



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

*Between the*

**Quinault Indian Nation**

*and the*

**State of Washington**

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CLASS III GAMING COMPACT**

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## **INTRODUCTION**

THIS COMPACT is entered into pursuant to the Indian Gaming Regulatory Act of 1988, P.L. 100-497, codified at 25 USC § 2701-et seq., and 18 USC § 1166 et seq. ("I.G.R.A." or "the Act").

## **PARTIES**

THIS TRIBAL-STATE COMPACT is made and entered into by and between THE QUINAULT INDIAN NATION (hereafter referred to as "Nation"), a federally recognized Indian Tribe, possessed of all sovereign powers and rights thereto pertaining; 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**

The I.G.R.A. provides for the negotiation of compacts between States and Tribes to govern the conduct of Class III gaming. Indian tribes have rights under the I.G.R.A. to conduct and regulate gaming activities on Indian lands if the gaming activity is not specifically prohibited by Federal law and is conducted within a state which does not, as a matter of criminal law and public policy, prohibit such gaming activity. The over-arching policy of the Act is to provide a framework for the operation of gaming by Indian tribes as a means of promoting Tribal economic development, self-sufficiency and strong Tribal governments. The Act provides a basis to regulate the gaming so as to shield Indian tribes from organized crime and other corrupting influences. The Act is also intended to ensure that Indian tribes are the primary beneficiaries of the Gaming Operations, and to assure that the gaming is conducted fairly and honestly by both operators and players.

The United States has determined, through the adoption of the I.G.R.A., that the conduct of gaming activities should benefit Indian tribes and their members. The terms and conditions set forth below to regulate Class III gaming conducted by the Quinault Indian Nation have been agreed to pursuant to that congressional mandate.

It is the stated intention of the parties to foster full cooperation between the Nation and the State based upon equality and a shared concern for the welfare of all the citizens of the State and of the Nation as a result of gaming on the Quinault Indian Lands. Through this Compact, the parties desire to further the purposes of the I.G.R.A. for the benefit of the Nation and the protection of the State.

This Compact is the cooperative means by which the Nation shall lawfully conduct Class III gaming activities on Quinault Indian Lands that the State permits for any purpose by any person. This compact defines the manner by which State laws permitting and regulating the conduct of such gaming activities are to be applied to Tribal gaming operations to ensure that the respective Tribal and State interests are met.

The Nation and the State mutually agree, within the parameters established by the Act, to the following provisions governing the conduct of Class III gaming activities on the lands of the

Nation. These provisions are designed to (a) protect the health, welfare and safety of the citizens of the Nation and the State, (b) develop and implement a means of regulation for the conduct of Class III gaming on Indian lands, as that term is defined in the Act, in an effort to ensure the fair and honest operation of such gaming activities and to minimize the possibility of corruption or illegal practices in conjunction with such activities, and (c) to maintain the integrity of all activities conducted in regard to Class III gaming.

The policy and law of the State regarding gaming are set forth in Chapter 9.46 RCW and Title 230 WAC. Chapter 67.16 RCW and Title 260 WAC authorize and regulate horse racing activities, including parimutuel satellite wagering. The State agrees that the Nation is authorized, pursuant to the provisions of the I.G.R.A. and the terms of this Compact, to engage in the Class III gaming activities permitted herein.

The Nation and the State believe that the conduct of Class III gaming under the terms and conditions set forth below will benefit the Nation and the State and shall protect the members of the Nation and the citizens of the State consistent with the objectives of the I.G.R.A..

IN CONSIDERATION of the foregoing and the mutual benefits to be derived, the QUINAULT INDIAN NATION and the STATE OF WASHINGTON enter into a TRIBAL-STATE COMPACT as provided for herein.

## I. TITLE

This document shall be cited as "Quinault Indian Nation - State of Washington Gaming Compact."

## II. DEFINITIONS

For purposes of this Compact:

- A. "Applicant" means any individual who has applied for a Tribal license or State certification, whether or not such license or certification is ultimately granted.
- B. "Class II Gaming" means all forms of gaming as defined in 25 USC § 2703(7) and by the regulations, formal opinions or decisions of the National Indian Gaming Commission.
- C. "Class III Gaming" means all forms of gaming as defined in 25 USC § 2703(8) and by valid regulations of the National Indian Gaming Commission and which 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.
- D. "Code" means the Quinault Indian Nation Gaming Ordinance, as amended.
- E. "Compact" means this Quinault Indian Nation - State of Washington Gaming Compact, governing management and operation of Class III gaming facilities on Quinault Indian Lands.
- F. "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. The term also includes 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. The term does not include any device or mechanism whose use is authorized by this Compact. The term does not include any device that in the formal opinion of the National Indian Gaming Commission is a permissible computer, electronic, or other technological aid to Class II gaming activity.

- G. "Gaming Activities" means the conduct of gaming activities permitted pursuant to this Compact.
- H. "Gaming Employee" means any individual employed in the operation or management of the Gaming Operation, whether employed by or contracted to the Nation or by any person or enterprise providing on or off-site services to the Nation within or without the Gaming Facility regarding any Class III activity. The term includes but is not limited to, Gaming Operation managers and assistant managers; accounting personnel; surveillance and security personnel; cashier supervisors; dealers or croupiers; box men; floor men; pit bosses; shift bosses; cage personnel; collection personnel; gaming consultants; and any other natural person whose employment duties require or authorize access to restricted areas of the Gaming Facility not otherwise opened to the public, or to other areas designated and agreed upon by the Tribal and State Gaming Agencies.
- I. "Gaming Facility" means the room or rooms in which Class III Gaming activities as authorized by this Compact are conducted on Quinault Indian Lands.
- J. "Gaming Operation" or "Tribal Gaming Operation" means any enterprise operated by the Nation on Quinault Indian Lands for the conduct of any form of Class III gaming in any Gaming Facility.
- K. "Gaming Services" means the providing of any goods or services to the Nation, 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 routine maintenance, janitorial, cafeteria supply and services which require no access to non-public portions of the facility.
- L. "Gaming Station" means one gaming table of the general size and scope as commonly used in Nevada for similar games.
- M. "Governor" means the Governor of Washington State.
- N. "I.G.R.A." or "the Act" means the Indian Gaming Regulatory Act of 1988, P.L. 100-497, codified at 25 U.S.C. § 2701 - et seq. and 18 § 1166 et seq.
- O. "Individual" means, but is not limited to, natural persons and business entities, including business sole-proprietorships, partnerships, corporations, joint ventures, organizations and associations.
- P. "Local Law Enforcement Agency" means the State Gaming Agency, Washington State Patrol, and any other non-Tribal law enforcement agency in the vicinity of the Gaming Operation, including Grays Harbor County Sheriff's Office and the Ocean Shores Police Department, which has jurisdiction to enforce state gaming laws on Quinault Indian Lands pursuant to the terms of this Compact, or has a co-operative, mutual aid or cross deputization agreement approved by the Nation. Nothing in this definition or in any provision set forth in this Compact is intended to expand, waive, confer or limit any jurisdiction upon any law enforcement agency on Quinault Indian Lands.
- Q. "Management Entity" means any individual with whom, or other business entity with which, the Quinault Indian Nation enters into a contractual agreement for financing, development and/or operation, of any Class III gaming facility on Quinault Indian Lands.
- R. "Net Win" means the total amount of Gaming Station income (gross gaming revenue)

- after prizes and winnings have been paid out; i.e., the difference between the total amount wagered or played and the amounts paid to winners.
- S. "President" means the Chair of the elected, eleven member Quinault Indian Nation Business Committee.
  - T. "Principal" means with respect to any enterprise: (i) each of its officers and directors; (ii) each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer, or general manager; (iii) each of its owners or partners, if an unincorporated business; (iv) each of its shareholders who own more than ten percent of the shares of the corporation, if a corporation; and (v) each person or entity other than a banking institution who has provided financing for the enterprise constituting more than ten percent of the start-up capital or operating capital over a twelve (12) month period, or a combination thereof. For the purposes of this definition, where there is any commonality of characteristics identified in (i) through (iv) above between any two (2) or more entities, those shall be deemed to be a single entity.
  - U. "Quinault Indian Lands" or "Indian Lands" means Indian lands as defined by 25 USC § 2703 (4) (A) and (B), subject to the provisions of 25 USC § 2719.
  - V. "RCW" means the Revised Code of Washington, as amended.
  - W. "Quinault Indian Nation Police Department" means the Quinault Indian Nation Police Department established and maintained by the Nation pursuant to the Nation's powers of self-government to carry out law enforcement within the Quinault Indian Lands and other areas that may be authorized by law or by cross deputization agreements with other law enforcement agencies, or any other police force established by the Quinault Indian Nation.
  - X. "State" means the State of Washington, its authorized officials, agents and representatives. No State commissioner may be an owner or employee of any gaming operation or entity in the State of Washington engaged in gaming.
  - Y. "State Certification" means the process utilized by the State Gaming Agency to assist the Nation to ensure that all individuals or other entities required to be licensed/certified are qualified to hold such license/certification in accordance with this Compact.
  - Z. "State Gaming Agency" means the Washington State Gambling Commission.
  - AA. "Tribal Gaming Commission" means the Quinault Tribal Gaming Commission or such other agency of the Nation as the Nation 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 Commission.
  - BB. "Tribal Licensing" means the licensing process utilized by the Nation to ensure that all individuals and other entities required to be licensed are qualified to hold such license in accordance with provisions of the Quinault Indian Nation Gaming Ordinance.
  - CC. "Tribal Member" means an enrolled member of the Quinault Indian Nation pursuant to the membership ordinance of the Nation.
  - DD. "Tribe or Nation" means the Quinault Indian Nation, represented by its elected officials.
  - EE. "WAC" means the Washington Administrative Code, as amended.

