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LICENSING DIVISION

**MEMORANDUM OF AGREEMENT
BETWEEN
THE SHOALWATER BAY INDIAN TRIBE
AND
THE WASHINGTON STATE LIQUOR AND CANNABIS BOARD
CONCERNING AUTHORIZATION OF LIQUOR SALES**

I. Parties

The Parties to this Memorandum of Agreement ("MOA") are the Shoalwater Bay Indian Tribe ("Tribe"), and the Washington State Liquor and Cannabis Board (the "Board") (each a "Party," collectively "the Parties").

The Shoalwater Bay Indian Tribe is a federally recognized Indian tribe possessed of the full sovereign powers of a government. The Tribe and its wholly-owned enterprises operate on the Tribe's reservation and trust lands (hereafter "Indian Country").

The Washington State Liquor and Cannabis Board is an executive department of Washington State government operating under the authority of the Governor, with statutory authority with respect to liquor regulation under Title 66 RCW.

II. Purpose

The introduction, possession and sale of liquor in Indian Country have, for more than 150 years, been clearly recognized as matters of special concern to Indian tribes and to the United States federal government. Federal law currently prohibits the introduction of liquor into Indian Country, leaving tribes the decision regarding when and to what extent liquor transactions will be permitted. After serious deliberation, the Tribe has determined that present day circumstances make a complete ban of liquor within Indian Country ineffective and unrealistic. At the same time, the need still exists for strict regulation and control over liquor distribution.

The Parties share a strong interest in ensuring that liquor sales in Indian Country are well-regulated to protect public safety and community interests. The Parties have entered into this MOA in order to strengthen their ability to meet these mutual interests.

The Parties acknowledge that pursuant to federal law, 18 U.S.C. § 1161, the federal prohibition on sale of liquor in Indian Country does not apply to any act or transaction within any area of Indian Country provided such act or transaction is in conformity both with the laws of the State in which such act or transaction occurs and with an ordinance duly adopted by the tribe having jurisdiction over such area of Indian Country, certified by the Secretary of the Interior, and published in the Federal Register. The Tribe has such an ordinance in place, published in the Federal Register November 14, 1979, and a revised liquor ordinance which was adopted by the Tribe on January 29, 2016, and will be published in the Federal Register. The Tribe's revised liquor ordinance will be incorporated into this MOA automatically once published in the Federal Register.

The Parties further acknowledge that within the framework of federal Indian law, tribal law and state law, there are uncertainties and unsettled issues regarding jurisdiction, licensing, taxation, enforcement and other matters essential to the proper regulation of liquor sales in Indian Country.

The Parties therefore agree that it is in the best interests of the Tribe, and the Board, on behalf of the State of Washington, to enter into an agreement to provide certainty and cooperation in this area of mutual concern.

This MOA is intended to provide a general framework for government-to-government cooperation and coordination regarding the sale of liquor by the Tribe and its wholly-owned enterprises in Indian Country.

III. Definitions

- A. "Board" means the Liquor and Cannabis Board and its staff.
- B. "Indian Country" means the lands of the Shoalwater Bay Indian Tribe as defined by 18 U.S.C. § 1151, including the Tribe's Indian Reservation and all lands held in trust or restricted fee status by the United States for the Tribe or its Tribal Members.
- C. "STC" means the Shoalwater Bay Tribal Code.
- D. "MOA" means this Memorandum of Agreement.
- E. "Parties" means the Board and Tribe.
- F. "Tribal Enterprises" means a wholly-owned business enterprise of the Tribe, including, but not limited to Willapa Bay Enterprises.
- G. "Tribal Member" means an enrolled member of the Shoalwater Bay Indian Tribe.
- H. "Tribally-Licensed Business" means a business licensed, but not wholly-owned, by the Tribe pursuant to the STC.
- I. "Tribe" means the Shoalwater Bay Indian Tribe.

IV. Terms of Agreement

- A. References to Laws, Rules and Policies. References herein to Tribal ordinances, Tribal and State laws, and to Tribal, State, and Board rules and policies, include the ordinances, laws, rules, and policies in existence as of the effective date of this MOA, together with any amendments that may be adopted during the term of the MOA. References herein to specific titles, chapters, or sections of the Tribal Code, the Revised Code of Washington, or the Washington Administrative Code, include the cited titles, chapters, and sections as they exist on the effective date of this MOA, together with any amendments or renumbering that may be adopted during the term of this MOA.
- B. Liquor Licensing.
 - 1. Tribe and Tribal Enterprises. The Parties agree that the State's licensing process does not sufficiently address unique jurisdictional and other matters that arise in Indian Country under federal and tribal law and that the Parties have a longstanding disagreement with respect to the application of state law to Tribal liquor sales. Therefore, the Parties agree that in lieu of obtaining and/or maintaining one or more state licenses for the sale of liquor in Indian Country, the Tribe and its Tribal

Enterprises will hereafter make liquor sales in Indian Country pursuant to the terms of this MOA.

