TRIBAL-STATE COMPACT FOR CLASS III GAMING

Between the

Suquamish Tribe

and the

State of Washington

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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 Section 2701-et seq., and 18 USC Section 1166 et seq. ("I.G.R.A." or "the Act").

PARTIES

THIS TRIBAL-STATE COMPACT is made and entered into by and between THE SUQUAMISH TRIBE (hereafter referred to as "Tribe"), 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.

RECITALS

An understanding of the nature and characteristics of the Suquamish Tribe and its people as well as the location of the Suquamish Indian Lands provide a background against which the Tribe and the State have negotiated this Compact. The following factors were considered by the parties in the development of this Compact.

A. The Suquamish Tribe is a federally recognized sovereign nation. Prior to being constituted as an Indian Reorganization Act government in 1965, the tribe governed its people for hundreds of years in the typical native Headman structure. The Tribe currently operates under a Constitution and Bylaws with a governing Tribal Council consisting of seven elected members.

B. The Suquamish Indian Lands is located on the Puget Sound, in northeast Kitsap County, approximately 12 miles west across the sound from the City of Seattle, and 25 miles north of the City of Bremerton. The total population of Kitsap County as of 1994 is approximately 213,200. According to the 1990 U.S. Census, 4,834 individuals live within the Indian Lands boundaries.

C. The Indian Lands consists of 7,762 acres containing tribal trust lands, individually and collectively owned Trust lands, historic allotments and fee lands owned by Indians and non-Indians. The Indian Lands is one of the few reservations in the United States with two geographic sections separated by a land mass.

D. As a sovereign government the Tribe exercises political authority over its members and Reservation. It has limited land and economic resources from which to provide those essential governmental services that contribute to the health and welfare of its members and are necessary to regulate and protect its territory. Indian gaming offers the Tribe the ability to strengthen its government and provide the services needed by its members.

E. Over the years, the State and County governments have benefited by the collection of taxes and fees from economic activities on the Reservation. With the advent of Indian gaming, the Tribe also has an opportunity to benefit from the economic growth in this region.

F. Recognizing that tribal economic development and growth through Indian gaming may have adverse impacts upon the region, the Tribe is willing to pay its reasonable share of related costs to offset such adverse impacts if any occur.

G. Revenues generated from gaming will help support Tribal programs and will provide employment and economic opportunities for Tribal and non-Tribal members. Experience shows that within the State of Washington and within other states where Indian gaming is successful, the non-Indian community obtains other substantial benefits as well. These include direct financial benefits from increased revenue as well as the less direct results created by a successful and economically healthy Indian community.

H. The Tribe presently operates a successful Bingo Hall, located just northwest of the Agate Pass Bridge. The Tribe has owned, operated and regulated the Bingo Hall since October 1992.

I. The Gaming Facility will be easy to reach by well paved County and State Highways. State ferries connect the Olympic Peninsula with the mainland at Seattle and Edmonds, permitting easy 35 minutes access to the Gaming Facility from King County and Snohomish County. State Route 305 provides direct access to the Gaming Facility for Bremerton Naval Base personnel, South Kitsap County residents and those in Pierce, Mason, and Thurston Counties. Northern Kitsap County, where the Suquamish Indian Lands are located, provides a primary access to the Olympic Peninsula, the location of a major National Park and other tourist attractions.

J. The Suquamish Tribe maintains a substantial and well-respected law enforcement and justice system. The Tribe's 1994 annual budget for law enforcement is $562,716.00. The Tribe's current Chief of Police has nineteen years of Tribal law enforcement experience. He is a graduate of the FBI National Academy and the Northwest Law Enforcement Executive Command College. The Tribal law enforcement force includes six state-certified officers, sixteen reserve officers, and two fisheries officers. The Tribe's Police Department has proposed mutual aid agreements with the surrounding jurisdictions and will continue its effort in this regard. It has a jail services contract with Jefferson County. The Tribal Police Department has twenty-four hour coverage capability, a central communication (CENCOM) dispatch contract with Kitsap County, including enhanced 911 capabilities and computer aided dispatching, and is fully computerized. It uses a common radio frequency which can be monitored by other police agencies.

K. The Tribal Court program includes a judge, prosecutor, public defender, and a full-time court clerk to oversee the court's calendar and caseload. Tribal Court is currently in session two full days per month.

