

MEMORANDUM OF INCORPORATION of
MOST FAVORED NATION AMENDMENTS
to the
TRIBAL-STATE COMPACT
FOR CLASS III GAMING
Between the
LUMMI NATION
and the
STATE OF WASHINGTON

INTRODUCTION

The Lummi Nation (“the Nation”) and the State of Washington (“the State”) entered into a Tribal-State Compact for Class III Gaming (“the Compact”) on September 21, 1995, which was amended by mutual agreement on December 4, 2000.

Section XV.D.8 of the Compact (the “Most Favored Nation clause”) provides:

Notwithstanding any other provision of this Compact to the contrary, if after the signing of this Compact, the Secretary of the Interior approves a compact with any Washington Tribe west of the Cascade Mountains, or an amendment thereto, and such compact gives such tribe more Gaming Stations, higher wager limits, other Class III gaming activity, and/or more hours of operation or otherwise approves a compact or amendment to a compact which gives such Tribe an expansion of terms other than those identified above, or if the Secretary of the Interior approves a compact with a Washington Tribe east of the Cascade Mountains, or an amendment thereto and the Nation can demonstrate that such levels have resulted in an adverse economic impact on the Class III gaming operation, then this Compact shall be amended automatically to maintain equality. Provided, either party shall have the right to take the issue to dispute resolution under the provisions of Section XII.C of this Compact if a dispute arises regarding the applicability of this automatic amendment provision to a particular term approved in another compact.

The Nation has provided notice to the State of its intent to exercise the above referenced automatic amendment provision for additional hours of operation and for the limited transport of escorted minors across the gaming area, based upon the Third Amendment to the Tribal-State Gaming Compact for the Muckleshoot Indian Tribe, dated January 16, 2002. Therefore, pursuant to Section XV.D.8 of the Lummi Nation Compact, the following amendment is hereby incorporated in the Compact:

COMPACT AMENDMENTS

1. Section III(I) is amended to read as follows:

I. Hours of Operation. In recognition of the grandfathered status of the Nation's blackjack games, at all times the Nation may operate its grandfathered house-banked blackjack games at wager limits of up to one hundred dollars (\$100) without limitation as to periods or hours of operation. Should the Nation choose to utilize wagering levels above the one hundred dollar (\$100) grandfather limit for any of the grandfathered stations, those stations may operate for up to twenty (20) hours per day and one hundred forty (140) hours per week on an annualized basis. ~~Until completion of the Phase 2 review required in Section III.H.4, all other Class III gaming stations may operate for up to twenty (20) hours per day and one hundred twelve (112) hours per week on an annualized basis; thereafter, The facility may operate up to fifty-two (52) Class III gaming stations, for up to twenty (20) hours per day and one hundred forty (140) hours per week on an annualized basis. In recognition that the Nation's existing gaming facility does not now serve alcoholic beverages and that the operation of grandfathered blackjack games twenty-four (24) hours per day has not had a significant adverse impact on surrounding communities, the Nation shall have the absolute right to designate the hours of operation for Class III gaming. Notwithstanding the foregoing, if the Nation offers alcoholic beverages in its gaming facility and desires to offer Class III gaming activity between the hours of 2:00 a.m. and 6:00 a.m., the Nation shall notify the State Gaming Agency and local law enforcement agencies, and shall be entitled to operate Class III gaming during those hours if no objection is received from such agencies within fifteen (15) days after such notice is given. Provided further, that with the consent of both the Lummi Indian Gaming Commission and the State Gaming Agency, the facility may operate Class III gaming activity for up to seventy-two (72) hours continuously, three (3) times per calendar year. The Nation may conduct Class III gaming operations for up to one hundred and fifty-six (156) hours per week in its Class III gaming facility. The Lummi Indian Gaming Commission will provide to the State Gaming Agency and Whatcom County Authorities a schedule indicating the hours of operation of its Class III facility. PROVIDED, that upon twenty (20) days written notice to the Lummi Indian Gaming Commission and the State Gaming Agency, the Nation may, not more than three (3) times in its facility in any twelve (12) month period, conduct operations for up to one hundred and sixty (160) hours per week. This shall be accomplished only by shifting hours or portions of hours from other weeks and consequently reducing the corresponding period of operation during such weeks.~~

2. Section III(L) is amended to read as follows:

L. Age Limitations. No person under the age of eighteen (18) shall participate in any gaming operation, or be allowed on the Class III gaming floor authorized by this Compact during actual hours of operation. Should alcoholic beverages be offered ~~on~~ in the gaming floor ~~area~~ pursuant to applicable law, then no patron under the age of twenty-one (21) shall be permitted ~~on~~ in the gaming floor ~~area~~ during actual hours of operation. Nothing herein shall preclude persons under the age of eighteen (18) years, or twenty-one (21) years if applicable, from patronizing food service and other non-gaming facilities in the gaming operation.

PROVIDED, that such age limitation shall not apply to an individual accompanied by an adult for the specific and limited purpose of proceeding directly and immediately across the gaming area for a legitimate non-gaming purpose, with no gaming area loitering or gaming participation by the under age person or accompanying adult.

INCORPORATED ON THE LAST DATE ENTERED BELOW.

THE LUMMI NATION

THE STATE OF WASHINGTON

By: *Evelyn Jefferson*
Evelyn Jefferson, Chair
The Lummi Nation

By: *Rick Day*
Rick Day, Director
Washington State Gambling Commission

Date: *May 18, 2006*

Date: *5/31/06*