

SQUAXIN ISLAND TRIBE

RESOLUTION NO. 93-15

OF THE

SQUAXIN ISLAND TRIBAL COUNCIL

WHEREAS, the Squaxin Island Tribal Council is the governing body of the Squaxin Island Indian Reservation by authority of the Constitution and By-Laws of the Squaxin Island Tribe, as approved and adopted by the General Body and the Secretary of the Interior on July 8, 1965; and

WHEREAS, the Squaxin Island Tribal Council has been entrusted with conducting the business of the Squaxin Island Tribe; and

WHEREAS, the health, safety, welfare and education of the Indian people of the Squaxin Island Tribe is the responsibility of the Squaxin Island Tribal Council; and

WHEREAS, the Squaxin Island Tribe is proposing a major economic development effort to establish a Tribal gaming operation; now

THEREFORE, BE IT RESOLVED, that the Squaxin Island Tribal Council, under authority granted to the Squaxin Island Tribal Council by Article III, Section 1, (a-i) of the Squaxin Island Tribal Constitution, hereby adopts Gaming Ordinance # 93-01 for the purposes listed herein:

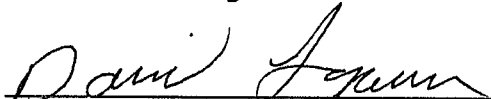
- . To provide a new and continuous source of revenue to the Tribe so as to promote tribal economic development and tribal self-sufficiency;
- . To insure the proper regulation and operation of authorized amusement games and gambling;
- . To allow tribal members to participate in certain forms of social games and gambling;
- . To provide for the social welfare and protection of tribal members and all others who reside within or who may pass through the reservation; and

BE IT FURTHER RESOLVED THAT, the Squaxin Island Tribal Council shall have authority to amend Gaming Ordinance # 93-01 as it deems necessary, after its effective date without further approval; and

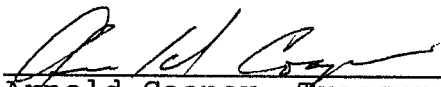
BE IT FINALLY RESOLVED THAT, the Squaxin Island Tribal Council shall have the authority to sign and execute any and all documents and amendments related to this gaming ordinance.

C E R T I F I C A T I O N

The Squaxin Island Tribal Council does hereby certify that the foregoing resolution was adopted at a meeting of the Squaxin Island Tribal Council, held on the 9th day of February, 1993, at the Squaxin Island Tribal Offices, at Kamilche, Washington, and where a quorum was present and approving the resolution by a vote of 5 FOR and 0 Against with 0 ABSTAINING.



Dave Lopeman, Chairman



Arnold Cooper, Treasurer

Attested By:


Mike Peters, Secretary

The Squaxin Island Gaming Ordinance

No. 93-01

Introduction. An ordinance governing, regulating, licensing and permitting gaming on the Squaxin Island Reservation in Mason County, Washington, under certain terms and conditions.

Be it ordained by the Squaxin Island Tribe as follows:

Statement of Purpose: An ordinance to govern and regulate the operation, conduct and playing of (1) "Class I gaming" and (2) "Class II gaming," as defined by the Indian Gaming Regulatory Act of 1988, 25 USC §2701, et seq. (the "Act"); and (3) "Class III gaming" as defined by the Act and as authorized by and pursuant to the provisions of a Tribal-State compact under the provisions of the Act, so that revenue may be produced for the support of Tribal government programs which promote economic development and for the health, education and welfare of the Tribe and its members:

Section 1. Short Title. This ordinance may be cited as the Gaming Ordinance of the Squaxin Island Tribe of the Squaxin Island Reservation located in Mason County, Washington.

Section 2. Interpretation. This ordinance shall be deemed an exercise of the sovereign power of the Squaxin Island Tribe and all provisions of this ordinance shall be liberally construed for the accomplishment of the Statement of Purpose.

Section 3. Policy.

3.1 Proprietary Interests. The Squaxin Island Tribe shall have the sole proprietary interest, authority and responsibility for the conduct of any Class II gaming conducted on the Reservation and shall have the sole proprietary interest and responsibility for the conduct of any Class III gaming conducted on the Reservation.

