



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

OCT 17 2014

The Honorable Linda L. Howard  
Chairman, Yerington Paiute Tribe of the  
Yerington Paiute Colony and Campbell Ranch  
171 Campbell Lance  
Yerington, Nevada 89447

Dear Chairman Howard:

On September 4, 2014, the Department of the Interior received the Compact between the Yerington Paiute Tribe and the State of Nevada Governing Class III Gaming (Compact).

We have completed our review of the Compact and conclude that it does not violate the Indian Gaming Regulatory Act (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 my delegated authority and Section 11 of IGRA, I approve the Compact. See 25 U.S.C. § 2710(d)(8)(A). This Compact shall take effect when the notice of this approval is published in the *Federal Register*. See 25 U.S.C. § 2710(d)(3)(B).

A similar letter is being sent to the Honorable Brian Sandoval, Governor of the State of Nevada.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin K. Washburn".

Kevin K. Washburn  
Assistant Secretary - Indian Affairs

Enclosure

**COMPACT BETWEEN  
THE YERINGTON PAIUTE TRIBE  
AND THE STATE OF NEVADA  
GOVERNING CLASS III GAMING**

**AUTHORITY**

This Agreement is made by and between the YERINGTON PAIUTE TRIBE ("Tribe") and the STATE OF NEVADA ("State"), pursuant to Public Law 100-497, the Indian Gaming Regulatory Act, codified at 25 U.S.C. §§ 2701-2721 and 18 U.S.C. §§ 1166-1168 ("IGRA"). The Tribe has authority under Article VI, Sections 1 and 3, 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 Agreement (Appendix A). The State is authorized to enter into this Agreement by 25 U.S.C. § 2710(d)(3)(B) and the provisions of NRS 277.080 to 277.170.

**PURPOSE**

The purpose of this Compact is to promote the sound regulation of all 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 the health and welfare of the Tribe's members as well as Tribal economic development, self-sufficiency, and strong Tribal government by dedicating all net revenue from such activities to these Tribal purposes.

**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 the IGRA, which requires a Tribal-State Compact be negotiated between the Tribe and State before a Tribe may lawfully conduct Class III Gaming on Indian lands; and

WHEREAS, the Tribe and State have negotiated the terms and conditions of this Compact to provide a regulatory framework for the operation of certain Class III Gaming on the Indian lands of the Yerington Paiute Tribe;

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

## **ARTICLE I** **DEFINITIONS**

1. The terms "Act" and "IGRA" mean the Indian Gaming Regulatory Act, Public Law 100-497, 25 U.S.C. §§ 2701-2721, and 18 U.S.C. §§ 1166-1168.
2. The term "Applicant" means any person who applies for a Tribal license, is subject to State approval, or who is a management company, key employee or gaming employee.
3. The term "Associated Equipment" or "Gaming Equipment" means any equipment or mechanical, electro-mechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming, any game, race book or sports pool that would not otherwise be classified as a gaming device, including, dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money.

4. The term "Board" means the State of Nevada Gaming Control Board.
5. The term "Class I Gaming" means all forms of gaming defined as Class I in Section 4(6) of the Act, 25 U.S.C. § 2703(6) and 24 C.F.R. § 502.2.
6. The term "Class II Gaming" means all forms of gaming defined as Class II in Section 4(7) of the Act, 25 U.S.C. § 2703(7) and 24 C.F.R. § 502.3.
7. The term "Class III Gaming" means all forms of gaming defined in Class III in Section 4(8) of the Act, 25 U.S.C. § 2703(8) and 24 C.F.R. § 502.4, but limited to the extent and in the manner, and under such terms and conditions, that such gaming activity could lawfully be conducted off the Reservation under the laws of the State of Nevada, including the Regulations of the Nevada Gaming Commission, as they may now exist or may from time to time become amended. The terms "gaming," "gaming activity," and "gaming operation," as they appear throughout, are synonyms for and refer to Class III gaming only, unless otherwise expressly noted.
8. The term "Contractor" means any person who is hired or employed by the Tribe to assist with a specific portion of the Gaming operations on the Reservation and Colony.
9. The term "Chairman" means the Chairman of the State of Nevada Gaming Control Board or his designee.
10. The term "Commission" means the State of Nevada Gaming Commission.
11. The term "Compact" means the Yerington Paiute Tribe-State of Nevada Gaming Compact, which is to say, this "document."

