



July 6, 2012

Chairperson Sherry Treppa  
Habematolel Pomo of Upper Lake  
375 E. Hwy. 20  
Suite I  
Upper Lake, CA 95485

Re: Amended Tribal Gaming Code

Dear Chairperson Treppa:

This letter responds to both of Attorney Richard Armstrong's recent letters, written on behalf of the Habematolel Pomo of Upper Lake ("Tribe"), asking the National Indian Gaming Commission ("NIGC") to review and approve the Tribe's Amended Gaming Code ("Ordinance"). The first letter was received by the NIGC on April 24, 2012, along with Resolution No. 04-12-04, which the Tribe's Executive Council adopted on April 16, 2012. The second letter was received by the NIGC on June 8, 2012, along with Resolution No. 06-12-01. The second Executive Council Resolution, No. 06-12-01, supersedes and replaces all prior Resolutions, and approves the amendments to the Ordinance.

We appreciate that the Tribe brought these amendments to our attention. The Tribe's amended Ordinance is approved, as it is consistent with the requirements of the Indian Gaming Regulatory Act and the NIGC's regulations. If you have any questions or require assistance, please contact Katherine Zebell, Senior Attorney, at (202) 632-7003.

Sincerely,

A handwritten signature in blue ink, appearing to read "L Stevens".

Tracie L. Stevens  
Chairwoman

cc: Attorney Richard J. Armstrong  
Rosette, LLP





375 E. Hwy. 20, Suite 1  
P.O. Box 516  
Upper Lake, CA 95485  
Phone: 707-275-0737  
Fax: 707-275-0757  
Toll Free: 1-877-543-5102  
www.upperlakepomo.com



## Resolution # 06-12-01

MONTH - YEAR - #SEQUENCE

**“AUTHORIZATION TO ADOPT THE AMENDMENTS TO THE REVISED  
GAMING CODE OF THE HABEMATOLEL POMO OF UPPER LAKE (“TRIBE”)  
AND AUTHORIZING THE TRIBAL CHAIRPERSON TO TAKE ANY AND ALL  
ACTIONS REQUIRED TO OBTAIN THE NIGC’S APPROVAL OF THE  
AMENDMENTS TO THE REVISED GAMING CODE”**

**WHEREAS,** Habematolel Pomo of Upper Lake (“The Tribe”) was not lawfully terminated pursuant to the provisions of the Act of August 18, 1958, P.L. 85-671, 72 Stat. 619, as amended by the Act of August 11, 1964, P.L. 88-419, 78 Stat. 390 (“The Rancheria Act”), and is a federally recognized, sovereign Native American Tribe as confirmed by the judgment in Upper Lake Pomo Association, et al., vs. Cecil Andrus, et al., No. C-75-0181-SW; **AND**

**WHEREAS,** distributees and their lineal dependent Members, now living, listed on the partial summary judgment in the Upper Lake Pomo Association, et al., vs. Cecil Andrus et al., No. C-75-0181 SW, entered May 15, 1979, are those that comprise the General Membership of the Tribe (“The General Membership (GM)”), and are legally entitled to receive services and work within the formal organization of the Tribe; **AND**

**WHEREAS,** the Habematolel Pomo of Upper Lake is a federally recognized non-gaming Tribe by the U.S. Department of Interior, Bureau of Indian Affairs (BIA) located in Lake County, California having 120 adult voting Tribal Members; **AND**

**WHEREAS,** the Habematolel Pomo of Upper Lake, is a sovereign Tribe, possessing inherent powers of the Tribal self-government and self-determination; **AND**

**WHEREAS,** on May 12, 2004, the Tribe certified and adopted its Constitution with the United States Department of Interior, Bureau of Indian Affairs (BIA), Pacific Regional Office (PRO) through a Secretarial Election; **AND**

**WHEREAS,** as per the Tribe’s Constitution under Article IV – Governing Body Section The Executive Council is the governing body of the Tribe and are known as the Executive Council (EC). The Executive Council (EC) consists of seven (7) Members elected at large from the eligible voters of the Tribe; **AND**





**WHEREAS,** the Habematolel Pomo of Upper Lake, Executive Council is empowered by its Constitution to negotiate and conduct agreements with Federal, State and Local government, which may effect the Tribe; **AND**

**WHEREAS,** the Council of the Tribe has the authority pursuant to Article X, Section 1(K) of the Tribe's Constitution to manage, lease, contract and otherwise deal with tribal assets and community resources, and to take such actions as are necessary to carry into effect such authority; **AND**

**WHEREAS,** in the Tribe's Constitution Article X – Powers Section 1. (P), it authorizes the Tribe to exercise its power to adopt Resolutions, Ordinances, set Codes, etc.; **AND**

**WHEREAS,** the Tribe has developed a gaming facility in accordance with the Indian Gaming Regulatory Act and related facilities in support thereof (the "Casino"); **AND**

**WHEREAS,** tribal regulation and control over the Casino is essential for the protection of public health and welfare of the Tribe and visitors; **AND**

**WHEREAS,** it is essential that the Executive Council regulates the Casino in a manner commensurate with applicable Federal, State of California and Tribal law and policy; **AND**

**WHEREAS,** the Executive Council (EC) has thoroughly reviewed the amendments to the revised Habematolel Pomo of Upper Lake-Gaming Code and ensures it adequately regulates the operations on the Tribe's business affairs; **AND**

**WHEREAS,** the Executive Council (EC) has approved the adoption of the amendments to the revised Habematolel Pomo of Upper Lake-Gaming Code for purposes of economic development through regulated tribal gaming producing self-sufficiency for the Tribe; **AND**

**WHEREAS,** the Executive Council (EC) finds that it is in the best interest of the Tribe to adopt the amendments to the revised Habematolel Pomo of Upper Lake-Gaming Code; including each Title as listed below and/or attached hereto; **AND**

**NOW, THEREFORE, BE IT RESOLVED, THAT:**

1. The Executive Council approves the amendments to the revised Habematolel Pomo of Upper Lake-Gaming Code attached hereto; *and*
2. The Executive Council authorizes the Chairperson to take any and all action necessary to obtain NIGC approval of the amendments to the revised Habematolel Pomo of Upper Lake-Gaming Code, including but not limited to resubmitting the Gaming Code for NIGC approval.



BE IT RESOLVED that Resolution No. 06-12-01 entitled "*AUTHORIZATION TO ADOPT AMENDMENTS TO THE REVISED GAMING CODE OF THE HABEMATOLEL POMO OF UPPER LAKE ("TRIBE") AND AUTHORIZING THE TRIBAL CHAIRPERSON TO TAKE ANY AND ALL ACTIONS REQUIRED TO OBTAIN NIGC APPROVAL OF THE AMENDMENTS TO THE REVISED GAMING CODE*" supersedes and replaces all prior Resolutions, or portions thereof, which are in conflict with the provisions herein.

\*\*\*\*\*

### CERTIFICATION

We the undersigned Officers of the Habematolel Pomo of Upper Lake (the "Tribe"), being the Chairperson and Secretary of the Executive Council (EC) of the Tribe, do hereby certify that the Executive Council is composed of seven (7) Council Members, of which 7 participated, constituting a quorum, performed an official poll vote, conducted on this day of JUNE 7, 2012 and that this Resolution was adopted by an affirmative vote of 6 YEAS, 0 NAYS, and 1 ABSTENTION. We further certify that since its adoption this Resolution has not been rescinded, amended, or modified in any way.

**DATED SIGNED:** June 8, 2012

**ATTEST:**

  
\_\_\_\_\_  
**SHERRY TREPPA,**  
Executive Council (EC) Chairperson

  
\_\_\_\_\_  
**MARTINA JACKSON**  
Executive Council (EC) Secretary





**TRIBAL GAMING CODE**  
**OF THE**  
**HABEMATOLEL POMO OF UPPER LAKE**  
**TITLE I**  
**REGULATION OF CLASS II AND CLASS III GAMING**

*A law to authorize, license and regulate the conduct of Class II and Class III Gaming within the jurisdiction of the Habematolel Pomo of Upper Lake.*

**SECTION 1 FINDINGS, INTENT AND POLICY**

**1.1 Findings** The HABEMATOLEL POMO OF UPPER LAKE ("Tribe" or "Tribal") Executive Council finds that:

- 1.1.1 Tribal regulation and control of Gaming within the jurisdiction of the Tribe is essential for the protection of public health and welfare of the Tribe and visitors to the Tribal community.
- 1.1.2 The Tribe has the legal authority to license and regulate any Gaming Activity within the jurisdiction of the Tribe.
- 1.1.3 Properly licensed and regulated Gaming is in conformance with announced Federal policy promoting Indian self-government and Indian Tribal economic self-sufficiency.
- 1.1.4 It is essential that the Executive Council regulate Gaming in a manner commensurate with applicable Federal, State of California ("State") and Tribal law and policy.
- 1.1.5 The present needs of the Tribe are not adequately addressed by State and Federal programs including the need for increased employment, training, housing, health care, nutrition, educational opportunities, preservation of culture, social services and community and economic development.
- 1.1.6 Tribal operation and licensing of Gaming is a legitimate means of generating revenue to address the aforementioned needs and pursuing the Tribe's goal of self-sufficiency and self-determination.



- 1.1.7 The State, in recognition of the Tribe's sovereign right and need for Gaming, will enter into a Tribal/State Compact ("Compact") pursuant to the terms and conditions of the Indian Gaming Regulatory Act.
- 1.1.8 As a result of the foregoing, the adoption of a new and expanded Gaming Code is in the best interest of the Tribe and State.
- 1.2 **Intent** The Executive Council, on behalf of the Tribe, declares that the intent of this Code is to:
  - 1.2.1 Regulate, control, and oversee Gaming within the jurisdiction of the Tribe.
  - 1.2.2 State, declare and otherwise clarify that a License related to Gaming is a revocable privilege, not a right.
  - 1.2.3 Ensure that the operation of Tribally regulated Gaming can continue as a means of generating Tribal revenue.
  - 1.2.4 Ensure that Gaming is conducted fairly and honestly by both Licensees and players, and that it remains free from corrupt, incompetent, unconscionable and dishonest practices.
  - 1.2.5 Encourage Tribal economic development and employment opportunities.
  - 1.2.6 Ensure that all Gaming revenue is used for the benefit of the Tribe and its community.
  - 1.2.7 Ensure that the Tribe provides a fair and impartial forum for the resolution of Gaming disputes.
  - 1.2.8 Ensure that Tribal Gaming laws are strictly and fairly enforced upon Persons involved in Gaming Activity within the jurisdiction of the Tribe.
- 1.3 **Policy**
  - 1.3.1 Tribal Policy of Self-Government The Tribe is firmly committed to the principle of Tribal self-government. Consistent with Federal policy, Gaming revenues shall be utilized and expended by the Executive Council by resolution and only for the following purposes:
    - (1) To fund Tribal government operations or 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.
- (5) To preserve and protect cultural and historic resources.
- (6) To help to fund operations of local government agencies, general governmental services, the maintenance of peace and good order, the establishment of educational systems and programs, and the promotion and regulation of economic activities within the sovereign jurisdiction of the Tribe.

