APR 17 2003

Dale A. Miller
Tribal Chairman
Elk Valley Rancheria
P.O. Box 65
Crescent City, CA 95531

Dear Chairman Miller:

This letter responds to your submission of the revised Tribal Code Gaming Regulations that was approved by the Tribal Council on January 22, 2003, amending the Gaming Commission ordinance to state that the Gaming Commission will be comprised of three commissioners. This letter constitutes an approval of the amended regulations.

The NIGC staff and I look forward to working with you and the Elk Valley Rancheria on future gaming issues.

Sincerely yours,

Philip N. Hogen
Chairman

ELK VALLEY RANCHERIA
DEL NORTE COUNTY, CALIFORNIA
TRIBAL CODE OF GAMING REGULATIONS

Revised by
Elk Valley Gaming Commission
January 23, 2003

ELK VALLEY RANCHERIA
DEL NORTE COUNTY, CALIFORNIA
TRIBAL CODE OF GAMING REGULATIONS

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ELK VALLEY RANCHERIA
DEL NORTE COUNTY, CALIFORNIA
TRIBAL CODE OF GAMING REGULATIONS

This Tribal Code of Gaming Regulations is revised and re-enacted pursuant to authority granted the Gaming Commission pursuant to Section IX of Ordinance No. 95-04, enacted January 12, 1995, regulating Tribal Gaming on Tribal lands.

1. DEFINITIONS

Section 1.01 – Definitions.
Unless a different meaning is clearly indicated, the terms used in this Code shall have the same meaning as defined in the Indian Gaming Regulatory Act, Public Law 100-497, 25 U.S.C. Section 2710, et seq. (the "Act").

Section 1.02 – Calendar Year.
The period beginning January 1 at 12:00:01 and ending the immediately following December 31 at 12:00 midnight.

Section 1.03 – Chairman.
The Chairman of the Elk Valley Rancheria (hereinafter "Elk Valley Rancheria") Gaming Commission.

Section 1.04 – Class I Gaming.
Playing of social games solely for prizes of minimal value or traditional forms of Indian Gaming engaged in by individuals as part of or in connection with Tribal ceremonies or celebrations.

Section 1.05 – Class II Gaming.
Subject to the limitations of (d), below, Class II Gaming includes the playing or operation of:

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

(i) Which is played for prizes, including monetary prizes, with cards bearing numbers or other designations;

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

(iii) 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; OR

(b) Card games that are;

(i) Explicitly authorized by laws of the State of California; or

(ii) Are not explicitly prohibited by the laws of the Sate of California and are played at any location in the State of California, but only such card games.

(c) Other games classified as Class II by the State of California or the federal government.

(d) The term Class II Gaming does not include:

(i) Any card games banked by the house, including Baccarat, Chemin de Fer, Blackjack (21); or

(ii) Electronic or electromechanical facsimiles of any game of chance or slot machines of any kind.

Section 1.06 – Class III Gaming.
Class III Gaming includes all forms of gambling that are not Class I or Class II Gaming.

Section 1.07 – Commission.
The Elk Valley Rancheria Gaming Commission.

Section 1.08 – Commissioner or Commission Member.
One of the members of the Elk Valley Rancheria Gaming Commission.

Section 1.09 – Tribal Council.
The Elk Valley Rancheria Tribal Council.

Section 1.10 – Gaming or Gaming Activity.
The dealing in, operation of, or maintenance of any game played with: Cards, dice, equipment of any mechanical, electromechanical or electronic device or machine for money, property, checks, credit or any representative of value, including, without limiting the generality of the foregoing, Faro, Monte, Roulette, Keno, Bingo Fan-Tan, Bingo, Twenty-one (Blackjack), Seven-and-a-Half, Big Injun, Klondike, Craps, Poker, Chuck-a-Luck, Chinese Chuck-a-Luck (Dai-shu), Wheel of Fortune, Chemin de Far, Baccarat, Pai-Gow, Beat the Banker, Panguingue, slot Machine, Video Poker Machines, Pull-tabs, any banking or percentage game, or any other game or device approved by the Commission. The term does not include games played with cards in private homes or residences in which no Person makes or charges money for operating the game, except as a player.

Section 1.11 – Gaming Equipment or Gaming Device.
Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming or any game which affects the result of a wager by determining win or loss. The term includes a system for processing information that may alter the normal criteria of random selection, which affects the operation of any game, or which determines the outcome of a game.

Section 1.12 – Gaming Facility or Gaming Premises.
Any premises where Gaming, other than Class I Gaming, is operated or conducted, including all buildings, improvements, equipment and facilities used or maintained in connection with such Gaming.

Section 1.13 – Gross Revenue.
The total monetary value that would be due to any operator of a Gaming Activity for chances taken, for all table fees for card playing, and all other fees charged for participation or admittance, as evidenced by required records. The value shall be stated in U.S. currency, before any deductions or allowances for prizes, payout of winnings, cost of operations, taxes, labor expenses, equipment or material used, or any other expenses. In the absence of records, Gross Revenue shall be the maximum that would be due to an operator from that particular activity if operated at a maximum capacity.

Section 1.14 – Key Employee.

(a) A person who performs one or more of the following functions:
- (1) Bingo caller;
- (2) Counting room supervisor;
- (3) Chief of security;
- (4) Custodian of gaming supplies or cash;
- (5) Floor manager;
- (6) Pit boss;
- (7) Dealer;
- (8) Croupier;
- (9) Approver of credit; or
- (10) Custodian of gambling devices; including persons with access to cash and accounting records within such devices;

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

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

Section 1.15 – Licensee.
Any Person who has been issued a valid and current Gaming license pursuant to the provisions of this Code.

Section 1.16 – Net Revenues.
Gross Revenues of a Gaming Activity less amounts paid out as a paid for prizes, winning and total Operating Expenses, but excluding Management Fees.

