July 25, 2005

Mr. James A. Bransky
Tribal Attorney
Little Traverse Bay Bands of Odawa Indians
7500 Odawa Circle
Harbor Springs MI 49740

Re: Waganakising Odawak Statute 2005-06, approval

Dear Mr. Bransky:

This is in response to your May 20, 2005, letter seeking review and approval of the Waganakising Odawak Statute 2005-06, revised gaming regulatory ordinance. The revised statute is consistent with the requirements of the Indian Gaming Regulatory Act (IGRA) and this agency's regulations, and it is therefore approved.

Thank you for your submission. If you have any questions or require assistance, please contact Michael Gross, Senior Attorney, at 202-632-7003.

Sincerely,

Philip N. Hogen
Chairman

WAGANAKISING ODAWAK STATUTE 2005-06
GAMING REGULATORY ACT

MAY 27 2005

SECTION I. PURPOSE

The Tribal Council hereby ordains and establishes this Statute for the purpose of authorizing and comprehensively and preemptively regulating the terms and conditions under which Class I, II, and III gaming may be conducted on the lands of the Tribe. This Statute rescinds and replaces the Gaming Regulatory Statute enacted on February 18, 2001, being Waganakising Odawak Statute 2001-02.

SECTION II. DEFINITIONS

Unless a different meaning is clearly indicated in this Statute, 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.* Throughout this Statute, citations to Tribal or Federal statutes and regulations include successor statutes and regulations if such future changes do not alter the intent of this Statute. Additionally:

A. "Board of Directors" means the Tribal Gaming Board of Directors created under Waganakising Odawak Statute 2004-08, or any successor entity created by Tribal Statute to carry out non-regulatory aspects of the Tribe's gaming operation.

B. "Commission" means the Little Traverse Bay Bands of Odawa Indians Tribal Gaming Regulatory Commission established to perform regulatory oversight and to monitor compliance with Tribal, Federal, and applicable State regulations.

C. "Commissioner" means a Little Traverse Bay Bands of Odawa Indians Tribal Gaming Regulatory Commissioner.

D. "Compact" means a Tribal-State Compact concerning class III gaming under 25 U.S.C. § 2710(d).

E. "Complimentary Items" means a service or item provided at no cost, or at a reduced cost, to a customer, but does not include discounts offered equally to all Tribal members.

F. "Directly related to" means immediate family relations as defined in the Tribe's nepotism statute, Waganakising Odawak Statute 2002-05, WOTC Title XIV, Section 6.414.

G. "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.
[25 C.F.R. § 522.4(b)(1)] [25 C.F.R. § 502.19]

H. "Net Revenues" means gross gaming revenues of the Little Traverse Bay Bands of Odawa Indians gaming operation less:

1. Amounts paid out as, or paid for, prizes; and

2. Total gaming-related operating expenses, excluding management fees.

I. "Non key employee" means any employee of the gaming operation that is not a key employee or primary management official.

J. "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(s) who has financial management responsibility.

K. "Tribal Council" means the elected governing body of the Little Traverse Bay Bands of Odawa Indians (LTBB).

L. "Tribal lands" means all lands within the Little Traverse Bay Bands of Odawa Indians jurisdictional reservation boundaries, and any lands title to which are held in trust by the United States for the benefit of the Little Traverse Bay Bands of Odawa Indians.

M. "Tribe" or "LTBB" means the Little Traverse Bay Bands of Odawa Indians which as reaffirmed in Public Law 103-324 is recognized as eligible by the Secretary of the Interior for the special programs and services provided by the United States to Indians because of their status as a federally recognized tribe, and is recognized as possessing powers of self-government.

SECTION III. GAMING AUTHORIZED

A. **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. Class I gaming, or a raffle authorized by the Tribe or State, is regulated by the Commission only when it occurs within Class II or Class III gaming facilities of the Tribe, including connected amenities, such as hotels, restaurants and parking lots at such site. Class I gaming that occurs away from such facilities is not regulated by the Commission.

B. **Class II Gaming** is hereby authorized and defined in the Indian Gaming Regulatory Act, P.L. 100-447, 25 U.S.C. Section 2703(7)(A) ("IGRA") and by regulations lawfully promulgated by the National Indian Gaming Commission ("NIGC") that now or hereafter may be in effect.

C. **Class III Gaming** is hereby authorized and defined in IGRA, 25 U.S.C. Section 2703(8) and by regulations promulgated by the NIGC that now or hereafter may be in effect is hereby authorized, provided such gaming is also authorized by and consistent with a Tribal-State Compact that has been approved or deemed approved by the Secretary of the Interior and is in effect, or otherwise has been authorized by the Secretary of the Interior or federal law.

SECTION IV. OWNERSHIP OF GAMING

The Little Traverse Bay Bands of Odawa Indians shall have the sole proprietary interest in and responsibility for the conduct of any gaming facilities and/or enterprise operation authorized by this Statute. *[25 C.F.R. § 522.4(b)(1)]*

SECTION V. 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.

[25 C.F.R. § 522.4(b)(2) and 25 U.S.C. § 2710(b)(2)(B)]

B. If the Tribe elects to make per capita payments to tribal members, it shall authorize such payments only in accordance with a plan submitted to and approved by the Secretary of the Interior under 25 U.S.C. § 2710(b)(3).

C. 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 Council and the Secretary of the Interior.

SECTION VI. GAMING REGULATORY COMMISSION

A. The Tribe hereby establishes a Tribal Gaming Regulatory Commission whose duty it is to regulate tribal gaming operations. The Commission shall consist of at least three (3) but not more than five (5) Tribal members. There shall be among them a Chairperson, Vice-Chairperson, Secretary and Treasurer, provided the Secretary and Treasurer may be combined into one position.

B. The purpose of the Commission is 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 control standards 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 Commission in maintaining a

well-regulated gaming operation. The Commission shall be and act independently and autonomously from the Tribal Council in all individual licensing decisions. No prior or subsequent review by the Tribal Council of any licensing and fining actions of the Commission shall be required or permitted except as otherwise explicitly provided in this Statute. 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 may serve on the Commission unless they would themselves qualify for licensing under this Statute, have no direct business relationship with the Tribe's gaming enterprise, and may only be appointed to emergency interim positions when no other qualified Tribal members are available.

2. No Tribal Gaming Board of Directors member may serve on the Commission;

3. No Tribal member directly related to or living with any Tribal Gaming Board of Directors member may serve on the Commission;

4. Members of the Commission, Tribal Council and Gaming Board of Directors are prohibited from gambling in the facility.

5. The following persons are also ineligible to serve on the Commission: 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 sharing a residence with any of the above; persons ineligible to be key employees or primary management officials.

D. The members of the Commission shall be appointed by the Tribal Council as follows:

1. Composition of the Commission. The Commission shall consist of three (3) to five (5) Tribal members appointed by the Tribal Council.

2. Term. Members of the Commission shall be appointed to serve for three (3) year terms. Terms shall be staggered so no more than two terms start in any one year. Members may be reappointed for additional terms without limitation.

3. Subject to the availability of funding and a budget approved by the Tribal Council, members of the Commission may receive a stipend, mileage and expense reimbursement in accordance with a stipend policy adopted by the Tribal Council.

4. Future Appointments and oath of office shall be conducted in accordance with the Commissions, Committees and Boards Statute, WOS 2002-05, or such successor statute as Tribal Council may enact.

E. Tribal member nominees for the positions of Commissioners must submit to a background check qualifying for licensing under this Statute.