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

- A. **Scope of Class III Gaming Activities.** A Tribal Gaming Operation may utilize in its Gaming Facility, subject to the provisions of this Compact, any or all of the following Class III activities:



1. Blackjack;
2. Money-wheel;
3. Roulette;
4. Baccarat;
5. Chuck-a-luck;
6. Pai-gow;
7. Red Dog;
8. Chemin De Fer;
9. Craps;
10. 4-5-6;
11. Ship-Captain-Crew;
12. Horses (stop dice);
13. Beat the Dealer;
14. Over/Under Seven;
15. Beat My Shake;
16. Horse Race;
17. Sweet Sixteen;
18. Sports Pools, as authorized in Section III. F;
19. Sic-Bo;
20. Poker, Jackpot Poker and other forms of poker (to the extent not played as a Class II game);
21. Satellite (off-track) wagering on horse races; (subject to Appendix B)
22. Keno and Keno Type Games;
23. Washington State Lottery Tickets, Punchboard and Pull Tabs as authorized in Section III.C.
24. Any other table game authorized for play in Nevada and played in accordance with applicable Nevada rules, upon 20 days' written notice to the State Gaming Agency.

**B. Lottery-type Games.** To the extent that instant tickets, on-line games, or other similar games are authorized for play for any purpose by any person, organization, or entity in the State that are not otherwise treated as a Class II game in the State pursuant to 25 U.S.C. § 2703 (7) or have been or are later identified as a Class II game pursuant to federal law, federal regulation, through a consensual lawsuit, or by a court of competent jurisdiction interpreting the laws of the State of Washington in a final and unappealable decision, and the Nation desires to conduct such games within Quinault Indian lands, the Nation shall submit the proposed rules and manner of play to the State Gaming Agency at least sixty (60) days prior to the time play shall begin. If the State does not object in writing within the sixty (60) days or approves such game, the Nation may begin offering the game. If, any dispute arises between the Nation and the State with respect to the nature of the game, security issues, rules of play, or training or enforcement associated with its regulation, the State and Tribal Gaming Agencies shall meet and the dispute shall be resolved prior to the time play of that game can begin. If the dispute cannot be resolved to the satisfaction of the parties through discussion within sixty (60) days after the submission by the Nation, the Nation may initiate the dispute resolution provisions of Section XII.C below or pursue other remedies available under the I.G.R.A.

- C. Punchboards, Pull Tabs, and Washington State Lottery - Separate Locations.** The Nation may utilize punchboards and pull tabs in the Gaming Facility and at other locations within the Quinault Indian Lands subject to regulation by the Nation. Punchboards and pull tabs operated outside of the Tribal Gaming Facility shall be operated in a manner consistent with the sale of punchboards and pull tabs in the Tribal Gaming Facility. The operation of Washington State Lottery retail locations within Quinault Indian Lands, when permitted by Tribal law, shall be subject to the provisions of RCW 67.70, WAC 315, and Tribal Ordinance.
- D. Other Class III Table Games.** For other Class III table games similar to but not included within those set forth above that would be authorized for play for any purpose by any person, organization, or entity in the State and that are not otherwise treated as Class II gaming in the State pursuant to 25 U.S.C. § 2703 (7), the Nation shall provide the game regulations to the State Gaming Agency at least thirty (30) days prior to the time play shall begin. If the State does not object in writing to the game regulations within the thirty (30) days, the Nation may begin offering the game. If any dispute arises between the Nation and the State regarding the nature of the game, the rules of play, or training or enforcement associated with regulating the game, the State and Tribal Gaming Agencies shall meet and shall resolve the dispute prior to the time play of that game is to begin. If, after negotiations have commenced, either party concludes that a resolution by the parties cannot be timely achieved, either or both parties may initiate the dispute resolution provisions of Section XII.C below or pursue other remedies available under the I.G.R.A. Notwithstanding the foregoing, if the State authorizes any other Tribe, person or entity to conduct such game, the Nation may offer said game under the same rules and manner of play previously approved by the State upon ten (10) days notice to the State Gaming Agency. If the State objects to the Nation's offering of such game, the Nation shall be entitled to conduct the game in accordance with rules and manner of play previously approved by the State unless and until the State's objections have been resolved in the State's favor.
- E. Additional Class III Games.** The State acknowledges that the Nation may decide to conduct other Class III games which are permitted under the I.G.R.A., or other federal law, or any change to or interpretation of law as set forth in Section XV.D.2, but are not included in Section III.A-D of this Compact. If, at the time the Nation determines it shall conduct such activities, the parties shall use the process outlined below.
1. The Nation shall submit a letter, signed by the President, and addressed to the Governor, specifically identifying the additional proposed activities and the applicable amendments or additions to the Tribal Code authorizing such activities.
  2. The Nation shall submit a copy of the above letter to the State Gaming Agency, together with draft regulations covering the proposed activity.
  3. Within sixty (60) days after receipt of the letter, the State Gaming Agency shall review the regulations submitted and approve or disapprove the proposed regulations within such time. Concurrently, the State shall, if required by federal law, negotiate an ancillary Compact with the Nation addressing the operation of the activity.
  4. If the State Gaming Agency and the Nation do not finalize an ancillary Compact for the proposed activity during the sixty (60) day period, the State and the Nation

shall continue to negotiate an ancillary Compact for an additional 120 days prior to the Nation filing any action against the State pursuant to 25 USC § 2710(d)(A)(i).

5. Pending the negotiation of an ancillary Compact for the proposed activities or resolution of any action in the event an ancillary Compact for such activities is not finalized, the terms and provisions of the Original Compact and applicable amendments, if any, shall remain in effect.
  6. If the additional proposed activity involves horse-racing, satellite (off-track) wagering on horse races or other activity related to horse-racing, the Nation shall also submit a copy of its letter to the Washington Horse Racing Commission, together with draft regulations covering the proposed activity.
- F. Sports Pools.** Sports pools, as historically operated on Quinault Tribal lands, on regularly scheduled athletic contests, of one hundred squares wherein each square is sold for not more than ten (\$10) dollars (wager) plus an administrative charge payable to the Nation of not more than one (\$1) dollar per \$10.00 wager. All wagers shall be awarded to the winners as prizes. All other provisions of RCW 9.46.0335 shall be applicable.
- G. Authorized Gaming Facility.** The Nation may establish one Class III Gaming Facility on the reservation or on a site known as the "Sampson Johns Allotment" held in trust by the United States for the benefit of a Quinault Tribal Member provided the following applies: (1) the site is within fifteen miles of the reservation; (2) the Nation's law enforcement capabilities have historically been and currently are within fifteen miles of the site; (3) the site is more accessible from a public health and safety standpoint than the reservation; (4) the site is more accessible to local law enforcement than the reservation; (5) the site has been held in trust since prior to 1988; and (6) the Secretary of the Interior determines the site to be "Indian Lands" pursuant to the IGRA, as evidenced by approval and publication of this compact.
- H. Forms of Payment.** All payment for wagers made in authorized forms of Class III gaming conducted by the Nation on its Indian Lands, including the purchase of chips used in wagering, shall be made by cash, cash equivalent, credit card or personal check. The Tribal Gaming Operation shall not extend credit to any patron of the Gaming Facility for gaming activities.
- I. Size of Gaming Floor.** The actual Class III gaming floor within the Gaming Facility shall be determined by the Nation.
- J. Number of Gaming Stations.** During the first six months of operation, ("phase one") or earlier as provided for in Section III.L, the maximum number of Class III gaming stations shall not exceed thirty one (31) plus, at the option of the Nation, one (1) additional gaming station, called "the nonprofit station." The proceeds from the nonprofit station shall be dedicated to support nonprofit organizations and their activities located within Grays Harbor County or the State of Washington. For purposes of determination of "proceeds" from the nonprofit station only, proceeds shall mean the net win of the non profit station less the pro rata cost of regulation and operation, specifically excluding capital costs. Therefore, the proceeds shall equal the net win of the non profit station less

the costs of regulation and operation, divided by the thirty-two (32) gaming stations. The Tribal Gaming Commission shall set forth regulations concerning the types of bona-fide nonprofit organizations or types of projects of such organizations that shall be supported by the nonprofit station. At the end of six months continual operation, if the gaming operation has met the conditions set forth in Section III.L, "phase two" may be implemented, providing for up to fifty gaming stations plus, at the option of the Nation, two (2) additional non-profit gaming stations.