1.3.2 Tribal Gaming Policy The establishment, promotion and operation of Gaming is necessary, provided that such Gaming is regulated and controlled by the Tribe pursuant to the Tribal/State Compact authorized by the Indian Gaming Regulatory Act, and that the revenues of such Gaming are used exclusively for the benefit of the Tribe.

1.3.3 Tribal Ownership of Gaming Facility The Tribe shall have the sole proprietary interest in and responsibility for the conduct of any gaming authorized by this Code. No part or share of the proceeds of any tribal gaming operation shall inure to the benefit of any person except as provided in a management contract approved in accordance with this Code. No gaming employee shall have any interest in the ownership or leasing of any property, gaming device or facility used by the Enterprise in gaming operations.

1.3.4 Tribal Class II Gaming Authorized Class II Gaming is authorized as defined in the IGRA, P.L. 100-447, 25 U.S.C. Section 2703(7)(A) and by regulations promulgated by the NIGC.

1.3.5 Tribal Class III Gaming Authorized Class III Gaming is authorized and permitted only to the games identified pursuant to the forthcoming Tribal/State Compact as approved by the Secretary of the Interior, and played in accordance within the definitions and scope of the IGRA, P.L. 100-447, 25 U.S.C. Section 2703(8) and by regulations promulgated by the NIGC.

## SECTION 2 DEFINITIONS

In this Code, except where otherwise specifically provided or the context otherwise requires, the following terms and expressions shall have the following meanings:

- 2.1 **“Adjusted Gross Revenues”** means gross revenues less all cash prizes or the aggregate price of merchandise prizes, except in the case of the games of draw poker and stud poker. Regarding games of draw poker and stud poker, "adjusted gross revenues" means the time buy-ins or tournament fees collected by the Licensee.



- 2.2 **"Applicant"** means any Person or entity who has applied for a License under the provisions of this Code.
- 2.3 **"Application"** means a request for the issuance of a License under the provisions of this Code.
- 2.4 **"Bingo"** means the game of chance commonly known as bingo (whether or not electronic, computer or other technologic aids are used in connection therewith) which is played for prizes, including monetary prizes, with cards bearing numbers or other designations, in which the holder of each card covers such numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined, and 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.
- 2.5 **"Breakage"** means the remainder by which the amount payable on each dollar wagered exceeds a multiple of ten cents, and in a minus pool, five cents.
- 2.6 **"Capital Cost"** means any disbursement for Personal property, the useful life of which is expected to extend beyond one year.
- 2.7 **"Cash"** means any currency commonly accepted as legal tender, including but not limited to currency, traveler's checks, credit cards, and electronic debit cards.
- 2.8 **"Casino"** means an establishment in which several Gaming activities or enterprises are operated.
- 2.9 **"Charitable Gaming Ticket"** means any game piece used in the play of a paper pull tab game, or jar ticket game, or raffle.
- 2.10 **"Cheating"** means a Person's operating or playing in any game in a manner in violation of the written or commonly understood rules of the game, with the intent to create for himself or someone in privity with him an advantage over and above the chance of the game.
- 2.11 **"Class II Gaming"** means:
- 2.11.1 The game of chance commonly known as bingo (whether or not electronic, computer, or other technologic aids are used in connection therewith):
- (A) which is played for prizes, including monetary prizes, with cards bearing numbers or other designations;



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

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

(D) card games that

- (i) are explicitly authorized by the laws of the State, or
- (ii) are not explicitly prohibited by the laws of the State and are played at any location in the State,

but only if such card games are played in conformity with those laws and regulations (if any) of the State regarding hours or periods of operation of such card games or limitations on wagers or pot sizes in such card games.

**2.12 “Class III Gaming”** means: those Gaming activities as defined as Class III Gaming in the IGRA of 1988, P.L. 100-447, 25 U.S.C. Section 2703(8).

**2.13 “Code”** means this Tribal Gaming Code of the Habematolet Pomo of Upper Lake, as amended.

**2.14 “Compact”** means the Gaming compact that will be formed between the Tribe and the State, as authorized by the Indian Gaming Regulatory Act.

**2.15 “Compensation”** means all wages salaries, perks, bonuses and all other forms of enumeration for services rendered.

**2.16 “Contract”** means any legally binding agreement made between a Licensee and another Person for the purpose of conducting any form of lawful Gaming Activity, or providing goods or services to any lawful Gaming Activity or operation.

**2.17 “Council” or “Executive Council”** means the governing body of the Tribe.

**2.18 “Determination of Suitability”** means a formal finding by the Tribal Gaming Commission or State Gaming Agency that the Applicant or Licensee is suitable to obtain and/or maintain the License.

**2.19 “Employee”** means any person who (a) operates, maintains, repairs, assists in any Gaming Activity, works in, or is in any way responsible for supervising such Gaming Activities or persons who conduct, operate, account for, or supervise any such Gaming Activity, (b) is in a category under federal or Tribal gaming law requiring licensing, (c) is an employee of the Tribal Gaming Commission with



access to confidential information, or (d) is a person whose employment duties require or authorize access to areas of the Gaming Facility that are not open to the public.

- 2.20 **“Enrolled Tribal Member”** means a Person who is enrolled with the Tribe, and whose name appears on the tribal membership roll.
- 2.21 **“Enterprise”** means the economic entity that is licensed by the Tribal Gaming Commission, operates the games, receives the revenues, issues the prizes, and pays the expenses. A Gaming Enterprise may be operated by the Tribe or a Management Contractor.
- 2.22 **“Equipment for Games of Chance”** (see “Gaming Device”).
- 2.23 **“Exclusive License”** means a license, which precludes the Tribal Gaming Commission from issuing to another a license for the same specific form of Gaming during the life of the exclusive license. An Applicant must demonstrate and the Tribal Gaming Commission must find that the issuance of an Exclusive License is in the economic interest and welfare of the Tribe.
- 2.24 **“False Statement”** means any misstatement, misrepresentation or false statement of facts or information, including the withholding or omission of facts or information.
- 2.25 **“Games of Chance”** means any game or activity, which falls within the broad definition of Gaming or Gaming Activity.
- 2.26 **“Gaming” or “Gaming Activity”** means any activity, operation or game of chance in which any valuable consideration may be wagered upon the outcome determined by chance, skill, speed, strength or endurance, and in which any valuable prize is awarded to the player so wagering.
- 2.27 **“Gaming Device”** means a slot machine, including an electronic, electromechanical, electrical, or video device that, for consideration permits: individual play with or against that device or the participation in any electronic, electromechanical, electrical, or video system to which that device is connected; the playing of games thereon or therewith, including, but not limited to, the playing of facsimiles of games of chance or skill; the possible delivery of, or entitlement by the player to, a prize or something of value as a result of the application of an element of chance; and a method for viewing the outcome, prize won, and other information regarding the playing of games thereon or therewith, provided however the nothing herein shall be interpreted as including Class II Gaming as defined under IGRA
- 2.28 **“Gaming Employee”** means any key employee, any primary management official or any other person employed by the gaming enterprise who performs

gaming related activities, including those persons whose employment duties require or authorize access to restricted gaming related areas of the gaming facility.

- 2.29 **"Gaming Employee License"** means a license issued by the Tribal Commission, pursuant to Section 5.6 of this Code, permitting a person to be employed as a gaming employee.
- 2.30 **"Gaming Facility"** means any building in which Gaming Activities or Gaming operations occur, or in which the business records, receipts, or other funds of the Gaming operation are maintained (but excluding offsite facilities primarily dedicated to storage of those records, and financial institutions), and all rooms, buildings, and areas, including hotels, ancillary businesses, parking lots and walkways, a principal purpose of which is to serve the activities of the Gaming operation, provided that nothing herein prevents the conduct of Class II Gaming (as defined under IGRA) therein.
- 2.31 **"Gaming Program"** means any Tribal program, which oversees one or more parts of the operation of Gaming. The Gaming Program must be licensed by the Tribal Gaming Commission.
- 2.32 **"Gaming Operation"** means the Class II or Class III gaming conducted by the Gaming Enterprise in any gaming facility.
- 2.33 **"Gaming Vendor"** means the same as a "Gaming Resource Supplier" as defined by the Compact or any Person or entity who, directly or indirectly, manufactures, distributes, supplies, vends, leases or otherwise purveys Class II Gaming or Class III Gaming resources to the Gaming Facility, provided that the Tribal Gaming Commission may interpret this definition to exclude a purveyor of equipment or furniture that is not specifically designed for, and is distributed generally for use other than in connection of Gaming. Gaming Vendors must be Licensed.
- 2.34 **"General Manager"** means the Person or entity, which has management responsibilities for the Gaming Activity, and which shall have access to all areas of the Gaming Facility, provided that such access to the surveillance room and count room shall be by prior notice to the Tribal Gaming Commission.
- 2.35 **"Gross Revenues"** means all gaming and non-gaming revenues collected or received from the lawful Gaming Enterprise.
- 2.36 **"Immediate Family"** means, with respect to the Person under consideration, a father, mother, son, daughter, husband, wife, brother, sister, granddaughter, grandson, half brother or half sister, and/or any Person that resides in the home or residence of the Person under consideration.