F. The 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 utilize the Tribal Law Enforcement agency to obtain and process fingerprints;

5. Make suitability determinations, which shall be signed by a majority of the Commissioners present when the license is approved;

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

7. Inspect, examine and monitor all gaming activities, and have immediate access to review, inspect, examine, photocopy and audit all gaming related records of the gaming establishment;

8. Ensure compliance with all Tribal, State, and Federal laws, rules, and regulations

regarding Indian gaming;

9. Investigate any suspicion of wrongdoing associated with any gaming activities, and report any potential criminal violations to Tribal Law Enforcement.

10. Hold hearings on patron and/or employee complaints, in compliance with procedures established in this Statute and other Tribal gaming regulations;

11. 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;

12. Promulgate and issue regulations necessary to comply with the Tribe and the NIGC's Minimum Internal Control Standards (MICS);

13. Promulgate and issue regulations on the levying of fees associated with gaming license applications;

14. Promulgate and issue regulations on the levying of fines and/or suspension or revocation of gaming licenses for violations of the gaming Statute, or any other Tribal, Federal, or State, if applicable, gaming regulations; and

15. Perform such other duties the Commission deems appropriate for the proper regulation of the Tribal gaming operation.

16. The Commission shall be authorized to employ such staff and/or consultants as reasonably may be required to fulfill its responsibilities under this Statute subject to personnel policies approved by Tribal Council.

G. The 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 process. Under no circumstances shall information obtained during the course of an employee background investigation be disclosed to members of management, human resource personnel or others employed by the tribal gaming operation.

1. 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. Removal. Members of the Commission can only be removed in accordance with standards and procedures set out in the Commissioner Removal and Nepotism Act (Waganakising Odawak Statute 2001-10), or such successor statute as the Tribal Council may enact.

I. 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.

J. The Commission shall keep a written record of all its regularly scheduled, special, and emergency meetings, and licensing hearings and meetings.

SECTION VII. ETHICS

A. The Tribe recognizes that the duties of the Commission include making important decisions on highly sensitive issues. As such, the Tribe has determined that the Gaming Commission shall be held to high ethical standards. Prior to taking their positions, the Commissioners shall agree to be bound by the following principles:

1. Commissioners shall not hold financial interests that conflict with the conscientious performance of their duties;

2. Commissioners 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. Commissioners shall not solicit or accept any inappropriate gift or other item of monetary value as defined in the Commission's bylaws, regulations or Tribal

Council statute or policy, including complimentary items (see Section VIII, below), from any person or entity seeking official action or inaction from, doing business with, or conducting activities regulated by the Commission, or whose interests may be substantially affected by the performance or nonperformance of the Commissioners' duties;

4. Commissioners shall not make unauthorized commitments or promises of any kind purporting to bind the Tribe;
5. Commissioners shall not use their positions for private gain;

6. Commissioners 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;

7. Commissioners 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. Commissioners shall not engage in outside employment or activities, including seeking or negotiating for future employment, which conflict with their official duties and responsibilities;

9. Commissioners shall disclose waste, fraud, abuse, and corruption to appropriate authorities.

SECTION VIII. COMPLIMENTARY ITEMS FROM THE GAMING ENTERPRISE

A. The use of complimentary items shall be governed by regulations established by the Commission, which shall be in accord with the NIGC's Minimum Internal Control Standards, found at 25 C.F.R. § 542.17.

B. No Employee, Primary Management Official, Tribal Council member, Tribal Chairperson, Vice-Chairperson, member of the Tribal Judiciary, member of the Gaming Board of Directors or the Commission, shall be authorized to receive complimentary items from the Tribe's gaming enterprise.

SECTION IX. AUDIT

A. Annual Audit. The Tribal Council shall appoint an independent auditor to conduct the annual financial statement audit and minimum internal control testing as required by 25 C.F.R. §§ 522.4 and 571.12 and any other applicable or successor Federal regulations. The Commission shall have a right to receive a copy of the annual audit.

B. Internal Audit. The Commission shall employ personnel to conduct the compliance function (internal audit). In the event that the internal audit function cannot be performed by in-house staff, the Commission may engage an independent audit firm with the approval of the Tribal Council.

C. 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. *[25 C.F.R. § 522.4(b)(4)]*

SECTION X. ENVIRONMENT AND PUBLIC HEALTH AND SAFETY

Class II and Class III gaming facilities shall be constructed, maintained and operated in a manner that adequately protects the environment and the public health and safety. The Tribal Council may designate persons or entities other than the Commission to ensure compliance with non-gaming health and safety standards such as building codes, fire safety, etc.

SECTION XI. PATRON DISPUTE RESOLUTION

Patrons who have gaming related complaints against the gaming establishment, a gaming employee, or a management contractor shall have as their sole remedy the right to file a petition for relief with the Commission and the complaint shall be resolved in accordance with procedures adopted by the Commission. Such procedures shall at a minimum include:

A. The aggrieved member of the gaming public shall first bring his/her complaint either verbally or in writing to staff of the gaming facility within seven (7) days of the incident giving rise to the complaint.

B. If not satisfied with staff response, the complaining party may file a written complaint with the Commission within fourteen (14) days from receiving the gaming staff response. The Commission shall render a decision in a timely fashion and all such decisions will be final when issued.

SECTION XII. LICENSING OF EMPLOYEES

A. The Commission 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 class II and/or Class III gaming enterprise. The Commission has the authority to set licensing standards and issue licenses to non-key employees of the enterprise. The application requirements and standards for issuance of non-key licenses will be set out in the Commission regulations promulgated under this Statute.

B. Application Forms

1. The following notice shall be placed on all key and primary management official license application forms:

a. "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 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 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 investigations 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's 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." *[25 C.F.R. § 556.2(a)]*

2. 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:

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

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

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

a. 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, or both. (18 U.S.C. §1001).

C. License Fees

The Tribe may charge a license fee, to be set by the Commission and approved by the Tribal Council, to cover its expenses in investigating and licensing required under this Statute.

D. Background Investigations

1. The Commission shall perform background investigations and issue licenses for key employees and primary management officials according to requirements that

are at least as stringent as those in 25 C.F.R. parts 556 and 558.

2. The Commission shall conduct an investigation sufficient to make a determination under Subsection G. below. In conducting a background investigation, the Commission or its agent(s) shall promise to keep confidential the identity of each person interviewed in the course of the investigation. The Commission may utilize the Tribe's Law Enforcement Department to take fingerprints and conduct criminal history checks. The criminal history check shall include a check of criminal history records information maintained by the Federal Bureau of Investigation and any other services as are available and appropriate.

E. 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 Licensing Department or Tribal Law Enforcement. Fingerprints will then be forwarded to the NIGC for processing through the FBI and NCIC to determine the applicant's criminal history, if any. *[25 C.F.R. § 522.2(h)]; [25 C.F.R. § 556.4(a)]*

F. Procedures for Conducting a Background Check on Applicants

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

   a. Verify the applicant's identity through items such as a social security card, drivers license, birth certificate, or passport;

   b. Contact each personal and business reference provided in the License Application;

   c. Obtain a personal credit check;

   d. Conduct a civil history check;

   e. 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 or longer if required under the Compact or any applicable law or regulation;

f. Inquire into any previous or existing business relationships with the gaming industry and Indian tribes by contacting the entities or tribes;

g. Verify the applicant's history and status with any licensing agency by contacting the agency; and

h. Take other appropriate steps to verify the accuracy of the information, focusing on problem areas noted.

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

3. The Commission and its private investigator shall promise to keep confidential the identity of each person interviewed in the course of the investigation, other than disclosure as required under Tribal, Federal or State law. *[25 C.F.R. § 556.4(b)]*

G. Eligibility Determination

The 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 Commission determines that licensing 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, the Commission shall not license that person in a key employee or primary management official position. The application will include all charges and convictions as required to be disclosed under federal or Tribal law or regulations, or under the terms of a gaming compact that the Tribe is party to. However, the Commission will not consider records expunged or sealed by a Court of law.

