

**FOURTH AMENDMENT TO THE TRIBAL-STATE COMPACT
FOR CLASS III GAMING BETWEEN
THE SNOQUALMIE INDIAN TRIBE AND THE STATE OF WASHINGTON**

WHEREAS, on February 15, 2002, the State of Washington (“State”) and the Snoqualmie Indian Tribe (“Tribe”) executed a Class III Gaming Compact (“Original Compact”), pursuant to the Indian Gaming Regulatory Act of 1988 (“IGRA”), P.L. 100-407, codified at 25 U.S.C. Section 2701 et, seq. and 18 U.S.C. Sections 1166-1668; and

WHEREAS, on March 30, 2007, the State and the Tribe executed the First Amendment to the Tribal-State Compact for Class III Gaming between the Tribe and the State (“First Amendment”); and

WHEREAS, on June 14, 2008, the State and the Tribe executed the Second Amendment to the Tribal-State Compact for Class III Gaming between the Tribe and the State (“Second Amendment”); and

WHEREAS, on April 8, 2015, the State and the Tribe executed the Third Amendment to the Tribal-State Compact for Class III Gaming between the Tribe and the State (“Third Amendment”); and

WHEREAS, the Original Compact and the First, Second, and Third Amendments have all been approved by the Secretary of the Interior and are in full force and effect (hereinafter referred to collectively as the “Compact”); and

WHEREAS, the State and Tribe subsequently conducted additional negotiations in accordance with the provisions of IGRA and the terms of the Compact; and

WHEREAS, the State and Tribe have agreed to certain changes to the Compact, including changes to Appendix X2, that the parties believe will benefit the Tribe and the State, will be fair and protect the members of the Tribe and the other citizens of the State, and are consistent with the objectives of IGRA.

NOW, THEREFORE, the Compact shall be, and is hereby amended as follows:

1. Amend Compact throughout by replacing each reference to WAC Chapter 230-50 with WAC Chapter 230-17.

2. Amend Compact Section III.F. to read as follows:

F. Forms of Payment

All payment for wagers made in authorized forms of Class III Gaming conducted by the Tribe on its Reservation, including the purchase of chips or tokens, for use in wagering, shall be made by cash, cash equivalent, credit card or personal check. Cash payments for wagers made through near-field communication (NFC) devices, EMV or smart cards, or similar secure payment technologies may be utilized upon agreement between the Tribe and the State Gaming Agency and documented in a Memorandum of Understanding. ~~Except for said use of credit cards, n~~No credit shall be extended to any patron of the Gaming Facilities for gaming activities except as authorized in this Compact and Appendices.

3. Amend Compact Section V.B and F. as follows:

B. Background Investigations of Applicants. Upon receipt of a completed application, attachments and the fee required 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 gaming certification requests submitted by the Tribe. Upon completion of the necessary background investigation, the State Gaming Agency shall either issue a State certification to the applicant with a copy to the Tribal Gaming Agency, or deny the application based on 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 Agency. If the application for certification is denied, a statement setting forth the grounds for denial shall be forwarded to the applicant in accordance with the provisions of Chapter ~~230-50~~ 230-17 WAC with a copy forwarded to the Tribal Gaming Agency. After twenty-four (24) months of operation, and upon the Tribe's demonstration of its capacity to conduct background investigations meeting Compact standards for certifications, the State and the Tribe shall meet and confer regarding the possibility of transferring to the Tribe the primary responsibility for the conduct of background investigations for its tribal member applicants. State certification of tribal member applicants shall still be required even if the primary responsibility for conducting background investigations is transferred to the Tribe, but certification fees will be adjusted to reflect the primary background investigation responsibility of the Tribe. The State shall not apply to any applicant for certification required under this Compact a more rigorous standard than that actually applied in the approval of state licenses or certifications in non-Tribal gaming activities regulated by the State. All background materials compiled by the State Gaming Agency in connection with the background investigation of any applicant for certification shall be available to the Tribal Gaming Agency at the State Gaming Agency office upon request, subject to any constraints imposed by the State Gaming Agency's accreditation as a law enforcement agency and status as a member of Law Enforcement Intelligence Unit. For the purposes of the State Gaming Agency's

background investigation and recordkeeping, the definitions set out in RCW 10.97.030 are incorporated herein by reference.

F. Duration and Renewal of Tribal Issued Licenses and State Certifications. Any Tribal license or State certification shall be effective for one year from the date of issuance of the license, certification, or temporary license or certification, unless otherwise revoked or suspended. A licensed or certified employee or entity that has applied for renewal may continue to be employed under the expired Tribal license or State certification or license until the Tribal Gaming Agency or State Gaming Agency takes action on the renewal application or the certification or license is suspended or revoked. Applicants seeking renewal of license or certification shall provide information updating originally submitted information as requested, on the appropriate renewal forms, but shall not be required to re-submit historical data already available to the Tribal Gaming Agency or the State Gaming Agency. Additional background investigation shall be required if new information concerning the applicant's continuing suitability or eligibility for a Tribal license or a State certification is discovered by either the Tribal or State Gaming Agency. The State shall forward a copy of any updated information to the Tribe, subject to any constraints imposed by the State Gaming Agency's accreditation as a law enforcement agency and status as a member of Law Enforcement Intelligence Unit. For the purposes of the State Gaming Agency's background investigation and recordkeeping, the definitions set out in RCW 10.97.030 are incorporated herein by reference. Should any renewal application be denied, the State shall send a copy of the statement to the Tribal Gaming Agency setting forth the grounds for the non-renewal of the certification.