Section 1.17 – Management Contract or Contract.
Any contract, agreement or other document establishing a relationship between the Tribal government and any Person in which such a Person has managerial responsibilities for a Tribal-owned Class II or III Gaming Activity. The term Management Contract shall include all collateral agreements, but does not include an employment contract between the tribe and any natural person.

Section 1.18 – Management Fee.
Any monies paid form Gaming revenue to any Person contracted and/or licensed to operate a Gaming Activity. Such term shall not include monies paid to the owner of a Gaming Activity licensed pursuant to Section 4.03 of the Code or to salaries paid to employees.

Section 1.19 – Operating Expenses.
Any expense incurred in the daily operation of a Gaming Activity that is specifically designated as an operating expense incurred in the Management Contract; provided that in the case of an establishment licensed by the Tribe pursuant to Chapter III of the Code, the term shall also mean any expense specifically designated as an operating expense in any regulation adopted by the Commission.

Section 1.20 – Patron.
Any person or group of persons who participates as players in games as defined in the Code on tribal lands, or who are physically present at Gaming Facilities.

Section 1.21 – Person.
Any association, partnership, corporation, firm, trust or other form of business association as well as a natural person.

Section 1.22 – Primary Management Official.

(a) The person having management responsibility for any management contract;

(b) Any person who has authority:

(1) To hire and fire employees; or
(2) To set up working policy for the gaming operation; or

(c) The chief financial officer or other person who has financial management responsibility.

Section 1.23 – Regulations.
The regulations of the Commission under the Code.

Section 1.24 – Reservation.

(a) The area of approximately 107 acres lying within the survey boundaries of the Elk Valley Rancheria in Del Norte County, California.

(b) Any additional lands acquired by the Elk Valley Rancheria or individual members of the Tribe, to be put in trust pursuant to Public Law 101-42, but not yet surveyed; and

(c) Any other land designated as reservation land for the Elk Valley Rancheria by the Secretary of the Department of Interior.

Section 1.25 – Tribal/State Compact or Compact.
A written document, either negotiated an agreed to by the Elk Valley Rancheria and an official or agency of the State of California or prescribed by the Secretary pursuant to 25 U.S.C. 2710(7)(B)(vii), governing the conduct of Class III Gaming Activity on the Reservation or other tribal lands.

Section 1.26 – Tribe.
The Elk Valley Rancheria, a federally recognized Tribe.

Section 1.27 – Words and Terms.
In construing the provisions of the Code, except when otherwise plainly declared or clearly apparent form the context:

(a) Words in the present tense shall include the future tense;

(b) Words in the masculine, feminine and neuter genders shall include all genders; and

(c) Words in the singular shall include the plural, and in the plural shall include the singular.

II. AMINISTRATION AND ENFORCEMENT

Section 2.01 – Unauthorized Gaming.
Any Indian who commits any act of unauthorized Gaming on the Reservation or on Tribal lands shall be guilty of a crime and shall be prosecuted in the Elk Valley Rancheria Tribal Court. Pending establishment of a Tribal Court, the Tribal Council may exercise the jurisdiction of the Tribal Court as established in these regulations.

Prosecution for such a crime in Elk Valley Rancheria Tribal Court is not meant to be exclusive. A finding of guilt or innocence shall not deprive the Federal Government of criminal jurisdiction.

Section 2.02 – Ownership: Revenues to Benefit the Tribe.
The Tribe shall have sole proprietary interest in and the sole responsibility for the conduct of all Gaming Activity conducted on tribal lands. Such provision does not limit the Tribe's ability to enter into a Management Contract wherein Net Revenues are divided between the Tribe and other parties to the Contract. A Gaming Activity shall be operated so as to produce the maximum amount of Net Revenues

to the Tribe. Net Revenues will go entirely to the Tribe and will be used solely for the following purposes:

(a) To fund Tribal government operation or programs:

(b) To provide for the general welfare of the Tribe and its members;

(c) To promote Tribal economic development;

(d) To donate to charitable organizations; or

(e) To help fund operations of local government agencies.

Net Revenues from the Gaming Activity may be used to make per capita payments to members of the Tribe upon the preparation of a plan to allocate revenues to the above uses and approval of this plan by the Secretary of the Interior. Pursuant to 25 U.S.C. Section 2710 (b).

Section 2.03 – Establishment of Commission.
The Elk Valley Indian Gaming Commission is hereby established. The Commission shall consist of three (3) Members appointed by a majority vote of the Tribal Council. At least two (2) Members of the Commission shall be Elk Valley Rancheria Tribal members. All three (3) members of the Commission shall be full-time employees and will serve at the discretion of the Tribal Council. The Chairperson and the Vice-Chairperson shall be Elk Valley Rancheria Tribal members and may alternate holding the Chairperson duties effective January 1st of each calendar year, or any other date that may be deemed appropriate by the Commission. The Tribal Council shall fill vacancies on the Commission within 30 days of a vacancy.

Section 2.04 – Restrictions on Commissioners.
Commissioners may hold other Tribal positions and engage in business, provided that they shall **not** engage in any business, which is subject to the provisions of the Gaming Code. Commissioners may not gamble in the Gaming Activity nor have any personal financial interest in any gambling by any Person. A Commissioner shall immediately resign from the Commission upon the Commissioner's conviction in a Federal or State Court of competent jurisdiction for any felony or for any misdemeanor related to illegal gambling or bribery or upon conviction in the Tribal Court of any charge that the Tribal Council finds relates to the Commissioner's honesty or ability to fulfill his duties. If a Commissioner is convicted of violating any part of the Code, he shall immediately resign from the Commission.

Section 2.05 – Code of Ethics.
The Commission may adopt and revise from time to time a Code of Ethics regulating the conduct of the Commissioners and Commission Staff.