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

**L. Hours of Operation.** The maximum number of operation hours for the Gaming Facility shall be as follows:

1. During the first six months of operation or earlier as provided for in Section III.L, operating hours may not exceed one hundred twelve (112) hours per week on an annualized basis. At the end of six months continual operation or earlier as provided for in Section III.L, if the Gaming Operation has met the conditions set forth in Section III.L, "phase two" may be implemented, providing for operating hours of up to one hundred forty (140) hours per week on an annualized basis.
2. The Nation may schedule its hours to best comply with market conditions and may operate any day of the week. The Gaming Operation shall not exceed twenty (20) hours per day and the Gaming Facility shall be closed to the public from 2:00 a.m. until 6:00 a.m. each day of operation, provided the Nation may operate the Gaming Facility past the hours of 2:00 a.m. upon mutual written agreement by the State Gaming Agency, the Tribal Gaming Commission and local law enforcement agencies.
3. Upon thirty (30) days written notice to the State Gaming Agency and upon mutual written agreement between the State Gaming Agency and the Tribal Gaming Commission, the Nation may operate the Gaming Facility for twenty-four (24) hours without interruption at certain times of the year, not to exceed a total of seventy-two (72) hours during any one such time period. The Nation may request for such special hours three (3) times in any one calendar year.

**M. Sixth Month Gaming Operation Review.** After six months of operation, the State Gaming Agency shall conduct a review of the Class III Gaming Operation to determine general Compact compliance and whether the conditions set forth below have been satisfied. If the State Gaming Agency determines that the Class III Gaming Operation has not satisfied the conditions, any resulting dispute will be resolved through the dispute resolution procedures set forth in section XII.C of this Compact. Any increase in the number of gaming stations, hours of operation, or wager limits beyond that initially authorized during "phase one" of 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 or the National Indian Gaming

Commission;

2. There are no violations of the Compact which are substantial or, due to repetition, would be deemed material;
3. There have been no material adverse impacts on the public health, safety, or welfare of the surrounding communities in the nature of criminal activities directly related to the operation of the Class III Gaming Facility;
4. There have been no material violations of Appendix A of this Compact; and
5. The Tribal Gaming Commission has developed a program of regulation and control demonstrating an adequate level of proficiency, which includes the hiring of trained Tribal Gaming Agents, an independent management and reporting structure separate from that of the Gaming Facility or Tribal bodies, a thorough and developed system for the reporting of Compact violations, and a strong and consistent presence within the Class III Gaming Facility.

- N. Ownership of Gaming Facility and Gaming Operation.** The Gaming Operation, including the Gaming Facility, shall be owned and operated by the Nation. The Nation may, if it chooses, contract for management of the Gaming Facility and Gaming Operation. Such contract shall subject the manager to the terms of this Compact, including annual certification and licensing.
- O. Prohibited Activities.** Any Class III gaming activity not specifically authorized in this Compact is prohibited. Unless gambling devices are subsequently authorized by the State, by agreement of the parties, or through a final and unappealable decision permitting gambling devices issued by a court of competent jurisdiction interpreting the laws and the public policy of the State of Washington. Nothing herein is intended to prohibit or restrict otherwise lawful and authorized Class II gaming activities and devices on Quinault Indian Lands or within the Gaming Facility.
- P. 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 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. Nothing herein shall preclude persons under the age of eighteen (18) years from patronizing food service, and other non-gaming facilities in the gaming operation, or employment in non-gaming facilities in the gaming operation.
- Q. Prohibition on Firearms.** The possession of firearms by any person within the Gaming Facility shall be strictly prohibited, and the Tribal Gaming Commission shall post a notice of this prohibition near the entrance to the Gaming Facility. This prohibition shall not apply to authorized agents or officers of the Tribal Gaming Commission, the Quinault Indian Nation Police Department, State Gaming Agency, or State and Local law enforcement agencies authorized by law or by a co-operative, mutual aid or cross deputization agreement.

#### IV. LICENSING AND CERTIFICATION REQUIREMENTS

- A. Gaming Facility.** A Gaming Facility authorized by this Compact shall be inspected prior to commencement of operation and annually thereafter to verify its conformity with the requirements of this Compact. The State Gaming Agency shall forward a copy of the inspection report to the Tribal Gaming Commission. If the Gaming Facility fails to meet any requirements of the Compact that produces significant deficiencies or defects that create substantial risk of physical injury to patrons or employees, or that impairs or threatens to impair the proper functioning of systems for security, surveillance or internal control, the Tribal Gaming Commission and/or State Gaming Agency shall send a written and detailed non-compliance letter and report to the Nation and Gaming Facility manager, if any, within seven (7) working days after completion of the inspection. The State Gaming Agency and the Tribal Gaming Commission shall meet to confer about a plan and schedule to cure such deficiencies. The Nation shall make a good faith effort to remedy such deficiencies within sixty (60) days, to the extent that such deficiencies are remediable without unreasonable expense. If a dispute arises in the course of or as a result of an inspection, such dispute shall be resolved pursuant to Section XII.C of this Compact or by mutual agreement of the parties prior to commencement of the Gaming Operation or at any other such time as needed.
- B. Principals of the Gaming Operation.** Prior to commencement of operation, and annually thereafter, principals of any Gaming Operation authorized by this Compact shall be licensed by the Tribal Gaming Commission, be certified by the State Gaming Agency, and shall conform with the requirements of this Compact. Initial verification that the licenses have been issued and that requirements for such licensing have been met shall be made by the Tribal Gaming Commission and the State Gaming Agency through a joint pre-operation review conducted no later than ten (10) days prior to the scheduled opening of the Gaming Facility to the public.
- C. Gaming Employees.** Every gaming employee shall be licensed by the Tribal Gaming Commission and shall be certified by the State prior to commencement of employment, and annually thereafter. The Tribal Gaming Commission may immediately issue a license if the prospective employee has a current license or certification issued by the State Gaming Agency, the State Gaming Agency certifies that the prospective employee is in good standing, and the employee consents to disclosure of records to the Tribal Gaming Commission.
- D. Manufacturers and Suppliers of Gaming Services.** Each manufacturer and supplier of gaming services shall be licensed by the Tribal Gaming Commission and shall be certified by the State prior to the sale of any gaming services to the Nation. If the supplier or manufacturer of the services or goods is currently licensed or certified by the State of Washington to supply goods or services to any other tribe in the state, it shall be deemed certified to supply the same services or goods to this Nation for the purposes of this Compact. The licensing and certification shall be maintained annually thereafter. In the event a manufacturer or supplier provides or intends to provide less than \$25,000 worth of gaming services annually, upon the mutual agreement of the Tribal Gaming Commission and the State Gaming Agency, the certification and licensing requirement may be waived.

- E. Financiers.** Any party who extends or intends to extend financing directly to the Gaming Facility or Gaming Operation shall be subject to the annual licensing requirements of the Tribal Gaming Commission. Such party shall be required to obtain State certification prior to completing the financing agreement and annually thereafter as long as the financing agreement is in effect. These licensing and certification requirements do not apply to financing provided by a federally regulated commercial lending institution, the Quinault Indian Nation government or its agencies, or the Federal government. The Party shall fully disclose the source of all funds required to be disclosed under and in accordance with the I.G.R.A. and the Nation shall provide a copy of such disclosures to the State Gaming Agency. If a disclosure regards satellite wagering facilities and activities, the Nation shall also send a copy to the Washington Horse Racing Commission.
- F. Key Personnel List.** Prior to commencement of operations and annually thereafter, the Nation shall provide the State Gaming Agency with information listing personnel who are key personnel in the Gaming Operation.

## 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 to the Tribal Gaming Commission a completed State Certification application together with a completed information form provided by the Tribal Gaming Commission. Each applicant submitting an application shall attach the applicant's fingerprint card(s), two current photographs, and fees required by the State and Tribal Gaming Agencies. Upon receipt, the Tribal Gaming Commission shall transmit a copy of all application materials for each applicant, together with a set of fingerprint cards, a current photograph, and the fee required, to the State Gaming Agency. For business entity applicants, these provisions shall apply to the principals of such entities.
- B. Background Investigations of Applicants.** Upon receipt from the applicant of a completed application, attachments and the required fee for State certification, the State Gaming Agency shall conduct the necessary background investigation to ensure the applicant is qualified for State certification. The State Gaming Agency shall expedite certification requests submitted by the Nation. Upon completion of the necessary background investigation, the State Gaming Agency shall either issue or deny a State certification based on the criteria set forth in this Compact. If the State Gaming Agency issues a State Certification to the applicant, the State shall forward a copy of the certification to the Tribal Gaming Commission. 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 Commission. After twenty-four (24) months of operation and upon the Nation's demonstration of its capacity to conduct background investigations meeting Compact standards for certifications, the State and the Nation shall meet and confer on the possibility of transferring to the Nation the primary responsibility of conducting background investigations for its Tribal member applicants. State certification of tribal member applicants shall still be required even if primary responsibility for conducting background investigations is transferred to the Nation.

