



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

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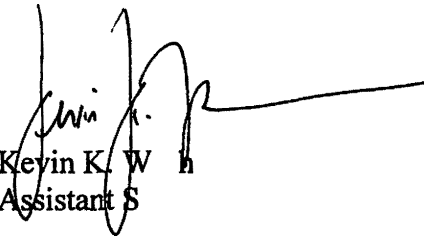
Honorable Ken St. Marks
Chairman, Business Committee
96 Clinic Road
Box Elder, Montana 59521

Dear Chairman Marks:

On December 27, 2012, we received the Class III Tribal-State Gaming Compact between the Chippewa Cree Tribe of the Rocky Boy's Indian Reservation (Tribe) and the State of Montana (Compact). We have completed our review of the Compact and conclude that it does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), any other provisions of Federal law that does not relate to jurisdiction over gaming on Indian lands, or the trust obligations of the United States to the Indians. *See* 25 U.S.C. § 2710 (d)(8)(B). Therefore, pursuant to my delegated authority under IGRA, we approve the Compact. *See* 25 U.S.C. § 2710 (d)(8)(A). This Compact shall take effect when the notice of our approval is published in the *Federal Register*. 25 U.S.C. §2710 (d)(3)(B).

I wish the Tribe success in its economic venture.

Sincerely,



Kevin K. Wash
Assistant Secretary

Enclosure

Similar Letter Sent to: The Honorable Steve Bullock
Governor of Montana
Helena, Montana 59620

CLASS III TRIBAL-STATE GAMING COMPACT
Between
THE CHIPPEWA CREE TRIBE OF THE
ROCKY BOY’S INDIAN RESERVATION
And
THE STATE OF MONTANA

I. AUTHORITY

This Class III Tribal-State Gaming Compact (“Compact”) is made by and between the Chippewa Cree Tribe of the Rocky Boy’s Indian Reservation (“Tribe”), a Federally recognized Indian Tribe and the State of Montana (“State”) pursuant to statutory requirements of the Indian Gaming Regulatory Act of 1988, 25 U.S.C. §2701, et seq. (“IGRA”). Under IGRA, Indian Tribes have the right to regulate gaming activities on Indian lands if the gaming activity is not specifically prohibited by Federal law and is conducted within a state which does not, as a matter of criminal law and public policy, prohibit such gaming activity.

The Tribe is authorized to enter into this Compact by Tribal Resolution No. _____. The State is authorized to enter into this Compact by IGRA Section 11(d)(3)(B), 25 U.S.C. §2710(d)(3)(B).

II. DECLARATION OF POLICY AND PURPOSE

The purpose of this Compact is to provide for the operation of, and to define the licensing and regulatory authority of the Tribes and the State for, Class III gaming on the Rocky Boy’s Indian Reservation conducted pursuant to IGRA and other applicable law. The overarching policy of IGRA is to provide a framework for the operation of gaming by Indian tribes as a means of promoting Tribal economic development, self-sufficiency and strong Tribal governments, as well as providing a basis for the regulation of gaming by an Indian tribe adequate to shield it from organized crime and other corrupting influences, to ensure that the Indian tribe is the primary beneficiary of the gaming operation and to assure that gaming is conducted fairly and honestly by both the operator and players. The terms and conditions set forth below to regulate Class III gaming conducted by the Tribe have been agreed to pursuant to that congressional mandate.

III. DEFINITIONS

A. “ARM.” The term “ARM” means the Administrative Rules of Montana.

B. “Class III Gaming.” The term “class III gaming” means all forms of gaming as defined in 25 U.S.C. sec. 2703(8), except those prohibited by state law, such as blackjack and roulette, and by regulations of the National Indian Gaming Commission (“NIGC”) and Class III gambling not prohibited but regulated by State law, and conducted in accordance with, this Compact.

C. “Indian lands.” The term “Indian lands” means any land within the Reservation now or hereafter owned in fee by the Tribe, or held in trust by the United States for the benefit of the Tribes or an Indian who is a member of a federally-recognized Indian tribe.