Section 2.06 – Compensation of Commissioner.
Commissioners shall be compensated at the rate to be established by the Commission and approved by the Tribal Council. Commissioners shall be placed on the GS Pay Scale as set by the Federal Office of Personnel Management (OPM) and shall be eligible for cost of living increases and annual step increases as set forth by the OPM. Commissioners shall submit personal expense receipts to the Tribal Council and

shall be reimbursed for actual expenses incurred on Commission business, including necessary travel expenses. Commissioners shall be eligible for fringe benefits similar to those as established for Executive Management employees of the Elk Valley Rancheria, including but not limited to health insurance, dental insurance, vision insurance, life insurance, retirement program(s) and other similar benefits.

Section 2.07 – Selection of Chairperson.
Except for the first Chairperson, who shall be appointed by the Tribal Council, the Chairperson position and Vice-Chairperson positions may alternate each calendar year between the two members of the Commission who are Elk Valley Rancheria Tribal members, with the change being at the discretion of the Commission. The Commission may also select from among its members such other officers and committee chairpersons as it deems appropriate.

Section 2.08 – Meetings Open to the Public.
General meetings of the Commission may be open to the public. Closed sessions may be held for good cause, including protecting the privacy of Persons, considering personnel matters, considering licensing determinations, reviewing background investigations, hearing complaints against individuals, and considering whether to include Persons on the list of excluded individuals. All meetings shall be governed by Roberts Rules of Order or such other procedures as the Commission may adopt. Nothing herein shall preclude a vote from being taken by the Commission by telephone poll in an emergency when circumstances do not allow a meeting of the full board in one location in a timely manner.

Section 2.09 – Quorum Required.
A quorum shall consist of two (2) members of the Commission. A quorum shall be required for any vote or decision by the Commission. All decisions shall be made by a majority vote of those present, unless indicated otherwise in the Code.

Section 2.10 – Monthly Reports.
The Commission shall make monthly reports to the Tribal Council within 30 days after the close of the month for which the information is being required. The reports shall include a full and complete statement of Gaming revenues paid to the Tribe, expenses and all other financial transactions of the Commission and a summary of all licensing and enforcement actions. Such reports may be in the form of minutes of the Commission meetings supplemented by any additional documents as may be appropriate. Monthly reports from the Comptroller may suffice for the financial reports required in this section.

Section 2.11 – Powers.
The Commission shall exercise all powers necessary to effectuate the purposes of the Gaming Ordinance and of this Code. The Commission may exercise any proper power and authority necessary or convenient to perform its responsibilities under this Code or the Gaming Ordinance. The Commission shall meet not less than once each month to make recommendations and set policy, to approve or reject reports of the casino management, and transact other business that may be properly brought before it.

Section 2.12 – Prior Notice of Actions.
In adopting, amending and repealing regulations, the Commission shall give prior notice of the proposed action to all Licensees and other Persons whom the Commission has reason to believe have a legitimate interest in such proposed action. Said notice shall inform such Persons as to the general nature of the proposed action and advise them as to the manner in which comments on said proposed action shall be

adopt, amend or repeal any regulation if at the time, the Commission determines such action is necessary for the immediate preservation of the public peace, health, safety, morals, good order or general welfare, together with a statement of facts constituting the emergency; provided, however, that the Commission shall schedule such emergency action for a regular hearing within 60 days.

Section 2.13 – Request for Commission Action.
Any Person who is determined by the Commission to be a real party in interest may file a petition in a manner and form approved by the Commission requesting the adoption, amendment or repeal of a regulation. Upon receipt of the petition, the Commission shall within 30 days deny the request in writing or schedule the matter for action pursuant to Code.

Section 2.14 – Appointment of Staff.
The Commission may appoint such staff as it determines appropriate, with the budget approved by the Tribal Council, who shall be responsible for the day-to-day management of the affairs of the Commission. Such staff may include support personnel as may be appropriate.

Section 2.15 – Duties of the Commission.
The Commission shall perform all duties, exercise all powers, promulgate all regulations, assume and discharge all responsibilities and carry out and effect all purposes of the Gaming Ordinance and of this Code relating to the establishment of all Gaming activity. In all decisions, the Commission shall act to promote and ensure the integrity, security, honesty and fairness of the operation and administration of all Gaming Activity. The Commission's duties shall include, but not be limited to, the following:

(a) Ensuring that all gaming fees of all Gaming Activities are sent to the National Gaming Commission on a timely basis.

(b) Corresponding with the National Indian Gaming Commission and doing whatever is necessary to be in compliance with the rules and regulations of that agency.

(c) Assuring that all Gaming Activity is conducted in a manner, which adequately protects the environment and the public health and safety.

(d) Establishing an adequate system to include finger print clearances with the California Department of Justice or with the National Indian Gaming Commission, which ensures that background investigations are conducted on all Primary Management Officials and Key Employees of any Gaming Activity and that oversight of such officials and their management is conducted on an ongoing basis. The Commission will have final authority regarding the granting of Tribal licenses for Primary Management Officials and Key Employees and other persons. The Commission shall immediately notify the National Gaming Commission of the issuance of such licenses. The Commission will review all applications and background investigations to ensure that no Person shall be eligible for employment in or with any part of the gaming Activity if that Person's prior activities, criminal record or reputation, habits or associations pose a threat to the public interest or to the effective regulation of Gaming, or create or enhance the dangers of unsuitable, unfair or illegal practice, methods and activities in to conduct the Gaming. The Commission

shall notify the National Indian Gaming Commission of the results of such background checks before the issuance of such licenses.

(e) Conducting surveillance activities at the Elk Valley Casino as is appropriate for a casino operation of such size and character in compliance with requirements of the National Gaming Commission.

(f) Hiring such professional, clerical, technical and administrative personnel as may be necessary to carry out the provisions of the Gaming Ordinance and this Code;

(g) Reviewing all records, documents and anything else necessary and pertinent to enforcement of any provisions of Gaming Ordinance and the Code; and

(h) Determining whether sanctions should be imposed on any Person subject to the jurisdiction of the Gaming Ordinance and this Code.

Section 2.16 – Right of Inspection.

