October 17, 2008

David J. Rapport
Law Offices of Rapport and Marston
405 W. Perkins Street
P.O. Box 488
Ukiah, California 95482

Re: Submission of Gaming Ordinance for Quartz Valley Indian Community of the Quartz Valley Indian Reservation

Dear Mr. Rapport:

This letter responds to your request to the National Indian Gaming Commission (NIGC) to review and approve the tribal gaming ordinance of the Quartz Valley Indian Community (Tribe). The Tribe forwarded the ordinance by the resolution adopted on September 3, 2008, and the NIGC received the ordinance on July 21, 2008.

The ordinance is consistent with the requirements of the Indian Gaming Regulatory Act (IGRA) and this agency's regulations, and it is therefore approved. It is important to note that the gaming ordinance is approved for gaming only on Indian lands, as defined in the IGRA, over which the Tribe has jurisdiction. 25 U.S.C.§2703(4); 25 C.F.R.§502.12

Thank you for your submission. If you have any questions or require assistance, please contact Esther Dittler in the Office of the General Counsel, at 202-632-7003.

Sincerely,

Philip N. Hogen
Chairman

cc: Harold Bennett, Chairman
Quartz Valley Indian Community
13601 Quartz Valley Road
Fort Jones, CA 96032

CERTIFICATION OF TRIBAL SECRETARY
RE: ADOPTION OF GAMING ORDINANCE

I, Evette Lewis, hereby certify as follows:

1. I am the Tribal Secretary of the Quartz Valley Indian Community of the Quartz Valley Indian Reservation of California ("Tribe").

2. The Tribe currently has under submission to the National Indian Gaming Commission a Gaming Ordinance.

3. The Gaming Ordinance, Ordinance No. 2006-04, was approved by the General Community Council of the Tribe at a duly called meeting on January 14, 2006, by a vote of 16 for, 0 against, and 1 abstention. A total of 17 voting members of the Tribe attended that meeting. All of the attendees were resident voting members of the Tribe. On December 8, 2007, Ordinance No. 2006-04 was approved as revised and submitted to the National Indian Gaming Commission on or about July 18, 2008. The General Community Council took this action at a duly called meeting on that date by a vote of 11 for, 0 against, and 1 abstention. A total of 16 voting members of the Tribe attended that meeting. All of the attendees were resident voting members of the Tribe.

4. Under Article III, Section 9 of the Tribe's Constitution and Bylaws, approved by the Secretary of Interior on June 15, 1939, a quorum of the General Community Council consists of 1/3 of the resident voting members. There are 29 resident voting members of the Tribe. Accordingly, 10 resident voting members constitute a quorum of the General Community Council. Ordinance No. 2006-04 was passed by a majority of a quorum of the General Community Council, and was revised on December 8, 2007, by a majority of a quorum of the General Community Council.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed in Quartz Valley, California on October 9, 2008.

E. Lewis

Evette Lewis, Tribal Secretary

S:\DJR\Resos08\QVIC\CERTIFICATION OF TRIBAL SECRETARY.doc

Quartz Valley Indian Reservation

RESOLUTION NO.

RESOLUTION OF THE GENERAL COUNCIL OF THE QUARTZ VALLEY INDIAN COMMUNITY OF THE QUARTZ VALLEY RESERVATION OF CALIFORNIA APPROVING TRIBAL GAMING ORDINANCE, AUTHORIZING TRIBAL CHAIRMAN TO SIGN ORDINANCE AND DESIGNATING TRIBAL CHAIRMAN AS AGENT FOR SERVICE OF PROCESS.

WHEREAS,

1. The Quartz Valley Indian Community of the Quartz Valley Reservation of California ("Tribe") is a federally recognized tribe, authorized to conduct gaming on its Indian Lands as defined in the Indian Gaming Regulatory Act; and

2. The Tribe has jurisdiction over the Quartz Valley Indian Reservation in Siskiyou County, California and other lands in close proximity to the reservation which are held in trust for the Tribe by the United States; and

3. The Tribe may acquire additional Indian Lands upon which it is entitled to conduct gaming under the provisions of the IGRA; and

4. Under the IGRA the Tribe must adopt a tribal ordinance in compliance with the IGRA before it may lawfully conduct gaming on its Indian Lands; and

5. Under its Tribal Constitution the Tribe's General Council, consisting of all voting members of the Tribe, is authorized to adopt ordinances for the benefit of the Tribe; and

6. The General Council has determined that the ordinance in the unsigned form attached hereto as Exhibit A is in the best interests of the Tribe and will permit the Tribe to conduct properly regulated Indian gaming that benefits the economic development of the Tribe and protects the public health, safety and welfare; and

7. The General Council approved the ordinance in the form of Exhibit A at its regular meeting on 12-08, 2007;

NOW, THEREFORE, BE IT RESOLVED that:

1. The Tribe hereby approves and adopts the Tribal Gaming Ordinance in the unsigned form attached hereto as Exhibit A;

2. The Tribe authorizes the ordinance to be signed by its Tribal Chairman and attested by the Tribal Secretary; and

Administration: (530) 468-5907 Fax: (530) 468-5908
13601 Quartz Valley Road, Fort Jones, CA 96032

Quartz Valley Indian Reservation

3. The Tribe hereby designates its Tribal Chairman as its agent for service process under the Ordinance; and

4. The Tribe hereby authorizes its Tribal Attorney to submit the ordinance, duly executed by the Tribal Chairman and Tribal Secretary to the National Indian Gaming Commission for approval.

