



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

The Honorable Robert Bear
Chairman, Shoshone-Paiute Tribes
of the Duck Valley Indian Reservation
P.O. Box 219
Owyhee, Nevada 89832

JUN 24 2010

Dear Chairman Bear:

On May 11, 2010, we received the Compact between the Shoshone-Paiute Tribe (Tribe) and the State of Nevada (State) Governing Class III Gaming, executed on March 25, 2010 (Compact). We have completed our review of this Compact and conclude that it does not violate the Indian Gaming Regulatory Act (IGRA), Federal law, or our trust responsibility. Therefore, pursuant to my delegated authority and Section 11 of IGRA, we approve the Compact. This Compact shall take effect when the notice of our approval, pursuant to Section 11(d)(3)(B) of IGRA, 25 U.S.C. §2710(d)(3)(B), is published in the Federal Register.

We note that while the Compact does not directly address “sports betting,” the broad language of Article III, paragraph 1(a), implicates at the very least a possibility that it is permissible since the Nevada Revised Statutes permit sports betting. Therefore, we interpret this provision of the Compact as authorizing the Tribe to engage in sports betting at its casinos if the Tribe meets one of the exceptions in the Professional and Amateur Sports Protection Act (PAPSA). *See* 18 U.S.C. § 1804. PAPSA makes it unlawful for a governmental entity, including an Indian tribe, to sponsor, operate, or authorize by law or compact, gaming based upon the outcome of professional or amateur sports competitions. This prohibition does not extend to pari-mutuel animal racing or jai-alai games. To be lawful, any sports gaming pursuant to Article III, paragraph 1(a), of the Compact must come within one of the two exceptions in PAPSA which are applicable to Indian tribes.

Under the first exception, the general prohibition does not apply to a State or other governmental entity, including an Indian tribe, to the extent that the sports gaming activity was conducted by that State or other governmental entity between January 1, 1976 and August 31, 1990. The second exception establishes two criteria which must be met to authorize an otherwise prohibited sports betting activity within a State or governmental entity: (1) the activity must actually have been authorized by a statute in effect on October 2, 1991; and (2) the activity must actually have been conducted at some point between September 1, 1989 and October 2, 1991 pursuant to the law of that State or other governmental entity. We are not, however, in a position to verify the factual basis for establishing whether the Tribe comes within one of the two exceptions described above. Therefore, we express no opinion on the matter.

We wish the Tribe success in its economic venture.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry Echo Hawk". The signature is fluid and cursive, with a large initial "L" and "E".

for Larry Echo Hawk
Assistant Secretary – Indian Affairs

Enclosure

Identical Letter Sent to: Honorable James A. Gibbons
Governor, State of Nevada
State Capitol
Carson City, NV 89710

**COMPACT BETWEEN
THE SHOSHONE-PAIUTE TRIBES
AND THE STATE OF NEVADA
GOVERNING CLASS III GAMING**

Please return to:
Melissa Mendoza
Office of the Attorney General
Gaming Division
5420 Kietzke Lane, Suite 202
Reno, Nevada 89511

**COMPACT BETWEEN
THE SHOSHONE-PAIUTE TRIBES
AND THE STATE OF NEVADA
GOVERNING CLASS III GAMING**

AUTHORITY

This Agreement is made by and between the SHOSHONE-PAIUTE TRIBES (Tribe) and the STATE OF NEVADA (State), pursuant to the Indian Gaming Regulatory Act (IGRA), codified at 25 U.S.C. §§ 2701-2721 and 18 U.S.C. §§ 1166-1168. The Tribe has authority under Article VI, Section 1 of its Constitution and By-laws to enter into this Compact and by authority of the duly enacted Tribal resolution that is attached to this Compact (Appendix A). The State is authorized to enter into this Compact by § 2710 of the IGRA and the provisions of Nevada Revised Statutes (NRS) 277.080 to 277.170. This Compact shall be effective following execution by all parties and publication of the notice of approval by the Secretary of the Interior in the Federal Register.

PURPOSE

It is the purpose of this Compact and accompanying ordinance to promote the sound regulation of all Class III gaming activities on lands within the jurisdiction of the Tribe in order to protect the public interest and the integrity of such gaming activities, to prevent improper or unlawful conduct in the course of such gaming activities, and to promote Tribal economic development, self-sufficiency, and

strong Tribal government by dedicating the net revenues from such gaming activities to the public purposes of the Tribe.

RECITALS

WHEREAS, the Tribe and the State are separate sovereigns, and each recognizes and respects the laws and authority of the other sovereign; and

WHEREAS, the Congress of the United States has enacted IGRA, which requires a Tribal-State Compact negotiated between the Tribe and State before a Tribe may lawfully conduct Class III gaming on its reservation lands; and

WHEREAS, the Tribe has enacted and the Secretary of the Interior has approved, pursuant to § 11(d)(2) of IGRA, an ordinance or resolution that authorizes Class III gaming within the lands of the Reservation.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the parties agree as follows:

ARTICLE I.