The Commission and its agents, inspectors and employees, have the authority to:

(a) Inspect and examine all Gaming Facilities and premises where gambling devices or equipment are manufactured, sold or distributed;

(b) Inspect all equipment and supplies in, upon or about a Gaming Facility, or inspect any equipment or supplies, wherever located, which may have or have been used in the Gaming Facility;

(c) Summarily seize and remove from a Gaming Facility, of wherever located, and impound such equipment of supplies for the purpose of examination, inspection, evidence or forfeiture;

(d) Demand access to and inspect, examine and audit all papers, books and records of applicants and license respecting any income produced by any Gaming Activity and require verification of income and all other matters affecting the enforcement of the policy of or any of the provisions of the Gaming Ordinance and this Code;

(e) Seize and impound any Patron's winnings which the Commission has reason to believe may have been won or obtained in violation of the Gaming Ordinance and this Code pending a civil forfeiture of earnings of such seizure;

(f) For the purpose of administration and enforcement of the Gaming Ordinance and this Code, the Commission and its investigative personnel may, if deemed necessary by the Tribal Council, have the powers of the peace officer of the Elk Valley Rancheria for purposes of enforcement of the Gaming Ordinance and this Code; and

(g) The Commission shall have full power and authority to issue subpoenas and compel the attendance of witnesses for hearings at any place within the Reservation, to administer

oaths and to require testimony under oath. Any process or notice may be served in the manner provided for service of the process and notices in civil actions. The Commission may pay such transportation and other expenses of witnesses, as it may deem reasonable and proper.

Section 2.17 – Confidentiality of Information.
The Commission may refuse to reveal, in any court proceeding, the identity of any informant or the information obtained from the informant, or both the identity and the information.

Section 2.18 – Powers of Delegation; Budgeting Matters; Record-Keeping.
The Commission may organize itself into functional divisions as it may deem necessary and may from time to time alter such plan of organization, as it may deem expedient. The Commission shall establish its own budget for operations and acquire such furnishings, equipment, supplies, stationery, books motor vehicles and other things as it may deem necessary or desirable in carrying out its functions and incur such other expenses, within the limit of funds available to it, as it may deem necessary. Within the limits of a Tribal Council approved budget, the Commission shall employ and fix the salaries of or contract for services of such professional, technical and operational personnel and consultants as the execution of its duties and the operation of the Commission may require. At the Tribal Council's discretion, said budget may be reviewed and modified by the Tribal Council every six (6) months. Upon the end of the budget year any surplus, which exists, shall be refunded to the Tribal Council at its discretion. The Commission shall keep and maintain a file of all applications for licenses under this chapter, together with a record of all action taken with respect to such applications. The Commission shall keep and maintain such other files and records as it may deem desirable and all such records may be open to public inspection as it may deem appropriate; provided, that the annual Commission budget shall be made available to any Tribal member upon demand.

Section 2.19 – Processing Employee and Patron Complaints.
The Commission may receive any complaint from an employee of any Gaming Activity or any member of the public who is or claims to be adversely affected by an act or omission of the Gaming Activity which is asserted to violate the Ordinance, the Compact, or the Code adopted pursuant to the Ordinance, and may upon consideration of such complaint order such remedial action as it deems appropriate to bring the Gaming Activity into compliance with such provisions. The Commission may for this purpose, in its sole discretion, conduct a hearing and receive evidence with regard to such complaint if it deems an evidentiary proceeding useful in the resolution of such complaint.

Section 2.20 – Violations of the Gaming Regulation – Punishment.
Any violation of this Code shall be punished by a fine of no more than $5,000 for each separate count or violation, or one (1) year in jail or both. Each day of violation shall constitute a separate count or violation. A violator may also be required to pay court costs, storage fees and auction or sales fees. All property used or which may be used in activities in each and every separate violation of the Code may become the property of the Tribe. Persons may be prohibited from trespassing on premises licensed under this Code, licenses may be suspended, revoked or limited, and establishments may be forcibly closed. All such action shall be taken at the discretion of the Commission, subject to the right of appeal to Tribal Court. Winnings found to have been received in violation of this Code are forfeited and become the property of the Tribe.

Section 2.21 – Limitations Period.
No fine shall be assessed, nor any action taken for any violation under the preceding Section unless a charge is filed in proper form with the Commission or Tribal Court within two (2) years of the commission of the offense.

Section 2.22 – Special Agents.
The Commission may authorize special agents to perform services reasonably necessary to assure compliance with the provisions of the Gaming Ordinance and this Code. Said special services of enforcement and surveillance shall be under the authorization and direction of the Compliance Officer, unless otherwise determined by the Commission. This section shall in no way be deemed to limit the normal law enforcement functions of theses or other Tribal law enforcement officers not so authorized.

Section 2.23 – Limitation on Gifts & Compensation.
Commissioners, Commission staff, and their immediate families shall receive no personal compensation, gift, reimbursement or payment of any kind from any Person doing or wishing to do business with the Tribe relating to Gaming, nor with any Person wishing to obtain an unfair advantage in any authorized wager on Gaming, except as may be authorized in a duly adopted Code of Ethics. Any Person suspected of violating this provision may be prosecuted to the fullest extent possible under Tribal Law for accepting a bribe, and any property received in violation of this provision shall be forfeited to the Tribe. The Commission shall cooperate to the fullest extent possible with any federal or state law enforcement agency to pursue prosecution under applicable federal or state law.

III. LICENSING OF GAMES

Section 3.01 – Mandatory License.
Any Person seeking to conduct, operate or manage any Gaming Activity on the Reservation shall apply for an receive all the required licenses from the Commission prior to engaging in such Gaming Activities without first obtaining the required licenses shall be deemed a violation of this Code and shall be punishable in accordance with 2.20. Nothing in this section shall prohibit a Person from being temporarily employed in a Gaming Activity after being hired for a short period of time, not to exceed thirty days, pending the grant of a temporary license in conformance with background investigation and licensing procedures adopted by the Commission.

Section 3.02 – Authorization of Class II Gaming Activity; Net Revenue Allocation; Audits; Contracts.