- 2.37 **"Indian"** means an individual who is either enrolled in a federally recognized Tribe or is eligible for membership in a federally recognized Tribe.
- 2.38 **"Indian Gaming Regulatory Act" or "IGRA"** means Public Law 100-497, 102 Stat. 2426, 25 U.S.C. §§ 2701, *et seq.* (1988), as amended.
- 2.39 **"Indian Lands"** means all lands within the limits of any Indian reservation; and any lands title to which is either held in trust by the United States for the benefit of any Indian tribe or individual or held by an Indian tribe or individual subject to restriction by the United States against alienation and over which an Indian tribe exercises governmental power.
- 2.40 **"IRS"** means the United States Internal Revenue Service.
- 2.41 **"Key Employee"** means:

2.41.1 A Person who performs one or more of the following functions:

- (1) Bingo caller;
- (2) Counting room supervisor and Personnel;
- (3) Chief of security, or any Person who supervises or directs other employees engaged in providing security or surveillance services;
- (4) Custodian of Gaming supplies or cash;
- (5) Floor manager or Management;
- (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;

2.41.2 If not otherwise included, any other Person whose total cash compensation is in excess of \$50,000 per year; or

2.41.3 If not otherwise included, any other person who supervises or directs other employees engaged in the control of Gaming assets and revenues and record keeping, including the recording of cash and evidences in indebtedness, and

the maintenance, review, or control of the records, accounts, and reports of transactions; or

- 2.41.4 If not otherwise included, the four most highly compensated Persons in the Gaming Facility; or
- 2.41.5 Any Applicant or Person the Tribal Gaming Commission finds is important or necessary to the operation of the Gaming Facility.
- 2.42 **"License"** means the official, legal and revocable permission granted by the Tribal Gaming Commission to an Applicant to conduct "Licensed" Gaming Activities of the Tribe.
- 2.43 **"Licensee"** means the Employee, Key Employee, Primary Management Official, Vendor, Enterprise or Facility that has legitimately obtained a valid License.
- 2.44 **"Lotto"** means a form of Gaming in which the revenues derived from the sale of tickets or chances are pooled and those revenues or parts thereof allotted by chance to one or more chance takers or ticket purchasers. The Licensee conducting the "lottery" determines the amount of cash prizes or winnings and a progressive pool is permitted.
- 2.45 **"Management Contract"** means any Contract for the management of Class II or Class III Gaming within the meaning of IGRA and any Contract entered between the Tribe and a Vendor, which authorizes the Vendor to manage any Gaming or Gaming Facility, including any Contract defined as a Management Contract under IGRA by the NIGC.
- 2.46 **"Management Contractor"** means any Person or entity that has entered into a Class II or Class III Gaming Management Contract or is a Vendor who is authorized to manage Gaming or Gaming Facility, including any Person who is regarded as a Management Contractor within the meaning of IGRA or the NIGC.
- 2.47 **"National Indian Gaming Commission" or "NIGC"** means the National Indian Gaming Commission established by the IGRA.
- 2.48 **"Net Revenues"** means gross gaming revenues of an Indian gaming operation less amounts paid out as, or paid for, prizes and total gaming-related operating expenses, including all those expenses of the gaming operation commonly known as operating and non-operating expenses consistent with professional accounting pronouncements, excluding management fees.
- 2.49 **"Participate"** means operating, directing, financing or in any way assisting in the establishment of or operation of any class of Gaming or any site at which such



Gaming is being conducted, directly or indirectly, whether at the site, in Person or off the Reservation.

- 2.50 "Person"** means any individual, partnership, joint venture, corporation, joint stock company, company, firm, association, trust, estate, club, business trust, municipal corporation, society, receiver, assignee, trustee in bankruptcy, political entity and any owner, director, officer or employee of any such entity or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise, the government of the Tribe, any governmental entity of the Tribe or any of the above listed forms of business entities that are wholly owned or operated by the Tribe; provided, however, that the term does not include the Federal Government and any agency thereof. The plural of "Person" is "people."
- 2.51 "Player"** means a Person participating in a game with the hope of winning money or other benefit, but does not include a Licensee or any assistant of a Licensee.
- 2.52 "Primary Management Official"** means:
- 2.52.1** The person having management responsibility for a management contract; or
- 2.52.2** Any Person who has authority to:
- (1) Hire and fire employees; or
  - (2) To set up working policy for the gaming operation; or
- 2.52.3** The chief financial officer or other person who has financial management responsibility.
- 2.52.4** Any other person the Tribal Gaming Commission deems as a primary management official.
- 2.53 "Progressive Gaming"** means any game in which a cash prize which, not being won by any player during any game, is retained and further monetarily enhanced by the Licensee or eligible organization, and offered as a prize to players in the next game.
- 2.54 "Pull-tabs, Punchboards and Tip Jars"** means a form of Gaming in which preprinted cards utilizing symbols or numbers in random order which are uncovered by random choice in expectation of cash prizes if prescribed combinations of symbols and numbers are revealed.

- 2.55 **"Raffle"** means a form of Gaming in which each player buys a ticket for a chance to win a prize with the winner determined by a random method. "Raffle" does not include a slot machine.
- 2.56 **"Reservation" or "Rancheria"** means lands defined as "Indian Lands" herein.
- 2.57 **"State"** means the State of California.
- 2.58 **"State Gaming Agency"** means the entity of the State pursuant to the Gambling Control Act, pursuant to Division 8 of the Business and Professions Code, Chapter 5, Sec. 19800 *et seq.*
- 2.59 **"Tribal Commission"** means the Tribal Gaming Commission described in Section 4 of Title I of this Code and is interchangeable with and shall have the same meaning as the term "Tribal Gaming Agency" as used in the Tribe's Compact.
- 2.60 **"Tribal Court"** means the Court, if and when created under the Tribe's Constitution, or in the alternative, the Executive Council until such Tribal Court is created.
- 2.61 **"Tribe"** means the Habematolel Pomo of Upper Lake.
- 2.62 **"Wager"** means the initial bet made in any game.

### **SECTION 3 GENERAL PROVISIONS**

- 3.1 **Authority** This Code is enacted pursuant to the inherent sovereign powers of the Tribe, and pursuant to the powers of the Executive Council pursuant to the Tribal Constitution of the Habematolel Pomo of Upper Lake.
- 3.2 **Title, Repeal of Prior Laws, and Effect of Repeal** This Code may be cited as the Habematolel Pomo of Upper Lake Gaming Code or "Code." The Code shall be appropriately inserted in the Tribal Constitution.
- 3.2.1 All titles, chapters and sections of the Tribal Code which pertain to Gaming and are in effect as of the date that this Code becomes operative, are hereby repealed, and all other laws, or parts thereof, inconsistent with the provisions of this Code are hereby repealed.
- 3.2.2 Repeal of this Code, or any portion thereof, shall not have the effect of reviving any prior Law, Code, or Resolution theretofore repealed or suspended.



- 3.3 Construction** In construing the provisions of this Code, unless the context otherwise requires, the following shall apply:
- 3.3.1 This Code shall be liberally construed to affect its purpose and to promote substantial justice.
  - 3.3.2 Words in the present tense include the future and past tenses.
  - 3.3.3 Words in the singular number include the plural, and words in the plural number include the singular.
  - 3.3.4 Words of the masculine gender or neuter include masculine and feminine genders and the neuter.
  - 3.3.5 Ambiguities in this Code are to be construed in favor of the Habematolet Pomo of Upper Lake.
- 3.4 Compliance with Bank Secrecy Act.** Any licensed gaming establishment shall comply with all applicable provisions of the Bank Secrecy Act, P.L. 91-508 84 Stat. 1122, 31 U.S.C. §§ 5311-5314, as amended.
- 3.5 Severability** If any section of this Code is invalidated by a court of competent jurisdiction, the remaining sections shall not be affected thereby.
- 3.6 Effective Date** The Code shall become effective upon the date of its approval by the NIGC Chairperson pursuant to the IGRA.
- 3.7 Minimum Age of Gaming Patrons** No person under the age of twenty-one (21) years may be present in any room or area in which Class III Gaming Activities are being conducted unless the person is en route to a nongaming area of the Gaming Facility.
- 3.8 Protection of the Environment and Public Health and Safety** All gaming facilities shall be constructed, maintained and operated in a manner that adequately protects the environment and the public health and safety.

#### **SECTION 4 TRIBAL GAMING COMMISSION**

- 4.1 Establishment** The Executive Council hereby charters creates and establishes the Habematolet Pomo of Upper Lake's Tribal Gaming Commission as a governmental subdivision of the Tribe. The Executive Council shall serve as the Initial Gaming Commission until such time as the Habematolet Pomo of Upper Lake Tribal Gaming Commission is appointed.
- 4.2 Location and Place of Business** The Commission shall be a resident of and maintain its headquarters, principal place of business and office on the Indian

lands of the Tribe in close proximity to the Gaming Facility. The Commission may, however, establish other places of business in such other locations as the Commission may from time to time determine to be in the best interest of the Habematolel Pomo of Upper Lake.

**4.3 Duration** The Tribal Gaming Commission shall have perpetual existence and succession in its own name, unless dissolved by the Executive Council pursuant to Tribal law.

**4.4 Attributes** As a governmental subdivision of the Tribe, the Tribal Gaming Commission is under the directive and control of the Executive Council, but it is the purpose and intent of the Executive Council that the operations of the Tribal Gaming Commission be conducted on behalf of the Tribe for the sole benefit and interests of the Tribe, its members and the residents of the Reservation in relation to gaming.

**4.4.1 Arm of Tribe** In carrying out its purposes under this Code, the Tribal Gaming Commission shall function as an arm of the Tribe.

**4.4.2 Tribal Actions** Notwithstanding any authority delegated to the Tribal Gaming Commission under this Code, the Tribe reserves to itself the right to bring suit against any Person or entity in its own right, on behalf of the Tribe or on behalf of the Tribal Gaming Commission, whenever the Tribe deems it necessary to protect the sovereignty, rights and interests of the Tribe or the Tribal Gaming Commission.

**4.5 Recognition as a Political Subdivision of the Tribe** The Tribe, on behalf of the Tribal Gaming Commission, shall take all necessary steps to acquire recognition of the Tribal Gaming Commission as a political subdivision of the Tribe, recognized by all branches of the United States Government and the various states as having been delegated the right to exercise one or more substantial governmental functions as specifically authorized under the terms and conditions of this Code.

**4.6 Sovereign Immunity of the Tribal Gaming Commission**

**4.6.1 Authority** The Tribal Gaming Commission is cloaked by Federal and Tribal law with all the privileges and immunities of the Tribe, except as specifically limited by this Code, including sovereign immunity from suit in any State, Federal or Tribal Court.

**4.6.2 No Waiver** Nothing in this Code shall be deemed or construed to be a waiver of sovereign immunity of the Tribal Gaming Commission from suit, which shall only be waived pursuant to subsection 4.7 below.

**4.6.3 No Consent to Jurisdiction** Nothing in this Code shall be deemed or



construed to be a consent of the Tribal Gaming Commission to the jurisdiction of the United States or of any state or of any other tribe with regard to the business or affairs of the Tribal Gaming Commission.

**4.7 Waiver of Sovereign Immunity of the Tribal Gaming Commission** The sovereign immunity of the Tribal Gaming Commission may be waived only by express resolutions of both the Tribal Gaming Commission and the Executive Council after consultation with its attorneys.

**4.7.1 Resolution Effecting Waiver** All waivers of sovereign immunity must be preserved within the resolutions of the Tribal Gaming Commission and the Executive Council of continuing force and effect.