3.2 Use of Gaming Revenues. The net revenues of any Tribal Class II and Class III gaming are not to be used for purposes other than:

- 3.2.1 To fund tribal governmental operations or programs;
- 3.2.2 To provide for the general welfare of the Tribe and its members;
- 3.2.3 To promote Tribal economic development;
- 3.2.4 To donate to charitable organizations; or

3.2.5 To help fund operations of local government agencies.

3.3 Prohibition on Per Capita Payments. The net revenues from gaming activities may be used to make per capita payments to members of the Tribe if done so in accordance with IGRA §2710(b)(3).

3.4 Annual Audits. Annual outside independent certified audits of Class II and Class III gaming conducted by the Tribe pursuant to the provisions of a Tribal- State compact shall be caused to be produced and the results of those audits shall be submitted to the National Indian Gaming Commission and made available to any Federal agencies authorized by Federal law to obtain copies of the results of those audits.

3.5 Gaming Related Contracts. All gaming related contracts that result in purchases of supplies, services or concessions for more than Twenty Five Thousand Dollars (\$25,000.) annually, except contracts for professional legal or accounting services, shall be included within the scope of the independent audits conducted under 3.4 above.

3.6 Background Investigations and Licensing. The Tribe shall perform background investigations and issue licenses according to the requirements of Section 7, which shall be at least as stringent as those required by federal law.

3.7 License Required. The Tribe shall issue a separate license to each place, facility or location on Squaxin Island lands where the Tribe elects to allow either Class II or Class III gaming.

3.8 Environmental, Public Health and Safety Protection. The Tribe shall construct and maintain the gaming facilities and operate Class II and Class III gaming in a manner which adequately protects the environment and the public health and safety.

3.9 Cooperation with Law Enforcement. Tribal officials may cooperate with law enforcement officials of the State of Washington, the Bureau of Indian Affairs, the Federal Bureau of Investigation, and other law enforcement agencies, when it is deemed to be in the best interest of the Tribe to assure that fair, honest and efficient gaming activities are conducted by the Tribe and, as to Class III Gaming, such law enforcement activities and responsibilities shall be consistent and in accordance with the provisions of a Tribal-State

compact.

Section 4. Definitions. In this ordinance, unless the context requires otherwise:

4.1 Definitions Incorporated. The definitions of the IGRA §2703 and the National Indian Gaming Commission pursuant to §2706(b)(10) now existing, 25 CFR Part 502, or as may be hereinafter adopted or amended shall apply and are hereby adopted and incorporated to the extent necessary and not inconsistent.

4.2 "Act" means the Indian Gaming Regulatory Act, Pub.L. 100-497, 25 U.S.C. §2701 et seq. and 18 USC §1166 et seq..

4.3 "Class II gaming" means Class II gaming as defined by the Act.

4.4 "Class III gaming" means Class III gaming as defined by the Act, or as authorized by judicial determination, federal regulation or federal pronouncement and as authorized and conducted by the Tribe in accordance with and pursuant to the provisions of a Tribal-State compact and this ordinance.

4.5 "Commission" shall mean and refer to the Squaxin Island Gaming Commission.

4.6 "Contractor" shall mean and refer to any management contractor who operates for the Tribe, Tribal premises used for Class II or Class III gaming, or operates as lessee under a lease with the Tribe and any lessor of gaming equipment or supplier of gaming services to the Tribe.

4.7 "Key employee" shall mean and refer to (a) a person who performs one or more of the following functions: bingo caller; counting room supervisor; chief of security; custodian of gaming supplies or cash; floor manager; pit boss; dealer; croupier; approver of credit; or custodian of gambling devices including persons with access to cash and accounting records within such devices; (b) if not otherwise included, any other person whose total cash compensation is in excess of \$50,000. per year; or, (c) if not otherwise included, the four most highly compensated persons in the gaming operation.

4.8 "Person" means a natural person, firm, association, corporation or other legal entity.

4.9 "Player" shall mean any person paying some amount of U.S. currency to the Tribe or the contractor or the agent, servant or employee of the Tribe or such contractor for admission to, or participation in Class II or Class III gaming and who has some reasonable

expectation of receiving a prize as a result of participating, playing or wagering on such Class II or Class III gaming.