12. The term "Gaming" means such Class III Gaming activities which are permitted under State law. The term "Gaming" does not include Class I or Class II Gaming, including, Bingo. Class I or Class II Gaming on the Reservation and Colony are under the sole jurisdiction of the Tribe and not subject to this Agreement.

13. The terms "Gaming Device" or "Gaming Devices" has/have the same meaning as defined by NRS 463.0155 but does not/do not include devices used in Class I Gaming or Class II Gaming.

14. The term "Gaming Employee" has the same meaning as set forth in NRS 463.0157.

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 any Indian country to which that section applies.

16. The term "Interstate Sports Betting Facility" means a gaming establishment wherein wagers on sports events are received and processed via telephones, computers, and Associated Equipment on the Reservation pursuant to Article II, Section e 5, of this Compact.

17. The term "Key Employee" means:

a. Any employee or agent of the Tribe having management responsibility for a Tribal Gaming Facility, including, a Management Company, Contractor, and any officer or director;

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; and

d. A Primary Management Official as additionally defined at 25 C.F.R. § 502.19.

18. The term "License" means an approval issued by the Tribal Gaming Commission and/or the National Indian Gaming Commission.

19. The term "Management Company" or "Management Contractor" means any person who is retained by the Tribe to manage a Tribal Gaming Facility which is located on the Reservation and Colony.

20. The term "Management Contract" means a contract between the Tribe and a Management Company.

21. The term "Person" means any corporation, limited liability company, company, partnership, firm, association, limited liability company, natural person, or any other entity.

22. The term "Premise" means any Tribal owned structure or facility located on the Reservation or Colony 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.

23. The types of existing Gaming licenses are:

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

b. Nonrestricted License. A license for or an operation consisting of sixteen (16) or more slot machines or any table games.

24. The term "Regulate" and/or "Regulatory Authority" means the power to control through statute, ordinance, administrative rule, guideline, or administrative procedure and/or to license and impose taxes, fees, assessments and penalties insofar as is consistent with IGRA.

25. The term "Reservation" means all lands within the exterior boundaries of the Yerington Paiute Tribe Reservation and Colony as illustrated in the map attached as Appendix B, and any additional lands made part of the Reservation and Colony in the future, so long as such lands are contiguous to the Reservation and Colony lands identified in Appendix B and were contiguous as of October 17, 1988. In addition to the Reservation and Colony lands identified in Appendix B, the term "Reservation" also includes any lands acquired by the Secretary of Interior, in trust for the benefit of the Tribe, but only if the Governor of the State of Nevada concurs that gaming activity may be conducted on such newly acquired lands pursuant to 25 U.S.C. § 2719.

26. The term "Slot Machine" means any mechanical, electrical, electro-mechanical, electronic, or other device, contrivance or machine which, upon insertion of a coin, 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 of chance 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.

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

28. The term "Tribal Gaming Commission" means the Yerington Paiute Tribe's Gaming Commission (YPTGC).

29. The term "Tribe" means the Yerington Paiute Tribe, including, any instrumentality, agency, organization, subdivision, or wholly-owned corporate or business entity of the Tribe.

30. The term "Tribal Gaming Facility" or "Tribal Gaming Facilities" means the building(s) or structure(s) in which Class III Gaming is conducted on the Reservation.

31. The term "Tribal Member" means a person who has been enrolled in the Tribe and whose name appears in the Tribal membership roll and who meets the written criteria for membership.

**ARTICLE II**  
**AUTHORIZED CLASS III GAMING**

Subject to the terms, conditions, and limitations imposed by this Compact, all forms of Class III Gaming activities which may be conducted in the State may be conducted on the Reservation, but only to the extent and in the manner, and under such terms and conditions, that such gaming activity could be lawfully operated or conducted elsewhere in the State of Nevada, if approved by the Board and Commission under the laws of the State of Nevada, including the Regulations of the Nevada Gaming Commission, as they now exist or may from time to time become amended. Without limiting in any way the foregoing, the following warrant special mention:

1. Casinos. The mix of games, the number of gaming devices, bet limits and prize limits (if any) employed by the Tribe in such Tribal Gaming Facilities shall be determined by the Tribal Gaming Commission. All such Casinos shall be located within the Reservation of the Tribe.
2. Slot Location. In addition to full-range Casinos, the Tribe may operate "Slots Only Locations" at any premises owned or controlled by the Tribe within the Reservation and Colony, or license Nevada Licensed slot route operators to operate slots within any such premises. The slots only facility shall consist of no more than sixty-five (65) slot machines at any premise owned by the Tribe within the Reservation not to exceed a total of three hundred (300) slot machines.

