



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

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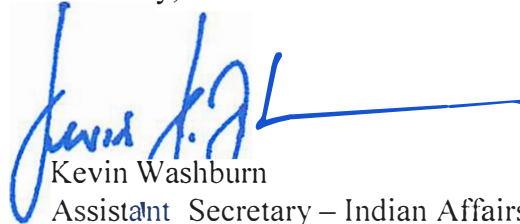
Honorable John J. Robinson
President, Northern Cheyenne Tribe
P.O. Box 128
Lame Deer, Montana 59043

Dear President Robinson:

On January 22, 2013, we received the Agreement between the Northern Cheyenne Tribe and the State of Montana. We have completed our review of this Compact and conclude that it does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), any other provision of Federal law that does not relate to jurisdiction over gaming on Indian lands, or the trust obligations of the United States to Indians. See 25 U.S.C. § 2710(d)(8)(B). Therefore, pursuant to the delegated authority and Section 11 of 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).

We wish the Tribe continued success in this economic venture.

Sincerely,



Kevin Washburn
Assistant Secretary – Indian Affairs

Enclosure

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

**AGREEMENT BETWEEN THE NORTHERN CHEYENNE TRIBE
AND THE STATE OF MONTANA CONCERNING CLASS III GAMING**

I. AUTHORITY

This Agreement is made by and between the Northern Cheyenne Tribe and the State of Montana, pursuant to Public Law 25 U.S.C. § 2701-2721, the Indian Gaming Regulatory Act (“IGRA”). The Tribe is authorized to enter into this Agreement by Resolution No. 039-213, enacted on December 21, 2012. The State is authorized to enter into this Agreement by section 11 (d)(3)(B) of the IGRA and the provisions of the State-Tribal Cooperative Agreements Act (Mont. Code Ann. §§ 18-11-101 to -111), and other authorities. This Agreement supersedes all previous agreements, amendments and extensions.

II. PURPOSE

The purpose of this Agreement is to define the respective jurisdictions of the Tribe and the State for regulation of Class III gaming as defined by the IGRA on the Northern Cheyenne Reservation.

III. DEFINITIONS

A. “Gaming.” The term “gaming” means those gambling activities authorized under and conducted in accordance with this Agreement.

B. “Indian lands.” The term “Indian lands” means any land within the Reservation now or hereafter owned in fee by, or held in trust by the United States for the benefit of, the Tribe or any Indian, and the Tongue River Reservoir Trust Lands.

C. “Non-Indian lands.” The term “non-Indian lands” means any land within the Reservation, which is not Indian lands.

D. “Premises.” The term “premises” means a structure or facility 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 with another premises. If the premises shares a common internal wall with another premises offering gaming, the common wall must be permanently installed, opaque, and extend from floor to ceiling and may not contain an internal entrance through which public access is allowed.

E. "Regulate." The term "regulate" means the power to control through statute, ordinance, resolution, administrative rule, guideline or administrative procedure and to impose taxes, fees, assessments and penalties insofar as is consistent with the IGRA.

F. "Reservation." The term "reservation" means the Northern Cheyenne Reservation as established by Executive Orders of November 26, 1884, and March 19, 1900.

G. "State." The term "State" means the State of Montana or any agency thereof.

H. "Tongue River Reservoir Trust Lands." The term "Tongue River Reservoir Trust Lands" means the 160 acres of land adjacent to the Tongue River Reservoir, held in trust by the United States for the benefit of the Tribe, legally described as follows:

T 8S, R 40E-

section 23, SW 1/4 NE 1/4 N 1/2 SE 1/4

section 24, NW 1/4 SW 1/4

I. "Tribe." The term "Tribe" means the Northern Cheyenne Tribe, any agency, organization or subdivision of that Tribe, or any corporate entity in which such Tribe is the sole owner.

IV. JURISDICTION OF THE TRIBE AND STATE

A. The Tribe shall have jurisdiction, exclusive of the State and which shall be concurrent with any jurisdiction of the United States, to regulate all gaming on Indian lands and non-Indian lands. The Tribe agrees to limit gaming to gaming operations wholly-owned by the Tribe. The Tribe agrees to health inspections by State authorities of gaming premises on the Tongue Reservoir Trust Lands in response to complaints by patrons which have not been timely addressed by Tribal health authorities, provided that, reasonably prior to any such inspection, the State authorities provide written notice to the Tribe describing the complaint and the proposed time and scope of such inspection.