H. Procedures for Forwarding Applications and Reports for Key Employees and Primary

Management Officials to the National Indian Gaming Commission

1. When a key employee or primary management official begins work at a gaming operation authorized by this Statute, 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 G of this Section.

2. The gaming operation shall not employ as a key employee or primary management official a person who after 90 days does not have a license. *[25 C.F.R. § 558.3(a)] [25 C.F.R. § 558.3(b)]*

I. Report to the National Indian Gaming Commission

1. The 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:

   a. Steps taken in conducting a background investigation;

   b. Results obtained;

   c. Conclusions reached; and

   d. The bases for those conclusions. *[25 C.F.R. § 556.5(a), (b)]*

2. 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 Statute by the Chairman of the National Indian Gaming Commission. *[25 C.F.R. § 558.3(b)]*

3. 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. *[25 C.F.R. § 556.5(c)]* 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 Commission to make a finding concerning the eligibility for employment in a gaming operation; and a statement documenting the disposition of all potential problem areas noted and disqualifying information obtained.

4. If a license is not issued to an applicant, the Commission:

a. Shall notify the NIGC if required under federal law or regulation in effect at the time; and

b. Shall forward copies of its eligibility determination and investigative report (if any) to the NIGC for inclusion in the Indian Gaming Individuals Records System. *[25 C.F.R. § 556.5(d)]*

5. With respect to all employees, and in particular key employees and primary management officials, the 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. *[25 C.F.R. § 558.1(b), (c)]*

J. Granting a Gaming License

1. 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 Commission, acting for the Tribe, may issue a license to such applicant. *[25 C.F.R. § 558.4(a)]*

2. The 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 J. 1. of this section until the Chairman of the National Indian Gaming Commission receives the additional information. *[25 C.F.R. § 558.4(c)]*

3. 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 Commission has provided an application and investigative report to the National Indian Gaming Commission, the Commission shall reconsider the application, taking into account the objections itemized by the National Indian Gaming Commission. The Commission shall make the final decision whether to issue a license to such applicant. *[25 C.F.R. § 558.4(b)]*

K. License Suspension

1. If, after the issuance of a gaming license, the Commission receives from the National Indian Gaming Commission, or other credible source, reliable information indicating that a key employee or a primary management official is not eligible for employment, the Commission shall suspend/revoke such license and shall notify in writing the licensee of the suspension and the proposed revocation. *[25 C.F.R. § 558.5(b)]*

2. The Commission shall notify the licensee of a time and a place for a hearing on the proposed revocation/suspension of a license. *[25 C.F.R. § 558.5 (c)]*

3. After a revocation/suspension hearing, the Commission shall decide to revoke or to reinstate a gaming license. The Commission shall notify the NIGC of its decision. *[25 C.F.R. § 558.5(d)]*

L. Review for Disputes

The regulations shall contain an appellate procedure whereby appeals of licensing

decisions are taken to the Tribal Court or such other appellate body as established therein. The burden of proof in hearings and appeals is on the person challenging the decision of the Commission, and the regulations may contain provisions for cost reimbursement for frivolous challenges.

M. Tribal members subject to licensing hearings shall be informed prior to any hearings that they may have another Tribal member of their choice present at all hearings, provided that they sign a form authorizing release of confidential information to such Tribal member prior to their hearing.

SECTION XIII. LICENSES FOR NON-KEY EMPLOYEES.

All non-key employees must obtain and maintain in good standing a non-key license issued by the Commission. A non-key employee cannot be promoted to a key employee position without first obtaining a key-employee license. The application contents and procedures for a non-key license are the same as those for a license under Section XII, except information on non-key employees need not be sent to the NIGC or made available to the State of Michigan, and the investigation need only include fingerprinting and criminal history checks. The standards of issuance, suspension and revocation of non-key licenses will be set out in the regulations of the Commission.

SECTION XIV. LICENSES FOR VENDORS

A. License Required. Vendors of gaming related services or supplies of $25,000 or more annually must have a vendor license from the Commission in order to transact business with the Tribal gaming operation. Contracts for professional legal and accounting services are excluded from this section.

B. Submission of a Vendor License Application

1. In order to obtain a vendor license, the business must complete a vendor application and submit to background checks of itself and its principals. Principals of a business include its officers, directors, management, owners, partners, non-

institutional stockholders that either own 10% or more of the stock or are the 10 largest stockholders, and the on-site supervisor or manager under the agreement with the Tribe, if applicable.

2. A vendor may submit a copy of a recent license application to another jurisdiction if it contains the information listed above. The vendor will be required to submit in writing any changes in the information since the other license application was filed and any information required by the Commission not contained in the other application.

C. Contents of the Vendor License Application.

1. Applications for vendor licenses must include the following:

a. Name of business, business address, business phone, federal tax ID number (or SSN if a sole proprietorship), main office address if different from business address, any other names the applicant has done business under, type of service applicant will provide;

b. Whether the applicant is a partnership, corporation, limited liability company, sole proprietorship, or other entity;

c. If the applicant is a corporation, the jurisdiction of incorporation, and the qualification to do business in the jurisdiction of LTBB or the State of Michigan.

d. Trade name, other names ever used, names of any wholly owned subsidiaries or other businesses owned by the vendor or its principals;

e. General description of the business and its activities;

f. Whether the applicant will be investing in or loaning money to the gaming operation and, if so, how much;

g. A description of any existing and previous business relationships with the gaming industry generally, including ownership interests in those

businesses;

h. A description of any existing and previous business relationships with Indian tribes, including ownership, financial, or management interests in non-gaming activities;

I. Names, addresses, and phone numbers of three business references with whom the company had regularly done business within the last five years;

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

k. If the business has ever had a license revoked for any reason, the circumstances involved;

l. A list of lawsuits to which the business has been a defendant, including the name and address of the court involved, and the date and disposition if any;

m. List the business' funding sources and any liabilities of $50,000 or more;

n. A list of the principals of the business, their social security numbers, addresses and telephone numbers, title, and percentage of ownership in the company; and

o. Any further information the Tribe deems relevant.

2. The following notice shall be placed on the application form for a vendor and its principals:

a. Inclusion of false or misleading information in the vendor application, or any altercation of the vendor application form, may be grounds for denial or revocation of the vendor license.

D. Vendor Background Investigation

The Commission may employ or otherwise engage a private investigator to complete an investigation of the vendor. This investigation shall contain, at a minimum, the following steps:

1. Verify of the business' incorporation status and qualification to do business in the jurisdiction where the gaming operation is located;

2. Conduct a check of the business' credit history;

3. Call each of the references listed in the vendor application; and

4. Conduct an investigation of the principals of the business, including a criminal history check, a credit report, and interviews with the personal references listed.

E. Vendor License Fee

The Tribe may charge a license fee, to be set by the Commission and approved by the Tribal Council, to cover its expenses in investigating and licensing vendors of the gaming operation. LTBB members will not be charged a vendor license fee.

F. The background investigator shall complete an investigative report covering each of the steps taken in the background investigation of the vendor and its principals.

SECTION XV. MINIMUM INTERNAL CONTROL STANDARDS

Little Traverse Bay Bands of Odawa Indians acknowledges its obligation to adopt and implement Tribal Minimum Internal Control Standards (MICS) for the operation of its Tribal gaming operation no less stringent than those found in the regulations of the NIGC at 25 C.F.R. Part 542. The Tribe's MICS shall be set out in separate regulations to be reviewed and approved by the Tribal Council.