4.10 "Primary management official" means (a) the person having management responsibility for a management contract; (b) any person who has authority to hire and fire employees; or to set up working policy for the gaming operation; or (c) the chief financial officer or other person who has financial management responsibility.

4.11 "Prizes" shall mean and refer to any United States currency, cash or other property or thing of value awarded to a Player of Class II or Class III gaming.

4.12 "Squaxin Island Lands" shall mean and refer to all land within the limits of the Squaxin Island Tribe of the Squaxin Island Reservation; and all lands within the State of Washington held in trust by the United States for the benefit of the Squaxin Island Tribe before October 17, 1988; and all land within the State of Washington held in trust by the United State for the benefit of the Squaxin Island Tribe after October 17, 1988, over which the Squaxin Island Tribe exercises governmental power, and which meet the requirements of 25 USC §2719.

4.13 "Tribal Council" shall mean and refer to the Squaxin Island Tribal Council, the governing body of the Squaxin Island Tribe.

4.14 "Tribal-State compact" means a tribal-state compact entered into, if at all, pursuant to IGRA §2710.

4.15 "Tribe" shall mean and refer to the Squaxin Island Tribe of the Squaxin Island Indian Reservation located in Mason County, Washington, whose Constitution was approved July 8, 1965 by the United States Secretary of the Interior.

Section 5. General Prohibition. No person may perform, supervise, hold, operate or conduct any Class II or Class III gaming on Squaxin Island lands except such Class II or Class III gaming conducted, operated or licensed by the Tribe in accordance with the provisions of this ordinance and, as to Class III gaming, conducted, operated or licensed in accordance with the provisions of the Tribal-State compact.

Section 6. Individually Owned Gaming Operations. Individually owned gaming operations are prohibited.

Section 7. Gaming Activities.

7.1 Gaming Authorization. The Tribe is authorized to perform, supervise, hold, license, operate and conduct Class I, Class II and Class III gaming on Squaxin Island Lands and, as to Class III gaming, in accordance with the provisions of the Tribal-State Compact.

7.2 Tribal-State Compact Authorization. The Tribal Council is authorized to enter into a Tribal-State compact regulating the conduct of Class III gaming activities as required by the Act and to take any and all actions necessary to negotiate and execute such compact.

7.3 Management Agreements. The Tribal Council shall have the authority to enter into a management, finance and construction agreements to operate, build and maintain Class II and/or Class III gaming activities on the Tribe's reservation or lease for the rental of gaming equipment provided that said management agreements or leases are in conformity with the Act and any Federal laws, rules and/or regulations then in effect.

7.4 Squaxin Gaming Commission. The Squaxin Island Gaming Commission shall supervise the administration of this Section and may adopt, amend and repeal rules and regulations governing the holding, operating and conducting of Class II and Class III gaming, including establishing accounting and audit procedures and requirements, which shall be in accordance with, and shall not violate the provisions of this ordinance and, in the case of Class III gaming, the Tribal- State Compact; may provide for the rental of the premises and equipment required for the operation of such Class II and Class III gaming; and may provide that such gaming activities shall be held, operated and conducted in conformity with the provisions of this ordinance and, in the case of Class III gaming, the Tribal-State compact.

7.5 Gaming Policy Board. The Gaming Policy Board shall establish the policy for the operation of Class II and Class III gaming consistent with the rules and regulations adopted by the Squaxin Gaming Commission, this ordinance, and, in the case of Class III gaming, the Tribal-State compact.

7.6 Conflicts. All management agreements shall provide that elected members of the Tribal government may not be an employee of the Contractor or of the Tribe's gaming enterprise.

7.7 Licensing. The licensing authority for Class II or Class III gaming is an exclusive tribal authority unless, in the case of Class III game, otherwise provided under a Tribal -State compact. All Contractors, primary management officials, key employees and employees of the Tribe's gaming enterprise and each place, facility and locale engaging in Class II or Class III gaming, shall be licensed by the Tribe and, in the case of Class III gaming, meet the requirements of the Tribal-State compact. Any Person whose prior activities, criminal record, if any, or reputation, or association pose a threat to the public interest or to the effective regulation of the Tribe's gaming activities or create or enhance the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of

such gaming activities shall not be eligible to be licensed by the Tribe as a Contractor, primary management official, key employee or employee of the Tribe's gaming enterprise.