B. Because of the Reservation's present and historical demographic and land ownership patterns and the fact that the Tribe does not allow the sale of alcoholic beverages within the Reservation (but may elect, on receipt of all required governmental approvals, to allow the sale of alcoholic beverages on the Tongue River Reservoir Trust Lands), the State does not seek authority to authorize gaming operations owned by non-Indians on non-Indian lands. On the conditions set forth in this paragraph, the State shall have jurisdiction concurrent with that of the United States to prosecute non-Indians and concurrent with that of the Tribe and the United States to prosecute Indians who are not members of the Tribe, for violations of this Agreement occurring on non-Indian lands. If such violation by a non-Indian or a non-member Indian occurs, the Tribe

promptly shall initiate civil enforcement actions, or, as to non-member Indian violators, criminal prosecution, or request federal criminal enforcement action, to eliminate the violation. The State may criminally prosecute such non-Indian or non-member Indian violators provided that the State shall ask the federal government to first confer with the Tribe. To protect the safety of patrons and employees in gaming operations on the Tongue River Reservoir Trust Lands and the integrity of such gaming operations, the Tribe will provide funding to cover the salary, benefits and operating expenses of one full-time Big Horn County Deputy Sheriff assigned to the southern Big Horn County, as provided in Section VI.2.C of the June 27, 2008 Cooperative Agreement among the Tribe, the State and Big Horn County.

V. PERMITTED GAMING

Subject to the jurisdictional authorities and the prohibitions and limitations set forth in this Compact, including without limitation Section X.D, the Class III gaming conducted hereunder shall be permitted and regulated by the Tribe in conformity with applicable State law and rule, unless otherwise noted below.

The following gaming may be conducted under this Agreement:

A. Class III Video Gaming Machines which offer video bingo, video poker, video keno or video line games, licensed by the Tribe for operation at tribal casinos, are permitted when operated in compliance with the following conditions:

1. prizes may be awarded only in the form of free games, credits or cash. A prize may not exceed the value of \$3,000.00 for each individual award;
2. video gambling machines within tribal premises may be connected in a progressive bank provided the prize limit for a progressive bank does not exceed \$3,000;
3. video gambling machines may not be operated between the hours of 2 a.m. and 8 a.m. of each day, unless the Tribal Council adopts an ordinance allowing play between 2 a.m. and 8 a.m.;
4. a video gambling machine authorized under this Agreement shall be tested and approved by the State before placement on the Reservation. Any gambling device manufacturers or distributors providing, selling or otherwise placing gambling machines under this Agreement must be licensed by the State under Mont. Code. Ann. § 23-5-625;
5. this Compact authorizes the Tribes to operate a total of 750 Class III video gaming machines at tribal casinos located within the Reservation and on the Tongue River Reservoir Trust Lands;
6. Specifications of Video Gambling Machines. All Class III video gaming machines will comply with the technical standards of the Montana Department of Justice, Gambling Control Division as set out in the ARM 23.16.1901-1911, 23.16.1920 and, where applicable, the definitions in 23.16.1802 (“Technical Standards”) subject to 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.

7. 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.

B. Simulcast Racing when conducted in compliance with the following:

1. simulcast racing must be with a network approved by the Northern Cheyenne Gaming Commission 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.

C. Calcutta Pools

D. Fantasy Sports Leagues

E. Fishing Derbies and Betting on Natural Occurrences

F. 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 Tribe in a manner that provides security at least as stringent as the Montana Lottery.

G. Shake-a-day and Shaking for Music or Drinks

H. Raffles

I. Live Keno licensed by the Tribes for play at tribal casinos, when conducted in compliance with the following:

1. Live keno may not be conducted between the hours of 2 a.m. and 8 a.m. of each day, unless the Tribal Council adopts an ordinance allowing play between 2 a.m. and 8 a.m.
2. A keno operator shall keep a record of gross proceeds in the form required by the Tribe. At all times during the business hours of the licensee the records must be available for inspection.

3. A keno operator shall annually complete and deliver to the Tribal Council a statement showing the total gross proceeds for each live keno game operated by him and the total amount due as live keno tax for the preceding year. This statement must contain any other relevant information required by the Tribal Council.