DEFINITION

1. The terms "Act" and "IGRA" mean the Indian Gaming Regulatory Act, 25 U.S.C. §§ 2701-2721, and 18 U.S.C. §§ 1167-1168, as may be amended from time to time.

2. The term "Applicant" means any person who applies for a Tribal license, or who is a management company, key employee, gaming employee, or is a lender, financial institution, holder of indebtedness, or any person or entity

(excluding elected Tribal officials) who in the opinion of the Chairman has the power to exercise a significant influence over the operation of the Tribal gaming facility.

3. The term "Associated Equipment" has the meaning as defined within NRS 463.0136.

4. The term "Board" means the Nevada State Gaming Control Board.

5. The term "Class II gaming" means all forms of gaming defined as Class II under the IGRA at 25 U.S.C. § 2703(7).

6. The term "Class III gaming" means all forms of gaming defined as Class III under the IGRA at 25 U.S.C. § 2703(8).

7. The term "Chairman" means the Chairman of the Nevada State Gaming Control Board or his designee.

8. The term "Commission" means the Nevada Gaming Commission.

9. The term "Compact" means this Shoshone-Paiute Tribes State of Nevada Gaming Compact.

10. The term "gaming" means Class III gaming activities that are authorized under this Compact.

11. The terms "Gaming Device" or Gaming Devices" has the same meaning as defined by NRS 463.0155.

12. The term "Gaming Employee" has the same meaning as NRS 463.0157.

13. Gaming Licenses defined:

a. "Restricted License" means a license for, or an operation consisting of, no more than fifteen (15) slot machines, and no table games, at any one premise. Fifteen (15) slot machines is the maximum number of slot machines which may be operated under this type of license.

b. "Nonrestricted license" means a license for, or an operation consisting of, sixteen (16) or more slot machines, or any number of table games.

14. The terms "Group I" and "Group II" mean a gaming operation, owned, operated or licensed by the Tribe that is comparable in gross revenue to the amounts set forth in Commission Regulations 6.010(5) and (6), respectively.

15. The term "Indian" means any person who would be subject to the jurisdiction of the United States under 18 U.S.C. § 1153, if that person were to commit any offense listed in that section in Indian country to which that section applies.

16. The term "Key Employee" means:

a. Any employee or agent of the Tribe having management responsibility for a Tribal gaming facility;

including any officer or director, other than a member of the Tribal Council;

b. Any person who has authority:

(1) To hire and fire employees at a Tribal gaming facility; or

(2) To set-up working policy or procedures for a Tribal gaming facility.

c. The Chief Financial Officer of the gaming operation or other person who has financial management responsibility with respect to the gaming operation;

d. A primary management official as defined at 25 C.F.R. § 502.19.

17. The term "Management Company" means any person as defined within NRS 0.039, governmental or non-governmental entity, or political subdivision, who is retained, hired or engaged by the Tribe or any person licensed or approved by the Tribe to conduct gaming on the Reservation, to manage or oversee a Tribal gaming facility or any aspect of the gaming being conducted at a Tribal gaming facility that is located on the Reservation.

18. The term "Management Contract" means a contract between the Tribe, or any person licensed or approved to conduct gaming on the Reservation, and a

person who will manage or oversee a Tribal gaming facility or any aspect of the gaming being conducted at a Tribal gaming facility that is located on the Reservation.

19. The term "Premise" means any structure or facility that is owned or operated by the Tribe or any person or entity approved or licensed by the Tribe to conduct gaming, that is clearly defined by permanently installed walls that extend from floor to ceiling and that has a public external entrance, leading to a street or other area, which entrance is not shared by another Premise.

20. The term "Reservation" means all lands within the exterior boundaries of the Shoshone-Paiute Tribes Duck Valley Reservation as illustrated in the map of the Reservation attached as Appendix B. In addition to Reservation lands identified in Appendix B, the term "Reservation" also includes any lands acquired by the Secretary of the Interior, in trust for the benefit of the Tribe after the effective date of this Compact. However, Class III gaming may be conducted on such newly acquired lands only if the Secretary of the Interior and the Governor of the State of Nevada each concur that gaming may occur on the newly acquired lands.

21. The term "Slot Machine" means any mechanical, electrical, electromechanical, electronic, or other device, contrivance or machine which, upon insertion of a coin, currency, token, or similar object, or upon payment of any consideration, is available to play or operate, the play or operation of which,

whether by reason of the skill of the operator in playing a gambling game which is presented for play by machine or application of the element of chance, or both, may deliver or entitle the person playing or operating the machine to receive cash, premiums, merchandise, tokens or anything of value, whether the payoff is made automatically from the machines or in any other manner. "Slot Machine" specifically includes video facsimiles of any game authorized under NRS § 463.0152. In addition, if at any time the State broadens its definition of "slot Machine" to include additional devices, then such devices shall also be "Slot Machines" within the meaning of this Compact.

