatory payments to the Tribe for economic development will be

provided. Annual payments totalling \$2,500,000 over 20 years will be made to the Tribe for their participation in Blair Waterway East 11th Street Bridge Navigation Opening Project. Details of these participatory payment schedules are in Document 6, Blair Navigation Project.

#### VII. BLAIR NAVIGATION PROJECT

This project, which has been determined by the parties to be a common benefit to the United States, Tribe, non-Indian entities, and entire community, is included as an element of this Agreement. Federal legislation shall expressly recognize the Tribe's right to engage in foreign trade, consistent with federal law. It will widen and deepen the Blair Waterway navigation channel to meet both national and local domestic and foreign trade objectives. Incentives for the Tribe's participation in this important Water Resources Project are as follows:

A. Unlocking of the Tribe's Blair Waterway and Backup lands provided in this Agreement. As with all other land along the Blair Waterway, these lands will be able to be developed to their optimum with the aid of these navigation improvements.

B. Provision of \$2,500,000 in long-term annual participation payments to the Tribe. These payments will be available for short and long-term economic development purposes, such as their potential use on the Tribe's Blair Waterway properties.

A full project description, estimated costs, basis of funding within this Agreement, accomplishment plan, and Tribal incentive payments is found in Document 6.

#### VIII. FUTURE GOVERNMENTAL AUTHORITY, RESPONSIBILITY, AND COOPERATION

In the area of governmental jurisdiction and the exercise of police powers, certainty and stability are important to the Tribe, local governments, the business sector, and private citizens, in order to achieve sustained and rational economic growth in the future, certainty for landowners, and an acceptable method of governing the area.

The restricted and trust lands of the Puyallup Indian Tribe now lie primarily within Pierce County, the City of Tacoma, and the City of Fife. The county is the second most populated county in the state and the area is highly urbanized and intensively developed. This section is intended to resolve governmental

authority issues between the Tribe, United States of America, and State and local governments.

Because of the importance of these issues to both the Tribe and the other parties, these issues are extensively described below, and fully described in Document 7.

A. Governmental Jurisdiction and Authority

The Puyallup Indian Reservation has been historically defined in various ways; one of those is as "the land within the high water line as meandered, and the upland boundaries as shown on the Plat Map of the 1873 Survey conducted by the United States General Land Office and filed in 1874, referred to as 'the 1873 Survey Area' in this Agreement." The parties agree that this Agreement does not resolve their differences as to the current boundaries of the Puyallup Indian Reservation. For purposes of this Agreement, the parties will use this Survey Area; a map is shown on page 27 for illustrative purposes.

The 1873 Survey Area shall not be used as basis for asserting Tribal jurisdiction or governmental authority over non-Indians, except as specifically provided by this Agreement. The Federal definitions of "Indian country", "Indian lands", and/or "Indian reservation" shall not be used by the Tribe or the United States as a basis for asserting Tribal control over non-trust lands either inside or outside the 1873 Survey Area, or the activities conducted on those lands, except as provided by the Agreement, or as otherwise agreed to between the Tribe and State, and/or local governments.

"Trust land" or "land in trust status" means land or any interest in land the title to which is held in trust by the United States for an individual Indian or Tribe; "restricted land" or "land in restricted status" means land the title to which is held by an individual Indian or a Tribe and which can be alienated or encumbered by the owner only with the approval of the Secretary of the Interior, because of limitations contained in the conveyance instrument pursuant to federal law or because of a federal law directly imposing limitations. Wherever the term "trust land" is referred to in this Agreement, it shall be deemed to include both trust and restricted lands.

1. Tribal Jurisdiction and Governmental Authority - General

a. The jurisdiction of the Puyallup Indian Tribe shall extend to existing and future restricted and trust lands. The extent of the Tribe's

jurisdiction shall be determined as provided in federal law.

b. Except as otherwise provided in this Agreement, the Tribe agrees not to assert or attempt to assert any type of jurisdiction and governmental authority, existing or potential, including but not limited to the power to tax, as to (a) non-trust lands; (b) any activity on non-trust lands; (c) any non-Indian individual or business, on non-trust lands.

c. The settlement lands, including the Outer Hylebos parcel conveyed to the Tribe by the Terminal-3 Agreement with the Port, shall have on-reservation status; forest, recreation and cultural lands shall have off-reservation status. The reservation status of other lands shall be as provided in federal law.

d. The parties agree that all claims of ownership and governmental jurisdiction by the Tribe over the Initial Reservation or Intended Reservation on the south side of Commencement Bay will be terminated and extinguished by this Agreement.

e. The Tribe retains its authority under the Indian Child Welfare Act.

f. Notwithstanding any other provision of this Agreement, application of criminal law, family law and the Tribe's authority over its members and other Indians remains unchanged.

g. The Tribe retains and nothing in this Agreement shall affect the Tribe's status as an Indian Tribal government for purposes of the Indian Governmental Tax Status Act, 26 U.S.C. §7871, et seq, including for purposes of issuing tax exempt bonds.