4. 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) keno prizes may be paid in either tangible personal property or cash;
- (e) variations in the game of keno, as authorized under applicable state law and rule, are permissible if:
 - i. no more than 50 cents is wagered on each combination of numbers, and
 - ii. a winning combination does not pay more than \$1,000;
- (f) a player may give a keno caller a card with instructions on the card to play that card and its marked numbers for up to the number of successive games that the house allows and that the player has indicated on the card, upon payment of the price per game times the number of successive games indicated. The player shall remain on the house premises until the card is played or withdrawn. The caller shall keep the card until the end of the number of games indicated;
- (g) electronic live keno equipment must at a minimum use a random selection process to determine the outcome of each game.

J. Sports Pools and Sports Tab Games

K. Live Poker gaming shall be conducted under the same conditions as permissible under Montana Statutes and administrative regulations (MCA Title 23, Chapter 5, Part 3; ARM 23.16.1101-1240), except as otherwise provided below:

- 1. the prize for an individual live poker game may not exceed \$2,000.00;
- 2. the prize for each tournament play game may not exceed the total amount paid as entry and reentry fees in the game;
- 3. poker tournaments shall not be subject to State limits on frequency or interval, but shall be limited to twelve tournaments per calendar year;
- 4. the Council and the Tribe shall not be subject to the licensing provisions of State law.

VI. GENERAL REGULATION

The following regulations shall apply to all gaming activities conducted under this Agreement.

- A. Persons under 18 years of age shall not participate in any gaming activity.
- B. A person who is not physically present on the premises where the gaming activity is actually conducted may not be allowed to participate.
- C. The consideration paid for the chance to play shall be strictly cash. Every participant must present the money with which he 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 play on Class III games after inserting coins or currency into the game, and shall not restrict the right of the Tribe 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.
- D. The Tribe shall make available for play a total of no more than 750 video gambling machines on the Reservation and the Tongue River Reservoir Trust Lands, to be distributed in the Tribe's discretion.
- E. The Tribe agrees to follow the model Minimum Internal Control Standards used by the NIGC, unless the State and the Tribe agree to a simpler standard that would protect the fairness and integrity of the particular game or activity.
- F. Given the relatively long term of the Agreement, at the end of every five-year period commencing upon the effective date of this Agreement, each monetary limit incorporated into Section V, with respect to prizes, credits, wager, entry fees, reentry fees, card prices, ticket prices, sports tab costs or the like, shall automatically increase to 1.15 times the monetary limit which prevailed at the start of the five-year period, unless a higher monetary limit is authorized under Less Restrictive Provisions as set forth in Section X.D, or is otherwise agreed to by amendment of the Agreement.

VII. BACKGROUND INVESTIGATIONS AND LICENSING OF EMPLOYEES AND MANAGER

The following provisions shall apply to all gaming activities conducted under this Agreement:

- A. The Tribe, 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 Tribe shall conduct this background check and

prepare a written report regarding each applicant within 30 days of receipt of the employment application.

B. The Tribe may employ any person except any person who, based on accessible prior financial or other information or criminal record:

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 years of the date of application or is on probation or parole or under deferred prosecution for committing a felony offense; or
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 that is found to be unacceptable based upon the provisions of one, two, three or four above may be considered an unsuitable source.
6. The Tribe may deny employment to a person for any reason, including a person who has falsified an application. If the falsification is determined after the person has been employed, the Tribe may terminate the employment.

VIII. TRIBE MAY CONTRACT WITH STATE

The Tribe may contract with the State to certify and inspect video gambling machines operated under this Agreement by paying a fee for each machine, which does not exceed the actual cost incurred by the State to conduct inspections. The Tribe may contract with the State to conduct background and financial examinations of persons associated with any gaming operation allowed under this Agreement. State officials acting in this capacity shall act as subcontractors of the Tribe, and shall not be deemed to be acting on the State's behalf.

IX. DEFAULT AND TERMINATION

A. Default by Tribe. In the event of substantial and continuing failure by the Tribe in the performance of its obligations under this Agreement, the State shall have the right, at its option, to terminate this Agreement, provided that the State shall have given the Tribe ninety (90) days written notice of such default and the Tribe shall have failed to cure such default within ninety (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 Agreement, the Tribe shall have the right, at its option, to terminate this Agreement, provided that the Tribe shall have given the State ninety (90) days

written notice of such default 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 Agreement by written instrument signed by both parties.

