Washington State Gambling Commission

Protect the Public by Ensuring that Gambling is Legal and Honest.

December 9, 2025

The Honorable Representative Sharlett Mena, Chair
House State Government & Tribal Relations Committee
PO Box 40600
Olympia, WA 98504

Dear Chair Mena:

I am sending this correspondence to advise you that we have reached a tentative agreement with the Port Gamble S'Klallam Tribe to amend their Class III Gaming Compact. Per RCW 9.46.360, when a tentative agreement with a Tribe is reached, the Gambling Commission shall transmit a copy of the proposed compact to all voting members of the Commission and to the designated committees.

RCW 9.46.360 also requires the designated committee of the Senate and the House of Representatives, within 30 days of receipt, to hold a hearing and forward any comments to the Gambling Commission. The Gambling Commission, including ex officio members, then vote, after giving the public an opportunity to comment, to determine whether to forward the proposed compact to Governor Ferguson for review and execution or return it to me with instructions for further negotiation.

The Gambling Commission plans to hold its public hearing concerning the proposed Class III Gaming Compact Amendment on January 8, 2026, in-person or virtually via Microsoft Teams. The exact time will be available on our website (www.wsgc.wa.gov).

I have enclosed a copy of the proposed Class III Gaming Compact amendment. For additional information, please call me at (360) 486-3546, or the Commission's Assistant Attorney General, Sharon James at (360) 586-2747.

Sincerely,

Tina Griffin
Director

Enclosure:
Proposed Compact Amendment

4565 7th Avenue SE
Lacey, WA 98503
wsgc.wa.gov

PO Box 42400
Olympia, WA 98504
360-486-3440

901 N Monroe St Suite 240
Spokane, WA 99201
509-325-7900

Duplicate Original:

The Honorable Bob Ferguson, Governor of Washington
The Honorable Amber Caldera, Chair, Port Gamble S'Klallam Tribe
The Honorable Claudia Kauffman, Chair, Senate Business, Financial Services & Trade Committee
Alicia Levy, Chair, Washington State Gambling Commission

cc:

Representative Chris Stearns, Vice Chair
Representative Kevin Waters, Ranking Member
Representative Jim Walsh, Assistant Ranking Member
Connor Schiff, Counsel, Office of Program Research
Desiree Omli, Counsel, Office of Program Research
Sharon James, Assistant Attorney General, Office of the Attorney General
Julie Lies, Tribal Liaison, Washington State Gambling Commission

FIFTH AMENDMENT TO THE TRIBAL-STATE COMPACT

FOR CLASS III GAMING BETWEEN

THE PORT GAMBLE S'KLALLAM TRIBE AND THE STATE OF WASHINGTON

DRAFT

WHEREAS, on January 27, 1995, the State of Washington ("State") and the Port Gamble S'Klallam Tribe ("Tribe") executed a Class III Gaming Compact ("Compact"), pursuant to the Indian Gaming Regulatory Act of 1988 ("IGRA"), P.L. 100-407, codified at 25 U.S.C. Section 2701 *et. seq,* and 18 U.S.C. Sections 1166-1668; and

WHEREAS, the Class III Gaming Compact executed by the State and the Tribe, as well any amendments thereto, were approved by the Secretary of the Interior and are in full force and effect (hereinafter referred to as the "Compact"); and

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

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

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

1. **Compact Section II, F. is amended to read as follows:**

   F. "Gaming Station" means one conventional, physical Gaming table of the general size and scope as commonly used in Nevada or Electronic Table Games, subject to Appendix G.

2. **Compact Section II, is amended to add the definition of "Pit" as follows and the prior definition of "Pit" in Appendix A, Section 1 is stricken:**

   X. "Pit" means the area enclosed or encircled by an arrangement of Gaming Stations, other than Electronic Table Games, in which Gaming Facility personnel administer and supervise the games played at the Gaming Stations by the patrons located on the outside perimeter of the area.