2. Tribal Jurisdiction and Governmental Authority - Fisheries

a. This Agreement does not limit the Tribe's authority to prevent negative impacts on the fishery through the federal courts or federal, State and local permitting procedures, subject to Section IV of the Agreement. However, the Tribe will not exercise jurisdiction and governmental

authority over non-trust lands and non-Indians on those lands for that purpose.

b. Nothing in this Agreement shall have any effect on the Tribe's or its members' water rights as related to fisheries protection or to lands owned by the Tribe or its members, hunting, gathering, or fishing rights based on aboriginal rights, treaty or executive order. These issues are not resolved by this Agreement, and this Agreement does not in any way affect the legal position of any party concerning these issues.

c. The fishery is an important cultural and economic resource to the Puyallup Indian Tribe. Therefore, the Tribe will adopt standards for trust lands which meet or exceed the highest standards of federal and state environmental protection. The Tribe will also confer with local governments to try to work out uniform standards for environmental protection.

3. Tribal Jurisdiction and Governmental Authority - Environmental

For the purposes of this Agreement, the federal, state and local governments have exclusive jurisdiction for the administration and implementation of federal, state and local environmental laws on non-trust lands within the 1873 Survey Area. The federal and Tribal government have exclusive jurisdiction for the administration and implementation of federal and Tribal environmental laws on trust lands within the 1873 Survey Area. Any federal delegation under the federal environmental laws within the 1873 Survey Area for non-trust lands will be solely to the State of Washington or its political subdivisions, and any federal delegation under the federal environmental laws within the 1873 Survey Area for trust lands will be solely to the Tribe. In carrying out such delegated authority, the State, local and Tribal governments agree to involve each other in a consultative manner and to work cooperatively where practicable.

Each party reserves the right to comment on any other party's application for delegation. If the State or the Tribe receives delegation of a federal environmental program, the parties agree to enter into discussions which will result in a complementary approach to environmental issues, with the overall objective of consistent or compatible environmental controls in the areas under respective State and Tribal jurisdictions.



Prior to the delegation to the Tribe or State of federal programs, or for those areas where there are no federal programs, the State and the Tribe agree to consult in such a manner as to provide consistent and cooperative environmental programs.

Subject to the limitations set forth above, and solely for the purpose of qualifying for federal contract and grant funding under federal environmental laws, the Tribe may utilize the 1873 Survey Area for program planning purposes. The Tribe's governmental status is not diminished by this Agreement, and the Tribe shall be deemed to qualify for the receipt of environmental program delegation and funding under federal environmental law subject only to the Tribe's ability to demonstrate its reasonable capability to administer an effective program on trust land in a manner consistent with applicable federal law.

Consistent with the terms of this Agreement it is the intent of the parties hereto to confirm the governmental authority of the Puyallup Tribe of Indians and to recognize the Tribe's continuing right to participate under the federal environmental programs, as provided for herein, and to receive grant assistance, develop cooperative agreements, and receive technical assistance from EPA or other federal agencies to the full extent of the law.

The terms of this Agreement or any cooperative agreement entered into hereunder shall not act to diminish the trust responsibility owed to the Tribe by the United States or preclude the Tribal government from participating in any federal environmental program consistent with applicable federal law.

The Tribe retains its rights and responsibilities to consult and otherwise participate in programs and regulatory activities of environmental agencies.

4. Jurisdiction and Governmental Authority - Other Governments

The state and its political subdivisions will retain and exercise all jurisdiction and governmental authority over all non-trust lands and the activities conducted thereon and as provided in federal law over non-Indians.

B. Future Trust Lands

For placing new land in trust, the parties, including the Secretary of Interior, shall abide by 25 CFR (Code of Federal Regulations) Part 151 -- Land Acquisitions, as all of those standards now exist or as they may be amended in the future.

Nothing in this Agreement shall limit or modify any party's right to appeal the decision of the Secretary.

The non-Indian parties agree to support applications to place land in trust for residential purposes filed by the Tribe or its members before July 1, 1988, if the land is within the 1873 Survey Area.

Any disputes regarding violations of conditions or agreements on lands placed in trust may be reviewed by the Federal Courts, pursuant to Section XI of this Agreement.

C. Future Consultation Between the Tribal Government and Local Governments

The Tribe and local governments need to communicate and coordinate on land use and related matters. This section provides a new mechanism to facilitate these necessary communications.

The parties agree that when the Tribe or any general purpose local government which is a party to this agreement receives an application for trust or a permit which is defined as a "substantial action" in Document 7, or itself proposes to take a "substantial action" concerning property located within the 1873 Survey Area, the issuing government agency will notify the other affected governments and give an opportunity for consultation and discussion. This consultation process applies to any land proposed for future trust status, or to a change in use on trust property. Each government retains the right to make the final decision on every such matter.

In the consultation process, the parties shall discuss the following factors as applicable:

- a. The need of the Tribe and its members for increased land;
- b. The objectives of federal Indian policy;
- c. The protection of established or planned residential areas from uses or developments which would adversely affect those areas;

- d. Avoidance of adverse effects on other current and planned development and uses, on adjacent lands and within surrounding neighborhoods;
- e. Protection of the health, safety, and welfare of the community;
- f. Preservation of open space;
- g. Protection of the physical environment from adverse impacts;
- h. Opportunity for economic growth and diversity;
- i. Provisions for providing public facilities;
- j. Concern that land may be put into trust for the primary purpose of allowing non-Indian businesses to avoid state and local taxation or where the Tribe receives no significant immediate benefits from the transaction; and
- k. The impact resulting from the removal of the land from state and local governments' tax rolls.

