

FIRST AMENDMENT TO THE

TRIBAL-STATE COMPACT

BETWEEN

THE STATE OF CALIFORNIA

AND THE

AGUA CALIENTE BAND OF CAHUILLA INDIANS

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THE AGUA CALIENTE BAND OF CAHUILLA INDIANS**

The Agua Caliente Band of Cahuilla Indians, a federally recognized Indian tribe (Tribe), and the State of California (State) enter into this Amendment to the Tribal-State Compact Between the State of California and the Agua Caliente Band of Cahuilla Indians (Amendment) pursuant to the Indian Gaming Regulatory Act of 1988 (IGRA) and section 15.1 of the Tribal-State Compact Between the State of California and the Agua Caliente Band of Cahuilla Indians (2016 Compact).

WHEREAS, the Tribe and the State entered into a Tribal-State Compact on August 4, 2016; and

WHEREAS, the United States Court of Appeals for the Ninth Circuit’s decision in *Chicken Ranch Rancheria of Me-Wuk Indians v. California*, 42 F.4th 1024 (9th Cir. 2022) (“*Chicken Ranch*”) clarified what provisions may be included in tribal-state class III gaming compacts entered into pursuant to the Indian Gaming Regulatory Act (IGRA); and

WHEREAS, in order to address issues with the Compact arising from *Chicken Ranch* as well as other potential areas for improvement identified by the Tribe and the State in the spirit of maintaining a Compact that provides mutual benefits and reflects a mutually respectful government-to-government relationship, the Tribe and the State have agreed to amend the Compact as set forth herein; and

WHEREAS, the Tribe and the State intend that this amendment shall take effect upon execution by authorized representatives of the Tribe and the State, ratification by the State Legislature, and approval by the Secretary of the Interior pursuant to IGRA.

NOW, THEREFORE, the State and the Tribe, for good and valuable consideration, receipt of which is hereby acknowledged, agree as follows:

The following provisions of the Compact are repealed:

- (a) **Section 2.18** (“Interested Persons”).
- (b) **Section 2.25** (“Project”).
- (c) **Section 2.27** (“Significant Effect(s) on the Off-Reservation Environment”).
- (d) **Section 11.0** (“Off-Reservation Environmental and Economic Impacts”), including sections 11.1 through 11.8, and any and all references to section 11.0, such as in section 4.8, subdivision (b)(ii) and section 5.3, subdivision (a)(i).
- (e) **Section 12.6(e)** (regarding child and spousal support orders).
- (f) **Appendix B** (“Off-Reservation Environmental Impact Analysis Checklist”).

I. SECTION 2.0. DEFINITIONS

A. Section 2.1 is repealed and replaced by the following:

“Applicable Codes” means either the building and safety codes of any county within the boundaries of which the site of the Gaming Facility is located, or the Uniform Building Code or International Building Code, including all uniform fire, plumbing, electrical, mechanical, and related codes then in effect provided that nothing herein shall be deemed to confer jurisdiction upon any county or the State with respect to any reference to such building and safety codes.

B. Section 2.6 is repealed and replaced by the following:

“Compact” means this Tribal-State Compact Between the State of California and the Agua Caliente Band of Cahuilla Indians, as amended.

C. Section 2.11 is repealed and replaced by the following:

“Gaming Employee” means any natural person who is an employee of the Gaming Operation and (i) conducts, operates, maintains, repairs, accounts for, or assists in any Gaming Activities, or is in any way responsible for supervising such Gaming Activities or persons who conduct, operate, maintain, repair, account for, assist, or supervise any such Gaming Activities, (ii) is in a category under federal or tribal gaming law requiring licensing, or (iii) is a person whose employment duties require or authorize access to restricted areas of the Gaming Facility that are not open to the public. The definition of Gaming Employee does not include members or employees of the Tribal Gaming Agency.

D. Section 2.12 is repealed and replaced by the following:

“Gaming Facility” or “Facility” means the buildings or structures in which Class III Gaming, as authorized by this Compact, is conducted.

E. Section 2.13 is repealed and replaced by the following:

“Gaming Operation” means the business enterprise that offers and operates Gaming Activities, whether exclusively or otherwise, but does not include the Tribe’s governmental or other business activities or entities that do not offer or operate Gaming Activities.

F. A new Section 2.30 is hereby added as follows:

“Gaming Spaces” means the areas within a Gaming Facility (as defined in section 2.12) that are directly related to and necessary for the conduct of Gaming Activities such as the casino floor; vault; count room; surveillance, management, and information technology areas; Gaming Device and supplies storage areas; and other secured areas where the operation or management of Gaming Activities take place.

II. SECTION 4.0. AUTHORIZED LOCATION OF GAMING FACILITY, NUMBER OF GAMING DEVICES, COST REIMBURSEMENT, AND MITIGATION.

A. Section 4.1 is repealed and replaced by the following:

Sec. 4.1. Authorized Number of Gaming Devices.