2. Tribal Members and Tribally-Licensed Businesses. Tribal Members and Tribally-Licensed Businesses located in Indian Country will comply with all applicable State licensure requirements and State law, and prior to issuance of any State license, will obtain approval from the Tribe to sell liquor in Indian Country pursuant to STC. No enterprise owned and operated by a Tribal Member or Tribally-Licensed Business will be considered a "location" for purposes of this MOA.

C. Location of Sales.

1. Current Locations. The Tribe and its Tribal Enterprises currently make liquor sales in Indian Country at the following locations under the state licenses specified below:

- a) Shoalwater Bay Casino
License Number: 081516
License Type: Spirits/Beer/Wine Restaurant/Lounge with Catering
Endorsement
Address: 4112 State Route 105, Tokeland, WA 98590
- b) Sand Verbena Seafood and Grill
License Number: 415441
License Type: Spirits/Beer/Wine Restaurant/ Lounge
4115 State Route 105 Suite B Tokeland, WA 98590
- c) Georgetown Station Convenience Store
License Number: 406216
License Type: Grocery Store- Beer/Wine
4115 State Route 105 Tokeland, WA 98590
- d) Smoke N' Spirits
License Number: 423498
License Type: Spirits Retail
4112 State Route 105 Suite B Tokeland, WA 98590

The Parties agree that liquor sales currently allowed pursuant to the licenses specified above, as well as additional liquor sales not currently authorized under this license that the Tribe and its Tribal Enterprises may wish to add or modify at this or other locations in the future, will hereafter be governed by the terms of this MOA in lieu of otherwise applicable state law.

2. New Locations or Expansion of Current Locations. The Tribe and its Tribal Enterprises may amend or expand the locations where liquor is sold and/or served as listed in subsection (IV)(B)(1) in accordance with the terms set forth in this MOA. The Tribe and its Tribal Enterprise will notify the Board in writing of the addition of a new location for sale or service of alcohol and/or the addition of privileges at an existing location. For new locations within the footprint of an existing facility or for the addition of privileges at an existing location, said notification will be provided at least 30 days prior to the effective date of said change. For new locations outside the footprint of an existing

facility, said notification will be provided at least 60 days prior to the effective date of said change. The information to be provided will include:

- a) The identity of the entity which is operating the facility;
- b) Location of the premises;
- c) Certification that the premises is located in Indian Country;
- d) Certification to the Board by the Tribe that it has adequately addressed the issues necessary to prevent the misuse of alcohol and prevent minor access to alcohol at the locations pursuant to subsection (C)(2) and (3) below; and
- e) An update to the Operating Plan referenced in subsection (C)(2) and (3) below.
- f) If the new location is outside the original footprint, identify how the location will be policed, i.e., tribal police or other law enforcement agency for service calls or regular patrols.
- g) If the new location has off-premises sales and there is a drive through window, the Tribe will provide written verification that no liquor sales will take place through said drive through window.

The Board will then do the following:

- a) Determine if the additional location necessitates fee re-negotiation.
 - b) Notify the appropriate parties in Enforcement to determine impact.
3. Notice to Local Jurisdictions. Without resolving jurisdictional questions that may arise, the Board and the Tribe agree that it is in the best interests of both Parties that notice be provided to neighboring jurisdictions prior to the opening of a new location where liquor sales will be made.
- a) When the Tribe or its Tribal Enterprises proposes to open an additional location at a new and unique address in Indian Country, the Board will provide written notice to the county in which the sales will occur. The Tribe agrees to make contact with the county about the new location. The Board and the Tribe agree that the primary purpose of the contact/notice is to facilitate an exchange of information that may be helpful to all parties concerned in addressing unanticipated impacts with the understanding that such notice related to Indian Country is primarily a matter of intergovernmental courtesy.
 - b) When any other business operating in Indian Country applies for a liquor license, the Board agrees that such license will not be granted without the business first obtaining express written consent of and licensure by the Tribe, as required by the STC.