L. The Tribe maintains good relations with its neighboring local municipalities, Poulsbo, Bainbridge Island and Bremerton. It also maintains good relations with the State of Washington. However, because approximately 60% of the Port Madison Indian Reservation land base has been alienated since the reservation was established, creating a checkerboard fee and tribal land ownership, there has been continual tension between the Tribe and Kitsap County. It is hoped that with the advent of this Compact that this tension can be mitigated.

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 certain gaming activities should benefit Indian tribes and their members. The terms and conditions set forth below to regulate Class III gaming conducted by the Suquamish Tribe have been agreed to pursuant to that congressional mandate.

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

This Compact is the cooperative means by which the Tribe shall lawfully conduct Class III gaming activities on Suquamish Indian Lands. 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 Tribe 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 Tribe. These provisions are designed to (a) protect the health, welfare and safety of the citizens of the Tribe 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 Tribe 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 Tribe and the State believe that the conduct of Class III gaming under the terms and conditions set forth below will benefit the Tribe and the State and shall protect the members of the Tribe 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 SUQUAMISH TRIBE and the STATE OF WASHINGTON enter into a TRIBAL-STATE COMPACT as provided for herein.

I. TITLE

This document shall be cited as "The Suquamish Tribe - 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 III Gaming" means all forms of gaming as defined in 25 USC Section 2703(8) and by valid regulations of the Indian Gaming Regulatory Commission and which are authorized under Section III of this Compact as Class III games. Pull tabs and punchboards, even though discussed in Section III, are specifically deemed to be Class II games when operated in conjunction with bingo.

C. "Code" means the Suquamish Gaming Code, as amended.

D. "Compact" means The Suquamish Tribe - State of Washington Gaming Compact, governing management and operation of Class III gaming facilities on Suquamish Indian Lands.

E. "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.

F. "Gaming Activities" means the conduct of gaming activities permitted pursuant to this Compact.

G. "Gaming Employee" means individuals employed in the operation or management of the Gaming Operation, whether employed by or contracted to the Tribe or by any person or enterprise providing on or off-site services to the Tribe within or without the Gaming Facility 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. Depending upon the duties involved in any position in the Gaming Operation, the State and Tribal Gaming Agencies may, by mutual agreement, exclude some employees who are included under this definition, or include other employees not listed.

H. "Gaming Facility" means the room or rooms in which Class III Gaming activities as authorized by this Compact are conducted on Suquamish Indian Lands.

I. "Gaming Operation" or "Tribal Gaming Operation" means any enterprise operated by the Tribe on Suquamish Indian Lands for the conduct of any form of Class III gaming in any Gaming Facility. Where gaming is operated by a tribal department or agency, the terms shall not include those portions of the department or agency which are unrelated to gaming.

J. "Gaming Services" means the providing of any goods or services to the Tribe, whether on or off site, directly in connection with the operation of Class III gaming in a Gaming Facility, including equipment, maintenance or security services for the Gaming Facility. Gaming services shall not include professional, legal, and accounting services or routine maintenance, janitorial, cafeteria supply and services which require no access to non-public portions of the facility.

K. "Gaming Station" means one gaming table of the general size and scope as commonly used in a regulated Gaming Operation.

L. "Governor" means the acting Governor of Washington State.

M. "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. Section 2701 - et seq. and 18 Section 1166 et seq.

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

O. "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 Kitsap County Sheriff's Office, which has jurisdiction to enforce state gaming laws on Suquamish Indian Lands pursuant to the terms of this Compact, or has a co-operative, mutual aid or cross deputization agreement approved by the Tribe. 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 Suquamish Indian Lands.

P. "Management Entity" means any individual with whom, or other business entity with which, the Suquamish Tribal Council enters into a contractual agreement for financing, development and/or operation, of any Class III gaming facility on Suquamish Indian Lands, excepting routine consulting and other business development contracts.

Q. "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.

R. "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.

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

T. "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.

U. "State Certification" means the process utilized by the State Gaming Agency to assist the Tribe 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.

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

W. "Suquamish Indian Lands" or "Indian Lands" means Indian lands as defined by 25 USC Section 2703 (4) (A) and (B), subject to the provisions of 25 USC Section 2719.