SECTION XVI. LICENSE LOCATIONS

The Commission shall issue a separate license to each place, facility, or location on Indian lands where class II and/or class III gaming is conducted under this Statute. *[25 C.F.R. §*

522.4(b)(6)]

SECTION XVII. AGENT FOR SERVICE OF PROCESS

The Little Traverse Bay Bands of Odawa Indians hereby designates LTBB Tribal Chairperson as agent for service of process, who may be contacted at:

7500 Odawa Circle
Harbor Springs, MI 49740 *[25 C.F.R. § 519.1]*

SECTION XVIII. MANAGEMENT CONTRACTS PROHIBITED

Management contracts for management of LTBB gaming enterprises are prohibited by this Statute, even if such contracts would otherwise be allowable under the IGRA.

SECTION XIX. SAVINGS CLAUSE

In the event that any phrase, provision, part, paragraph, subsection or section of this Statute is found by a court of competent jurisdiction to violate the Constitution, or laws of the Little Traverse Bay Bands of Odawa Indians, such phrase, provision, part, paragraph, subsection or section shall be considered to stand alone and to be deleted from this Statute, the entirety of the balance of the Statute to remain in full and binding force and effect.

SECTION XX. EFFECTIVE DATE

This Statute takes effect upon approval of the Chairman of the National Indian Gaming Commission, or when considered approved by operation of applicable Federal law and/or regulation.

SECTION XX. EFFECTIVE DATE

This Statute takes effect upon approval of the Chairman of the National Indian Gaming Commission, or when considered approved by operation of applicable Federal law and/or regulation.

CERTIFICATION

As Tribal Chairman and Tribal Secretary, we certify that this Statute was duly enacted by the Tribal Council of the Little Traverse Bay Bands of Odawa Indians at a regular meeting of the Tribal Council held on May 15, 2005, at which a quorum was present, by a vote of 7 in favor, 0 opposed, 0 abstentions, and 0 absent as recorded by this roll call:

	In Favor	Opposed	Abstained	Absent
Frank Ettawageshik	x			
Beatrice Law	x			
Alice Yellowbank	x			
Dexter McNamara	x			
Fred Harrington, Jr.	x			
Rita Shananaquet	x			
Regina Gasco Bentley	x			

Date: May 15, 2005

Frank Ettawageshik, Tribal Chairman

Dexter McNamara, Tribal Secretary

MAY 27

REGULATIONS OF THE GAMING REGULATORY COMMISSION

SECTION I. PREAMBLE

A. Development of Regulations. The following regulations are issued pursuant to the powers vested in the Gaming Regulatory Commission by the Gaming Regulatory Ordinance enacted by the Tribal Council of the Little Traverse Bay Bands of Odawa Indians on February 18, 2001 (Waganakising Odawa Statute 2001-02) and approved by the National Indian Gaming Commission ("NIGC") on May 18, 2001. The Tribal Council reviewed and approved these Regulations on April 18, 2004.

B. Policy. It is the declared policy of the Tribe that all of the Gaming Enterprises and Gaming Operations subject to its jurisdiction be controlled through a comprehensive system of licenses, non-key licenses, and other appropriate regulations so as to ensure compliance with all applicable law and regulations governing the operation of the gaming enterprise.

C. Authority. These regulations are promulgated and adopted under the authority of Waganakising Odawak Statute 2001-02 and replace any earlier regulations of the Gaming Regulatory Commission.

SECTION II. DEFINITIONS

A. "Chairperson" means the chairperson of the Gaming Regulatory Commission chosen by the members of the Commission under Section X (B) (2) of the Gaming Regulatory Ordinance.

B. "Collateral Agreement" means any written contract that is related, either directly or indirectly, to a management contract, or to any rights, duties or obligations created between a tribe or any of its members, entities, or organizations.

C. "Tribal Council" means the governing body of the Little Traverse Bay Bands of Odawa Indians also called the Board of Directors in the Tribe's interim Constitution and By-Laws.

D. "Employee" has the same meaning as the term used by the United States Internal Revenue Service.

E. "Gambling game" or "game" or "gaming" means any game authorized by the LTBB Gaming Regulatory Ordinance.

F. "Enterprise" means the commercial enterprise of the Tribe authorized to engage in Gaming, and all ancillary commercial activities within the building(s) and other improvements constructed for the conduct of Gaming.

G. "Facility" means the building(s) and other improvements of the Little Traverse Bay Bands of Odawa Indians for the conduct of Gaming.

H. "Gaming Operations" means all operations directly related to the conduct of Gaming at the facilities.

I. "Key Contractor" means any person or other legal entity, other than a primary management official or key employee, who has a contract with the Gaming Operations where the contractor

performs for the gaming operation any function described in the definition for a key employee or primary management official, included but not limited to all providers of Class II or Class III games of chance, gaming equipment, supplies or services.

J. "Key employee" means

(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.

(d) Additionally, the Gaming Regulatory Commission may require a similar standard of review for employees who do not fall under the definition of key employee whose position and access to money or records warrants such review.

K. "License" means a revocable privilege (including temporary licenses) granted for a limited period of time by the Gaming Regulatory Commission, pursuant to these Regulations, to a person or entity to perform certain acts.

L. "Management contract" means any contract, subcontract, or collateral agreement between LTBB and a contractor or between a contractor and a subcontractor if such contract or agreement provides for the management of all or part of a gaming operation.

M. "Management contractor" means any person or other legal entity having a direct or indirect financial interest in a management contract. Provided, the Gaming Regulatory Commission may in its discretion treat spouses of any such person as management contractors where it is determined that such treatment is necessary to protect the interests of the Tribe.

N. "Person having a direct/indirect financial interest in a management contract" means:

1. When a person is a party to a management contract, any person having a direct financial interest in such management contract;
2. When a trust is a party to a management contract, any beneficiary or trustee;
3. When a partnership is a party to a management contract, any partner;
4. When a corporation is a party to a management contract, any person who is a director or who holds at least 10% of the issued and outstanding stock alone or in combination with another stockholder who is a spouse, parent, child or sibling; or

5. When an entity other than a natural person has an interest in a trust, partnership or corporation that has an interest in a management contract, all parties of that entity are deemed to be persons having a direct financial interest in a management contract.

O. "Person having management responsibility for a management contract" means the person designated by the management contract as having management responsibility for the gaming operation, or a portion thereof.

P. "Primary Management Official" means:

1. The person having management responsibility for a management contract;
2. Any person who has authority:
   a. To hire and/or fire employees; or
   b. To set up working policy for the gaming operation; or
3. The chief financial officer or other person who has financial management responsibility over the Gaming Enterprise.

Q. "National Indian Gaming Commission" or "NIGC" means the federal gaming regulatory body created by the Indian Gaming Regulatory Act (Public Law 100-497, 25 U.S.C. §§ 2701 *et seq*,) ("IGRA").

R. "Player" means a person who participates in a game other than as an employee or contractor of the gaming operation.

S. "Gaming Regulatory Commission" means the Gaming Regulatory Commission established by the Gaming Regulatory Ordinance (Waganakising Odawak Statute 2001-02) of the Tribe.

T. "Standard employee" or "non-key employee" means any employee of a gaming operation who works in any capacity except primary management officials and key employees.

U. "Temporary License" means a revocable privilege granted for a limited period of time by the Gaming Regulatory Commission, pursuant to these Regulations, to a person or entity to perform certain acts that do not require separate approval from the federal government.

V. "Tribe" or "LTBB" means the Little Traverse Bay Bands of Odawa Indians.

W. "Non-key license" means a license issued to non-key employees under Section V.

SECTION III. SURVEILLANCE SERVICES

Surveillance policy-making responsibilities; written policies required. The Gaming Regulatory Commission shall supervise and establish written surveillance policies and procedures for the Gaming Regulatory Commission's surveillance system and staff. When convened to discuss surveillance policies and procedures, the general manager of the gaming operation to which the surveillance services are provided shall be invited to participate in the discussion.