**3. Expansion of Slot Location.**

The Tribe agrees not to expand slot machine operations beyond the above limits unless either:

- a. Such expansion is agreed upon in writing by the Tribe and the Chairman of the State Gaming Control Board; or
- b. Such expansion is authorized pursuant to amendment to this Agreement or a subsequent gaming compact.

Any expansion of slot machine operations made pursuant to subsection (1) above, shall not be deemed an amendment to this Compact, and shall not require Federal approval. In evaluating such an expansion, the State shall consider the Tribe's internal controls, surveillance, and the performance of the Tribe's gaming operation.

**4. Non-contiguous Land Expansion.** If, after the date of this Agreement, the Tribe acquires new lands that are not contiguous to the Reservation, gaming may be conducted on such lands only if the Secretary of the Interior and the Governor of the State of Nevada concur in the approval of gaming on the newly acquired lands.

**5. Lottery.** Notwithstanding anything herein to the contrary, the Tribe may engage in lotteries as permitted by Chapter 462 of the Nevada Revised Statutes, but only to the extent and in the manner, and under such terms and conditions, that such gaming activity could be lawfully operated or conducted elsewhere in the State of Nevada, if approved by the Board and Commission under the laws of the State of Nevada, and the Regulations of the Nevada Gaming Commission, as they now exist or may from time to time become amended.

**6. Inter-state and Intra-state Sports Betting.** Accepting wagers from a location outside the State of Nevada on sporting events or activities (also known as inter-state sports wagering) is illegal under federal law as well as the laws of the State of Nevada and is not allowed under this Compact. To the extent it is a permissible form of gaming under State law, Class III Gaming activity may include the conduct of intra-state sports betting originating from the Reservation, which may include the use of telecommunication facilities and the taking interstate bets by telephone at a Tribal facility, but only to the extent and in the manner, and under such terms and conditions, that such gaming activity could be lawfully operated or conducted elsewhere in the State of Nevada, if approved by the Board and Commission under the laws of the State of Nevada, and the Regulations of the Nevada Gaming Commission, as they now exist or may from time to time become amended.

**7. Inter-state or Intra-state Internet Gaming.** It is expressly agreed by the Tribe and State that this Compact does not allow, and specifically excludes, the ability for the Tribe to conduct or allow any other person or entity, to conduct any form of inter-state or intra-state, Internet Gaming (also known as Interactive Gaming), or any aspect or activity relating thereto, on or from the Reservation or Colony. At such time as the Tribe gives notice to the State that the Tribe, or any other person or entity on behalf of the Tribe, wishes to conduct any form of inter-state or intra-state Internet Gaming, at the Tribe's request, the parties shall commence negotiations concerning the conduct of Internet Gaming by the Tribe. Notwithstanding the foregoing, the Tribe or any other person or entity who wishes to conduct any form of inter-state or intra-state Internet

Gaming shall be required to first comply with all provisions of NRS Chapter 463. Any addition of Internet/Interactive Gaming activities to this Compact shall be considered an amendment of the Compact that requires full State, Tribe and Federal Government approval.

This provision of the Compact is not intended to, and shall not be construed to preclude or prevent Tribal Members from accessing the Internet for personal or business purposes that are outside the scope of this Compact, including the private use of or with their computers for inter-active gaming such as on-line poker.

### **ARTICLE III** **STANDARD FOR TRIBAL GAMING OPERATIONS**

Subject to the terms, conditions, and limitations imposed by this Compact, all forms of Class III Gaming activities which may be conducted in the State may be conducted on the Reservation, but only to the extent and in the manner, and under such terms and conditions, that such gaming activity could be lawfully operated or conducted elsewhere in the State of Nevada, if approved by the Board and Commission under the laws of the State of Nevada, including the Regulations of the Nevada Gaming Commission, as they now exist or may from time to time become amended.