3. **Compact Section III. A. is amended to add:**

   25. Electronic Table Games, subject to Appendix G.

4. Addition of a Second Facility

Section III.E. is amended as follows:

E. Authorized Gaming Operation and Facilities~~y~~.
~~Initially t~~The Tribe may establish one Class III gaming operation and two gaming facilities~~y~~, to be located on the Port Gamble S'Klallam Tribal Lands, for the operation of any Class III games authorized pursuant to this Compact.

All references to "facility" in the Compact are amended to reflect the addition of a second facility. Depending on the context, the term "facility" is replaced with "facilities" or, as appropriate, the phrase "the facility" is replaced with "a facility" or "each facility."

5. **The Compact is hereby amended to add the following appendices:**

Appendix F "Limitations on Wagers, Credit, and Facilities; Problem Gaming Resources", in the form attached hereto, in its entirety.

Appendix G "Electronic Table Games", in the form attached hereto, in its entirety.

The Tribe and State agree that the Compact and its appendices become effective upon publication of notice of approval by the Secretary of the Interior of the United States in the Federal Register in accordance with 25 U.S.C. § 2710(d)(3)(B).

IN WITNESS WHEREOF, the Port Gamble S'Klallam Tribe and the State of Washington have executed the Fifth Amendment to the Compact.

PORT GAMBLE S'KLALLAM TRIBE	STATE OF WASHINGTON
BY: _____	BY: _____
AMBER CALDERA	BOB FERGUSON
Chair	Governor
DATED: _____	DATED: _____

DRAFT

PORT GAMBLE S'KLALLAM TRIBE
and the
STATE OF WASHINGTON
CLASS III GAMING COMPACT

APPENDIX F
LIMITATIONS ON WAGERS, CREDIT, FACILITIES; PROBLEM GAMING RESOURCES

Table of Contents

1. Conditions and Limitations 1
2. Higher Wager Limits at Gaming Stations 1
3. Extension of Credit 3
4. Wagering Limits—Player Terminals 4
5. Facility Limits—Gaming Stations and Player Terminals 4
6. Responsible Gambling 5

DRAFT

1. Conditions and Limitations

This Appendix contains the concessions, limitations, and agreement of the Tribe and State with respect to the subject matter addressed herein. However, Compact provisions that are not addressed in this Appendix remain in full force and effect, unless and until they are subsequently amended pursuant to the processes set forth in the Compact. This Appendix contains interdependent conditions and consequences that must be accepted as a whole.

The Tribe and State agree that, although the Compact and its appendices become effective upon publication of notice of approval by the Secretary of the Interior of the United States in the Federal Register in accordance with 25 U.S.C. § 2710(d)(3)(B), the implementation of Appendix F shall be delayed until any of the provisions herein are implemented by the Tribe ("Implementation Date"). However, if certain provisions in this Appendix have been implemented through another appendix, the delayed implementation shall not apply to those provisions. The Tribe shall provide notice to the State if, as and when implementation of Appendix F commences.

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

2. Higher Wager Limits at Gaming Stations

Due to the remote location, competitive market, and patron base of the Gaming Facility, the Tribe typically operates a limited number of Gaming Stations. While the Tribe does not expect to offer Gaming Stations with higher limits on a frequent basis, from time to time the Tribe would make such limits available to its patrons.

2.1. High Limit Room

2.1.1. "High Limit Room" means a clearly identified area of the Gaming Facility separated by a permanent, physical barrier or a separate room in the Gaming Facility. "Permanent, physical barrier" includes a partial wall, fence or similar separation. Stanchions or similar movable barriers are not considered a permanent, physical barrier.

2.1.2. The Gaming Operation may offer Gaming Station wager limits in the High Limit Room up to five thousand dollars ($5,000) subject to the limitations of Section 2.4 below.