CERTIFICATION

The undersigned Vice-Chairperson and Secretary of the Tribe hereby certify that the foregoing resolution embodies the action taken at a duly called meeting of the Quartz Valley Indian Community General Council on 12-08, 2007 with a quorum present by a majority of the quorum present and voting.

ATTESTED:

Melissa McCloud — 9/3/08
Melissa McCloud, Vice-Chairperson — Date

Evette Lewis — 9/3/08
Evette Lewis, Secretary — Date

Administration: (530) 468-5907
Fax: (530) 468-5908
13601 Quartz Valley Road, Fort Jones, CA 96032

QUARTZ VALLEY INDIAN RESERVATION

Gaming Ordinance

Ordinance No. _____

Index to Gaming Ordinance

		Pg.
101.	Purpose	2
102.	Definitions	2
103.	Gaming Authorized	4
104.	Ownership of Gaming	4
105.	Use of Gaming Revenue	5
106.	Per Capita Payments	5
107.	Board of Directors	6
108.	Gaming Commission	8
109	Executive Committee	12
110.	Ethics	13
111.	Complimentary Items	14
112.	Audit	15
113.	Dispute Resolution	15
114.	Tribal Internal Control Standards	15
115.	Facility Licenses	16
201.	Licenses for Key Employees and Primary Management Officials	16
202.	License Application Forms	16
203.	License Fees	17
204.	Fingerprints	17
205.	Background Investigations	17
206.	Procedures for Conducting a Background Check on Applicants	18
207.	Eligibility Determination	19
208.	Procedures for Forwarding Applications and Reports of Key Employees and Primary Management Officials to NIGC	19
209.	Report to the NIGC	20
210.	Granting a Gaming License	20
211.	License Suspension	21

GAMING ORDINANCE

Section 101. Purpose

The Tribal Council of the Quartz Valley Indian Reservation, empowered by the Tribe's Constitution to enact ordinances, hereby enacts this ordinance in order to govern Class II and Class III gaming operations on the Tribe's Indian lands.

Section 102. Definitions

Unless a different meaning is clearly indicated in this Ordinance, the terms used herein shall have the same meaning as defined in the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. § 2701 *et seq.*, and its regulations, 25 C.F.R. § 500 *et seq.* Specifically:

(a) **Board of Directors** means the Tribal Gaming Board of Directors, who shall serve as primary management officials in overseeing the General Manager and the day-to-day non-regulatory aspects of the gaming operation.

(b) **Class I gaming** means social games solely for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals as a part of, or in connection with, tribal ceremonies or celebrations.

(c) **Class II gaming** means:

(1) the game of chance commonly known as bingo (whether or not electronic, computer, or other technologic aids are used in connection therewith):

(A) which is played for prizes, including monetary prizes, with cards bearing numbers or other designations,

(B) in which the holder of the card covers such numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined, and

(C) in which the game is won by the first person covering a previously designated arrangement of numbers or designations on such cards, including (if played in the same location) pull-tabs, lotto, punch boards, tip jars, instant bingo, and other games similar to bingo, and

(2) card games that:

(A) are explicitly authorized by the laws of the State, or

(B) are not explicitly prohibited by the laws of the State and are played at any location in the State, but only is such card games are played in conformity with those laws and regulations (if any) of the State regarding hours or periods of operation of such card games or limitations on wagers or pot sizes in such card games.

(3) The term "Class II gaming" does not include:
(A) any banking card games, including baccarat, chemin de fer, or blackjack (21), or
(B) electronic or electromechanical facsimiles of any game of chance or slot machines of any kind.

(d) **Class III gaming** means all forms of gaming that are not class I gaming or Class II gaming.

(e) **Commission** means the Tribal Gaming Commission established to perform regulatory oversight and to monitor compliance with Tribal, Federal, and applicable State regulations.

(f) **Commissioner** means a Tribal Gaming Commissioner.

(g) **Compact** means a Tribal-State Compact concerning Class III gaming approved by the Secretary of the Interior and published in the Federal Register pursuant to 25 U.S.C. § 2710(d).

(h) **Complimentary** shall have the meaning as set forth in 25 C.F.R. §542.2(a).

(i) **Directly related to** means a spouse and/or any dependent child.

(j) **Director** means a Member of the Tribal Gaming Board of Directors.

(k) **Indian lands** means:

(1) all lands within the limits of the Tribe's reservation as of Oct. 17, 1988;

(2) any lands title to which is either held in trust by the United States for the benefit of the Tribe or individual or held by the Tribe or individual subject to restriction by the United States against alienation and over which the Indian Tribe exercises governmental power; and

(3) for all lands acquired into trust for the benefit of an Indian tribe after October 17, 1988, the lands meet the requirements set forth in 25 U.S.C. § 2719.

(l) **Key Employee** means:

(1) A person who performs one or more of the following functions:
(A) Bingo caller;

(B) Counting room supervisor
(C) Chief of security;
(D) Custodian of gaming supplies or cash;
(E) Floor manager;
(F) Pit boss;
(G) Dealer;
(H) Croupier;
(I) Approver of credit; or
(J) Custodian of gambling devices including persons with access to cash and accounting records within such devices;

(2) If not otherwise included, any other person whose total cash compensation is in excess of $50,000 per year; or

(3) If not otherwise included, the four most highly compensated persons in the gaming operation.