4. Amend Compact Section V.D as follows:

D. Right to Hearing for Revocation, Suspension, or Denial of State Certification. Any applicant for State certification, or holder of a State certification shall be entitled to notice and a full hearing on any action by the State Gaming Agency which may result in the revocation, suspension, or denial of State certification. The notice and hearing will be conducted in accordance with the procedures contained in the applicable provisions of Chapter 9.46 RCW, Chapter 34.05 RCW, and Chapter 230-50-17 WAC, and the records involved shall be governed by the definitions set out in RCW 10.97.030. The State, ~~may,~~ at its discretion, defer such actions to the Tribal Gaming Agency. Nothing herein shall prevent the Tribal Gaming Agency from invoking its own disciplinary procedures and proceedings at any time.

5. Amend Compact Section IX by deleting the current text in its entirety and replace with the following:

A. Criminal Prosecutions

- (1) Investigative Authority – Gambling and Gambling-Related Crimes
The Tribal Gaming Agency, Tribal Law Enforcement, the State Gaming Agency, and other Local Law Enforcement Agencies will have the authority to investigate and make arrests, if necessary, for all gambling and gambling-related crimes committed in violation of the laws of the Tribe and the provisions of the Revised Code of Washington incorporated into Tribal Law in Section IX.C of this Compact that occur within Tribal Lands.
- (2) Courts – Gambling and Related Crimes
Following investigation and arrest, formal charges for all gambling and gambling-related crimes that occur within Tribal Lands will be brought in the appropriate court:
 - a) Non-Indians – State or Federal Courts: Criminal prosecution of Non-Indians, and prosecution of delinquent juvenile non-Indians per RCW 9.46.228 (3), will be through the proper state or federal court. The Tribe agrees to cooperate with the responsible state and/or federal agencies in any criminal investigation or prosecution conducted pursuant to this subsection.
 - b) Indians – Tribal or Federal Courts: Criminal prosecution of Indians, and prosecution of delinquent juvenile Indians, will be through Snoqualmie Tribal Court or federal court. The Snoqualmie Tribal Court shall be the preferred forum for prosecutions of Indians unless the Tribe declines to exercise its jurisdiction within six months of receipt by the Snoqualmie Prosecuting Attorney of all relevant charging information.

B. Administrative Charges

- (1) Concurrent Jurisdiction
The Tribal Gaming Agency and State Gaming Agency have concurrent jurisdiction to investigate violations of the provisions of this Compact and to bring administrative charges, in accordance with the laws of the Tribe and the provisions of the Revised Code of Washington incorporated into Tribal Law in Section IX.C of this Compact that occur within Tribal Lands, against any Applicant and/or individual or entity that is licensed by the Tribal Gaming Agency and/or holds a State Certification, Eligibility Determination, or Gaming Employee Registration or is licensed by the State Gaming Agency.
- (2) Sanctions and Civil Fines
The Tribal Gaming Agency and the State Gaming Agency shall enter into a Memorandum of Understanding, which may be amended from time to time, to define the schedule of sanctions and civil fines.

Any civil fines collected shall be distributed to a non-tribal, bona fide nonprofit or charitable organization in the State of Washington selected by the

Tribe. Any civil fines assessed pursuant to the provisions of this Compact shall be paid within thirty (30) days of assessment.

- C. Limited Consent to Application of Provisions of the Revised Code of Washington and Incorporations into Tribal Law for Gambling and Gambling-Related Crimes
For the purposes of 18 U.S.C. § 1166(d), for enforcing the provisions of this Compact with respect to licensing and criminal conduct, for protection of the public health and safety and, to the extent not inconsistent with other provisions of this Compact, RCW 9.46.0245; 9.46.0269; 9.46.070; 9.46.140; 9.46.155; 9.46.160; 9.46.170; 9.46.180; 9.46.185; 9.46.190; 9.46.195; 9.46.196; 9.46.1961; 9.46.1962; 9.46.198; 9.46.210 (3) & (4); 9.46.212 9.46.215; 9.46.217; 9.46.220; 9.46.221; 9.46.222; 9.46.225; 9.46.228 (1) (2), (4) & (5); 9.46.231; 9.46.235; 9.46.240; 74.08.580; 67.16; 67.70; 9A.52; 9A.56; 9A.60; 9A.83.020; 9A.82; 9.35.010; 9.35.020; as now or hereafter amended, to the extent such amendments concern the same subject matter as the old statutory provisions, shall be applicable herein as part of this Compact and incorporated into Tribal Law. The RCWs listed above shall be deemed to have been incorporated into the Gaming Ordinance or other tribal codes, in a manner which is consistent with the Tribe's laws and procedures with respect to adoption and codification of tribal law. In the event any such provisions of State law are amended or repealed, the Tribal code will be deemed to have been so amended.

Except for the concurrent jurisdiction of the State with respect to gambling and related crimes on Tribal Lands contained in this Section and elsewhere for acts of persons and/or entities, nothing in this Compact shall be deemed a consent or submission of or by the Tribe to the concurrent jurisdiction and/or application of any other laws of the State.

- D. Tribal Law Conformity with Federal Law
Notwithstanding provisions within this Compact to the contrary, any penalty or fine contained in State statutory provisions incorporated into this Compact or the Tribe's laws which are in conflict with applicable federal law shall be deemed revised and amended so as to conform to federal law.
- E. Law Enforcement Coordination
In an attempt to foster a spirit of cooperation between the Tribal Law Enforcement and Local Law Enforcement Agencies, representatives of those Law Enforcement Agencies shall meet periodically or as requested by any of the Law Enforcement Agencies to discuss mutual concerns and coordinate the enforcement actions necessary to minimize those concerns.
- F. Reporting Requirements.
The Tribe shall cooperate with requests from the State Gaming Agency to provide the information required for the State Gaming Agency's reporting requirements under RCW 9.46.090. If the Tribe determines that providing any specific information requested is inconsistent with its sovereignty and its need to protect its proprietary business information, the Tribe will not provide such information and will notify the State Gaming Agency of such determination.

