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#### **COURT OF INDIAN OFFENSES**

#### WESTERN REGION - BIA

ALICE TYBO, et al.,

Plaintiffs,

v.

STEVEN MCDADE, et al.,

Defendants,

TE-MOAK TRIBE OF WESTERN SHOSHONE INDIANS OF NEVADA and four constituent bands – BATTLE MOUNTAIN BAND, ELKO BAND, SOUTH FORK BAND, AND WELLS BAND,

Case No. CIV-24-WR11
Consolidated with CIV-24-WR12

Court of Indian Offenses
Trial Division
FILED in
The Office of the Court Clerk of
Western Region

**AUGUST 28, 2025** 

Time Recorded: 12:29 P.M.

Court Clerk: /6/9Clutus

PLAINTIFFS' EXPEDITED MOTION TO ENFORCE AUGUST 25, 2025, ORDER ENJOINING TRANSFER AND DISSIPATION OF BAND AND TRIBAL RESOURCES Counterclaimants,

v.

JOSEPH HOLLEY, ALICE TYBO, DUANE GARCIA SR., ANDREA WOODS, LARRY YAEGER, PAULA GARCIA, JULIUS HOLLEY, DAVIS GONZALES, THALIA MARIN, SUSAN ZAZUETA, DONNA HILL, RAYMOND GONZALES, FRANK LEYVA, DOYLE TYBO, DERRICK TYBO, CLARINDA GUZMAN, VYONNE WINAP, JENNY KOERBER, SHAWNI HICKS, RONNIE WOODS, HARLEY REYNOLDS, DALLAS SMALES, BRANDON REYNOLDS, TYLER REYNOLDS, AMBER PEAVEY, RAQUEL YEPEZ, AURORA ABOITE, CHARLOTTE HEALEY, JOSE SALAZAR, WENDELL HAYES, and JOHN DOES 1-10 (all as separate individuals); and **ROE ENTITIES 1-10.** 

Counterclaim Defendants.

HOUSING AUTHORITY OF THE TE-MOAK TRIBE OF WESTERN SHOSHONE INDIANS OF NEVADA

Intervenor Plaintiff.	
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And All Related Matters.

#### **MOTION**

Plaintiffs submit this emergency, expedited Motion because they have serious concerns about the source of the \$100,000 in funds that Defendants intend to post as their bond. To at least partially protect Band and Tribal resources, and by extension Band and Tribal governments and Tribal members, during the appeal, the Court required Defendants to post a \$100,000 bond for a stay. In the same Order, the Court explicitly, and immediately, prohibited Defendants from

moving or changing the present status or location of monies belonging to the Tribe or Bands. Further, the Court required Defendants not to dissipate monies of the Bands or Tribe and to limit the use of money resources to the ordinary course of governance and business. Despite this, Plaintiffs believe that the \$100,000 in cash that Defendants suddenly have available to them was taken from the Elko Band's cannabis dispensary and, as such, is money belonging to the Elko Band and its membership. As is evident from the Court's order, Defendants cannot use the very same Band and Tribal resources that the Court seeks to protect as money for their bond.

Given the foregoing, Plaintiffs respectfully, and urgently, move the Court for an additional order specifically addressing, and preventing, any attempt by Defendants to use Elko Band cannabis dispensary, or any other Band or Tribal funds, as the source of their appeal bond. While the Bond Order is clear, Defendants apparently require an additional, more specific, order from Court.

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### **MEMORANDUM IN SUPPORT**

#### I. BACKGROUND

A. The Court's Order Explicitly Protects Tribal and Band Resources from Dissipation to Protect Band and Tribal Governments and Tribal Members.

On August 25, 2025, the Court ordered (the "Bond Order") Defendants to post bond of \$100,000 by August 27, 2025, at 5:00 p.m. to obtain a stay pending appeal of the August 14, 2025, Order granting declaratory and permanent injunctive relief. Through the Bond Order, the Court explicitly sought to prevent Tribal resources from improperly being used by Defendants to post the required bond. The Court stated:

This Court has the responsibility to protect Tribal resources from extraordinary use or from any possible misuse, mismanagement or extraordinary use or depletion during the pendency of the appeal by Appellants. There are significant resources, financial and other, within the actual or potential control and use of Appellants pending appeal that must be protected for the Bands and Tribe and their members during the pendency of appeal.

Id.

Recognizing that these resources "must be protected," the Court also imposed additional, immediate restrictions on Defendants pursuant to Rule 62(d). Specifically, the Court ordered, *inter alia*, Defendants to "immediately" comply with the following:

1) do not move, shift or change the present status or location of monies or financial resources of the Bands or the Tribe or the financial accounts in which the monies or financial resources of the Bands or the Tribe are presently maintained;

\*\*\*

3) limit the utilization of the money resources of the Bands or the Tribe, in the ordinary course of governance, administrative and business, only to amounts sufficient to maintain the functioning of Band or Tribal buildings, properties and equipment as necessary to maintaining their operation;

- 6) do not dissipate tribal resources, in keeping with the above limitations and provisions;
- 7) maintain financial records and make accountings of Band and Tribal income and expenditures in keeping with Tribal law.

*Id.* at pg. 14.

B. The Newe Cannabis Dispensary is the Main Elko Band Economic Enterprise and Use of Dispensary Profits Must be Approved by the Independent Newe Cannabis Commission to Ensure Compliance with the Applicable State Compact and Tribal Law.

There are only three significant economic enterprises on the Te-Moak Reservation. They include two convenience stores in the Elko and Battle Mountain Band colonies ("Smoke Shops") and the Newe Cannabis Dispensary. Only one of these economic enterprises, the Newe Cannabis Dispensary, as a matter of course, keeps tens to hundreds of thousands of dollars of cash onsite in a vault.

The Newe Cannabis Dispensary located at 1555 Shoshone Circle, Elko, Nevada 89801 is an Elko Band Economic Enterprise. Funds earned by the Elko Band's cannabis dispensary belong to the Tribe and Elko Band. Pursuant to Tribal Council Resolution, 19-ORD-TM-01, and the associated Tribal cannabis ordinance, Sections 1(f) and 4, the Elko Band Council is the only entity authorized to conduct cannabis business on Te-Moak Tribal lands and all cannabis establishments on Tribal lands must be owned by the Elko Band. (Ex. 1, 19-ORD-TM-1.) Also pursuant to the Tribal cannabis ordinance, Section 13, the Elko Band Council must impose taxes equal to state taxes on all non-exempt cannabis products, and any and all taxes collected are the property of the Elko Band Council. *Id.*, § 13.

To commence and continue business at the Newe Dispensary, the Elko Band Council entered a compact with the State of Nevada. (Ex. 2, Cannabis Compact.) The compact requires, subject to limited exceptions, in Section V. E(2), that the Tribe impose a tax equivalent to the state tax on cannabis products and use the proceeds of said tax to provide "Essential Government Services or Community Social Programs." *Id.* § V E(2). Essential government services are defined in the compact to include administration, public facilities, fire, police, health, education, elder care, social services, sewer, water, environmental and land use, transportation, utility services, community development, and economic development. *Id.*, II. (I).

Through Elko Band Resolution, 2019-EBC-19, the Elko Band Council established the Elko Band Cannabis Authority, which is currently referred to as the Newe Cannabis Commission ("NCC"). (Ex. 3, 2019-EBC-19.) The current members of the NCC include, Susana Sandoval, Pandora ("Penny") Stevens, Damion Johnny, Karen Hernandez, Joe De la Rosa. The NCC is charged primarily with managing the finances of the Newe Dispensary, including approving budgets for spending business profits. (Ex. 4, Decl. of Davis Gonzalez.) Specifically, the NCC bylaws provide:

The NCC shall have the authority, access and to oversee, administer, maintain and update all of Elko Band Council's quarterly distribution funds and all financial records received from the NEWE Cannabis Store and Sovereign Cannabis Solutions (SCS). The NCC shall retain possession of the above-mentioned funds records, documents etc.

### (Ex. 5, Bylaws.)

While the Newe Dispensary is an Elko Band economic enterprise, it is not a solo enterprise. The Elko Band Council partnered with an investor to open and operate the Newe dispensary. (Ex. 4.) Since 2020, through its business partnership, the Elko Band has received regular profit payouts, generally quarterly, ranging from approximately \$400,000-\$800,000. *Id.* The Elko Band has, in

turn, provided direct payments to Elko Band members and also funded essential education, health, and other community services. *Id*.

C. Plaintiffs Believe That Defendants Seek to Appropriate Tribal and Band Resources from the Newe Cannabis Dispensary for Their Bond in Contravention of this Court's Order and to the Detriment of Elko Band and Tribal Members.

In their Expedited Motion for Extension of Bond for Appeal, Defendants claim that they presently possess \$100,000 in cash for their bond. Aside from the Newe Dispensary, there is no other economic enterprise on the Te-Moak Reservation from which Defendants could have plausibly, immediately obtained this amount of cash. Thus, Plaintiffs believe that Defendants have, or intend, to withdraw funds from the Cannabis Dispensary without approval from the NCC. If true, Defendants' actions are a clear violation of Tribal Law and Policy and the Bond Order and may also violate the applicable Tribal-State Compact.

#### II. ARGUMENT

"The Supreme 'Court has long recognized that a district court possesses inherent powers that are governed not by rule or statute but by the control necessarily vested in courts to manage their own affairs so as to achieve the orderly and expeditious disposition of cases." *Cahill v. Insider Inc.*, 131 F.4th 933, 938 (9th Cir. 2025) (quoting *Dietz v. Bouldin*, 579 U.S. 40, 45 (2016)). "Those powers include 'the inherent authority of a court to enforce its orders by whatever means[.]" *Id.* (quoting *Perry v. O'Donnell*, 759 F.2d 702, 705 (9th Cir. 1985)).

In this case, the Court issued a permanent injunction, recognizing Plaintiffs succeeded in proving their case on the merits and are suffering a myriad of ongoing, irreparable harms, including harm to their constitutional rights. Moreover, the Bond Order, which seeks to minimize further irreparable harm is clear. In requiring Defendants to post a \$100,000 bond, the Bond Order protects, to at least a limited extent, Band and Tribal resources, and by extension Band and Tribal

governments and Tribal members, already found to be suffering irreparable harm, pending appeal.