2.2. Flex High Limit Room

Due to the expected infrequency of higher limit play, constructing a High Limit Room may not be financially feasible for the Tribe. Constructing a High Limit Room could also unnecessarily stress operational and regulatory resources needed to protect these and other Gaming activities within the Gaming Facility without

DRAFT

substantial benefit to the Gaming Operation. For these reasons, the parties agree to the following provisions related to a Flex High Limit Room:

2.2.1. "Flex High Limit Room" means a multi-purpose room in the Gaming Facility that is used on a limited basis. The Flex High Limit Room must have the same operational requirements as a High Limit Room.

2.2.2. In the Flex High Limit Room, the Gaming Operation may offer up to four (4) Restricted Access Tables, subject to Section 5.1(3). Restricted Access Tables are Gaming Stations where wagers above $500 and up to $5,000 are allowed, subject to the limitations of Section 2.4 below.

2.2.3. The Gaming Operation may operate the Flex High Limit Room up to one hundred twenty (120) Gaming days per year.

2.2.4. The process for approving the schedule for use of Restricted Tables in the Flex High Limit Room will be outlined in the Internal Controls.

2.3. High Limit Tables

2.3.1. "High Limit Table" means a designated Gaming Station in the Gaming Facility separated by a movable or non-movable barrier, such as stanchions or partial wall, prominently labeled with signage designating it as a High Limit Table, and with wager limits higher than those provided in Section III.I of the Compact, subject to the requirements and limitations of this Appendix.

2.3.2. The Gaming Operation may offer Gaming Station wager limits not to exceed one thousand dollars ($1,000) at the Gaming Facility's High Limit Table(s) subject to the limitations of Section 2.4 below.

2.4. Limitations

2.4.1. Gaming at the Gaming Stations in the High Limit Room and the Restricted Access Tables shall be limited to customers pre-screened by the Gaming Operation. The pre-screening qualifications and screening process will be set forth in an MOU agreed upon by the State Gaming Agency and the Tribe, as may be amended from time to time.

2.4.2. No customers may participate in Gaming in the High Limit Room, in the Flex High Limit Room, or at a High Limit Table if they are known to the Gaming Operation to have a history of problem gambling, are barred for self-exclusion, or are identified by the Tribal Gaming Agency as demonstrating significant characteristics associated with problem gambling.

DRAFT

2.4.3. The Gaming Operation must follow the requirements of Title 31 (money laundering).

3. Extension of Credit

3.1. Notwithstanding Section III.F of the Compact, the Gaming Operation may extend credit to qualified patrons who seek an extension of credit and who meet the criteria set forth in credit procedures developed by the Gaming Operation. At a minimum, the credit procedures must specify:

3.1.1. All patrons requesting credit are required to submit a complete tribal credit application and be provided problem gambling information;

3.1.2. The minimum and maximum amount any patron can request;

3.1.3. The process for review and verification of the credit application. The review process shall include, at a minimum, proof of identity, obtaining a credit report, gaming report unless this is the first casino credit for the patron (from Central Credit Inc. or similar provider that provides information on the patron's prior casino credit), and bank verification of accounts;

3.1.4. When a patron's credit application will be reviewed after initial application and preapproval;

3.1.5. Patrons will not be extended credit if known to the Gaming Operation to have a history of problem gambling, if actively barred for self-exclusion, or if the Gaming Operation's review of a credit report indicates the patron is proposing to make wagers beyond his or her means;

3.1.6. How each patron's credit application information is kept confidential and secure from unauthorized access, including who is authorized to access the credit application information;

3.1.7. Information about patrons requesting credit are not shared or used for marketing or promotional purposes with entities outside the Gaming Operation;

3.1.8. How the preapproval amount is determined to be consistent with their credit report the preapproval amount is documented, and the patron is notified;

3.1.9. The preapproval is granted by a member of the management of the Gaming Operation that is independent of the patron; and

DRAFT

3.1.10. The repayment and debt collection requirements and notification includes:

3.1.10.1. Repayment timeframes not to exceed 90 days from the day of extension of credit.

3.1.10.2. Any late payment fees, penalties, interest charges, or similar fees or charges, settlement process and reports, and prohibition of further credit extension with an unpaid balance.