D. Tribal Authority and Jurisdiction.

1. Conditions. Without determining the scope of the legal authority of either Party to regulate the sale of liquor by the Tribe in Indian Country, the Parties agree that it is in the mutual interest of the Tribe and the Board that the Tribe and its Tribal Enterprises be authorized to sell liquor under the terms of this MOA. Therefore, when the following conditions are met, the Board agrees that for the purposes of Title 66 RCW, and related provisions of state law, the Tribe and its Tribal Enterprises will be treated as holding the necessary authority to make liquor sales. To the extent necessary, the Board agrees to work with the Tribe and with any third party distributors to assure such distributors that the Tribe is legally authorized to purchase liquor pursuant to the terms of this MOA.
2. Liquor Sales Authority. The Board agrees the Tribe and its Tribal Enterprises are authorized to sell and serve liquor in Indian Country provided they have submitted an approved Operating Plan containing the following elements:
 - a) The location, nature, and times of liquor sales (see Exhibit A);
 - b) The training of staff involved in liquor sales. It is required that persons responsible for serving alcohol for on-premises consumption possess a Mandatory Alcohol Server Training (MAST) permit (see Exhibit B);
 - c) A regulatory enforcement and compliance plan (see Exhibit C); and
 - d) Consideration of proximity of alcohol sales to a school, church, or non-tribal public institution;
 - e) Confirmation that the land on which alcohol sales are to occur is either reservation or trust land held by the Tribe (see Exhibit D);
 - f) Any lease, purchase, partnership or franchise agreement with a non-tribal entity which directly relates to the location where alcohol is sold or served;
 - g) A copy of the Tribe's ordinance permitting the sale of liquor in Indian Country (see Exhibit E);
 - h) Other information as deemed necessary by agreement between the Board and the Tribe.
3. On-Premise Consumption. In addition, for locations providing liquor service by the drink for on-premises consumption, the Tribe will include in its Operating Plan the following factors, as applicable to each particular location:
 - a) The location, nature, and times of liquor sales (see Exhibit A);
 - b) A description of how the Tribe will prevent the sale of alcohol to persons under 21 years of age and those who appear to be intoxicated (see Exhibit B);

- c) A security plan. Those serving alcohol must at minimum possess a valid Mandatory Alcohol Server Training permit (see Exhibit B);
 - d) The nature of any special events or entertainment events hosted on the premises including security and alcohol service plans for these events (see Exhibit B); and
 - e) Any other special conditions considered necessary to protect public safety based on the type of events to be held at the Tribe's facilities.
4. Consultation and Agreement on the Operating Plan. In consultation with the Tribe, the Board will then determine if the Tribe has met the public safety requirements consistent with Title 66 RCW and Title 314 WAC, together with the provisions of this MOA. The Board acknowledges that no one license type under Title 66 RCW is applicable to the Tribe's operations and that one purpose of this MOA is to allow flexibility with respect to the Tribe's operations. The Tribe and the Board agree that consultation with respect to the Operating Plan will occur in good faith and the Board's approval will not be unreasonably withheld. The Board will make every effort to accommodate the Tribe's interests as reflected in the Tribe's proposed Operating Plan and any disapproval will include a clear explanation of the decision, its necessity in order to prevent misuse of alcohol and service to minors, and proposed alternatives. If the Tribe objects to the disapproval or to approval of any conditions imposed by the Board, it may invoke the dispute resolution provisions of subsection (F). The Board hereby approves the initial Operating Plan as attached as Exhibit A and the Safety and Training Provisions as attached as Exhibit B.
5. Annual Payment to the Board. The Tribe agrees to pay the Board \$ 3,000.00 annually in lieu of any license fees. This annual fee will be due on or before July 1st of each year this MOA is in effect. For the remainder of the license period to June 30, 2017, the Board will credit the Tribe all payments already made for its existing licenses. Either Party may invoke a renegotiation of this fee based on substantial changes to the Operating Plan (Exhibit A) or the Enforcement/Compliance Plan (Exhibit C) where said changes substantially modify the regulatory effort required by the Board. Notice by the Party requesting renegotiation of this annual fee will include a written reason for the request.
6. Spirits Retailer Fees. The Board agrees that in lieu of the spirits retailer license fees imposed by RCW 66.24.630, the Board will accept payment as under subsection IV(C)(5) of the MOA and will not impose nor pursue collection of such licensing fees/taxes on sales by the Tribe and the Tribal Enterprises. In the event that new licensing fees or taxes on Spirits Retailers are added, or the existing licensing fees/taxes are modified, repealed, or replaced, as the result of legislation, initiative, referendum, court decision or otherwise, the Parties agree that the fee for services as outlined herein and in the MOA shall remain in effect pending agreement of the Parties to a revised fee for regulatory services as the Parties agree is appropriate under the circumstances and that the Board shall not impose nor pursue collection of the new fees and taxes on sales by the Tribe and the Tribal Enterprises. The Parties agree to meet and pursue discussions of the applicability of any new fees or taxes on an expedited basis.