No predetermination of the applicable factors is contained in this Agreement, except that the non-Tribal parties agree to not raise objections to the trust applications for lands conveyed to the Tribe by this Agreement. When other land is proposed to be placed in trust, it shall be subject to the provisions of this section. Before the Tribe or a member of the Tribe files any trust land application in the future, or the Tribe authorizes a substantial change in use of land in trust, the Tribe will use the consultation process described in this Agreement.

The parties agree that the Federal District Court shall have jurisdiction in the event any party fails to follow this consultation procedure.

D. Governmental Services

The Tribe or Tribal members shall be responsible for the costs of all governmental services to the Tribe or Tribal members (whether provided by the Tribe or contracted for with the local governments) where those services are requested by the Tribe or Tribal members. The local governments have no duty to provide services to trust lands unless the Tribe or its members request such services, and there is a mutually satisfactory agreement regarding payment for such services.

The state and local governments shall be responsible for providing such services to non-trust lands. The Tribe may choose to provide governmental services to Indians on trust lands or may contract with another governmental unit for services it chooses not to provide to its members, unless such contracting would result in a significant disruption of service or the ability to deliver service by either contracting party. Residential services such as water, power, heat and other utilities for individual Tribal members will remain the responsibility of Tribal members unless the Tribe undertakes a housing program of the type provided by housing authorities, in which case the Tribe will be responsible. The provision of public facilities and services for trust lands will be covered by intergovernmental agreements.

E. Agreement for Fife

The Tribe and the City of Fife agree to a development fee for general governmental services and school district operational expenses as set forth herein.

a. If the total amount of trust land within the City of Fife exceeds 17% of the land area within the City of Fife, or exceeds in value an amount equal to 17% of the assessed valuation of all real property within the City of Fife, then, as to any additional lands placed into Trust, the Tribe shall compensate the City of Fife and the Fife School District in an amount and manner to be agreed to between the Tribe and the City of Fife.

b. The standard to be applied in determining the amount and manner of payment shall be that the City of Fife and the Fife School District shall receive in annual payments from the Tribe the amount of income the City and School District would have continued to receive for general governmental services and school district operations if the property would have remained in fee status (any federal impact monies received by the city or school district as a result of land achieving trust status or Indian students attending Fife School District schools shall be credited towards the above payments). The valuation of each property shall be based upon the actual use of the property, or its zoning classification, whichever yields the highest property value. For this purpose the zoning classification in the City of Fife zoning map shall be used until the Tribe adopts its own comprehensive zoning map, at which time the Tribe's zoning map shall be used for all subsequent years.

c. If the City and Tribe cannot agree upon the valuation of trust properties or upon the amount of payment,

then these issues shall be arbitrated. The parties will first attempt to reach agreement using a single arbitrator; if they cannot agree, they will use a three-member arbitration panel. The three-member panel shall be chosen as follows: the Tribe and City shall each choose one arbitrator, and those two arbitrators shall choose a third.

d. The decision of the arbitrators shall be binding on the parties and may be enforced in the United States District Court for the Western District of Washington.

e. The boundaries of Fife as of July 1, 1988 shall be used for purposes of determining the above percentages unless Fife and the Tribe agree otherwise. Section VIII.E. shall remain in full force and effect unless Fife is disestablished as a municipality; then and only then shall this agreement between Fife and the Tribe be terminated.

f. The City of Fife and the Tribe share a common goal to assure that the future development within the City of Fife will balance the need for commercial and industrial growth with the need for the preservation, enhancement and expansion of Indian and non-Indian residential areas and the protection and rebuilding of Wapato Creek as a viable fish run. The Tribe and the City of Fife will consult with and cooperate with each other in developing their respective land use plans in order to effectuate this goal.