Any protection provided by the Bond Order becomes illusory, at best, if Defendants can simply pilfer Band and Tribal resources and offer the same to the Court to satisfy their bond.

#### III. CONCLUSION

Because the Bond Order restricts Defendants from utilizing Tribal or Band money to satisfy their appeal bond, and Plaintiffs have strong reason to believe that the \$100,000 Defendants plan to post as their bond does not belong to them, but rather to the Elko Band, Plaintiffs request an order *specifically* preventing Defendants from using Elko Band's cannabis funds, or any other Band or Tribal funds, as the source of their appeal bond. To allow Defendants to take Band funds to satisfy their bond requirement would be the height of inequity, further threatening the health and wellbeing of the Band, Tribe, and individual Tribal members.

DATED this 28th day of August, 2025.

SKENANDORE WILSON, LLP

/s/ Rollie Wilson, Esq.

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/s/ Charles R. Zeh

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Reno, Nevada, 89509

Attorneys for Plaintiffs

### **CERTIFICATE OF SERVICE**

I hereby certify that on this 28th day of August, 2025, the foregoing PLAINTIFFS' EXPEDITED MOTION TO ENFORCE AUGUST 25, 2025, ORDER ENJOINING TRANSFER AND DISSIPATION OF BAND AND TRIBAL RESOURCES was filed and served as follows:

Original filed with Court via email as follows:

Jonelle Clytus, J.D.
Tribal Government Specialist
Bureau of Indian Affairs, Western Region
Tribal Government Services
2600 N. Central Avenue
Phoenix, AZ 85004
jonelle.clytus@bia.gov

### Via E-mail to:

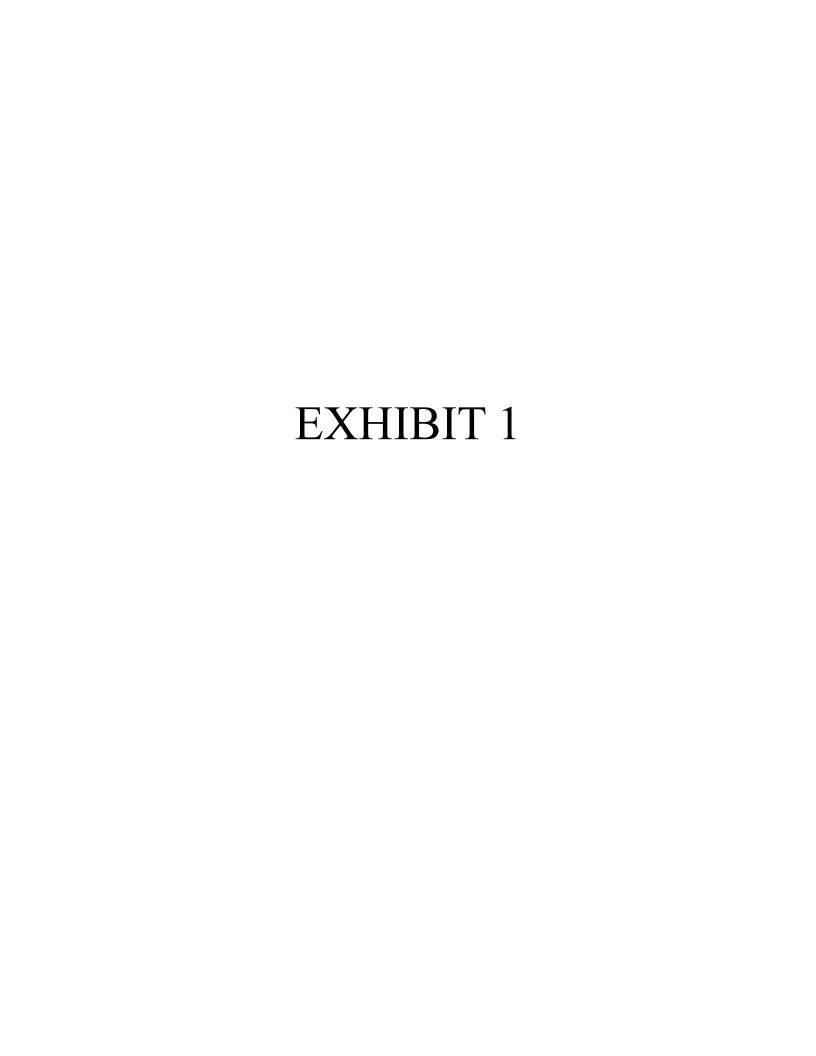
Paul Tsosie, Esq.: paul@tsosie-law.com Kari James, Esq.: Kari@tsosie-law.com Tsosie Law 8977 S. 1300 W. Ste 2101 West Jordan, UT 84088 Attorney for Defendants

### Via E-mail to:

Steve Joseph McDade E-mail: smcdadetrking@yahoo.com Pro Se Defendant

/s/ Olivia A. Kelly

An Employee of Semenza Rickard Law





ORDINANCE NO: 19-ORD-TM-01

### ORDINANCE OF THE TE-MOAK TRIBE OF WESTERN SHOSHONE INDIANS OF NEVADA

Te-Moak Tribe of Western Shoshone

BE IT ENACTED BY THE TRIBAL COUNCIL OF THE TE-MOAK TRIBE OF WESTERN SHOSHONE INDIANS OF NEVADA, AS FOLLOWS:

That, in accordance with Article 1, Section 4 of the Constitution of the Te-Moak Tribe, approved May 3, 1938, as Amended on August 26, 1982, as organized under the Reorganization Act of Jun 18, 1934, (48 Stat), as amended by the Act of June 15, 1935, (49 Stat. 378), that this Ordinance Amending the Te-Moak Narcotics Ordinance (83-ORD-TM-04) shall be effective upon passage.

BE IT RESOLVED, that Ordinance 83-ORD-TM-04, adopted on August 5, 1983, is hereby amended by this Ordinance.

**BE IT FURTHER RESOLVED,** that this Ordinance shall govern the economic business of cannabis on the Elko Indian Colony a Constituent Band of the Te-Moak Western Shoshone Tribal Council.

# Te-Moak Narcotics Ordinance: Cannabis (Amended) Legislative History

The Te-Moak Narcotics Ordinance (83-ORD-TM-04) was adopted on August 5, 1983, to ban the possession, manufacture, use, sale, transportation, manufacture or cultivation of certain narcotics, including cannabis (aka marijuana), on the Te-Moak Tribal Lands.

In November 2016, the State of Nevada passed Question 2, a cannabis initiative, making legal the cultivation, manufacture, sale and possession of recreational cannabis and cannabis infused products.

The Tribal Council feels it is in the interests of health and public safety, of economic opportunity, and to better focus law enforcement resources on crimes involving violence and personal property, to make the production, manufacture and sale of recreational cannabis legal in Indian country as specifically provided in this Chapter.

### Sec 1. Findings and Purpose.

The Tribe hereby finds and declares that:

- (a) The United States recognizes Indian tribes as domestic dependent nations with sovereignty over their members and territories.
- (b) Pursuant to the Tribe's Constitution, the Tribal Council has the authority to adopt ordinances and to promote the general welfare of the Tribe.

- (c) The federal Controlled Substances Act, 21 U.S.C. § 801 et. seq., classifies Cannabis as a Schedule 1 drug and prohibits any possession or use of Cannabis except in the course of federally approved research projects. The Controlled Substances Act makes it unlawful under federal law for a person to cultivate manufacture, distribute, disperse or possess with intent to manufacture, distribute or disperse, Cannabis.
- (d) In November 2016, the voters of the State of Nevada passed Question 2, an initiative to legalize, regulate and tax recreational cannabis in Nevada. The language of Question 2 is codified at Nevada Revised Statutes § 453D.
- (e) The Tribe has decided to allow Elko Band Council to open certain lands within their jurisdiction to the production, sale and manufacture of recreational cannabis consistent with this Chapter.
- (f) The possession of cannabis on Tribal Lands is hereby legal. The cultivation, production and sale of cannabis on Tribal Lands is also hereby legal; however, the only persons or entities authorized to engage in the production, manufacture or sale of cannabis is Elko Band Council, a Constituent Bands of the Te-Moak Tribe of Western Shoshone Indians of Nevada. No other cultivation, production or sale is authorized. No other cultivation, production or sale is authorized except as authorized expressly and in writing by the Tribe or its Constituent Bands or their respective cannabis commissions.
- (g) The production, manufacture and sale of cannabis should be taken away from criminals and regulated under a controlled system where businesses will be taxed and the revenue will be dedicated to the welfare of the members of the Elko Band and the enforcement of the regulations in this Chapter.
- (h) The production, manufacture and sale of cannabis shall be regulated in the following manner:
  - (1) All cannabis businesses on Tribal Land shall be owned by the Elko Band Council.
  - (2) Cultivating, manufacturing, testing, transporting and selling cannabis will be strictly controlled through licensing and regulation.
  - (3) Except as provided in this Ordinance 83-ORD-TM-04, the provisions of the Te-Moak Narcotics Ordinance remain in effect.
- (i) The State of Nevada, in SB 375, has authorized intergovernmental agreements ("Compacts") between the State and Nevada Indian Tribes. The Tribe hereby authorizes Elko Band Council to enter the cannabis business and to enter into such Compacts for the cultivation, manufacture, testing, sale and transport of cannabis on Te-Moak Tribal lands.