(m) **Net Revenues** means gross gaming revenues of an Indian gaming operation less
(1) Amounts paid out as, or paid for, prizes; and
(2) Total gaming-related operating expenses, excluding management fees.

(n) **Primary Management Official** means
(1) The person(s) having management responsibility for a management contract;
(2) Any person who has authority:
(A) To hire and fire employees; or
(B) To set up working policy for the gaming operation; or
(C) The chief financial officer or other person who has financial management responsibility.

(o) **Tribal Council** means the Business Council elected by the General Community Council in accordance with Resolution 98-06.

(p) **Tribe** means the Quartz Valley Indian Reservation.

Section 103. Gaming Authorized

Class II and Class III gaming are hereby authorized, subject to the provisions of Section 115. No Class III gaming is authorized, unless and until the Tribe has entered a Tribal-State Gaming Compact which has been approved and become effective in compliance with the IGRA.

Section 104. Ownership of Gaming

The Tribe shall have the sole proprietary interest in and responsibility for the conduct of any gaming operation authorized by this ordinance.

Section 105. Use of Gaming Revenue

(a) Net revenues from tribal gaming shall be used only for the following purposes:

(1) to fund tribal government operations and programs;

(2) to provide for the general welfare of the Tribe and its members;

(3) to promote tribal economic development;

(4) to donate to charitable organizations; or

(5) to help fund operations of local government agencies.

Section 106. Per Capita Payments

(a) "Per Capita Payment" means the distribution of money or other things of value to all members of the Tribe, or to identified groups of members, which is paid directly from the net revenues of any tribal gaming activity.

(b) If the Tribe elects to make per capita payments to tribal members from revenues derived from its gaming operations, it shall ensure that the following requirements of 25 C.F.R. Part 290 are met:

(1) The Tribe shall authorize and issue such payments only in accordance with a revenue allocation plan submitted to and approved by the Secretary of the Interior under 25 U.S.C. § 2710(b)(3).

(2) The Tribe shall ensure that the interests of minors and other legally incompetent persons who are entitled to receive any per capita payments under a Tribal per capita payment plan are protected and preserved, and that the per capita payments are disbursed to the parents or legal guardian of such minors or legal incompetents in such amounts as may be necessary for the health, education, or welfare or the minor or other legally incompetent person, under a plan approved by the Tribal governing body and the Secretary of the Interior. The Tribe must also establish criteria and a process for withdrawal of funds by the parent or legal guardian.

(3) The Tribal Council shall designate or create a Tribal court system, forum, or administrative process for resolution of disputes concerning the allocation of net gaming revenues and the distribution of per capita payments and will explain how it will correct deficiencies.

(4) The Tribal Council shall ensure that the Tribal revenue allocation plan reserves an adequate portion of net gaming revenues from the tribal gaming activity to do one or more of the following purposes: fund Tribal government operations or programs; provide for the general welfare of the Tribe or its members; promote tribal economic development; donate to charitable organizations; or to help fund operations of local government.

(5) The Tribal Council shall ensure that distributions of per capita payments are made according to specific eligibility requirements.

(6) The Tribal Council shall ensure that Tribal members are notified of the tax liability for per capita payments and how taxes with be withheld.

Section 107. Board of Directors

(a) In addition to the General Manager for the facility, there shall be established a Tribal Gaming Board of Directors which shall serve in a management oversight role over the General Manager and the day-to-day operations of the gaming operation. In the event that the Tribe enters into a management contract approved by the NIGC, the Board may delegate some or all duties to the approved management contractor. The Board of Directors shall oversee all non-regulatory aspects of the gaming operation. Regulation of the gaming operation shall be the sole responsibility of the Tribal Gaming Commission.

(b) The Board of Directors shall consist of three (3) members; a Chairperson, Vice-Chairperson, and Director. Terms of office for members of the Tribal Gaming Board of Directors shall be as follows: the Chairperson shall serve an initial term of one year, with subsequent Chairpersons serving three-year terms. The Vice-Chairperson and other Director(s) shall serve an initial term of two years, with subsequent Vice-Chairpersons and Directors serving three-year terms. The members of the Board shall be subject to the same background requirements as key employees and primary management officials, and must be licensed accordingly. The minimum requirements for appointment as a member of the Board of Directors are as follows:

Two of the following:

- Degree in Business Administration, Accounting, Marketing, or an equivalent field;
- Minimum five (5) years experience in business management;

- Minimum two (2) years experience in casino management; or
- Demonstrated knowledge of federal Indian law, the Indian Gaming Regulatory Act, and related statutes and regulations.

(c) The Board of Directors shall perform the following duties:

(1) Monitor and oversee the day-to-day operations of the gaming facility, whether managed by a tribal employee or by an approved management contractor;

(2) Inspect and examine on a periodic basis all books, records, and papers of the gaming facility;

(3) Set hours of operation for the gaming facility;

(4) Set wager limits;

(5) Develop marketing plans;

(6) Oversee the interview, selection, and training of employees of the gaming operation;

(7) Establish employee policies, rates of pay, and hours of work;

(8) Adopt an annual operating budget, subject to Tribal Council approval;

(9) Enter into contracts on behalf of the gaming facility, subject to Tribal Council approval and NIGC review;

(10) Hold hearings on employee complaints, in compliance with procedures established in the gaming ordinance and other Tribal gaming regulations or personnel policies.