F. Law Enforcement

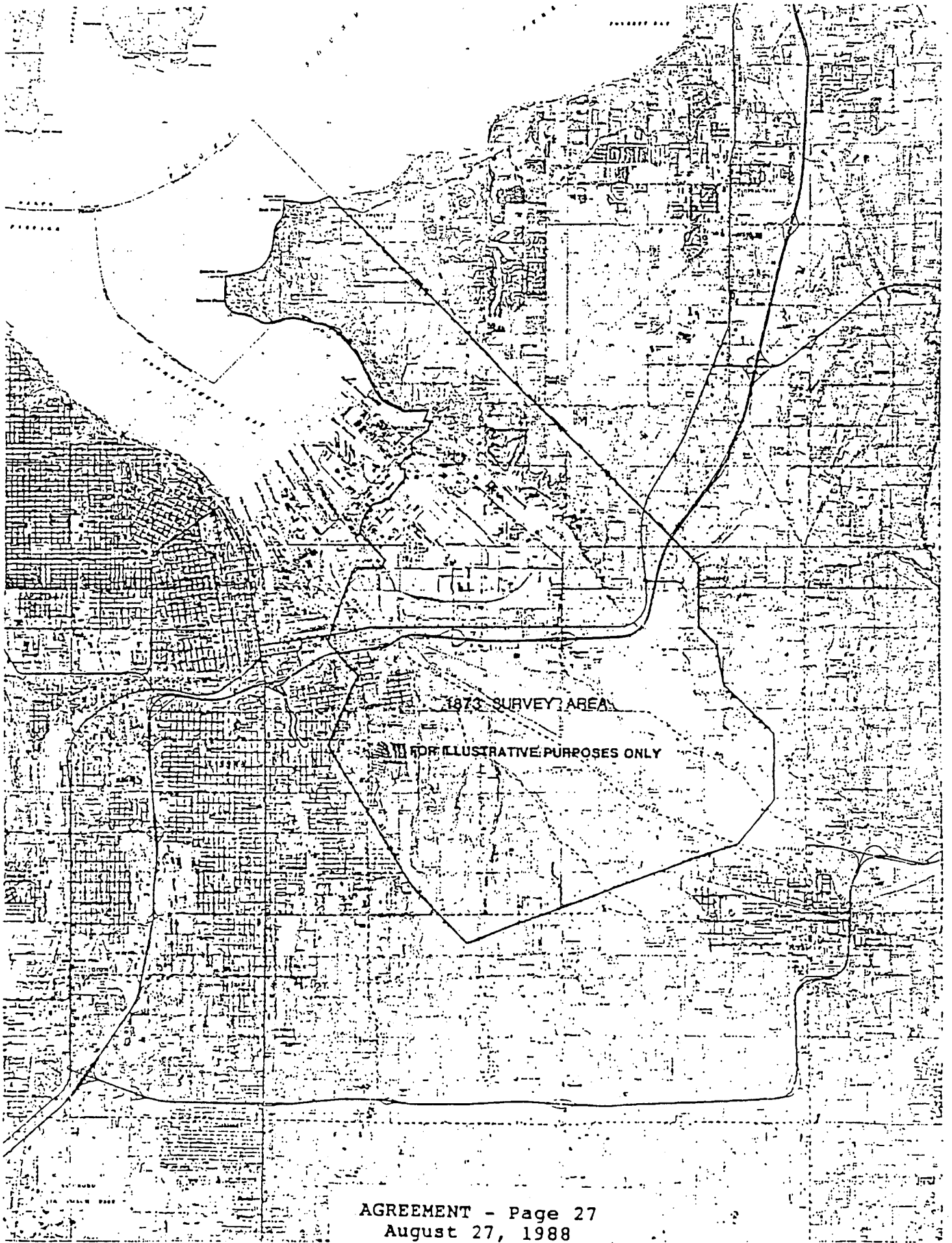
In order to exercise the highest degree of cooperation, the Puyallup Indian Tribe and the state and its political subdivisions, through their respective law enforcement authorities, agree to the following program, as described in Document 7:

1. The Puyallup Tribal police will be primarily responsible for law enforcement over Tribal members on trust lands in the 1873 Survey Area. Local and state police agencies shall be primarily responsible for law enforcement over non-Tribal members and on non-trust lands, as presently provided by law.

2. Each jurisdiction is responsible for its own criminal investigations, pursuit of alleged criminals, and arrests, and for all liability or damage arising from incidents or actions involving its officers, whether or not the authority being exercised is that of

the employing jurisdiction or of other jurisdictions under deputization. The employing jurisdiction will hold harmless other jurisdictions whose authority is being exercised by the officer.

3. All parties agree to minimize jurisdictional disputes by formal and informal consultation on matters of mutual interest. Specific jurisdictional problems shall be the subject of continuing and regular consultations.



IX. RESOLUTION OF PUYALLUP TRIBAL LAND CLAIMS

A. In return for the land and other benefits derived from this Agreement, the Puyallup Indian Tribe and the United States government, as trustee for the Tribe and its members, agree to relinquish all claims to any land, present or former tidelands, submerged lands, mineral claims, non-fisheries water rights connected with such relinquished land, known or unknown, within the State of Washington, and all water claims associated with or arising from such claims, subject only to the following exceptions:

1. 12.5 acres of former riverbed land confirmed to the Tribe in Puyallup Tribe of Indians v. Port of Tacoma, U.S. District Court, Western District of Washington, Cause No. C80-164T. Provided that the Tribe agrees to provide an easement for crossing and property for bridge supports to the State or a political subdivision at just compensation, for the purpose of construction of a bypass road as specified in Document 6.

2. All land to which record title in the Tribe or the United States in trust for the Tribe or its members derives from a patent issued by the United States or from a conveyance of tideland by the State of Washington. Record title means title documented by identifiable conveyances reflected in those records imparting constructive notice of conveyances according to the laws of the State of Washington, RCW Chapters 65.04 and 65.08, and the final judgments of state or federal courts.