(a) A separate license issued by the Commission shall be required for each place, facility or location on tribal lands within the Tribe's jurisdiction at which any Class II Gaming Activity is conducted.

(b) The Commission may license and regulate a Tribally-Owned Class II Gaming Activity if:

(i) Such Gaming Activity is located on Tribal lands and the State of California permits such Gaming for any purpose by any Person, organization or entity and such Gaming is not otherwise specifically prohibited on Indian lands by federal laws; and

(ii) The Tribe will have the sole propriety interest and responsibility for the conduct of such Gaming Activity; and

(iii) Net Revenue from such Gaming Activity is used in accordance with the Tribal Ordinance and federal law; and

(iv) Such Gaming activity is subject to annual outside audits, which may be encompassed within existing independent Tribal audit systems and provided to the Tribal Council; and

(v) All contracts for supplies, services or concession for an aggregate amount in excess of $25,000 annually relating to such Gaming Activity are also subject to independent audits; and

(vi) The construction and maintenance of the Gaming Facility and the operation of that Facility is conducted in a manner which adequately protects the environment and the public health and safety; and

(vii) All Primary Management Officials and Key Employees of the Class II Gaming Activity have successfully passed a background investigation, which is approved, by the Tribe and the National Indian Gaming Commission or are in the process of being licensed in conformance with the procedures adopted by the Commission.

Section 3.03 – Issuance of Tribal Gaming Licenses – Objections.
The Commission shall consult with appropriate law enforcement officials concerning any Gaming licenses it may issue. If, after issuance of a Gaming license by the Commission, reliable information is received that a Licensee does not meet the standard established under Section 3.08 of this Code, the Commission shall suspend such license and, after notice and hearing, may revoke such license.

Section 3.04 – License & Regulation of Class III Gaming Activities – Tribal/State Compact Required.
The Commission may license and regulate Class III Gaming Activity if;

(a) Such Gaming meets the requirements of Section 3.02; and

(b) Such Gaming is conducted in conformance with the terms and conditions of a valid Tribal/State Compact entered into by the Tribe and the State of California.

Section 3.05 – Non-transferability of Licenses.
Any license issued pursuant to the provisions of the Gaming Ordinance and this Code is valid only for the Person shown on the face thereof, and only at the place of business shown on the face thereof. It is not

assignable or otherwise transferable to any other Person or for any other location without approval of the Commission. Transfer of fifty percent (50%) or more of the ownership of an entity that is a licensee is a transfer of the license, which may be accomplished only with Commission approval.

Section 3.06 – Granting of License – Majority Vote.
To approve the initial issuance of any license pursuant to this Code, a quorum of the Commission must be present with a majority vote of approval by said quorum required. A license will not be issued to a Person whose license has been previously revoked, or to whom the issuance of renewal of a license has been denied, except with the unanimous approval of the Commission Members.

Section 3.07 – Application Fee.
The Commission may set a fee for applications, background investigations and licenses. All money orders or checks for such fees shall be made payable to the Elk Valley Rancheria and delivered to the Tribe's accounting office.

Section 3.08 – Background Investigation.
No license shall be granted to any Person who has been determined to be a Person whose prior activities, criminal record or reputation, habits and associations pose a threat to the public interest or to the effective regulation and control of Gaming, or create or enhance the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of Gaming or the carrying on of the business and financial matters incidental thereto.

Section 3.09 – Failure of Applicant to Disclose Material Information.
An applicant for licensing shall make true and full disclosure of all information to the Commission as necessary or appropriate in the public interest or as required in order to carry out the policies of the gaming Ordinance and this Code relating to licensing and control of the Gaming industry. It is the duty of the applicant to disclose all information material to whether his involvement with Gaming would jeopardize or compromise the Tribal interest, whether or not the applicant has been specifically requested to provide that information. It shall constitute a violation of the Gaming Ordinance to fail to disclose, to mislead or to mis-state any material information to the Commission, or to any Licensee's employer. Any failure to disclose, misstatement, or furnishing of misleading information shall be grounds for denial, suspension, or revoking of a license.

Section 3.10 – Temporary Employment License.
The Commission may issue a temporary employment license to any Person applying for a license to work in a licensed Gaming Activity, which shall be valid pending the background investigation of the applicant. In no event shall a temporary license be valid for greater than 180 days.

Section 3.11 – Parameters of Licenses.
Violation of any provision of the Gaming Ordinance or of any of the regulations in this Code by a Licensee, his agent or employee shall be deemed contrary to the public health, safety, morals, good order and general welfare of the Tribe and the inhabitants of the Elk Valley Rancheria and shall be deemed grounds for refusing to grant or renew a license, suspension or revocation of a license or shall constitute grounds for the Commission to file charges in Tribal Court. Acceptance of a Gaming license or renewal thereof, or condition imposed thereof by a Licensee, constitutes an agreement on the part of the Licensee to be bound by all the regulation and conditions of the Commission and by the provisions of the Gaming

Ordinance as the same are now, or may hereafter be amended or promulgated, and to cooperate fully with the Commission and its staff. It is the responsibility of the Licensee to keep informed of the contents of the Gaming Ordinance and this Code and all such regulations, amendments, provisions and conditions; ignorance thereof will not be excuse violations.

Section 3.12 – Voting on Licensing; Notice Procedures & Review Hearings.
Any Commission vote in approving, disapproving, revoking, suspending, limiting or conditioning a license may be by secret ballot. Applicant or licensee shall be notified in writing by either personal service, or mailing to the last known address provided to the Commission. Notice is deemed complete on the tenth (10^{th}) day after deposit of notice in the U.S. Mail. Should an applicant or licensee disagree with the determination of the Commission, they shall submit a written statement to the Commission office within10 days of the written notice. The Commission shall hold a hearing to review its decision within twenty-one (21), working days from the date the applicant files his disagreement with the Commission. At the hearing, the burden shall be on the applicant to show cause why the Commission's determination was incorrect.