SECTION IV. LICENSES

A. Revocable privilege.

1. An application for a license constitutes a request to the Gaming Regulatory Commission for a decision upon the applicant's suitability, character, integrity, and ability to participate or engage in, or be associated with, the gaming industry in the manner or position sought by the applicant.
2. The burden of proving an applicant's qualification to receive any license is at all times on the applicant.
3. The granting of a license by the Gaming Regulatory Commission does not constitute a commitment on behalf of the Gaming Regulatory Commission or any other party or entity to hire or continue to employ the licensee.
4. These regulations do not apply to bona fide traditional Indian gambling games, so long as such games are conducted by Indian persons or organizations at Tribal celebrations or gatherings and not as a business.

B. License categories.

1. Facility license. No gambling games may be played at any place, facilities, or location within the Tribe's jurisdiction unless the manager of the gaming operation first obtains and thereafter maintains in good standing a valid facility license issued in accordance with these regulations.

2. Management contractor's license. No person, corporation or other entity other than the Tribe may serve as the management contractor for a Tribally owned gaming operation within the Tribe's jurisdiction unless said management contractor first obtains and thereafter maintains in good standing a valid management contractor's license issued in accordance with these regulations.

3. Primary management official's license. No person, corporation, or other entity other than the Tribe may have a management interest, or financial interest in the profits of a gaming operation unless she/he first obtains and thereafter maintains in good standing a valid primary management official's license issued in accordance with these regulations.

4. Key employee license. No person shall be employed as a Key Employee by the Gaming Enterprise or by the Gaming Regulatory Commission unless such person first obtains and thereafter maintains in good standing a valid key employee license issued in accordance with these regulations.

5. Non-key license. Each non-key employee in a gaming operation shall first obtain and maintain in good standing a valid non-key license issued in accordance with Section V of these regulations.

6. Key contractor license. No person or other legal entity shall enter into any contract with the Gaming Operation that establishes the entity as a key contractor unless the entity first obtains and thereafter maintains in good standing a valid key contractor license issued in accordance with these regulations.

C. Standards for issuance of a license. No key or primary management official license may

be issued to any applicant who:

1. Is under the age of 18; or

2. Has been convicted of, or entered a plea of guilty or no contest to, a gambling related offense, fraud or misrepresentation. The terms "fraud or misrepresentation," as used in this subsection shall mean a criminal offense committed in Michigan or any other jurisdiction, involving, theft, fraud or misrepresentation, which is a felony or would be a felony if committed in Michigan, and which was committed as an adult or prosecuted as an adult offense, and which has not been effectively removed from the employee's criminal record by executive pardon, state court order, or operation of law. or

3. Has been convicted of, or entered a plea of guilty or no contest to, any offense not specified in subparagraph (2) within the immediately preceding five years; this provision shall not apply if that person has been pardoned by the Governor of the State where the conviction occurred or, if a Tribal Member, has been determined by the Gaming Regulatory Commission to be a person who is not likely again to engage in any offensive or criminal course of conduct and the public good does not require that the applicant be denied a license as a key employee or primary management official.

The term "any offense," as used in subsection this (C)(3), shall mean any criminal offense not described in subsection (C)(2), whether committed in this state or any other jurisdiction, that is, or would be, a crime under the provisions of the Michigan Penal Code, Act No. 328 of the Public Acts of 1931, as amended, being MCL 750.1 to 750.568, or the controlled substance provisions of the Public Health Code, Act No. 368 of the Public Acts of 1978, as amended, being MCL 333.7101 to 333.7545, or any other criminal offense not specified in subparagraph (2) involving theft, dishonesty, fraud or misrepresentation arising under the law of Michigan or another state or jurisdiction, that was committed as an adult or prosecuted as an adult offense, and which has not been effectively removed from the employee's criminal record by executive pardon, state court order, or operation of law; or

4. Is determined by the Gaming Regulatory Commission to have participated in organized crime or unlawful gambling or whose prior activities, criminal records, reputation, habits, and/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 or to the carrying on of the business and financial arrangements incidental to the conduct of gaming; or

5. has knowingly and willfully provided materially false statements or fails to disclose (verbally or in writing) information to the Gaming Regulatory Commission or its licensing department or refused to respond to questions asked him/her by the Gaming Regulatory Commission; or

6. has any outstanding warrant for arrest from any jurisdiction; or

7. does not meet the federal requirements pertaining to Indian gaming licenses, especially the IGRA and related regulations.

D. <u>License application procedures.</u>

1. General requirements. Applicants for a gaming license must complete the appropriate application form and submit the form, all necessary additional documents to the Gaming Regulatory Commission. The application will not be regarded as complete until all the requested information has been received from the applicant.

2. Application forms; contents; amendments.

a. Every application or report must be filed on forms furnished or approved by the Gaming Regulatory Commission and must contain and be accompanied by such documents and information as may be specified thereon or otherwise required.

b. All information required to be included in an application must be true and complete as of the date submitted to the Gaming Regulatory Commission, and an applicant shall promptly supply any material factual information occurring after the original application. Failure by an applicant to promptly update his/her application to include all material facts shall be deemed by the Gaming Regulatory Commission as a failure to disclose.

c. Every application for any gaming license, other than a facility license, shall include, at a minimum, 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 drivers 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 (a)(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 is 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 (8) or (9) of this subsection, 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;

(13) Any other information the Gaming Regulatory Commission deems relevant; and

(14) Fingerprints consistent with procedures adopted by the Tribe.

d. The Gaming Regulatory Commission may only license facilities owned by the Tribe and operated by the Tribe itself or the Tribe in conjunction with a management contractor pursuant to a management agreement approved by the NIGC. Every application for a facility license shall include, at minimum, the following information;

(1) The name, address, and telephone number of the Gaming Operation;
(2) The name, address, and telephone number of the management company, if any, and the name address, social security number, birth date, and percentage interest in the management company of each person possessing a financial interest in excess of 5% in the management company;
(3) An operating plan containing at a minimum the details specified in Section IV(L)(2) of these Regulations;
(4) A list of all primary management officials, including the position and annual salary of each individual listed; and
(5) The complete current or proposed house rules of the gaming operation.

e. An application may be amended only with the consent and solely at the direction of the Gaming Regulatory Commission at any time prior to the Gaming Regulatory Commission's final action on the application.
f. Any document filed under any of the provisions of the Gaming Regulatory Ordinance or these regulations may be incorporated by reference in a subsequent application if it is available in the files of the Gaming Regulatory Commission, to the extent that the document is currently accurate.

3. Fingerprints. An application for a primary management official, or employee license shall not be complete until the applicant furnishes to the Gaming Regulatory Commission his/her fingerprints in duplicate on fingerprint impression cards taken by the Gaming Regulatory Commission or Tribal Police Department.

4. Application and investigation fees.

a. Non-refundable application fees as periodically set by the Gaming Regulatory Commission and approved by Tribal Council must be paid by the applicant or the Gaming Enterprise under section 4.d.

b. In addition to any non-refundable application fees paid, the Gaming Regulatory Commission may require an applicant to pay such supplementary investigative fees and costs as may be determined by the Gaming Regulatory Commission. The Gaming Regulatory Commission may estimate the supplementary investigative fees and costs and require the applicant to pay the estimated fees and costs in advance as a condition precedent to beginning or continuing an investigation.

c. The Gaming Regulatory Commission may not act upon any application unless all application and investigation fees and costs have been paid in full. The Gaming Regulatory Commission shall deny an application if the applicant has failed or refused to pay all application and investigation fees and costs.

d. The Gaming Regulatory Commission may take preliminary or final action on an application before the required application and investigation fees are received only if payment of the fees is guaranteed by an agreement with the Gaming Enterprise.

e. In the event of a management contract, the application fee will be the actual cost of processing the application for a management contractor, including the cost of background investigations. A management contractor shall pay a $50,000.00 deposit with the application. Once the application is processed, the Gaming Regulatory Commission shall either refund any portion of the deposit not needed to cover processing expenses, or bill the management contractor for any processing costs in excess of the deposit amount.