**4.7.2 Policy on Waiver** Waivers of sovereign immunity are disfavored and shall be granted only when necessary to secure a substantial advantage or benefit to the Tribal Gaming Commission.

**4.7.3 Limited Nature to Waiver** Waivers of sovereign immunity shall not be general but shall be specific and limited as to duration, grantee, transaction, property or funds, if any, of the Tribal Gaming Commission and shall specify the court having jurisdiction pursuant thereto and law applicable thereto.

**4.7.4 Limited Effect of Waiver** Neither the power to sue and be sued provided in subsection 4.7 herein, nor any express waiver of sovereign immunity by resolution of the Tribal Gaming Commission, shall be deemed a consent to the levy of any judgment, lien or attachment upon property of the Tribal Gaming Commission other than property specifically pledged or assigned, or a consent to suit in respect of any land within the exterior boundaries of the Reservation or a consent to the alienation, attachment or encumbrance of any such land.

**4.8 Sovereign Immunity of the Tribe** All inherent sovereign rights of the Tribe as a Federally-recognized Indian Tribe, with respect to the existence and activities of the Executive Council, are hereby expressly reserved, including sovereign immunity from suit in any state, Federal or Tribal court. Nothing in this Code, nor any action of the Commission, shall be deemed or construed to be a waiver of sovereign immunity from suit of the Tribe; or to be a consent of the Tribe to the jurisdiction of the United States or of any state or any other Tribe with regard to the business or affairs of the Commission or the Tribe; or to be a consent of the Tribe to any cause of action, case or controversy, or to the levy of any judgment, lien or attachment upon any property of the Tribe; or to be a consent to suit with respect to any land within the exterior boundaries of the Reservation, or to be a consent to the alienation, attachment or encumbrance of any such land.

**4.9 Assets of the Tribal Gaming Commission** The Tribal Gaming Commission

shall have only those assets specifically assigned to it by the Executive Council or acquired in its name by the Tribe or by it on its own behalf. No activity of the Tribal Gaming Commission nor any indebtedness incurred by it shall implicate or in any way involve any assets of Tribal Membership or the Tribe not assigned in writing to the Tribal Gaming Commission.

4.9.1 Credit of the Tribe Nothing in this Code or any activity of the Commission shall implicate or in any way involve the credit of the Tribe.

#### **4.10 Membership**

4.10.1 Number of Commissioners The Tribal Gaming Commission shall be comprised of three (3) Tribal Gaming Commissioners, one (1) of which shall be a tribal member; one (1) of which shall not be a tribal member, and one (1) of which shall be either a tribal member or a non tribal member.

4.10.2 Organization The Commission shall consist of a Chairperson and two (2) Commissioners.

(1) The Commission Chairperson and Commissioners shall be appointed by the Executive Council, as set forth in section 4.11.

(2) The Chairperson shall direct Tribal Gaming Commission meetings, be responsible for day-to-day operations of the Tribal Gaming Commission and supervise Tribal Gaming Commission employees, provided however, that the Commission Chairperson shall not supervise the Commissioners.

(3) The Commission Chairperson shall be the agent for service of process.

4.10.3 Qualifications The Commission Chairperson and Commissioners must possess all of the following minimum qualifications:

(1) Be at least twenty-one (21) years of age prior to appointment;

(2) Have a high school diploma or its equivalent or have a minimum of two (2) years tribal government and/or gaming industry experience or have ten years of cumulative working experience;

(3) Be a resident of the State;

4.10.4 Background Checks Prior to the time that any Tribal Gaming Commission member takes office on the Tribal Gaming Commission, the Tribe shall perform or arrange to have performed a comprehensive background check on each prospective member, who shall meet the



background requirements of a management contractor under IGRA; provided that, if such official is elected through a tribal election process, that official may not participate in any Tribal Gaming Commission matters unless a background investigation has been concluded and the official has been found to be suitable. Notwithstanding, 4.1, the Tribal Election Committee shall perform or arrange to have performed a comprehensive background check on members of the Executive Council who shall serve on the Initial Tribal Gaming Commission. If requested by the tribal government or the Tribal Gaming Commission, the State Gaming Agency may assist in the conduct of such a background investigation and may assist in the investigation of any possible corruption or compromise of a member of the Tribal Gaming Commission. No Person shall serve as a Commissioner if:

- (1) He/She is a member of the Executive Council;
- (2) His/Her prior activities, criminal record, if any, or reputation, habits or associations:
  - (i) Pose a threat to the public interest; or
  - (ii) Threaten the effective regulation and control of Gaming; or
  - (iii) Enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the conduct of Gaming.
- (3) He/She has been convicted of or entered a plea of *nolo contendere* to a felony in any jurisdiction for at least five (5) years immediately prior to appointment; He/She has been convicted of or entered a plea of *nolo contendere* to a misdemeanor involving dishonesty or moral turpitude in any jurisdiction, provided that the Tribal Executive Council may determine that such time has passed after such conviction or plea, or the circumstances of such conviction or plea warrant a finding, that such individual has been sufficiently rehabilitated that his/her presence on the Commission need not violate the standards set forth in Section 4.10.3(1) above;
- (4) He/She has a direct monetary or financial interest, other than as a Tribal Member, in the conduct of any Gaming Enterprise or is in privity with a Management Contractor;
- (5) He/She or any member of his immediate family is a key employee or primary management official of, or has any other personal or legal relationship which places him in a conflict of interest.
- (6) The person has exhibited any other behaviors mentioned in Compact § 9.5(d)(2).

- 4.11 Appointment of Gaming Commission** The appointment of the Gaming Commission shall include, at a minimum, a formal application and interview process by a majority of the Executive Council.
- 4.11.1 The two (2) Commissioners shall be appointed for two (2) year staggered terms by a majority vote of the Initial Gaming Commission or the Executive Council.
- (1) With regard to initial appointments, one Commissioner shall be appointed to a one-year term, and
  - (2) One Commissioner shall be appointed to a two year term.
- 4.11.2 The Commission Chairperson shall be appointed for a four (4) year term by a majority vote of the Initial Gaming Commission or the Executive Council.
- (1) With regard to the initial appointment, the Commission Chairperson shall be appointed to a four-year term.
- 4.12 Ex-Officio Members** At the discretion of the Executive Council, any member of the Executive Council, Tribal or Bureau of Indian Affairs employee, or any other Person may be designated to Participate, without vote, in Tribal Gaming Commission meetings.
- 4.13 Meetings**
- 4.13.1 Regular Meetings The Tribal Gaming Commission shall set a day of the week to conduct formal business at least once per week. Nothing in this Code shall prohibit the Commission from authorizing telephone and off-site meetings. Upon the establishment of regularly scheduled meetings, the Tribal Gaming Commission shall notify the Executive Council in writing of the regular meeting schedule.
- 4.13.2 Special Meetings Special meetings may be called at the request of the Executive Council, the Chairperson of the Tribal Gaming Commission or by a majority vote of the Gaming Commissioners.
- 4.13.3 Quorum A quorum for all meetings shall consist of two (2) members.
- 4.13.4 Voting All questions arising in connection with the action of the Tribal Gaming Commission shall be decided by majority vote.



**4.14 Compensation of Commissioners** The compensation of Tribal Gaming Commissioners shall be established by the Executive Council.

**4.15 Removal of Members or Vacancies**

4.15.1 Removal A Commissioner may be removed by the Executive Council for the following reasons: serious inefficiency, neglect of duty, malfeasance, misfeasance, nonfeasance, misconduct in office, or for any conduct which threatens the honesty and integrity of the Tribal Gaming Commission or otherwise violates the letter or intent of this Code.

4.15.2 Removal Final The decision of the Executive Council upon the removal of a Commissioner shall be final.

4.15.3 Vacancies If any Commissioner shall die, resign, be removed or for any reason be unable to serve as a Commissioner, the Executive Council shall declare his/her position vacant and shall appoint another Person to fill the position within thirty (30) days of the vacancy. The terms of office of each Person appointed to replace an initial Commissioner shall be for the balance of any un-expired term for such position provided, however, that any prospective appointee must meet the minimum qualifications established by this Code at 4.10.3 and 4.10.4.

**4.16 Conflict of Interest** No Person shall serve as a Commissioner if he/she or any member of his/her Immediate Family has an ownership, partnership or other direct financial interest, other than a regular salary interest, in any Gaming Enterprise, or if he/she has any other Personal or legal relationship which places him/her in a conflict of interest. The Executive Council shall take all reasonable steps to ensure that members of the Tribal Gaming Commission are free from corruption, undue influence, compromise, and conflicting interests in the conduct of their duties under this Tribal Gaming Code and shall adhere to the Habematolet Pomo of Upper Lake's Code of Ethics to that end; and shall ensure the prompt removal of any member of the Tribal Gaming Commission who is found to have acted in a corrupt or compromised manner, in violation of this Gaming Code.

**4.17 Powers of the Tribal Gaming Commission** In furtherance, but not in limitation, of the Tribal Gaming Commission's purposes and responsibilities, and subject to any restrictions contained in this Code or other applicable law, the Tribal Gaming Commission shall have, and is authorized to exercise by majority vote, the following powers in addition to all powers already conferred by this Code:

4.17.1 To reasonably inspect and regulate all Gaming within the jurisdiction of the Tribe, provided that the Commission does not make Management decisions as to the day-to-day operations of the Gaming Enterprise.

- 4.17.2 To investigate any reported violations of this Code, the Compact, or any other applicable law regarding Gaming within the jurisdiction of the Tribe.
- 4.17.3 To publish and distribute copies of this Code and Tribal Gaming Commission rules and any Executive Council, Tribal Gaming Commission or Tribal Court decisions regarding Gaming matters.
- 4.17.4 To prepare and submit for Executive Council approval proposals, including budget and monetary proposals related to the operation of the Tribal Gaming Commission, which could enable the Tribe to better carry forth the policies and intent of this Code.
- 4.17.5 To work directly, and only with the Executive Council with regard to any Gaming issues.
- 4.17.6 To make or cause to be made reasonable inspections or investigations as it deems necessary to ensure compliance with this Code. In undertaking such investigations, the Tribal Gaming Commission may request the assistance of Tribal Gaming staff, Federal and local law enforcement officials, legal counsel and other third parties.
- 4.17.7 To arrange for training of Tribal Gaming Commission members and employees in areas relating to the regulation or operation of Gaming.
- 4.17.8 Upon prior explicit resolution and approval of the Executive Council, to employ such advisors as it may deem necessary. Advisors may include, but are not limited to, lawyers, accountants, law enforcement specialists and Gaming professionals.
- 4.17.9 To promulgate rules and regulations to implement and further the provisions of this Code, including the development of a personnel and procedures policy with regard to its own employees; provided such rules or regulations are approved by Executive Council resolution or ordinance.
- 4.17.10 To accept, review, approve or disapprove any Application for a License.
- 4.17.11 To consult with and make recommendations to the Executive Council regarding changes in Tribal Gaming laws and policies.
- 4.17.12 To issue fines and sanctions to the Gaming Facility if it is operating in violation of this Code, and report significant violations of the Compact to the Executive Council and the State Gaming Agency.
- 4.17.13 To sue or be sued in courts of competent jurisdiction within the United



States and Canada, subject to Sections 4.6 and 4.7 herein; provided, that no suit shall be brought by the Tribal Gaming Commission without the prior explicit written approval of the Executive Council.