### Sec. 2 Definitions.

(a) "Cannabis" means all parts of any plant of the genus Cannabis, whether growing or not, the seeds thereof, the resin extracted from a part of the plan, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. "Cannabis" does not include:

- a. The mature stems of the plant, fiber produced from the stems, oil, or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stems (except the resin extracted therefrom) fiber, oil, or cake, the sterilized seed of the plant which is incapable of germination; or
- b. The weight of any other ingredient combined with Cannabis to prepare topical or oral administrations, food, drink, or other products.
- (b) "Cannabis Cultivation Facility" means an entity that cultivates, processes and packages Cannabis, that has Cannabis tested by a Cannabis testing facility, and that sells Cannabis to retail stores, to Cannabis product manufacturing facilities, and to other Cannabis cultivation facilities, but not to consumers.
- (c) "Cannabis Distributor" means an entity that transports Cannabis from a Cannabis establishment to another Cannabis establishment.
- (d) "Cannabis Establishment" means a Cannabis cultivation facility, a Cannabis testing facility, a Cannabis product manufacturing facility, a Cannabis distributor, or retail Cannabis store.
- (e) "Cannabis Product Manufacturing Facility" means an entity that purchases Cannabis, manufactures, processes and packages Cannabis and Cannabis products, and sells Cannabis and Cannabis products to other Cannabis product manufacturing facilities and to retail Cannabis store, but not to consumers.
- (f) "Cannabis Products" means products comprised of Cannabis or concentrated Cannabis and other ingredients that are intended for use or consumption, such as, but not limited to edible products, ointments and tinctures.
- (g) "Cannabis Paraphernalia" means any equipment, products, and materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, preparing, testing, analyzing, packaging, repacking, storing, or containing Cannabis, or for ingesting, inhaling or otherwise introducing Cannabis into the human body.
- (h) "Cannabis Testing Facility" means an entity licensed by the Department to test Cannabis and Cannabis products including for potency and contaminants.
- (i) "Concentrated Cannabis" means the separated resin, whether crude or purified, obtained from Cannabis.
- (j) "Department means the Nevada Department of Taxation.
- (k) "Excluded felony offense" means a conviction of an offense that would constitute a category A felony if committed in the State of Nevada or convictions for two or more offenses that would constitute felonies if committed in Nevada. It does not include:
  - a. A criminal offense for which the sentence, including probation, incarceration or supervise release, was completed more than 10 years ago; or

- b. An offense involving conduct that would be immune from arrest, prosecution or penalty under the Tribal Code or NRS chapter 493A.
- (I) "NRS" refers to Nevada Revised Statutes.
- (m) "Process" means to harvest, dry, cure, trim, and separate parts of the Cannabis plant.
- (n) "Retail Cannabis Store" means an entity that purchases Cannabis from Cannabis cultivation facilities, that purchases Cannabis and Cannabis products from Cannabis product manufacturing facilities and retail Cannabis store and sells Cannabis and Cannabis products to consumers.
- (o) "State" refers to the State of Nevada.
- (p) "Unreasonably impracticable" means that the measure necessary to comply with the regulations require such a high investment of risk, money, time or any other resource or asset that the operations of a Cannabis establishment is not worthy of being carried out in practice by a reasonably prudent businessperson.

#### Sec. 3. Effect.

- (a) The provisions of this Chapter do not permit any person to engage in and do not prevent the imposition of any civil, criminal, or other penalty for:
  - (1) Driving, operating, or being in actual physical control of a vehicle, aircraft, or vessel under power or sail while under the influence of cannabis or while impaired by cannabis; or
  - (2) Violating the Te-Moak Narcotics Ordinance, except that the possession, cultivation, production and sale of Cannabis consistent with this Ordinance is now legal. To the extent there is any conflict between this Ordinance and the Te-Moak Narcotics Ordinance relating to cannabis, this Ordinance controls.

#### Sec. 4. Ownership of Cannabis Establishments.

The Cannabis Establishments on Tribal Lands shall be owned by Elko Band. Neither non-tribal members nor individual tribal members may own such Cannabis Establishments.

#### Sec.5. Cannabis Establishments.

Cannabis Establishments shall:

- (a) Employ security;
- (b) Utilize video surveillance for indoor facilities;
- (c) Secure every entrance to the Establishment so that access to areas containing cannabis is restricted to persons authorized to possess cannabis;

- (d) Secure the inventory and equipment of the Cannabis Establishment during and after operating hours to deter and prevent theft of cannabis;
- (e) Determine the criminal history of any person before the person works or volunteers at the Cannabis Establishment and prevent any person who has been convicted of an excluded felony offense or who is not 21 years of age or older from working or volunteering for the Cannabis Establishment.

### Sec.6. Production, manufacture and sale.

- (a) All production, manufacture and sale of Cannabis must meet the following requirements:
  - (1) Must take place at a physical address approved by the Constituent Bands and within an area that is controlled in a manner that restricts access only to persons authorized to access the area; and
  - (2) Must take place on property in the Cannabis Establishment's lawful possession or with the consent of the person in lawful physical possession of the property.

### Sec.7. Inventory Tracking.

The Elko Band Council will utilize the State's inventory tracking system to track all cannabis on Te-Moak Tribal Lands.

### Sec. 8. Product Acquisition.

The Tribe and Elko Band Council shall only acquire cannabis from (1) entities under its control; (2) Statelicensed Cannabis Establishments; and (3) other Nevada Tribes who have exercised Compacts with the State.

### Sec. 9. Packaging, Testing, and Labeling.

- (a) All Cannabis products sold by Elko Band Council must be packaged, tested, and labeled in compliance with the Cannabis regulations of the State of Nevada.
- (b) Testing of Cannabis Products shall be conducted by laboratories licensed by the State/Department to the standards of the State.
- (c) The Elko Band Council shall adopt regulations at least as restrictive as those of the State relating to serving sizes, potency labeling, and packaging limitations.

### Sec. 10. Advertising.

Advertising on Tribal Lands shall not be designed to appeal to minors. Advertisements off the Tribal Lands will comply with State regulations.

#### Sec. 11. Enforcement of contracts.

It is the public policy of the Tribe and Elko Band that the contracts related to Cannabis under this Ordinance and under NRS Chapter 453D should be enforceable and shall not be deemed unenforceable on the basis that the actions or conduct permitted pursuant to the license are prohibited by federal law. In addition, the Tribe will take no action, legal, legislative or otherwise, that will interfere with the operation of cannabis business established by Elko Band Council pursuant to this ordinance.

#### Sec. 12. Regulations.

Elko Band Council shall adopt regulations as necessary to carry out the provisions of this Ordinance. These regulations must not prohibit the operation of Cannabis Establishments, either expressly or through regulations that make their operation unreasonably impracticable.

For the classes of regulations identified below, Elko Band Council's regulations shall be at least as restrictive as those of the State:

- (a) Requirements to prevent the sale or diversion of Cannabis and Cannabis Products to persons under 21 years of age;
- (b) Requirements for the packaging of Cannabis and Cannabis Products, including requirements for child-resistant packaging;
- (c) Requirements for the testing and labeling of Cannabis and Cannabis Products sold by Cannabis Establishments including a numerical indication of potency based on the ratio of THC to the weight of a product intended for oral consumption;
- (d) Requirements for record keeping by Cannabis Establishments; and
- (e) Procedures for the collection of taxes, fees, and penalties.

#### Sec. 13. Taxes.

Elko Band Council shall impose a tribal tax that is equal to at least 100 percent of the State tax on all sales of Cannabis products on Te-Moak Tribal Lands. The tribal tax shall not be imposed if the transaction is otherwise exempt from taxation under State or federal law. Any and all taxes collected by Elko Band Council shall remain the sole property of Elko Band Council.

### Sec. 14. Adoption of Te-Moak Narcotics Ordinance: Cannabis.

(a) This Te-Moak Narcotic Ordinance: Cannabis as amended shall become effective upon the date when adopted by a majority vote of the Tribal Council members in a duly called and noticed Council meeting.

### Sec. 15. Amendments.

Any further amendments to the Te-Moak Narcotics Ordinance may be made by the Tribal Council, provided that the Tribal Council shall deliver, by personal service or return receipt mail, the proposed amendment to this Ordinance to each Band Council office for review and comment by the Band at least ten (10) days but no more than forty-five (45) days before a vote is taken on such proposed amendment by the Te-Moak Tribal Council.

All resolutions and other expressions of policy of the Tribe or the Elko Band Council of whatever nature predating the effective date of this Ordinance are ratified and continued in full force and effect if such are consistent with this Ordinance.

#### C-E-R-T-I-F-I-C-A-T-I-O-N

I, the undersigned as Vice-Chairman of the Tribal Council of the Te-Moak Tribe of Western Shoshone Indians of Nevada, do hereby certify that the Tribal Council is composed of 9 members, of whom 5 constituting a quorum were present at a duly held meeting on the 7th day of August, 2019, and that the foregoing ordinance was duly adopted at such meeting by an affirmative VOTE of, 3 FOR 2 AGAINST, 0, ABSTENTIONS, pursuant to the authority contained under the Article 4, Section 3, (n) of the Constitution of the Te-Moak Tribe of Western Shoshone Indians of Nevada.



oseph Holley, Chairman

Te-Moak Tribe of Western Shoshone

ATTEST:

Sharla Dick, Recording Secretary

### Addendum to the Te-Moak Narcotics Ordinances: Cannabis (Amended)

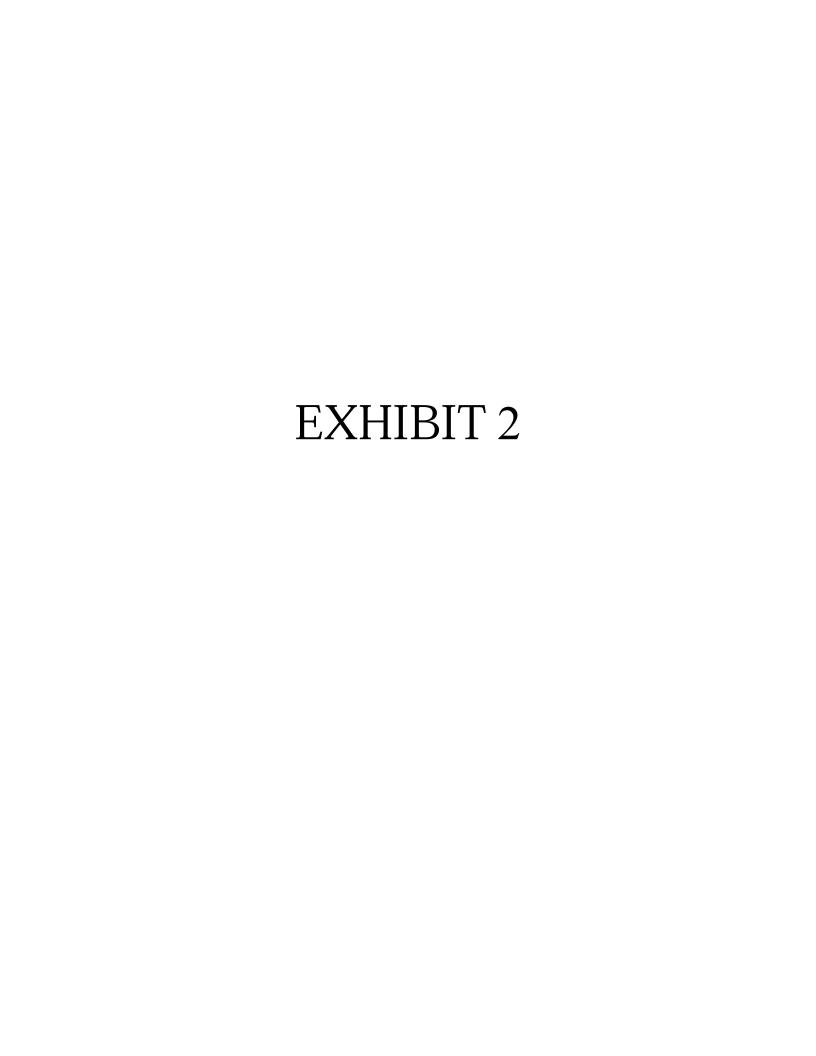
The attached Ordinance of the Te-Moak Tribe of Western Shoshone Indians of Nevada was ratified at a duly held meeting of the Te-Moak Tribal Council on August 7, 2019, presided over by Vice-Chairman Juan Arevalo, who voted to break the tie to read: 3 FOR; 2 AGAINST; 0 ABSTENTIONS.



Joseph Holley, Chairpran Te-Moak Tribe of Western Shoshone

ATTEST:

Sharla Dick, Recording Secretary





### **CANNABIS AGREEMENT**

Between

# ELKO BAND COLONY OF THE TE-MOAK TRIBE OF WESTERN SHOSHONE INDIANS OF NEVADA WESTERN SHOSHOWS

### And THE STATE OF NEVADA

#### I. Introduction

This Agreement ("Agreement") is made by and between the Elko Band Colony of the Te-Moak Tribe of Western Shoshone Indians of Nevada ("Tribe") and the State of Nevada ("State"). The State is authorized to enter into this Agreement pursuant to Nevada Revised Statutes (NRS) Sec. 223.250 and by the provisions of Nevada Revised Statutes §§277.080 to 277.170.

#### II. Definitions

- A.. "Agreement," means this Cannabis Agreement between the Tribe and the State, as may be amended.
- B. "Auditor" means a certified public accountant licensed and in good standing in the State of Nevada.
- C. "CCB" means Nevada's Cannabis Compliance Board.
- D. "Cannabis" has the same meaning as "Marijuana" defined below.
- E. "Cannabis cultivation facility" means any cannabis cultivator in Indian Country licensed or otherwise allowed by the Tribe pursuant to the Tribe's marijuana code to cultivate and sell cannabis at wholesale to cannabis product manufacturing facilities and other cannabis cultivation facilities.
- F. "Cannabis dispensary" or "cannabis store" means any cannabis business in Indian Country licensed or otherwise allowed by the Tribe, pursuant to the Tribe's marijuana code, to sell or dispense cannabis products.
- G. "Cannabis product manufacturing facility" means any cannabis processor in Indian Country licensed or otherwise allowed by the Tribe, pursuant to its marijuana code, to process cannabis into useable cannabis, cannabis concentrates, and cannabis-infused products, package and label useable cannabis and cannabis infused products for sale to cannabis dispensaries or cannabis stores, and sell cannabis products at wholesale to cannabis dispensaries or cannabis stores.
- H. "Department" means the Nevada Department of Taxation.

- I. "Essential Government Services" means services provided by the Tribe including, but not limited to, administration, public facilities, fire, police, health, education, elder care, social services, sewer, water, environmental and land use, transportation, utility services, community development, and economic development.
- J. "Indian Country" means the lands of the Tribe, including the Tribe's Reservation, and all lands held in trust status by the United States for the Tribe or its Tribal Members.
- K. "Marijuana," "edible marijuana products," "marijuana concentrates," "marijuanainfused products," and "useable marijuana" as used in this Agreement shall have the same meanings as in NRS Chapters 453A and 453D, or any amendments thereto. Together, these terms shall be referred to as "Cannabis Product" or "Cannabis Products."
- L. "Parties," are the State and the Tribe.
- M. "State" means the State of Nevada.
- N. "State Licensee" means any cannabis product manufacturing facility, cannabis cultivation facility, cannabis distributor, cannabis testing facility, retail cannabis store or medical cannabis dispensary licensed by the State.
- O. "State Tax" means any cannabis excise tax or sales and use tax imposed by the State on sales of recreational marijuana and medical marijuana products.
- S. "Tribal Cannabis Policy" means the Tribe's policy for the Regulation and Taxation of Recreational Marijuana, approved by Elko Band Resolution #2019-EBC-33 and as may be amended.
- T. "Tribal Enterprise" means a business or agency owned in whole or in part by the Tribe and authorized to sell cannabis products under the marijuana code.
- U. "Tribal Tax" means a tax imposed by the Tribe on cannabis activities.
- V. "Tribe," as defined above, means the Elko Band Colony of the Te-Moak Tribe of Western Shoshone Indians of Nevada.

#### III. Parties

The Parties to this Agreement are the Tribe and the State (collectively, the "Parties").

The Tribe is located on Tribal Trust Lands, known as the Elko Band Colony of the Te-Moak Tribe of Western Shoshone Indians of Nevada, located in Elko County, in the State of Nevada. The Tribe is a federally-recognized Indian tribe possessed of the full sovereign powers of a tribal government.

The State is a state within the United States of America, possessed of the full powers of a state government. The Nevada Department of Taxation (the "Department") is an executive department of the State government operating under the authority of the Governor, with statutory authority with respect to Cannabis under Nevada Revised Statutes ("NRS") Chapters 453A and 453D until June 30, 2020. As of July 1, 2020, all statutory authority with respect to Cannabis will be moved to the Cannabis Compliance Board ("CCB") and Title 56 of NRS.

The Tribe and the State are separate sovereigns and each recognizes and respects the laws and authority of the other sovereign.

NRS 223.250 allows the Governor to enter into an agreement with any federally-recognized Indian tribe located within the geographical boundaries of Nevada regarding Cannabis.

### IV. Purpose and History

Historically, the cultivation, possession, delivery, distribution, and sale of cannabis have been illegal across the United States and in Indian Country. In 2016, Nevada voters passed Question 2, which sets forth a tightly regulated, state licensed system allowing for the cultivation, processing, and retail sale of cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products for recreational purposes within the State.

While the federal Controlled Substances Act continues to designate marijuana as a Schedule 1 substance, on August 29, 2013, the United States Department of Justice issued a memorandum to all United States Attorneys (the "Cole Memorandum") setting forth guidance regarding marijuana enforcement. In that memo, James M. Cole, Deputy Attorney General, established eight enforcement priorities of particular importance to the federal government: (1) preventing the distribution of marijuana to minors; (2) preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels; (3) preventing the diversion of marijuana from states where it is legal under state law in some form to other states; (4) preventing stateauthorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity; (5) preventing violence and the use of firearms in the cultivation and distribution of marijuana; (6) preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use; (7) preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and (8) preventing marijuana possession or use on federal property. The Cole Memorandum further stated that the focus of federal law enforcement resources and efforts will be on those whose conduct interferes with the stated priorities and that state and local governments should provide sufficiently robust regulatory and enforcement systems to protect against these harms.

On October 28, 2014, the United States Department of Justice issued another memorandum to all United States Attorneys (the "Wilkinson Memorandum") providing a policy statement regarding marijuana issues in Indian Country. In that memo, Monty Wilkinson, Director, Executive Office for United States Attorneys, acknowledged that "(t)he eight priorities in the Cole Memorandum will guide United States Attorneys' marijuana enforcement efforts in Indian Country, including in the event that sovereign Indian Nations seek to legalize the cultivation or use of marijuana in Indian Country." The Wilkinson Memorandum effectively treated tribal governments the same as state governments in the decision to legalize marijuana.

Through Nevada law and the Department's implementing rules, the State has decriminalized the cultivation, possession, delivery, distribution, sale, and use of cannabis in Nevada and has attempted to set forth a civil regulatory system that accomplishes the federal priorities set forth above and keeps cannabis cultivation, processing, and sale in Nevada regulated and safe for the public.

After serious deliberation, the Tribe, as a sovereign nation, has also determined that present day circumstances make a complete ban of cannabis within Indian Country ineffective and unrealistic and has decriminalized its sale and possession in certain circumstances. At the same time, consistent with the federal priorities, the need still exists for strict regulation and control over the cultivation, possession, delivery, distribution, sale, and use of cannabis in Indian Country.

The State and the Tribe recognize the need for cooperation and collaboration with regard to cannabis in Indian Country. The State has authorized the entry of this Agreement by the Compacting Legislation, enacted by the 79th (2017) Session of the Nevada Legislature on May 23, 2017, signed by the Governor on June 2, 2017, effective June 2, 2017. Through this Compacting Legislation, the State authorized the Governor to enter agreements with American Indian tribes concerning the regulation of marijuana.

The Parties share a strong interest in ensuring that cannabis production, processing, and sales in Indian Country are well-regulated to protect public safety and community interests. The Parties acknowledge that pursuant to federal law, 21 U.S.C. § 812, marijuana is a Schedule I controlled substance and that this Agreement does not protect the sales or regulation of marijuana in Indian Country from federal law; however, the Parties have entered into this Agreement in order to strengthen their ability to meet these mutual interests and to provide a framework for cooperation to ensure a robust tribal and state regulatory and enforcement system sufficient to meet the federal priorities identified in the Cole and Wilkinson Memoranda.

The Parties acknowledge that the laws of the Tribal government relating to the possession, delivery, production, cultivation, processing, testing and use of cannabis, edible cannabis products, cannabis-infused products and cannabis products are at least as restrictive as the provisions of Chapters 453A and 453D of the NRS and any regulations adopted pursuant thereto and the Tribal government is enforcing or will enforce those

laws.