3.1.10.3. Following applicable federal debt collection laws.

3.2. The Tribal Gaming Agency shall forward to the State Gaming Agency a copy of approved credit procedures, and any changes to those procedures for review and concurrence prior to implementation per Section X of the Compact.

4. Wagering Limits—Player Terminals.

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

All Scratch Tickets in a particular Game Set shall be of the same purchase price. ~~which shall not exceed $5.00, with the exception that up to 15 percent of the Player Terminals in operation may have purchase prices of up to $20.00 per Ticket~~. The purchase price for a single ticket may not exceed $30.00, provided that the minimum and maximum wagers must be visibly displayed on such machines. A single Ticket may offer an opportunity to enter another Game Set;

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

Each On-line Lottery Game may offer more than one method of winning a prize, and each method may be represented by a separate wager, but each wager may not exceed ~~$20.00~~ $30.00. Wagers are deducted from the Game Play Credits displayed on the Player Terminal.

4.3 Section 7.1.10(b) of Appendix X2, "The percentage of Player Terminals offering wagers between $5.01 and $20," is stricken.

5. Facility Limits—Gaming Stations and Player Terminals.

5.1. If this Appendix is implemented, Gaming Station limits are as follows:

The maximum number of Class III Gaming Stations within the Gaming Facilities combined shall not exceed a total of one hundred twenty-five (125) Gaming Stations. The Tribe, in its sole discretion, shall determine the allocation of the 125 Gaming Stations between the Gaming Facilities.

DRAFT

The Tribe is required to obtain transfers of a Class III Gaming Station authorization from another tribe which has entered into a compact with the State for the use of Class III Gaming Stations, as defined in this Compact for any Class III Gaming Stations, except for nonprofit stations, beyond sixty (60) in total for all Gaming Facilities. The transfer of Class III Gaming Station authorization from another tribe shall be effectuated through the use of a "Class III Gaming Station Transfer Agreement" substantially in the form appended hereto as Appendix D of this Compact.

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

Subject to Section 12.4 below, the Tribe may operate no more than ~~2,500~~ 3,000 Player Terminals per facility ("Facility Limit"), and no more than a combined Player Terminal total ("Total Operating Ceiling") of 3,000 Player Terminals in its Gaming Facilities. It is also agreed that upon the effective date of this Appendix, the Total Operating Ceiling for the Muckleshoot Tribe, Tulalip Tribes, and Puyallup Tribe shall be 3,500 for each of those three tribes until the third anniversary of the effective date of this Appendix, at which time it shall increase to 4,000 for each of those same three tribes. It is further agreed that the Tribe shall not be entitled as a matter of right to an increase in its Total Operating Ceiling based on the fact that the Muckleshoot Tribe, the Tulalip Tribes, and the Puyallup Tribe are entitled under this Appendix to operate up to the separate, higher Total Operating Ceiling(s) established specifically for them in this Appendix.

6. Responsible Gambling

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

6.1. Provide complimentary, on-site space for responsible gambling resources and information; and

6.2. Policy. Create and maintain a responsible gambling policy that, at a minimum, outlines their commitment to responsible gambling, player protection, and mitigating gambling related harms. The policy shall include information about how and where to seek treatment; national or local hotline numbers; a description of self-imposed limits offered by the Gaming Operation, if any; the process for self-exclusion/barring; and preventing underage individuals from entering the Gaming Facility.

6.3. Training. Provide annual training and education for all Gaming Employees to cover how to identify problem gamblers, how to provide assistance when asked,

DRAFT

underage gambling prevention; unattended children; the self-exclusion process, and where to direct patrons to find resources. For management, additional training shall cover the self-exclusion process and how to initiate the process and the increased risk of gambling harms that Gaming Employees may face.

6.4. Self-Exclusion. The Tribe shall:

a. Provide the self-exclusion process for patrons to self-exclude themselves from the Gaming Facility and make that process available on the Gaming Facility's website and Player Account applications.
b. Provide local resources and a toll-free number to a patron who self-excludes/bars so they can seek further assistance.
c. Immediately remove a patron who self-excludes from mailing lists and promotional and marketing materials, and they will be denied all complimentary items while excluded.
d. Consider participating in the State Gaming Agency's statewide self-exclusion program.