**C. 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 the rules promulgated hereunder when an applicant for or holder of a certification or a principal of an entity:

1. Is determined to be a person, who because of prior activities, criminal record, if any, or reputation, habits and associations, poses a threat to the effective regulation of gaming or creates or enhances the chances of unfair or illegal practices, methods and activities, being used in the conduct of the Gaming Activities pursuant to this Compact.
2. Has violated, failed, or refused to comply with any provision, requirement, condition, limitation, or duty imposed by one or more provisions of this Compact.
3. Has failed to provide information reasonably required to investigate the application for state certification or to reveal any fact which the applicant or holder knows or should reasonably know is material to such application, or has furnished any information which is untrue or misleading in connection with such application.
4. Has had a Tribal or State gaming license revoked or denied during the twelve (12) months prior to the date on which the Nation received the application; is currently on probation imposed by, has demonstrated a willful disregard for or failed to comply with the requirements of any gaming regulatory authority in any jurisdiction, including offenses that could subject the individual or entity to suspension, revocation, or forfeiture of a gaming license. In reviewing any application and in 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.
5. Notwithstanding anything herein to the contrary and, in the absence of other violations, an application submitted for certification by an Indian from a federally recognized Indian Tribe shall not be revoked, suspended or denied on the grounds such Indian has been charged or convicted under state law of non-gambling related offenses if the charge or conviction occurred prior to United States Supreme Court rulings upholding state jurisdiction over Indians for such offenses as but not limited to, (1) hunting or fishing offenses; (2) cigarette sales offenses; (3) alcohol sales offenses; (4) firework sales offenses; or (5) other cases involving the exercise of trust or treaty rights. The parties agree that Indians from federally recognized Indian Tribes who have been charged or convicted in cases involving the exercise of non-gambling related trust or treaty right shall not be barred as a result of such activities from certification in the absence of other violations, activities or factors which would warrant denial, revocation or suspension.
6. The State Gaming Agency shall consult with the Tribal Gaming Commission prior to denying certification to any Tribal Member applicant who fails to meet the criteria for certification. The Tribal and State Gaming Agencies may waive, by mutual agreement, certain criteria for any enrolled Tribal member and issue a provisional or conditional certification, if the Tribal Member applicant does not pose a material risk of engaging in unlawful activity or activity detrimental to the operation of the Gaming Facility. If the Nation can show extenuating circumstances why an enrolled Tribal member, who does not meet all criteria for



a provisional or conditional certification, should be given further consideration the Tribal and State Gaming Agencies may agree to a temporary certification based on specific conditions and a further detailed review of the applicant. The Tribal or State Gaming Agency may require the payment of additional fees from the applicant to maintain a conditional, provisional or temporary certification.

- D. Temporary Certification.** Unless the background investigation undertaken by the State Gaming Agency, within thirty (30) days of the State Gaming Agency's receipt of a completed application, discloses that the applicant has a criminal history, or other grounds that may be sufficient to disqualify the applicant pursuant to Section V.C. are apparent or are discovered, the State Gaming Agency shall, upon written request of the Tribal Gaming Commission, issue a temporary certification to the applicant. The temporary certification shall become void and be of no effect upon either the issuance or denial of a state certification, in accordance with the provisions of the Compact.
- E. Right To Hearing For Revocation, Suspension, or Denial of State Certification.** Any applicant for or holder of a State certification shall be entitled to a full hearing on any action by the State Gaming Agency which may result in the revocation, suspension, or denial of State certification. The hearing shall be conducted in accordance with the procedures contained in the applicable provisions of Chapter 9.46 RCW, Chapter 34.05 RCW and Chapter 230-50 WAC. The State shall provide to the Tribal Gaming Commission any notices required under such provisions. The State may at its discretion, defer such actions to the Tribal Gaming Commission upon notification by the Tribal Gaming Commission of its interest in determining the issue. Nothing herein shall prevent the Tribal Gaming Commission from invoking its own disciplinary procedures and proceedings. In the event the Nation determines that the State is pursuing or has pursued an unfounded or unjustified case, the Nation may contest payment of the State's expenses by invoking the dispute resolution provisions found in Section XII.C.
- F. Denial, Suspension, or Revocation of Licenses Issued By Tribal Gaming Commission.** The denial, suspension, or revocation of any Tribal gaming license by the Tribal Gaming Commission shall be in accordance with Tribal ordinances and regulations governing such procedures. The Nation shall notify the State Gaming Agency of any determination under this paragraph.
- G. Duration and Renewal of Tribal Issued Licenses and State Certifications.** Each Tribal license or State certification shall be effective for one year from the date of issuance. A licensed or certified employee or entity who has applied for renewal may continue to be employed under the expired Tribal license or State certification until the Tribal Gaming Commission or State Gaming Agency takes action on the renewal application. Applicants seeking renewal of a license or certification shall provide information updating originally submitted information on the appropriate renewal forms. Applicants shall not be required to re-submit historical data already available to the Tribal Gaming Commission or the State Gaming Agency. Additional background investigation shall not be required unless the Tribal Gaming Authority or the State Gaming Agency discovers new information concerning the applicant's continuing suitability or eligibility for a Tribal license, or State certification. The State shall forward a copy of any updated information

to the Nation. Should any renewal application be denied, the State shall send a copy of the statement sent to the applicant setting forth the grounds for the non-renewal of the certification.

**H. Identification Cards.** The Tribal Gaming Commission shall require all gaming employees to wear in plain view identification cards issued by the Tribal Gaming Commission. An identification card shall include a photo, the first name, an identification number unique to the individual's tribal license and/or certification, a Tribal seal or signature, and a date of expiration.

**I. Exchange of Tribal Licensing and State Certification Information.** At least five (5) days prior to the hearing, each party shall forward to the other party a copy of any notice of hearing to be held pursuant to its jurisdictional authority. Upon completion of any administrative action or legal proceeding, the final disposition shall be forwarded to both the Tribal Gaming Commission and the State Gaming Agency and maintained as part of each agencies' permanent licensing records.

**J. Fees for State Certification.** Fees shall be as follows:

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

Should actual costs incurred by the State Gaming Agency exceed the above fees, the additional actual and reasonable costs shall be assessed to the applicant during the investigation process. Payment in full by the applicant to the State Gaming Agency shall be required prior to the issuance of a 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. The State shall give the Nation sixty (60) days notice of intent

to modify fees. Any dispute arising under this section shall be resolved pursuant to Section XII.C of this Compact.

- K. Fees For Tribal License.** The fees for all Tribal gaming employee licenses shall be set by the Tribal Gaming Commission.
- L. Summary Suspension of Tribal License.** The Tribal Gaming Commission, pursuant to the laws of the Nation, may summarily suspend any Tribal license if the continued licensing of a person or entity constitutes an immediate and potentially serious threat to the public health, safety or welfare.
- M. Summary Suspension of State Certification.** The State Gaming Agency, pursuant to the laws of the State, may summarily suspend any State certification if the continued certification constitutes an immediate and potential serious threat to public health, safety or welfare. Provided, the State shall not summarily suspend or revoke the certification of key management personnel who have supervisory responsibilities in the Class III gaming facility solely for failing to comply with procedural requirements of this Compact and any applicable laws incorporated herein. To minimize any potential of jeopardizing the proper operations of the Gaming Facility, the State Gaming Agency shall discuss its intent to summarily suspend or revoke the certification of any key personnel and the basis for such action with the Tribal Gaming Commission prior to taking any action.
- N. Submission to State Administrative Process.** Applicants for State certification agree, by submitting an application, to 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 must grant a limited waiver of any immunity, defense, or other objection they might otherwise have to the exercise of State jurisdiction for these purposes, but only for the purposes discussed in this paragraph. Nothing in this section shall be deemed or interpreted as a waiver of immunity or submission to State jurisdiction by the Nation or any Tribal Member for any other purpose or cause of action.
- O. Tribal Certification.** For any certification process, the Nation may, but is not required to in its sole election, rely upon the certification of the State as the Nation's qualification process for a tribal gaming license.

## VI. TRIBAL ENFORCEMENT OF COMPACT PROVISIONS

- A. Tribal Gaming Commission.** The primary responsibility for the on-site regulation, control and security of the Gaming Operation and Gaming Facility authorized by this Compact, and for the enforcement of this Compact within Quinault Indian Lands, shall be that of the Tribal Gaming Commission and the Quinault Indian Nation Police Department. As part of its structure, the Tribal Gaming Commission and/or the Quinault Indian Nation Police Department shall perform the following functions:
  - 1. Enforce in the Gaming Operation, including the Gaming Facility, all applicable laws and ordinances;

2. Ensure the physical safety of patrons in the Gaming Facility;
3. Ensure the physical safety of personnel employed by the Gaming Operation;
4. Ensure the physical safeguarding of assets transported to and from the Gaming Facility and the cashier's cage department;
5. Protect the patrons' and the Gaming Operation's property from illegal activity;
6. To the extent of its jurisdiction, arrest and prosecute or temporarily detain until notification and turnover of the appropriate law enforcement authorities, persons who may be involved in illegal acts; and
7. Record, in a permanent and detailed manner, any and all occurrences that require further investigation under the terms of this Compact, that happen within the Gaming Facility. Each incident shall be assigned a sequential number and, at a minimum, the following information shall be recorded in indelible ink in a bound notebook from which pages cannot be removed and each side of each page of which is sequentially numbered:
  - (a) the assigned number;
  - (b) the date;
  - (c) the time;
  - (d) the nature of the incident;
  - (e) the name, address, and telephone number of all persons involved in the incident; and
  - (f) the name and identification number of the security department or Tribal Gaming Commission employee assigned responsibility for recording the occurrence.