D. “MCA.” The term “MCA” means the Montana Code Annotated.

E. “Non-Indian lands.” The term “Non-Indian lands” means any land within the Reservation not qualifying as Indian lands.

F. “Party” or “Parties.” The terms “Party” and “Parties” mean the Tribe and/or the State.

G. “Premises.” The term “premise” or “premises” means the permanent physical building within which an authorized gambling activity occurs.

H. “Regulate.” The term “regulate” means the power to control through statute, ordinance, resolution, administrative rule, guideline or administrative procedure and to impose fees, assessments, and penalties only consistent with IGRA and other applicable law.

I. “Reservation.” The term “Reservation” means all the lands within the exterior boundaries of the original Rocky Boy’s Indian Reservation as established by the Act of September 7, 1916 (39 Stat. 739), those lands added to the Reservation from time to time pursuant to the Act of March 28, 1939, 53 Stat. 522, and as further illustrated in (Exhibit A) the map of the Rocky Boy’s Indian Reservation delineating all trust lands within the area described in 1939 Act (53 Stat. 522).

J. “Secretary.” The term “Secretary” means the Secretary of the United States Department of the Interior.

K. “State.” The term “State” means the State of Montana or any agency thereof.

L. “State Gaming Agency.” The term “State Gaming Agency” means the Gambling Control Division of the Montana Department of Justice.

M. “Tribal Business Committee.” The term “Tribal Business Committee” means the governing body of the Chippewa Cree Tribe of the Rocky Boy’s Indian Reservation.

N. “Tribal Gaming Commission.” The term “Tribal Gaming Commission” means the Chippewa Cree Tribal Commission or such other agency or commission which the Tribes

may designate by written notice to the State as the tribal agency or commission responsible for regulatory oversight of Class III gaming as set forth under this Compact.

O. “Tribes.” The term “Tribe” means the Chippewa Cree Tribe of the Rocky Boy’s Indian Reservation, as well as any agency, organization or subdivision of the Tribes or any corporate entity in which such the Tribes are the sole owner.

P. “Indian.” 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 an offense listed in that section in Indian Country to which that section applies.

IV. JURISDICTION OF THE TRIBES AND STATE

A. The Tribes shall have jurisdiction exclusive of the State jurisdiction which may be concurrent with any jurisdiction of the United States, to license and regulate all Class III gaming conducted by the Tribes or Indians on the Reservation. This Compact shall not be construed to limit or otherwise affect tribal or federal criminal jurisdiction on the Reservation.

B. The State shall have authority concurrent with that of the United States to prosecute non-Indians for violations of this Compact. For purposes of such prosecution only, the provisions of the gambling laws of the State of Montana are incorporated by reference. If a Compact violation by a non-Indian occurs on trust lands regulated by the Tribes, the Tribal Business Committee shall promptly initiate civil enforcement actions under tribal laws, or request that federal criminal enforcement action be taken to prosecute the violations. If the United States defers to the State, the State may criminally prosecute the non-Indian violator, *provided* that the State shall first confer with the Tribal Business Committee.

V. PERMITTED GAMING AND APPLICABLE LAW AND RULE

Subject to the jurisdictional authorities and the prohibitions and limitations set forth in this Compact, the Class III gaming conducted hereunder shall be permitted and regulated by the Tribal Gaming Commission under Tribal laws and in conformity with applicable State law, unless otherwise noted below.

The following gaming may be conducted under this Agreement:

A. Video Gaming Machines which offer video bingo, video poker, video keno or video line games and progressive line video games.