(11) Any other duties necessary to monitor and oversee the gaming operation.

(d) Board of Director positions shall be filled in the following manner:

Through appointment by the Tribal Council.

(e) It is advisable that one member of the Board of Directors be a local business owner with no ties to or financial interest in the gaming operation.

(f) The Tribe recognizes the importance of an independent Tribal Gaming Board of Directors in maintaining a well-managed gaming operation. To avoid potential conflicts of interest between the operation and regulation of the gaming facility, the Tribe hereby finds that, at a minimum:

(1) No member of the Tribal Council or Tribal Gaming Commission may serve on the Board of Directors;

(2) No person directly related to or living with any Tribal Council member or Tribal Gaming Commissioner may serve on the Board of Directors;

(3) Members of the Board of Directors are prohibited from gambling in the facility; and

(4) Members of the Board of Directors are prohibited from accepting complimentary items from the gaming operation.

(g) Members of the Board of Directors may be removed from office by the Tribal Council prior to the expiration of their respective terms for neglect of duty, misconduct, malfeasance, or other acts that would render the Director unqualified for his/her position. When the Tribal Council believes that a removal is appropriate, it shall so notify the Director(s) and hold a hearing on the matter. The Tribal Council may opt to preliminarily remove the Director pending the hearing. At the hearing the Director may provide evidence rebutting the grounds for his/her removal. A vote of the Tribal Council on the validity of the preliminary removal shall be final and not subject to further appeal. A finding by the Tribal Council that the preliminary removal was wrongful shall entitle the affected Director to compensation for expenses incurred in appealing the wrongful removal, and shall entitle the Director to any pay withheld.

(h) Members of the Tribal Gaming Board of Directors shall be compensated at a level determined by the Tribal Council.

Section 108. Gaming Commission

(a) The Tribe hereby establishes a Tribal Gaming Commission whose duty it is to regulate tribal gaming operations. The Tribal Gaming Commission shall consist of 5 members. There shall be among them a Chairperson, Vice-Chairperson, and at least one additional Commissioner.

(b) The purpose of the Tribal Gaming Commission is regulatory, not managerial. The Commission will conduct oversight to ensure compliance with Tribal, Federal, and, if applicable, State laws and regulations. The Commission will serve as the licensing authority for individuals employed in the gaming operation and will administer background investigations as part of the licensing process. The Commission will also have a role in monitoring compliance with the internal controls for the gaming operation and in tracking revenues. In order to carry out its regulatory duties, the Commission shall have unrestricted access to all areas of the gaming operation and to all records. The Commission shall have authority to take enforcement actions, including suspension or revocation of an individual gaming license when appropriate.

(c) The Tribe recognizes the importance of an independent Tribal Gaming Commission in maintaining a well-regulated gaming operation. The Commission

shall be and act independently and autonomously from the Tribal Council in all matters within its purview. No prior or subsequent review by the Tribal Council of any actions of the Commission shall be required or permitted except as otherwise explicitly provided in this Ordinance. To avoid potential conflicts of interest between the operation and regulation of the gaming facility, the Tribe hereby finds that, at a minimum:

(1) No member of the Tribal Council or Tribal Gaming Board of Directors may serve on the Gaming Commission;

(2) No member directly related to or living with any Tribal Council member or Tribal Gaming Board of Directors member may serve on the Gaming Commission;

(3) Members of the Gaming Commission are prohibited from gambling in the facility; and

(4) Members of the Gaming Commission are prohibited from accepting complimentary items from the gaming operation, excepting food and beverages valued at under five dollars.

(d) Tribal Gaming Commissioner positions shall be filled in the following manner:

Through appointment by the Tribal Council.

(e) Nominees for positions of Tribal Gaming Commissioner must satisfy the suitability standards set forth for key employees and primary management officials, found in Sections 201 *et seq.* of this Ordinance. Such background investigations shall be performed under the direction of the Tribal Gaming Commission, its agent, or such law enforcement agency or private investigator duly designated by the Tribal Gaming Commission.

(f) The Tribal Gaming Commission shall:

(1) Conduct or cause background investigations to be conducted on, at a minimum, primary management officials and key employees;

(2) Review and approve all investigative work conducted;

(3) Report results of background investigations to the NIGC;

(4) Obtain and process fingerprints, or designate a law enforcement agency to obtain and process fingerprints;

(5) Make licensing suitability determinations, which shall be signed by the Chairman of the Gaming Commission;

(6) Issue gaming licenses to management officials and employees of the operation, consistent with the suitability determination;

(7) Establish standards for licensing Tribal gaming operations;

(8) Issue facility gaming licenses to Tribal gaming operations;

(9) Inspect, examine and monitor all gaming activities, and have immediate access to review, inspect, examine, photocopy and audit all records of the gaming establishment;

(10) Ensure compliance with all Tribal, State, and Federal laws, rules, and regulations regarding Indian gaming;

(11) Investigate any suspicion of wrongdoing associated with any gaming activities;

(12) Hold hearings on patron complaints, in compliance with procedures established in the gaming ordinance and other Tribal gaming regulations;

(13) Comply with any and all reporting requirements under the IGRA, Tribal-State compact to which the Tribe is a party, and any other applicable law;

(14) Promulgate and issue regulations necessary to comply with applicable internal control standards;

(15) Promulgate and issue regulations on the levying of fees and/or taxes associated with gaming license applications;