7. DOR Suspension Requests. The Parties acknowledge that Chapter 39 of the 2012 Washington Session Laws (HB 2758) provides that the Department of Revenue ("Department") may request that the Board suspend a taxpayer's spirits license if the Department determines that a taxpayer is more than thirty days delinquent in reporting or remitting spirits taxes, The Board asserts that a failure by the Tribe to pay a spirits tax alleged to be due and owing by the Department would constitute a breach of this MOA. However, the Tribe disagrees that such a result would necessarily ensue and preserves its right to dispute any tax assessment by the Department without penalty under this MOA and to prove in dispute resolution proceedings under this MOA that the Board's licensing authority under 18 U.S.C. § 1161 does not allow the Board to prohibit Tribal liquor sales or purchases by reason of asserted state tax noncompliance. In the event that the Board believes that the Tribe has failed to remit a spirits tax that the Department asserts to be validly and legally due and owing, the Board will notify the Tribe in accordance with Part V of this MOA. Within 90 days following the date of the notice, the Parties agree to meet and confer in an effort to resolve the issue consistent with any related settlement between the Tribe and the Department or determination by a court of competent jurisdiction regarding the underlying tax assessment. If the Parties are unable to resolve the issue within six months after the date of the notice, either Party may invoke the dispute resolution provisions of Section IV(F) of this MOA. This Section C.6 does not apply to sales where the Tribe or a Tribal Enterprise is the retail customer.
9. Reporting Requirements. In the event the Board's audit of a distributor or other supplier to the Tribe reveals a discrepancy that can best be reconciled through comparison to the Tribe's spirits retail sales records, the Tribe agrees, on the Board's reasonable request, to provide a detailed summary of its purchases as a spirits retail licensee from that supplier for the relevant time period, including date, amount, brand, and price. This summary will serve in lieu of submission of any reporting form(s) required of other spirits retail license holders.
10. Sponsorships/Advertising. The Board acknowledges and agrees that in lieu of holding any specific licenses under state law, the Tribe will be subject to the terms of this MOA. However, should the Tribe wish to enter into arrangements with a manufacturer, importer, or distributor for brand advertising and/or promotion of events at the Tribe's venues that, absent this MOA, would typically be regulated as part of a specific license, the Tribe may to enter into such arrangements upon the prior approval of the Board.

E. Enforcement. The Parties will handle enforcement issues in accordance with Exhibit C.

F. Conditions and Limitations. The Board and the Tribe agree to the following conditions and limitations:

The Tribe agrees that sales of liquor by the Tribe and its wholly-owned enterprises will conform to Title 66 RCW and Title 314 WAC to the extent required by 18 U.S.C. § 1161. To the extent any terms in this MOA conflict with Title 66 RCW or Title 314 WAC, the terms of this MOA will control. The Parties agree that RCW 66.24.010(2), which provides for criminal background checks of applicants, is inapplicable to the Tribe and its Tribal Enterprises. Any other express exemptions from statute must be negotiated individually between the Tribe and the Board.