X. "Tribal Chairman" means the Chair of the elected, seven member Suquamish Tribal Council.

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

Z. "Tribal Law Enforcement Agency" means the police force of the Suquamish Tribe established and maintained by the Tribe pursuant to the Tribe's powers of self-government to carry out law enforcement within the Suquamish Indian Lands and other areas that may be authorized by law or by cross deputization agreements with other law enforcement agencies.

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

BB. "Tribe" means the Suquamish Tribe, represented by its elected officials.

CC. "Tribal Member" means an enrolled member of the Suquamish Tribe.

DD. "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 for play in Washington State;
19. Sic-Bo;
20. Poker, Jackpot Poker and other forms of poker;
21. Satellite (off-track) wagering on horse races;
22. Keno and Keno Type Games;
23. 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 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 Tribe desires to conduct such games within Suquamish Indian lands, the Tribe 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, the Tribe may begin offering the game. If, prior to the first play of such game or games by the Tribe, a dispute arises between the Tribe and the State with respect to the legality 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 Tribe, the Tribe 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. In addition to the games authorized by Sections III.A and III.B, the Tribe may utilize punchboards and pull tabs in the Gaming Facility and at other locations within the Suquamish Indian Lands subject to regulation by the Tribe. 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 Class II Gaming Facility. The operation of Washington State Lottery retail locations within Suquamish 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, the Tribe 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 Tribe may begin offering the game. If a dispute arises between the Tribe and the State regarding the legality 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.

E. Additional Class III Games. The State acknowledges that the Tribe may decide to conduct other Class III games which are permitted under the I.G.R.A., or other federal law but are not included in Section III.A-D of this Compact; for example, horse racing or a Tribal operated lottery. If and at the time the Tribe determines it shall conduct such activities, the parties shall use the process outlined below.

1. The Tribe shall submit a letter, signed by the Tribal Chairman, 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 Tribe 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 Tribe addressing the operation of the activity.
4. If the State Gaming Agency and the Tribe do not finalize an ancillary Compact for the proposed activity during the sixty (60) day period, the State and the Tribe shall continue to negotiate an ancillary Compact for an additional 120 days prior to the Tribe filing any action against the State pursuant to 25 USC Section 2710(d)(A)(i).
5. Pending the negotiation of an ancilliary Compact for the proposed activities or resolution of any action in the event an ancilliary 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 Tribe shall also submit a copy of its letter to the Washington Horse Racing Commission, together with draft regulations covering the proposed activity.

F. Authorized Gaming Facility. The Tribe may establish one Class III Gaming Facility, located on Suquamish Indian Lands, for the operation of Class III games authorized pursuant to this Compact. Any additional facilities will be subject to future negotiation between the Tribe and the State.

G. Forms of Payment. All payment for wagers made in authorized forms of Class III gaming conducted by the Tribe 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.

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

I. Number of Gaming Stations. During the first nine 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 Tribe, 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 Kitsap 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 ordinance shall set forth regulations concerning the types of bona-fide nonprofit organizations or types of projects of such organizations that shall be supported by the nonprofit station. At the end of nine 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 Tribe, two (2) additional non-profit gaming stations.

J. Wagering Limitations. During the first nine 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 nine 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.

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

1. During the first nine 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 nine 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 Tribe 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 Tribe 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 Agency 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 Agency, the Tribe 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 Tribe may request for such special hours three (3) times in any one calendar year.

L. 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, as a result of the review, the State Gaming Agency determines that the operation is in compliance with these conditions, the Class III Gaming Operation may implement "phase two" either at nine months of operation or earlier upon a successful completion of the review. 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 Agency has developed a strong program of regulation and control demonstrating an adequate level of proficiency, which includes the hiring of trained Tribal Gaming Agents, an independent 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.

M. Ownership of Gaming Facility and Gaming Operation. The Gaming Operation, including the Gaming Facility, shall be owned and operated by the Tribe. The Tribe 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.

N. 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, through a consensual lawsuit, or through a final and unappealable decision permitting gambling devices issued by a court of competent jurisdiction interpreting the laws of the State of Washington, all Class III gambling devices are prohibited. Nothing herein is intended to prohibit or restrict otherwise lawful and authorized Class II gaming activities and devices on Suquamish Indian Lands or within the Gaming Facility.

O. Prohibition on Minors. No person under the age of eighteen (18) shall be employed 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.

