

**SECOND AMENDMENT TO THE
TRIBAL-STATE COMPACT
BETWEEN
THE STATE OF CALIFORNIA
AND
YUHA AVIATAM OF SAN MANUEL NATION**

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YUHAAVIATAM OF SAN MANUEL NATION**

Yuhaaviatam of San Manuel Nation, a federally recognized Indian tribe (Nation), and the State of California (State) enter into this Second Amendment to the Tribal-State Compact Between the State of California and Yuhaaviatam of San Manuel Nation (Second 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 San Manuel Band of Mission Indians (2016 Compact) as amended by the 2017 Amendment to the Tribal-State Gaming Compact Between the State of California and the San Manuel Band of Mission Indians (collectively, 2017 Amended Compact).

PREAMBLE

WHEREAS, the Nation has inhabited the San Bernardino highlands, passes, valleys, mountains and high deserts since time immemorial; and

WHEREAS, the Nation is committed to improving the environment, educational attainment, and the health, safety and general welfare of its members and the surrounding community; and

WHEREAS, in 1988, Congress enacted IGRA as the federal statute governing Indian gaming in the United States. The purposes of IGRA are to provide a statutory basis for the operation of gaming by Indian tribes as a means of promoting tribal economic development, self-sufficiency, and strong tribal governments; to provide a statutory basis for regulation of Indian gaming adequate to shield it from organized crime and other corrupting influences; to ensure that the Indian tribe is the primary beneficiary of its gaming operation; to ensure that gaming is conducted fairly and honestly by both the operator and players; and to declare that the establishment of an independent federal regulatory authority for gaming on Indian lands, federal standards for gaming on Indian lands, and a National Indian Gaming Commission are necessary to meet congressional concerns; and

WHEREAS, in 1999, the Nation and the State entered into the “Tribal-State Compact between the State of California and the San Manuel Band of Mission Indians” (1999 Compact) to enable the Nation to achieve economic self-reliance,

provide essential services to its citizens, and build a strong tribal government; to initiate a new era of tribal-state cooperation in areas of mutual concern; and out of a respect for the will of the voters of California who, in approving Proposition 5 and subsequently Proposition 1A, expressed their opinion that the forms of gaming authorized herein should be allowed on tribal lands; and

WHEREAS, the Nation and the State entered into the Amendment to the Tribal-State Gaming Compact between the State of California and the San Manuel Band of Mission Indians, executed on August 28, 2006 (2006 Amended Compact), an amendment to the 1999 Compact that allowed the Nation to meet additional market demand and significantly increased the Nation's revenue payments to the State; and

WHEREAS, the Nation and that State subsequently negotiated a new compact which resulted in the terms of the Tribal-State Compact Between the State of California and the San Manuel Band of Mission Indians (2016 Compact) which was thereafter amended in 2017 (2017 Amended Compact); and

WHEREAS, the Nation (which was previously known as the San Manuel Band of Mission Indians) has reclaimed its ancestral name "Yuhaaviatam," and is now known as Yuhaaviatam of San Manuel Nation; 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) clarified what provisions may be included in tribal-state class III gaming compacts entered into pursuant to the Indian Gaming Regulatory Act, and the Nation and the State wish to confirm their understanding of the proper interpretation of the Compact arising from *Chicken Ranch*; and

WHEREAS, the Nation and the State are grateful that their relationship has always been marked by partnership and mutual respect, and seek to foster a relationship of continued partnership and collaboration rather than conflict or litigation; and

WHEREAS, the State recognizes the Nation's desire to respond to changing economic conditions, and wishes to provide the Nation flexibility to respond to changing economic conditions if this can be done in a manner that provides for appropriate state and local input and protects the surrounding community;

WHEREAS, the Nation and the State have a common interest in ensuring the Revenue Sharing Trust Fund, which benefits non-gaming and limited gaming tribes, is adequately funded; and