E. Background investigations.

1. Within 14 Calendar days after receipt of a complete application and such supplemental information as the Gaming Regulatory Commission may require, the licensing staff shall begin its investigation of the applicant's background to determine if the applicant meets the Gaming Regulatory Commission's minimum license standards. The licensing staff shall investigate the criminal history of each applicant for a license and the personal background, character, reputation and associations of each applicant for a license, and may make such inquiries of and/or about said associations as may be necessary to form a conclusion about the applicant's eligibility for a license. At a minimum, the following investigations shall be performed before taking preliminary or final action on any application:

a. Applicant for any gaming license. The criminal background of an applicant for any gaming license shall be investigated by submitting the applicant's vital information, including but not limited to: full name; any other

names used, date and place of birth; citizenship, drivers license numbers; social security number; and physical description to the Michigan State Police and/or local law enforcement agencies, and to the Federal Bureau of Investigation Criminal Information Center, and any other law enforcement agencies that the Gaming Regulatory Commission deems appropriate, requesting a criminal history report. Any fingerprints of applicants required to be taken under these regulations shall also be submitted to these law enforcement agencies.

b. Applicant for any gaming license - additional requirements. If the applicant lived outside the United States for more than six months during the preceding eight years the Gaming Regulatory Commission shall also submit the applicant's vital information to INTERPOL and request an international criminal history report for the applicant. The Gaming Regulatory Commission shall also interview at least three previous employers, associates, or other persons familiar with the applicant to determine if the applicant's reputation, character, habits, and activities meet the standards for issuance of a license. The Gaming Regulatory Commission shall also obtain a credit bureau report on the applicant, and shall take such other steps as it may deem reasonable to verify the information provided by the applicant.

c. Applicant for a primary management official's license. In addition to other investigations, the Gaming Regulatory Commission shall contact banks, other financial institutions, and other information sources as needed to verify the accuracy of financial information provided by each person's name in an application for a primary management official's license.

2. The Gaming Regulatory Commission is not limited to the above investigations and shall make additional investigations and inquiries as required by federal law or regulation or as needed to determine with reasonable certainty that an applicant either does or does not meet the minimum standards for issuance of a gaming license. Such investigation may include personal interviews with applicants.

3. The Gaming Regulatory Commission shall attempt to complete its background investigation within 60 days following receipt of a complete application. If the investigation cannot be completed within 60 days after receipt of a complete application, the Gaming Regulatory Commission shall notify the applicant in writing why the investigation is not complete and when it expects to complete the investigation.

4. The Gaming Regulatory Commission may contract with private, state, and/or federal investigation agencies to perform the required background and/or criminal history investigations when necessary.

F. Application reviews; approvals; denials; waivers.

1. Review. Within 14 calendar days following completion of the background investigation the Gaming Regulatory Commission shall review each applicant and all background investigation and criminal history reports to determine if the applicant meets the standards for issuance of the requested license.

2. License approval.

a. Preliminary approval; temporary licenses. If, in the Gaming Regulatory

Commission's judgment, the applicant meets the standards for issuance of a license and all application and investigation fees are fully paid, the Gaming Regulatory Commission may grant its preliminary approval of the application. At its discretion, the Gaming Regulatory Commission may also issue a temporary or conditional license. A temporary license is valid for 90 days.

b. National Indian Gaming Commission review. Within seven (7) days after granting preliminary approval of a license application, the Gaming Regulatory Commission shall send the results of the background investigation per the NIGC requirements. The Gaming Regulatory Commission shall also include a cover letter indicating the Gaming Regulatory Commission's intent to issue the applicant a license and request that the federal agency review the application pursuant to the requirements of federal law. A copy of this letter may also be sent to the applicant with a notice that the application is not finally approved.

c. Final approval. The Gaming Regulatory Commission may grant final approval of a license application only after:

(1) Receiving notice from the NIGC that it has no objection to the issuance of the license; or
(2) 30 days have elapsed since the responsible federal agency was notified of the Gaming Regulatory Commission's intent to issue the license and the federal agency has not responded; or
(3) The federal agency timely objected to the issuance of the license, the Commission has reconsidered the application, taking into account the federal agency's objections and the Commission has determined that the applicant may be licensed notwithstanding those objections.

The Gaming Regulatory Commission shall promptly notify each approved applicant that his/her application is approved and issue a license. If a temporary license was previously issued, the effective date of the license shall be the issue date of the temporary license.

3. License limitations and restrictions. No license shall be valid unless signed by a majority of the Gaming Regulatory Commission members. The Gaming Regulatory Commission may limit the term of the license, or place such conditions thereon as it may deem necessary to protect the Tribe or public interest.

4. Denial.

a. The Gaming Regulatory Commission shall deny an application for any class of license if, in the Gaming Regulatory Commission's opinion, the applicant does not meet the standards required for issuance of the requested license under these regulations and applicable law. The Gaming Regulatory Commission has the discretion to deny any application or revoke a license, if, in the Gaming Regulatory Commission's judgment, such a denial or revocation is in the interests of the Tribe.

b. The Gaming Regulatory Commission may deny an application at any time during the application process, including after granting preliminary approval to the application.

c. The Gaming Regulatory Commission shall promptly notify an applicant that

his/her application was denied and shall specify the reasons for the denial, including a list of criminal conviction(s), date(s), and location(s), if any, that contributed to the Gaming Regulatory Commission's decision to deny the application. If an application was denied as a result of information contained in the applicant's FBI identification record, the applicant shall be advised of the procedures to change, correct, or update the record as set forth in Title 28 CFR, Section 16.34.

5. Waivers. Any enrolled member of the Tribe denied a license may request a waiver of the license standards, only to the extent allowed under Section IV (C)(3) pursuant to the hearing provisions set out in Section VII of these regulations. Waivers may not be considered for any non-LTBB member. The eligible applicant must show that a waiver is in the best interests of the Tribe or the Gaming Regulatory Commission may not grant the requested waiver.

G. Expirations.

1. Except for a facility license, management contractor's license and a key contractor license, the expiration date of each license shall be determined by the licensee's anniversary date. The license shall expire on the licensee's next anniversary date.
2. A key contractor or management contractor's license shall expire not later than one year from the date it was issued.
3. A facility license shall expire not later than one year from the date it was issued.
4. The expiration schedules in this section describe the maximum period for which a license may be granted. The Gaming Regulatory Commission may issue any license for a shorter period if the Gaming Regulatory Commission deems the shorter period is necessary to adequately protect the interests of the Tribe or the public.

H. Renewals. Subject to the power of the Gaming Regulatory Commission to deny, revoke, suspend, or limit licenses, any gaming license in force may be renewed for the next year with payment of applicable license and investigation fees as required by law and the regulations of the Gaming Regulatory Commission. The Gaming Regulatory Commission shall encourage license holders to apply for a license renewal at least 60 days prior to expiration of the current license, but the Gaming regulatory Commission may not accept a renewal application more than 120 days prior to expiration of the current license.

I. Issuance of License Identification Cards.

1. The Gaming Regulatory Commission shall issue a license identification card to every person granted a license. The identification card shall include the licensee's photograph, name, license number, name of the gaming operation by which they are employed or to which they provide services, expiration date of the license, logo, and such other identifying marks deemed necessary by the Gaming Regulatory Commission to readily identify legitimate cards from counterfeit cards. The licensing staff shall issue identification cards pursuant to procedures established by the Gaming Regulatory Commission. A license identification card may not be issued until the applicant's application has been approved by the licensing department and the license is signed by the a majority of members of the Gaming Regulatory Commission.