22. The term "State" means the State of Nevada and its authorized officials, agents and representatives.

23. The terms "Tribal Member" or "Member(s) of the Tribe" mean a person whose name appears in the Shoshone-Paiute Tribes' membership roll and who meets the written criteria for membership.

24. The term "Tribal Gaming Commission" means the duly appointed Gaming Commission of the Tribe.

25. The term "Tribe" means the Shoshone-Paiute Tribes, a federally recognized Indian Tribe, including any instrumentality, agency, organization, subdivision, or wholly-owned business entity of the Tribe, as well as any person or entity approved or licensed by the Tribe to conduct gaming on the Reservation.

26. The term “Tribal Gaming Facility” or “Tribal Gaming Facilities” means the buildings or structures which make up the premises within which Class III gaming is conducted on the Reservation.

ARTICLE II.

AUTHORIZED CLASS III GAMING

1. Scope of Gaming.

a. Gaming Other Than Slot Machines Only. Subject to the terms, conditions and limitations of this Compact, and as specifically limited by subsection b below, all forms of Class III gaming activities which may be conducted within the State may be conducted on the Reservation, but only to the extent and in the manner that such gaming activity could lawfully be operated or conducted elsewhere in the State of Nevada if approved by the Board and Commission, under the laws of the State of Nevada as they now exist or may from time to time be amended.

b. Lottery. The Tribe may engage in intrastate lotteries within the Reservation, as permitted and limited by Chapter 462 of the NRS.

2. Gaming Devices.

a. The Tribe agrees that all gaming devices exposed for play shall be approved by the State and will meet all standards established by the State for non-Tribal gaming including, but not limited to, the hold percentages on slot machines. The Tribe shall acquire any and all gaming devices authorized by this Compact from a State-licensed distributor. The Tribe further agrees that any sale, transfer or other disposition of such gaming devices shall also be through a State-licensed distributor, or with the approval of the Chairman.

b. Should the Tribe seek to deploy a new type of gaming device, the Tribe agrees that the testing and approval by the State will be a condition precedent to the exposure of the new gaming device for play. The State shall undertake such testing and approval in the same manner in which it would do so with respect to new devices or games, which a non-Tribal operation might seek to deploy.

c. The Tribe agrees that all associated equipment utilized by the Tribe in conjunction with the Tribal gaming operation, shall be approved by the State and will meet the

standards established by the State; however, the Chairman may waive such approval or standards. Should the Tribe wish to utilize a new type of associated equipment which has not previously been approved, the Tribe agrees that the testing and approval by the State or waiver by the Chairman will be a condition precedent to the utilization of the associated equipment. The State shall undertake such testing and approval in the same manner in which it would do so with respect to associated equipment, which a non-Tribal operation might seek to deploy.

3. Inspections.

a. The agents or employees of the State are hereby given the full authority to enter any Tribal gaming facility for random inspection of gaming devices, games and associated equipment, as well as to ensure that the provisions, conditions and terms of this Compact are being complied with by the Tribe, a management company hired or engaged by the Tribe, or any person licensed or approved by the Tribe to conduct gaming operations on the Reservation. The Tribe agrees not to restrict access by such employees and that prior notice of intent to inspect is not required. However,

once such agents arrive at the Tribal gaming facility for any purpose, they shall immediately notify the managerial employee of the Tribe's gaming operation. Furthermore, such agents or employees of the State shall enter such premises only to the extent necessary to fulfill their legitimate functions as stated herein. Such agents or employees of the State shall not discriminate against the Tribe by intruding either more frequently or more intensively upon the Tribe's gaming operations that they would upon similarly situated non-Tribal gaming operations. Furthermore, such agents and employees of the State shall not, through use of the inspection authority under this paragraph, enter upon any Tribal premises for purposes other than those specifically indicated in the paragraph.

b. The Tribe may request that the State inspect a particular gaming device or associated equipment to address a concern of management or a public complaint.

c. If the State's inspectors determine that a particular gaming device is mechanically defective or otherwise should not be exposed for play under section 2 above, then the Tribe shall seal the gaming device until the device is repaired or

the problem is otherwise resolved to the satisfaction of the State and the Tribe.

ARTICLE III.

JURISDICTION

1. Tribal Jurisdiction. The Tribe shall have exclusive jurisdiction, subject to any jurisdiction the United States of America may concurrently exercise and the provisions of this Compact, to regulate Class III gaming on the Reservation. Prosecution for violations of the Tribe's Gaming Ordinance or violations of federal laws pertaining to gambling on Indian Reservations or Indian Lands or other gaming crimes or other criminal conduct shall be pursued in Tribal or federal court, whichever is the appropriate forum. In the case of non-Indian violators, the Tribe shall either take civil action to stop the violation or request the United States Attorney to take criminal action against the violation in federal court. In the event the United States declines prosecution, the State may prosecute any non-Indians for violations of State gaming law, which shall include, without limitation, violations under NRS Chapters 462 through 465 and NRS 205.060.