P. Prohibition on Firearms. The possession of firearms by any person within the Gaming Facility shall be strictly prohibited, and the Tribal Gaming Agency 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 Agency, Tribal Law Enforcement Agency, 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. If the Gaming Facility fails to meet any requirements of the Compact, the Tribal Gaming Agency and/or State Gaming Agency shall send a non-compliance letter to the Tribe and Gaming Facility manager, if any, within seven (7) working days after completion of the inspection. 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.

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 Agency, 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 Agency 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 Agency and shall be certified by the State prior to commencement of employment, and annually thereafter. The Tribal Gaming Agency 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 Agency.

D. Manufacturers and Suppliers of Gaming Services. Each manufacturer and supplier of gaming services shall be licensed by the Tribal Gaming Agency and shall be certified by the State prior to the sale of any gaming services to the Tribe. 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 Tribe 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 Agency 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 Agency. 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 Suquamish Tribal 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 Tribe shall provide a copy of such disclosures to the State Gaming Agency. If a disclosure regards satellite wagering facilities and activities, the Tribe shall also send a copy to the Washington Horse Racing Commission.

F. Key Personnel List. Prior to commencement of operations and annually thereafter, the Tribe 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 Agency a completed State Certification application together with a completed information form provided by the Tribal Gaming Agency. 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 Agency 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 Tribe. 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 Agency. If the application for certification is denied, a statement setting forth the grounds for denial shall be forwarded to the applicant in accordance with the provisions of Chapter 230-50 WAC with a copy forwarded to the Tribal Gaming Agency. The State shall not apply to any

applicant for certification required under the Compact, any more rigorous standard than those actually applied in the approval of state licenses or certification in non-Tribal gaming activities exclusively regulated by the State. 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 on the possibility of transferring to the Tribe 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 Tribe.

C. Grounds for Revocation, Suspension or Denial of State Certification. The State Gaming Agency may revoke, suspend, or deny a State certification 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.
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 Tribe 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; or (3) alcohol sales offenses. 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 Agency 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 Tribe 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. 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 Agency any notices required under such provisions. The State may at its discretion, defer such actions to the Tribal Gaming Agency upon notification by the Tribal Gaming Agency of its interest in determining the issue. Nothing herein shall prevent the Tribal Gaming Agency from invoking its own disciplinary procedures and proceedings. In the event the Tribe determines that the State is pursuing or has pursued an unfounded or unjustified case, the Tribe may contest payment of the State's expenses by invoking the dispute resolution provisions found in Section XII.C.

E. Denial, Suspension, or Revocation of Licenses Issued By Tribal Gaming Agency. The denial, suspension, or revocation of any Tribal gaming license by the Tribal Gaming Agency shall be in accordance with Tribal ordinances and regulations governing such procedures. The Tribe shall notify the State Gaming Agency of any determination under this paragraph.

F. 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 Agency 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 Agency 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 Tribe. 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.

G. Identification Cards. The Tribal Gaming Agency shall require all gaming employees to wear in plain view identification cards issued by the Tribal Gaming Agency. 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.

H. 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 Agency and the State Gaming Agency and maintained as part of each agencies' permanent licensing records.

I. 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 Tribe 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.

J. Fees For Tribal License. The fees for all Tribal gaming employee licenses shall be set by the Tribal Gaming Agency.

K. Temporary Certification of Gaming Employees. Within thirty (30) days of the receipt of a completed application, the State Gaming Agency shall, upon request of the Tribal Gaming Operation, issue a temporary certification to the applicant unless the Agency's background investigation during that period discloses that the applicant has a criminal history or the Agency discovers compelling evidence of dishonestly, criminal conduct or an association(s) sufficient to disqualify the applicant pursuant to this section. The temporary certification shall become void and be of no effect upon either the issuance of a State certification or the issuance of an intent to deny, in accordance with the provisions of this Compact. During the twelve month period immediately following the effective date of this Compact as provided herein, any applicant who has a current license issued by the State Gaming Agency may submit current license information together with a completed application, and shall be immediately issued a temporary certification by the State Gaming Agency pending completion of the certification investigation.

L. Summary Suspension of Tribal License. The Tribal Gaming Agency, pursuant to the laws of the Tribe, 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 Agency 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 Tribe or any Tribal Member for any other purpose or cause of action.