G. Dispute Resolution.

1. Neither the Tribe, nor the Board, nor officers acting on either government agency's behalf, may petition any court to enforce this MOA unless: (i) the dispute resolution process described in subsections (a) through (c) below has been followed in good faith to completion without successful resolution; or (ii) the other Party fails to enter into the dispute resolution process. Should a dispute arise between the Tribe and the Board upon an issue of compliance with the MOA by either government agency, or by their officers, employees or agents, the Tribe and the Board will attempt to resolve the dispute through the following dispute resolution process:
 - a) Notice. Either Party may invoke the dispute resolution process by notifying the other, in writing, of its intent to do so. The notice must set out the issues in dispute and the notifying Party's position on each issue.
 - b) Meet and Confer. The first stage of the process will include a face-to-face meeting between representatives of the two government agencies to attempt to resolve the dispute by negotiation. The meeting must be convened within 30 days after the receiving Party's receipt of the written notice described in subsection (a). The representatives of each government agency will come to the meeting with the authority to settle the dispute. If the dispute is resolved, the resolution will be memorialized in a writing signed by the Parties.
 - c) Mediation. The second stage of the process will be that if the Parties are unable to resolve the dispute within sixty (60) days after the receiving Party's receipt of the written notice sent under subsection(a) above, the Parties will engage the services of a mutually agreed upon qualified mediator to assist them in attempting to negotiate the dispute. Costs for the mediator will be borne equally by the Parties. The Parties will pursue the mediation process in good faith until the dispute is resolved or until the mediator determines that the Parties are not able to resolve the dispute. If the Parties cannot agree on a format for the mediation process, the format will be that directed by the mediator. If the dispute is resolved, the resolution will be memorialized by the mediator in a writing signed by the Parties, which will bind the Parties
2. If the parties are unable to resolve a dispute under the dispute resolution process detailed in Section IV.G.1 above, then either party may terminate this agreement with 120 days' written notice, consistent with the notice requirements in Section V, Communication and Notice.
3. If, at any time after the effective date of this MOA, the Board enters into an agreement, compact, or consent decree with any other federally recognized Indian tribe or governmental agency thereof, of or relating to the regulation of liquor in Indian Country which includes a "most favored nation" provision, then, upon the Tribe's written request, this MOA will be amended to include such provision. A "most favored nation" provision is defined as language by which the Board agrees to accord a tribe or tribal government agency the same favorable terms that are offered in later agreements with any other tribe or tribal government agency. This will not be construed to require that the Board offer the Tribe the option to receive the same terms offered to every tribe or tribal

government agency, in the absence of a most favored nation provision in the MOA.

4. In any action filed by a third party challenging either the Tribe or the Board's authority to enter into or enforce this MOA, The Tribe and the Board each agree to support the MOA and defend each of their authority to enter into and implement this MOA; provided, however, that this provision does not waive, and must not be construed as a waiver of, the sovereign immunity of the Tribe, or its Tribal Enterprises.
- H. Sovereign Immunity. The Board agrees that the signing of this MOA by the Tribe does not imply a waiver of sovereign immunity by the Tribe or its Tribal Enterprises and is not intended by the Tribe as a waiver of sovereign immunity, and that any action by the Board in regard to liquor sales by the Tribe will be in accord with this MOA.
- I. No Limitation. The Parties agree that the signing of this MOA and the resultant benefits and obligations will not be construed as limiting any otherwise lawful activity of the Tribe or its Tribal Enterprises, and will not subject the Tribe or its Tribal Enterprises to any state jurisdiction not agreed to in this MOA.
- J. Updated Information. The Tribe and its Tribal Enterprises will review any Operating Plan on an annual basis and notify the Board of any substantial changes in the plan or procedures. This review is in addition to the notification of changes in the service of alcohol referenced in subsection (C)(2)
- K. Future Activities. The Parties agree that this MOA provides a successful, government-to-government basis by which to address jurisdictional and other issues arising out of the sale and consumption of liquor in Indian Country. In the future, the Tribe may wish to expand its business activities into other areas, such as becoming a liquor distiller. The Parties acknowledge that the legal backdrop for liquor distilleries is different, but agree that the policy concerns of avoiding jurisdictional gaps, protecting the public safety, and preventing youth access are very similar. For that reason and others, the Parties agree to pursue and negotiate in good faith agreements for future activities permitted by state law that are contemplated by the Tribe, including operation of a liquor distillery in Indian Country.

V. Communication and Notice

- A. Designated Contacts. The Parties agree to maintain regular and open communication regarding the administration and implementation of this MOA. The Parties agree that the following individuals will be designated primary contacts regarding administration of this MOA:

For the Liquor and Cannabis Board:

Licensing and Regulations
Manager
Liquor and Cannabis Board
3000 Pacific Avenue SE
Olympia, WA 98504-3080 360-
664-1650

For the Tribe:

Michael Rogers
Tribal Administrator
Shoalwater Bay Indian Tribe

PO Box 130
Tokeland, WA 98590
mrogers@shoalwaterbay-nsn.gov
360-267-6766

The Parties agree that if either Party believes that the goals and objectives of this MOA are not being met, that they will meet promptly to discuss any issues and concerns.