2. State Jurisdiction. The State agrees that its jurisdiction over Reservation gaming activities and individuals or entities involved therewith is limited to the authorities provided for in this Compact. In acknowledgment of the limited jurisdiction or involvement of the State over the Tribe's gaming operation, the parties agree as follows:

a. The Tribe shall not represent or imply in any format, oral, written or otherwise, that the Tribal Gaming Facilities are regulated by the State of Nevada, the Board, or the Commission.

b. That signs containing the following language shall be prominently displayed at all public entrances to the Tribal Gaming Facilities:

NOTICE

THIS FACILITY IS REGULATED BY THE SHOSHONE-PAIUTE TRIBES AND IS OPERATED IN ACCORDANCE WITH A COMPACT NEGOTIATED BETWEEN THE TRIBE AND THE STATE OF NEVADA, WHICH HAS BEEN APPROVED BY THE SECRETARY OF THE INTERIOR. UNDER THE COMPACT, THE STATE DOES NOT LICENSE THIS FACILITY. HOWEVER, ALL GAMING DEVICES AND GAMING EQUIPMENT ARE APPROVED BY THE STATE AND MEET ESTABLISHED STATE STANDARDS.

ARTICLE IV.

LIMITED WAIVER OF SOVEREIGN IMMUNITY

In the event that a dispute arises under this Compact, it is agreed by the Tribe and the State that it is to be resolved in a federal court of competent jurisdiction and the Tribe and the State expressly consent to be sued therein and waive any immunity therefrom that they may have provided that:

a. The dispute is limited solely to issues arising under this Compact;

b. Neither the Tribe nor the State makes any claim for monetary damages; and

c. No person or entity other than the Tribe and the State is party to the action.

ARTICLE V.

STATE SERVICE

1. To the extent permitted by applicable State and Tribal law, the Tribe may contract with the State to provide additional services related to the regulation of Gaming by the Tribe. Areas of potential contractual assistance include the following:

a. Assistance in the resolution of patron disputes;

b. Processing fingerprint cards and providing information as part of the background checks for management, employees, and contractors;

c. Providing consulting services on technical issues;

and

d. Training of Tribal regulatory personnel.

(1) In order to facilitate the purposes and intent of this Compact, and in order to further the cooperative relationship between the State and the Tribe, the Board shall notify the Tribe of, and make

available to agents of the Tribe, all training programs and classes of the Enforcement Division Training Academy.

2. The Tribe agrees to reimburse the State for the following services based on the attached fee schedule (Appendix C):

- a. The services described in Section 1 immediately above;
- b. Background investigation and approval/disapproval costs under Article VI;
- c. Gaming devices, games, and associated equipment approval under Article II; and
- d. Any nonjudicial investigative action required to be undertaken by the State to ensure or establish compliance with this Compact.

3. The attached fee schedule (Appendix C) shall be subject to change from time to time to reflect changes in costs, but the Tribe shall not be charged fees higher than similarly situated non-Tribal gaming operation.

ARTICLE VI.

APPROVAL STANDARDS

1. It is expressly agreed by the parties that the requirements and standards provided in the IGRA and the regulations of the National Indian Gaming

Commission for licensing and background checks for management contractors, Tribally-employed managers, and key employees shall be adhered to as minimal standards.

2. Any person or entity responsible for the operation or management of any gaming activity permitted under this Compact shall be required to submit to a background check and meet any and all requirements as set forth in the Tribal Gaming Ordinance.

3. Gaming Registrations. The Tribe agrees that a gaming operation owned, operated, or licensed by the Tribe shall not employ any person as a Gaming Employee who is determined by the Commission or the Board to be a person who would be unsuitable to hold or retain a Nevada registration in a similarly situated non-Tribal gaming operation. The Tribe will require all Gaming Employees to apply for registrations, and further agrees to process all applications for registrations for Gaming Employees. The Tribe agrees that it will mail or deliver a copy of all applications to the State within three (3) business days of receipt. The Tribal Gaming Commission may in its discretion issue a temporary registration to the Applicant. If within one hundred and twenty (120) days of receipt by the State of the application, the State has not notified the Tribe of its objection to the Applicant, the Tribe in its discretion may issue, renew or deny the application. If the State objects to the issuance of the registration, the Tribe

agrees to follow the procedures for hearing, review and decision as provided for in NRS 463.335 and Nevada Gaming Commission Regulations 5.100 through 5.109.

4. Key Employee. At each gaming operation that is owned, operated or licensed by the Tribe, the Tribe agrees to designate and continuously employ a "key employee" with the responsibility of overseeing the gaming operations at each Tribal gaming facility. The Tribe agrees to file an application with the State for approval of such key employee, and further agrees to file a new application for any new key employee if there is a change in personnel. The new application shall be filed within thirty (30) days of this person being hired.

In a gaming operation consisting of slot machines only that is owned or operated by the Tribe, or by a person approved or licensed by the Tribe, enrolled members of the Tribe are exempt from State review, but remain subject to all Tribal and Federal background checks and approval requirements, except for the following: (1) The designated key employee; and (2) persons with the power to exercise significant influence over Tribal gaming operations other than elected Tribal officials and members of the Tribal Gaming Commission.