G. Preservation of Tribal Self-Government

Nothing in this Compact will be deemed to authorize the State:

- (1) to regulate in any manner the government of the Tribe;
- (2) to interfere with the Tribe's selection of its governmental officers and directors or officers of the Gaming Operation and federally or tribally chartered entities wholly-owned by the Tribe; or
- (3) to exercise any authority or jurisdiction over criminal conduct that does not involve gambling or gambling-related crimes.

6. Amend Compact Section XII.A to read as follows:

A. Injunction Against the State. If the Tribe believes the State, whether through the State Gaming Agency or the Washington Horse Racing Commission, is in breach or default or is otherwise acting contrary to, or failing to act in the manner required by any of the provision of this Compact, the Tribe may seek injunctive or other relief ~~in a court of competent jurisdiction~~ in the U.S. District Court for the Western District of Washington, pursuant to RCW 9.46.36001. Prior to bringing such action, the Tribe shall notify the State and the State Gaming Agency in writing of the alleged violation.

7. Amend Compact Section XV.D.1 to read as follows:

1. Adjustments – Mutual. The terms and conditions of this Compact may be amended at any time by the mutual and written agreement of both parties, and as provided in this Compact, consistent with the requirements of the Indian Gaming Regulatory Act and its implementing regulations, RCW 9.46.360 (for purposes of the State's participation), as set out in Snoqualmie Gaming Act and the Tribal Constitution (for purposes of the Tribe's participation).

8. Add Compact Section XV.D.7 to read as follows:

7. If the Washington State Lottery approves a purchase price per ticket greater than that provided under this Compact, the Gaming Operation may increase its maximum wagers and purchase price for scratch tickets or On-Line Lottery Wagers to match the Washington State Lottery increase, provided that the State and Tribe agree to incorporate into this Compact only the specific provisions and restrictions related to the purchase price, and such agreement will be documented in a memorandum of incorporation.

9. Amend Compact Appendix X2, subsection 14.5, to read as follows:

14.5 Smoking Cessation and Prevention A total of thirteen one-hundredths of one percent (0.13%) of the Net Win derived from Tribal Lottery System activities, determined on an annual basis, to be dedicated to smoking cessation, prevention, education, awareness, and treatment for the citizens in the State of Washington. Contributions shall be made to

governmental, charitable and/or nonprofit organizations that have as a purpose the discouragement of the use of tobacco. Programs for cessation, education, awareness and treatment for use of electronic cigarettes, vaping, or other similar devices or activities are added to the list of recipients that may be funded from this contribution. Accruals will be paid in accordance with Appendix X2 Section 14.6. However, if the Tribe operates any of its Class III gaming facilities as entirely smoke-free, the Tribe's smoking cessation contribution shall be reduced proportionally based upon the pro rate number of Tribal Lottery System machines in the non-smoking facility compared to the total number of Tribal Lottery System Machines operated by the Tribe. Additionally, it is also agreed that if the Tribe completely prohibits the sale and use of alcohol in all of its Class III gaming facilities, the Tribe shall be entirely excused from making the smoking cessation contribution required by this subsection for as long as the prohibition on the sale and use of alcohol remains in effect. The 0.13 percent of net win shall be paid annually, commencing with the conclusion of the Tribe's first fiscal year following the date upon which this Appendix becomes effective, and shall be paid by the 15th day of the month following the conclusion of each full fiscal year.

10. The Compact is hereby amended to add **Appendix D – Limitations on Wagers, Credit, Facilities; Problem Gaming Resources and Contributions; Moratorium**, in the form attached hereto, in its entirety.
11. The Compact is hereby amended to add **Appendix W - Rules Governing Wide Area Progressives**, in the form attached hereto, in its entirety.

IN WITNESS WHEREOF, the Snoqualmie Indian Tribe and the State of Washington have executed this Third Amendment to the Compact.

SNOQUALMIE INDIAN TRIBE

STATE OF WASHINGTON

BY: _____

BY: _____

ROBERT DE LOS ANGELES

JAY INSLEE

Chairman

Governor

DATED: _____

DATED: _____

SNOQUALMIE INDIAN TRIBE
and the
STATE OF WASHINGTON CLASS III GAMING COMPACT

APPENDIX D
LIMITATIONS ON WAGERS, CREDIT, FACILITIES; PROBLEM GAMING
RESOURCES AND CONTRIBUTIONS; MORATORIUM

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1. Introduction

This Appendix contains the concessions, limitations, and agreement of the Tribe and State with respect to the subject matter addressed herein. Where any provisions of this Appendix are inconsistent with another provision of the Compact and Appendices, the provisions of this Appendix shall govern unless and until they are subsequently amended pursuant to the processes set forth in the Compact.

All terms not defined herein shall have the same definitions as in the Tribe's Compact and its amendments and appendices.

2. High Limit Room

- 2.1. "High Limit Room" means a clearly identified area of the Gaming Facility separated by a permanent, physical barrier or a separate room in the Gaming Facility. "Permanent, physical barrier" includes a partial wall, fence or similar separation. Stanchions or similar movable barriers are not considered a permanent, physical barrier.
- 2.2. The Gaming Operation may offer Gaming Station wager limits in the High Limit Room up to five thousand dollars (\$5000).
- 2.3. Access to the Gaming Stations in the High Limit Room will be subject to pre-screening qualifications and screening process set forth in a Memorandum of Understanding agreed upon by the State Gaming Agency and the Tribe, as may be amended from time to time.
- 2.4. No customers may participate in Gaming at Gaming Stations in the High Limit Room if they are known to the Gaming Operation to have a history of problem gambling or currently barred for self-exclusion, or known by the Gaming Operation as demonstrating significant characteristics associated with problem gambling.
- 2.5. The Gaming Operation must follow the requirements of Title 31 U.S.C.