7.7.1 The Tribe shall make a finding determining the eligibility of each primary management official and each key employee for employment in the gaming operation consistent with the requirements of 7.9.1 and 7.9.2 herein and federal law.

7.7.2 All Contractors, primary management officials, key employees and employees of the Tribe's gaming enterprise shall be of good moral character and shall not have been convicted of any felony or misdemeanor involving moral turpitude or gaming offense in any court of competent jurisdiction.

7.7.3 The Tribe shall retain applications for employment and reports (if any) of background investigations of employees of a gaming operation other than primary management officials and key employees for inspection by the Chairman or his or her designee for the greater of three years or the term of employment.

7.7.4 The Tribe shall forward applications and reports to the National Indian Gaming Commission as required by federal law.

7.8 License Suspension. If, after the issuance of a gaming license, the National Indian Gaming Commission receives reliable information indicating that an employee is not eligible for employment and so informs the Tribe, the Tribe shall suspend such license and notify the licensee in writing of the suspension and the proposed revocation. The Tribe shall notify the licensee of a time and a place for a hearing on the proposed revocation. After a revocation hearing, the Tribe shall decide to revoke or to reinstate a gaming license. The Tribe shall notify the National Indian Gaming Commission of its decision.

7.9 Background Investigations. Background investigations shall be conducted, as required below, of Contractors, primary management official and employees of the Tribe's gaming enterprise.

7.9.1 Background Investigations for Class II Gaming. The Tribe shall conduct a background investigation for each primary management official and for each key employee of a Class II gaming operation. The Tribe shall request and the primary management official and the key employee shall provide any and all information that the Tribe deems relevant, including all that information required by federal law.

The Tribe shall conduct an investigation sufficient to make a determination whether the employment of a person under investigation poses a threat to the public interest or to the

effective regulation of gaming, or creates or enhances the dangers of unsuitable, unfair, or illegal practices and method and activities in the conduct of gaming.

In conducting a background investigation, the Tribe or its agents shall promise to and shall keep confidential the identity of each person interviewed in the course of the investigation.

Before issuing a license to a primary management official or a key employee under this Section the Tribe shall forward to the Commission or to the Bureau of Indian Affairs an investigative report on each background investigation including all that information required by federal law including the steps taken in conducting a background investigation; the results obtained; the conclusions reached; the basis for those conclusions and its finding of eligibility required under Section 7.6 and 7.8 herein.

The Tribe shall place any privacy notice required by federal law on the application form for a primary management officials and key employees.

The Tribe shall place any notice regarding false statements required by federal law on the application form for primary management officials and key employees.

7.9.2 Background Investigations for Class III Gaming. The Tribe shall conduct or caused to be conducted a background investigation for each [Contractor,] primary management official, key employee, [and employee] of a Class III gaming operation using procedures as stringent as those required by 7.9.1 herein. The Tribe shall further conduct or cause to be conducted those background investigations required by the Tribal-State Compact.

Before the Tribe or other licensing authority (the State, if at all) licenses a primary management official or a key employee the Tribe shall forward to the Commission the information required under 7.8.1.

7.10 The Tribe shall maintain a permanent record containing the name and address of each player who receives a prize, if required by, and in accordance with the requirements of the Internal Revenue Code, any enactments of Congress or the Tribal-State Compact.

7.11 The Tribe shall maintain adequate written records of Class II and Class III gaming in the Tribe's facilities for a period of at least four (4) years. The records shall include:

- (1) Gross receipts;
- (2) All payouts for prizes, whether in cash or merchandise;
- (3) Any and all operating expenses;
- (4) Net profits.

Section 8. The Squaxin Island Gaming Commission. A Squaxin Island Gaming Commission shall be established as follows:

8.1 Membership. The Commission shall consist of five members of the General Council of the Squaxin Island Tribe. One member shall be a member of the Squaxin Island Tribal Council. Appointments shall be made by the Squaxin Island Tribal Council. Initial appointments shall be made in staggered terms: one member for a one year term; two members shall be appointed for two year terms; and two members shall be appointed for three year terms. Thereafter, members will be appointed for three year terms. If a commission is not appointed the Squaxin Island Tribal Council will be appointed and serve as the Commission. Members may not have a direct or indirect financial interest in the Class II or Class III gaming activities.