In a gaming operation that consists of other than slot machines only, that is owned or operated by the Tribe, or by a person approved or licensed by the Tribe, enrolled members of the Tribe who are employed in the management or operation of such business shall be subject to State licensing requirements to the same extent as persons who are not Tribal members.

5. Lenders and Other Approvals. Any key employee, lender, financial institution, holder of indebtedness, or any person or entity (excluding elected Tribal officials), who in the opinion of the Chairman has the power to exercise a significant influence over the operation of the Tribal gaming facility, may be required to apply to the State for a determination as to suitability. Prior to making a formal application request, the Chairman will advise the Tribal Gaming Commission of any concerns as to suitability, to allow the Tribe the opportunity to address the situation. If these concerns are not fully addressed by this informal process, the Chairman will calendar an item for the Board and possibly Commission consideration, requiring an application to be filed for consideration of suitability. The Tribe has the right to participate in the application process and suitability determination process, including the right to present evidence, witnesses and arguments, either in support or in opposition of the Board's position.

In determining whether any of the above-persons are suitable, the State shall not discriminate against Tribal gaming facilities, Tribal employees, or applicants for Tribal employment, but shall conduct the investigation within the same time frames and shall employ the same suitability standards as would be applicable to similarly situated applicants for or holder of licenses or permits to work in a similarly situated non-Tribal gaming operation. The authority granted under this Article affords the State and the Tribe the ability to work together to preclude the Tribe from employing a management company, key employee, or

gaming employee or transacting business with a lender, financial institution or subsequent holder of indebtedness which the State determines, based on specific grounds to be unsuitable.

6. The following procedures govern the State approval process of management companies, key employees and all other persons subject to review. These procedures are in addition to the registration requirements contained in the Compact.

a. The Tribal Gaming Commission shall provide the State with the names of all applicants. The applicants shall follow the State's normal approval procedure, including the application, investigation process and prepayment of investigative fees. When required, applicants shall appear before the Board, at which time such Board will make a recommendation on whether the applicant shall be denied or approved with or without conditions or limitations as deemed appropriate. The Commission will review the recommendation of the Board and either approve, with or without conditions or limitations as deemed appropriate, or deny the application.

b. If the Commission denies the application, a denial order will be prepared which specifies the grounds for denial. A copy of this order will be simultaneously provided to the Tribal Gaming Commission. Upon request, the Tribal Gaming Commission may request, and shall be afforded, a meeting with the Commission, the Board and/or their respective staff, to learn more details regarding the grounds for disapproval. This meeting may be limited to authorized personnel only, and confidentiality requirements may be enforced. If the Tribal Gaming Commission, after exhausting its opportunity to meet with such State personnel, disagrees with the denial by the Commission, it may appeal that decision by requesting reconsideration of the denial.

c. If the Tribal Gaming Commission requests such reconsideration, the matter will be placed on the Board's and Commission's agendas and the Tribal representatives and/or the applicant may appear and present their arguments as to why the denial was inappropriate. The Board shall make a recommendation to the Commission on the reconsideration request. If the Commission approves the reconsidered application, with or without conditions or limitations as

deemed appropriate, the Tribal Gaming Commission may license such person. If the Commission, after reconsideration, reaffirms its denial, the Tribe agrees to terminate the person if hired and not to further pursue the approval of the individual or entity.

d. The Tribe agrees not to employ any person as defined within NRS 0.039 as a management company in Tribal gaming facilities owned, operated or licensed by the Tribe, until the Board or Commission has made a determination or regarding the person's suitability, except under circumstances of a bona fide emergency or exigency, such as the termination, death or disability of the management company, the severance of the management company for malfeasance or other comparable exigent circumstances. In such emergency or exigency the Tribe may, with the prior approval of the Chairman, authorize another management company to continue operating the gaming facility, pending approval by the Tribal Gaming Commission and the Commission for the replacement management company to operate the gaming facility. The

approval for emergency involvement by the Chairman may be limited or conditioned.

7. Notwithstanding any law or anything in this Compact to the contrary, an applicant whose approval is denied either by the State process set forth above or by denial by the Tribal Gaming Commission, has no right of judicial review of that determination. The opportunity of an Applicant to be involved in gaming on the Reservation is a privilege, not a right, and the determination of whether that privilege should be granted or denied rests in the absolute and exclusive discretion of the Commission and/or the Tribal Gaming Commission. The sovereign immunity of these State and Tribal Governments, and their employees and agents, is expressly retained on such approval decisions.

8. Nothing in this Compact is intended to require the State in carrying out its authorities under this Compact to apply a different or more stringent standard to Tribal gaming facilities licensed by the State. The parties agree that the implementation of the provisions of this Compact, including the State approval authority set forth in this Article, shall be accomplished with this intention and agreement.

9. The approval standards contained in this Compact are continuing standards. Notwithstanding any action taken by the Tribal Gaming Commission, a registration, determination of suitability or other approval may be revoked by the State should these standards not be maintained.