(16) Promulgate and issue regulations on the levying of fines and/or suspension or revocation of gaming licenses for violations of the gaming ordinance, or any other Tribal, Federal, or State, if applicable, gaming regulations;

(17) Establish a list of persons not allowed to game in Tribal gaming facilities in order to maintain the integrity of the gaming;

(18) Establish a list of persons who have voluntarily asked to be excluded from Tribal gaming facility and create regulations for enforcing this exclusion;

(19) Provide referrals and information to the appropriate law enforcement officials when such information indicates a violation of Tribal, Federal, or State statutes, ordinances, or resolutions;

(20) Create a list of regulatory authorities that conduct vendor background investigations and licensing which the Commission recognizes as trustworthy;

(21) Draft regulations exempting vendors from the licensing and/or background investigation requirements if they have received a license from a recognized regulatory authority;

(22) Perform such other duties the Commission deems appropriate for the proper regulation of the Tribal gaming operation;

(23) Promulgate such regulations and guidelines as it deems appropriate to implement the provisions of this Ordinance.

(g) The Gaming Commission shall ensure that all records and information obtained as a result of an employee background investigation shall remain confidential and shall not be disclosed to persons who are not directly involved in the licensing and employment processes. Information obtained during the course of an employee background investigation shall be disclosed to members of management, human resource personnel or others employed by the tribal gaming operation on a need-to-know basis for actions taken in their official capacities.

This Section does not apply to requests for such information or records from any Tribal, Federal or State law enforcement or regulatory agency, or for the use of such information or records by the Commission and staff in the performance of their official duties.

(h) Terms of Office for Tribal Gaming Commissioners shall be as follows: the Chair shall serve an initial term of one year, with subsequent Chairs serving three-year terms. The Vice-Chair and Commissioner(s) shall serve an initial term of two years, with subsequent Vice-Chairs and Commissioners serving three-year terms.

(i) The following persons are not eligible to serve as Tribal Gaming Commissioners: Tribal Council members, while serving as such; employees of the gaming operation, while serving as such; gaming contractors (including any principal of a management or other contracting company); persons directly related to or living with any of the above; persons ineligible to be key employees or primary management officials. Non-tribal members previously convicted of a felony, of embezzlement, of theft, or of any other money-related crime or honesty-related crime (such as fraud) cannot serve as Tribal Gaming Commissioners. Tribal members previously convicted of a felony, of embezzlement, of theft, or of any other money-related crime or honesty-related crime (such as fraud) will only be allowed to serve as Tribal Gaming Commissioners if the Tribal Council specifically finds a significant amount of time has passed and that the person is now of trustworthy character. The Tribal Council shall require a criminal history check with appropriate law enforcement agencies and shall review this criminal history report and make an appropriate suitability determination before appointing an individual to a position as a Tribal Gaming Commissioner.

(j) The independence of the Tribal Gaming Commission is essential to a well-regulated gaming operation. For that reason, Commissioners may only be

removed from office by the Tribal Council prior to the expiration of their respective terms for neglect of duty, misconduct, malfeasance, or other acts that would render a commissioner unqualified for his/her position. Any allegations of neglect of duty, misconduct, malfeasance, or other acts that would render him or her unqualified for his/her position must be substantiated by a preponderance of the evidence. Commissioners will be given an opportunity to provide evidence rebutting the grounds for their proposed removal before the removal is considered. A vote of the Tribal Council on the validity of the removal shall be final and not subject to further appeal. A wrongful removal shall entitle the affected Commissioner to compensation for expenses incurred in an appeal and any pay withheld.

(k) A majority of the Commission shall constitute a quorum. The concurrence of a majority of the members appointed to the Commission shall be required for any final determination by the Commission. The Commission may act in its official capacity even if there are vacancies on the Commission.

(l) Tribal Gaming Commissioners shall be compensated at a level determined by the Tribal Council. Commissioner compensation shall not be based on a percentage of gaming revenue to ensure the Commission is not improperly influenced.

(m) The Commission shall keep a written record of all its meetings.

Section 109. Executive Committee

(a) The Tribal Council may, from time to time, form an Executive Committee to act on its behalf on specified gaming issues or matters. The formation of such a committee would be appropriate in circumstances where prompt and decisive action is necessary, unencumbered by the usual procedures for Tribal Council action. If formed, an Executive Committee would have authority to bind the Tribal Council and the Tribe on those matters for which it is authorized. The Executive Committee serves at the pleasure of the Tribal Council, and must act in the best interests of the Tribe.

(b) An Executive Committee must have at least three (3), and no more than five (5), members. The Executive Committee shall consist of a Chairperson, Vice-Chairperson and Director(s). Members shall be appointed by the Tribal Council and shall be elected to offices by a majority of the committee members.

(c) Members of the Executive Committee must be Tribal Members. They may be, but need not be, members of the Tribal Council, Board of Directors or Gaming Commission. The members of the Executive Committee shall be subject to the same background requirements as key employees and primary management officials, and must be licensed accordingly.

(d) Members of the Executive Committee may be compensated at a level determined by the Tribal Council. Executive Committee members who are contemporaneously serving on the Tribal Council, Board of Directors or Gaming Commission while serving on the Executive Committee may not receive compensation for their committee work if they are already receiving compensation for that same work from the other entity.

(e) Executive Committee action must be made upon a majority vote of a quorum of committee members. Quorum requires a minimum of 50% of the Committee in attendance at a duly noticed meeting. Procedures for holding regular and special meetings, and giving notice thereof, shall be adopted in writing by the Executive Committee. The Committee shall keep a written record of all of its meetings.