The Parties agree that it is in the best interests of the Tribe and the State that they enter into this Agreement to enhance public health and safety, ensure a lawful and well-regulated cannabis market, encourage economic development in Indian Country, and provide fiscal benefits to both the Tribe and the State.

#### V. Terms

- A. Applicability. This Agreement applies to the cultivation, processing, and sale of cannabis products in Indian Country where the Tribe or Tribal Enterprise (i) delivers, causes delivery to be made to, or receives delivery of cannabis products from a State Licensee or (ii) physically transfers possession of cannabis products from the seller to the buyer within Indian Country. Except as otherwise provided herein, the cultivation, processing, sale, and possession of cannabis products in Indian Country pursuant to the Tribal Cannabis Policy and in accordance with this Agreement are not subject to the terms of NRS 453A, NAC 453A, NRS 453D, NAC 453D or any amendments thereto and any such activities will not be a criminal or civil offense under Nevada state law.
- B. <u>Medical Marijuana Dispensary and Retail Store Sales</u>. The Tribe and/or its Tribal Enterprises may sell medical and retail cannabis products in Indian Country pursuant to the Tribal Cannabis Policy and this Agreement.
- 1. The Tribe shall notify the Department at least 30 days prior to the opening of any medical cannabis dispensary or retail store location owned by the Tribe or Tribal Enterprise. Such notification shall include:
  - a. The identity of the Tribal entity which is operating the medical cannabis dispensary or retail store location;
  - b. Location of the premises; and
  - c. Certification that the premise is located in Indian Country.
- 2. Dispensary sales of all cannabis products by the Tribe and any Tribal Enterprise must be conducted in accordance with the Tribal Cannabis Policy and the internal policies and controls of the Tribe or Tribal Enterprise. The Tribal Cannabis Policy, as it exists on the date of this Agreement, is attached as Exhibit A. Current copies of the code and medical marijuana internal policies and controls of the Tribe and any Tribal Enterprise will be made available for review by the State upon request. The Tribe agrees to notify the State of any changes to the Tribe's Law and Order Code that may affect cannabis products within ten (10) working days of the date of adoption by the Tribe.
- 3. All cannabis products purchased by a medical cannabis dispensary or retail store from a State Licensee will be verified upon delivery in Indian Country, and confirmation of receipt will be made by executing the delivery invoice. The medical

cannabis dispensary or retail store will input or cause to be input all delivered purchases into the State's tracking system within twenty-four (24) hours of any such delivery.

- 4. All cannabis products purchased by the Tribe or a Tribal Enterprise from the tribal government, tribal enterprise, or member of another federally-recognized Indian Tribe with a reservation located within Nevada, or sold by the Tribe or a Tribal Enterprise to the tribal government, tribal enterprise, or member of another federally recognized Indian Tribe with a reservation located within Nevada, will be recorded in either the Tribe's or the State's tracking system within twenty-four (24) hours of any such receipt or delivery. The Tribe and any Tribal Enterprise will make such records available for review by the State upon request.
- C. <u>Cultivating and Processing of Cannabis Products</u>. The Tribe may allow the cultivating and processing of cannabis products in Indian Country pursuant to the following terms:
- 1. The Tribe shall notify the Department at least 90 days prior to the start of operations of any cannabis product manufacturing facility or cannabis cultivation facility by the Tribe or a Tribal Enterprise. Such notifications shall include:
- a. The identity of the Tribal entity which is operating the cannabis product manufacturing facility or cannabis cultivation facility;
  - b. Location of the premises; and
  - c. Certification that the premise is located in IndianCountry.
- 2. Cultivating and processing of cannabis products by the Tribe and any Tribal Enterprise must be conducted in accordance with the Tribal Cannabis Policy and the internal policies and controls of the Tribe or Tribal Enterprise. The Tribal Cannabis Policy as it exists on the date of this Agreement is attached as Exhibit A. Current copies of the code and any internal cannabis policies and controls of the Tribe and any Tribal Enterprise will be made available for review by the State upon request. The Tribe agrees to notify the State of any changes to the Tribe's Law and Order Code that may affect cannabis products within ten (10) days of the date of adoption by the Tribe.
- 3. The State may require that cannabis products sold by cannabis product manufacturing facilities and cannabis cultivation facilities to State Licensees be packaged, tested and labeled in compliance with State cannabis laws. With respect to "edibles" this may include State pre approval of the product packaging and labeling before sale to State Licensees; PROVIDED, that such pre approval shall not be unreasonably withheld and shall be timely provided. All transactions between the Tribe and State Licensees will be executed through the State traceability system following the same rules as State Licensees.

### D. State Licensees.

- 1. The Tribe and Tribal Enterprises may purchase cannabis products from or sell cannabis products to State Licensees or any other entity operating under a valid agreement authorized by the Compacting Legislation, including any amendments thereto, with or otherwise authorized by the State. All transactions between the Tribe and State Licensees must be executed through the State traceability system, and cannabis products purchased from or sold to State Licensees must be tested to equivalent or higher standards as those required by Nevada's cannabis laws.
- 2. The State will not cite, fine, or otherwise take any other adverse licensing or other action against any State Licensee due to the mere fact that it bought or sold cannabis products from or to the Tribe or a Tribal Enterprise in accordance with the terms of this Agreement and the Tribe's marijuana code.
- 3. To the extent necessary, the State will work with the Tribe, Tribal Enterprise, and with any State Licensees or otherwise authorized medical marijuana product manufacturing facilities, cannabis cultivation facilities, medical cannabis dispensaries and retail stores to assure such entities that the Tribe and Tribal Enterprises are legally authorized to purchase and sell cannabis products pursuant to the terms of this Agreement.

### E. Taxes.

1. State Tax. The State acknowledges that no State Tax or fee, assessment, or other charge imposed by the State or local governments may be assessed against or collected from the Tribe, Tribal Enterprises, State Licensees, or medical marijuana card holders in Indian Country related to any commercial activity related to the production, processing, sale, and possession of cannabis products governed by this Agreement. To the extent any other State Tax, fee, assessment, or other charge imposed by the State or local government, or Tribal Tax is assessed against or collected from any State Licensee related to a sale to or purchase in Indian Country from the Tribe or Tribal Enterprises, of any cannabis product, it shall be refunded or otherwise paid by the State to the Tribe within thirty days of receipt by the State. Any refund amounts so received by the Tribe will be used for Essential Government Services. No refund will be granted of State Tax collected from a cannabis card holder by State Licensees on the sale of cannabis or cannabis product if that cannabis or cannabis product was originally purchased by the State Licensee from the Tribe or Tribal Enterprises.

# The State Sales Tax must be collected on sales made in non-Indian country and remitted to the State of Nevada.

2. <u>Tribal Tax</u>. The Tribe shall impose and maintain a Tribal Tax that is equal to at least 100 percent of the State Tax on all sales of cannabis products in Indian Country,

the Tribe's Police Department from the State.

c. <u>Cooperation</u>. Both Parties will cooperate in good faith to undertake all State-requested premises checks jointly. The Tribe's Police Department and/or authorized Tribal authorities will make reasonable efforts to arrange and conduct all State requested premises checks within twenty-four (24) hours of being provided written notice of such request by the State. All such written notices shall be sent to the Chief of Police and the Chairman of the Tribe. Should either Party have any concerns arising out of a premises check or the results thereof, the Parties will meet in good faith to discuss any suggested changes to protocols of the premises checks themselves or of cannabis product sales by the Tribe or Tribal Enterprise that were checked.

### 2. <u>Compliance Checks/Minors.</u>

- a. By the Tribe. The Tribe may conduct its own compliance checks in Indian Country using minors ages 18, 19, or 20 through the Tribe's Police Department or other authorized agency in accordance with Tribal regulations and policies. To the extent it is informed of the results of such checks, Tribe's Tribal Council will provide the results of the checks to the State. No criminal action may be taken against any minor who purchases marijuana as part of such a compliance check.
- b. By the State. State staff may also conduct compliance checks. Prior to conducting any such compliance check, the State will contact the Tribe's Police Department or other authorized agency to provide twenty-four (24) hours' written notice of such compliance check. The Tribe's Police Department and/or authorized Tribal authorities must observe and participate in all compliance checks. The State will share the results of such compliance checks with Tribe's Tribal Council.
- c. <u>Cooperation</u>. Both Parties will cooperate in good faith to undertake all State-requested compliance checks jointly. The Tribe's Police Department or other authorized agency will make reasonable efforts to arrange and conduct all State-requested compliance checks within twenty-four (24) hours of being provided written notice of such request by the State. All such written notices shall be sent to the Chief of Police and the Chairman of the Tribe. Should either Party have any concerns arising out of a compliance check or the results thereof, the Parties will meet in good faith to discuss any suggested changes to protocols of the compliance checks themselves or of marijuana sales by the Tribe or Tribal Enterprise that were checked.

### G. <u>Dispute Resolution</u>.

- 1. Should a dispute arise between the Parties regarding compliance with this Agreement by either Party, or by their officers, employees or agents, the Parties will attempt to resolve the dispute through the following dispute resolution process:
  - a. Notice. Either Party may invoke the dispute resolution process
    Page 9 of 14

by notifying the other, in writing, of its intent to do so. The notice must set out the issues in dispute and the notifying Party's position on each issue.