Without in any way limiting the foregoing, the following are considered to require special attention and the Tribal Gaming Commission or Tribe, as the case may be, shall make special effort to ensure that a Tribal Gaming Operation meets, follows, and complies with the following:

- a. The slot machines exposed for play shall meet all standards established by the State for non-tribal gaming, including, but not limited to, the hold percentages;
- b. The slot machines exposed for play in any Tribal Gaming Operation are approved by the State for Gaming within the State of Nevada pursuant to State law. Notwithstanding the above, if slot machines were lawful under this section when first exposed for play, their use may continue as "grandfathered" machines to the same extent as such "grandfathering" would be available to similarly situated non-tribal gaming operations;
- c. All slot machines exposed for play in any Tribal Gaming Operation are acquired from a distributor of such devices licensed for such activity by the State;
- d. The sale, transfer or other disposition of any slot machines will only be through a distributor licensed by the State to conduct such activity;
- e. 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; and
- f. Further, 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, such approval or standards may be waived by the Chairman of the State Gaming Control Board. The State agrees to provide the Tribe with notice of such standards through distribution of informational

materials specifying the standards to be met with regard to such Associated Equipment. 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 of the State Gaming Control Board 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.

#### **ARTICLE IV** **STATE ACCESS TO TRIBAL GAMING OPERATIONS**

1. The agents or employees of the State are hereby given the authority to enter the Tribe's Gaming Premises for random inspection of Gaming Devices, table games, and Associated Equipment as well as to investigate, determine, and audit whether each of the terms, conditions, provision, and limitations of this Compact have been, and are being complied with by the Tribe, and any person or entity conducting such gaming activities. Investigative and auditing activities by state agents or employees are limited solely to the gaming activities conducted by the Tribe, or any person or entity conducting such gaming activities. 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 and Tribal Gaming Commission personnel and/or the Tribal police dispatch office. Furthermore, such agents or employees of the State shall enter such premises only to the extent necessary to fulfill their legitimate function as set forth 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 than 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 this paragraph.

- a. From time to time, 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. However, the State shall not have an affirmative duty or obligation to provide the assistance requested.
  - b. If the State's inspectors determine that a particular Gaming Device is mechanically defective or otherwise should not be exposed for play under Article III, 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.
2. 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 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.

## **ARTICLE V** **MANUFACTURE OF GAMING TOKENS**

The Tribe may manufacture or otherwise obtain its own gaming tokens and chips subject to the following:

- a. The tokens and chips shall meet the standards and specifications set forth by the State by regulation and be approved by the State prior to any use of such tokens or chips; and
- b. The Tribe expressly agrees to redeem for face value in United States dollars any Tribal gaming tokens or chips that are presented for redemption by any lawful holder of Tribal gaming tokens or chips.

## **ARTICLE VI** **JURISDICTION**

1. Tribal Jurisdiction. The Tribe shall have exclusive jurisdiction, subject to any jurisdiction the United States may concurrently exercise to regulate Class III Gaming on the Reservation. Prosecution for violations of the Tribe's gaming code 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 Chapters 462 through 465 and Section 205.060 of the Nevada Revised Statutes.

2. State Jurisdiction. The State agrees that its jurisdiction over Reservation gaming activities and persons involved therewith is limited to the authority 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 YERINGTON PAIUTE TRIBE 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 VII STATE SERVICES**

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. Providing assistance in the resolution of patron disputes;
  - b. 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.
2. In order to facilitate the purpose and intent of this Compact and in order to further cooperative relationship between the State and the Tribe, the Nevada Gaming Control 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.
3. 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 and 2 immediately above; and,
  - b. Gaming device and Associated Equipment approval as well as the investigation, determination, and auditing to determine whether each of the terms, conditions, provision, and limitations of this Compact have been, and are being complied with by the Tribe, and any person or entity conducting such gaming activities. Investigative and auditing activities by state agents or employees are limited solely to the gaming activities conducted by the Tribe, or any person or entity conducting such gaming activities.
4. 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 operations.