WHEREAS, the State and the Nation continue to recognize that the exclusive rights the Nation enjoys under this Compact continue to provide a unique opportunity for the Nation to operate its Gaming Facility in a market free of competition from the operation of slot machines and banked card games on non-Indian lands in California and that this exclusive environment continues to be of great value to the Nation; and

WHEREAS, the State and the Nation have therefore concluded that this Second Amendment protects the interests of the Nation and its members, the surrounding community, and the broader California public, and that it will promote and secure long-term stability, mutual respect, and mutual benefits; and

WHEREAS, the State and the Nation agree that all terms of this Second Amendment are intended to be binding and enforceable, while maintaining in force the 2017 Amended Compact except as specifically amended herein; and

WHEREAS, the Nation and the State intend that this Second Amendment shall take effect upon execution by authorized representatives of the Nation and the State, ratification by the State Legislature, and approval by the Secretary of the Interior pursuant to IGRA;

NOW, THEREFORE, the Nation and the State agree to amend the 2017 Amended Compact as set forth herein:

I. DEFINITIONS.

A. The following sections of the Compact are repealed:

- (a) **Section 2.19** (“Interested Persons”).
- (b) **Section 2.22** (“Project”).
- (c) **Section 2.23** (“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.
- (e) **Section 12.6(e)**, relating to child and spousal support orders.

- (f) **Appendix A** (“Off-Reservation Environmental Impact Analysis Checklist”).

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

“Compact” means this Tribal-State Compact Between the State of California and Yuhaaviatam of San Manuel Nation, as amended.

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

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

D. Section 2.29 is repealed and replaced by the following:

“Tribe” or “Nation” means Yuhaaviatam of San Manuel Nation, a federally recognized Indian tribe listed in the Federal Register or an authorized official or agency thereof. “Nation” shall replace each reference to “Tribe” throughout the Compact.

E. 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 3.0. SCOPE OF CLASS III GAMING AUTHORIZED.

Section 3.1(b) and (d) are repealed and replaced by the following:

- (b) Nothing herein shall be construed to preclude the Nation from offering class I and II gaming at the Nation’s Gaming Facility.
- (d) The Nation shall not engage in Class III Gaming that is not expressly authorized in this Compact; *provided*, that if, at any time prior or subsequent to the effective date of this Compact, the State authorizes any additional form(s) of Class III gaming not

already expressly authorized by this Compact, the Nation shall be entitled to operate such form(s) of Class III gaming under such rules and regulations as agreed upon by the parties pursuant to section 15.3.

III. 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 Nation is authorized to operate up to a total of eight thousand five hundred (8,500) Gaming Devices as of January 1, 2027.

B. A new Section 4.2.1 is hereby added as follows:

Sec. 4.2.1. Certain Lands Eligible For Gaming.

In addition to Gaming Facilities authorized pursuant to section 4.2, the Nation may operate one (1) additional Gaming Facility on lands taken into trust for gaming purposes pursuant to a two-part determination, including the Governor's concurrence therein, under 25 U.S.C. § 2719(b)(1)(A). Nothing in this Compact in any way limits the Governor's authority to concur, or not to concur, in any such two-part determination, including any process the Governor may use when deciding whether or not to concur.

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

Sec. 4.5. Effective Date of Revenue Contribution Provisions.

The provisions of this Compact establishing or amending existing revenue sharing obligations of the Nation, including sections 5.2 and 5.3, will take effect on January 1, 2027 if the Compact is in effect pursuant to section 14.1 on that date, or, if not, will take effect on the first day of the calendar month following the effective date of this Compact, to allow the State and the Nation time to plan for the implementation of these provisions. Until that date, the existing revenue contributions set forth by the 2017 Amended Compact will remain in effect.