Section 3.13 – Commission Findings Following Review Hearing.
Following such review hearing, the Commission shall within ten (10) days reach a determination concerning:

(a) The accuracy of any preliminary certifications of facts; and

(b) Whether the license in question should be denied, granted, continued, suspended, revoked, conditioned or limited; and

(c) Whether any other action recommended to the Commission including, but not limited to, forfeitures, should be taken.

Section 3.14 – Notification of Commission Decision.
Within three (3) working days following a determination, the Commission shall inform the subject in writing of that determination. Written notification may be delivered to the subject in person, by fax, or by mailing to the subject's last known address.

Section 3.15 – Right to Appeal.
The subject shall have a right to appeal the determination of the Commission to the Tribal Court. Such appeal must be filed with the Tribal Court in written form on or before the tenth (10^{th}) day following receipt of the written determination of the Commission. A determination of such appeal by the Tribal Court shall be final and no further action may be had. In any appropriate case, which has been referred to the Tribal Court for final action, the Tribal Court shall review the determination of the Commission. Tribal Court review shall be limited to a determination of whether there exists substantial evidence to support the Commission's determination. The Court's action shall be final and no further appeals may be made.

IV. MANAGEMENT CONTRACTS

Section 4.01 – Commission Approval Required.

(a) Any Management Contract entered into by the Tribe for the operation and management of Class II and Class III Gaming Activity must be submitted to the Commission for approval. Before approving such Contract, the Commission shall require and obtain the following information:

(i) The name, address and other additional pertinent background information on each Person including, in cases involving entities, each individual, partner, officer, shareholder, and director comprising such entity having direct financial interest in, or management responsibility for, such Contract; and in the case of a corporation, those individuals who serve on the board of directors of such corporation and each of its stockholders who hold, directly or indirectly, 10% or more of its issued and outstanding stock; and

(ii) A complete financial statement of each Person listed pursuant to subsection (i) above.

(b) Any Person listed pursuant to subsection (a)(i) above shall be required to respond to such written or oral questions that the Commission may propound in accordance with its responsibilities under the Chapter.

(c) In making the determination to approve or disapprove Management Contracts, when the Tribe has received competing bids or proposals involving Gaming wherein the bids or proposals will provide substantially the same return to the Tribe and its members, first preference will be given to Tribal member Indians and cooperative associations of member Indians, and second preference will be given to non-member Indians and cooperative association of non-member Indians.

Section 4.02 – Approval of Management Contracts.

The Commission may approve any Management contract entered into by the Tribe pursuant to this Chapter only if it determines that such Contract provides at least:

(a) That accounting procedures are maintained and verifiable financial reports are prepared, by or for the Tribal Council, on a monthly basis;

(b) For access to the daily operations of the Gaming to appropriate Tribal officials and their accountants and assistants, who shall also have a right to verify the daily Gross Revenues and income made form any such Tribal Gaming Activity;

(c) For a minimum guaranteed payment to the Tribe that has preference over the retirement of development and construction costs;

(d) For an agreed ceiling for the repayment of development and construction costs;

(e) For a Contract term not to exceed (5) years, except that, upon the request of the Tribe, the Commission may authorize a Contact term that exceeds five (5) years but does not exceed seven (7) years if the Commission is satisfied that the capital investment required, and the income projections, for the particular Gaming Activity require additional time;

(f) For grounds and mechanisms for terminating such Contract, but that actual Contract termination shall not require the approval of the Commission; and

(g) That preference will be given to Tribal members and non-member Indian in hiring of employees for the Gaming Activity.

Section 4.03 – Percentage-of Net-Revenue Fees.

(a) A Management Contract providing for a fee based upon a percentage of the Net Revenues of a Tribal Gaming Activity may be approved by the Commission if such percentage fee is reasonable in light of surrounding circumstances. Except as provided in this Section, such fee shall not exceed 30% of the Net Revenue.

(b) Upon request of the Tribal Council, the Commission may approve a Management Contract providing for a fee based upon a percentage of the Net Revenues of a Tribal Gaming Activity that exceeds 30% but not 40% of the Net Revenues if the Commission and Tribal Council are satisfied that the capital investment required, and the income projections for such Tribal Gaming Activity, justify the additional fee.

Section 4.04 – Contract Disapproval and Non-renewal.

The Commission shall not approve any proposed Management Contract, and shall refuse to renew any Management Contract, if it determines:

(a) The management contractor or potential management contractor (including any Person listed to Section 4.01 (a)(i)):

(i) Is an elected member of the Tribal Council;

(ii) Has been or subsequently is convicted of any felony or Gaming offense;

(iii) Has knowingly and willfully provided a materially false statement of information to the Commission or the Tribal Officials who negotiate such Contracts, or has refused to respond to questions propounded pursuant to Section 4.01(b); or

(iv) Has been determined to be a Person whose prior activities, criminal record (if any) or reputation, habits or associations pose a threat to the public interest or to the effective regulation and control of Gaming, or create or enhance the dangers of

unsuitable, unfair or illegal practices, methods and activities in the conduct of Gaming of the carrying on of the business and financial arrangement incidental thereto;

(b) The management contractor or potential management contractor has or has attempted to unduly interfere or influence for its gain or advantage any decision or process of Tribal government relating to Gaming Activity; or

(c) The management contractor or potential management contractor (including any Person listed to Section 4.01(a)(i)) has deliberately or substantially failed to comply with the terms of the Management Contract, the provisions of the Gaming Ordinance or of this Code of regulation adopted pursuant to the Gaming Ordinance or the Indian Gaming Regulatory Act, 25 U.S.C. §2701 et seq.

Section 4.05 – Modifying or Voiding of Management Contract.
The Commission, after notice and hearing, shall have the authority to require appropriate Contract modification or may void any Contract if it subsequently determines that any of the provisions of the Gaming Ordinance or this Code have been violated or that grounds for disapproval or non-renewal of the Management Contract under Section 4.04 existed at the time of approval or renewal or arouse thereafter.