## **ARTICLE VIII** **LICENSING STANDARDS**

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

licensing and background checks for Management Contractors, Primary Management Officials, and Key Employees shall be adhered to as minimal standards.

1. Any person or entity responsible for the operation or management of any Gaming activity permitted under this Section or any other part of this Agreement shall be required to submit to a background check and meet any and all requirements as set forth in the Tribe's Gaming Ordinance.

2. Work Registrations. The Tribe agrees that its Gaming operation(s) shall not employ any person as a gaming employee who is determined by the Nevada Gaming Commission or State Gaming Control Board to be a person who would be unsuitable to hold or retain a Nevada work registration in a similarly situated non-Tribal gaming operation. The Tribe will require all gaming employees to apply for work registrations and further agrees to process all applications for work registrations for gaming employees. The Tribe agrees that it will mail or deliver a copy of all applications to the State within twenty-four (24) hours of receipt. The Tribal Gaming Commission may in its discretion issue a temporary work 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 work registration, the State and the Tribe agree to follow the procedures for hearing and review as provided for in the NRS 463.335.

3. Slots Only Facilities. The Tribe agrees to designate and continuously have employed a Key Employee with the responsibility for overseeing all slots only locations.

The Tribe agrees to file an application 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 a person being hired.

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, excluding elected Tribal officials.

4. Should the Tribe decide to operate any Class III Gaming activity, such as a casino operation, other than a slots only facility, the Tribe agrees that enrolled members of the Tribe which are involved in the gaming activity, such as the operation of the casino, shall be subject to State review.

5. The following procedures govern the State approval process of management companies, Key Employees and other persons subject to review in all situations other than the approval of Tribal members employed at slots only locations as provided for in Section 3 above. These procedures are in addition to the work registration requirements contained in this Agreement.

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 State

Gaming Control Board, at which time the Board will make a recommendation on whether the applicant shall be denied or approved with or without conditions or limitations as deemed appropriate. The Nevada Gaming Commission will review the recommendation of the State Gaming Control Board and either approve, with or without conditions or limitations as deemed appropriate, or deny the application.

b. If the Nevada Gaming 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 if requested, a meeting with the Nevada Gaming Commission, the State Gaming Control Board and/or their respective staff, to learn more details regarding the grounds for disapproval. This meeting may be limited to authorized personnel 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 Nevada Gaming 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 State Gaming Control Board's and Nevada Gaming 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 State Gaming Control Board shall make a recommendation to the Nevada

Gaming Commission on the reconsideration request. If the Nevada Gaming Commission approves the reconsidered application, with or without conditions or limitations as deemed appropriate, the Tribal Gaming Commission may license such person. If the Nevada Gaming Commission, after reconsideration, reaffirms its denial, the Tribe agrees to terminate the person it hired and not to further pursue approval of the individual or entity.

d. The Tribe agrees not to employ any person as a management company or contractor in Tribal Gaming Facilities until the State Gaming Control Board or the Nevada Gaming Commission has made a determination 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, of the Nevada State Gaming Control Board (Chairman, NSGCB) authorize another management company to continue operating the gaming facility, pending approval by the Tribal Gaming Commission and the Nevada Gaming Commission for the replacement management company to operate the gaming facility. The approval for emergency involvement by the Chairman, NSGCB, may be limited or conditioned.

6. The Tribe further agrees that any Key Employee, lender, financial institution, subsequent holder of indebtedness, or any person or entity (excluding elected Tribal

officials) which in the opinion of the Chairman, NSGCB, has the power to exercise significant influence over the operation of the Tribal Gaming Facility may be required to apply for determination as to suitability, and pay investigative fees and other reasonable costs associated therewith. Prior to making a formal application request, the Chairman, NSGCB, 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 State Gaming Control Board and possible Nevada Gaming 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 State Gaming Control Board's position.

In determining whether such a person would be suitable, the State shall not discriminate against Tribal Gaming Facilities, Tribal employees, or applicants for Tribal employment, but shall conduct the investigation within the time frames and shall employ the same suitability standards as would be applicable to similarly situated applicants for or holders of licenses or permits to work in a similarly situated non-Tribal gaming operation. The State's authority under this Article does not extend concurrent state licensing authority over Tribal licensees. Instead, it affords the State and the Tribe the authority as set forth above, to work jointly 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.