3. High Limit Pits

- 3.1. "High Limit Pit" means a designated Pit in the Gaming Facility with Gaming Station wager limits higher than five hundred dollars (\$500), subject to the requirements and limitations of this Appendix.
- 3.2. The Gaming Operation will demarcate the High Limit Pit areas by including visible signage to indicate that patrons are entering a high wager area, and with visible signage on each table to indicate the minimum and maximum wagers for tables in that pit.

- 3.3. The Gaming Operation may offer Gaming Station wager limits not to exceed one thousand dollars (\$1,000) in the Gaming Facility's High Limit Pits.
- 3.4. No customers may participate in Gaming in a High Limit Pit if they are identified by Gaming Operation personnel to have a history of problem gambling, or currently barred for self-exclusion, or identified by Gaming Operation personnel as demonstrating significant characteristics associated with problem gambling.
- 3.5. The Gaming Operation must follow the requirements of Title 31 U.S.C.

4. Extension of Credit

- 4.1. Notwithstanding Section III.F of the Compact, the Gaming Operation may extend credit to patrons who seek an extension of credit and who meet the criteria set forth in credit procedures developed by the Gaming Operation. At a minimum, the credit procedures must specify:
 - 4.1.1. All patrons requesting credit are required to submit a complete tribal credit application and be provided problem gambling information;
 - 4.1.2. The minimum and maximum amount any patron can request;
 - 4.1.3. The process for review and verification of the credit application, which review process shall include, at a minimum, proof of identity, obtaining a credit report, gaming report unless this is the first casino credit for the patron (from Central Credit Inc. or similar provider that provides information on the patron's prior casino credit), and bank verification of accounts;
 - 4.1.4. When a patron's credit application will be reviewed after initial application and preapproval;
 - 4.1.5. Patrons will not be extended credit if known to the Gaming Operation to have a history of problem gambling, if actively barred for self-exclusion, or if the Gaming Operation's review of a credit report indicates the patron is proposing to make wagers beyond his or her means;
 - 4.1.6. How each patron's credit application information is kept confidential and secure from unauthorized access, including who is authorized to access the credit application information;

- 4.1.7. Information about patrons requesting credit are not shared or used for marketing or promotional purposes with entities outside the Gaming Operation;
- 4.1.8. How the preapproval amount is determined to be consistent with their credit report the preapproval amount is documented, and the patron is notified;
- 4.1.9. The preapproval is granted by an employee that is independent of the patron;
- 4.1.10. The repayment and debt collection requirements and notification includes:
 - 4.1.10.1. Repayment timeframes not to exceed ninety (90) days from the day of extension of credit.
 - 4.1.10.2. Any late payment fees, penalties, interest charges, or similar fees or charges, settlement process and reports, and prohibition of further credit extension with an unpaid balance.
 - 4.1.10.3. Following applicable federal debt collection laws.
- 4.2. The Tribal Gaming Agency shall forward to the State Gaming Agency a copy of approved credit procedures, and any changes to the credit procedures for review and concurrence prior to implementation per Section XI.A of the Compact.

5. Wagering Limits – Player Terminals.

5.1 Section 3.2.1(b) of Appendix X2 is amended as to read as follows:

- (b) All Scratch Tickets in a particular Game Set shall be of the same purchase price, ~~which shall not exceed \$5.00, with the exception that up to 15 percent of the Player Terminals in operation may have purchase prices of up to \$20.00 per Ticket.~~ The purchase price for a single ticket may not exceed \$30.00, provided that tickets with a purchase price over \$20.00 must have a minimum wager of no less than \$5.00 and the minimum and maximum wagers must be visibly displayed on such machines. A single Ticket may offer an opportunity to enter another Game Set;

5.2 Section 4.1.4 of Appendix X2 is amended as to read as follows:

- 4.1.4 Each On-line Lottery Game may offer more than one method of winning a prize, and each method may be represented by a separate wager, but each wager

may not exceed ~~\$20.00~~ \$30.00. Wagers are deducted from the Game Play Credits displayed on the Player Terminal.

- 5.3 Section 7.1.10(b) of Appendix X2 “The percentage of Player Terminals offering wagers between \$5.01 and \$20.” is stricken.

6. Facility Limits – Gaming Stations and Player Terminals.

6.1 Section III(H) of the Compact is replaced in its entirety as follows:

H. Number of Gaming Stations. The maximum number of Class III Gaming Stations within the Gaming Facilities combined shall not exceed a total of one hundred twenty-five (125) Gaming Stations.

- (1) At the option of the Tribe, one (1) additional Gaming Station ("the nonprofit station") for every twenty-five (25) Gaming Stations in operation may be allowed in a Gaming Facility. The proceeds from all nonprofit stations shall be dedicated to support nonprofit and charitable organizations and their activities located within the City of Snoqualmie, King County or the State of Washington. For purposes of determining "proceeds" from a nonprofit station only, proceeds shall mean the pro rata net profit of the nonprofit station. The Tribal Gaming Code shall require regulations to be adopted concerning the types of bona fide nonprofit and charitable organizations or types of projects of such organizations that shall be supported by a nonprofit station.
- (2) The Tribe is required to obtain transfers of a Class III Gaming Station authorization from another tribe which has entered into a compact with the State for the use of Class III Gaming Stations, as defined in this Compact for any Class III Gaming Stations, except for nonprofit stations, beyond sixty (60) in total for all gaming facilities. The transfer of Class III Gaming Station authorization from another tribe shall be effectuated through the use of a "Class III Gaming Station Transfer Agreement" substantially in the form appended hereto as Appendix C of this Compact.
- (3) The exact mix of high wager Gaming Stations in the Gaming Operation shall be left to the Tribe's discretion; however, no more than 25% of the Gaming Stations in operation in a Gaming Facility may offer wagers between \$500 and \$1,000.00 in the High Limit Pit(s), and the total number of Gaming Stations within the High Limit Room and in the High Limit Pit(s) combined will not exceed thirty-one (31) Gaming Stations.