6.5. Commitment to Responsible Gambling.

a. The Gaming Operation will display a commitment to responsible gaming and a link to the policy, created pursuant to Appendix S, Section 8.3.2, designed to target patrons at locations such as all public entrances and exits to the Gambling area, in or near Gambling areas, and in any areas where Cash or electronic transfer of funds are available to patrons. The Gaming Operation will more fully describe where signage will be placed in an internal policy, a copy of which will be provided to the SGA.
b. Each ETG Terminal, Mobile Sports Wagering application and Sports Wagering Kiosk will display a commitment to responsible gaming, and a link to the policy created pursuant to Appendix S, Section 8.3.2. The method of display will be determined by the Gaming Operation and approved by the TGA.
c. The Gaming Operation's advertising and marketing materials will contain a responsible gaming message and a toll-free help-line for problem gamblers, where practical or feasible.
d. All direct advertising, marketing, and promotional materials will include a clear and conspicuous method allowing patrons to unsubscribe from future advertising, marketing, or promotional communications.

6.6. Class III Gaming website information. The Tribe shall, within 3 clicks from the main website, make the following responsible gaming and problem gambling information available on the Class III Gaming Facility website:

DRAFT

a. The responsible gaming policy outlined in 1. above,
b. A toll-free problem gambling hotline number,
c. Problem gambling resources,
d. Responsible Gaming information,
e. The Gaming Operations self-barring/exclusion process, and
f. On-line application/form to start the self-barring/exclusion process.

6.7. Self-Imposed Limits.
Within 5 years, or as soon as feasible thereafter, implement an interactive responsible gambling application or program for players such Gambling application or program may be separate and need not be integrated into the authorized Class III Gaming activities and other Gaming activities.

6.8. The Tribe shall annually certify to the State Gaming Agency in writing compliance with 6.1-6.7 above by December 31 of each year.

6.9. Consider additional ways to address problem gambling behaviors of patrons of the Gaming Facility in future negotiations

DRAFT

PORT GAMBLE S'KALLAM TRIBE OF INDIANS
and the
STATE OF WASHINGTON
CLASS III GAMING COMPACT

APPENDIX G
ELECTRONIC TABLE GAMES

Table of Contents

SECTION 1. INTRODUCTION 1
SECTION 2. EFFECTIVE DATE 1
SECTION 3. DEFINITIONS 1
SECTION 4. AUTHORIZATION 2
SECTION 5. NUMBER OF GAMING STATIONS 3
SECTION 6. OPERATION AND REPORTING REQUIREMENTS 3
SECTION 7. APPROVAL OF ELECTRONIC TABLE GAME SYSTEMS 5
SECTION 8. PROBLEM AND RESPONSIBLE GAMING 6

DRAFT

SECTION 1. INTRODUCTION

This Appendix G ("Appendix") describes, authorizes, and sets forth provisions applicable to the operation of Electronic Table Games. It is the intent of the Parties for the Tribe to operate Electronic Table Games to enhance the Tribe's existing Gaming Operation while maintaining the integrity and security of the Electronic Table Games. This Appendix contains the interrelated concessions, limitations, and agreement of the Tribe and State with respect to the subject matter addressed herein that must be accepted as a whole in order to adopt this Appendix.

Provisions of the Compact and appendices, as amended (together, the "Compact"), that are not addressed in this Appendix remain in full force and effect, unless and until they are subsequently amended pursuant to the process set forth in the Compact. Provisions of the Compact that do not conflict with this Appendix shall apply to Electronic Table Games. To the extent they do not conflict, existing Internal Controls, game rules, and similar documents in effect as of the date of the publication of the Fifth Amendment remain in full force and effect, unless and until they are subsequently amended pursuant to the process set forth in the Compact.