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 to judicial review of that determination. The opportunity of an applicant 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 Nevada Gaming Commission and/or the Tribal Council of the Yerington Paiute Tribe. The sovereign immunity of the State and Tribal Government, 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 as compared with non-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 Agreement are continuing standards. Notwithstanding any action taken by the Tribal Gaming Commission, a work registration, determination of suitability, or other approval may be revoked by the State should these standards not be maintained.

10. Disciplinary actions, including revocations of suspensions, will follow the procedures set forth in Chapter 463 of the Nevada Revised Statutes, with the State Gaming Control Board bringing the disciplinary action before the Nevada Gaming Commission for a decision. Prior to the initiation of any disciplinary action, the State Gaming Control 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 State Gaming Control Board's position.

## **ARTICLE IX** **PATRON DISPUTES**

The Tribe may seek technical assistance from the State in resolving patron disputes to the extent a dispute involves a gaming device or gaming equipment. The Tribe shall have jurisdiction, however, over all patron disputes.

## **ARTICLE X** **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 may be resolved in the Federal Court of competent jurisdiction with venue in Washoe County, State of Nevada, and any appellate court thereunder, provided that the parties have not first attempted to resolve the dispute in accordance with the informal procedures set forth within Article XIII. The Tribe and the State expressly consent to be sued therein and waive any immunity therefrom that they may have provided that:

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

2. The relief is limited to declaratory and injunctive (temporary, preliminary and permanent injunctive) relief. Neither the Tribe nor the State may make any claim for monetary damages and neither party waives its sovereignty for an award of monetary relief including, but not limited to, punitive and exemplary damages and an award of attorney's fees; and

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

In addition, should litigation as provided for herein be commenced in Washoe County, State of Nevada, the parties are deemed to have waived the right to claim forum *non conveniens* should litigation be filed there.

## **ARTICLE XI** **TAXATION**

All of the net proceeds of Class III Gaming on the Reservation shall be used for the public purposes of the Tribe. Public purposes include Tribal Council approved per capita distributions to Tribal members. In the event the Tribe retains a management company or if at any time any person as that term is defined by NRS 0.039, any governmental or non-governmental entity or political subdivision, or entity other than the Tribe or political subdivisions or agencies of the Tribe, acquires any interest with respect to such gross or net revenues, the Tribe shall adopt a scheme of taxation with respect to such person or entity at least as stringent as the State's 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 is more stringent than Nevada law. The State shall have no tax jurisdiction over any aspect of the Tribal Gaming operation(s).

Except as provided for herein, the State shall have no jurisdiction to impose any gaming taxes or fees on any aspect of the Tribal gaming operation, or any other gaming-related activity lawfully conducted on the Reservation. All non-Tribal Gaming activity licensed pursuant to Article XVI, shall be fully subject to all gaming taxes and fees imposed by the Tribe. Nothing in this Section shall relieve the Tribe of its obligation to pay the State in return for services the State provides hereunder.

## **ARTICLE XII** **REPORTING REQUIREMENTS AND INFORMATION EXCHANGE**

1. In the spirit of mutual cooperation and in recognition of the desire of both the Tribe and State to protect the integrity and reputation of gaming within the State, the State shall make available to the Tribe the following financial reports:
  - a. 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.
  - b. Quarterly Statistical Report. This is a general summary of the State's gaming revenue.
  - c. Nevada Gaming Abstract. This is an annual financial analysis of gaming operations which produce more than \$1 million in gaming revenue per year.

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

2. The Tribe shall furnish to the State the following financial and statistical data for gaming operations that fall within the definition of a nonrestricted license, on a monthly basis in a format agreed upon by the State and Tribe.

a. 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 for 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.

b. 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, the amount of net revenue from such gaming devices or gaming tables.