1. no prize may exceed the value up to \$3000.00 for each award on up to 500 machines;
2. no prize may exceed the value up to \$5000.00 for each award on up to 250 machines;

3. no more than a total of 750 machines shall be available for play on the Reservation;
4. no more than \$10.00 may be wagered per play on a machine;
5. all Class III electronic games of chance will comply with the technical standards of the Montana Department of Justice, Gambling Control Division as set out in the Administrative Rules of Montana (“ARM”) 23.16.1901-1911, 23.16.1920 and, where applicable, the definitions in 23.16.1802 (“Technical Standards”) subject the following exceptions:
 - a) any definitions of bingo or electronic bingo that are electronic, computer or other technological aids to the Class II game of bingo, as defined by IGRA or regulations promulgated by the National Indian Gaming Commission at 25 CFR Part 502, and
 - b) any definitions or rules relating to the licensing or permitting of video gambling machine owners or operators;
6. a video gambling machine authorized under this Compact shall be tested and approved by the Tribes prior to placement on the Reservation. Any gambling device approved and licensed by the Tribes under this Compact must meet all technical requirements as set forth in the “Technical Standards” appendix “A”.
7. “Video Line Games” the Tribe may offer for play video line games with programs from other jurisdictions that meet the state requirements for maximum payout and play within the state of Montana and the terms of this compact;
8. “Mult-Line Video Games” the Tribe may offer for play video multi line games with programs from other jurisdictions that meet the state requirements for maximum payout and play within the state of Montana and the terms of this compact;
9. “Progressive Video Line Games” the Tribe may offer progressive or mystery progressive secondary awards as long as the total award does not exceed the total top award in the compact; and
10. The Tribe may design and develop games for the exclusive use by the casinos operated by the Tribe.
11. All video line games must be offered in a multigame video gambling machine cabinet, as provided in Mont. Code Ann. § 23-5-602 (11) and the

applicable administrative rules of Montana listed in Section V.A.5. above, including ARM 23.16.1901A, 1907A.

B. Live Poker, licensed by the Tribes for play at tribal or Indian-owned casinos, when conducted in compliance with the following:

1. live poker games will comply with the Tribal Gaming Ordinance and any applicable State laws or regulations, subject to the following exceptions:

a) the prize for an individual live poker game may not exceed \$3000.00.

b) the prize for any “high stakes” poker tournament may not exceed \$5,000.00 and “high stakes” tournaments shall not exceed approximately twenty percent of the annual poker tournaments;

b) the Tribal Business Committee shall not be subject to the licensing provisions of state law;

c) live poker games may be conducted 24 hours a day without limit as to the number of tables;

d) the rules of play and maximum percentage rake-off shall be posted in a prominent place in each premises where live poker games are conducted; and

e) any tournament poker conducted by any gaming operation of the Tribe will be subject to regulation by the Tribal Gaming Commission pursuant to the Tribal Gaming Ordinance.

C. Simulcast Racing, regulated by the Tribes and the National Indian Gaming Commission for play at tribal or Indian-owned casinos, when conducted in compliance with the provisions of MCA Title 23, Chapter 4 and ARM 32.28.101-1809, and when conducted in compliance with the following:

1. simulcast racing must be with a network approved by the Tribal Gaming Agency to operate within the Reservation, and

2. not pay any state or local tax assessments, but shall pay other standard fees charged by the network.

D. Lotteries may be conducted on the Reservation to the extent that:

1. such games are authorized by the Montana Lottery subject to the provisions of MCA 23-7-412, and

2. such games are conducted and operated by the Tribes in a manner that provides security at least as stringent as the Montana Lottery.

E. Raffles, same definition used in Appendix H in the Interim Class III Gaming Compact.

F. Live Keno, licensed by the Tribes for play at tribal or Indian-owned casinos, when conducted in compliance with the following:

1. live keno games will comply with ARM 23.16.1301 - 1306, subject to the following exceptions:

- a) the price for an individual live keno card may not exceed 50 cents;
- b) the prize may not exceed the value of \$1,000.00 for each individual keno card;
- c) it is unlawful to, in any manner, combine any awards so as to increase the ultimate value of the award;
- d) the Tribal Business Committee shall not be subject to the licensing provisions of state law;
- e) live keno games may be conducted 24 hours a day;
- f) the rules of play and maximum percentage rake-off shall be posted in a prominent place in each premises where keno games live are conducted.