The Tribe is entitled to operate up to a total of five thousand, five hundred (5,500) Gaming Devices pursuant to the conditions set forth in section 3.1 and sections 4.2 through and including section 5.3.

B. Section 4.2 is repealed and replaced by the following:

Sec. 4.2. Authorized Gaming Facility.

The Tribe may establish and operate not more than six (6) Gaming Facilities, only three (3) of which may have more than two hundred fifty (250) Gaming Devices. The Tribe may engage in Class III Gaming only on eligible Indian lands within the exterior boundaries of the Agua Caliente Indian Reservation, as represented in Appendix A to this Amendment, on which Class III Gaming may lawfully be conducted under IGRA.

C. Section 4.3.1 is repealed and replaced by the following:

Sec. 4.3.1. Use of Special Distribution Funds.

Revenue placed in the Special Distribution Fund shall be available for appropriation by the Legislature for the purposes directly related to tribal gaming specified in California Government Code section 12012.85.

D. Section 4.5 is repealed and replaced by the following:

Sec. 4.5. Revenue Contribution.

In exchange for substantial exclusivity and other meaningful concessions, the Tribe shall make an annual payment as follows:

- (a) Six percent (6%) of the Net Win generated from the operation of all Gaming Devices in excess of three hundred and fifty (350) Gaming Devices but less than two thousand five hundred and one (2,501) Gaming Devices; and
- (b) Two and four-tenths percent (2.4%) of the Net Win generated from the operation of all Gaming Devices in excess of two thousand five hundred (2,500) Gaming Devices.
- (c) The total payments required by this section 4.5 and section 5.2.5 below:
 - (1) shall not exceed twelve million dollars (\$12,000,000.00) annually,
 - (2) shall be used exclusively for the Revenue Sharing Trust Fund and the Tribal Nation Grant Fund; and
 - (3) shall be made quarterly in accordance with section 5.2, subdivision (b).

E. Section 4.6 is repealed and replaced by the following:

Sec. 4.6. Effective Date of Revenue Contribution Provisions.

The provisions of this Amendment establishing or superseding existing revenue sharing obligations of the Tribe, including sections 4.5, 5.2.5, and 5.3, will take effect on the first day of the calendar month following the effective date of this Amendment, to allow the State and the Tribe time to plan for the implementation of these provisions. Until that date, the revenue contributions set forth in the 2016 Compact will remain in effect.

F. Section 5.2.5 is added as follows:

Sec. 5.2.5. Supplementary Payments to Non-Gaming and Limited Gaming Tribes to Promote Tribal Self-Sufficiency and Strong Tribal Governments.

In an effort to provide Non-Gaming Tribes and Limited-Gaming Tribes with supplemental funding, in addition to the amounts the Tribe shall pay as provided in section 4.5, the Tribe shall also pay into the Revenue Sharing Trust Fund two million dollars (\$2,000,000.00) annually, payable as provided in section 5.2, subdivision (b) in quarterly installments of five hundred thousand dollars (\$500,000.00).

G. Section 5.3 is amended as follows:

Any and all references to “sixty-percent (60%)” shall be amended to “seventy-five (75%) percent.”

Any and all references to “section 4.5” shall be amended to “section 4.5, subdivision (a).”

H. A new Section 5.4 is hereby added as follows:

Sec. 5.4. Covenant Not to Sue to Challenge Certain Provisions.

During the term of the Compact, as established by section 14.2, the Tribe shall not directly or indirectly initiate, commence, prosecute, or participate in any action, proceeding, arbitration or lawsuit arising from, or relating to, the validity or enforceability of the Compact’s provisions relating to the Indian Gaming Special Distribution Fund (sections 4.3 and 4.3.1), the Indian Gaming Revenue Sharing Trust Fund, or the Tribal Nation Grant Fund (sections 5.1, 5.2, 5.2.5), regardless of any subsequent court or administrative interpretation of the validity of those provisions under IGRA for the duration of the term of this Compact. For the avoidance of doubt, this section does not restrict or otherwise affect any rights, procedures, or remedies available to the Tribe pursuant to section 4.7, subdivision (d), section 4.8, or section 5.3, subdivision (b).