Section 4.06 – Conveying Interest in Land.
No Management Contract for the operation of a Gaming activity regulated by the Commission shall transfer or convey any interest in land or other real property, unless specific applicable statutory authority exists, an unless clearly specified in writing in said Contract.

Section 4.07 – Fee for Investigation.
The Commission shall require management contractors and potential management contractors to pay a fee as set from time to time to cover the cost of the investigation necessary to reach a determination required in Section 4.04 or 4.05 of this Chapter.

V. AUDITING AND INTERNAL CONTROL

Section 5.01 – Minimum Procedure for Control of Internal Fiscal Affairs.
The Commission shall ensure promulgation of regulations for the control of internal fiscal affairs of all Gaming Activities. At a minimum, those regulations shall:

(a) Prescribe minimum procedures for safeguarding the Gaming Activities' assets and revenues, including recording of cash, evidence of indebtedness and mandatory count procedures. Such procedures shall establish a control environment, accounting system and control procedures that safeguard the assets of the organization, assure that operation transactions are properly recorded, and promote operational efficiency and encourage adherence to prescribed policies;

(b) Prescribe minimum reporting requirements to the Commission;

(c) Provide for the conducting, adoption and use of audits by external auditors who are Certified Public Accountants licensed to practice public accounting in the State of California;

(d) Formulate a uniform code of accounts and accounting classifications to assure consistency, comparability and effective disclosure of financial information. Such code shall require that records be maintained that reflect statistical drop (amount of cash wagered by Patrons), statistical win (amount of cash won by the Gaming Activity) and the percentage of statistical win to statistical drop, or provide similar information for each type of game or Gaming Device;

(e) Prescribe the intervals at which such information shall be furnished;

(f) Provide for the maintenance of documentation (i.e., checklists, programs, reports) to evidence all internal work performed as it relates to the requirements of this section; and

(g) Provide that all financial statements and documentation referred to in subsection (f) be maintained on the Reservation for a minimum of five (5) years.

Section 5.02 – Commission Oversight of Internal Fiscal Affairs.
The Commission shall require audits of the financial statements of all Gaming Activities. Such audits must:

(a) Be made by independent Certified Public Accountants holding a permit issued by the State of California to practice public accounting;

(b) Include an opinion (qualified or unqualified), or if appropriate, disclaim an opinion on the financial statements taken as a whole in accordance with standards of the accounting profession established by rules and regulation of the California State Board of Accountancy and the American Institute of Certified Public Accountants;

(c) Disclose whether the accounts, records and control procedures maintained by the Gaming Activity are as required by the regulation promulgated by the Commission under Section 5.01; and

(d) Provide for a preliminary review of the internal control structure, upon adoption of the policies and procedures by the entity, to disclose any deviation from prescribed rules and regulations and report such finding to the Commission and management.

Section 5.03 Commission's Right to Conduct Audits.
The Commission shall be able to retain its own appointed accountants, or to direct an accountant employed by the Tribe, to conduct its own audits of all Gaming Activities.

Section 5.04 – Prohibition Against Embezzlement.

Any delay, maneuver or action of any kind which in the opinion of the Commission is effectuated by any Licensee to unlawfully divert Gaming proceeds or other proceeds properly belonging to the Tribe shall constitute grounds for taking disciplinary action against the Licensee. If the Commission finds an unlawful diversion was attempted, it shall sanction the Licensee. Sanctions may include restitution, fining revoking, suspending, limiting or refusing to renew the license. The Commission or Tribal Council may also seek prosecution of the offender under Tribal, state, and federal laws.

Section 5.05 – Non-Compliance.
Failure to comply with this Chapter or the regulations promulgated hereunder shall constitute a per se violation of these regulations.

VI. AUTHORIZATION OF GAMING

Section 6.01 – Prohibition Against Gaming.
No Person duly authorized by the Commission to conduct Gaming shall engage, conduct or condone any game unless and until such game is approved by the Commission, a valid license has been issued an d all fees paid by the Licensee, and procedures governing such game have been duly approved by the Commission.

Section 6.02 – Grace Period.
The prohibition contained in Section 6.01 shall not apply to those games already being played as of the date of the enactment of this Code; provided that the Licensee conform to the rules promulgated hereunder within five (5) days of such promulgation.

Section 6.03 – Authorization of Gaming.
The Commission may authorize the playing of any game not prohibited by the laws of the State of California. The Commission shall approve rules and procedures governing all authorized games, including rules governing Gaming Equipment, including without limitation chips, dice, cards and tiles. Any provision in a Compact with the State of California providing for notice to and comment from the State shall be complied with before any game is authorized by the Commission.

Section 6.04 – Approval of Gaming Equipment.
The Commission shall have the discretion to review, and to reject or approve, all Gaming Equipment and other devices used in the Gaming Activity as to quality, design, integrity, fairness, honesty and suitability.

(a) The Commission may require a prototype or sample of any model of Gaming Equipment or other device used in the Gaming Activity to be placed in the custody of the Commission and retained by it as a control for comparison purposes.

(b) Any evidence that Gaming Equipment or other devices used in the Gaming Operation has been tampered with or altered in any way, which would affect the integrity, fairness, honesty or suitability of the equipment or device, shall be immediately reported to the Commission.

Section 6.05 – Posting of Rules.
The rules of each game offered at any duly licensed Gaming Facility shall be maintained in a location at the Gaming Facility and shall be clearly legible and available for public inspection upon request.

Section 6.06 – Gaming Rules & Procedures.
The management of a Gaming Facility may adopt rules and procedures governing the operations of all Gaming Activity with the approval of the Commission. Such rules and procedures shall be complied with until such time as modified with the approval of the Commission. Management may adopt emergency changes to such rules and procedures, however such changes shall be in writing and must be presented to the Commission for approval or rejection no later than at its next regularly scheduled meeting.