SECTION 2. EFFECTIVE DATE

The Tribe and State agree that, although the Compact and its appendices become effective upon publication of notice of approval by the Secretary of the Interior of the United States in the Federal Register in accordance with 25 U.S.C. § 2710(d)(3)(B).

SECTION 3. DEFINITIONS

The following terms apply to this Appendix. All capitalized terms not defined herein, to the extent they do not conflict, have the same meaning as the definitions as in the Compact.

"Component" means Electronic Table Game Terminals, any dealer interface, the Electronic Wagering System, hardware, software, and servers that function collectively to simulate table game operations and are necessary to operate the Electronic Table Game System.

"Communal Shoe" means a randomly shuffled and dealt deck or decks of cards, whether physical or electronic, that removes each card played until the round of play is completed according to the approved game rules.

"Electronic Table Game" or "ETG" means an electronic version of a Class III table game.

"Electronic Table Game System" or "ETG System" means a system that utilizes electronics in connection with the generation, collection, storage, and communication of game outcome, accounting, and significant event data, including all Components thereof, to operate Electronic Table Games.

DRAFT

"Electronic Table Game Terminal" or "ETG Terminal" means a computer housed in a cabinet with input device(s) and video screen(s) where a player may play Electronic Table Games.

"Electronic Wagering System" means a Component of the ETG System that includes a computer or server and any related hardware, software or other device that facilitates patron play at an Electronic Table Game.

SECTION 4. AUTHORIZATION

4.1 The ETG System must be honest, fair, secure, reliable, auditable, and compliant with the Compact and the standards contained in this Appendix and any related MOU.

4.2 ETG System Conditions. An ETG System is authorized when the ETG System does not allow a patron to play a device prohibited by RCW 9.46.0233(1)(b) and RCW 67.70.040(1)(a) ("Play Against the Machine"). An ETG System does not allow Play Against the Machine when:

4.2.1 there is a human dealer involved in the play of the ETG ("Dealer Controlled"); or

4.2.2 the play of the ETG does not involve a human dealer, and the ETG System is configured for play between two or more patrons against the same roll of dice or spin of the wheel, or a Communal Shoe of electronic cards ("Non-Dealer Controlled"); however, only one patron is needed to initiate game play; or

4.2.3 it is a hybrid of Dealer Controlled and Non-Dealer Controlled, provided that any ETG played as Dealer Controlled follows applicable Dealer-Controlled standards set forth in this Appendix and any ETG offered as Non-Dealer Controlled follows applicable Non-Dealer Controlled standards set forth in this Appendix.

4.3 Specific Games

4.3.1 The Tribe may offer for play an ETG version of any Class III table game approved in Compact Section III.A. Pay table or odds offered on an ETG must be consistent with game rules as approved in Compact Section X.B.4. ETG game rules must be displayed on each ETG Terminal.

4.3.2 An ETG Terminal may allow for play, any other Class III activity as authorized under the Compact, other than the Tribal Lottery System or any Gaming activity with a limited allocation.

4.3.3 Concurrent play. Patrons may play more than one ETG concurrently using a single ETG Terminal under the following requirements:

4.3.4 An ETG Terminal must display clear information about each ETG available for play and such information must be available to a patron without the patron first placing a wager.

DRAFT

4.3.5 An ETG Terminal must display each ETG selected for play by the patron.

4.3.6 An ETG Terminal must display the decisions and outcomes of play for each ETG selected by the patron.

4.3.7 An ETG may not be added to or removed from an ETG Terminal in use by a patron.

4.4 Wager Limits. Wager limits for ETGs shall not exceed $500.

4.5 Electronic Wagering System. An ETG shall be activated with an Electronic Wagering System that meets the standards described in Section 6.1.2 of this Appendix. An ETG Terminal shall not issue coin or U.S. currency at the conclusion of a patron's play.