III. SECTION 6.0. LICENSING.

A. Section 6.4.2(b) is amended as follows:

To assure the protection of the health and safety of all Gaming Facility patrons, guests, and employees, the Tribe shall adopt, or has already adopted, and shall maintain throughout the term of this Compact, an ordinance that requires any Gaming Facility construction to meet or exceed the construction standards set forth in the Applicable Codes. The Gaming Facility and construction, expansion, improvement, modification, or renovation will also comply with the federal Americans with Disabilities Act, P.L. 101-336, as amended, 42 U.S.C. § 12101 et seq. ~~Notwithstanding the foregoing, the Tribe need not comply with any standard that specifically applies in name or in fact only to tribal facilities. Without limiting the rights of the State under this section, reference to Applicable Codes is not intended to confer jurisdiction upon the State or its political subdivisions. For purposes of this section, the terms “building official” and “code enforcement agency” as used in titles 19 and 24 of the California Code of Regulations mean the Tribal Gaming Agency or such other tribal government agency or official as may be designated by the Tribe’s law.~~

B. Section 6.4.2(j) is amended as follows:

The Tribe shall also take all necessary steps to reasonably ensure the ongoing availability of sufficient and qualified fire suppression services to the Gaming Facility, and to reasonably ensure that the Gaming Facility satisfies all substantive safety and construction requirements of the Applicable Codes ~~titles 19 and 24 of the California Code of Regulations~~ applicable to similar facilities in the County as set forth below:

IV. SECTION 10.0. PATRON DISPUTES.

A. Section 10.0 is repealed and replaced with the following:

The Tribal Gaming Agency shall promulgate regulations governing patron disputes over the play or operation of any Class III game, including any refusal to pay a patron any alleged winnings from any Gaming Activities, which regulations must meet the following minimum standards:

- (a) If a patron makes an oral or written complaint to personnel of the Gaming Operation over the play or operation of any Class III Gaming game within three (3) days of the play or operation at issue, and if the Gaming Operation does not resolve the complaint to the patron's satisfaction, the Gaming Operation shall provide the patron with a form on which the patron may submit within fifteen (15) days of receipt of the form the patron's complaint in writing to the Tribal Gaming Agency for resolution of the dispute by the Tribal Gaming Agency. The form shall advise the patron that if dissatisfied with the Tribal Gaming Agency's resolution and if the amount in dispute is reasonably likely to equal or exceed the greater of two thousand dollars (\$2,000) or the then-current Internal Revenue Service (IRS) taxable win reporting threshold, the patron will have the right to seek resolution in the Tribal Court. If the patron is not provided with the aforesaid form and notification within thirty (30) days of the date upon which the patron timely submitted the complaint, the patron shall have one hundred eighty (180) days from the date the claim arose in which to file the claim directly with the Tribal Court.
- (b) Upon receipt of the patron's written request for a resolution of the patron's complaint pursuant to subdivision (a), the Tribal Gaming Agency shall conduct an appropriate investigation, shall provide to the patron a copy of its regulations concerning patron complaints, and shall render a decision in accordance with industry practice. The decision shall be issued within sixty (60) days of the patron's written request, shall be in writing, shall be based on the facts surrounding the

dispute, and shall set forth the reasons for the decision. If the amount in dispute is less than the greater of two thousand dollars (\$2,000) or the then-current IRS taxable win reporting threshold, the Tribal Gaming Agency's decision shall be final and not subject to further review.

- (c) If the patron is dissatisfied with the decision of the Tribal Gaming Agency issued pursuant to subdivision (b) on a complaint involving a dispute amount equal to or exceeding the greater of two thousand dollars (\$2,000) or the then-current IRS taxable win reporting threshold, or no decision is issued within the sixty (60)-day period, the patron may request that the dispute be resolved in Tribal Court. The Tribal Court must afford the patron with a dispute resolution process that incorporates the essential elements of fairness and due process. Resolution of the dispute before the Tribal Court shall be at no cost to the patron (excluding patron's own attorney's fees and document filing fees).
- (d) Consistent with industry practice, if any alleged winnings are found to be a result of a mechanical, electronic or electromechanical failure and not due to the intentional acts or gross negligence of the Tribe or its agents, the patron's claim for the winnings shall be denied but the patron shall be awarded reimbursement of the amounts wagered by the patron that were lost as a result of any mechanical, electronic or electromechanical failure.
- (e) To effectuate its consent to the Tribal Court in this section 10.0, the Tribe shall, in the exercise of its sovereignty, waive its right to assert sovereign immunity in connection with the jurisdiction of the Tribal Court and in any action to (i) enforce the Tribe's or the patron's obligation under this section 10.0, or (ii) enforce or execute a judgment based upon the award of the Tribal Court, to the extent of the amount of winnings in controversy.

- (f) Notwithstanding any other provision in this Section 10.0, the Tribal Gaming Agency shall have no obligation to make the patron dispute regulations in this Section 10.0 applicable to persons documented by the Tribe, Tribal Gaming Commission, or Gaming Operation as one or more of the following: (i) persons self-excluded from the Gaming Facility, (ii) persons permanently excluded from the Gaming Facility, or (iii) persons banned or otherwise prohibited from entering the Gaming Facility.