3. Certain land presently recognized to be owned by the Tribe or the United States in trust for the Tribe within The Indian Addition to the City of Tacoma as recorded in book 7 of plats at pages 30 and 31, records of Pierce County, Washington, as follows:

- a. Portions of Tracts 2, 5, 6, 10 and 11
- b. Tracts 7 (school site)
- c. Tract 8 (church site)
- d. Tract 9 (cemetery site)
- e. Approximately 38 lots in blocks 8150, 8249, 8350 and 8442, inclusive.

No later than December 1, 1988, the Tribe may expand this list of parcels, wherever located, provided, the Tribe provides the non-Indian parties with the legal description of any such parcel, and with evidence of ownership and/or trust status of such parcel(s) being vested in the Tribe or the United States in trust for



the Tribe by record title or by B.I.A. land records.

4. The lands transferred to the Tribe pursuant to this Agreement.

5. The rights to underlying lands or the reversionary interest of the Puyallup Tribe, if any, in the Union Pacific and/or Burlington Northern rights-of-way across the 1873 Survey Area, where the property over which they were granted belonged, at the time of the grant, to the United States in trust for the Tribe, or to the Tribe.

6. The presently submerged lands in the Puyallup River within the 1873 Survey Area below the mean high water line.

However, with regard to these above-mentioned six exceptions, the Tribe agrees not to infringe upon or impair current public uses or easements on such lands. The Tribe also agrees not to impair or infringe title to any existing railroad easements, permits, leases and licenses for communications or other utility facilities on such lands listed in the above-mentioned exceptions.

B. Subject to the explicit provisions of this Agreement, the terms "land claims" and "claims" as used in this section include rights and claims to minerals and other usual interests in land and claims related to alleged past trespass or damage. The Tribe waives any claim for trespass or damages against the parties to this Agreement as to claims which the Tribe is relinquishing in this Agreement.

C. Nothing in this section nor in this Agreement shall be construed to impair, eliminate, or in any way affect the title of any individual Indian to land held by him in fee or in trust, nor shall it affect the personal claim of any individual Indian as to claims regarding past sales of allotted lands or any claim which is pursued under any law of general applicability that protects non-Indians as well as Indians.

D. The Tribe and the federal government will confirm to Burlington Northern Railroad Company and its assigns ownership of the former riverbed land and any tidelands or harbor areas owned, occupied or used by Burlington Northern or its assigns in Commencement Bay. Further, the Tribe agrees not to revoke its consent to Burlington Northern, or any other railroad with lines or rights-of-way, for acts or omissions through the date of this Agreement. The Tribe will also grant a right-of-way to Burlington Northern for its existing line through the former riverbed land now in possession of

the Tribe. The Tribe and federal government will confirm to Burlington Northern Railroad Company and its assigns that all existing easements, permits, leases and licenses for communications or other utility facilities shall continue to exist with the same rights, duties and benefits.

The Tribe will not impose any tax or fee upon any Union Pacific Railroad or Burlington Northern Railroad property, right of way, or railroad traffic for a period of 30 years from the date of this Agreement. The Tribe further agrees, when the 30 years expire, to limit, in perpetuity, any such taxation or fees to a proportionate share of the taxes or fees which otherwise would be paid to the State of Washington, Pierce County or other taxing district based upon the State-determined value of railroad operating property within Pierce County. The State agrees to exempt such taxes or fees, to the extent the Tribe imposes such taxes or fees, which otherwise would be paid to the State of Washington, Pierce County, or other taxing district.

E. This Agreement shall be for the benefit of all public and private landowners whose land titles might or would otherwise be affected by the Tribal claims described above.

#### X. IMPLEMENTATION AND MODIFICATION

##### A. Structure of Agreement

This Agreement will consist of this document entitled "Agreement" and several separate documents contained in a technical appendix which will be an integral part of the Agreement:

1. Settlement lands
2. Payments to Members of Puyallup Tribe
3. Permanent Trust Fund for Tribal Members
4. Fisheries
5. Job Training & Placement Program; Social & Health Service Improvements
6. Blair Navigation Project
7. Future Governmental Authority, Responsibility and Cooperation

Upon ratification by the Puyallup Tribe of this Agreement, a Court Order, Congressional Act, and State of Washington legislation will be prepared.

##### B. Ratification By the Tribal Members

The Tribal members must ratify this Agreement by no later than August 27, 1988. Upon ratification, the parties shall

immediately convene to develop a plan for implementing the Agreement at the earliest possible date.

C. Federal and State Participation

1. In order to go into effect, this Agreement requires certain actions by the United States Congress as specified in this document, including contribution of approximately \$77,250,000. To implement this Agreement, the parties shall request that Congress enact legislation, provided that the language of such legislation shall not alter in any way the terms of this Agreement, except with the consent of the parties.

2. In order to go into effect, this Agreement requires certain actions by the Washington State Legislature as specified in this document, including contribution of approximately \$21,000,000. To implement this Agreement, the parties shall request that the Legislature enact legislation, provided that the language of such legislation shall not alter in any way the terms of this Agreement, except with the consent of the parties.