VI. GENERAL REGULATIONS

The following provisions shall apply to all gaming activities conducted pursuant to this Compact at tribal and Indian-owned casinos on the Reservation.

A. Tribal and Indian-owned casinos in which Class III gaming is available shall be regulated solely by the Tribal Gaming Commission, pursuant to the terms of this Compact and the Chippewa Cree tribal Gaming Ordinance and other applicable law and rule.

B. Persons under 18 years of age shall not participate in any gaming activity, except as permitted under State and tribal law regarding fishing derbies and charitable raffles.

C. A person who is not physically present on the Premises where the gaming activity is actually conducted may not be allowed to participate, except for the following which are to be conducted in compliance with this Compact and applicable law and rule: (1) simulcast racing, (2) raffles, and (3) lottery games.

D. The consideration paid for the chance to play shall be strictly cash. Every participant must present the money with which he/she intends to play the game at the time the game is played. No check, credit card, note, IOU, or other evidence of indebtedness shall be offered or accepted as part of the price of participation in such game or as payment of a debt incurred therein. No person or organization shall be permitted to offer credit for gaming for a fee. This restriction shall not apply to credits won by players who activate gambling machines after inserting coins or currency into the machines, and shall not restrict the right of the Tribes or any other person to offer check cashing or to install or accept bank card or credit card transactions in the same manner as would be normally permitted at any retail business.

VII. BACKGROUND INVESTIGATIONS AND LICENSING OF EMPLOYEES AND MANAGER

A. The Tribes, prior to placing a prospective employee whose responsibilities include the operation or management of gaming, shall obtain releases and then shall investigate the backgrounds of all potential employees. The Tribes shall conduct this background check and prepare a written report regarding each applicant within 30 days of receipt of the employment application.

B. The Tribes may employ any person whose prior financial or other activities or criminal record indicates that he or she:

1. does not pose a threat to the public interest;
2. does not pose a threat to the effective regulation and control of gaming;
3. does not create a danger of illegal practices, methods, or activities in the conduct of gaming or in the carrying on of the business and financial arrangements incidental to gaming;
4. has not been convicted of a felony offense within five (5) years of the date of application or is on probation or parole or under deferred prosecution for committing a felony offense; and
5. is not receiving a substantial amount of financing for the proposed operation from an unsuitable source -- a lender or other source of money or credit found to be unacceptable based upon the provisions of the foregoing Subsections B.1-4 may be considered an unsuitable source.

C. The Tribes may deny employment to a person who has falsified an application. If the falsification is determined after the person has been employed, the Tribes may terminate the employment.

VIII. TRIBES MAY CONTRACT WITH STATE

The Tribes may contract with the State to inspect and certify machines by paying a fee for each machine which does not exceed the actual cost incurred by the State for such inspections. Alternatively, and with the State's approval, the Tribes may contract with a private company with expertise and credentials for the inspection and certification of machines. In addition, the Tribes may contract with the State to conduct background and financial examinations of persons associated with any gaming operation allowed under this Compact.

**IX. ENFORCEMENT OF COMPACT PROVISIONS
(Tribal Gaming Commission)**

The primary responsibility for the on-site regulation, control and security of the gaming operation authorized by this Compact and for the enforcement of this Compact shall be that of the Tribal Gaming Commission. The Tribal Gaming Commission shall investigate any reported violation of the Compact provisions and shall require correction of a confirmed violation upon such terms and conditions as the Tribal Gaming Commission determines are necessary. If requested by the Tribal Gaming Commission, the State Gaming Agency may assist in any investigation initiated by the Tribal Gaming Commission and provide other requested services to ensure proper compliance with the provisions of this Compact. Any such assistance or provision of services by the State shall be pursuant to written contract between the Tribes and the State.