- 4.17.14 To use the seal of the Tribe with the approval of the Executive Council.
- 4.17.15 To arbitrate, compromise, negotiate or settle any dispute to which it is a party relating to the Tribal Gaming Commission's authorized activities.
- 4.17.16 To exercise the Tribal power to tax, authorized by the Tribal Constitution in accordance with an Executive Council resolution delegating such power to the Tribal Gaming Commission solely for the purpose of allowing it to charge administrative and License Application fees to Gaming License Applicants which are reasonably related to the costs of operating the Commission.
- 4.17.17 To purchase insurance from any stock or mutual company for any property or against any risk or hazard.
- 4.17.18 With prior approval of the Executive Council, to make application and accept grants and other awards from private and governmental sources in carrying out or furthering the purposes of the Tribal Gaming Commission or the Tribe.
- 4.17.19 To establish and maintain such bank accounts as may be necessary or convenient.
- 4.17.20 To require the filing of any records, forms, and reports and all other information desired by the Executive Council or required by this Code.
- 4.17.21 To provide for an internal system of record keeping with adequate safeguards for preserving confidentiality as deemed necessary by the Tribal Gaming Commission for retaining records, forms and reports at least three (3) years.
- 4.17.22 To adopt a schedule of fees to be charged for Licenses.
- 4.17.23 To adopt a schedule of fees for services rendered relating to transcripts and the furnishing or certifying of copies of proceedings, files, and records.
- 4.17.24 To conduct or arrange for background investigations of all Applicants.
- 4.17.25 To discipline any Licensee or Person participating in Gaming by ordering

immediate compliance with this Code, and to issue an order of temporary suspension of any License issued under this Code pursuant to the hearings and due process required by Section 4.21 herein.

- 4.17.26 To issue an order of temporary closure of a Gaming Facility in the event the Tribal Gaming Commission determines that immediate closure is necessary to protect assets or interests of the Tribe pursuant to the due process and hearings required by Section 4.21 herein.
- 4.17.27 To become self-regulating whenever the Tribe becomes eligible for a certificate of self-regulation under the IGRA.
- 4.17.28 To file with the State Gaming Agency a request to be heard on any denial of a Determination of Suitability as defined by the Tribal/State Compact.
- 4.17.29 To ask for the assistance of the State Gaming Agency to carry out the Class III provisions of this Code and to reimburse the State Gaming Agency for any costs that it incurs in the provision of this service.
- 4.17.30 To assist Management in taking all steps necessary and appropriate to insure the physical safety of all Tribal Gaming Enterprises, their Licensees, patrons and employees.
- 4.17.31 Notwithstanding any authority granted herein, the Tribal Gaming Commission shall endeavor to follow rules, regulations, standards, specification and procedures consistent with the State Gaming Agency's rules, regulations, standards, specifications and procedures adopted pursuant to the forthcoming Tribal/State Compact. In conformance with Article 6 (commencing with section 11140) of Chapter 1 of Title 1 of Part 4 of the California Penal Code and to be adopted as Tribal Ordinance, the Tribal Gaming Commission, its members, investigators, and staff and those members, investigators and staff shall thereafter comply with said Code, then, for purposes of carrying out its obligations under the Compact, the Tribal Gaming Commission shall be considered to be an entity entitled to receive state summary criminal history information within the meaning of subdivision (b)(12) of section 11105 of the California Penal Code. The California Department of Justice shall provide services to the Tribal Gaming Commission through the California Law Enforcement Telecommunications System (CLETS), subject to a determination by the CLETS advisory committee that the Tribal Gaming Commission is qualified for receipt of such services, and on such terms and conditions as are deemed reasonable by that advisory committee.



- 4.17.32 To enact and adhere to its own internal controls including a Conflict of Interest Policy governing Commissioners and Tribal Gaming Commission staff, which shall be consistent with the Code of Ethics Ordinance.
- 4.17.33 To file a quarterly report to the Executive Council summarizing reports received from the Tribe's Management Contractor or General Manager pursuant to Section 9.1.3, and further to make such comments as it deems necessary to keep the Executive Council fully informed as to the status of the Tribal Gaming Commission's activities in response to those reports.
- 4.17.34 To determine whether the Game of Chance is classified as Class II Gaming or Class III Gaming.
- 4.18 Annual Budget** The Tribal Gaming Commission shall prepare an annual operating budget for all Tribal Gaming Commission activities and present it to the Council by July 1 of each year.
- 4.19 Tribal Gaming Commission Regulations**
- 4.19.1 Tribal Gaming Commission regulations necessary to carry out the orderly performance of its duties and powers shall include, but shall not be limited to, the following:
- (1) The Minimum Internal Control Standards ("MICS") as issued by the NIGC;
  - (2) Interpretation and application of this Code, as may be necessary to enforce the Tribal Gaming Commission's duties and exercise its powers;
  - (3) A regulatory system for overseeing Gaming, including accounting, contracting, management and supervision;
  - (4) The findings of any reports or other information required by or necessary to implement this Code; and
  - (5) The conduct of inspections, investigations, hearings, enforcement actions and other powers of the Tribal Gaming Commission authorized by this Code.
- 4.19.2 No regulation of the Tribal Gaming Commission shall be of any force or effect unless it is adopted by the Tribal Gaming Commission by written resolution and subsequently approved by a resolution of the Executive

Council and both resolutions filed for the record in the office of the Tribal Secretary.

**4.20 Right of Entrance; Bi-Monthly Inspection.** The Tribal Gaming Commission and duly authorized officers and employees of the Tribal Gaming Commission, during regular business hours, may reasonably enter upon any premises of any Licensee or Gaming Facility for the purpose of making inspections and examining the accounts, books, papers and documents of any such Gaming Facility.

4.20.1 Aid to Entry The Gaming Facility staff shall facilitate such inspection or examinations by giving every reasonable aid to the Tribal Gaming Commission and to any properly authorized officer or employee.

4.20.2 Frequency of Inspection A Commissioner or a member of the Tribal Gaming Commission's staff shall visit each Gaming Facility at least once every two weeks during normal business hours for the purpose of monitoring its operation. Such visits shall be unannounced.

**4.21 Investigation** The Tribal Gaming Commission, upon complaint or upon its own initiative or in the performance of its duties or the exercise of its powers, may investigate and examine the operation and premises of any Person or Licensee within its jurisdiction. In conducting such investigation, the Tribal Gaming Commission shall make no order or final decisions without affording any affected party notice and a hearing pursuant to Section 4.22. No Tribal Gaming Commissioner shall act independently for the purposes of this section.

**4.22 Due Process; Notice; Hearings; Appeals** The Tribal Gaming Commission shall ensure due process by providing notice and a hearing, if it is to utilize any of its enforcement capabilities in the administration of its powers and duties hereunder.

4.22.1 Patron Dispute Resolution In the event of a patron dispute, the provisions of Section 10 regarding due process apply.

4.22.2 No Hearing, Voluntary Resolution Whenever it shall appear to the satisfaction of the Tribal Gaming Commission that all of the interested parties involved in any proposed hearing have resolved the matter at hand, the Tribal Gaming Commission may dismiss the issue without a hearing

4.22.3 Notice of Hearing The Tribal Gaming Commission shall, within fifteen (15) days after receipt of written notice of the event, provide a written notice to all interested parties setting forth with specificity, the issues to be resolved as well as a time for hearing, not to exceed forty-five (45) days. At such hearing, the affected parties have the right to present oral or written testimony to all people interested therein as determined by the Tribal Gaming Commission.



- 4.22.4 Examiner The Tribal Gaming Commission shall act as examiner for the purpose of holding any hearing, or the Tribal Gaming Commission may appoint a Person qualified in the law or possessing knowledge or expertise in the subject matter of the hearing to act as examiner for the purpose of holding any hearing. Any such appointment shall constitute a delegation to such examiner of the powers of the Tribal Gaming Commission under this Code with respect to any such hearing.
- 4.22.5 Decision The Examiner shall render a written opinion within ten (10) days of the hearing, a copy of which shall be mailed to the address of record of all interested parties.
- 4.22.6 Appeals Affected parties may appeal a Tribal Gaming Commission determination by filing a written appeal to the Executive Council within ten (10) days of the Examiner's final decision.

## **SECTION 5 GAMING LICENSES**

### **5.1 Applicability**

- 5.1.1 Every Employee, Key Employee, Primary Management Official, Gaming Enterprise, and Gaming Facility that aids, participates or is related to Gaming is required to have a current and valid license as issued by the Tribal Gaming Commission.
- 5.1.2 Every Gaming Vendor that provides or receives, or is likely to provide or receive at least Twenty-five Thousand Dollars (\$25,000) in any twelve (12) month period from the Enterprise is required to have a current and valid License as issued by the Tribal Gaming Commission.
- 5.1.3 Every Person extending financing, directly or indirectly, to the Facility or Enterprise is required to have a current and valid License as issued by the Tribal Gaming Commission, provided that any Person extending the financing shall be licensed within ninety (90) days of execution of such financing.

### **5.2 Application Procedure**

- 5.2.1 Submission to Tribal Gaming Commission An Applicant seeking a License shall submit an Application to the Tribal Gaming Commission on such form as the Tribal Gaming Commission may require.
- 5.2.2. Privacy Act and False Statement The following notice shall be placed on the application form for a key employee or a primary management official or other employee before that form is filled out by the applicant, along

with a written statement that the applicant has read, understands and approves of the following Privacy Act notice and False Statement notice:

5.2.2.1. Privacy Act

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 granted a gaming license. The information will be used by the Tribal gaming regulatory authorities and by the National Indian Gaming Commission members and staff who have need for the information in the performance of their official duties. The information may be disclosed to appropriate Federal, Tribal, State, local, or foreign law enforcement and regulatory agencies when relevant to civil, criminal or regulatory investigations or prosecutions or when pursuant to a requirement by a tribe or the National Indian Gaming Commission in connection with the issuance, denial, 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 license you for 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.