**B. Tribal Gaming Agents.** The Tribal Gaming Commission may employ qualified gaming agents under the authority of the Tribal Gaming Commission. These agents shall be independent of the Tribal Gaming Operation, and shall be supervised and accountable only to the Tribal Gaming Commission.

**C. Reporting of Violations.** A Tribal gaming agent shall be present in the Gaming Facility during all hours of operation authorized under this Compact, and shall have immediate access to any and all areas of the Gaming Operation for the purpose of ensuring compliance with the provisions of this Compact and Tribal ordinances. Any violation(s) of the provisions of this Compact, or of Tribal ordinances by the Tribal Gaming Operation, a gaming employee, or any person on the premises whether or not associated with the Tribal Gaming Operation shall be reported immediately to the Tribal Gaming Commission and forwarded to the State Gaming Agency within seventy-two (72) hours of the time the violation(s) was noted.

**D. Investigation of Violations and Sanctions.** The Tribal Gaming Commission shall investigate any reported, observed or suspected violation of the Compact provisions or applicable law. Should a violation be found, the Tribal Gaming Commission shall require the operator or manager of the Tribal Gaming Operation to correct the violation upon such terms and conditions as the Agency determines are necessary. The Tribal Gaming Commission shall be empowered by Tribal ordinance to impose fines and other sanctions within the jurisdiction of the Nation, in any court of competent jurisdiction, against a gaming employee, or any other person directly or indirectly involved in, or benefiting from, the violation.

- E. Reporting to State Gaming Agency.** The Tribal Gaming Commission shall forward copies of all completed investigation reports and final dispositions to the State Gaming Agency on a continuing basis. If requested by the Tribal Gaming Commission, the State Gaming Agency shall assist in any investigation initiated by the Tribal Gaming Commission and provide other related investigation services.
- F. Agency Meetings.** In order to develop and foster a coordinated relationship in the enforcement of the provisions of this Compact, representatives of the State Gaming Agency and of the Tribal Gaming Commission shall meet on a quarterly basis, to review existing 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 Commission. At least ten (10) days prior to such meetings, the State Gaming Agency shall disclose in writing to the Tribal Gaming Commission 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 shall not compromise the interest sought to be protected. After the first twelve (12) months, if it is mutually agreed, the Agency Meeting may be convened when the agencies feel it is appropriate; however, they shall meet at least once a year. At such time as the Nation begins operating a satellite wagering facility or horse racing activities, the Washington Horse Racing Commission shall participate in the Agency Meeting.

## **VII. STATE COOPERATIVE ENFORCEMENT OF COMPACT PROVISIONS**

- A. Monitoring of Gaming Operation.** The State Gaming Agency and, as applicable to any satellite wagering facility and horse racing activities, the Washington Horse Racing Commission, shall have the right to monitor the Tribal Gaming Operation to ensure that the operation is conducted in compliance with the provisions of this Compact. Agents of the State Gaming Agency and, as applicable, the Horse Racing Commission, shall have free and unrestricted access to all public areas of the Gaming Facility during all normal operating hours with or without giving prior notice to the Tribal Gaming Commission and access to all non-public areas of the facility upon request of the Tribal Gaming Commission. Provided, during the first nine months of the Gaming Operation or earlier as provided for in Section III.L of this Compact, the State Gaming Agency shall give reasonable notice to the Tribal Gaming Commission, the Chief of Security at the Gaming Facility, or the Chief of the Quinault Indian Nation Police Department prior to entering Quinault Indian Lands and the Nation may assign a Tribal representative to accompany the State representative while on Indian Lands. Where there is reason to believe that criminal acts are being committed, or there is a bona fide reason to believe that notice to those Tribal representatives listed above could jeopardize the safety of individuals or the effectiveness of an investigation, the State may notify the appropriate federal authorities in lieu of Tribal notification. Following 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 Commission or Tribal Police Department with a written report of the investigation, including copies of and information about evidence gathered in connection with the investigation and, if applicable, an explanation why advance notification was not provided to the Nation.

**B. Access to Tribal Gaming Operation Records.**

1. Agents of the State Gaming Agency and, as applicable, the Horse Racing Commission, shall have, upon notice, the right to inspect, review and copy for legitimate purposes, during normal business hours, and at the State's own expense, all records pertaining to Class III gaming maintained by the Tribal Gaming Operation. Provided, that the State shall provide the Tribal Gaming Commission with a list identifying all documents by title, date and short description or a duplicate copy prior to removing such copies from Quinault Indian Lands. Any information derived from such a review and copies made of any records, shall be deemed confidential and proprietary financial information of the Nation as a sovereign governmental entity. Subject to the requirements of Section VII.B.2 below, or any court order, such information shall be retained by the State Gaming Agency in its contractual capacity as a signatory to this Compact solely pending its full review process. All records and copies taken shall be returned to the Nation immediately after use by the State Gaming Agency unless otherwise provided pursuant to the Compact.
2. The State Gaming Agency shall notify the Nation of any requests for disclosure of Tribal information and shall not disclose any such information in its possession until the Nation or the Nation and the State together have had a reasonable opportunity to review the request and, if necessary, to challenge the request or to seek judicial relief prohibiting its disclosure. This public disclosure prohibition shall not apply to evidence used in any proceeding authorized by this Compact.

**C. Reporting to Tribal Gaming Commission.** At the completion of any inspection, copies of the inspection report shall be forwarded to the Tribal Gaming Commission along with copies of evidence and information pertinent to the inspection.

**D. Prompt Notice of Suspect Activity.** The State Gaming Agency and, as applicable, the Horse Racing Commission, shall promptly notify the Tribal Gaming Commission of any activity suspected or occurring, whether within the Gaming Facility or not, which adversely affects State, Tribal or public interests relating to the Gaming Facility and Gaming Operation. Provided, such disclosure shall not compromise the interest sought to be protected.

**E. 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 Quinault Indian Lands. Except as expressly set forth herein, and then only to the extent expressly set forth herein, the terms of this Compact do not constitute a waiver of sovereign immunity by either party and any such waiver is and shall be deemed to be only a limited waiver solely for the purposes set forth in this Compact. Nothing in this Compact is intended to create any State or other non-Quinault Indian Nation entity jurisdiction with respect to non-gaming related activities on Quinault Indian Lands. The terms of such limited waiver of sovereign immunity shall be strictly construed.

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

- A. Concurrent Jurisdiction and Limited Waiver of Sovereign Immunity.** The Tribal Gaming Commission, the State Gaming Agency, and, as applicable, the Horse Racing Commission, shall have concurrent jurisdiction to investigate violations of the provisions of this Compact, and to bring administrative charges, in accordance, respectively, with Tribal Laws or the provisions of Chapter 9.46 RCW, Chapter 34.05 RCW, Chapter 67.16 RCW, and Chapter 230-50 WAC, against any individual or business entity that is licensed by the Tribal Gaming Commission or certified by the State Gaming Agency in accordance with this Compact. To enforce the provisions of this Compact, the Nation consents to a limited waiver of its sovereign immunity, solely with respect to any legal action filed by the State in the Federal District Court for the Western District of Washington or the Quinault Tribal Court to enforce the terms of this Compact. This waiver shall be effective only during the term that this Compact is in effect. 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 Nation.