B. Notice. Any notice that may be or is required to be sent under this MOA must be sent as follows:

If to the Liquor and Cannabis Board:

Licensing and Regulation Manager
Liquor and Cannabis Board
3000 Pacific Avenue SE
Olympia, WA 98504-3080

With a copy to:

LCB Enforcement Captain, Region 1
Roberson Building, Ste. 208
6240 Tacoma Mall Blvd
Tacoma, WA 98409-6819

If to the Tribe:

Michael Rogers
Tribal Administrator
Shoalwater Bay Indian Tribe
PO Box 130
Tokeland, WA 98590
mrogers@shoalwaterbay-nsn.gov
360-267-6766

With a copy to:

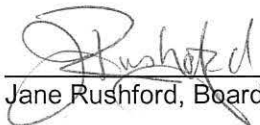
Tribal Chairman
Shoalwater Tribe
PO Box 130
Tokeland, WA 98590

VI. Effect, Duration, and Amendment


- A. While the Parties intend to reach a perpetual agreement related to licensing of tribal liquor sales, this MOA will remain in effect for an initial term of five (5) years unless the Parties mutually agree in writing that the MOA should be vacated or terminated and superseded by a new MOA between the Parties within that time frame. Should the Parties fail to negotiate a perpetual agreement during the initial term of this MOA, the MOA will automatically renew for additional one-year periods unless either Party provides written notice to the other, no later than 120 days before the expiration of the then-current one-year period, that it wishes to modify the terms of the MOA.
- B. Amendment. No amendment or alteration of this MOA may arise by implication or course of conduct. This MOA may be altered only by a subsequent written document, approved by the Parties and signed by their duly authorized representatives, expressly stating the Parties' intention to amend this MOA.

This MOA is hereby made this 11 day of July, 2017.

WASHINGTON STATE LIQUOR AND
CANNABIS BOARD


Jane Rushford, Board Chair


Ollie Garrett, Board Member


Russell Hauge, Board Member


Rick Garza, Agency Director

SHOALWATER BAY INDIAN TRIBE



Charlene Nelson, Chairman
Shoalwater Bay Indian Tribe

Exhibit A

Operating Plan

Locations where alcohol is or will be served on Shoalwater Lands by the Tribe and/or WBE.

Exhibit A

Operating Plan

Locations where alcohol is or will be served on Shoalwater Lands by the Tribe and/or WBE

#	Location	Type of Establishment	Hours Alcohol is Typically Sold	Nature of Alcohol Service
081516	Shoalwater Bay Casino 4112 HWY 105 Suite A Tokeland, WA 98590	Casino	Sun-Thurs 10am-midnight Fri-Sat 10am-2am	Beer/wine/spirits Orders taken and delivered by servers at guests' locations on gaming floor; beverage cart; additional temporary service bars set up for some special occasions.
415441	Sand Verbena Seafood and Grill 4115 HWY 105 Suite B Tokeland, WA 98590	Fine Dining	Mon-Sun 8am-9pm	Beer/wine/spirits Table service; tastings.
406216	Georgetown Station Convenience Store 4115 HWY 105 Suite A Tokeland, WA 98590	Convenience Store	Mon-Sun 7am-10pm	Packaged beer/wine for off-premises consumption; tastings; sales to on-premises licensees with and without delivery.
423498	Smoke N' Spirits 4112 HWY 105 Suite B Tokeland, WA 98590	Spirits Retailer	Sun-Thurs 10am-10pm Fri-Sat 10am-midnight	Spirits retail.

EXHIBIT B
OPERATING PLAN:
Safety/Training Provisions

Because the introduction, possession, and sale of liquor in Indian Country has, for more than 150 years, been clearly recognized as matters of special concern to Indian tribes, The Tribe takes liquor regulation and safety extremely seriously. As a result, the Tribe has imposed strict policies and practices on its Tribal Enterprises that go above and beyond the State's requirements. Safe liquor consumption by its patrons is a top priority of the Tribe, and the Tribe makes a great effort to protect the public safety and community interest and trains its staff accordingly. The Tribe also evaluates events, utilizes its resources, and evaluates risk to best address, monitor, and appropriately control the sale and service of liquor at its current location(s) and venue(s) to preserve the public's safety.

A. Training.

1. Mandatory Alcohol Server Training. The following Tribal Enterprise employees must obtain and maintain a valid MAST permit through the Tribe's training program:
 - a. Managers and supervisors that supervise the sale and/or service of alcohol at all venues.
 - b. Servers and bartenders at all venues.
 - c. Security staff (does not include Tribal police or Tribal Gaming Commission agents).
2. Additional training by the Tribe. The Tribe also provides ongoing training of all food and beverage service teams to heighten awareness related to public safety, including avoiding service to minors and intoxicated persons.
3. Additional training by the Board. Upon the Tribe's request, Board staff members will work with the Tribe to provide any requested training and technical assistance for the prevention of violations of alcohol laws. Board staff members will meet with the Tribe and with Tribal Police as the Parties may deem appropriate for further training, collaboration, and communication on liquor issues.