8.2 Meetings. The Commission shall meet monthly or at the request of the Chairperson, the Council or three members of the Commission. A quorum shall be three members. Voting shall be by majority unless only three members are present in which case a unanimous vote is required. Notice of the meetings is to be given to the Commission members and to the Tribe five days prior to the meeting except in the case of an emergency meeting. An agenda shall be established, minutes shall be recorded, maintained and filed.

8.3 Compensation. The members of the Commission may be compensated in an amount and pursuant to a schedule adopted by the Tribal Council. Compensation and expenses shall be paid from taxes or profits paid to the Tribe from the Class II and Class III gaming activities.

8.4 Staff. The Commission is authorized to hire or contract for staff.

8.5 Powers and Duties.

8.5.1 The Commission shall supervise the administration of this Section and may adopt, amend and repeal rules and regulations governing the holding, operating and conducting of Class II and Class III gaming, including establishing accounting and audit procedures and requirements, background investigations, licensing and enforcement, which shall be in accordance with, and shall not violate the provisions of this ordinance and, in the case of Class III gaming, the Tribal- State Compact.

8.5.2 The Commission may provide for the rental of the premises and equipment required for the operation of such Class II and Class III gaming.

8.5.3. The Commission shall provide that gaming activities shall be held, operated and conducted in conformity with the provisions of this ordinance and, in the case

of Class III gaming, the Tribal-State Compact.

Section 9. Gaming Management Board. The Gaming Management Board shall be established as follows:

9.1 Membership. Members shall be appointed by the Council and shall report to the Council through the Commission. The Board shall have five members and two alternates. At least two members and one alternate shall be members of the Tribe. During the term of any approved management agreement, the management contractor may appoint two members and one alternate. If agreed between the Council and the management contractor, a fifth member may be chosen by consensus. The Board shall elect its own officers and shall promulgate procedures for the conduct of its business.

9.2 Qualifications. In selecting Board members, the Council shall consider the individual's tribal government experience, his or her experience and training in business, marketing and financial management.

9.3 Meetings. The board shall meet at least monthly. A quorum shall be three members or alternates which shall include two members of the Tribe and one member from the management contractor, if any.

9.4 Compensation. Board members may be compensated from the operating fund of the Business at a rate approved by the Board and ratified by the Council.

9.5 Term of Office. The Board members selected by the Council shall be appointed for terms of three years.

9.6 Removal. The Council may remove Council appointed members and the fifth member, if any, for cause which shall include malfeasance, failure to attend a prescribed number of scheduled Board meetings, theft from the gaming activities, or moral turpitude that may cast doubt on the integrity of the Class II or Class III gaming activities or of the Tribe. The sole judge of removal for cause shall be the Council.

9.7 Purpose and Responsibility. The Board shall be guided by this ordinance and Squaxin Gaming Commission rules, and the Tribal-State compact and shall cause the development of and approve and supervise the implementation of policies for the operation of the Business, personnel policies and procedures, training and operations procedures, all budgets, the record keeping and accounting methods, selection of federally insured financial institutions for Business accounts, a cash management system and shall rate the performance of any management company with whom the Tribe has an approved contract and will submit any recommendations for enlargement or additional construction of the Class II or Class III gaming facilities to the Council. The members of the Board shall not interfere with or

become involved in the day to day operations of the Business.

9.8 Reporting. The Board shall cause a report, approved by the Board, to be submitted each month by the fifteenth of the following month to the Council to include information on each of the Board's responsibilities. The monthly report shall include a financial statement for the month just ended and a cumulative statement for the then current fiscal year with comparisons to relevant budgets. The Board members appointed by the Council shall report to the Council twice annually on the performance of any approved management company with whom the Tribe has an approved contract.

Section 10. Operations.