X. DEFAULT AND TERMINATION

A. Default by Tribes. In the event of substantial and continuing failure by the Tribes in the performance of their obligations under this Compact, the State shall have the right, at its option, to terminate this Compact, *provided* that the State shall have given 90 days written notice of such default to the Tribes, and the Tribes shall have failed to cure such default within 90 days after receipt of such written notice.

B. Default by State. In the event of substantial and continuing failure by the State in the performance of its obligations under this Compact, the Tribes shall have the right, at their option, to terminate this Compact, *provided* that the Tribes shall have given 90 days written notice of such default to the State, and the State shall have failed to cure such default within 90 days after receipt of such written notice.

C. Voluntary Termination. The Parties may jointly terminate this Compact by written instrument signed by both Parties.

D. Continuing Duty to Bargain. Upon termination of this Compact, the State shall negotiate in good faith with the Tribes over the terms and conditions of a subsequent Compact upon receipt of a request pursuant to 25 U.S.C. § 2710(d)(3)(A).

XI. MISCELLANEOUS TERMS

A. Effective Date and Term. This Compact shall be effective upon publication in the *Federal Register* pursuant to 25 U.S.C. § 2710(d)(3)(B), and shall remain in effect until 10 years from its effective date (“Primary Compact Term”). However, upon expiration of the Primary Compact Term this Compact shall be automatically renewed for one (1) 10 YEAR term, unless otherwise terminated in accordance with the provisions of Section X. Prior to expiration or termination of this Compact, the Parties may agree to the renewal of the Compact for a term mutually agreed upon.

B. Compact Review Period. This Compact shall be subject to review every two (2) years upon the request by either party. The requesting party shall provide a thirty (30) day notice to the other party prior to the expiration of the anniversary date. The Parties have the right to review and negotiate all compact terms. Any amendments to the compact shall be subject to mutual agreement between both parties.

C. Amendments. This Compact may be amended only with the consent of, and by written instrument signed by, both Parties. If IGRA or State law is amended in any way affecting the terms of 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 State and federal laws. In the case of a change in law that would prohibit gaming authorized under this Compact, the Tribes and the State shall engage in good faith negotiations to establish a reasonable period of time during which such gaming may continue in order to enable the Tribes and their investors (if any) to receive a reasonable return on investments made under this Compact and to provide tribal casino employees affected by the change in law with fair notice and transition time.

D. Negative Declaration. This Compact has been entered into to satisfy the requirements of IGRA. It is not intended to reflect or be viewed as reflecting in any other context either Party's position with respect to the jurisdictional authority of the other. Nothing in this Compact or in any conduct undertaken pursuant thereto shall be deemed as enlarging or diminishing the jurisdictional authority of either party except to the extent necessary to implement and effectuate the Compact's terms. Neither this Compact nor conduct pursuant thereto shall be offered as evidence, otherwise referred to in any present or future litigation unrelated to the subject matter of the Compact, or used to further either Party's equitable or legal position in any litigation unrelated to the subject matter of the Compact.

E. Expansion of Class III Gaming. If, after the date of this Compact, the State authorizes pursuant to State law (a) any form of gaming classified as Class III under IGRA in addition to those forms permitted by this Compact ("Additional Class III Games") or (b) wager, prize, machine or other limits or restrictions on gaming, including Additional Class III Games authorized under Subsection 2 below, less restrictive than those set forth in this Compact ("Less Restrictive Provisions"), then the following provisions shall apply:

1. the State shall promptly notify the Tribes of such Additional Class III Games or Less Restrictive Provisions;
2. this Compact shall be deemed amended to permit Additional Class III Games, *provided* that they are conducted in conformity with the least restrictive terms and conditions applicable to them under the State law;
3. this Compact shall be deemed amended so as to include such Less Restrictive Provisions; and
4. the Tribes may notify the State that they desire to amend this Compact to authorize such Additional Class III Games on the Reservation on terms

and conditions less restrictive than those applicable to them under the foregoing provisions; upon such notice, the Parties shall in good faith endeavor to negotiate amendments to provide for such gaming by the Tribes hereunder in conformity with IGRA.