SECTION 5. NUMBER OF GAMING STATIONS

Every nine (9) ETG Terminals shall constitute one Gaming Station. If the number of ETG Terminals put into play is not perfectly divisible by nine (9), then any remainder less than nine (9) will constitute a Gaming Station. For example, if ten (10) ETG Terminals are in operation, it will constitute two (2) Gaming Stations.

SECTION 6. OPERATION AND REPORTING REQUIREMENTS

6.1 Standards for Operation.

6.1.1 Any ETG must comply with the standards established by this Appendix and any applicable provision of the Compact, and must meet or exceed all applicable standards of Gaming Laboratories International's Standards GLI-24 (Electronic Table Game Systems) ("GLI-24") and GLI-25 (Dealer Controlled Electronic Table Games), as amended or modified. Any standards that contemplate features or functionalities of an ETG System that conflict with Section 4 of this Appendix are not applicable, and such features or functionalities are prohibited.

6.1.2 Any Electronic Wagering System must meet or exceed Gaming Laboratories International's Standard GLI-16 (Cashless Systems in Casinos), the standards established by this Appendix, any applicable provision of the Compact, including Cashless Transaction System as defined in Appendix X2, and any related MOU. Provided, any "Cashless Systems in Casinos" that would add money to or take money from a patron's account without a cashier or kiosk would require negotiations in Compact Section XV.

6.1.3 The Tribal Gaming Agency and the State Gaming Agency may mutually agree in writing to alternative standards for any ETG System authorized in Section 4 of this Appendix in lieu of the GLI standards described in Sections 6.1.1 and 6.1.2 above that maintain the integrity and security of the ETG System.

DRAFT

6.2 Internal controls. Prior to offering ETGs for play, the Tribe must implement Internal Controls as minimum operating standards to govern the operation and management of the ETG System.

6.2.1 Initial Internal Controls. The Tribal Gaming Agency shall forward to the State Gaming Agency its initial Internal Controls for ETG Systems for review and concurrence per Compact Section X.A.

6.2.2 Minimum Requirements. The Internal Controls will address the following, at a minimum:

a. Description of Gaming Employees who perform essential functions, supervisory authority, handling payouts on winning vouchers.

b. User access controls for ETG personnel;

c. Segregation of duties;

d. Procedures for receiving, investigating, and responding to patron complaints;

e. Accounting and audit procedures;

f. Procedures to ensure the physical security of the ETG Systems, including key controls and Closed Surveillance System coverage;

g. Procedures to ensure the integrity and security of all sensitive data and software;

h. Procedures to ensure that access to sensitive data and software is limited to appropriate personnel;

i. Procedures to ensure accurate accounting of wagers and payouts;

j. Procedures to ensure the logging of the events and the availability of records to permit an effective audit of the conduct of the ETG System and the reporting of revenue;

k. All existing Internal Controls are updated, as necessary, to ensure there are no conflicts with any Internal Controls governing ETG Systems; and

l. Any other internal controls deemed necessary by both the State Gaming Agency and Tribal Gaming Agency.

6.3 Required Reports. Reports necessary to record information as deemed necessary by the Tribal Gaming Agency or as required by Internal Controls must be generated. These reports may include, but are not limited to, all applicable reports as outlined in Section 2.21 of GLI-24.

6.4 Training. A manufacturer's prototype (e.g., test cart) of the version of the ETG System that will be installed at the Gaming Facility will be delivered to the State Gaming Agency for training purposes prior to field testing. The State Gaming Agency will collaborate with the Tribal Gaming Agency to provide additional

DRAFT

training opportunities related to ETG Systems. The Tribal Gaming Agency and the State Gaming Agency may mutually agree to an alternative to a prototype.

6.5 Technical Revisions. The Parties may mutually agree in writing to revise the provisions of this Section 6, including revisions to allow alternative technology that meets the requirements of Section 6.1, provided any revisions adequately preserve and protect the integrity and security of the ETGs and the interests of the Tribe and the State to reduce the dangers of unfair or illegal practices.

SECTION 7. APPROVAL OF ELECTRONIC TABLE GAME SYSTEMS

7.1 Purpose. The general purpose of testing an ETG System pursuant to this Section 7 is to determine the compliance of the ETG System with this Appendix and any applicable MOU(s).