6.2 Section 12.2.1 of Appendix X2 is amended to read as follows:

Subject to Section 12.4 below, the Tribe may operate no more than ~~2,500~~ 3,000 Player Terminals per facility (“Facility Limit”), and no more than a combined Player Terminal

total ("Total Operating Ceiling") of 3,000 Player Terminals in its Gaming Facilities. It is also agreed that upon the effective date of this Appendix, the Total Operating Ceiling for the Muckleshoot Tribe, Tulalip Tribes, and Puyallup Tribe shall be 3,500 for each of those three tribes until the third anniversary of the effective date of this Appendix, at which time it shall increase to 4,000 for each of those same three tribes. It is further agreed that the Tribe shall not be entitled as a matter of right to an increase in its Total Operating Ceiling based on the fact that the Muckleshoot Tribe, the Tulalip Tribes, and the Puyallup Tribe are entitled under this Appendix to operate up to the separate, higher Total Operating Ceiling(s) established specifically for them in this Appendix.

7. Contributions.

In order to provide for impacts to local community services that may arise as a result of the Gaming authorized under the Compact and this Appendix C, the Tribe agrees to begin accruing funds at the new rates upon the effective date of this Appendix and make payments as specified below.

7.1. Section 14.6.1 of Appendix X2, is amended to read as follows:

Except in Sections 14.2 and 14.4, as used in section 14, the term "net win" shall mean the total amount of Tribal Lottery System revenue after prizes or winnings have been paid out (i.e., the difference between the amount wagered or played and the amounts paid to winners) as reported as gaming revenue on the annual audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP) less ~~any cost of developing, licensing, or otherwise obtaining the use of the Tribal Lottery System.~~ In Sections 14.2 and 14.4, the term "net win" shall mean the total amount of gaming revenue from Class III Gaming Stations and Tribal Lottery Systems after prizes or winnings have been paid out (i.e., the difference between the amount wagered or played and the amounts paid to winners) as reported as gaming revenue on the annual audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP) less any cost of developing, licensing, or otherwise obtaining the use of the Class III games;

7.2. Section 14.4 of Appendix X2, as previously amended, is amended to read as follows:

Problem Gambling. Thirteen one-hundredths of one percent (0.13%) ~~Two tenths of one percent (0.2%)~~ of the net win derived from all Class III gaming activities, determined on an annual basis, shall be dedicated to problem gambling education, awareness, and treatment for all citizens in the State of Washington. Contributions shall be made to governmental or charitable and/or non-profit organizations, which may include the ~~Department of Social and Health Services' Division of Alcohol and Substance Abuse~~

(DSHS/DASA) Health Care Authority's Division of Behavioral Health and Recovery or successor agency, with expertise in providing counseling, intervention, treatment, research, or other services for problem gambling. The 0.13-0.2 percent of net win shall be paid annually, commencing with the conclusion of the Tribe's first full fiscal year following the date upon which this Appendix becomes effective, and shall be paid annually within one year of the close of the Tribe's fiscal year. Once the Tribe conveys any funds under this paragraph to a recipient, the Tribe's obligations regarding such funds shall be considered fully discharged, and the Tribe shall not bear any further obligations for the appropriate disbursement or use of those funds by the recipient, unless the recipient is a program of the Tribe.

7.3. Section 14.2 of Appendix X2 is amended to read as follows:

Charitable Donations. One-half of one percent (0.5%) of the Net Win derived from ~~Tribal Lottery System~~ all Gaming Stations and Tribal Lottery Systems activities, determined on an annual basis using the Tribe's fiscal year, shall be donated to non-tribal bona fide non-profit and charitable organization registered with the Secretary of State to provide services in ~~of~~ the State of Washington.

7.4. Compact Section XIV.C.1 is amended to read as follows:

Impact Mitigation Fund. The Tribe recognizes that activities directly and indirectly associated with the operation of the Gaming Facility on the Snoqualmie Tribal Lands may impact local law enforcement agencies, emergency services, and other services and place an increased burden on them. The Tribe hereby agrees to establish a fund for purposes of providing assistance to law enforcement, emergency services, and/or service agencies (including those agencies responsible for traffic and transportation, and water and sanitary sewer) impacted by the Class III Gaming Facility and to withhold and disburse up a maximum of ~~two percent (2.0%)~~ one and three quarters of one percent (1.75%) of the Net Win from the Class III Gaming Stations, except as otherwise excluded under the provisions of this Compact, for this fund (Impact Mitigation Fund). A committee consisting of two representatives of the Snoqualmie Tribe; a representative designated by the City of Snoqualmie; a representative designated by the King County Commission; and a representative of the State Gaming Agency; shall be established. The composition of the committee may be altered by mutual agreement of the Tribe and State Gaming Agency, if necessary. The committee shall initially meet within 120 days of the Gaming Facility opening to develop and execute a Memorandum of Understanding containing committee rules of order, Impact Mitigation Fund distribution procedures, and establish set factors to be used to determine negative impacts. The committee shall meeting at least once every twelve (12) months from the date of the

~~gaming facility's~~ Gaming Facility's opening to discuss the following: 1) positive and negative impacts within the county, neighboring cities, and on the Snoqualmie Tribal Lands; 2) services provided by the Tribal and other agencies; and 3) the distribution of the Impact Mitigation Fund. If the committee determines that the actual impacts associated with Class III gaming do not meet or exceed the ~~2%~~ 1.75% withholding, the remaining funds shall be distributed by the Committee as follows: 50% to the Snoqualmie Tribe for the purposes of law enforcement, other community needs or any combination thereof, and 50% applied towards the State's regulatory costs and expense, as set forth in Section XIII, to the Tribal Gaming Agency, or any combination thereof. No Class II gaming revenues, satellite wagering revenues, "non-profit gaming table" revenues, or non-gaming revenues, such as, but not limited to, food, beverage, wholesale or retail sales, shall be included with the ~~2%~~ 1.75% budgeted and disbursed as set forth in this Section.