- b. Meet and Confer. The first stage of the process will include a face- to-face meeting between representatives of the two Parties to attempt to resolve the dispute by negotiation. The meeting must be convened within thirty (30) days after the receiving Party's receipt of the written notice described in subsection (a). The representatives of each Party will come to the meeting with the authority to settle the dispute. If the dispute is resolved, the resolution will be memorialized in a writing signed by the Parties.
- Parties are unable to resolve the dispute within sixty (60) days after the receiving Party's receipt of the written notice sent under subsection (a) above, the Parties will engage the services of a mutually agreed upon qualified mediator to assist them in attempting to negotiate the dispute. Costs for the mediator will be borne equally by the Parties. The Parties will pursue the mediation process in good faith until the dispute is resolved or until the mediator determines that the Parties are not able to resolve the dispute. If the Parties cannot agree on a format for the mediation process, the format will be that directed by the mediator. If the dispute is resolved, the resolution will be memorialized by the mediator in a writing signed by the Parties, which will bind the Parties.
- d. Arbitration. If a Party terminates the process before completion, or if the mediator determines that the dispute cannot be resolved in the mediation process, or if the dispute is not resolved within one hundred twenty (120) days after the date the mediator is selected, either Party may initiate binding arbitration proceedings under the rules of the American Arbitration Association ("AAA"), but the AAA need not administer the arbitration. If the arbitrator determines that a Party is in violation of a material provision of this Agreement, and such violation is not or cannot be cured within thirty (30) days after the arbitrator's decision, then the other Party may terminate this Agreement with sixty (60) days' prior written notice;
  - The arbitrator shall have no authority to award monetary damages or issue injunctive or other equitable relief; and,
  - (2) Each Party will bear its own legal costs incurred under this Section. All costs of the arbitrator will be shared equally.
- 2. If, at any time after the effective date of this Agreement, the State enters into an agreement, compact, or consent decree with any other federally recognized Indian tribe or governmental agency thereof, of or relating to the

regulation of marijuana in Indian Country which includes a "most favored nation" provision, then, upon the Tribe's written request, this Agreement will be amended to include such provision. A "most favored nation" provision is defined as language by which the State agrees to accord a tribe or tribal government agency the same favorable terms that are offered in later agreements with any other tribe or tribal government agency. This will not be construed to require that the State offer the Tribe the option to receive the same terms offered to every tribe or tribal government agency, in the absence of a most favored nation provision in the Agreement.

- 3. In any action filed by a third party challenging either the Tribe's or the State's authority to enter into or enforce this Agreement, the Parties each agree to support the Agreement and defend their own separate authority to enter into and implement this Agreement; provided, however, that this provision does not waive, and must not be construed as a waiver of, the sovereign immunity of the Tribe, or the State, or any of its subdivisions or enterprises thereof.
- H. <u>Termination</u>. This Agreement may be terminated with sixty (60) days' prior written notice that the Tribe is in default if the Department determines that the Tribal government laws relating to the possession, delivery, cultivation, production, processing, testing and use of cannabis products are not as restrictive as the provisions of chapters 453A and 453D of the Nevada Revised Statutes and any regulations adopted pursuant thereto or that the Tribal government is not enforcing its laws, provided:
- I. The State has given the Tribe written notice detailing the claimed default, and granting the Tribe a 45-day period of time to cure the default. In the event that the State determines that the default has been cured or the Tribe has cured the default or is making satisfactory progress toward the cure of the default during the 45-day period, the notice of default shall be withdrawn;
- 2. In the event that the State determines that the Tribe has not cured the default, that satisfactory progress in the cure of the default is not being made by the Tribe, or that it is impossible for the Tribe to cure the default within 45 days of the notice of default, then, the State shall give written notice to the Tribe of the State's determination, whereupon, the Tribe may invoke the alternative dispute resolution procedures of subsection G, above, by giving notice within ten days to the State that the alternative dispute process has been invoked by the Tribe. The outcome of the alternative dispute resolution process will determine whether the Agreement may be terminated by the State, should the alternative dispute process be invoked.

 Should the Tribe fail or refuse to invoke the alternative dispute Page 11 of 14 Ŷ

process, then, the State's determination to terminate stands.

- I. Sovereign Immunity. The State agrees that, except for the limited purpose of resolving disputes in accordance with subsection G, above, the signing of this Agreement by the Tribe does not imply a waiver of sovereign immunity by the Tribe or any of its subdivisions or enterprises and is not intended as a waiver of sovereign immunity and that any action by the State in regard to marijuana regulation by the Tribe shall be in accord with this Agreement. Except as expressly provided otherwise, herein, the Tribe retains its sovereignty and immunity from suit.
- J. No Limitation. The Parties agree that the signing of this Agreement and the resultant benefits and obligations shall not be construed as limiting any otherwise lawful activity of the Tribe or its subdivisions or enterprises nor subject the Tribe or its subdivisions or enterprises to any State jurisdiction not agreed to in this Agreement.

### VI. Communication and Notice

A. <u>Annual Meeting</u>. The Parties agree to maintain regular and open communication regarding the administration and implementation of this Agreement. The Parties agree that the following individuals will be designated primary contacts regarding administration of this Agreement:

For the State:

Office of the Governor General Counsel 101 N. Carson Street Carson City, NV 89701 (775) 684-5670

Department of Taxation or Cannabis Compliance Board Executive Director 1550 College Parkway, Suite 115 Carson City, NV 89706 (775) 684-2000

For the Tribe:

Tribal Chairman
Elko Band Colony of the Te-Moak Tribe of
Western Shoshone Indians of Nevada
1745 Silver Eagle
Elko, NV 89801
(775) 738-8889

Senior Staff Attorney
1745 Silver Eagle

Page 12 of 14

### Elko, NV 89801 (775) 738-8889

The Parties agree that if either party believes that the goals and objectives of this Agreement are not being met, that they will meet promptly to discuss any issues and concerns.

B. <u>Notice</u>. Any notice that may be or is required to be sent under this Agreement shall be sent as follows:

If to the State:

Office of the Governor General Counsel 101 N. Carson Street Carson City, NV 89701 (775) 684-5670

With a copy to:

Department of Taxation or Cannabis Compliance Board

**Executive Director** 

1550 College Parkway, Suite 115

Carson City, NV 89706

(775) 684-2000

If to the Tribe:

Tribal Chairman

Elko Band Colony of the Te-Moak Tribe of

Western Shoshone Indians of Nevada

1745 Silver Eagle Elko, NV 89801 (775) 738-8889

With a copy to:

Senior Staff Attorney Tribal Legal Department

1745 Silver Eagle Elko, NV 89801 (775) 738-8889

### VII. Effect, Duration, and Amendment

A. Term. This Agreement shall remain in effect for a term of ten (10) years, unless the Parties mutually agree in writing that the Agreement should be vacated or terminated and superseded by a new agreement or compact between the Parties within that time frame. The Compact shall be automatically renewed for successive periods of ten (10) years, unless a party provides written notice to the other, no later than one hundred twenty (120) days before the expiration of the then current ten (10) year period that it wishes to modify the terms of the Agreement.

- B. <u>Amendment</u>. No amendment or alteration of this Agreement shall arise by implication or course of conduct. This Agreement may be altered only by a subsequent written document, approved by the Parties, expressly stating the Parties' intention to amend this Agreement.
- C. <u>Severability</u>. If any provision of this Agreement or its application to any person or circumstance is held invalid, the remainder of the Agreement is not affected.
- D. <u>Change in Classification</u>. If the classification of marijuana as a Schedule I drug is altered in any way or federal marijuana enforcement policy (as described in III, above) changes, the Parties agree to meet and discuss the need to modify this Agreement. If such modifications cannot be agreed upon, then either Party may terminate this Agreement with 60 days' written notice.

This Agreement is hereby made this 23 day of January, 2020.

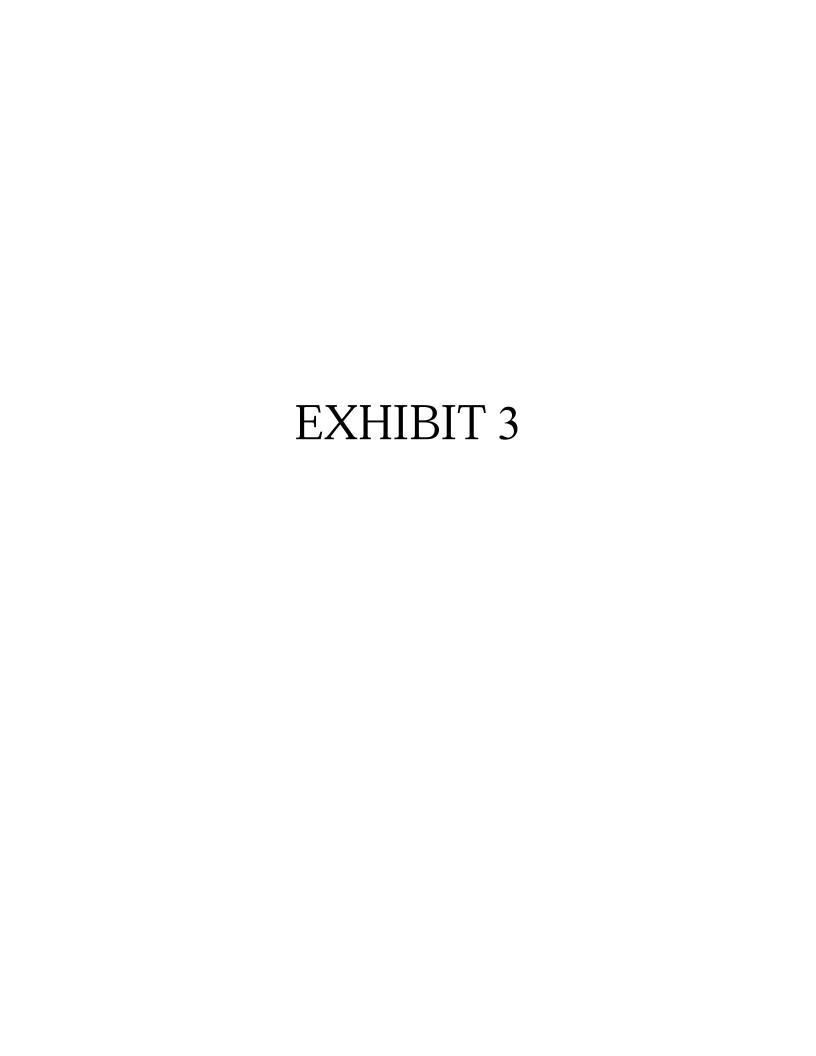
GOVERNOR OF THE STATE OF ELKO BAND COLONY OF THE TE-

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ELKO BAND COLONY OF THE TE-MOAK TRIBE OF WESTERN SHOSHONE INDIANS OF NEVADA

Governor

Elko Band Chairman





### **ELKO BAND COUNCIL**

# RESOLUTION OF THE GOVERNING BODY OF THE ELKO BAND COUNCIL

Resolution No. 2019-EBC-19

### BE IT RESOLVED BY THE ELKO BAND COUNCIL, that

WHEREAS, this organization is an Indian Organization known as the Elko Band Council as defined under the Indian Reorganization Act of June 1934, as amended, to exercise certain rights of home rule and to promote economic and the social welfare of its Tribal members; and

WHEREAS, the Elko Band Council is a Constituent Band of the Te-Moak Tribe of Western Shoshone Indians of Nevada, and is the governing body of the Elko Indian Colony; and

WHEREAS, at a duly held meeting on January 30, 2019, the Elko Band Council recognized the following individuals as members of the Elko Band Cannabis Working Group:

Ernest Aldridge
 Corinna Gonzales

4. Rosanna Recendiz5. Dana Lopez

3. Fermina Stevens

6. Veronica Huerta

NOW, THEREFORE BE IT RESOLVED, that by this Resolution, the Elko Band Council acknowledges and accepts the name change from the Elko Band Cannabis Working Committee to the Elko Band Cannabis Authority; and

THEREFORE BE IT FURTHER RESOLVED, that the above named individuals will remain as members of this Board, with the addition of Thalia Marin, Elko Band Council Member, whom will remain part of the Elko Band Cannabis Authority until the reign of her Council term expires in October 2021.