5.2.2.2. False Statement

A false statement on any part of your license application may be grounds for denying a license or the suspension or revocation of a license. Also, you may be punished by fine or imprisonment (U.S. Code, title 18, section 1001).

5.2.3 Submission to the NIGC and State Gaming Agency The Tribal Gaming Commission shall forward the Applicant's Application for a Determination of Suitability along with required releases to the NIGC and the State Gaming Agency.

5.2.4 Application Procedures The Commission will conduct or cause to be conducted a background investigation on each applicant using the information provided on the application. At a minimum, and where the information is relevant for the type of License applied for, the Application shall contain the following information:



- (1) The full name (and other names ever used), address, telephone number, age, birth date and place, citizenship, gender, and social security number or business identification number of the Applicant, as well as the address of his personal residences over the past five (5) years for Employees and ten (10) years for Key Employees, and drivers license number(s);
- (2) the name and job description of the position the applicant is applying for;
- (3) The name, address and telephone number of the Licensee for whom he will work and the specific location at which he will be employed. A description of the job, task, or service the Applicant will provide;
- (4) The names and addresses of the Applicant's living parents, grandparents, spouse, children, brothers, and sisters, including step-, half- and in-laws;
- (5) The Applicant's criminal and civil record, if any, an explanation of any charges for which he has been convicted or civil suits he has lost, or to which he has entered a plea of *nolo contendere*, and the name and address of the court involved, including the date(s) and disposition(s) of each charge(s);
- (6) A disclosure of any judgment rendered against the Applicant;
- (7) The names and current addresses and telephone numbers of at least three personal references who are not related to the Applicant and were acquainted with the applicant during each period of residence listed in subsection (1) above;
- (8) A list of the Applicant's current and previous jobs over the preceding five (5) years, including the name, address and telephone number of his employer and the position held and his present business affiliations;
- (9) A description of any existing and previous business relationships, including any ownership interest(s) in any current or past business ventures, within the last 5 years;
- (10) A description of any existing and previous business relationship(s) with Indian tribes, including a detailed description of any ownership interest(s) and the duration;

- (11) A sworn statement whether the Applicant or any member of his/her Immediate Family has a past or current financial interest in any Gaming-related enterprise anywhere;
- (12) A list of all Gaming-related licenses the Applicant has ever applied for, whether or not they were granted such license and the name and address of each licensing or regulatory agency;
- (13) A list of all professional, occupational or business licenses the Applicant has ever applied for, whether or not they were granted such license and the name and address of each licensing agency or authority;
- (14) A statement of all languages written or spoken;
- (15) Written permission giving the Tribal Gaming Commission, State Gaming Agency and NIGC or its designees the right to review the Applicant's background, including the applicant's criminal record, civil and criminal judgments and credit history;
- (16) A complete disclosure of any pending or anticipated civil or criminal action against the Applicant, including the case number, a description of the judgment and the name and address of the court involved;
- (17) A sworn statement that if the License applied for is issued, the Applicant will submit to the jurisdiction of the Tribe and the Tribal Court;
- (18) A sworn statement that the Applicant will abide by all applicable Tribal and Federal laws, regulations and policies;
- (19) A photograph of the Applicant taken within the past year;
- (20) A written statement that the information contained in the Application is true and correct to the best of Applicant's knowledge;
- (21) Any other information that might bring into question the applicant's fitness to serve as a gaming employee of a licensed gaming operation; and
- (22) Each applicant will submit fingerprints for verification consistent with procedures adopted by the Commission according to 25 CFR § 522.2(h).



5.2.5 Business Entities In addition to the relevant information requested in 5.2.4, business entities shall also submit the information in 5.2.4 for each of the following:

- (1) Each of its officers and directors;
- (2) Each of its principle management employees, including any chief executive officer, chief financial officer, chief operating officer, and general manager;
- (3) Each of its owners or partners, if an unincorporated business;
- (4) Each of its shareholders who own more than ten (10) percent of the shares of the corporation; and
- (5) Each person or entity that, alone or in combination with others, has provided financing in connection with Gaming authorized under this Compact.

5.2.6 Fingerprint Verification The Tribal Gaming Commission, a law enforcement officer of the Mendocino County Sheriff's Department or another local law enforcement agency approved by the Executive Council will take the fingerprints of each gaming license applicant. The Mendocino County Sheriff's Department, another local law enforcement agency approved by the Executive Council, or the NIGC will process the fingerprints of each gaming license applicant for a criminal history check of the criminal history records maintained by the Federal Bureau of Investigations. The Tribal Gaming Commission will also review any state and tribal criminal records for each gaming license applicant.

5.2.7 Each application shall be accompanied by an application fee, the amount of which shall be set by the Commission.

### **5.3 Background Investigations of Primary Management Officials and Key Employees; and Other Gaming Employees.**

The Commission or its Chairperson shall request from each primary management official and from each key employee all of the information provided on the initial application pursuant to Section 5.2.4 of this Code, which will be used by the Commission or a designated independent investigator to conduct or cause to be conducted a background investigation for each primary management official and key employee at least as stringent as those required by 25 CFR §§ 556 and 558. The Commission shall perform or cause to be performed a criminal records check, conducted in accordance with state law procedures, on all applicants and licensees, for verification of the information contained in Section 5.2.4.

**5.4 Review Procedure and Eligibility Determination** The Tribal Gaming Commission, or its designee, shall thoroughly review and conduct a background investigation for each Tribal Gaming License Application sufficient to make a determination of eligibility as required under this Code. The Tribal Gaming Commission's review and background investigation shall include, but is not limited to the following:

- 5.4.1 The Tribal Gaming Commission shall take the applicant's fingerprints or arrange for a law enforcement officer of the Mendocino County Sheriff's Department or other local law enforcement agency approved by the Executive Council to take the applicant's fingerprints in accordance with 25 CFR § 522.2(h). Each applicant shall submit the completed fingerprint card along with his/her application to the Tribal Gaming Commission. The Commission shall arrange for the Mendocino County Sheriff's Department, any other local law enforcement agency approved by the Executive Council, or the NIGC to use the applicant's fingerprints to perform a criminal history check obtaining and reviewing criminal history records of the Federal Bureau of Investigation. The Tribal Gaming Commission shall also review any state and tribal criminal records of each gaming license applicant.
- 5.4.2 The Tribal Gaming Commission shall review diligently, the information provided in the Tribal Gaming License Application, including, but not limited to, contacting each reference provided in the Tribal Gaming License Application and take other appropriate steps to verify the accuracy of the information and prepare a report of findings. The report shall include a section for documentation of all potential problem areas and disqualifying information.
- 5.4.3 The Tribal Gaming Commission shall designate and authorize a Person who shall review an Applicant's prior activities, criminal record (if any), reputation, habits, and associations in order to make an eligibility determination for key employees and primary management officials or other employees for licensure by the Commission.
- 5.4.4 If the Commission, in applying the standards adopted by the Tribe herein, determines that licensing of the applicant as a key employee or primary management official 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 the applicant for a key employee or primary management official position. For all other gaming employees, the Commission shall review the findings resulting from the application and either grant or deny the license, if one is required by this Code or advise the Enterprise that the applicant's information has been reviewed and there exists no barrier to employment.



- 5.4.5 Each applicant shall be notified in writing of the Commission's decision. Should the applicant disagree with a decision made by the Commission, the applicant may request a hearing of the Commission to review the decision. After the hearing, if the Commission votes to deny a license, it shall include within this notification the specific reasons for its decision.
- 5.4.3 The Tribal Gaming Commission shall provide a written report as to findings and conclusions of the foregoing background investigation for each primary management official and key employee, together with a copy of the determination on eligibility for licensing. The investigative report shall include, but not be limited to, the following:
- 5.4.3.1 Steps taken in conducting a background investigation;
  - 5.4.3.2 Results obtained;
  - 5.4.3.3 Conclusions reached; and
  - 5.4.3.4 The bases for those conclusions.
- 5.4.4 The Tribal Gaming Commission shall transmit the Applicant's application, file and eligibility determination report to the NIGC and the State Gaming Agency.
- 5.4.5 The Tribal Gaming Commission shall maintain the applicant's file, including applications, background investigation reports, and eligibility determination reports, for inspection by the NIGC for no less than five (5) years from the date of termination of employment.
- 5.4.6 The Tribal Gaming Commission, when it does not license an Applicant, shall notify the NIGC and forward copies of the Tribal Gaming Commission's eligibility determination report and the investigative report (if any).
- 5.4.7 No license shall be issued to a key employee or a primary management official until the occurrence of either of these events:
- (A) receipt of notification that the NIGC has no objection to the issuance of a license; or
  - (B) the expiration of the thirty (30) day period for NIGC review under 25 CFR § 558.3(c).
- 5.4.8 If, within the thirty (30) day period provided for NIGC review under 25 CFR § 558.3(c), NIGC provides the Commission with a statement

itemizing objections to the issuance of the license, the Commission shall reconsider the application, taking into account the objections itemized by NIGC. The Commission shall then determine whether to issue a license in light of the NIGC objection(s) and the Commission's determination shall be final.

5.4.9 Upon any final decision not to license an applicant, the Commission shall notify the NIGC of that decision.

**5.5 License Application Submission to NIGC.** The Tribal Gaming Commission will coordinate with the Mendocino County Sheriff's Department, or other law enforcement agency with approval from the Executive Council, and authorize such entity to receive and process fingerprint cards for background investigation purposes, so long as such background investigation shall, at a minimum, include a check of criminal history records including criminal records maintained by the Federal Bureau of Investigation. The Tribal Gaming Commission, if it chooses not to coordinate with a local law enforcement agency, may, with approval from the Executive Council, designate the NIGC as its authorized entity for receiving and processing fingerprint cards for background investigation purposes, so long as such background investigation shall, at a minimum, include a check of criminal history records information maintained by the Federal Bureau of Investigation.

5.5.1 Notification and MOU with NIGC. If the Tribal Gaming Commission chooses to utilize the NIGC pursuant to Section 5.5 above, The Tribal Gaming Commission, with consent of the Executive Council, shall notify the NIGC of the forwarding of Tribal Gaming License applications to NIGC. Before obtaining and processing fingerprint cards for background investigation purposes, the Tribal Gaming Commission shall enter into a Memorandum of Understanding (MOU) with the NIGC providing, that any and all results obtained from the fingerprint cards for background investigation purposes shall be viewed by Tribal government officials only.