7.5. Compact Appendix X2, Section 14.1 is amended to read as follows:

14.1 Impact Costs. Up to ~~one-half~~ six tenths of one percent (~~0.5%~~) (0.6%) of the net win derived from Tribal Lottery System activities, determined on an annual basis using the Tribe's fiscal year, shall be added to any amounts payable and distributable from other Class III activities under the Compact in order to meet community impacts, to the extent such Compact amounts are insufficient to meet actual and demonstrated impact costs.

8. Responsible Gambling

The Tribe and State Gaming Agency recognize the importance of responsible gambling as part of the shared responsibility to protect the health, welfare, and safety of the citizens of the Tribe and of the State. As part of that responsibility, the Tribe agrees to:

- 8.1 Provide complimentary, on-site space for responsible gambling resources and information;
- 8.2 Create and maintain a responsible gambling policy that addresses at least the following areas:
 - 8.2.1 Annual training and education for all gaming employees, with a separate training for management, to cover such topics as how to identify problem gamblers, how to provide assistance when asked, underage prevention, and unattended children;
 - 8.2.2 Self-exclusion, to cover such topics as the receipt of marketing materials and access into the facility;

- 8.2.3 Self-restriction, which may cover such topics as setting limits on spending, time, and check cashing limits; and
- 8.2.4 Resources, to include such topics as posting hot line numbers, signage and material availability on how to seek treatment;
- 8.3 Within five (5) years, or as soon as feasible thereafter, investigate and, at the Tribe's discretion, either develop a new or implement an existing interactive responsible gambling application or program for players; and
- 8.4 Consider voluntary participation in the statewide self-exclusion program as provided in RCW 9.46.071, with the determination as to whether to participate at the Tribe's sole discretion.

9. Moratorium

The Tribe agrees to seek no additional amendments to this Appendix with respect to the subject matter of increased wagers and per facility limits prior to May 1, 2022, or 6 months after the Problem Gambling Legislative Task Force Final Report is finalized, whichever is later, ("Moratorium") except in the following circumstances, which circumstances may also constitute a basis for the Tribe to seek such an amendment after the expiration of the Moratorium:

- 9.1. Federal or State law, whether by statute, rule, regulation or other action that impacts Washington State or the Tribe, is amended to increase any limitations above those included in this Appendix;
- 9.2. 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 increased limitations above those included in this Appendix; or
- 9.3. Any other tribe located in the State of Washington, through a Compact amendment approved (or deemed approved) by the Secretary of the Interior, obtains materially different concessions, limitations, and agreements than those outlined in this Appendix. The State and Tribe agree to incorporate into this Compact all provisions of the other tribe's amendment and such agreement will be documented in a Memorandum of Incorporation.

**SNOQUALMIE INDIAN TRIBE
and the
STATE OF WASHINGTON
CLASS III GAMING COMPACT**

**APPENDIX W
Rules Governing Wide Area Progressives**

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CLASS III GAMING COMPACT
APPENDIX W
Rules Governing Wide Area Progressives

STATEMENT OF CONDITIONS AND LIMITATIONS

The Snoqualmie Indian (Tribe) and the State of Washington (State) believe that conducting Class III gaming under the terms, limitations, and conditions set forth below will benefit the Tribe and the State, will be fair and protect the members of the Tribe and the other citizens of the State, and is consistent with the objectives of the federal Indian Gaming Regulatory Act. The parties have agreed upon conditions of the terms, provisions, and limitations contained in this Appendix W.

This Appendix contains interdependent conditions and consequences that must be accepted as a whole in order to operate or participate in a Wide Area Progressive (WAP). As a result, authorization to operate or participate in a WAP requires the Tribe to operate and participate in accordance with all of the requirements of both this Appendix and the subsequent memorandum of understanding agreed to under subsection 2.2.3.

1. INTRODUCTION

1.1 Definitions

Any capitalized term used but not defined herein shall have the same meaning as in the Compact.

“Component” means hardware, software, and any integral parts or combination thereof necessary to operate the WAP.

“Fair” means the odds of winning prizes being equal to other devices connected to the same WAP within accepted statistical industry standards as verified by an approved Gaming Test Laboratory.

“Participant Tribe” means a tribal government within the State that has been accepted to join in a specific approved WAP.

“Progressive Prize” means a prize that increases by a predetermined amount based on play on a Class III Tribal Lottery System (TLS).

“Wide Area Progressive” or “WAP” means a jackpot sharing system between multiple participating jurisdictions and/or governments within and outside the State.

"WAP Controller" means a component at each participating jurisdiction's and/or government's gaming facility that accumulates Progressive Prizes and provides

Progressive Prize information to display for players.

“WAP Operator” means the licensed manufacturer or gaming service supplier that maintains the WAP central system which communicates with individual WAP Controllers.

1.2 Intent

The intent of the parties is to allow the Tribe to use a WAP where players are entered into a pool for a Progressive Prize without the insertion of additional consideration.

1.2.1 The WAP must be Fair, secure, and auditable.

1.2.2 The WAP does not constitute a mechanical gambling or lottery device activated by the insertion of a coin or by the insertion of any object purchased by any person taking a chance by gambling in respect to the device.