7.2 Independent Test Laboratory (ITL) Testing for ETG System, Upgrades, and New Equipment; Modifications.

7.2.1 ITL Requirement. Each new or upgraded ETG System may be offered for play only if it has been tested and certified as meeting the applicable standards of this Appendix and any related MOU by an ITL selected by the Tribe from SGA's approved ITL list.

7.2.2 ITL Reports and Certification. At the conclusion of testing, the ITL shall provide to the Tribal Gaming Agency and the State Gaming Agency its certification and supporting documentation. If the ITL provides sufficient documentation that the ETG System or relevant Component has been tested and certified by that ITL in any other jurisdiction and it meets the requirements of this Appendix, without any subsequent modifications, that shall be sufficient to satisfy this requirement.

7.2.3 Modifications. No substantive modification to any ETG System may be made after testing, certification, and approval without certification of the modification by an ITL. The following modifications are not considered substantive and do not require ITL certification or notification to the State Gaming Agency: (a) changes to content not related to any regulated feature; (b) adding or removing users; (c) any system configuration changes that have no impact on the accuracy of report information including gaming revenue; and (d) minor modifications to hardware.

7.3 Field Testing for ETG Systems.

7.3.1 A new ETG System may only be offered for play subject to field testing at the Tribe's Gaming Facility as described below.

7.3.2 The terms, conditions, criteria, and objectives for each ETG System to be field tested must be jointly agreed to by TGA and SGA in writing prior to field testing and must include at least:

a. The requirements and standards that must be met to determine successful field testing.

DRAFT

b. The number of ETG Terminals to be included in the field test.

c. The demarcation of the testing area of the gaming floor and necessary signage.

d. The appropriate length of the testing period.

e. Identification of who will receive updates, how the updates will be sent, and when they will be sent.

7.3.3 Approval.

a. After a minimum of thirty (30) days of active operation of field testing free of substantial errors, the Tribal Gaming Agency and State Gaming Agency may end field testing and approve the ETG System if the final joint field testing report provides, at a minimum, the details of testing, any issues identified, the resolution of those issues, and overall performance and compliance of the ETG System with applicable standards.

b. The ETG System shall be deemed approved after ninety (90) days of active operation unless disapproved in writing by the Tribal Gaming Agency or State Gaming Agency detailing the reasons for disapproval.

c. Field testing may be suspended by the Tribal Gaming Agency, State Gaming Agency, or the manufacturer at any time for non-compliance. Once the Tribal Gaming Agency and State Gaming Agency agree the non-compliance issue is resolved, field testing may resume.

7.4 Implementation of Approved ETG by another tribe. The Tribe may conduct its own field-testing period as outlined above, or, once field testing is completed for another tribe, the Tribe may rely on that testing for approval when its ETG System is the same and configured in the same way.

SECTION 8. PROBLEM AND RESPONSIBLE GAMING

Commitment to Responsible Gaming. The Tribe and State Gaming Agency recognize the importance of responsible gambling as part of the shared responsibility to protect the health, welfare, and safety of the citizens of the Tribe and of the State. The State recognizes the Tribe's efforts to provide responsible gambling awareness and support information on the Gaming Facility's website, which includes the steps the Tribe has taken to promote responsible gaming, problem gambling education and awareness information.

To further the commitment to responsible gambling, the Tribe agrees to:

8.1 Display a commitment to responsible gambling and a link to the Gaming Operation's responsible gambling policy on each ETG Terminal, cashier station, entrance/exit, TLS Kiosk, and Keno Kiosk, in addition to the requirements of Appendix S, Section 8. The display will be in a manner determined by the Tribe;

DRAFT

8.2 Include responsible gambling information on Class III Gaming marketing and promotional materials, in a manner determined by the Tribe; and

8.3 Consider additional ways to address problem gambling behaviors of patrons of the Gaming Facility in future negotiations

DRAFT