## **5.6 Scope and Types of License**

5.6.1 Gaming Employee License Any person who has been hired for employment in any licensed gaming operation as a primary management official, a key employee, or other gaming employee as deemed necessary by the Commission to be licensed, shall apply for a license authorizing such employment. A License issued pursuant to this section shall be effective for only the location, job and employer contained in the Application; provided, however, nothing herein shall prohibit a Primary Management Official or Key Employee from simultaneously performing the duties and responsibilities of more than one position; provided further, that the Primary Management Official or Key Employee is performing a position that is directly in lineal descent below them in the organizational structure of the Enterprise and that they are qualified and trained to



perform the duties of the positions so performed. Dealers may also be permitted to deal various card games so long as they are qualified and trained to perform the duties of the positions so performed and are specifically licensed for those positions.

5.6.2 Non-Gaming Employee License A Non-Gaming Employee License is for employees that are not permitted in areas of Gaming, for example, cooks, kitchen staff, food servers, or hostesses. A license issued pursuant to this section shall be effective for only the location, job and employer contained in the Application. These Licenses will not require the same level of background scrutiny required for Gaming Licenses.

5.6.3 Part-Time or Full-Time Licenses The Employee's License shall state clearly whether the Employee is a part-time or full-time Employee.

5.6.4 Gaming Operations Licenses Each place, facility or location on Indian lands where gaming occurs shall obtain a gaming license.

5.6.5 Any person seeking to license a gaming operation, or become a gaming employee, a management contractor, or provide gaming services on Indian land shall apply for, and receive, all required licenses prior to engaging in such activity, except as provided for in Section 5.7 below.

**5.7 Temporary Licensing** Notwithstanding anything herein to the contrary, if the Applicant has completed a License Application, the Tribal Gaming Commission may immediately issue a temporary License if:

5.7.1 The Tribal Gaming Commission has conducted a preliminary, local, background investigation; and

5.7.2 Based on the preliminary investigation, the information does not indicate that the Applicant has a criminal history.

5.7.3 Temporary licenses may last no longer than ninety (90) days.

## **5.8 License Issuance, Term and Substance**

5.8.1 Issuance Upon completion of the necessary background investigation, and after the Tribe has complied with the thirty-day NIGC review requirements found in 25 CFR §§ 558.3 and 558.4, the Tribal Gaming Commission may issue a License on a conditional or unconditional basis. If the NIGC objects to an Applicant, the Tribe shall reconsider the Application, taking into account the reasons for the objections noted by NIGC. However, the Tribe shall have the final word on whether to license an Applicant. Nothing herein creates a property right in the License.

- 5.8.2 Term Any License issued pursuant to this section shall be effective for a period of two (2) years from the date of issuance.
- 5.8.3 License Substance The License shall state on its face the name of the Applicant, the Tribal Logo, the Licensee who employs him, and the license number. It shall also include a photograph of Licensee.
- 5.9 License Denial** Any Application for a License shall be denied if the Tribal Gaming Commission, after an adequate review, determines the Application is incomplete or deficient, or that the employment of the Applicant poses a threat to the public interest or the effective regulation of gaming, or creates or enhances the danger of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming. If the foregoing determinations about the Applicant are made, no management contractor or Tribal gaming operation shall employ the Applicant.
- 5.10 Renewals** A Licensee shall petition to have the License renewed by applying to the Tribal Gaming Commission for a renewal before the License expires. Applicants may be required to provide updated material as requested.
- 5.11 Requirement to Produce License Upon Request** Licensees must carry the License and visibly display the License during working hours and must produce the License upon the request of any Person.
- 5.12 License Suspension or Revocation of License**
- 5.12.1 Temporary Suspension or Revocation The Tribal Gaming Commission may suspend or revoke a License, after notice and an opportunity for a hearing pursuant to Section 4.22 herein, for any of the following reasons:
- (1) The Licensee withheld pertinent information on the Application;
  - (2) The Licensee made False Statements on the Application;
  - (3) The Licensee participated in Gaming that was not authorized by any Gaming License or regulatory approvals, and therefore deemed illegal;
  - (4) The Licensee attempted to bribe an Executive Council member, Commissioner or other Person, in an attempt to avoid or circumvent Tribal law;
  - (5) The Licensee offered something of value to a Tribal Gaming Commission member;



- (6) The Licensee knowingly promoted, played or participated in any Gaming operated in violation of Tribal or Federal law;
- (7) The Licensee is knowingly involved in the falsification of books or records which relate to a transaction connected with the operation of Gaming;
- (8) The Licensee violated this Code, the Compact, or the rules and regulations of the Tribal Gaming Commission;
- (9) The Licensee has been convicted or has entered a plea of *nolo contendere* to any crime involving Gaming, fraud, theft, or embezzlement;
- (10) The Licensee has refused to comply with any lawful order, inquiry or directive of the Tribal Gaming Commission, the Executive Council, the Federal Government or any court of competent jurisdiction;
- (11) The Licensee has been convicted of, or entered a plea of *nolo contendere* to, a crime involving the sale of illegal narcotics or controlled substances; or
- (12) The Licensee has been charged with a felony, so long as the temporary suspension is removed if the charges are subsequently dismissed.

#### 5.12.2 Procedure for Suspension

- (1) Upon reasonable cause that a violation of the Code has occurred, the Tribal Gaming Commission may either undertake an investigation of the Licensee, or serve upon such Licensee an order to show cause why the Licensee's License should not be revoked, or why the Licensee should not be enjoined from conducting Gaming.
- (2) Additionally, if the NIGC notifies the Tribe that it has received reliable information indicating that a key employee or primary management official is not eligible for employment under 25 CFR § 558.2, the Tribal Gaming Commission shall suspend such License and notify the Licensee in writing that his/her license has been suspended and may be revoked.
- (3) Such notice shall state the reason for the suspension and/or order, and the time and place for the hearing before the Tribal Gaming Commission pursuant to Section 4.22 herein.

**5.13 Enterprise License** The Gaming Enterprise authorized by the Compact and this Code shall be licensed by the Tribal Gaming Commission. The Tribal Gaming Commission shall automatically issue a License if the following threshold criteria are met:

5.13.1 The Gaming is located on lands taken into trust after October 17, 1988, as a settlement of a claim.

5.13.2 The Gaming is authorized pursuant to this Code, the Compact and the IGRA.

5.13.3 The Gaming is authorized by an Executive Council resolution.

5.13.4 The Tribe has the sole proprietary interest and the Management Contract is consistent with Tribal and Federal law and is properly approved by the Chairperson of the NIGC.

**5.14 Facility License** The Gaming Facility authorized by the Compact and this Code shall be licensed by the Tribal Gaming Commission. The Tribal Gaming Commission will comply with 25 CFR § 559, entitled Facility License Notifications, Renewals, and Submissions.

5.14.1 A Facility License shall be issued if the following criteria are met:

(1) The construction, expansion or modification of the Facility shall meet the Building and Safety Code pursuant to Title VII of this Code.

(2) The construction, expansion or modification of the Facility shall meet the standards of the federal American with Disabilities Act pursuant to Title IV of this Code.

(3) Upon the inspection of the health and safety of the building, and upon the inspection that all Gaming controls that are necessary to insure the integrity of the Gaming are in place, the Tribal Gaming Commission shall issue to the Facility a Certificate of Occupancy, which shall be reissued upon similar inspections every two years.

5.14.2 Upon the issuance of a Facility License, or renewal of an existing Facility License, the Tribal Gaming Commission shall forward the License to the NIGC within thirty (30) days of issuance and provide a copy of the License to the State in accordance with the Compact.

5.14.3 The Facility License shall be posted in a conspicuous and public place in the Facility at all times.



**5.15 State Gaming Agency Licensing** The Tribe will not employ or affiliate with Person whose application to the State Gaming Agency for a determination of suitability has been denied.

**5.16 Miscellaneous Licensing Provisions**

5.16.1 No License shall be sold, lent, assigned or otherwise transferred.

5.16.2 Each Licensee shall have a copy of the Code and regulations readily available for inspection by any Person at each authorized Gaming site.

5.16.3 The Tribe shall provide a monthly report to the State Gaming Agency with the name, badge identification number, and job descriptions of all non-key Gaming Employees.

5.16.4 No license shall be granted to any person who:

- (A) is under the age of 18; or
- (B) has been convicted of or entered a plea of guilty or no contest to a gambling related offense, fraud or misrepresentation; or
- (C) has been convicted of or entered a plea of guilty or no contest to any offense not specified in subsection (B) 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, is determined to be a person who is not likely again to engage in any offense or criminal course of conduct and the public good does not require that the applicant be denied a gaming license; or
- (D) is determined to have participated in organized crime or unlawful gambling or whose prior activities, criminal record, if any, 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 arrangements incidental thereto.

**SECTION 6 BANK ACCOUNTS AND RECORDKEEPING**

**6.1 Bank Account** The Tribe shall open a separate bank account for the Enterprise and all receipts of each Gaming Activity shall be deposited in the account.

**6.2 Record Keeping** Accounting records of the Gaming, Enterprise, and Facility shall be kept on a double entry system of accounting, maintaining detailed supporting and subsidiary records. The Tribe shall maintain the following records for not less than seven (7) years:

6.2.1 Revenues, expenses, assets, liabilities and equity for each location at which Class II and Class III Gaming is conducted.

6.2.2 Daily cash transactions for Gaming, including but not limited to transactions relating to each Gaming table, game drop box and game room bank.

6.2.3 All markers, IOU's, returned checks, hold checks or other similar credit instruments.

6.2.4 Individual and statistical game records to reflect statistical drop and statistical win for electronic, computer, or other technologically assisted games.

6.2.5 Contracts, correspondence and other transaction documents relating to all Gaming Vendors.

6.2.6 Records of all customer complaints and Tribal Gaming enforcement activities.

6.2.7 All gaming related audits prepared by or on behalf of the Tribe or one of its subdivisions.

### **6.3 Audit Requirements**

6.3.1 The Executive Council, with the input of the Enterprise, shall retain an independent auditor to conduct an annual audit of all gaming operations and shall provide a copy of the annual independent audit to the Tribal Gaming Commission, the Enterprise, the State Gaming Agency, and the National Indian Gaming Commission.

6.3.2 All gaming related contracts that result in the purchase of supplies, services, or concessions in excess of \$25,000 annually, except contracts for professional legal and accounting services shall be specifically included within the scope of the audit described in Section 6.3.1. A copy



of such audit will be provided to the Tribal Gaming Commission, the Executive Council, State Gaming Agency and the National Indian Gaming Commission.

#### **6.4 Notices to the Public**

- 6.4.1 The Gaming Facility shall have a copy of this Code readily available for inspection by any Person at each Gaming Facility.
- 6.4.2 The Gaming Facility shall post in a conspicuous location near each game an explanation of the rules of play of every game operated or shall otherwise provide the public with such an explanation.