1.2.3 The WAP does not constitute an electronic or mechanical device or video terminal which allows for individual play against such device or terminal.

2. REQUIREMENTS

2.1 General Requirements

The basic requirements for a WAP authorized under Section IV-Class III Gaming Activities of the Compact are as follows:

2.1.1 Any WAP Controller utilized by the Tribe may operate only in conjunction with the TLS and may not offer a game where the player may play against the device.

2.1.2 The restrictions on the use and operation of the TLS as governed by Appendix X and Appendix X2, including prohibiting individual play against such devices or terminals, are not changed by this Appendix.

2.1.3 The WAP will be Fair for players in the State.

2.1.4 The rules of play will be posted for the customer.

2.1.5 The WAP will conform with 25 U.S.C. § 2710 (d)(1)(A), (B), and (C).

2.1.6 The WAP will allow the State Gaming Agency to remotely view the Tribe’s reports and activity in real time as specifically provided for in a full submission.

2.1.7 The Tribe will make available for review agreements and contracts regarding WAP participation in accordance with Compact Section X, B Access to Records.

2.1.8 Employees and/or representatives of a WAP Operator must meet the applicable licensing and certification requirements in accordance with Compact Section V

Licensing and Registration Requirements and VI Tribal Licensing and State Registration.

- 2.1.9 Each specific type of WAP approved will conform to the standards documented in a Memorandum of Understanding after a full submission has been approved, and the Tribe shall not begin operation of said WAP until the testing and certification requirements referred to in Section 3 of this Appendix are met.
- 2.1.10 The Tribe will notify the State Gaming Agency of its participation in a specific type of WAP and will follow the requirements in an approved Memorandum of Understanding for the specific type of WAP in order to participate in that WAP.

2.2 Submission Process

- 2.2.1 Each full submission made must meet the requirements contained in the Compact, Appendix X, Appendix X2, and this Appendix, and shall set the technical standards and Internal Controls for the operation of that type of WAP. Except for the TLS as governed by Appendix X or X2, the Tribe and the State Gaming Agency shall enter into a separate Memorandum of Understanding for each specific type of WAP the Tribe wishes to operate.
- 2.2.2 A "full submission," as that term is used in this Appendix, shall include a detailed description of technical standards and other information that includes at least the following:
 - 2.2.2.1. How the system operates with the TLS, including connections to the system and other jurisdictions, probability, and summary of game rules which must be posted for the customer in any format;
 - 2.2.2.2. WAP illustrations, schematics, block diagrams, circuit analyses, program object and source codes, and hexadecimal dumps which means the compiled computer program represented in base 16 format;
 - 2.2.2.3. Technical and operation manuals including operation, interface, Progressive Prize verification, and random number generator standards;
 - 2.2.2.4. System hardware specifications including all key Components including the WAP Controller;
 - 2.2.2.5. Base software which means the software platform upon which games are loaded;
 - 2.2.2.6. Game software for one or more games, including game set size and point of overlap;
 - 2.2.2.7. System security including encryption, firewalls, key controls, and surveillance;
 - 2.2.2.8. Odds for winning the Progressive Prize, the base Progressive Prize amount, the reset Progressive Prize amount, the incremental increases of the Progressive Prize, and any secondary pool increment(s);
 - 2.2.2.9. Accounting system requirements and reports which must include at least a progressive balancing report and report of unusual events such

- as critical memory clears, changes to Progressive Prizes, offline equipment, multiple site prizes, and related reports;
- 2.2.2.10. Reports which must include at least a progressive summary, aggregate, and payoff and any adjustments made by the WAP Operator on Progressive Prize pools;
 - 2.2.2.11. Procedures for handling simultaneous Progressive Prize winners in multiple locations or jurisdictions;
 - 2.2.2.12. Procedures to make changes or adjustments to or be removed from the WAP, including notice requirements to the Participant Tribes and players;
 - 2.2.2.13. Procedures for accepting additional Participant Tribes or participating jurisdictions and/or governments into the WAP;
 - 2.2.2.14. Procedures to handle system malfunctions and reporting those malfunctions to participating jurisdictions and/or governments;
 - 2.2.2.15. Player dispute procedures;
 - 2.2.2.16. Procedures, including a timeframe, for Gaming Operations staff or WAP Operator to provide notice to the Tribal Gaming Agency and State Gaming Agency of WAP non-compliance;
 - 2.2.2.17. Capability and process to allow the State Gaming Agency to remotely view the Tribe's WAP to review reports and activity real time; and
 - 2.2.2.18. Any agreement, written specifications, or limitations required of a WAP Operator by any other state or tribal government and affecting a WAP.
- 2.2.3 The Tribe may present to the State Gaming Agency, at any time, a WAP full submission it believes satisfies the requirements of the Compact and this Appendix. Within ninety (90) days of the Tribe's providing of a complete, full submission for its proposed WAP to the State Gaming Agency, the Tribe and the State Gaming Agency will execute a Memorandum of Understanding as required by Section 2.1.9.

3. TESTING AND APPROVAL

3.1 Independent Gaming Test Laboratory

- 3.1.1 Designation. The Tribe shall select one or more gaming test laboratories (hereinafter "Gaming Test Laboratory") to perform the testing required in this Appendix. The selection of a Gaming Test Laboratory will be done according to Appendix X2, Section 10.1.
- 3.1.2 Gaming Test Laboratory Duty of Loyalty. The Tribe shall inform the Gaming Test Laboratory, in writing, that irrespective of the source of payment of its fees, the Gaming Test Laboratory's duty of loyalty and reporting requirements run equally to the State Gaming Agency and the Tribe.