B. Safety and Security Measures.

1. Minors in General. To ensure that alcoholic beverages are not sold to or consumed by persons under age 21, the Tribe has implemented the following measures:

- a. Staff request ID from any guest appearing to be age 30 or under who is requesting to purchase an alcoholic beverage.
 - b. Staff request ID from any guest in possession of an alcoholic beverage who appears to be of questionable age, and if guest cannot produce valid ID, the beverage is confiscated and Security is notified if necessary.
 - c. Staff accept only Board-approved forms of ID, including:
 - i. Driver's license, ID card, or Instruction Permit issued by any U.S. state or Canadian province.
 - ii. Washington temporary driver's license with valid or expired picture identification to confirm the presenter's identity.
 - iii. Tribal enrollment card.
 - iv. Passport from any nation.
 - v. U.S. Military ID.
 - vi. Merchant Marine card issued by U.S. Coast Guard.
2. Minors in the Casino. In addition to the above measures for Minors in General, the Tribe has implemented the following measures specifically to ensure that alcoholic beverages are not sold to or consumed by persons under age 21 at the Shoalwater Bay Casino:
- a. The Casino has only 1 public entrance. One or more trained and MAST-certified Security Officers are posted at or near the entrance at all times. Security also maintains video surveillance of the premises. And, there are roving Security Officers as well.
 - b. In addition, the Casino maintains very extensive and sophisticated video surveillance of the premises. With advanced pan, tilt, and zoom capabilities, Surveillance agents are able to clearly view virtually any activity that occurs on the Casino premises. They monitor live footage 24 hours a day, and the footage is also recorded.
 - c. Security Officers and Tribal Gaming agents are in close contact with one another at all times.
 - d. Both Security Officers and Tribal Gaming agents are vigilant for any signs of possible alcohol sales to or consumption by persons under age 21.

- e. If a person under age 21 attempts to purchase an alcoholic beverage, MAST-certified staff notify Security, who take appropriate action as described below.
 - f. If Security or Tribal Gaming observes a person under age 21 to be in possession of alcohol or to be exhibiting possible signs of intoxication, Security makes contact with the individual and takes appropriate action as described below.
 - g. If Security determines a person under age 21 is in possession or under the influence of alcohol (even if the alcohol was not consumed on premises), Security contacts law enforcement. Security also prepares a written incident report which is circulated to appropriate Tribal as well as Tribal Gaming personnel.
 - h. In addition, individuals under age 21 who are found to be in possession or under the influence of alcohol are refused service from the Casino until their 21st birthdays. A formal, written refusal of service is processed through Security,
3. Intoxicated persons. To ensure that alcoholic beverages are not consumed by persons who appear to be intoxicated, The Tribe has implemented the following measures:
- a. All staff involved in the sale and service of alcoholic beverages are trained how to recognize the signs of intoxication.
 - b. Staff will refuse to sell alcoholic beverages to any person who appears to be intoxicated.
 - c. Sales for off-premises consumption. If a guest who appears to be intoxicated attempts to purchase packaged alcoholic beverages for off-premises consumption, staff will politely but firmly decline to make the sale. Staff request assistance from the manager on duty when necessary. In the event the guest becomes aggressive or belligerent after being refused service, staff or the manager will contact Security immediately. Security will contact law enforcement if necessary. Staff and managers (and Security, if applicable) will appropriately report and document the incident in accordance with policy.

EXHIBIT C

OPERATING PLAN: Enforcement/Compliance Plan

A. Licensing.

1. Tribal Enterprises. The Shoalwater Tribe's liquor enterprises are a component of the Tribe by corporate charter of Willapa Bay Enterprises. Accordingly, the Tribe and its Tribal Enterprises do not require licenses to sell or serve alcohol.

B. Enforcement.

1. Premises Checks.

- a. By the Tribe. The Shoalwater Tribal Police or other authorized agency may conduct its own premises checks in Indian Country to observe compliance with applicable liquor laws and this MOA and to provide support and education to Tribal Enterprises and staff. To the extent it is informed of the results of such premises checks, the Tribe will share the results of the premises checks with the Board.
- b. By the Board. The Board, through its staff, may also conduct premises checks. Prior to conducting any such check, the Board will contact the Shoalwater Tribal Police to provide reasonable notice of such premises check, prior to conducting the check. Tribal Police and/or the Tribe may observe the premises check provided they do not interfere with the check. The Board will share the results of such premises checks with the Tribe.
- c. Cooperation. Should either Party have any concerns arising out of a premises check or the results thereof, the Parties will meet in good faith to discuss any suggested changes to protocols of the premises checks themselves or of liquor service by the Tribal Enterprise that was checked.