10. Disciplinary actions including revocations or suspensions will follow the procedures set forth in Chapter 463 of the NRS, with the Board bringing the disciplinary action before the Commission for a decision. Prior to the initiation of any disciplinary action, the Board will advise the Tribe of its concerns, to allow the Tribe the opportunity to resolve the concerns. In any disciplinary action the Tribe has the right to participate in the process and present evidence in support of or in opposition to the Board's position.

ARTICLE VII.

OFF-RESERVATION COSTS AND EXPENSES

The Tribe agrees to reimburse the State, or any effected county, city or town, for any off-Reservation expense or costs incurred by the State, county, city or town, that is shown to be related to the construction or operation of the Tribal gaming facility. The Tribe and State agree that any dispute concerning the amount of, or the relationship of any cost or expense caused by the construction of the Tribal gaming facility or its operation, may be litigated and finally determined in a United States Federal District Court upon a preponderance of the evidence standard.

ARTICLE VIII.

PUBLIC AND WORKPLACE HEALTH, SAFETY AND LIABILITY

1. The Tribe, or Tribal gaming facility or operation, owned operated or licensed by the Tribe, shall not conduct Class III gaming in a manner that

endangers the public health, safety, or welfare of the inhabitants of the State. For the purposes of this Compact and if allowed by applicable State and federal law, the Tribe shall ensure, and any Tribal gaming facility shall:

a. Adopt and comply with standards that are at least as stringent as those required by the State regarding health standards for food and beverage handling;

b. Adopt and comply with standards that are at least as stringent as those required by the State for water quality and safe drinking water;

c. Comply with the building standards of the county within which the gaming operation will be located;

d. Carry no less than one million dollars (\$1,000,000) in public liability insurance for patron claims, and the Tribe shall provide reasonable assurance that those claims will be promptly and fairly adjudicated, and that legitimate claims shall be paid;

e. Adopt and comply with standards that are at least as stringent as those required by the State and the federal government for workplace and occupational health and safety for a comparable gaming operation; and

f. Comply with Tribal codes and other applicable federal law regarding public health and safety.

2. The Tribe shall, no later than sixty (60) days after the effective date of this Compact, adopt and make available on request, the standards described in subsections a through f above, to which the Tribal gaming facility is held. The failure of the Tribe or Tribal gaming facility to adopt the above standards in the time allotted, shall cause the applicable State or federal law or standard to be deemed to have been adopted by the Tribe or Tribal gaming facility as the Tribal standard.

3. The Tribal gaming facility shall participate in the workers compensation system as provided by the Employers Insurance Group of Nevada or similar company, for all employees of the Tribal gaming facility if allowed to do so by State and federal law. The Tribe, prior to the commencement of its gaming operation, shall provide the State with a legal opinion prepared by a licensed Nevada attorney, that opines as to whether employees of the Tribal gaming facility are allowed by State or federal law to participate in the worker's compensation system.

4. The Tribal gaming facility shall participate in the State's program providing unemployment compensation benefits with respect to employees employed by the Tribal gaming facility, if allowed to do so under State and federal law. The Tribe, prior to the commencement of its gaming operation, shall provide the State with a legal opinion prepared by a licensed Nevada attorney, that opines

as to whether employees of the Tribal gaming facility are allowed by Nevada and federal law to participate in the Nevada unemployment compensation benefits with respect to employees employed by the Tribal gaming facility.

5. The burden shall at all times be upon the Tribe or Tribal gaming facility to establish that State or federal law prevents the Tribe or Tribal gaming facility from complying with any of the requirements of subsections 1 through 4 above.

ARTICLE IX.

PATRON DISPU

The Tribe may seek technical assistance from the State in resolving patron disputes to the extent a dispute involves a gaming device or associated equipment. The Tribe shall have exclusive jurisdiction, however, over all patron disputes. A patron will have a right of appeal from the decisions of the Tribal Gaming Commission on patron disputes by seeking redress through the Tribal appeal procedure prescribed in the Tribal Gaming Ordinance.

ARTICLE X.

REPORTING REQUIREMENTS AND INFORMATION EXCHANGE

In the spirit of mutual cooperation and in recognition of the desire of both the Tribe and State to protect the integrity and regulation of gaming within the State, the State shall furnish to the Tribe upon its request, the following financial reports:

1. Monthly Gaming Revenue Report. This is a summary of gaming revenue information for nonrestricted gaming. Each monthly report shall contain the most recent monthly, three-month, and twelve-month data. Whenever possible, slot machine data will be furnished to the Tribe by denomination, number of locations reporting, number of units, and win amount for each denomination.

2. Quarterly Statistical Report. This is a general summary of the State's gaming revenue.

3. Nevada Gaming Abstract. This is an annual financial analysis of gaming operations, which produce more than \$1 million in gaming revenue per year.

4. Any general information, statistical or financial information deemed necessary by the State and Tribe to protect the integrity of any gaming operation within boundaries of the State.