F. Severability. Each provision, section and subsection of this Compact shall stand separate and independent of every other provision, 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.

G. Notices. All notices and other communications required to be given hereunder by the Tribes and the State shall be deemed to have been duly given when delivered in person or posed by United States certified mail, return receipt requested, with postage prepaid, addressed as follows:

(1) *If to the Tribes:*

Chairman
Chippewa Cree Tribal Business Committee
Rocky Boy Route 544
Box Elder, Montana 59521

(2) *If to the State:*

Governor of the State of Montana
Capitol Station
Helena, Montana 59620

H. Reservation of Rights. Neither Party has waived or forfeited any of its rights, privileges, positions, or defenses with respect to the on-going negotiations on the long-term Compact. Each party reserves all rights, arguments and defenses that are available to it under the law, and nothing in the Compact shall be interpreted or construed as an express or implicit waiver of any such right, argument or defense. The Tribes' initiation and pursuit of such an action shall not diminish or otherwise impair their rights under this Compact.

DATED this 19 day of December, 2012.

STATE OF MONTANA

CHIPPEWA CREE TRIBE OF THE
ROCKY BOY'S INDIAN
RESERVATION


BRIAN SCHWEITZER ~~Governor~~

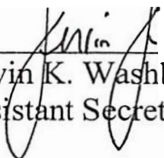

KEN ST. MARKS, Chairman

APPROVED on the date above written.


STEVE BULLOCK
Attorney General, State of Montana

Consistent with 25 U.S.C.A. §2710(d)(8)(A), “[T]he Secretary is authorized to approve any Tribal-State compact entered into between an Indian tribe and a State governing gaming on Indian lands of such Indian tribe.” Therefore, the Class III Tribal-State Gaming Compact between the Chippewa Cree Tribe of the Rocky Boy’s Indian Reservation and the State of Montana is hereby approved on this 4 day of February, 2013.

UNITED STATES DEPARTMENT OF THE INTERIOR


Kevin K. Washburn
Assistant Secretary – Indian Affairs

APPENDIX

Appendix A

Video Gaming Machines

APPENDIX A

VIDEO GAMING MACHINES

I. TECHNICAL STANDARDS FOR ELECTRONIC GAMES OF CHANCE

- A.** The State and the Tribe agree that all Class III electronic games of chance will comply with the technical standards of the Montana Department of Justice, Gambling Control Division asset out in the Administrative Rules of Montana 23.16.1901 through 23.16.1911, 23.16.1920 and where applicable the definitions in 23.16.1802, subject to the exceptions as set forth in section II below.
- B.** The State and the Tribe agree that the State will timely notify the Tribe of an subsequent changed to the above listed Administrative Rules of Montana and upon such notification said changes will become a part of Appendix A by reference.

II. EXCEPTIONS TO THE TECHNICAL STANDARDS FOR ELECTRONIC GAMES OF CHANCE

- A.** Any definitions of bingo or electronic bingo that are electronic, computer or other technological aids to the Class II game of bingo, as defined by IGRA or Rules of the National Indian Gaming Commission (25 CFR Par 502).
- B.** Any definitions or rules relating to the licensing or permitting of video gambling machine owners or operators.
- C.** A video gambling machine authorized under this agreement shall be tested and approved by the Tribe before placement on the Reservation. Any gambling device approved and licensed by the Tribe under this agreement must meet all technical requirements as set forth in the Administrative Rules of Montana as referenced in Section I of this Appendix. The Tribe may contract with the State of certification and inspection of video gambling machines under a contract separate and apart from this Agreement.

III. MINIMUM INTERNAL CONTROL STANDARDS

The Tribe agrees to follow the model Minimum Internal Control Standards used by the National Indian Gaming Commission unless the parties agree in writing to a simpler standard that will protect the fairness and integrity of the particular game or activity.