## **IX. LAW ENFORCEMENT JURISDICTION OVER GAMING ACTIVITY**

**A. Investigative Authority.**

1. **Investigations on the premises of the Class III gaming facility:** Within the premises of the gaming facility, including appurtenant parking areas, the Tribal Gaming Commission, the Quinault Indian Nation Police Department, the State Gaming Agency and Local Law Enforcement agencies shall have jurisdiction to initiate and conduct investigations of all gaming-related criminal activities by patrons, employees, or other persons, regardless of status; provided, that the State Gaming Agency shall not have any jurisdiction to initiate or conduct investigations of Quinault Tribal members involved in bingo, pulltab or punchboard activities, but if the State Gaming Agency becomes aware of any information relating to the suspected violation by Quinault Tribal members of any laws or regulations in connection with such activities, the State Gaming Agency shall report such information to the Tribal Gaming Commission. The Tribal Gaming Commission and the State Gaming Agency each shall notify the other upon the commencement of any such investigation, and each may request the assistance of the other in connection therewith. Unless involvement of the Tribal Gaming Commission in an investigation would materially impede or compromise the integrity of such investigation, the State Gaming Agency shall request and accept the assistance of the Tribal Gaming Commission or the Quinault Indian Nation Police Department. The State Gaming Agency shall provide such assistance as the Tribal Gaming Commission may request, and the Tribal Gaming Commission shall request the assistance of the State Gaming Agency to the extent that the investigation involves conduct outside of Quinault Indian Lands or requires investigation outside of Quinault Indian Lands. In addition to conducting investigations of its own initiative, the Tribal Gaming Commission shall initiate and conduct investigations in the Gaming Facility when requested to do so by the State Gaming Agency. The Tribal Gaming Commission shall provide the State Gaming Agency with a report of the results of each investigation involving suspected violations of this

Compact, applicable gaming laws, ordinances and regulations. Notwithstanding the foregoing, the State Gaming Agency shall have unrestricted access to the public areas of the Gaming Facility during normal business hours, and access to the non-public areas of the Gaming Facility on notice to the Tribal Gaming Agency, which may have a representative accompany the State Gaming Agency's representative. In the event that the State Gaming Agency reasonably believes that the Tribal Gaming Commission or other Quinault Indian Nation law enforcement agency may be implicated in a violation of this Compact or applicable laws or regulations, the State Gaming Agency shall notify the United States Attorney rather than the Tribal Gaming Commission or the Quinault Indian Nation Police Department. In the event that the Tribal Gaming Commission reasonably believes that the State Gaming Agency, any other non-Indian governmental agency or subdivision of the State of Washington, or any person acting under color of the State or any agency or subdivision thereof may be implicated in the violation of this Compact or any applicable law or regulation, the Tribal Gaming Commission may notify the United States Attorney rather than the State Gaming Agency.

2. **Investigations elsewhere on Quinault Indian Lands:** The Tribal Gaming Commission, the State Gaming Agency and Local Law Enforcement shall have jurisdiction to initiate and conduct investigations involving gambling and gambling-related crimes on Quinault Indian Lands outside the premises of the Nation's Class III gaming facility; provided, the State Gaming Agency's jurisdiction to investigate professional gambling and criminal offenses related to professional gambling involving Quinault Tribal members shall be limited to Class III professional gambling activities only. If the State Gaming Agency becomes aware of suspected professional gambling or criminal activity related to professional gambling involving Quinault Tribal members on Quinault Indian Lands, the State Gaming Agency shall notify the Tribal Gaming Commission or Quinault Indian Nation Police Department; if neither the Tribal Gaming Commission or the Quinault Indian Nation Police Department takes action in response to such notification, the State Gaming Agency may notify the United States Attorney, and the State Gaming Agency shall not have jurisdiction to investigate such activities involving Quinault Tribal members on Quinault Indian Lands unless neither the Quinault Indian Nation authorities nor the United States Attorney takes action in response to such notification. Nothing in this section shall preclude the State Gaming Agency from calling upon other local law enforcement agencies for assistance, provided that the personnel of such other agencies act under the direction and control of the State Gaming Agency, provided further that this section shall not limit the State Gaming Agency's jurisdiction to investigate what the State contends to be the operation of illegal gambling devices, or any professional gambling activities or criminal activities related to professional gambling that originate in or are connected to the Nation's Class III gaming operation. The Tribal Gaming Commission and the State Gaming Agency shall notify the other of any such investigation, and the State Gaming Agency shall provide such assistance as may be requested by the Tribal Gaming Commission.

B. **Jurisdictional Forums.** Following investigation and arrest, formal criminal charges against individuals or entities shall be brought in the appropriate venue. Criminal prosecution of non-Indian defendants shall be in State or Federal court. Criminal prosecution of Quinault Tribal members shall be in Quinault Tribal or Federal court.



Criminal prosecution of non-Quinault Indians shall be in Quinault Tribal or Federal court or, where permitted under law in effect upon the execution of this Compact, in State court. Wherever possible, for criminal defendants who are Indian, Quinault Tribal Court shall be the preferred venue for prosecutions unless the Nation declines to exercise its jurisdiction within six months of apprehension by a law enforcement agency and receipt by the Tribal Prosecuting Attorney of all relevant information in the possession of the apprehending agency.

- C. Consent to Concurrent Application of State Law To Regulate Tribal Gaming Activities.** For the purposes of 18 USC § 1166(d), and enforcement of provisions of this Compact with respect to certification, criminal conduct, and protection of the public health, safety and welfare, to the extent not inconsistent with other provisions of this Compact, RCW 9.46.0335; 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; and 67.16.060, as now or hereafter amended are made applicable to and incorporated as part of this Compact. Notwithstanding provisions in the Compact to the contrary, any penalty or fine contained in State statutory provisions regulating gaming activities which conflict with any limitations upon the Nation under federal statute, shall comport with federal law. Nothing in this Compact shall be deemed a consent or submission of or by the Nation to the jurisdiction or application of any other law of the State.
- D. Joint Enforcement Meetings.** Representatives of law enforcement agencies involved in joint enforcement operations shall meet prior to commencement of Gaming Operations and, at minimum, semi-annually thereafter to discuss mutual concerns and coordinate the enforcement actions necessary to minimize those concerns.

#### **X. AUTHORITY TO ENACT COMPACT PROVISIONS**

- A. State Gaming Agency Rules or Regulations.** Pursuant to its general rule making authority contained in Chapter 9.46 RCW the State Gaming Agency may enact as part of its rules or regulations governing gambling, all or part of the provisions of this Compact.
- B. Tribal Gaming Commission Regulations.** Pursuant to its general rule making authority, the Tribal Gaming Commission may enact as part of its regulations governing gambling, all or part of the provisions of this Compact.

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

- A. Adoption of Regulations for Operation and Management.** The Tribal Gaming Commission shall adopt regulations to govern the operation and management of the Gaming Operation conducted pursuant to this Compact. The regulations shall ensure that the provisions of this Compact are properly enforced. The regulations shall maintain the integrity of the Gaming Operation and shall reduce the dangers of unfair or illegal practices in the conduct of the Class III Gaming Operation. The initial regulations to govern the operation and management of the Tribal Gaming Operation shall be the

standards set forth in Appendix A and deemed approved by the State. The Tribal Gaming Commission shall notify the State Gaming Agency of any intent to revise the standards set forth in Appendix A and shall request the concurrence of the State Gaming Agency for such revisions. The State Gaming Agency concurrence shall be deemed granted unless disapproved in writing within thirty (30) days of its receipt by certified mail or hand delivery of the submission setting forth the revised standards. The State Gaming Agency shall concur with the proposed revisions upon request, unless they would have a material adverse impact on the public interest or the integrity of the Gaming Operation, and shall disapprove only such portions of the proposed revised standards which 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 no resolution is reached within ten (10) days, the matter shall be resolved pursuant to Section XII.C of this Compact.

**B. Additional Operational Requirements Applicable To Class III Gaming.** The following additional requirements shall apply to the Gaming Operation conducted by the Nation:

1. The Tribal Gaming Operation shall maintain the following logs, as written or computerized records, which shall be available for inspection by the Tribal Gaming Commission and the State Gaming Agency in accordance with Section VII.B of the Compact: a surveillance log recording all surveillance activities in the monitoring room of the Gaming Facility; a security log recording all unusual occurrences as set forth in Section VI.A.7 of the Compact.
2. The Tribal Gaming Commission shall establish a list of persons barred from the Gaming Facility because their criminal history or association with career offenders or career offender organizations poses a threat to the integrity of the Gaming Activities of the Nation. The Tribal Gaming Commission shall employ its best efforts to exclude persons on such list from entry into its Gaming Facility. The Tribal Gaming Commission shall send a copy of its list on a quarterly basis to the State Gaming Agency.
3. The Tribal Gaming Commission 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 Commission shall notify the State Gaming Agency of the rules of each game operated by the Nation and of any change in such rules. Summaries of the rules of each game relevant to the method of play and odds paid to winning bets shall be visibly displayed or available in pamphlet form in the Gaming Facility. Betting limits applicable to any Gaming Station shall be displayed at such Gaming Station. Rules for games identified in Section III shall be based upon such games as commonly practiced in Nevada, including wagering, as do not fundamentally alter the nature of the game and as the Tribal Gaming Commission may approve. Rules for games identified in Section III shall be submitted to the State Gaming agency for review at least thirty (30) days prior to commencement of the Gaming Operation, to determine if the rules fundamentally alter the nature of the game. The Nation shall provide the State Gaming Agency ten (10) days

advance notice of the rules of each game and any modifications thereof, and shall provide adequate notice to patrons of the Gaming Facility to advise them of the applicable rules in effect. In the event of a dispute, the matter shall be handled in accordance with Section XII.C of this Compact.