3. Among other provisions, these legislative acts will specify, and the parties agree, that (a) none of the funds, assets or income from the permanent trust fund received by the Tribe as part of this Agreement shall be subject to levy, execution, forfeiture, lien, encumbrance, or seizure; (b) nothing in the Agreement shall affect the eligibility of the Tribe or any of its members for any federal program or the trust responsibility of the United States and its agencies to the Tribe and Tribal members; (c) none of the funds, assets or income from the permanent trust fund thereof contained in or resulting from this Agreement shall at any time be used as a basis for denying or reducing funds to the Tribe or its members under any federal, state, or local program, provided the federal legislation implementing this Agreement authorizes such action by the state and local governments; and (d) none of the funds or assets transferred to the Tribe or its members by this Agreement shall be deemed to be taxable, nor shall such transfer be a taxable event.

D. Effective Date

This Agreement shall become effective when all of the following steps have been accomplished. It is contemplated that the steps will be fulfilled in the following order:

1. Approval of the Agreement by all of the parties, except the State of Washington and the United States;
2. Enactment of State legislation necessary to effectuate the Agreement (excluding actions specifically listed as having a period of time after the effective date for completion); concurrently with
3. Enactment of federal legislation necessary to effectuate the Agreement, including appropriation of funds and provisions for receiving property in trust (excluding actions specifically listed as having a period of time after the effective date for completion);
4. The conveyance of the Settlement lands to the United States in trust for the Tribe, and payment of all funds required by the Agreement to the Tribe (excluding actions specifically listed as having a period of time after the effective date for completion). This shall be completed within 30-days of the completion of Steps 2 and 3. If the conveyance of any Port lands are delayed solely because of contamination audits and/or cleanup actions required by this Agreement, their delayed conveyance will not constitute a reason for delay of the effective date of this Agreement.
5. Entry of an order of dismissal with prejudice in Puyallup Indian Tribe v. Union Pacific Railroad Company, et al, C84-359T. The motion for an order of dismissal shall be filed within thirty days of completion of Step 4.

E. Modification

The parties recognize that they may at various times in the future wish to modify this Agreement and provisions of Documents 1-7. After ratification of this Agreement by the Tribal members, the parties will develop procedures for modification of the documents.

This Agreement shall not preclude the Tribe and any other parties from agreeing to early implementation or action on provisions of this Agreement.

XI. FEDERAL COURT JURISDICTION

A. Liability

Remedies for violation of any provision of this Agreement shall be solely against the party or parties whose action or

inaction proximately caused the violation. There shall be no joint and several liability among the parties to this Agreement.

B. Consent to Sue

All parties to this Agreement consent to suit in the Federal District Court for the Western District of Washington, Southern Division, and agree that the Federal Court shall have jurisdiction over any disputes arising from this Agreement. All parties shall enter into a limited waiver of their sovereign immunity from suit, if any, to the extent that they consent to actions seeking to remedy violations of this Agreement or its implementing contracts, and for declaratory judgment actions regarding their provisions.

This waiver of sovereign immunity will be limited to the forms of relief which will be authorized by the Federal Court consent decree: 1) specific performance of the terms of the Agreement or, if the court determines that specific performance is not feasible, 2) a remedy specified by the court which will provide a benefit equivalent to that which was contemplated by the provision of the Agreement in question, or 3) consequential damages in the event a court finds that the party has knowingly and intentionally acted in a manner so as to frustrate the purposes of this Agreement, notwithstanding Section X.C.3.(a).

XII. LEGAL DISCLAIMER

This Agreement, its accompanying Documents 1-7, and all negotiations and exchanges of technical information leading to this Agreement constitute offers of settlement and compromise of disputed issues entered into between the parties expressly pursuant to Rule 408 of the Federal Rules of Evidence. Accordingly, in the event that the above conditions are not met and this Agreement does not become effective, all statements and agreements contained herein and in Documents 1-7, all technical reports exchanged by the parties, and all negotiations conducted by them are in strict confidence and will not be admissible or used in any way against any of the parties to this Agreement, or the beneficiaries of this Agreement, in any legal or administrative proceeding.

# **TECHNICAL DOCUMENTS**

**Agreement  
between  
the Puyallup Tribe of Indians,  
local Governments in Pierce County,  
the State of Washington,  
the United States of America,  
and certain private property owners.**

**August 27, 1988**

DOCUMENT 7:  
FUTURE GOVERNMENTAL AUTHORITY, RESPONSIBILITIES, AND COOPERATION

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INTRODUCTION

This document accompanies and is an integral part of the Agreement. This document contains the agreement among the Tribe, Pierce County, the cities of Puyallup, Fife, and Tacoma, the State of Washington, and the United States pertaining to factors for land use decision-making within the 1873 Survey Area; a procedure for consultation regarding proposed land use actions and resolving potential future land use and development conflicts, including future trust lands or changes in use of current trust lands; and law enforcement cooperation. If there is any conflict between this document and the Agreement, the Agreement controls.

A. SCOPE

1. Area

The consultation process applies to and is required of participating parties within the 1873 Survey Area as described in Section VIII of the Agreement. The consultation process also applies to any land proposed for future trust status or change in use on trust property.

2. Parties

The parties to this document are the Puyallup Indian Tribe, Pierce County, the cities of Fife, Puyallup, and Tacoma, the State of Washington, and the United States. The parties agree to apply the factors for land use decision-making, utilize the consultation process, and enter into service agreements.