2. Compliance Checks-Minors.

- a. By the Tribe. The Tribe may conduct its own compliance checks in Indian Country using minors ages 18, 19, or 20 through the Shoalwater Tribal Police Department or other authorized agency in accordance with Tribal regulations and policies. To the extent it is informed of the results of such checks, The Tribe will provide the results of the checks to the Board. No criminal action may be taken against any minor who purchases alcohol as part of such a compliance check.
- b. By the Board. Board staff may also conduct compliance checks. Prior to conducting any such check, the Board will contact the Shoalwater Tribal Police to provide reasonable notice of such compliance check, prior to conducting the check. Tribal Police/the Tribe may observe the check, provided they do not interfere with the check. The Board will share the results of such compliance checks with the Tribe.

- c. Cooperation. Should either Party have any concerns arising out of a compliance check or the results thereof, the Parties will meet in good faith to discuss any suggested changes to protocols of the compliance checks themselves or of liquor service by the Tribal Enterprise that was checked.

C. Complaints.

1. Tribal Enterprises. When a complaint regarding liquor sales or service at any Tribal Enterprise is received by either the Tribe or the Board, or when the Tribe or the Board otherwise have reason to suspect a violation either through a premises check or compliance check, the following steps will occur:
 - a. Receipt of Complaint.
 - i. By the Tribe. If the complaint is received by the Tribe, it will be communicated to the Tribe's Administrator. The Administrator will then document the complaint and provide a copy to the Board staff within seven (7) days.
 - ii. By the Board. If the complaint is received by the Board, it will be communicated to the Tribal Administrator in writing within seven (7) days.
 - b. Investigation. The Board will investigate the complaint in its discretion and in accordance with its policies and procedures.
 - c. Alleged Violation.
 - i. Employee. If the investigation is of an alleged violation by the Tribe or Tribal Enterprise employee holding a MAST permit, the Board will provide a copy of any written report to the Tribal Administrator. The Board may take any action against the employee in accordance with its laws and regulations. Notice of any additional action taken against that employee by the Tribe will be provided to the Board. If the employee is a Tribal Member, the Tribe will investigate and take such enforcement action as is consistent with Tribal laws and procedures.
 - ii. Tribal Enterprise.
 - (a) If the investigation is of an alleged violation by the Tribe or a Tribal Enterprise, the Board will provide a copy of any written report to the Tribal Administrator. The Board may take any action against the Tribal Enterprise consistent with applicable laws and regulations, specifically to the extent applicable WAC 314-29-020, which addresses Group 1 violations against public safety. Group 1 violations include: (1) violations involving minors (sale or service to a minor/minor frequenting); (2) sale or service to apparently intoxicated person; (3) conduct violations (disorderly conduct, licensee or employee intoxicated, criminal conduct*); (4) lewd conduct*; (5) refusal to

* The Tribe may assert, among other things, that some State prohibitions against "criminal" or "lewd" conduct as used in WAC 314-29-020 do not apply to tribes, tribal government agencies, tribal employees, or in Indian Country, or that some "criminal" or "lewd" conduct does not fall within the scope of the Board's authority under 18 U.S.C. § 1161.

allow inspection/obstructing law enforcement officer from performing duties; and (6) condition of suspension violation (failure to follow any suspension restriction while liquor license is suspended). If the Tribe disagrees with the action taken by the Board, the Tribe may proceed under the dispute resolution provisions contained in Section IV(G) of this MOA. Notice of any additional action taken against any employee of a Tribal Enterprise by the Tribe will be provided to the Board.

- (b) If the Board alleges that the Tribe is not complying with any of the provisions of Exhibits A or B of this MOA, the Board and the Tribe will seek resolution in accordance with the dispute resolution process outlined in Section IV(G) of this MOA.
- (c) For purposes of this Section only, each "location" in Exhibit A will be deemed a separate location and violations against one location will not affect other locations.

D. Amendment. Should the Tribe desire in the future to take over more of the enforcement responsibilities, the Parties agree to meet to negotiate to amend this MOA in good faith.