2. Every licensee shall at all times while on duty or on site wear their license identification card issued by the Gaming Regulatory Commission. Gaming Regulatory Commission employees are not required to wear their identification card, however, are required to carry it with them at all times and are required to promptly show his/her

identification card to any person requesting to inspect the card.

3. The licensee shall be required to surrender his/her photo identification card when: the card expires; a new license is issued; the licensee's association with the gaming operation ends, whether or not the termination is voluntary; or the license is suspended or revoked.

4. Any person who has lost his/her photo identification card must report the loss to the licensing staff within 24 hours of the loss or discovery of the loss. Replacement of a lost photo identification card may be made for a fee of $10.00.

J. Employment of unlicensed persons prohibited. A licensee shall not employ any person or enter into any contract or agreement for services with any person in a capacity for which that person is required to obtain a license if that person does not possess the proper and valid license as required by these regulations. The gaming operation shall immediately discharge any employee and cancel any contract or agreement upon notification by the Gaming Regulatory Commission that the employee's or contractor's license has been suspended or revoked by the Gaming Regulatory Commission or that the employee or contractor does not possess the required license.

K. Background review for hiring. Employees of the Gaming Enterprise who make hiring determinations may review the background information, to the extent allowed by applicable law and regulation, compiled by the Gaming Regulatory Commission for potential employees who have been issued a license.

L. Facility license requirements.

1. License fees. The Tribal Government may require and set a facility licensing fee to cover or help offset the actual expenses incurred by the Gaming Regulatory Commission in carrying out its licensing and compliance functions.

2. Operating plan.

a. Every facility licensee shall at all times maintain on file with the Gaming Regulatory Commission a current operating plan, verified by the affidavit of the operation's general manager, including, but not limited to: days and hours of operation; the maximum number and type of gaming tables or devices expected to be uncovered or in use at any time during the year; the number of gaming tables or devices expected to be in actual use during the first month of the report year. The approved operating budget shall be submitted to the Gaming Regulatory Commission within one week of its approval by the operation's manager but not later than two weeks prior to the beginning of the operation's new fiscal year.

b. Any significant changes (up or down) to the operating plan shall be reported to the Gaming Regulatory Commission in writing no more than two weeks following the end of the month in which the change occurred. Significant changes include, but are not limited to: a change of 15% or more in the number of gaming tables or devices uncovered or in use; a change of 15% or more in the net profit forecast for the balance of the current year; or a change in the operation's fiscal year or accounting policies.

3. Key employee report.

a. Each facility licensee shall submit an annual key employee report to the Gaming Regulatory Commission on a form to be furnished by the Gaming Regulatory Commission.

b. The annual key employee report shall identify every primary management official and key employee of the operation and their annual wage or salary compensation. The report shall also include an organization chart for the operation and a description of each primary management official's and key employee's duties and responsibilities, and the authority delegated to each individual identified in the report.

c. Any changes, additions, or deletions to any information contained within the annual key employee report which occurs subsequent to the filing of the report and prior to the filing of the next year's report shall be reported to the Gaming Regulatory Commission in writing no more than two weeks following the month during which the change, addition, or deletion occurred.

4. Financial reports. The Gaming Regulatory Commission shall receive a verified copy of the annual audited financial report within thirty (30) days following the end of the operation's fiscal year from the person responsible for preparing such report under the Tribe's law, regulations and contracts.

5. Purpose. The Gaming Regulatory Commission is required to receive the reports and information specified in subsections 1., 2., 3. and 4. solely to ensure that the gaming operation is free of corruption and to aid in planning staffing and budgeting for surveillance. The Gaming Regulatory Commission is not responsible for, and shall not interfere with, any business decisions of the Gaming Enterprise.

L. Posting of facility license. A facility license by the Gaming Regulatory Commission must be prominently displayed at all times upon the licensed premises in such position as it may be observed by persons participating in the gaming activities.

M. Notice to patrons. In each facility of the Tribe where Class III Gaming is conducted the Tribe shall post in a prominent position a Notice to Patrons at least two (2) feet by three (3) feet in dimension with the following language.

NOTICE

THIS FACILITY IS REGULATED BY ONE OR MORE OF THE FOLLOWING: THE NATIONAL INDIAN GAMING COMMISSION, BUREAU OF INDIAN AFFAIRS OF THE U. S. DEPARTMENT OF THE INTERIOR AND THE GOVERNMENT OF THE LITTLE TRAVERSE BAY BANDS OF ODAWA INDIANS

THIS FACILITY IS NOT REGULATED BY THE STATE OF MICHIGAN

SECTION V. NON-KEY LICENSE

A. Non-key licenses required. All non-key employees must obtain and maintain in good standing a non-key license issued by the Gaming Regulatory Commission as set out in this section. A non-key employee cannot be promoted to a key employee position without first obtaining a license under Section IV of these Regulations. The application contents and procedures for a non-key license are the same as those for a license under Section IV, except information on non-key employees need not be sent to the NIGC or made available to the State of Michigan, and the investigation need only include criminal history checks

B. Issuance standards. The Gaming Regulatory Commission shall not issue a non-key license to any applicant under one or more of the following:

1. who is under the age of eighteen, with the exception of applicants in an approved summer work programs in non-gaming floor areas of the Enterprise;

2. who currently has a pending felony charge;

3. who has been convicted in the past five years of any felony involving theft, fraud or violence. Provided, this provision shall not apply if that person has been pardoned by the Governor of the State where the conviction occurred or, if a Tribal Member, has been determined by the Gaming Regulatory Commission to be a person who is not likely again to engage in any offensive or criminal course of conduct and the public good does not require that the applicant be denied a non-key license; or

4. who is determined by the Gaming Regulatory Commission, based on criminal history checks, to pose a threat to the safety or security of the Enterprise or persons present in the facilities.

C. A non-key license may be suspended or revoked in accordance with Section VI but only based on undisclosed or new criminal convictions or pending charges.

SECTION VI. PENALTIES

A. Suspensions.

1. Emergency suspensions. The Gaming Regulatory Commission's licensing manager or his/her subordinates may seize an individual's identification card and exclude that individual from the gaming establishment for up to 72 hours if, in the licensing manager's judgment, the licensee's actions or commissions pose a threat to the integrity of the gaming operation, the safety of the general public, patrons, or other employees, or the image and reputation of the Tribe. The Gaming Regulatory Commission or its designated staff shall immediately notify the gaming operation's general manager of the emergency suspension. At its discretion, the Gaming Regulatory Commission may take formal suspension action against the individual.

2. Formal suspension.

a. The Gaming Regulatory Commission may issue an order suspending a license if the Gaming Regulatory Commission has reasonable cause to believe that:

(1) the suspension is necessary for the immediate preservation of the public peace, health, safety, morals, good order, or general welfare of the Tribe; or
(2) the licensee may have violated any condition or requirement imposed on the licensee by the Gaming Regulatory Commission or applicable laws.

b. The suspension order becomes effective when it is signed by the chairperson or a majority of members of the Gaming Regulatory Commission and the holder of the license receives actual or constructive notice of the order.

c. The order suspending the license must state the reason for the suspension.

d. The suspension order shall state that the licensee shall forfeit his/her right to a hearing and any appeal if s/he fails properly to request a hearing before the Gaming Regulatory Commission within 30 days following effective date of the order.

e. By the end of the next business day following the effective suspension date of a license, the Gaming Regulatory Commission shall notify the general manager of the gaming operation employing or contracting services of the suspended license(s) of the Gaming Regulatory Commission's action. The gaming operation's general manager shall immediately suspend the employee or contract and shall not pay the employee or contractor any wages, benefits, or other compensation except for legitimate services actually rendered prior to the suspension. If the suspension involves the license of the general manager or the facility, the Gaming Regulatory Commission shall notify the management contractor or other representative of the operation's owner.

f. The Gaming Regulatory Commission may suspend a license for any period of time up to one year in length.

g. The Gaming Regulatory Commission may reinstate a license only after the licensee resolves to the Gaming Regulatory Commission's satisfaction the cause for making the suspension.