O. Tribal Certification. For any certification process, the Tribe may, but is not required to in its sole election, rely upon the certification of the State as the Tribe's certification.

VI. TRIBAL ENFORCEMENT OF COMPACT PROVISIONS

A. Tribal Gaming Agency. 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 Suquamish Indian Lands, shall be that of the Tribal Gaming Agency and the Tribal Law Enforcement Agency. As part of its structure, the Tribal Gaming Agency and/or the Tribal Law Enforcement Agency shall perform the following functions:

1. Enforce in the Gaming Operation, including the Gaming Facility, all relevant 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. Temporarily detain, to the extent of its authority and until notification 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 Agency employee assigned responsibility for recording the occurrence.

B. Tribal Gaming Agents/Inspectors. The Tribal Gaming Agency and/or Tribal Police Department may employ qualified gaming inspectors or agents under the authority of the Tribal Gaming Agency. These inspectors shall be independent of the Tribal Gaming Operation, and shall be supervised and accountable only to the Tribal Gaming Agency and/or Tribal Police Department.

C. Reporting of Violations. A Tribal gaming inspector shall be present in the Gaming Facility during all hours of Gaming Operation, and shall have immediate access to

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

D. Investigation of Violations and Sanctions. The Tribal Gaming Agency shall investigate any reported violation of the Compact provisions. Should a violation be found, the Tribal Gaming Agency 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 Agency shall be empowered by Tribal ordinance to impose fines and other sanctions within the jurisdiction of the Tribe, in Tribal Court, 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 Agency shall forward copies of all completed investigation reports and final dispositions to the State Gaming Agency on a continuing basis. If requested by the Tribal Gaming Agency, the State Gaming Agency shall assist in any investigation initiated by the Tribal Gaming Agency and provide other 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 Agency 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 Agency. At least ten (10) days prior to such meetings, the State Gaming Agency shall disclose in writing to the Tribal Gaming Agency any concerns, suspected activities or pending matters reasonably believed to possibly constitute violations of this Compact by any person, organization or entity, if such disclosure 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 Tribe 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 access equivalent to that exercised by the Tribal Gaming Agency to all areas of the Gaming Facility during all normal operating hours

with or without giving prior notice to the Tribal Gaming Operation. 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 Agency, the Chief of Security at the Gaming Facility, or the Chief of the Suquamish Police Department prior to entering Indian Lands and the Tribe 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 Agency 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 Tribe.

B. Access to Tribal Gaming Operation Records.

1. Agents of the State Gaming Agency and, as applicable, the Horse Racing Commission, shall have the right to inspect, review and copy, during normal business hours, and at the State's own expense, all appropriate records maintained by the Tribal Gaming Operation. Provided, that the State shall provide the Tribal Gaming Agency with a list identifying all documents by title, date and short description or a duplicate copy prior to removing such copies from Suquamish 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 Tribe 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 Tribe immediately after use by the State Gaming Agency unless otherwise provided pursuant to the Compact.

2. The State Gaming Agency shall notify the Tribe of any requests for disclosure of Tribal information and shall not disclose any such information in its possession until the Tribe or the Tribe 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 Agency. At the completion of any inspection, copies of the inspection report shall be forwarded to the Tribal Gaming Agency 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 Agency, the Chief of Security at the Gaming Facility, or the Tribal Police Department 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 Suquamish 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. The terms of such limited waiver of sovereign immunity, furthermore, shall be strictly construed and not liberally 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 Agency, 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 Agency or certified by the State Gaming Agency in accordance with this Compact. In recognition of the need to foster a joint regulatory program to enforce the provisions of this Compact, the Tribe 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 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 Tribe.

IX. COORDINATION OF LAW ENFORCEMENT RELATING TO GAMBLING

A. Investigative Authority. The Tribal Gaming Agency, Tribal Law Enforcement Agency, local law enforcement agencies, the Washington State Patrol, the State Gaming Agency, and, as applicable, the Horse Racing Commission, shall have the authority to investigate gambling and related crimes against the laws of the Tribe and of those parts of Chapter 9.46 RCW and Chapter 67.16 RCW made applicable by this Compact, that occur within the Gaming Facility or within Suquamish Indian Lands. Provided, enforcement activities by non-tribal agencies shall relate only to conduct potentially in violation of the terms of this Compact. Nothing in this section shall affect the jurisdiction of the State or of the Tribe with regard to non-gambling related crimes, nor shall be construed as a consent, grant or waiver of any sovereign right or

immunity of the Tribe with respect to Suquamish Indian Lands and its relationship to its members, and any other individuals or entities subject to Tribal jurisdiction. In addition, neither is there a waiver of any sovereign right or immunity with respect to each and every non-Tribal entity or jurisdictional group set forth in this subsection.