**BE IT FINALLY RESOLVED,** that the Elko Band Council hereby recognizes that the Place of business for the Elko Band Cannabis Authority shall be located at 1555 Shoshone Circle, Elko, Nevada 89801.

#### C-E-R-T-I-F-I-C-A-T-I-O-N

I, the undersigned, as Chairman of the Elko Band Council do hereby certify that the Elko Band Council is composed of 7 members of whom 7 constituted a quorum were present at a duly held meeting on the 15<sup>th</sup> day of May 2019, and that the foregoing resolution was duly adopted at such meeting by a **VOTE OF 4 FOR, 2 AGAINST, 1 ABSTENTION**, pursuant to the authority contained in Article 4, Section 12, of the Constitution of the Te-Moak Tribe of Western Shoshone Indians of Nevada.

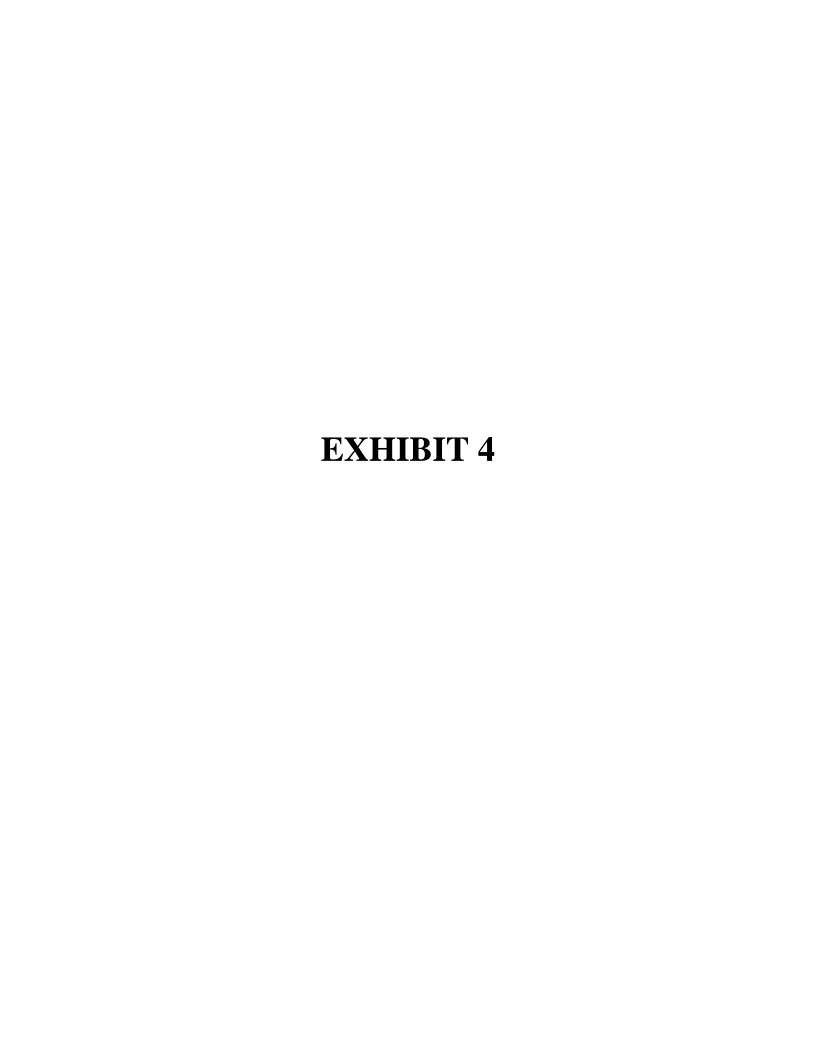
ATTESTED:

Olivia Randolph, Recording Secretary

OPPOCIAL.

Davis Gonzales, Chairman ELKO BAND COUNCIL

Constituent Band of the Te-Moak Tribe of Western Shoshone Indians of Nevada



### **DECLARATION OF DAVIS GONZALES**

### I, DAVIS GONZALES, state and declare as follows:

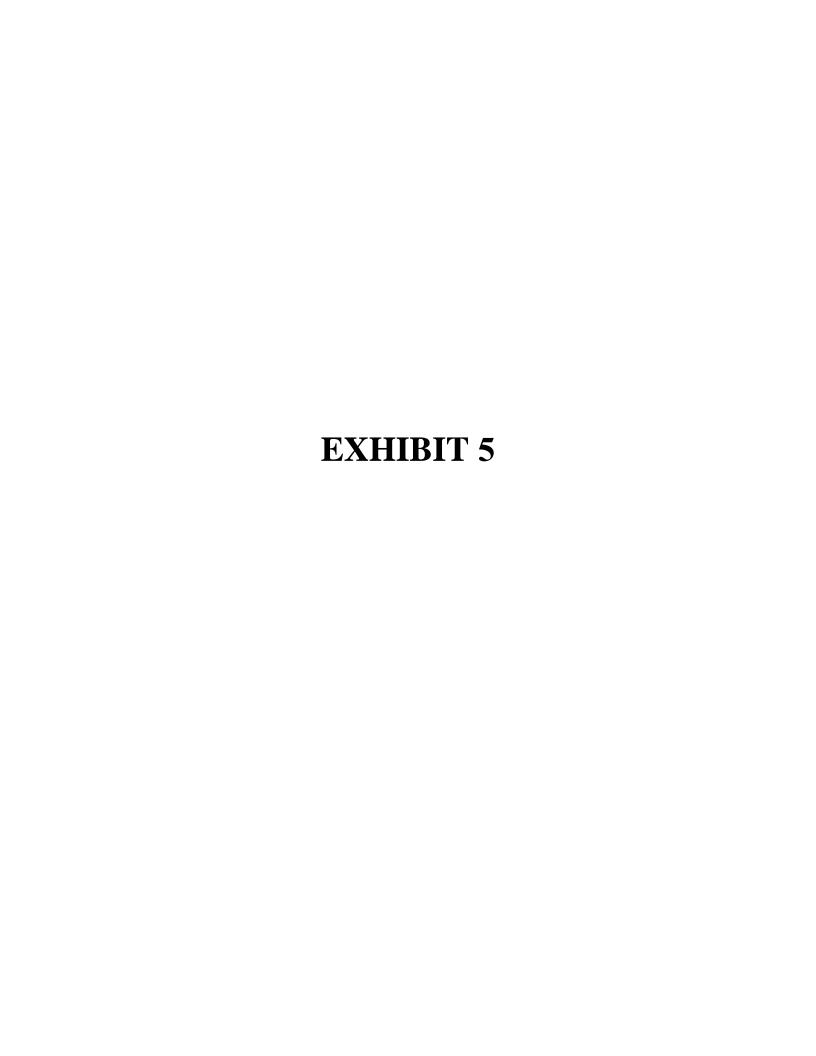
- I make the following declaration in support of Plaintiffs' Motion to Enforce August
   25, 2025, order. I have personal knowledge of the facts contained in this Declaration, and if called to do so, would testify competently thereto.
- 2. I am an enrolled member of the Te-Moak Tribe and affiliated with the Elko Band.
- I have served several decades on the Elko Band Council and served as Vice Chairman and Chairman of the Council between 2018 and 2020.
- 4. During my time as Vice Chairman and Chairman, I worked with the Elko Band Council members to lead the effort to legalize cannabis on the Elko Indian Colony. This involved working with the Te-Moak Tribal Council to pass a new Cannabis Ordinance as well as working with the State of Nevada to enter into a Cannabis Compact Agreement.
- 5. After the Elko Band Council, including myself, successfully legalized cannabis cultivation, sale, and distribution on the Elko Indian Colony, we partnered with an investor named Sovereign Cannabis Solutions and started the Newe Dispensary in the Elko Band colony in 2020.
- 6. I and my fellow Elko Band Council members also established the Elko Band Cannabis Commissioners. The Commissioners works with the Council and our business partners, Sovereign Cannabis Solutions, to manage the Newe Dispensary. The Commissioners specifically oversees the Band's portion of business profits and helps establish a budget for money brought and then distributed to the Elko Band Community needs.
- 7. In my experience working on and overseeing budgets for Newe dispensary, profits are divided and disbursed as follows: 15% goes to the Te-Moak Tribal Council, 5% goes to the

Board of Commissioner Budget to run the Newe Dispensary business, and 80% goes to the Elko Band community. Over the past four years, the Elko Band Council has distributed community portions of Newe Dispensary profits for things including road projects, education, health emergencies, and direct payments to Band members.

- 8. Distributions of Newe Dispensary profits are supposed to happen quarterly but, in practice, may be less frequent when funds are too small to justify a distribution. In my experience, distributions happen when quarterly profits are between \$400,000 and around \$800,000.
- 9. Most of the Newe Dispensary sale profits stay onsite in a vault at the dispensary, because the Elko Band Council does not currently have a bank that is willing to receive monies from the Newe Dispensary due to the sale of Cannabis products which is Illegal. In my experience, only three people, at any time, have access to the onsite vault containing the profits from the Newe Dispensary. When I was Chairman of Elko Band Council, along with the Chairman for the Commissioners and a representative from the Newe Cannabis Store. We each had only one number to access to the Elko Band vault.