The Tribe shall furnish to the State the following financial and statistical data on a monthly basis in a format agreed upon by the State and Tribe.

1. Monthly reports with year-to-date accumulative summaries on all slot machines operated by the Tribe.

These reports shall reveal the number of units operated, the denomination of units, the win amount or each denomination, the percent of win to total for each denomination, drop amount by denomination, and the dollar value of the coin metered into the slot machines by denomination.

2. Monthly reports with year-to-date accumulative summaries on all other (non-slot machine) gaming revenues from Tribal gaming facilities. These reports should reveal the number of gaming devices or gaming tables operated, the types of gaming activity, and the amount of net revenue from such gaming devices or gaming tables.

3. Any monthly, quarterly, or annual financial reports developed from or relating to the gaming operations conducted on the Reservation.

4. Any statistical or financial information deemed necessary by the Tribe and State to protect the integrity of the Tribal gaming operation.

ARTICLE XI.

TAXATION

All of the net proceeds of Class III gaming on the Reservation shall be used for the following purposes: to fund Tribal government operations or programs; to

provide for the general welfare of the Tribe and its members; to promote Tribal economic development; to donate to charitable organizations; or to help fund operations of local government agencies. If at any time any person or entity other than the Tribe or its members acquires any interest with respect to net revenues, the Tribe shall adopt a scheme of taxation with respect to such person or entity that is at least as stringent as the State's rate and system of taxation, as it now exists or is hereafter amended. The Tribe reserves the right to impose a scheme of taxation related to Reservation gaming activities that are more stringent than Nevada law. The State shall have no tax jurisdiction over any aspect of the Tribal gaming operation.

ARTICLE XII.

MISCELLANEOUS PROVISION

1. **Minors.** The Tribe agrees to prohibit any person under the age of 21 years from engaging either directly or indirectly in any wager or gaming activity, or loitering in or about gaming premises.

2. **List of Excluded Persons.** The Tribe agrees to incorporate the State's List of Excluded Persons into the Tribe's list of barred persons.

3. **Internal Controls.** The Tribe shall adopt, and thereafter maintain, Minimum Internal Control Standards or Procedures, which are substantially consistent with or superior to the Minimum Internal Control Standards or Procedures, adopted by the Board for non-Tribal restricted and nonrestricted

(Group I and Group II) gaming licenses as required by Nevada Gaming Commission Regulations 6.090 and 6.100. To the extent that federal law allows, if any location has 15 or fewer slot machines and no other games or devices, it shall be treated for State purposes as though it were a restricted gaming operation not requiring Minimum Internal Control Standards or Procedures. The minimum standards adopted pursuant to this section shall be submitted to the Board within thirty (30) days of their adoption by the Tribe. It shall be a material breach of this Compact if the Minimum Internal Control Standards adopted by the Tribe are not substantially consistent with or superior to the Minimum Internal Control Standards or Procedures adopted by the Board for the comparable category of licensees.

4. Cash Transaction Reporting. The Tribe hereby incorporates the currency transaction reporting requirements of Nevada Gaming Commission Regulation 6A as Tribal law. Should federal law or regulation require that the Tribe comply with the reporting requirements of the Bank Secrecy Act, the State agrees that the Tribe need not comply with Nevada Gaming Commission Regulation 6A.

5. Minimum Bankroll. The Tribe shall maintain cash or cash equivalents in an amount sufficient to reasonably protect the Tribe's patrons against defaults in gaming debts owed by the Tribe. The amount of the minimum bankroll shall be calculated and reviewed in the same manner as calculated and reviewed by the Board for a non-Tribal operation.

6. Audited Financial Statements/Accounting Records.

a. The Tribe shall engage an independent accountant licensed by the Nevada State Board of Accountancy, who shall annually audit, if the Tribal gaming operation is a Group I licensee, or review, if the Tribal gaming operation is a Group II licensee, the financial statements of the Tribe's gaming operation, and the compliance by such operation with the Minimum Internal Control Standards. The independent accountant shall report to both the Tribe and the Board each instance or occurrence discovered by or brought to the accountant's attention that the accountant believes does not satisfy the Minimum Internal Control Standards. No later than one hundred fifty (150) days after the end of the Tribe's business year, the Tribe shall submit a copy of such accountant's report or any other correspondence directly relating to the Tribe's system of internal control to the Board.

b. The State shall maintain all audit and financial records obtained under this section, or any other section of this Compact, strictly confidential and shall not disseminate them to any member of the public for any purpose, except as required by court order or applicable federal law.

c. The accounting system used by the Tribe in its gaming operations shall be substantially consistent with the accounting system the State requires its licensees to utilize.

7. Class II Gaming. This Compact shall not apply to any Class II gaming within the Reservation and shall not confer upon the State any jurisdiction or any authority over such Class II gaming conducted by the Tribe on Reservation lands. This Compact does not restrict the Tribe from operating Class II gaming at its Tribal gaming facilities.