E. The following language in Section 4.6 is repealed:

“Before the commencement of a Project, the Tribe shall follow those procedures, and enter into those agreements, required pursuant to section 11.0, to mitigate Significant Effects on the Off-Reservation Environment that any tribal environmental impact report described in section 11.0 identifies may occur as a result of the Gaming Facility. In addition,”

IV. SECTION 5.0. REVENUE SHARING WITH NON-GAMING AND LIMITED-GAMING TRIBES.

A. A new Section 5.2.1 is hereby added as follows:

Sec. 5.2.1. Supplementary Payments to Non-Gaming and Limited-Gaming Tribes to Promote Tribal Self-Sufficiency and Strong Tribal Governments.

- (a) To provide Non-Gaming Tribes and Limited-Gaming Tribes with additional funding above and beyond the one million one hundred thousand dollars (\$1,100,000) currently provided for under sections 5.1 and 5.2, the Nation shall pay into the Revenue Sharing Trust Fund an additional amount of up to \$2,530,000 based on the daily average of Gaming Devices in operation, as calculated quarterly, and according to the following schedule.

Number of Devices Operated	Annual Supplemental RSTF Contribution
7,501-7,775	\$632,500
7,776 – 8,000	\$1,265,000
8,001-8,225	\$1,897,500
8,226-8,500	\$2,530,000

- (b) Any additional payments made pursuant to section 5.2.1(a) shall be remitted as set forth in section 5.2 (b) of this Compact.
- (c) The State will separately track the Nation’s payments into the Revenue Sharing Trust Fund pursuant to subsection (a) and disburse, upon appropriation by the Legislature, for the next fiscal year the full

amount in quarterly payments to each eligible recipient Non-Gaming Tribe and Limited-Gaming Tribe. This distribution will cause each eligible recipient Non-Gaming Tribe and Limited-Gaming Tribe to receive a total annual disbursement determined as follows: The total amount actually paid by the Tribe into the Revenue Sharing Trust Fund for a given fiscal year pursuant to subdivision (a) divided by the anticipated number of eligible recipient Non-Gaming and Limited-Gaming Tribes that will be eligible to receive payments for the next fiscal year.

- (d) In the event the State Gaming Agency determines pursuant to California Government Code section 12012.90, subdivision (a) that there is a shortfall in payments likely to occur in the Revenue Sharing Trust Fund for the next fiscal year, the State and the Nation agree that the Nation's payments pursuant to subdivision (a) shall be prioritized to eliminate or reduce the shortfall in payments.

B. A new Section 5.5 is hereby added as follows:

Sec. 5.5. Covenant Not to Sue to Challenge Certain Provisions.

During the term of the Compact, as established by section 14.2, the Nation 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, and 5.2.1), 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.

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

Section 12(5)(a) and (b) are repealed and replaced by the following:

Sec. 12.5. Insurance Coverage and Claims.

- (a) The Nation 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 Nation 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 Nation's procedures may provide that the Nation shall not be liable for any punitive damages or attorney's fees. The Nation 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 Nation'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.

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

Sec. 14.2. Term of Compact; Termination.

- (a) This Compact shall be in full force and effect until December 31, 2051.

VII. SECTION 15.0. AMENDMENTS; RENEGOTIATIONS.

A. Section 15.3 is repealed and replaced by the following:

Sec. 15.3. Entitlement to Renegotiate Compact Based on State Authorization of New Forms of Class III Gaming.