I, Davis Gonzales, declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct. Dated August 27, 2025

Davis Imzales



# BY-LAWS OF THE NEWE CANNABIS COMMISSION (NCC)

### Section 1. Officers

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The NCC shall appoint a Chairperson, Vice-Chairperson, Secretary and Treasurer.

- (a) The Chairperson shall convene regularly scheduled and special Commission meetings. The Chairperson shall preside or arrange for other members of he NCC to preside at each meeting in the following order: Vice Chairperson, Secretary, Treasurer.
- (b) In the absence of the Chairperson, the Vice-Chairperson shall assume the duties and powers of the Chairperson.
- (c) The Secretary shall be responsible for maintenance of documenting NCC and corporate records, recording of minutes at all NCC meetings, distributing meeting announcements, agenda, copies of minutes and distribution of all correspondence to each NCC member.
- (d) The Treasurer shall make a financial report at NCC meetings. The Treasurer will assist in the preparation of the budget and make financial information available to the NCC and Elko Band Council.

## Section 2. Composition of Membership

The NCC membership shall consist of:

- (a) Four (4) enrolled Te-Moak tribal members of the Elko Band appointed by the Elko Band Council.
- (b) One (1) member of Sovereign Cannabis Solutions (SCS).
- (c) Shall have the Elko Band Chairperson as an ex-officio non-voting member.

### Section 2.1 Vacancies

The Elko Band Council shall appoint enrolled Te-Moak tribal members of the Elko Band to fill any vacant NCC positions.

## Section 2.2 Term of Members

NCC members are appointed for a term of three (3) years. NCC members may serve two (2) consecutive terms.

# Section 2.3 Compensation for NCC Members

NCC members may receive compensation of \$300 per monthly meeting and \$150.00 per special meeting.

Such compensation and expense reimbursement shall be paid from NCC's allotted share.

# Section 2.3a Distribution Event Compensation for NCC

The NCC may receive compensation at the rate of \$200/per day, per member for the distribution event for, but not limited to: conducting research, development and logistical planning, organizing, advertising, overseeing, managing and administrating any and all community distribution events receiving cannabis funds.

# Section 2.4 Abstention/Conflict of Interest

A NCC member shall abstain in any matter that has a personal interest or conflict of interest issue.

# Section 2.5 Resignation of Membership

A NCC member may resign by filing a written resignation with the NCC Chairman which shall subsequently be forwarded to the Elko Band Council for final acceptance.

# Section 2.6 Termination of Membership

A NCC member may be removed from NCC for improper conduct or gross neglect of duty when at least three (3) members of the NCC members vote in favor of removal.

The member charged shall not vote. No such vote shall be taken until after the member has had a fair hearing to reply to all charges.

No such hearing shall be held unless the member has been given fifteen (15) days in advance, a written notice of the time and place of the NCC hearing and a written statement notice of the alleged act(s) of improper conduct or gross neglect.

Hearings pursuant to this section shall be conducted in closed session. Any appeals must be presented to the Elko Band Council for final decision.

## Section 3. Frequency of meetings

The NEWE Cannabis Commission and Sovereign Cannabis Solutions shall meet monthly and quarterly, at an agreed upon time and place.

Monthly meeting shall be held on the second Monday of each month. Should the regular monthly meeting date fall on a designated governmental holiday, it shall be held on the next business day.

Special meeting may be called by the Chairperson, or by simple majority of the NCC. Notice of each meeting shall be given to each voting member, be e-mail or text message, not less than two (2) business days before the proposed meeting date.

All of the above meetings shall be conducted in open session.

Other sensitive, security, controversial or confidential matters may be conducted in closed session.

### Section 4. Quorum

Three (3) members shall constitute a quorum. A quorum is necessary for business transactions to occur.

## Section 5. Meeting Procedures

The NCC may utilize the latest edition of <u>Robert's Rules of Order</u> for the procedural conduct of its meetings.

### Section 6. Proxy/Telephone

NCC members may, due to extreme conditions, i.e., inclement weather, illness, closed roads, etc. vote by proxy or participate in meetings via telephonic device.

### Section 7. Functions

The NCC shall have the authority, access and to oversee, administer, maintain and update all of Elko Band Council's quarterly distribution funds and all financial records received from the NEWE Cannabis Store and Sovereign Cannabis Solutions (SCS). The NCC shall retain possession of the above-mentioned funds records, documents etc.

The NCC shall participate in any and all of the following, but not limited to: meetings, communications, expansions, growth, marketing, and overview of inventory, monitoring records, daily, monthly and quarterly financial accounting data computations/documents, gross and net profit calculations/documents, etc. of the NEWE Cannabis Store and Sovereign Cannabis Solutions (SCS).

The NCC shall assemble, prepare and submit monthly financial reports to the Elko Band Council on the designated date.

### Section 8. Amendment(s)

These By-Laws may be amended, when necessary, by majority vote of the NCC members. Any proposed amendments, modifications or alterations shall be submitted to the Elko Band Council in writing ten (10) business days in advance to the meeting at which they are to be approved by the Elko Band Council.

### **APPROVAL**

These By-Laws were approved by Resolution No. 2019-EBC-34 at a meeting of the Elko Band Council on August 13, 2019.

Amended: July 21, 2020 Resolution No: 2020-EBC-31

Amended: October 3, 2023 Resolution No: 2023-EBC-20

### ARTICLES OF INCORPORATION OF THE NEWE CANNABIS COMMISSION (NCC)

## Article 1 - NEWE Cannabis Commission

The name of the Commission shall be the "NEWE Cannabis Commission". It shall also be known with a short title as NCC.

## Article 2 - Principal Place of Business

The principal place of business is 1555 Shoshone Circle, Elko, Nevada 89801.

### Article 3 - Duration

The duration of the NCC is perpetual, dated on this 13th day of August, 2019.

### Article 4 - Purposes

The NCC is organized for, but not limited to, the following purposes (1) to engage in the business of cannabis-related operations; (2) to engage in any other business which can, in the opinion of the NCC, be advantageously carried on in connection with the forgoing business; and (3) shall have authority to administer, manage, oversee and do such things as are incidental to the foregoing or necessary/desirable in order to accomplish the foregoing. NCC shall work in conjunction with SCS.

### Article 5 - Functions

The NCC shall have the authority, access and to oversee, administer, maintain and update all of Elko Band Council's quarterly distribution funds and all financial records received from the NEWE Cannabis Store and Sovereign Cannabis Solutions (SCS). The NCC shall retain possession of the above-mentioned funds records, documents etc.

The NCC shall participate in any and all of the following, but not limited to: meetings, communications, expansions, growth, marketing, and overview of inventory, monitoring records, daily, monthly and quarterly financial accounting data computations/documents, gross and net profit calculations/documents, etc. of the NEWE Cannabis Store and Sovereign Cannabis Solutions (SCS).

The NCC shall assemble, prepare and submit monthly financial reports to the Elko Band Council on the designated date.

## Article 6 - Composition of Membership

The NEWE Cannabis Commission shall consist of five (5) members:

- (a) Four (4) enrolled Te-Moak tribal members of the Elko Band appointed by the Elko Band Council.
- (b) One (1) member from Sovereign Cannabis Solutions (SCS).
- (c) Shall have the Elko Band Chairperson as an ex-officio non-voting member.

### Article 7 - Amendments

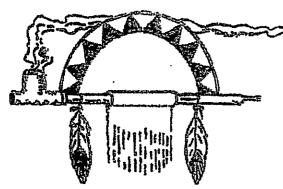
This Article of Incorporation may be amended, when necessary, by majority vote of the NCC members. Any proposed amendments, modifications or altercations shall be submitted to the Elko Band Council in writing ten (10) business days in advance of the meeting at which they are to be approved by the Elko Band Council.

### **APPROVAL**

These Articles of Incorporationwere approved by Resolution No. 2019-EBC-34 at a meeting on August 13, 2019.

Amended July 21, 2021 Resolution No. 2020-EBC-31

Amended: January 13, 2023 Resolution No. 2023-EBC-01



### ELKO BAND COUNCIL

# RESOLUTION OF THE GOVERNING BODY OF THE ELKO BAND COUNCIL

Resolution No. 2023-EBC-20

### BE IT RESOLVED BY THE ELKO BAND COUNCIL, that

- WHEREAS, this organization is an Indian Organization known as the Elko Band Council is defined under the Indian Reorganization June 1934, as amended, to exercise certain rights of home rule and to promote economic and social welfare of its Tribal member; and
- WHEREAS, the Elko Band Council is a Constituent Band of the Te-Moak Tribe of Western Shoshone Indians of Nevada, and is the governing body of the Elko Indian Colony; and
- WHEREAS, the Elko Band Council has the obligation to protect and preserve the safety, welfare, and properties associated with the Elko Indian Colony members; and
- WHEREAS, the Elko Band Council has adopted "Articles of Incorporation and By-Laws of the Newe Cannabis Commission" and
- WHEREAS, the Elko Band Council identified a need to update the "Articles of Incorporation and By-Laws of the Newe Cannabis Commission"; and
- THERFORE, BE IT RESOLVED, after careful review of the proposed amendments, the Elko Band Council hereby accepts the revision of the By-Laws of the Newe Cannabis Commission".
- NOW THEREFORE, BE IT RESOLVED, the Elko Band Council resends resolution NO. 2019-EBC-34 in its entirety. By adoption of this resolution.

### C-E-R-T-I-F-I-C-A-T-I-O-N

I, the undersigned, as Chairwoman of the Elko Band Council do hereby certify that the Elko Band Council is composed of 7 members of whom 6 constituted a quorum were present at a duly held meeting on the 3rd day of October, 2023 by a VOTE OF 5 FOR, 0 AGAINST, 1 ABSTENTIONS, pursuant to the authority contained in Article 4, Section 12, of the Constitution of the Te-Moak Tribe of Western Shoshone Indians of Nevada.

ATTESTED:

Recording Secretary

Danena Ike, Chairwoman Elko Band Council