3. Periodic Review

The parties agree to conduct a formal review of this document every five years, or more frequently as needed, and to engage in good faith negotiations in the event amendments are desired by any party. This document shall remain in full force unless the parties agree in writing to amendments as part of the good faith negotiations.

B. LAND USE PLANNING AND REGULATORY DECISIONS

1. Preamble

The parties to this document agree to consult and discuss all development and revisions to their respective land use plans.

In developing these plans and resolving future problems, the Tribe and general purpose local governments (i.e., cities and county) agree to use the standards described below and intergovernmental compacts in resolving their differences.

The Tribe and the general purpose local governments agree to use the consultation process described in Section C. of this document as the procedure for resolving any differences or concerns over proposed plans or plan changes within the 1873 Survey Area.

Before the Tribe or its members files any trust land applications in the future, or authorizes a substantial change in use of land in trust under Section VIII of the Agreement, the Tribe will use the consultation process set forth in Section C. of this document, to allow other governments to raise concerns.

The Tribe agrees to develop a comprehensive land use plan of its own within a reasonable period of time after the effective date of this Agreement. The Tribe may adopt by reference the appropriate local government land use plans. The Tribe's land use plan shall address all or a part of the 1873 Survey Area, consistent with Section VIII.A. of the Agreement. The Tribe agrees not to assert the jurisdiction of its plan or land use regulations over non-trust lands.

2. Guidelines for Evaluating Land Use Decisions

Land use planning and land use regulatory decisions made by the Tribe, Pierce County, the cities of Fife, Puyallup, and Tacoma, the State of Washington, and the United States affecting any property within the 1873 Survey Area, as described in Section VIII. of the Agreement, will be made only after consideration of community interests, both Indian and non-Indian. When adopting or amending land use plans or regulations within the 1873 Survey Area, the parties will utilize the land use factors set forth below to guide their review and deliberations, and each government will give careful consideration to and will accommodate as many of the listed factors as possible.



It is recognized by the parties that, in evaluating and acting upon permit applications within their jurisdiction, each party is required to follow applicable laws, including land use plans and regulations. Each party will in addition to their adopted land use plans, programs, and regulations give consideration to the following land use guidelines and will accommodate as many of the listed factors as possible. However, the land use factors set forth below shall only be additional considerations to the provisions of the applicable land use plans and regulations, and shall not supersede or otherwise replace the provisions of such plans or regulations. The factors to be considered are:

- a. The need of the Tribe and its members for increased land;
- b. The objectives of federal Indian policy;
- c. The protection of established or planned residential areas from uses or developments which would adversely affect such residential areas. ("Planned areas, development, or uses," as utilized in this factor and following factors, shall mean areas, developments, or uses provided for or permitted under adopted land use plans, zoning regulations, land use programs, or other official actions of any participating government.);
- d. Protection of the health, safety, and welfare of the community;
- e. Preservation of open spaces, which are publicly owned and/or officially designated and whose intended purpose is clearly for open space. Also, the protection of rivers, streams, and marine waters, including their ability to support the fisheries resource;
- f. Protection of the physical environment from adverse impacts;
- g. Opportunity for economic growth and diversity, consistent with the other factors set forth herein; and in the location of Indian economic enterprises, the extent of the Tribe's economic base and land base to support economic activities;
- h. Provisions for providing public facilities and services necessary to support development, such as utilities, roads, public transportation, parks, recreation facilities, and schools;

i. Avoidance of adverse effects on existing and planned development and uses on adjacent lands and within surrounding neighborhoods;

j. Concern that land may be put into trust for the primary purpose of allowing non-Indian businesses to avoid state and local taxation, or where the Tribe receives no significant immediate benefits from the transaction;

k. Of particular importance to the local governments who are parties to this Agreement in evaluating a proposed change from fee to trust status is the impact resulting from the removal of the land from the local government tax rolls. The local governments and the Tribe will address their concerns about the appropriate division of lands between trust and non-trust status and between Tribal and local governmental tax rolls. If these issues cannot be resolved through later negotiations, then the local governments reserve the right to object to proposed impacts of individual parcels or the aggregate impacts of the total amount of land placed in the trust status, pursuant to 25 CFR 151 or its successor.

In acting upon a proposal, each party shall take into consideration the other's adopted land use plans and regulations, and, further, each party reserves the right to use its land use plan and regulations when it applies the above guidelines to a proposal or when reviewing and commenting upon a proposal pursuant to the consultation process set forth in Section C. of this document.

C. CONSULTATION FOR SUBSTANTIAL ACTIONS CONCERNING TRUST AND NON-TRUST LANDS

1. Preamble

When the Tribe or any general purpose local government which is a party to this document receives an application for a permit which is defined as a "substantial action" in subsection 2.b. of this section, or itself proposes to take a "substantial action" as herein defined concerning property located within the 1873 Survey Area, the issuing government agency will notify the other affected government and give an opportunity for consultation and discussion.