**C. Regulation of Gaming Facility.** The following requirements shall apply to the Gaming Facility maintained by the Nation or its manager, its management company, if any:

1. The Tribal Gaming Operation shall maintain a closed circuit television system in accordance with the regulations set forth in Appendix A, and shall not modify such system without the agreement of the State Gaming Agency. The Tribal Gaming Operation shall provide the Tribal Gaming Commission and the State Gaming Agency with copies of its floor plan and closed circuit television system for review by the Tribal Gaming Commission. If the floor plan or closed circuit television system contains deficiencies, including but not limited to a failure to provide unobstructed camera views in accordance with the regulations, the Tribal Gaming Commission shall advise the Gaming Operation of the deficiencies and direct the Gaming Operation to submit a modified floor plan or closed circuit television system which remedy such deficiencies. The Tribal Gaming Commission shall forward a copy of the modified floor plan and closed circuit television system to the State Gaming Agency for review and comment prior to issuing a final approval of the floor plan and closed circuit television system.
2. The Tribal Gaming Operation shall maintain the security of the cashier's cage in accordance with the standards set forth in Appendix A, and shall not modify such cashier's cage without the concurrence of the State Gaming Agency. The Tribal Gaming Commission and the State Gaming Agency may review the security of the cashier's cage. If the cashier's cage does not comply with the security standards set forth in Appendix A, upon written notice by either agency, the Tribal Gaming Operation shall modify the cashier's cage to remedy such deficiency.
3. The Tribal Gaming Operation shall provide the Tribal Gaming Commission and the State Gaming Agency a description of its minimum requirements for supervisory staffing for each table gaming pit operated in its Gaming Facility. In the event that either the Tribal Gaming Commission or the State Gaming Agency regards such supervisory staffing as inadequate, the Tribal Gaming Commission and State Gaming Agency shall promptly confer in good faith to reach an agreement on supervisory staffing requirements.
4. Standards for management and operation of the satellite wagering activities shall be consistent with provisions of this Compact, including Appendix A, and with laws applicable to non-tribal satellite wagering facilities and activities in the State to the extent any such laws are not inconsistent with this Compact.
5. Any dispute arising under this Section XI.C shall be handled in accordance with the provisions of Section XII.C of this Compact.

## **XII. REMEDIES FOR BREACH OF COMPACT PROVISIONS**

- A. Injunction Against the State.** If in the Nation's view the State has breached or defaulted or is otherwise acting contrary to, or is failing to act in the manner required by any of the provisions of this Compact, the Nation may seek injunctive or other relief in a court of

competent jurisdiction. Prior to bringing such action, the Nation shall notify the State and the State Gaming Agency in writing of the alleged violation(s).

- B. Injunction Against the Nation, the Nation's Gaming Operation, or any Individual.** The State Gaming Agency may bring an action to enjoin the Nation, the Nation's Gaming Operation, or any individual, 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 Gaming Activity is being conducted by others elsewhere on Quinault Indian Lands in violation of the provisions of this Compact. Such action shall be brought in the U.S. District Court for the Western District of Washington, pursuant to 25 USC § 2710(d)(7)(A)(ii). Solely for the purpose of this remedy, the Nation consents to such suit and hereby agrees to a limited waiver of its sovereign immunity for the purposes set forth in this subsection only, such waiver to be effective only during the term that this Compact is in effect; provided, that no injunctive relief shall be sought against the Nation without notice, and if the State seeks injunctive relief against the Nation without first having resorted to the dispute-resolution procedures in Section XII.C of this Compact, the State shall have the burden of demonstrating to the Court that the failure to resort to said procedures was reasonably justified. Prior to bringing such action, the State Gaming Agency shall notify the Nation, the Tribal Gaming Commission and the Tribal Gaming Operation in writing of the alleged violation(s).
- C. Dispute Resolution.** Without prejudice to either party to seek injunctive relief against the other and excepting specific enforcement provisions agreed to between the parties elsewhere in this Compact, the parties hereby establish a method of non-judicial dispute resolution. The purpose of this provision is to foster a spirit of cooperation and efficiency in the administration and monitoring of performance and the compliance by each with the terms, provisions and conditions of this Compact. Except where other procedures and time frames are specifically set forth in this Compact, any dispute or disagreement between the parties regarding the implementation of and compliance with any provisions of this Compact, or other disputes by mutual agreement of the parties, shall be resolved as follows:
1. Either party shall give the other, as soon as possible after the event giving rise to the concern, a written notice setting forth the issues to be resolved;
  2. The parties shall meet, confer and attempt to resolve the issues no later than ten (10) days from receipt of the notice;
  3. If the dispute is not resolved to the satisfaction of the parties within twenty (20) days of the first meeting, then either party may seek and cause to have the dispute resolved by and in accordance with the policies and procedures of the Commercial Rules of Arbitration of the American Arbitration Association ("AAA");
  4. The hearing, unless another date is stipulated to by the parties, shall occur no later than fourteen (14) days from the date of the selection of the arbitrator(s);
  5. The hearing shall occur at a time, place and location of mutual selection, but if such cannot be agreed to, then as selected by AAA or by the arbitrator(s) selected;
  6. The decision of AAA shall be final and unappealable. If the party against whom sanctions are imposed or curative or other conforming action is ordered fails to perform, expeditiously undertake or is not capable of immediately effecting the cure, then such failure shall be deemed a default and breach of the provision(s) of

- the Compact;
7. Should AAA cease to provide arbitration services the parties agree to substitute the services of a similar arbitration/mediation service;
  8. Nothing in this section shall be construed to waive, limit or restrict the remedies otherwise expressly agreed upon by the parties in other provisions of this Compact. This section does not preclude, limit or restrict the ability of the parties to pursue, by mutual agreement, alternative methods of dispute resolution, including but not limited to mediation, or utilization of a technical advisor to the Tribal and State Gaming Agencies; provided that neither party is under any obligation to agree to such alternative method of dispute resolution.

**D. Sanctions/Civil Fines.** The following is a schedule of civil fines for infractions of the provisions of the Compact. These penalties are the maximums which may be set within the reasonable discretion of the State Gaming Agency and charged and levied against the Gaming Operation, manufacturer, supplier, gaming employee or other entities. The event or circumstances occasioning the charge and the extent and amount of the penalty for the infraction, if contested by the Gaming Operation, are subject to dispute resolution under Section XII.C of the Compact.

1. For violation of terms, conditions and provisions of Section III: 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 twenty (20) hours per day) per violation, or the dollar equivalent of the Net Win to the Nation from operations for the number of days of suspension, all not to exceed thirty (30) days.
2. For violation of the terms, conditions and provisions of Section IV and V non-certified or non-licensed gaming employee(s), manufacturer(s), supplier(s) or other entities:
  - a. For employee's first infraction - fine equal to daily Net Win for each day of his or her employment divided by the number of Gaming Stations in play for each day of employment. For the same employee's second and subsequent infractions - one (1) day's suspension (up to twenty (20) hours per day) 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 - up to \$5,000 for the first infraction; and up to \$20,000 for the second and subsequent infractions.
3. For violation of the terms, conditions and provisions of Section XI and Appendix A:
  - a. For first violation - written warning.
  - b. For second violation of the same provision - up to \$250.
  - c. For third violation of the same provision - up to \$500.
  - d. For subsequent violations of the same provision - up to \$1,000.
4. All penalties listed in subsection 3 (a) through (d) shall be charged and monitored on a per violation basis on an annual basis per violator dating from the issuance of the written warning. Provided, during the first nine (9) months, or earlier as provided for in Section III.L of the Compact, of actual operation of the Class III Gaming Operation only written warnings shall be issued.

- E. Disposition of Civil Fines Collected.** Any civil fines collected by the State Gaming Agency pursuant to the provisions of this Compact shall be disbursed at the end of each fiscal year as follows: 50% to the Washington State Council on Problem Gambling, a bona fide nonprofit organization; and the remainder to bona fide charitable nonprofit organizations serving the Quinault Indian Nation community selected by the Nation with the concurrence of the State Gaming Agency, providing assistance within the county in the areas of social development, education, recreation, health, food, or shelter. In the event the Washington State Council on Problem Gambling 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, Quinault Indian Lands, and neighboring communities. Any dispute arising under this subsection E shall be resolved pursuant to Section XII.C of this Compact.

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

The Nation 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. Upon execution of this Compact, and annually thereafter, the State Gaming Agency shall prepare a schedule of fees for its monitoring, investigation and processing activities. The State Gaming Agency shall prepare quarterly estimates for review by the Nation in advance of billing for actual costs and expenses. Reimbursement shall be made for monitoring, investigative, and processing costs. With regard to administrative actions, reimbursement shall be made to the extent costs incurred exceed the certification fees received. The State shall submit a verified, detailed statement of costs and expenses, with supporting documentation, on a quarterly basis to the Tribal Gaming Commission. The Nation shall reimburse the State Gaming Agency within thirty (30) days after the receipt of the statement of costs and expenses. Any dispute arising under this subsection shall be resolved pursuant to Section XII.C of this Compact.