10.1 The Tribe's Class II gaming may be conducted each and every day of the week and at such hours of the day or night as determined in the exercise of the Tribe's sole discretion, and there shall be no limit as to prize money for any single gaming activity, bingo game or session except as determined in the exercise of the Tribe's sole discretion. The Tribe's Class III gaming may be conducted each and every day of the week and at such hours of the day or night as determined in the exercise of the Tribe's sole discretion, and there shall be no limit as to prize money for any single gaming activity, bingo game or session except as determined in the exercise of the Tribe's sole discretion and as limited, if at all, by agreement in a Tribal-State compact.

10.2 All persons involved in the conduct of Class II and Class III gaming must be a bona fide employee of the Tribe or contractor.

10.3 No person under the age of eighteen (18) shall participate in any Class II or Class III gaming. If liquor is served at any gaming facility, no person under the age of twenty-one (21) shall participate in any Class II or Class III gaming.

10.4 No person who holds, operates, conducts or assists in holding, operating or conducting Class II or Class III gaming may play at the game at which such person is holding, operating, conducting or assisting.

Section 11. Name Tags. All persons operating or assisting the operation or conduct of any Class II or Class III gaming shall wear legible tags evidencing their names and the legend of the Tribe. Tags must be visible and worn or otherwise affixed to all persons operating or assisting in the operation of any Class II or Class III gaming.

Section 12. Violations; Jurisdiction.

12.1 It shall be unlawful for any person to:

12.1.1 Alter or misrepresent the outcome or other event on which wagers have been made after the outcome is made sure but before it is revealed to the Players.

12.1.2 Place, increase or decrease a bet or to determine the course of play after acquiring knowledge, not available to all Players of the outcome of the game or any event that affects the outcome of the game or which is the subject of the bet or to aid anyone in acquiring such knowledge for the purpose of placing, increasing or decreasing a bet or determining the course of play contingent upon that event or outcome.

12.1.3 Claim, collect or take or attempt to claim, collect or take, money or anything of value in or from a gambling game, with intent to defraud, without having made a wager thereon, or to claim, collect or take an amount greater than the amount won.

12.1.4 Knowingly to entice or induce another to go to any place where a gambling game is being conducted or operated in violation of the provisions of the Tribal-State Compact or this ordinance with the intent that the other person play or participate in that gambling game.

12.1.5 Place or increase a bet after acquiring knowledge of the outcome of the game or other event which is the subject of the bet, including past-posting and pressing bets.

12.1.6 Reduce the amount wagered or cancel the bet after acquiring knowledge of the outcome of the game or other event which is the subject of the bet, including pinching bets.

12.1.7 Manipulate with the intent to cheat, as defined below, any component of a slot machine or gaming device in a manner contrary to the design and normal operational purpose for the component, including, but not limited to, varying the pull of the handle of a slot machine or gaming device, with knowledge that the manipulation affects the outcome of the game or with knowledge of any event that affects the outcome of the game.

12.1.8 Knowingly to use other than coins or tokens approved by the Tribe, or other lawful coin, legal tender of the United States of America, or to use coin not of the same denomination as the coin intended to be used in the gambling game.

12.1.9 Use any device or means to cheat as defined below, or to possess any such device while at the Tribe's gaming facility.

12.1.10 Any person having a direct or indirect financial interest in a management contract, a person having management responsibility for a management contract, or their agents to significantly and unduly influence the adoption of an ordinance or

resolution regarding Class II or Class III gaming.

12.1.11 Give or provide, or offer to give or provide, directly or indirectly to any Tribal Council or Commission member, primary management official, key employee, employee, contractor, or any person with an indirect or direct interest in the operation of Class II or Class III gaming any commission or reward, or share of the money or property paid or received through gambling activities, in consideration for obtaining any license, authorization, permission, or privilege to participate in any gaming operations except as authorized by this ordinance or the rules and regulations adopted pursuant to this ordinance.

12.2 For purposes of this Section, "Cheat" shall mean to alter the selection of criteria which determined the result of a Class II or Class III gaming activity, or the amount or frequency of payment in such gaming activities.

12.3 Any person who wilfully or knowingly violates any provision of this ordinance, or any rule or regulation authorized thereunder, shall be guilty of a criminal offence punishable by a fine not to exceed five hundred dollars (\$500.) for each violation, or for each day the violation continues or by imprisonment for not more than six (6) months, or both.