2. Definitions

a. General purpose local governments participating in this Agreement are Pierce County and the cities of Fife, Puyallup, and Tacoma.

b. A "substantial action" is any regulatory action requiring a public hearing such as a rezone, shoreline permit, or special or conditional use permit, or subdivision, a legislative action such as the adoption of land use plans or amendments thereto, and certain environmental review actions such as environmental impact statements related to any of the preceding regulatory or legislative actions, and proposed declarations of non-significance pursuant to the State Environmental Policy Act (SEPA) Rules (WAC 197- 11340(2)), as adopted and in effect at the time of the execution of the document. Also, any similar land use or environmental actions to those noted above and any substantial change in use of trust or non-trust lands shall constitute a "substantial action." Further, any proposal to place lands in trust shall constitute a "substantial action."

Administrative and ministerial actions which are non-discretionary in nature and which may not require a public hearing, such as administrative site plan reviews, temporary use permits, building permits, occupancy permits, enforcement orders, or short plats are not to be considered "substantial actions" for the purposes of the consultation process set forth herein.

3. Procedures

a. The Tribe or general purpose local government which receives an application for or intends to take a "substantial action," as defined in paragraph 2.b. above, within the 1873 Survey Area will give timely notice to the other party in writing and will transmit a summary of the request, a copy of the project plans, any environmental documents, and any other pertinent information filed in conjunction with the application.

b. The Tribe or the general purpose local government, taking or responsible for approving the "substantial action," will provide an opportunity for written and/or oral comment by the other party, consistent with established land use permit and environmental review procedures. The Tribe and local government will make

available appropriate representatives to discuss any concerns or questions raised by the other entity.

c. The Tribe or the general purpose local government will make good faith efforts to accommodate the concerns of the other party in rendering its decision, consistent with the adopted plans, programs, and legal standards governing the decision. In each case where an objection is filed and this consultation process is invoked, the decision-maker will enter a decision in writing setting forth the reasons for the decision and explaining the evaluation of all relevant factors.

d. To the extent a decision is adverse to an objecting entity, the decision-maker will explain in the decision why an adverse decision was necessary and will set forth any restrictions or conditions intended to minimize the adverse impact on the objecting entity.

e. The local governments have no duty to provide services to trust lands unless the Tribe or its members request such services, and there is a mutually satisfactory agreement regarding payment for such services.

f. As provided in Section VIII.B. of the Agreement for the future placement of lands in trust and/or changes in the use of existing trust lands, the Secretary of Interior shall comply with applicable federal law, regulations and procedures.

The Tribe shall notify the other parties of the decision of the Secretary as to requests for the acquisition of land in trust status.

This document does not limit whatever jurisdiction the appropriate court would otherwise have to review the merits of a decision in cases filed pursuant to Section XI. of the Agreement. Further, the parties retain whatever authority they would otherwise have to bring suit in Federal court to remedy violations of Federal law which are independent of this document. In addition, the parties retain whatever authority they would otherwise have to file suit in the State, local or Tribal courts to remedy violations of State, local or Tribal law.

Proposals that are subject to the fisheries dispute resolution procedure set forth in Document 4 to the

Agreement shall not be subject to the consultation process set forth herein.

On the fifth (5th) year following the effective date of this Agreement the participating local governments and the Tribe shall review how the system for placing new lands in trust has worked. To the extent that any party determines the system is not working, it will suggest changes and attempt to reach agreement with the other parties. The Tribe and the local governments reserve the right to propose changes in the federal process for placing lands in trust, in the event there is no agreement.

D. LAW ENFORCEMENT

In order to exercise the highest degree of cooperation, the Puyallup Indian Tribe and the State and its political subdivisions, through their respective law enforcement authorities, agree to the following program:

1. The Puyallup Tribal police will be primarily responsible for law enforcement over Tribal members on trust lands in the 1873 Survey area. Local and state police agencies shall be primarily responsible for law enforcement over non-Tribal members and on non-trust lands, as presently provided by law.

2. Each jurisdiction is responsible for its own criminal investigations, pursuit of alleged criminals, and arrests, and for all liability or damage arising from incidents or actions involving its officers, whether or not the authority being exercised is that of the employing jurisdiction or of other jurisdictions under deputization. The employing jurisdiction will hold harmless other jurisdictions whose authority is being exercised by officer.

3. All parties agree to minimize jurisdictional disputes by formal and informal consultation on matters of mutual interest. Specific jurisdictional problems shall be the subject of continuing and regular consultations.

4. When investigations, hot pursuit, or potential arrests might involve a jurisdictional dispute, police activities shall be guided by the following:

(a) When the criminal investigation, pursuit, or potential arrest is not time-sensitive, the involved police agency shall consult with the appropriate other police agencies in order to determine which agency has

jurisdiction, which court should arraign any suspect, and other matters; and

(b) When time is of the essence to stop a crime in progress, to prevent injury to person or damage to property, or to apprehend suspects, the police agency involved shall notify immediately the appropriate counterpart police agencies and shall take only such steps necessary to prevent injury or damage or to arrest criminal suspects.

5. Each jurisdiction may agree to limited, reciprocal cross-deputization of Tribal police and non-Indian police when necessary to carry out the law enforcement functions described herein.

Further, the various police agencies, the Puyallup Indian Tribe, and the local governments agree to facilitate participation of the respective police agencies in any local or Tribal training programs.