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 Suquamish Tribal members shall be in Suquamish Tribal or Federal court. Criminal prosecution of non-Suquamish Indians shall be in 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, Suquamish Tribal Court shall be the preferred venue for prosecutions unless the Tribe 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 Section 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, and to the extent such laws do not restrict the ability of the Tribe to conduct Class III gaming pursuant to this Compact, the parties adopt the laws enumerated below, as written or hereafter amended, as governing under this Compact. The Tribe shall adopt criminal law ordinances modeled upon, that are consistent with tribal custom, and that are consistent with, and at least as restrictive as State criminal gaming laws in RCW 9.46.075; 9.46.140; 9.46.155; 9.46.160; 9.46.170; 9.46.180; 9.46.185; 9.46.190; 9.46.196; 9.46.198; 9.46.220; 9.46.221; 9.46.222; 9.46.231; 9.46.240; and 67.16.060, as now or hereafter amended. To the extent required pursuant to this Compact, and consistent with the terms of this Compact, the Tribe consents to the concurrent application of State gaming laws with respect to Class III gaming activities on Suquamish Indian Lands. 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 Tribe under federal statute, shall comport with federal law. Nothing in this Compact shall be deemed a consent or submission of or by the Tribe 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 Agency Regulations. Pursuant to its general rule making authority, the Tribal Gaming Agency may enact as part of its regulations governing gambling, all or part of the provisions of this Compact.

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

A. Adoption of Regulations for Operation and Management. The Tribal Gaming Agency shall adopt regulations to govern the operation and management of the Gaming Operation conducted pursuant to this Compact. 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. The Tribal Gaming Agency shall notify the State Gaming Agency of any intent to revise the standards set forth in Appendix A and shall request the concurrence of the State Gaming Agency for such revisions. 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 Tribe:

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

3. The Tribal Gaming Agency shall require the audit of the Tribal Gaming Operation, not less than annually, by an independent certified public accountant, in accordance with the auditing and accounting standards for audits of casinos of the American Institute of Certified Public Accountants.
4. The Tribal Gaming Agency shall notify the State Gaming Agency of the rules of each game operated by the Tribe and of any change in such rules. 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 Agency 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 Tribe 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 Tribe 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 Agency and the State Gaming Agency with copies of its floor plan and closed circuit television system for review by the Tribal Gaming Agency. 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 Agency 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 Agency 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 Agency 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 Agency 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 Agency or the State Gaming Agency regards such supervisory staffing as inadequate, the Tribal Gaming Agency 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 Tribe's view the State, whether or not through the State Gaming Agency, 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 Tribe may seek injunctive or other relief in a court of competent jurisdiction. Prior to bringing such action, the Tribe shall notify the State and the State Gaming Agency in writing of the alleged violation(s).

B. Injunction Against the Tribe, the Tribal Gaming Operation, or any Individual. The State Gaming Agency may bring an action to enjoin the Tribe, the Tribal 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 Suquamish 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 Section 2710(d)(7)(A)(ii). Solely for the purpose of this remedy, the Tribe 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. Prior to bringing such action, the State Gaming Agency shall notify the Tribe, the Tribal Gaming Agency 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 Tribe 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 Port Madison Indian Reservation community selected by the Tribe with the concurrence of the State Gaming Agency, providing assistance within the county in the areas of social development, 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, Suquamish 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 Tribe shall reimburse the State Gaming Agency for all reasonable costs and expenses actually incurred by the State Gaming Agency in carrying out its responsibilities as authorized under the provisions of this Compact. 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 Tribe 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 Agency. The Tribe 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;
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
Tribal Codes regarding public health, safety and environmental protection standards.