VII. EXCLUSION OR EJECTION OF INDIVIDUALS

Section 7.01 – List of Undesirables.
The Commission may provide for the establishment of a list of persons who are to be excluded or ejected from any duly licensed Gaming Facility. The list may include any person whose presence in the Gaming Facility is determined by the Commission to pose a threat to the interests of the Tribe, State of California or to licensed Gaming. Race, color, creed national origin, ancestry or sex must not be grounds for placing the name of a person on the list.

Section 7.02 – Notice and Opportunity to be Heard.
The Commission shall promulgate regulations providing fair notice and opportunity to be heard to any individuals whose name is being contemplated by the Tribe to be placed on the list referred to in Section 7.01. Such regulations must provide the person an opportunity to show cause why his name should be deleted from the list.

Section 7.03 – Prohibition Against Listed Individuals.
It shall be a violation of this Code for any Licensee to knowingly fail to exclude or eject from a Gaming Facility any persons placed on the list referred to in Section 7.01. It shall be a violation of this code for any person whose name appears on the list referred to in Section 7.01 to enter into or engage in any game at a duly licensed Gaming Facility.

Section 7.04 – Prohibition Against Certain Individuals.
It shall be a violation of this Code for any Licensee to knowingly fail to exclude or eject from a Gaming Facility any individual who:

(a) Is visibly under the influence of liquor or any narcotic or such other substance; or

(b) Is under the age of eighteen (18) years.

VIII. CHEATING

Section 8.01 – Unlawful Acts.
It is unlawful for any Person to:

(a) Alter or misrepresent the outcome of a game or other event on which wagers have been made after the outcome is made sure, but before it is revealed to the players;

(b) Place, increase or decrease a bet, or to determine the course of play, after acquiring knowledge not available to all players, of the outcome of the game or knowledge that is the subject of the bet or wager;

(c) Aid anyone in acquiring such knowledge as set forth in subsection (b) above, for the purpose of increasing or decreasing a bet or wager, or for the purpose of determining the course of play contingent upon that event or outcome;

(d) Claim, collect or attempt to claim or take money or anything of value in or from a licensed game with intent to defraud, without having made a wager contingent thereon, or to claim, collect or take an amount greater than the amount won;

(e) Knowingly entice or induce another to go to any place where a Gaming Activity is being conducted or operated in violating of the provisions of this Chapter, with the intent that the other person play or participate in that Gaming Activity;

(f) To place or increase a bet or wager after acquiring knowledge of the outcome of the game or event which is the subject of the bet or wager, including past-posting and pressing bets;

(g) To reduce the amount wagered or cancel the bet after acquiring knowledge of the outcome of the game or other event which is the subject of the bet or wager, including pinching bets; or

(h) To manipulate, with intent to cheat, any component of Gaming Equipment in a manner contrary to the designed and normal operational purpose for the component, with knowledge that the manipulation affects or may affect the outcome of the game or with knowledge of any event that affects the outcome of the game.

Section 8.02 – Prohibition Against Electronic Aids.
Except as specifically permitted by the Commission, no person shall possess with the intent to use, or actually use, at any table game, either by himself, or in concert with others, any calculator, computer or other electronic, electrical or mechanical device to assist in projecting an outcome at the table game, to keep track or analyze the cards having been dealt, or to change the probabilities of the game or the playing strategies to be utilized.

IX. NATIONAL INDIAN GAMING COMMISSION & TRIBAL/STATE COMPACTS

Section 9.01 – National Indian Gaming Commission – Regulations.
Notwithstanding any provision in the Gaming Ordinance, this Code or any regulation promulgated thereunder, the Commission is fully empowered to comply with all regulation promulgated by the National Indian Gaming Commission, including but not limited to all requirements to report ordinances, contracts, license applications, background checks and other information to the National Indian Gaming Commission.

Section 9.02 – National Indian Gaming Commission – Assessment.
Notwithstanding any provision in the Gaming Ordinance, this Code or any regulation promulgated thereunder, the Commission is fully empowered to comply with all assessments authorized by the National Indian Gaming Commission. Such assessments shall be paid from the Treasury of the Elk Valley Rancheria.

Section 9.03 – Compact with the State of California.
Notwithstanding any provision in the Gaming Ordinance, this Code or any regulation promulgated thereunder, the Commission is fully empowered to comply with the provisions of any Compact properly executed between the Tribe and the State of California.

X. MISCELLANEOUS

Section 10.01 – Security.
Each licensed Gaming Activity must provide for reasonable security. All security officers and personnel must be licensed by the Commission. Such licensing may or may not entail full background investigations required for primary management officials and key employees.

Section 10.02 – Maintenance of Code and Regulations.
Each licensed Gaming Facility shall obtain, maintain and keep current a copy of the Gaming Ordinance and this Code of Regulations on the Gaming Premises. The Ordinance and Code of Regulations shall be produced by any Licensee and shown to any interested party upon demand. That a Licensee may not have a current copy of the Gaming Ordinance, Code of Gaming Regulations, or each of the rules of the Commission, shall not in any way diminish the Licensee's obligation to abide by the Ordinance and Code of Regulations.

Section 10.03 – Compliance with Other Laws.
The construction, maintenance and operation of any Gaming Facility shall be in a manner, which adequately protects the environment and the public health and safety and shall comply with any otherwise applicable Tribal and federal laws relating to environmental protection and health and safety.

Section 10.04 – Amendment.
All regulations promulgated herein by the Commission are subject to proper revision, repeal or amendment by the Commission.

Section 10.05 – Severability.
If any provision of this Code, or its application to any purpose or circumstance, is held invalid by a court of competent jurisdiction, the full remainder of the provision, or the application of the provision through another Person or circumstance, shall not be affected.

Section 10.06 – Captions.
The captions and heading of this Code are included for the convenience only and shall in no way limit or affect the text thereunder.

Adopted by the Elk Valley Gaming Commission on the 23rd day of January, 2003.

Brandi Natt
Chairperson

Vice-Chairperson