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

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

## **ARTICLE XIII** **DEFAULT AND TERMINATION**

1. Default. In the event of substantial and continuing failure by one of the parties in the performance of its obligation under this Agreement, the party alleging the default shall notify in writing the other party of such alleged default and demand a correction of such default within ninety (90) days after receipt of such written notice. If the party in default shall fail to remedy such default within ninety (90) 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 provided in Article X. The parties consent to the jurisdiction of any court of competent jurisdiction to resolve disputes arising under this Compact as provided for in Article X. 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 XV, Section 11, of this Compact, the failure to adopt and enforce the Tribe's Minimum Internal Control Standards pursuant to Article XV, Section 10, of this Compact, or a substantial violation of the Tribal Gaming ordinance shall be grounds for initiating the default provision above.

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

## **ARTICLE XIV** **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 any way affecting the terms of this Compact, 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 laws. In case of a change in law which would prohibit gaming authorized under this Compact, the Tribe 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 Tribe and its investors (if any) to receive a reasonable return on investments made under this Compact.

## **ARTICLE XV** **MISCELLANEOUS**

1. 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 subsection of the Compact shall remain in full force and effect.

2. Third Party Beneficiaries. This Compact is not intended to and shall not be construed to create any right on the part of a third party to bring any action to enforce any of its terms.

3. Complete Agreement. This Compact, together with all addenda, sets forth the full and complete agreement of the parties and supersedes any prior agreements or understandings with respect to the subject matter hereof.

4. Construction. Neither the presence in any other Tribal-State Compact of language which is not included in this Compact, nor the absence in this Compact of language which is present in another Tribal-State Compact shall be a factor in construing the terms of this Compact.

5. No Joint Enterprise. By the execution or performance hereof, no relationship of co-partnership or joint venture or other joint enterprise shall be deemed to be now or hereafter created between the State and the Tribe.

6. Adoption of Laws by Tribe. The Tribe shall enact such resolutions, ordinances, statutes, or regulations as may be necessary to carry out and effectuate the purpose of this Compact.

7. Expansion of Class III Gaming. If, after the date of this Agreement, the State authorizes a new form of gaming pursuant to State law, which would be classified as Class III Gaming under the IGRA, the parties hereto agree that the Tribe may also expose such games for play under the same terms and conditions pursuant to which the State has authorized such new form of gaming.

8. Minors. The Tribe agrees to prohibit any person under the age of twenty-one (21) years from engaging either directly or indirectly in any wager or gaming activity, or loitering in or about the gaming premises.

9. List of Excluded Persons. The Tribe agrees to incorporate the State's List of Excluded Persons (*i.e.* Blackbook) into the Tribe's List of Barred Persons.

10. 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 applicable to the comparable category of licensees for non-Tribal gaming adopted by the State Gaming Control Board. Should minimum internal control standards or procedures be required pursuant to this Section, the Tribe shall submit to the State Gaming Control Board within thirty (30) days of their adoption by the Tribe. It shall be grounds for initiating the default procedures 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 adopted by the State of Nevada Gaming Control Board for the comparable of licensees.

11. 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 in the same manner as for a non-Tribal operation.

12. Audited Financial Statements. The Tribe shall engage an independent accountant, licensed by the Nevada State Board of Accountancy to review or audit the Tribe's financial statements and compliance with the internal controls established pursuant to Article XV, paragraph 10 above, only in the manner and extent such engagement would be required and performed for a non-tribal gaming operation. The

Tribe shall submit to the Board two (2) copies of its audited or reviewed financial statements not later than 120 days after the last day of the licensee's business year. Additionally, 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 such minimum internal controls standards. Not later than one hundred fifty (150) days after the end of the Tribe's business year, the Tribe shall submit a copy of the accountant's report or any other correspondence directly relating to the Tribe's system of internal control to the State Gaming Control Board.

The State shall maintain all audit and financial records obtained under this Section, or any other Section of this Agreement, shall keep them 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.

13. Audit for Compact Compliance. If the Tribe is required to engage an independent accountant pursuant to Article XV, paragraph 12 above, the independent accountant shall review the Tribe's compliance with the terms and conditions of this Compact and submit two (2) written copies of the findings and conclusions. The independent accountant shall report each event and procedure discovered by or brought to the accountant's attention that the accountant believes does not satisfy the Compact. Not later than one hundred fifty (150) days after the end of the Tribe's business year, the Tribal Gaming Agency shall submit to the State a copy of the accountant's report and any other correspondence directly relating to the Tribal

Gaming Agency's statement addressing each item of noncompliance noted by the accountant and describing the corrective measures being taken.

