

RESOLUTION OF THE  
NAVAJO NATION COUNCIL

20<sup>th</sup> NAVAJO NATION COUNCIL - Fourth Year, 2006

AN ACTION

RELATING TO ECONOMIC DEVELOPMENT, COMMUNITY DEVELOPMENT,  
AND FINANCE; APPROVING THE MEMORANDUM OF AGREEMENT BETWEEN  
THE HOGBACK CHAPTER AND THE NAVAJO NATION

BE IT ENACTED:

1. The Navajo Nation hereby approves the Memorandum of Agreement between the Hogback Chapter and the Navajo Nation, with similar agreements to be approved by the Navajo Nation Council for the other 109 Chapters when supported by individual chapter resolutions, as attached hereto as Exhibit "A".

2. The Navajo Nation hereby authorizes the President of the Navajo Nation to sign any and all documents necessary to effectuate the intent of this resolution.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 61 in favor and 6 opposed, this 31<sup>st</sup> day of October 2006.

  
Lawrence T. Morgan, Speaker  
Navajo Nation Council

01 NOV 06  
Date

Motion: Rex Lee Jim  
Second: Wallace Charley

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (10), on this NOV 13 2006 day of \_\_\_\_\_ 2006.

  
\_\_\_\_\_  
Joe Shirley, Jr., President  
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (11), this \_\_\_\_\_ day of \_\_\_\_\_ 2006 for the reason(s) expressed in the attached letter to the Speaker.

\_\_\_\_\_  
Joe Shirley, Jr., President  
Navajo Nation

MEMORANDUM OF AGREEMENT  
BETWEEN THE HOGBACK CHAPTER  
AND THE NAVAJO NATION

This MEMORANDUM OF AGREEMENT made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2006 between the Hogback Chapter hereinafter referred to as the "Gaming Chapter," and the Navajo Nation, hereinafter referred to as "Nation" for purposes of this Agreement.

I. PURPOSE

The purpose of this Memorandum of Agreement is to clearly set forth the background, obligations and responsibilities of the parties concerning the sharing of net gaming profits from gaming operations on lands owned and controlled directly or indirectly by the Navajo Nation in the Gaming Chapter community boundaries. Gaming Chapter will benefit from the development of a casino and other related operations on lands that lie within its boundaries.

The Gaming Chapter seeks to ensure the development of and the operation of a casino operation within its boundaries and within the scope of the Navajo Nation Gaming Ordinance and the New Mexico Compact. Pursuant to Navajo Nation Council Resolution CJY-40-04, Navajo Nation Code was amended in July 2004 to allow chapters to decide whether to allow gaming within their chapters. Additionally, the Navajo people approved a gaming referendum November 2004.

The Navajo Nation Council recognizes that the Gaming Chapter officials have spearheaded the development of a casino operation and with that the Gaming Chapter must share all of the social burdens necessary to sustain a casino operation with the Navajo Nation. Those burdens include increased need for infrastructure, roads, water, sewer, and electrical systems; adequate housing for workers; police, fire and emergency services. The Gaming Chapter does not have the sufficient work force to fill all the jobs that will be created. Of necessity, Navajo workers

from throughout the Nation could relocate to the Gaming Chapter community or neighboring chapter community, and the Gaming Chapter must be prepared for the influx. To provide funds for community infrastructure, the Nation agrees to a gaming profit-sharing arrangement that allows for Gaming Chapter share of profits to go to Gaming Chapter to meet its social, economic and financial needs.

II. IT IS MUTUALLY AGREED BETWEEN THE PARTIES:

1. The Nation shall maintain a Navajo Nation Gaming Ordinance and maintain federal approval of the Ordinance, and any other required approvals. The Nation shall maintain such Gaming Ordinance in good standing at all times and shall do all things necessary to comply with its obligations under the Ordinance so as not to jeopardize casino development or operations.

"Net Gaming revenues" means for purposes of implementing this MOA any revenues received by the central Navajo Nation government from a Tribal Gaming Enterprise operating a casino or other gaming facilities within the Hogback Chapter provided such revenues are generated directly by gaming.

2. The Navajo Nation agrees to share net gaming revenues with the Gaming Chapter. The Navajo Nation and the Gaming Chapter agree to the following gaming formula and shall be subject to the following percentages:

Period	Gaming Chapters	Nation
Years 1 through 5	10%	90%
Year 6 and beyond	05%	95%

3. The Navajo Nation Council further approves after the gaming chapter receives its shares of net gaming revenues the remaining balance shall be distributed to the remaining 109 chapters and to the central Navajo Nation government pursuant to an approved formula and stipulations. Use of the net

gaming revenues shall be expended in accordance with the Indian Gaming Regulatory Act, 25 U.S.C §2710 (b) (2) (B) :

- a. To fund tribal government operations or programs;
- b. To provide for the general welfare of the Navajo Nation and its members;
- c. To promote tribal economic development;
- d. To donate to charitable organizations; and
- e. To help fund operations of local government agencies.

Per capita payments from net gaming revenues to individual tribal members shall not be allowed.

### III. EFFECTIVE DATE AND TERM:

Effective upon signature by all parties; facsimile copies will be considered the equivalent of originals for determining whether all parties have signed.

### IV. ADMINISTRATIVE ISSUES:


1. The Navajo Nation and the Gaming Chapter reserve the right of access to inspect each other's fiscal and administrative records relating to the net gaming revenues.
2. This Agreement contains all the terms and conditions agreed to by the parties herein. No other understanding, oral and otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind any of the parties hereto. Changes to this Agreement shall be made only by a written, properly approved amendment hereto signed by all parties to this agreement.
3. This Agreement may be terminated by mutual agreement of the parties or for significant failure of either party to abide by the terms of the Agreement.
4. This Agreement shall not be construed as waiving the sovereign immunity of the Navajo Nation.

IN WITNESS WHEREOF, the parties set their hands this  
day of \_\_\_\_\_ 2006.

NOV 13 2006

NAVAJO NATION

By: \_\_\_\_\_

  
Joe Shirley, Jr. President

HOGBACK CHAPTER

By: \_\_\_\_\_

Chapter President  
Charlie Jones Jr.