(f) An Executive Committee would be appropriate during the initial development of a gaming facility in order to provide for prompt, decisive and authoritative action in dealings with investors, vendors, contractors, and local, State and Federal government agencies. An Executive Committee would not be appropriate to oversee, monitor, audit or otherwise supervise the activities of the Gaming Board of Directors or the Gaming Commission, or any of its members.

(f) Upon the expiration of the term designated by the Tribal Council at the inception of the Executive Committee, or upon completion of the project, assignment or matter for which the Committee was formed, the Executive Committee shall automatically terminate and have no further binding authority, unless the Tribal Council designates otherwise.

Section 110. Ethics

(a) The Tribe recognizes that the duties of the Gaming Board of Directors, Tribal Gaming Commission, and any Executive Committee include making important decisions on highly sensitive issues. As such, the Tribe has determined that members of the Board of Directors, Gaming Commission and the Executive Committee shall be held to extremely high ethical standards. Prior to taking their positions on the Board, Commission, or Committee, the Members shall agree to be bound by the following principles:

(1) Members shall not hold financial interests that conflict with the conscientious performance of their duties as managers and regulators.

(a) Per Capita distributions are not considered financial interests that would conflict with the conscientious performance of duty by a manager or regulator.

(2) Members shall not engage in financial transactions using nonpublic information or allow the improper use of such information by others on their behalf to further any private interest.

(3) Members shall not solicit or accept any gift or other item of monetary value, including complimentary items or services, (see Section 111, below), from any person or entity seeking official action or inaction from, doing business with, or conducting activities regulated by the member's organization, or whose interests may be substantially affected by the performance or nonperformance of the Members' duties.

(4) Members shall make no unauthorized commitments or promises of any kind purporting to bind the Tribe.

(5) Members shall not use their positions for private gain.

(6) Members shall act impartially, in accordance with all relevant Tribal, Federal, and State laws (where applicable), and shall not give preferential treatment to any private organization or individual, including to any persons related to Members.

(7) Members shall ensure that Tribal property and gaming assets shall be properly segregated and safeguarded, and that such property and assets shall not be used for unauthorized activities.

(8) Members shall not engage in outside employment or activities, including seeking or negotiating for future employment, which conflict with their official duties and responsibilities.

(9) Members shall disclose waste, fraud, abuse, and corruption to appropriate authorities.

(10) Members shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards listed herein.

(11) Members shall disclose any real or apparent financial or personal conflicts. If there is a real conflict or the appearance of one, the member shall not take part in any decision related to the conflict.

Section 111. Complimentary Items

(a) The use of complimentary items shall be governed by regulations established by the Tribal Gaming Commission.

(b) No Key Employee, Primary Management Official, Tribal Council member, member of the Gaming Board of Directors, Tribal Gaming Commission, Executive Committee, or any person directly related to or living with the persons, shall be authorized to receive complimentary items other than food and

beverages valued at under five dollars, or, if at a public event held at the gaming facility, the free food and beverages offered to the general public.

(c) Complimentary items shall be included in the annual budget for the gaming operation, with maximum limits specified, and shall be subject to approval by the Tribal Council.

Section 112. Audit

(a) The Tribe shall cause an annual outside independent audit of gaming operations to be conducted, and shall submit the resulting audit reports to the National Indian Gaming Commission.

(b) All gaming related contracts that result in the purchase of supplies, services, or concessions in excess of $25,000.00 annually, except contracts for professional legal and accounting services, shall be specifically included within the scope of the audit that is described in subsection (a) above.

Section 113. Patron Dispute Resolution

Patrons who have complaints against the gaming establishment shall have as their sole remedy the right to file a petition for relief with the Tribal Gaming Commission. Complaints shall be submitted in writing, and at the discretion of the Commission, the petitioner may be allowed to present evidence. The Gaming Commission shall hold a hearing within 30 days of receipt of petitioner's complaint. Petitioner may have counsel present at such hearing. The Commission shall render a decision in a timely fashion and all such decisions will be final when issued. Any patron complaint must be submitted to the Commission within thirty (30) days of the incident giving rise to the complaint. All claims by patrons shall be limited to a maximum recovery of **$5,000** per occurrence, and a cumulative limit of **$10,000** per patron in any twelve (12) month period, except disputes relating to a patron's entitlement to a game prize, which shall be limited to the amount of such prize. If the Commission finds exceptional circumstances justify an award greater than the limits set herein, the Commission may agree to waive the limitations, but any such award may not exceed available insurance for the claim. The Commission's decision shall constitute the complainant's final remedy.

Section 114. Tribal Internal Control Standards

The Tribe shall adopt and implement Internal Control Standards (ICS) for the operation of its Tribal gaming operation in accordance with applicable law. The Tribe's ICS shall be set out in separate regulations to be reviewed and approved by the Tribal Council.

Section 115. Facility Licenses

The Tribal Gaming Commission shall issue a separate license to each place, facility, or location on Indian lands where class II or Class III gaming is conducted under this ordinance. No facility shall be licensed or used by the Tribe, unless the facility has been constructed and is maintained and operated in a manner that adequately protects the environment and the public health and safety. No gaming facility shall be licensed by the Commission or operated on the Tribe's Indian lands in which Class III gaming is conducted, unless the Tribe has a Class III gaming compact with the State which has been approved and has become effective in accordance with the IGRA or the Secretary has prescribed procedures for the conduct of Class III gaming by the Tribe.