B. Civil Penalties. The Gaming Regulatory Commission may impose a civil penalty or penalties against any licensee reasonably determined by the Gaming Regulatory Commission to have violated any of these regulations, whether or not the Gaming Regulatory Commission deems a penalty is appropriate, it shall notify the licensee of the Gaming Regulatory Commission's intent to impose the penalty and set a time and date to hear the licensee's rebuttal of the Gaming Regulatory Commission's determination. The licensee shall be required to pay any penalty before the license may be reinstated.

C. Criminal Prosecution. The Gaming Regulatory Commission shall promptly submit any knowledge or evidence of criminal wrongdoing that it may discover to appropriate law enforcement official for prosecution.

D. Revocations. In addition to any penalty the Gaming Regulatory Commission may elect to impose against a licensee, the Gaming Regulatory Commission may revoke a suspended gaming license if the Gaming Regulatory Commission determines that the licensee:

1. Does not meet the minimum standards or requirements for issuance of a license;
2. Failed to disclose, misstated, or otherwise misled the Gaming Regulatory Commission about any fact contained within any application for a license;
3. Violated any of the terms or conditions under which the Gaming Regulatory Commission granted the license; or
4. Failed to request a hearing before the Gaming Regulatory Commission to reinstate a suspended license.

Any person or other legal entity who has had a license revoked by the Gaming Regulatory Commission shall not be eligible to apply for a new license for one year after the effective date of

the revocation.

SECTION VII. APPEALS AND HEARINGS

A. The licensee whose license or non-key license is suspended, revoked or against whom a penalty was imposed or an applicant denied a license:

1. Has the right to a hearing before the Gaming Regulatory Commission on the Gaming Regulatory Commission's decision or order.
2. Must file a written notice of appeal request to the Gaming Regulatory Commission for a hearing within 30 days following the effective date of the Gaming Regulatory Commission's decision or order. Failure to properly request a hearing in a timely manner waives the person's right to a hearing or any other appeal of the Gaming Regulatory Commission's decision.

B. After receipt of a written notice of appeal, the Gaming Regulatory Commission shall schedule a hearing not later than 14 calendar days after receipt of the request. Following the hearing the Gaming Regulatory Commission shall make a decision to uphold, modify, or reverse the order imposing the suspension, revocation, or penalty(s).

C. Throughout the hearing the appellant shall have the following rights.

1. The right to appear personally before the Gaming Regulatory Commission;
2. The right to face and question the appellant's accuser; and
3. The right to representation by any party of the appellant's choosing.

D. The Gaming Regulatory Commission must determine that the offense or other cause for the suspension, revocation, or penalty more likely than not occurred, or the Gaming Regulatory Commission shall withdraw the order or penalty. The Gaming Regulatory Commission shall issue its decision in writing.

E. The appellant may request and the chairman of the Gaming Regulatory Commission shall grant a time extension or extensions of any reasonable period necessary for the appellant to prepare for the hearing not to exceed 90 days.

F. The procedures for requesting and considering a waiver for a license under Section IV(C)(3) or for a non-key license under Section (V)(B)(3) are the same as those for hearings before the Gaming Regulatory Commission with the following additional requirements: the waiver applicant must provide copies of all police and court records relating to his/her conviction(s), probation officer reports, character references, and any other information relevant to proving the applicant is now of good character.

G. Nothing in this Section VI shall apply to preliminary licenses.

H. Tribal Court Review.

1. Following a final decision of the Gaming Regulatory Commission after a hearing under this Section, a person whose license or non-key license is suspended, revoked or against whom a penalty was imposed or an applicant denied a license or non-key license has a right to file an appeal with the Tribal Court. The burden of proof in the appeal process is on the applicant.

2. All appeals shall be in writing. An applicant shall have 20 calender days from the date of receiving the hearing decision of the Gaming Regulatory Commission to file an appeal in writing with the Tribal Court.

3. The sole purpose of the Tribal Court appeal will be to determine if there has been a clear error in the decision of the Gaming Regulatory Commission based on the evidence and documentation provided by the applicant to the Gaming Regulatory Commission and compiled by the Gaming Regulatory Commission pursuant to the application and hearing process. The Tribal Court shall only overrule the decision of the Gaming Regulatory Commission if the evidence cannot reasonably be construed to support the action of the Gaming Regulatory Commission. The Tribal Court will not consider additional or supplemental documentation or evidence not presented to the Gaming Regulatory Commission.

SECTION VIII. GAMING OPERATIONS

A. Gaming equipment.

1. No Class III or Class II games of chance, equipment or supplies may be purchased, leased or otherwise acquired by the Tribe unless the equipment or supplies meet the technical standards of either the State of Nevada, State of New Jersey or the State of Michigan.

2. The seller, lessor, manufacturer, or distributor shall provide, assemble and install all Class III or Class II games of chance, gaming equipment, and supplies in a manner approved and licensed by the Tribe.

B. Gambling by Employees. No employee of a licensed facility, member of the Gaming Regulatory Commission, employee of the Gaming Regulatory Commission, member of the Gaming Administration, employee of the Gaming Administration, or member of the Tribal Council shall be permitted to participate as a player in any game operated within the facility.

C. Credit Prohibited. No credit shall be extended by a gaming operation to any player. This prohibition shall not be construed, however, to prevent players or customers from utilizing bank cards, credit cards, and other forms of personal credit when the credit is guaranteed or extended by an independent financial institution.

D. Age Prohibition. No patron under twenty one (21) years of age may play any game in the operation, nor shall any such person be allowed to loiter or remain in the immediate area in which any such game is being played.

SECTION IX. DISPUTE RESOLUTION

Disputes between the gaming public and the Tribe or management official shall be resolved as follows:

A. The complaining member of the gaming public shall first have an opportunity to present his/her grievance, verbally or in writing, to the general manager of the Gaming enterprise or a person designated by the general manager to resolve grievances with members of the gaming public.

B. If the grievance is not resolved under Section A. the complaining member of the general public may file a written grievance with the Gaming Regulatory Commission. The Gaming Regulatory Commission shall prepare and make available grievance forms that include space for the name, address, and phone number of the grievant, and a description of the situation or incident complained of. The Gaming Regulatory Commission shall review the written grievance within seven (7) days of receipt. If the Gaming Regulatory Commission deems it necessary, it may hold a fact finding hearing to question the grievance and any employees of the facility involved in the grievance. The Gaming Regulatory Commission shall take final action on the grievance within thirty (30) days of receipt which may include any action authorized under the Gaming Regulatory Ordinance and these regulations.

Certifications

As Secretary of the Gaming Regulatory Commission, I certify that the Gaming Regulatory Commission approved these Regulations by unanimous motion at a regular meeting of the Gaming Regulatory Commission held on March 4, 2004, posted them for 30 days, and held a special meeting to take comments from Tribal members on April 12, 2004.

Date: 4/18/04

Gaming Regulatory Commission Secretary

As Secretary of the Tribal Council, I certify that the Tribal Council approved these Regulations by motion at a regular meeting of the Tribal Council held on April 18, 2004.

Date: april 18, 2004

Dexter McNamara, Tribal Council Secretary