V. SECTION 12.0. PUBLIC AND WORKPLACE HEALTH, SAFETY, AND LIABILITY.

- A. Section 12.5 is repealed and replaced by the following:**

Sec. 12.5. Insurance Coverage and Claims.

- (a) The Tribe shall establish written procedures for the disposition of tort claims arising within the Gaming Spaces from personal injury or property damage alleged to have been suffered by any person who is a patron of the Gaming Facility or member of the public lawfully in the Gaming Spaces. The Tribe shall enact such tribal law as is necessary to implement these procedures. The procedures shall include all time limits applicable to the disposition of the tort claim and a provision that, upon request, a patron or member of the public lawfully in the Gaming Spaces who claims to have suffered personal injury or property damage in the Gaming Spaces, or the person's designated representative, shall be provided with a copy of the procedures as well as the name, address and telephone number of the Gaming Operation and the appropriate contact information for the person to provide any required document or materials to initiate or process the tort claim. The Tribe's procedures may provide that the Tribe shall not be liable for any punitive damages or attorney's fees. The Tribe shall not be deemed to have waived its sovereign immunity from suit with respect to such claims by establishing such procedures or by any provision of

this Compact but agrees not to assert such immunity as provided in subsection (b) of this section.

- (b) During the term of this Compact, the Gaming Operation shall maintain a policy of commercial general liability insurance consistent with industry standards for non-tribal casinos in the United States underwritten by an insurer with an AM Best rating of A or higher (Policy). Coverage shall be provided in an amount of not less than ten million dollars (\$10,000,000) per occurrence. The Policy shall include an endorsement providing that neither the insurer nor the Gaming Operation may invoke tribal sovereign immunity up to the limits of the Policy set forth above with respect to any claim covered under the Policy and disposed of in accordance with the Tribe's tort claim procedures. The Policy shall not have the effect of excluding all otherwise valid claims for personal injury or property damage made by patrons or members of the public lawfully in the Gaming Spaces. Neither the insurer nor the Gaming Operation shall be precluded from asserting any other statutory or common law defense and provided further that any award or judgment rendered in favor of a claimant shall be satisfied solely from the insurance proceeds.

VI. SECTION 14.0 EFFECTIVE DATE AND TERM OF COMPACT.

- A. Section 14.2(a) and (c) are repealed, and Section 14.2(a) is replaced by the following:**

- (a) This Compact shall be in full force and effect until December 31, 2061.

VII. EXPIRATION OF PENDING AMENDMENT.

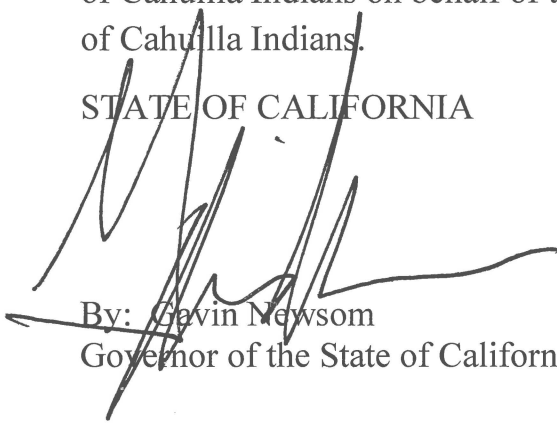
If this Amendment does not take effect by December 31, 2026, it shall be deemed null and void unless the Tribe and the State agree in writing to extend the

date, and the 2016 Compact shall remain in full force and effect as it existed prior to this Amendment.

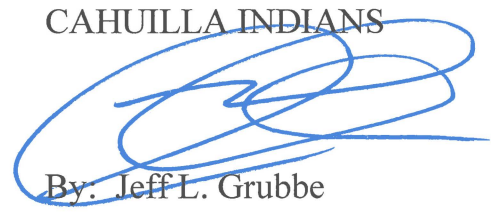
IN WITNESS WHEREOF, the undersigned sign this Amendment to the Tribal-State Compact Between the State of California and the Agua Caliente Band of Cahuilla Indians on behalf of the State of California and the Agua Caliente Band of Cahuilla Indians.

STATE OF CALIFORNIA

AGUA CALIENTE BAND OF
CAHUILLA INDIANS



By: Gavin Newsom
Governor of the State of California



By: Jeff L. Grubbe
Chairman of the Agua Caliente Band of
Cahuilla Indians

Executed this 13 day of JULY,
2026, at Sacramento, California

Executed this 7 day of July,
2026, at Palm Springs,
California

ATTEST:

Shirley N. Weber, Ph.D.
Secretary of State, State of California

APPENDIX A

Map of the Exterior Boundaries of the Agua Caliente Indian Reservation Pursuant
to Amended Compact Section 4.2

[MAP REFLECTING LAND ON NEXT PAGE]