D. Continuing Duty to Bargain. Upon termination of this Agreement for default or voluntarily, upon receipt of a request pursuant to Section 11 (d) of the IGRA, the State will negotiate in good faith with the Tribe over the terms and conditions of a subsequent agreement.

X. MISCELLANEOUS TERMS

A. Effective Date and Term. This Agreement shall be effective upon execution and publication in the federal register, and shall continue in effect until the later of: (1) 20 years from the date of publication of this Agreement in the federal register]; or (b) 15 years from the date Class III gaming operations commence on the Tongue River Reservoir Trust Lands; unless earlier terminated in accordance with Article IX. Before expiration of this Agreement or upon its termination, the parties may agree to the renewal of the Agreement for a term agreed upon by the parties.

B. Amendments. The Agreement may be amended only with the consent of both parties and only by written instrument signed by both parties. If the IGRA or State law is amended or changed in any way affecting the terms of this Agreement, the parties agree to negotiate in good faith to amend this Agreement so as to achieve the objectives provided for and to ensure compliance with all applicable State and federal law. In the case of a change in law which would prohibit gaming authorized under this Agreement, the Tribe may continue such gaming for at least one year in order to enable the Tribe and its investors to receive a reasonable return on investments made under this Agreement and to provide affected employees fair notice and transition time, unless the continuance of such gaming is found to be illegal by a court of competent jurisdiction.

C. Negative Declaration. This Agreement has been entered into to satisfy the requirements of the 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 Agreement 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 Agreement's terms. Neither this Agreement 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 Agreement, or used to further either party's equitable or legal position in any litigation unrelated to the subject matter of the Agreement.

D. Expansion of Class III Gaming. If, after the date of this Agreement, the State authorizes pursuant to State law (a) any form of gaming classified as Class III under the IGRA in addition to those forms permitted by this Agreement (“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 or incorporated into in this Agreement (“Less Restrictive Provisions”), then the following provisions shall apply:

1. The State shall promptly notify the Tribe of such Additional Class III Games or Less Restrictive Provisions.
2. This Agreement 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 Agreement shall be deemed amended so as to include such Less Restrictive Provisions.
4. The Tribe may notify the State that it desires to amend this Agreement 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 Tribe hereunder in conformity with the IGRA.
5. If, after the date of this Agreement, the applicable State law and rule set forth or incorporated into this Agreement becomes more restrictive, then such law and rules shall not apply to Gaming governed by this Agreement.

E. Severability. Each provision, section and subsection of this Agreement 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 Agreement to be invalid, the remaining provisions, sections, and subsections of the Agreement shall remain in full force and effect.

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

1. if to the Tribe:

President
Northern Cheyenne Tribal Council
P.O. Box 128
Lame Deer, MT 59043

2. if to the State:

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

or to such other address or addresses as either the Tribe or the State may from time to time designate in writing.

G. Reservation of Rights. Each party reserves all rights, arguments and defenses that are available to it under the law, and nothing in this Agreement shall be interpreted or construed as an express or implicit waiver of any right, argument or defense. The State agrees that it will continue to negotiate in good faith in response to Tribal requests to negotiate for additional compact terms.

DATED this 4th day of January 2013, 2012.

NORTHERN CHEYENNE TRIBE


John Robinson, President

STATE OF MONTANA

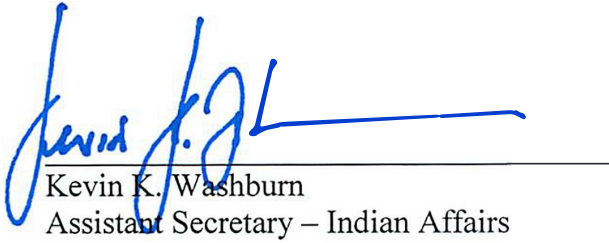

Brian Schweitzer, Governor

APPROVED pursuant to IGRA §11(d)(3)(B)
and Mont. Code Ann. § 18-11-105 (2011)


Steve Bullock, Attorney General

Consistent with 25 U.S.C.A. §2710(d)(8)(A), “The 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 Agreement between the Northern Cheyenne Tribe and the State of Montana concerning Class III Gaming is hereby approved on this 8th day of March, 2013.

UNITED STATES DEPARTMENT OF THE INTERIOR



Kevin K. Washburn
Assistant Secretary – Indian Affairs