- (a) If after the effective date of this Compact the State authorizes any person or entity to conduct a new form of Class III Gaming not expressly authorized in this Compact, pursuant to section 3.1(d) the parties shall, at the Nation's request, enter into good-faith negotiations pursuant to IGRA to amend section 3.0 of this Compact for the purpose of determining how the newly authorized Class III Gaming activity will be conducted and making other appropriate related amendments. Notwithstanding this section or section 3.1(d), the Nation may offer any new form of Class III gaming authorized by the state for up to one (1) year (subject to extension as provided in this section) from the date of the Nation's request for new negotiations under this section 15.3(a) while negotiations occur pursuant to this section. If negotiations have not been resolved to the satisfaction of both parties at the end of one (1) year, the Nation and the State shall agree in writing to extend this period for one (1) additional year while negotiations continue. The Nation and the State may agree in writing to additional extensions of this period. If the Nation files litigation alleging that the State has not conducted negotiations pursuant to this section in good faith, this period shall automatically be extended until the resolution of that litigation, including final resolution of the remedial process described in 25 U.S.C. § 2710(d)(7)(B)(iii)–(vii) and any appellate review. Any new form of Class III gaming conducted pursuant to section 3.1(d) during negotiations or litigation pursuant to

this section will be conducted according to all state and federal regulations that otherwise apply to the Nation's Gaming Activities, including CGCC-8 and NIGC Minimum Internal Control Standards, as well as any state laws authorizing and regulating the new form of Class III Gaming.

- (b) Without limiting the Nation's rights under subdivision (a), in the event that a uniform statewide compact amendment is developed in consultation between the State and California federally recognized Indian tribes, or is established in state law, to address the newly authorized Class III Gaming, the Nation may choose to adopt the uniform compact amendment to modify section 3.0 of this Compact, subject to the necessary ratification by the California Legislature and approval by the United States Department of the Interior.

B. A new Section 15.4 is hereby added as follows:

Sec 15.4. Requests to Amend or to Negotiate a New Compact.

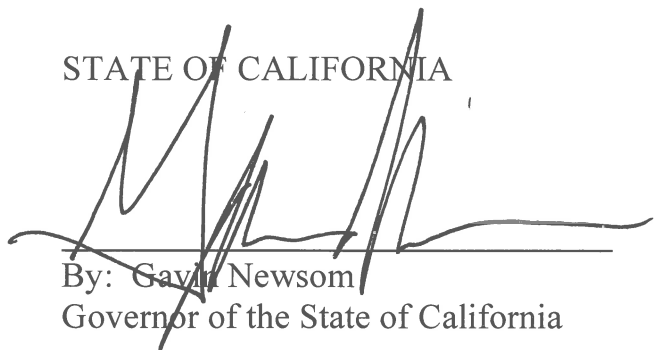
All requests to amend this Compact or to negotiate to extend the term of this Compact or to negotiate for a new Class III Gaming compact shall be in writing, addressed to the Tribal Chair or the Governor, as the case may be, and shall include the activities or circumstances to be negotiated, together with a statement of the basis supporting the request. If the request meets both the requirements of this section and section 15.1 or 15.3 for an amendment to this Compact, or the requirements of this section and section 15.2 for a new Class III Gaming compact, and all parties agree in writing to negotiate, the parties shall confer promptly and determine within forty-five (45) days of the request a schedule for commencing negotiations, and both parties shall negotiate in good faith. The Tribal Chair and the Governor of the State are hereby authorized to designate the person or agency responsible for conducting the negotiations, and shall execute any documents necessary to do so.

VIII. EXPIRATION OF PENDING AMENDMENT

If this Second Amendment does not take effect by December 31, 2026, it shall be deemed null and void unless the Nation and the State agree in writing to extend the date, and the 2017 Amended Compact shall remain in full force and effect as it existed prior to this Second Amendment.

IN WITNESS WHEREOF, the undersigned sign this Amendment to the Tribal-State Compact Between the State of California and Yuhaaviatam of San Manuel Nation on behalf of the State of California and Yuhaaviatam of San Manuel Nation.

STATE OF CALIFORNIA



By: Gavin Newsom
Governor of the State of California

Executed this 23 day of June,
2026, at Sacramento, California.

YUHAAVIATAM OF SAN
MANUEL NATION



By: Lynn R. Valbuena
Chairwoman of Yuhaaviatam of San
Manuel Nation

Executed this 16th day of June,
2026, at Highland,
California.

ATTEST:

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