8. Surveillance. Tribal gaming facilities shall comply with all State surveillance standards applicable to the comparable casino category based on gross gaming revenue and/or number or type of games or slot machines offered at non-Tribal gaming establishments. The Tribe further agrees to upgrade or modify the Tribal surveillance equipment in response to any changes in the State's surveillance standards.

9. Tokens/Chips. The Tribe may manufacture or otherwise obtain their own gaming tokens and chips subject to the following:

a. The tokens and chips shall meet the standards and specifications set for the by the State by regulation and are approved by the State prior to any use of such tokens or chips.

b. The Tribe expressly agrees to redeem for face value any Tribal gaming tokens or chips that are presented for redemption by any lawful holder of Tribal gaming tokens or chips.

ARTICLE XIII.

TERM

This Agreement shall take effect upon approval by the Secretary of the Interior (or his designee) and shall remain in effect for a period of four (4) years from commencement of gaming operations or until modified or terminated by mutual agreement with approval of the Secretary of the Interior.

ARTICLE XIV.

DEFAULT AND TERMINATION

1. Default. In the event of substantial and continuing failure by one of the parties in the performance of its obligations under this Compact, the party alleging the default shall notify in writing the other party of such alleged default and demand a correction of such default within sixty (60) days after receipt of such written notice. If the party in default shall fail to remedy such default within sixty (60) days, the parties shall meet within thirty (30) days thereafter in an effort to resolve any dispute regarding the alleged default. If the dispute is not resolved to the satisfaction of the parties within thirty (30) days after meeting, either party may pursue any lawful remedy available, including, if the circumstances are such, an

action pursuant to 25 U.S.C. § 2710(d)(7)(A). Nothing in this subsection shall preclude, limit or restrict the ability of the parties to pursue, by mutual written agreement, alternative methods of dispute resolution including but not limited to, mediation or arbitration.

2. The failure to maintain a minimum bankroll pursuant to Article VII, Section 5, of this Compact, the failure to adopt and enforce the Tribe's Minimum Internal Control Standards pursuant to Article VIII, Section 5, of this Compact, or a substantial violation of the Tribal Gaming Ordinance shall be considered an event of substantial and continuing failure under this Compact under the default provision above.

3. The parties may jointly terminate this Compact by written instrument, signed by both parties.

ARTICLE XV.

AMENDMENTS

This Compact may be amended only with the consent of both parties and only by written instrument signed by both parties. If applicable law is amended in a substantial way affecting the provisions contained in this Compact, the parties agree to negotiate in good faith to amend this Compact so as to achieve the objectives provided for and to ensure compliance with all applicable laws.

ARTICLE XVI.

SEVERABILITY

Each provision, section, and subsection of this Compact shall stand separate and independent of every other provisions, section or subsection. In the event that a court of competent jurisdiction shall find any provision, section, or subsection of this Compact to be invalid, the remaining provisions, sections, and subsections of the Compact shall remain in full force and effect.

ARTICLE XVII.

NOTICES

All notices, payments, requests, reports, information or demands shall be personally delivered, or sent by first-class certified or registered United States mail, postage prepaid, return receipt requested, and sent to the other party at the address appearing below or such other address as any party shall hereafter inform the other parties hereto by written notice.

To the Tribe: Chairman
 Shoshone-Paiute Tribes
 Duck Valley Reservation
 Owyhee, Nevada 89832

To the State: Chairman
 State Gaming Control Board
 1919 East College Parkway
 Carson City, Nevada 89706

With a Copy to:

Chief Deputy Attorney General
Gaming Division
Office of the Attorney General
5420 Kietzke Lane, Suite 202
Reno, Nevada 89511

IN WITNESS WHEREOF, the parties hereto have caused this Tribal-
State Compact to be duly executed. The execution of this Compact shall
be the last date of signature by either party below and shall become
effective upon approval of the Secretary of Interior and publication thereof.


SHOSHONE-PAIUTE TRIBES



ROBERT BEAR, Tribal Chairman

DATED: 11/10/09

STATE OF NEVADA



JIM GIBBONS, Governor

DATED: 01/08/2010



DENNIS K. NEILANDER, Chairman
State Gaming Control Board

DATED: 12/11/09



CATHERINE CORTEZ MASTO, Nevada Attorney General

DATED: 12/15/09

Michael E. Wilson DATED 3/25/10
MICHAEL E. WILSON, Chief Deputy Attorney General
Gaming Division

[Signature] DATED: 3/15/10
BOARD OF EXAMINERS

DEPARTMENT OF THE INTERIOR

[Signature] DATED: 6-24-10
~~For~~ ASSISTANT SECRETARY, Indian Affairs

State of Nevada
County of Washoe

This instrument was acknowledged before me on 3.25.2010,
~~2008~~, by Michael E. Wilson, Chief Deputy Attorney General of the Gaming
Division

MELISSA MENDOZA
Notary Public - State of Nevada
Appointment Recorded in Carson City
No: 99-46539-3 - Expires January 10, 2012

Melissa Mendoza
Notary Public