3.2 General Testing Requirements

The general purpose of testing the WAP and related Components is to determine the compliance of the WAP with the Memorandum of Understanding agreed to by the Tribe and the State Gaming Agency. Prior to operation of the WAP, the WAP and related Components shall be tested by a licensed Gaming Test Laboratory, to verify:

- 3.2.1 Compliance with the applicable requirements of the Compact, Appendix X, Appendix X2, and this Appendix; and
- 3.2.2 The WAP is Fair for both the players and the participating gaming facilities; and
- 3.2.3 Compliance with the Memorandum of Understanding and currently accepted gaming test industry standards with respect to multi-jurisdictional WAPs.

3.3 Materials Provided to Gaming Test Laboratory

- 3.3.1 The Tribe shall provide or require that the WAP Operator provide to the Gaming Test Laboratory a copy of the executed Memorandum of Understanding, and any other information requested by the Gaming Test Laboratory. The Tribe shall make all such materials available to the State Gaming Agency upon request;
- 3.3.2 If requested by the Gaming Test Laboratory, the Tribe shall require the WAP Operator to transport not more than two (2) working models of the WAP associated player terminals, and any required system elements to a location designated by the Gaming Test Laboratory for testing, examination or analysis. Neither the State nor the Gaming Test Laboratory shall be liable for any costs associated with the transportation, testing, examination, or analysis, including any damage to the Components of the WAP. If requested by the Gaming Test Laboratory, the Tribe shall require the WAP Operator to provide specialized equipment or the services of an independent technical expert to assist with the testing, examination and analysis. The Gaming Test Laboratory will notify the State Gaming Agency of the request and need for the request;

3.4 Approval by the State Gaming Agency

Upon receiving the certification, technical standards tested, and results of testing from the Gaming Test Laboratory, the State Gaming Agency shall either approve or disapprove the WAP or Component thereof, based on the criteria contained in this Appendix and the Memorandum of Understanding. The Tribe or WAP Operator may request a temporary suspension of the State Gaming Agency's review of the WAP or Component for a mutually agreed upon time period through a written request to the State Gaming Agency Director.

During the State Gaming Agency approval process, the Gaming Test Laboratory will meet with the State Gaming Agency and respective Tribal Gaming Agency to inform regulatory staff of the certification process and technical standards tested and provide training so that these personnel have an understanding of the WAP, can create a regulatory program, and can better respond to questions and complaints.

3.5 Installation

3.5.1 No WAP may be offered for play unless:

3.5.1.1 Such WAP is approved as provided in this Appendix; and

3.5.1.2 The WAP prototype thereof has been tested and certified by the Gaming Test Laboratory as meeting the requirements and Memorandum of Understanding specified by this Appendix.

3.5.2 The State Gaming Agency and Tribal Gaming Agency will meet to confer on WAP initial implementation and Internal Controls changes to prepare for WAP operation. Initial Internal Controls and any subsequent changes are to be completed in conformance with Compact Section XI Standards of Operation.

3.6 WAP Operator Certification

Before any Component of a WAP may be placed into operation, the Tribe shall first have obtained a written certification from the WAP Operator that, upon installation, each such Component:

3.6.1 Conforms to the specifications of the WAP as certified by the Gaming Test Laboratory; and

3.6.2 Operates and plays in accordance with the applicable requirements of the Compact, Appendix X, Appendix X2, this Appendix, and the Memorandum of Understanding.

3.7 Payment of Fees

3.7.1 The Gaming Test Laboratory shall not accept a WAP submission from a WAP Operator without first receiving an executed Memorandum of Understanding from the Tribe. All Gaming Test Laboratory fees related to a WAP submission shall be the responsibility of the WAP Operator.

3.7.2 All State Gaming Agency testing fees related to a WAP submission shall be the responsibility of the WAP Operator.

4. INSPECTIONS

4.1 The Tribe shall allow the State Gaming Agency to inspect any Components of a WAP for the purposes of confirming that such Component is operating in accordance with the requirements of the Compact, Appendix X, Appendix X2, this Appendix, and the Memorandum of Understanding and that such Component is identical to that tested by a Gaming Test Laboratory. Inspections shall be pursuant to the Compact.

4.2 The WAP Operator shall allow the Tribal Gaming Agency and State Gaming Agency to inspect any Components of a WAP for the purposes of confirming that such Component is operating in accordance with the requirements of the Compact, Appendix X, Appendix

X2, this Appendix, and the Memorandum of Understanding and that such Component is identical to that tested by a Gaming Test Laboratory.

- 4.3 When the Tribal Gaming Agency or State Gaming Agency determine there is a failure to comply with the Memorandum of Understanding, either will immediately suspend a WAP's operation.
- 4.4 Reinstatement of a WAP's operation shall occur once the Tribal Gaming Agency and State Gaming Agency agree that a suspended WAP complies with the Memorandum of Understanding as determined by follow-up testing by the Gaming Test Laboratory.
- 4.5 If after an investigation the Tribal Gaming Agency or State Gaming Agency believe the WAP is not operating in a Fair manner, either may request a mathematical review by an independent third party. The WAP Operator will pay the cost of this review.

5. PARTICIPATION IN ANOTHER APPROVED WAP

The Tribe may participate in more than one approved WAP. When the Tribe elects to participate in a WAP that has already been approved by the State Gaming Agency, Sections 1-4 of this Appendix do not apply except as required by Section 5.1.3 below.

5.1 Requirements for participation in another approved WAP:

- 5.1.1. When participating in a WAP that has already been approved by the State Gaming Agency, the Tribe must follow the requirements in the Memorandum of Understanding related to that WAP.
- 5.1.2. The Tribe will notify the State Gaming Agency of its participation in or withdrawal from another WAP and will make any and all copies of its participation agreements available for review.
- 5.1.3. When the Tribe participates in an already approved WAP, the Tribe will follow the requirements listed in Sections 1, 2.1, 3.5, 3.6, 4, and 5 of this Appendix.