14. Compliance with Generally Accepted Accounting Standards. All financial and accounting reports, records and compilations established and maintained pursuant to or under this Compact shall adhere to Generally Accepted Accounting Standards.

15. Word Meanings. As used herein, the singular shall include the plural and the masculine includes the feminine and neuter, and vice versa, unless the context otherwise requires.

16. Tribal Inspections. The Tribal Gaming Commission shall conduct inspections of restricted gaming facilities licensed, operated, or owned by the Tribe, for compliance with the terms of this Compact, in a manner substantially similar to the State inspection procedures for restricted licensees, and prepare reports including, but not limited to, the inspector's findings regarding bankrolls requirements, and prohibitions against minors playing gaming machines or loitering near them. The Tribal Gaming Commission shall submit a copy of these reports to the State, and the Tribal Gaming Commission's statement addressing each item of noncompliance noted in the reports, not later than one hundred fifty (150) days after the end of the Tribe's business year.

17. This Compact shall not apply to any Class I or Class II Gaming within the Reservation and shall not confer upon the State any jurisdiction or any authority over such Class I or Class II Gaming conducted by the Tribe on Reservation lands. This

Compact in no way restricts the Tribe from operating a Class II Gaming facility at its Tribal Gaming Facilities.

## **ARTICLE XVI** **NON-TRIBAL GAMING**

The Tribe may authorize gaming on the Reservation by persons other than the Tribe pursuant to 25 U.S.C. § 2710(d)(5), but any such gaming and the persons associated therewith, must be authorized, investigated, licensed and conducted in accordance with the laws, regulations and procedures of the State that apply to non-Tribal gaming. Any person other than the Tribe conducting such gaming shall be fully subject to the concurrent jurisdiction of the Tribe and the State. Nothing in this Article shall authorize the State to collect any non-investigatory taxes or fees from such person.

## **ARTICLE XVII** **TERM**

This Compact shall become effective when notice of the approval of this Agreement by the Secretary of the Interior (or designate) is published in the Federal Register, shall remain in effect for a period of six (6) years from the commencement of gaming operations, or until modified or terminated by mutual agreement, provided that the term of this Compact may be extended for additional periods of up to twenty (20) years upon the mutual written consent of the Parties. If, during the term of this Compact, the Tribe develops plans for a full scale casino operation that involve long term commitments from lenders, the State and the Tribe may mutually agree to extend the term of this Compact to be coterminous with the term of the financing agreement.

Such agreement to extend the Term of this Compact shall not be an amendment requiring Federal approval.

## **ARTICLE XVIII** **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 its address appearing below or such other address as a party shall hereafter inform the other party hereto by written notice.

To the Tribe:

Tribal Chairman  
Yerington Paiute Tribe  
171 Campbell Lane  
Yerington, Nevada 89447

With a copy to:

Charles R. Zeh, Esq.  
The Law Offices of Charles R. Zeh, Esq.  
575 Forest Street, Suite 200  
Reno, Nevada 89509

To the State:

A.G. Burnett, Chairman  
State Gaming Control Board  
Post Office Box 8003  
Carson City, Nevada 89702-8003

With a copy to:

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

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

**YERINGTON PAIUTE TRIBE**

LINDA L. HOWARD, Chairman

Dated: 5/28/14

**STATE OF NEVADA**

BRIAN SANDOVAL, Governor

Dated: 8/11/14

CATHERINE CORTEZ MASTO  
Attorney General

Dated: 7/16/14

A.G. BURNETT, Chairman  
State Gaming Control Board

Dated: 7/1/14

MICHAEL E. WILSON  
Chief Deputy Attorney General

Dated: 8/22/14

Julia Tasha  
State Board of Examiners

Dated: 8/15/14

DEPARTMENT OF THE INTERIOR

Dated: \_\_\_\_\_

ASSISTANT SECRETARY  
INDIAN AFFAIRS

State of Nevada      )  
                        )  
                        ) ss:  
Washoe County        )

This instrument was acknowledged before me on this 22nd day of  
August, 2014 by MICHAEL E. WILSON, Chief Deputy Attorney General of  
the Gaming Division.

Melissa Mendoza  
Notary