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

- A. Compliance.** For the purposes of this Compact, the Tribal Gaming Operation shall comply with and enforce standards no less stringent than the following with respect to public health and safety:

Indian Health Service public health standards;

All Federal laws establishing minimum standards for environmental protection;

Applicable EPA program standards and NEPA requirements;

Federal water quality and safe drinking water standards;

Uniform Building Code, including codes for electrical, fire and plumbing;

Public health standards for food and beverage handling in accordance with U.S. Public Health Service requirements; and

Quinault Indian Nation Codes regarding public health, safety and environmental protection standards.

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

**C. Community Impact Mitigation.**

1. The Nation recognizes that activities directly and indirectly associated with the operation of the Gaming Facility on Quinault Indian Lands may affect surrounding local law enforcement agencies, emergency services and other agencies. The Nation hereby agrees to establish a fund for purposes of providing assistance to local agencies affected by the Class III Gaming Operation based on documented costs. The Nation shall withhold and disburse 2.0% of the Net Win from the Class III Gaming Operation excluding satellite wagering activities, for this fund ("Impact Mitigation Funds"). No funds shall be disbursed from the Impact Mitigation Fund until Memoranda of Understanding ("MOU") are adopted, as provided in Section XIV.C.2 of this Compact, stipulating appropriate relationships between the Nation and agencies receiving funds. A committee (majority rule) consisting of two representatives of the Quinault Indian Nation; an elected representative from the City of Ocean Shores; an elected member of the Grays Harbor County Commission; and one representative from the State Gaming Agency, shall be established. The makeup of this committee may be altered by mutual agreement of the Tribal and State Gaming Agencies, if necessary. The committee shall initially develop and execute the Memorandum of Understanding, containing committee rules of order, Impact Mitigation Fund distribution procedures, and establish set factors to be used to determine negative impacts, if any, to Grays Harbor County and the neighboring city of Ocean Shores, Hoquiam, and Aberdeen. The committee shall meet at least annually to discuss the following: 1) positive and negative impacts within the county, neighboring cities, and on Quinault Indian Lands; 2) services provided by Tribal and other agencies; and 3) the distribution of the Impact Mitigation Fund. No Class II gaming revenues, satellite wagering revenues, or non-gaming revenues such as, but not limited to food, beverage, wholesale or retail sales, shall be included within the 2.0% budgeted or disbursed as set forth in this Section XIV.C.
2. Impact Mitigation sums designated for distribution shall be paid within thirty (30) days following the end of each quarter (January 30, April 30, July 30, and October 30), following the opening of the Class III Gaming Facility to the public and the execution of appropriate MOU(s). All Impact Mitigation Funds shall be kept in an interest bearing escrow account by the Nation from which the Nation shall be entitled to retain the interest.
3. The MOU(s) shall provide for a fifty percent (50%) allocation to the Grays Harbor County Sheriff's Office; the committee may adjust annually the allocation of the Impact Mitigation Fund to meet the actual impacts associated with Class III gaming by the Nation. The fifty percent (50%) allocated to the Grays Harbor

County Sheriff's Office, which shall be used to provide additional law enforcement officers to assist the Quinault Indian Nation Police Department, may be re-evaluated after a two year period.

4. At any time after one year from the opening of the Class III Gaming Facility, or from time to time thereafter, either the State Gaming Agency or the Tribal Gaming Commission may request a re-evaluation, and possible reduction of, the Impact Mitigation payments based on fewer than anticipated impacts. In the event the State and the Tribal Gaming Agencies mutually agree, the Impact Mitigation Fund shall be reduced at that time.

- D. **Community Relations.** Upon written request of any adjacent local government, the Nation and/or the Tribal Gaming Commission shall meet and discuss with such government any concerns regarding the impact of the Class III Gaming Operation upon the neighboring communities.
- E. **Alcoholic Beverage Service.** Standards for alcohol service within the Gaming Facility 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 Nation pursuant to the I.G.R.A. and shall be amended or 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. Should the Nation wish to cease Class III Gaming Operations, the Nation may unilaterally terminate this Compact by submitting written notice sixty (60) days prior to the date of termination to the Governor; 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, and State law then prohibits 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 for the Western District of Washington pursuant to 25 USC § 2710(d)(7)(A)(ii). It is the Nation's position that subsequent state legislation would not have this effect under the Compact or I.G.R.A. and, 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 purposes of complying with the I.G.R.A. The Nation disagrees that under the I.G.R.A. such State legislation would have the effect claimed by the State. The Nation agrees that the stated forum is the appropriate forum for the purpose of litigating the issue.



**D. Adjustments/Renegotiations.**

1. **Adjustments - Mutual.** The terms and conditions of this Compact may be adjusted at any time by the mutual and written agreement of both parties, except as limited by Section XV.D.3 of this Compact.
2. **Changes to and Interpretation of Laws.** The parties shall adjust the terms and conditions of this Compact, except as provided below in Section XV.D.3, upon written notice and request by the Nation 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;
  - (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 authorized for any purpose by any person, organization or entity at the time this Compact was executed or 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/Amendments - Section III of Compact.** Section III G, J, K, and L of the Compact regarding certain aspects of the scope of gaming shall not be subject to renegotiation or amendment for thirty-six (36) months from January 1, 1995, unless one of the following occurs: (1) the laws or regulations 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 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; or (3) another tribe West of the Cascade Mountains obtains, through a Compact or Amendment to a Compact approved by the Secretary of the Interior, greater levels of wagering, hours of operation, size and/or scope of Class III gaming activities, than authorized by the provisions of this Compact; (4) another tribe East of the Cascade Mountains obtains, through a Compact approved by the Secretary of the Interior, greater levels of wagering, hours of operation, size and/or scope of Class III gaming activities, than authorized by the provisions of this Compact.
4. **Re-negotiation of Compact After Moratorium Period.** At the conclusion of the moratorium period on re-negotiation set forth in Section XV.D.3, the State and the Nation shall meet and confer as to whether the Gaming Operation should be expanded to meet market needs at that time. Negotiations under this paragraph shall be in accordance with Section XV.D.6.
5. **Renegotiation/Amendments - Other Sections of Compact.** At any time after execution of this Compact, the parties shall renegotiate Sections of the Compact, other than Section III G, J, K and L, upon the written notice and request by one party to the other 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.

6. **Process and Negotiation Standards.** All written requests to amend or renegotiate shall include the activities or circumstances to be negotiated together with a statement of the basis supporting the request. If the request meets the requirements of this subsection, 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 subsections where a different resolution is specifically provided for by this Compact. The original terms and provisions of this Compact shall remain in effect unless and until the parties agree on renegotiated terms.
7. **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 Nation 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.
8. **State 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 Secretary of the Interior approves a compact with any Washington Tribe west of the Cascade Mountains, or an amendment thereto, and such compact gives such tribe more Gaming Stations, higher wager limits, other Class III gaming activity, and/or more hours of operation or otherwise approves a compact or amendment to a compact which gives such Tribe an expansion of terms other than those identified above, or if the Secretary of the Interior approves a compact with a Washington Tribe east of the Cascade Mountains, or an amendment thereto and the Nation can demonstrate that such levels have resulted in adverse economic impact on the Class III gaming operation, 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.C of this Compact if a dispute arises regarding the applicability of this automatic amendment provision to a particular term approved in another compact.

## **XVI. LIMITATION OF LIABILITY**

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

**XVII. NOTICES**

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

**Governor  
State of Washington  
State Capitol  
Olympia, WA 98504**

**President  
Quinault Indian Nation  
P. O. Box 189  
Taholah, WA 98587**

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

**Executive Secretary  
Wash. Horse Racing Commission  
3700 Martin Way  
Olympia, WA 98504**

**XVIII. 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 subject to renegotiation pursuant to Section XV.D. of this Compact.

**IN WITNESS WHEREOF**, the Quinault Indian Nation and the State of Washington have executed this Compact.

**SIGNATURES**

**THE QUINAULT INDIAN NATION**

**THE STATE OF WASHINGTON**

*Pearl Capoeman-Baller*  
**BY: Pearl Capoeman-Baller, President**

*Mike Lowry*  
**BY: Mike Lowry, Governor**

Date: *July 9, 1996*

Date: *July 9, 1996*

**QUINAULT INDIAN NATION**

**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 Quinault 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.



**QUINULT INDIAN NATION**

**APPENDIX B**

## **APPENDIX B**

### **QUINAULT INDIAN NATION - STATE OF WASHINGTON CLASS III GAMING COMPACT**

#### **RULES GOVERNING CLASS III GAMING on the QUINAULT 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**

The Tribe may sell punchboards and pull-tabs in the facility and at other locations on the Quinault Reservation subject to regulation by the Tribe and other than at a location where bingo is played. Such punchboards and pull-tabs shall be sold in a manner consistent with the sale of punchboards and pull-tabs at any location on the Quinault Reservation where bingo is played.

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

The sale of Washington State lottery tickets on the Quinault 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 Quinault 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.C of this Compact.

c. If, following an adverse determination from the Commission, the Washington State track does not offer the terms identified by the Commission in accordance with subparagraph b., above, the Tribe shall be entitled to negotiate for and receive simulcast signals from out-of-state races 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 Quinault 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 Quinault 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.