Section 201. Licenses for Key Employees and Primary Management Officials

The Tribe shall ensure that the policies and procedures set out in this section are implemented with respect to key employees and primary management officials employed at any gaming enterprise operated on Indian lands. The Tribe will issue licenses and perform background investigations according to requirements at least as stringent as 25 C.F.R. Parts 556 and 558.

Section 202. License Application Forms

(a) The following notice shall be placed on the application form for a key employee or a primary management official:

> In compliance with the Privacy Act of 1974, the following information is provided: Solicitation of the information on this form is authorized by 25 U.S.C. 2701 et seq. The purpose of the requested information is to determine the eligibility of individuals to be employed in a gaming operation. The information will be used by the Tribe and the National Indian Gaming Commission members and staff who have need for the information in the performance of their official duties. The information may be disclosed to appropriate Federal, Tribal, State, local, or foreign law enforcement and regulatory agencies when relevant to civil, criminal or regulatory investigations or prosecutions or when necessary pursuant to a requirement by a Tribe or the National Indian Gaming Commission in connection with the hiring or firing of an employee, the issuance or revocation of a gaming license, or investigation of activities while associated with a Tribe or a gaming operation. Failure to consent to the disclosures indicated in this notice will result in a Tribe being unable to hire you in a primary management official or key employee position.

The disclosure of your Social Security Number (SSN) is voluntary. However, failure to supply a SSN may result in errors in processing your application.

(b) The following additional notice shall be placed on the application form for a key employee or a primary official:

A false statement on any part of your application may be grounds for not hiring you, or for firing you after you begin work. Also, you may be punished by fine or imprisonment. (U.S. Code, Title 18, section 1001)

(c) The Commission shall notify in writing existing key employees and primary management officials who have not completed an application containing the notices set forth above that they shall either:

(1) Complete a new application form that contains both the Privacy Act and false statement notices; or

(2) Sign a statement that contains the Privacy Act and false statement notices and consent to the routine uses described in that notice.

Section 203. License Fees

The Tribe may charge a license fee, to be set by the Tribal Gaming Commission, to cover its expenses in investigating and licensing Key Employees and Primary Management Officials of the gaming operation.

Section 204. Fingerprints

Each applicant for a Key Employee or Primary Management Official shall be required to have fingerprints taken as part of the license application procedure. Fingerprints shall be taken by the Tribal Gaming Commission or its agent. Fingerprints will then be forwarded to the NIGC for processing through the FBI and NCIC to determine the applicant's criminal history, if any.

Section 205. Background Investigations

(a) The Tribal Gaming Commission is responsible for conducting background investigations and suitability determinations.

(b) The Tribal Gaming Commission shall request from each primary management official and from each key employee all of the following information:

(1) Full name, other names used (oral or written), social security number(s), birth date, place of birth, citizenship, gender, all languages (spoken or written);

(2) Currently and for the previous 5 years: business and employment positions held, ownership interests in those businesses, business and residence addresses, and driver's license numbers;

(3) The names and current addresses of at least three personal references, including one personal reference who was acquainted with the applicant during each period of residence listed under paragraph (b)(2) of this section;

(4) Current business and residence telephone numbers;

(5) A description of any existing and previous business relationships with Indian Tribes, including ownership interests in those businesses;

(6) A description of any existing and previous business relationships with the gaming industry generally, including ownership interests in those businesses;

(7) The name and address of any licensing or regulatory agency with which the person has filed an application for a license or permit related to gaming, whether or not such license or permit was granted;

(8) For each felony for which there was an ongoing prosecution or a conviction, the charge, the name and address of the court involved, and the date and disposition, if any;

(9) For each misdemeanor conviction or ongoing misdemeanor prosecution (excluding minor traffic violations), within 10 years of the date of the application, the name and address of the court involved and the date and disposition;

(10) For each criminal charge (excluding minor traffic charges), whether or not there is a conviction, if such criminal charge is within 10 years of the date of the application and is not otherwise listed pursuant to paragraph (b)(8) or (b)(9) of this section, the criminal charge, the name and address of the court involved and the date and disposition;

(11) The name and address of any licensing or regulatory agency with which the person has filed an application for an occupational license or permit, whether or not such license or permit was granted;

(12) A photograph taken within the last year; and

(13) Any other information the Tribe deems relevant.

Section 206. Procedures for Conducting a Background Check on Applicants

(a) As part of its review procedure, the Commission or its agent shall employ or engage a private investigator to conduct a background investigation on each applicant sufficient to allow the Gaming Commission to make an eligibility determination under subsection G below. The investigator shall:

(1) Verify the applicant's identity through items such as a social security card, driver's license, birth certificate, or passport;

(2) Contact each personal and business reference provided in the License Application, when possible;

(3) Obtain a personal credit check;

(4) Conduct a civil history check;
(5) Conduct a criminal history check via the submission of the applicant's fingerprints to the NIGC, and further obtain information from the appropriate court regarding past felony and/or misdemeanor convictions and criminal charges within the last ten years;
(6) Inquire into any previous or existing business relationships with the gaming industry and Indian tribes by contacting the entities or tribes;
(7) Verify the applicant's history and status with any licensing agency by contacting the agency; and
(8) Take other appropriate steps to verify the accuracy of the information, focusing on problem areas noted.