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

C. Community Impact Mitigation.

1. The Tribe recognizes that activities directly and indirectly associated with the operation of the Gaming Facility on Suquamish Indian Lands may affect surrounding local law enforcement agencies, emergency services and other agencies. The Tribe 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 Tribe shall withhold and disburse a maximum of 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 Tribe and agencies receiving funds. A committee (majority rule) consisting of three representatives of the Suquamish Tribal Council; the Suquamish Tribal Police Chief; the Kitsap County Sheriff; an elected representative from the City of Bainbridge Island; an elected representative from the City of Poulsbo; a representative of the State Gaming Agency; and a member at large to be chosen by the committee, 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 establish set factors to be used to determine negative impacts, if any, to Kitsap County and the neighboring cities of Poulsbo and

Bainbridge Island. The committee shall meet at least annually to discuss the following: 1) impacts within the county, neighboring cities, and on the Reservation; 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. Within six (6) months of the date of final approval of this Compact, the Tribe and the Kitsap County Sheriff's Office shall enter into a Memorandum of Understanding (MOU) delineating the governmental relationships and responsibilities both on and off the Reservation with respect to the remediation of impacts on law enforcement. Provided the Tribe and the Kitsap County Sheriff's Office enter into an MOU, fifty percent (50%) of the 2.0% Impact Mitigation Fund shall be disbursed to the Kitsap County Sheriff's Office. The remainder of the funds shall be disbursed to the other affected jurisdictions pursuant to a separate MOU. In the event that the parties are unable to enter into such an MOU(s) then, except as set forth below, the Impact Mitigation Fund shall be placed in an interest bearing escrow account(s) pending the execution of such agreements. The Tribe shall be entitled to any interest earned on such funds. If after twelve (12) months of the date of final approval of this Compact, there remains funds in the escrow account(s) which have not been disbursed to any jurisdiction, those funds shall be immediately disbursed by agreement of a committee made up of the Tribal Chairman, the Chair of the County Board of Commissioners and the Director of the State Gaming Agency or its designee. Thereafter, a new escrow account(s) shall be opened for each succeeding twelve (12) month period.
3. 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).
4. The MOU(s) shall provide that except for the fifty percent (50%) allocation to the Kitsap 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 Tribe. The fifty percent (50%) allocated to the Kitsap County Sheriff's Office, which shall be used to provide additional law enforcement officers to assist the Suquamish Indian Tribal Police, may be re-evaluated after a two year period.
5. 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 Agency 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 Tribe and/or the Tribal Gaming Agency 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 Tribe 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 Section 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 Tribe wish to cease Class III Gaming Operations, the Tribe may unilaterally terminate this Compact by submitting written notice sixty (60) days prior to the date of termination to the Governor; 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 Section 2710(d)(7)(A)(ii). It is the Tribe's position that as a sovereign nation, it has the inherent right to engage in gaming activities within its own territorial jurisdiction and that this Compact is entered into only for the purposes of complying with the I.G.R.A. The Tribe disagrees that under the I.G.R.A. such State legislation would have the effect claimed by the State. The Tribe 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 Tribe to the State if and when:

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

   (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 F, I, J, and K 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 the date of this Compact, unless one of the following occurs: (1) the laws of the State are amended, expanding gaming beyond that which is now allowed under the terms of this Compact; (2) a State or Federal court within the State of Washington or a Federal court interpreting the laws of the State of Washington issues a final and unappealable decision permitting participation in a gaming activity that 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 and the Tribe can demonstrate that such levels have resulted in an adverse economic impact on the Class III gaming operation.

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 Tribe 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 F, I, J and K, 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 Section 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 Tribe shall be authorized to immediately commence conducting such activity prior to completion of the subsequent negotiations as provided in Section XV.D.2, if such activity is conducted in accordance with all of the limitations, regulations and requirements of the State.

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, 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 Tribe 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 Tribe or the State as a result of this Compact. Neither the Tribe 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

Director
Wash. State Gambling Commission
Box 42400
Olympia, Wa. 98504

Tribal Chairman
Suquamish Indian Tribe
Box 498
Suquamish, Wa. 98392

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 Suquamish Tribe and the State of Washington have executed this Compact.

SIGNATURES

THE SUQUAMISH TRIBE

Lyle Emerson George

BY:
Lyle Emerson George, Chairman
Date

THE STATE OF WASHINGTON

Mike Lowry

BY:
Mike Lowry, Governor
Date