12.4 Any person who wilfully and knowingly violates any provision of this ordinance, or any rule or regulation authorized thereunder, may have the equipment, material and supplies used in conducting the unlawful activity seized and forfeited.

12.5 The tribal courts shall have exclusive civil and criminal jurisdiction with respect to Class II gaming. The Tribe may, with respect to Class III gaming, enter into a Tribal-State compact allocating criminal jurisdiction and establishing enforcement protocols. Nothing, however, in this ordinance shall be construed to authorize or require the criminal trial and punishment by the Tribe of non-Indians except to the extent allowed or required by any applicable present or future act of Congress or any applicable federal court decision.

12.6 The Tribe shall retain the right to revoke any license of any Contractor who engages in conduct other than as authorized by this ordinance, the Tribal-State compact or the Contractor's agreement with the Tribe, which involves moral turpitude, dishonesty or any act which is punishable as a felony or misdemeanor involving moral turpitude under State or Federal laws, or which involves a violation of tribal law.

Section 13. Net Revenue Tax. There shall be a tribal tax of ten percent (10%) of the net revenue of any Class II or Class III gaming activity within the jurisdiction of the Tribe. The tribal tax shall be assessed and paid monthly into the Squaxin Island General Fund. Net revenues shall mean gross gaming revenues less amounts paid out as, or paid for, prizes; and total gaming-related operating expenses, excluding management fees. The Council may

reduce or waive such tax as necessary to promote economic development on reservation.

Section 14. Internal Revenue Service. Provisions of the Internal Revenue Code of 1986, as amended, concerning the taxation and the reporting of withholding of taxes with respect to prizes or winnings from gaming or wagering pursuant to the operation of Class II or Class III gaming operated on the Tribe's reservation shall apply to the Tribe's gaming enterprise.

Section 15. Ordinances Supersedes Former Resolutions, Regulations and Ordinance. All resolutions, regulations and ordinances formerly enacted regarding the subject matter of this ordinance are hereby repealed. The provisions of this ordinance supersede all such formerly enacted sections, including the Squaxin Island Amusement Game and Gambling Ordinance dated May 1, 1979 and Squaxin Island Tribal Council Resolution No. 78-62 dated December 7, 1978 as amended by Resolution 92-11 dated March 12, 1992 and the Squaxin Island Gambling Commission Resolution No's. 79-1, 79-2, 79-3 and 79-4 and the Squaxin Island Gambling Commission Regulations enacted in February of 1979. This ordinance is effective as of the date and year written below.

Section 17. Severability Clause. The provisions of this ordinance shall be severed and if any phrase, clause, sentence or provision of the ordinance is found to be contrary to the Tribe's Constitution, or declared to be in violation of applicable Federal law or is held to be invalid, the validity of the remainder of this ordinance shall not be affected and shall remain in full force and effect.

Section 18. Enactment of Tribal-State Compact. The provisions of this ordinance relating to the operation of Class III gaming shall become effective upon the effective date of the Tribal-State Compact. The Tribe hereby enacts and incorporates herein by reference all of the provisions of the Tribal-State Compact as fully set forth herein.

PASSED, APPROVED, AND ADOPTED by the Squaxin Island Tribe of the Squaxin Island Reservation on this 9th day of February 1993.

CERTIFICATION

The foregoing ordinance was duly adopted on February 9, 1993, by a vote of 5 in favor, 0 opposed and 0 abstained by the Tribal Council of the Squaxin Island Tribe of the Squaxin Island Reservation of Mason County, Washington pursuant to authority vested in it by Article III, Section 1 of the Squaxin Island Tribal Constitution, ratified by the Tribe and approved by the Director or his delegate of the Bureau of Indian Affairs, United States Department of the Interior on July 8, 1965.

This ordinance is certified as authentic by Dave Lopeman, an authorized tribal official.

Dave Lopeman
Dave Lopeman, Chairman
Squaxin Island Tribe

2/9/93
Date

This ordinance is accompanied by Resolution No. 93-15 duly adopted by the governing body with a citation of the section in the Tribe's organic document which authorizes the action.