(b) The investigator shall create an investigative report noting the steps taken, information gained, potential problem areas, and disqualifying information.

(c) The Gaming Commission and its investigator shall promise to keep confidential the identity of each person interviewed in the course of the investigation, other than disclosure as required under Federal, Tribal, or State law.

(d) To obtain summary criminal history information from the State of California, Department of Justice, it is hereby confirmed that Article 6 (commencing with section 11140) of Chapter 1 of Title 1 of Part 4 of the California Penal Code shall apply to all members, investigators and staff of the Tribal Gaming Commission.

Section 207. Eligibility Determination

The Tribal Gaming Commission shall review a person's prior activities, criminal record, if any, and reputation, habits and associations to make a finding concerning the eligibility of a key employee or primary management official for employment in a gaming operation. If the Tribal Gaming Commission determines that employment of the person poses a threat to the public interest or to the effective regulation of gaming, or creates or enhances dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming, a tribal gaming operation shall not employ that person in a key employee or primary management official position.

Section 208. Procedures for Forwarding Applications and Reports for Key Employees and Primary Management Officials to the National Indian Gaming Commission

(a) When a key employee or primary management official is employed to work at a gaming operation authorized by this ordinance, the Commission shall forward to the National Indian Gaming Commission a completed application for employment and conduct the background investigation and make the determination referred to in subsection D of this section.

(b) The gaming operation shall not employ as a key employee or primary management official a person who does not have a license after 90 days.

Section 209. Report to the National Indian Gaming Commission

(a) The Tribal Gaming Commission shall prepare and forward a report on each background investigation to the National Indian Gaming Commission. An investigative report shall include all of the following:

(1) Steps taken in conducting a background investigation;
(2) Results obtained;
(3) Conclusions reached; and
(4) The bases for those conclusions.

(b) The Commission shall forward the completed investigative report to the National Indian Gaming Commission within 60 days after an employee begins work or within 60 days of the approval of this ordinance by the Chairman of the National Indian Gaming Commission.

(c) The Commission shall submit, with the investigative report, a copy of the eligibility determination, unless the NIGC shall have advised the Tribe that the submission of the eligibility determination is not necessary. This determination shall include a Statement describing how the information submitted by the applicant was verified; a Statement of results following an inquiry into the applicant's prior activities, criminal record, if any, and reputation, habits and associations; a Statement showing the results of interviews of a sufficient number of knowledgeable people (such as former employers, personal references, and others referred to by the applicant) in order to provide a basis for the Tribal Gaming Commission to make a finding concerning the eligibility for licensing required for employment in a gaming operation; and a Statement documenting the disposition of all potential problem areas noted and disqualifying information obtained.

(d) If a license is not issued to an applicant, the Tribal Gaming Commission:

(1) Shall notify the NIGC; and
(2) Shall forward copies of its eligibility determination and investigative report (if any) to the NIGC for inclusion in the Indian Gaming Individuals Records System.

(e) With respect to all employees, and in particular key employees and primary management officials, the Tribal Gaming Commission shall retain applications for employment and reports (if any) of background investigations for inspection by the Chairman of the NIGC or his or her designee for no less than three (3) years from the date of termination of employment.

Section 210. Granting a Gaming License

(a) If, within a thirty (30) day period after the National Indian Gaming Commission receives a report, the National Indian Gaming Commission notifies the Tribe that it has no objection to the issuance of a license pursuant to a license application filed by a key employee or a primary management official for whom the Tribe has provided an application and investigative report to the National Indian Gaming Commission, the Tribal Gaming Commission, acting for the Tribe, may issue a license to such applicant.

(b) The Tribal Gaming Commission shall respond to a request for additional information from the Chairman of the National Indian Gaming Commission concerning a key employee or a primary management official who is the subject of a report. Such a request shall suspend the 30-day period under paragraph (a) of this section until the Chairman of the National Indian Gaming Commission receives the additional information.

(c) If, within the thirty (30) day period described above, the National Indian Gaming Commission provides the Tribe with a Statement itemizing objections to the issuance of a license to a key employee or to a primary management official for whom the Tribal Gaming Commission has provided an application and investigative report to the National Indian Gaming Commission, the Tribe shall reconsider the application, taking into account the objections itemized by the National Indian Gaming Commission. The Tribe shall make the final decision whether to issue a license to such applicant.

Section 211. License Suspension

(a) If, after the issuance of a gaming license, the Tribal Gaming Commission receives from the National Indian Gaming Commission reliable information indicating that a key employee or a primary management official is not eligible for employment, the Tribal Gaming Commission shall suspend such license and shall notify in writing the licensee of the suspension and the proposed revocation.

(b) The Tribal Gaming Commission shall notify the licensee of a time and a place for a hearing on the proposed revocation of a license.

(c) After a revocation hearing, the Tribal Gaming Commission shall decide to revoke or to reinstate a gaming license. The Commission shall notify the NIGC of its decision.

C*E*R*T*F*I*C*A*T*I*O*N

The foregoing ordinance adopted by a vote of 11 for, 0 against and 1 abstentions, at a duly called meeting of the Quartz Valley India Reservation at which a quorum was present on the 8th day of December, 2007.

SIGNED:

Harold Bennett, Chairman or Tribal Official
Quartz Valley Indian Reservation

Date

ATTEST:

Secretary
Quartz Valley Indian Reservation

Date