### **SECTION 7 GAMING ENTERPRISE RESTRICTIONS AND COMPLIANCE**

**7.1 Minimum Restrictions Established by Forthcoming Compact.** The Gaming Commission shall adhere to and enact policies consistent with a forthcoming Compact with the State of California on the following issues:

- 7.1.1 The number of Facilities permitted;
- 7.1.2 The number of Gaming Devices permitted;
- 7.1.3 Age Restrictions; and
- 7.1.4 Methods of Payment

#### **7.2 Compliance requirements**

- 7.2.1 Evidence of win or loss incurred by a Player must, upon request, be provided in such form as will be acceptable to the Internal Revenue Service.
- 7.2.1 The Enterprise shall pay all fees and file all reports required by law within the time prescribed.
- 7.2.2 The Enterprise shall make its premises and books and records available for inspection during normal business hours by the Tribal Gaming Commission, the State Gaming Agency, the National Indian Gaming Commission and members of the Executive Council or their designee.

#### **7.3 Miscellaneous**

- 7.3.1 The Enterprise shall provide adequate security to protect the public before, during, and after Gaming.

- 7.3.2 The Enterprise may not discriminate on the basis of gender, race, color, or creed in its employment practices related to Gaming, notwithstanding Indian Preference laws.

## **SECTION 8 ENFORCEMENT**

- 8.1 Jurisdiction** Except as provided in this Code or the Compact, the Tribal Gaming Commission and Tribal Court shall have jurisdiction over all violations of this Code.
- 8.2 Prohibited Acts** In addition to other civil and criminal offenses provided for in this Code, the following acts are prohibited by any Person and subject any violator to the civil or criminal penalties specified herein:
- 8.2.1 Participating in any Gaming, which is not authorized by this Code.
  - 8.2.2 Knowingly making a False Statement in connection with any Contract to participate in any Gaming Activity.
  - 8.2.3 Attempting to bribe any Person participating in any Gaming Activity.
  - 8.2.4 Offering or accepting a loan, financing or other thing of value between a Tribal Gaming Commission member or employee and any Person participating in any Gaming Activity.
  - 8.2.5 Promoting or participating in any illegal Gaming Activity.
  - 8.2.6 Failing to keep sufficient books and records to substantiate receipts, disbursements and expenses incurred or paid from any Gaming Activity authorized pursuant to this Code.
  - 8.2.7 Falsifying any books or records that relate to any transaction connected with any Gaming Activity pursuant to this Code.
  - 8.2.8 Conducting or participating in any Gaming Activity, which results in Cheating.
  - 8.2.9 Allowing participation in Gaming Activity by or with an intoxicated and disorderly Player.
  - 8.2.10 Allowing or participating in the sale of liquor when or where such sale is prohibited by Tribal law.
  - 8.2.11 Accepting consideration other than money, tokens or chips for participation in any Gaming Activity.



- 8.2.12 Using bogus or counterfeit chips or charitable Gaming tickets, or to substitute or use any cards, charitable Gaming tickets or Gaming equipment that has been marked or tampered with.
- 8.2.13 Employing or possessing any cheating device or to facilitate cheating in any Gaming Activity.
- 8.2.14 Willfully using any fraudulent scheme or technique to change the odds of any game of chance.
- 8.2.15 Soliciting, directly or indirectly, or using inside information on the nature or status of any Gaming Activity for the benefit of an individual.
- 8.2.16 Tampering with a Gaming Device, attempting to conspire to manipulate the outcome or the payoff of a Gaming Device, or otherwise unlawfully tampering with or interfering with the proper functioning of the machine.
- 8.2.17 Alter or counterfeiting a Gaming license.
- 8.2.18 Aiding, abetting, or conspiring with another Person knowingly or knowingly to cause any Person to violate any provision of this Code or any rules and regulations adopted hereunder.
- 8.2.19 Operating, using or making available to the public any illegal Gaming Device, apparatus, material or equipment.
- 8.2.20 Selling, holding out for sale or transporting into or out of the jurisdiction of the Tribe any illegal Gaming Device, apparatus, material or equipment.
- 8.2.21 Assisting or allowing a Person who is under the age permitted pursuant to the forthcoming Tribal-State Compact to participate in a Gaming activity.
- 8.2.22 Possessing any illegal narcotics or controlled substances on any licensed Gaming site.
- 8.2.23 Stealing or attempting to steal funds or other items of value from any Gaming Facility or from the Tribal Gaming Commission.
- 8.2.24 Employing any Person at a licensed Gaming Facility whom the Licensee knows has been convicted of a Gaming crime or a crime of fraud, provided, however, provided that the Tribal Executive Council may determine that such time has passed after such conviction or plea, or the circumstances of such conviction or plea warrant a finding, that such individual has been sufficiently rehabilitated that his/her presence on the Commission need not violate the standards set forth in Section 4.9.3(1) above.

- 8.3 Criminal Violation** Any Indian who violates or fails to comply with any provision of this Code, or who fails or neglects to comply with any order or decision of the Tribal Gaming Commission, shall be charged and given due process pursuant to Section 4.22 herein. If such Indian is found to be guilty of a crime, he may be required to pay a fine not to exceed Five Thousand Dollars (\$5,000) or be incarcerated for not to exceed one (1) year. Each day during which any such violation or failure to comply continues shall constitute a separate violation of this Code.
- 8.4 Civil Violation** Any non-Indian who violates or fails to comply with any provision of this Code, or who fails or neglects to comply with any final order of the Tribal Gaming Commission, shall be charged and given due process pursuant to Section 4.21 herein. If the non-Indian is found liable, he may pay a civil fine not to exceed One Thousand Dollars (\$1,000) for each violation thereof. Each day during which any such violation or failure to comply continues shall constitute a separate violation of this Code. The amount of any such civil fine may be recovered in a civil action in the Tribal Court. The Tribe may turn non-Indian offenders over to the County for prosecution.
- 8.5 Cumulative Fines** All civil fines accruing under this Code shall be cumulative and a suit for the recovery of one fine shall not bar or affect the recovery of any other fine, or judgment, penalty, forfeiture or damages, nor bar the power of the Tribal Court to punish for contempt, nor bar any criminal prosecution against any officer, director, agent, or employee of any Licensee, or any other Person.
- 8.6 Purpose of Civil Penalties** The civil fines imposed under this Code are intended to be remedial and not punitive and are designed to compensate the Tribe for the damage done to the peace, security, economy and general welfare of the Tribe and the Reservation, and to compensate the Tribe for costs incurred by the Tribe in enforcing this Code. The civil fines under this Code are also intended to coerce all people into complying with this Code and Tribal Gaming Commission regulations and not to punish such people for violation of such laws and regulations.
- 8.7 Civil Action for Penalties** In enforcing the civil infraction provisions of this Code, the Tribal Gaming Commission shall proceed, in the name of the Tribe, against a Person for violation of such provision by civil complaint with the Executive Council pursuant to the provisions of this Code. The Tribal Gaming Commission in such action shall have the burden of showing, by the preponderance of the evidence, that such Person violated a provision of this Code.



- 8.8 Seizure and Forfeiture of Property** Property utilized in violation of this Code shall be subject to seizure and forfeiture by order of the Tribal Gaming Commission pursuant to such procedures and rules as the Tribal Gaming Commission shall promulgate.
- 8.9 Reporting of Offenders** The Tribal Gaming Commission, upon final conviction of any Person under this subsection, shall report the name of the Person convicted to the Executive Council, State Gaming Board and NIGC.

## **SECTION 9 GAMING MANAGEMENT**

### **9.1 Management by a Gaming Contractor**

- 9.1.1 The Gaming Contractor, or if no Gaming Contractor, the Tribe, shall identify in writing a Person(s) who shall serve as General Manager of the Gaming Enterprise. The General Manager appointed shall undergo a background check by the Tribal Gaming Commission and shall obtain a License before commencing work.
- 9.1.2 The General Manager shall present a written monthly report to the Tribal Gaming Commission which estimates the number of patrons served, the amount of income generated, the numbers of employees working at the establishment, a detailed description of any patron complaints and other problems experienced at the establishment, a written statement of any changes in Primary Management Officials and all bills which are thirty (30) days or more past due.

### **9.2 Rules and Regulations for Management** The Tribal Gaming Commission shall, with the input and suggestions of Primary Management Officials, promulgate rules and regulations or specifications governing the following subjects:

- 9.2.1 The enforcement of all relevant laws and rules with respect to the Gaming Operation and the Facility;
- 9.2.2 Ensuring the physical safety of Enterprise patrons and Employees;
- 9.2.3 The physical safeguarding of assets transported to, within, and from the Gaming Facility;
- 9.2.4 The prevention of illegal activity from occurring within the Gaming Facility including employee procedures and surveillance;
- 9.2.5 The recording of occurrences that deviate from normal operating policies including the following procedure for reporting incidents:

- (1) Specify that security personnel record all incidents, regardless of immateriality;
- (2) Require the assignment of a sequential number to each report;
- (3) Provide for permanent reporting in indelible ink in a bound notebook;
- (4) Require that each report include the following:
  - (i) The record number.
  - (ii) The date.
  - (iii) The time.
  - (iv) The location of the incident.
  - (v) A detailed description of the incident.
  - (vi) The persons involved in the incident.
  - (vii) The security personnel assigned to the incident.

9.2.6 The establishment of employee procedures designed to permit detection of any irregularities, theft, cheating, fraud, or the like;

9.2.7 Maintenance of a list of persons barred from the Gaming Facility;

9.2.8 Submission to, and prior approval by, the Tribal Gaming Commission of the rules and regulations of each class III game to be operated by the Tribe, and of any changes in those rules and regulations. No class III game may be played that has not received Tribal Gaming Commission approval.

9.2.9 The obligation of the Gaming Facility and the Gaming Operation to maintain a copy of the rules, regulations, and procedures for each game as played, including, but not limited to, the method of play and the odds and methods of determining amounts paid to winners.

9.2.10 Specifications and standards to ensure that information regarding the method of play, odds, and payoff determinations is visibly displayed or available to patrons in written form in the Gaming Facility and to ensure that betting limits applicable to any gaming station is displayed at the gaming station.

9.2.11 Maintenance of a cashier's cage in accordance with industry standards for such facilities.

9.2.12 Specification of minimum staff and supervisory requirements for each Gaming Activity to be conducted.



9.2.13 Technical standards and specifications in conformity with the requirements of this Compact for the operation of Gaming Devices and other games authorized herein to be conducted by the Tribe.

**9.3 Insurance Requirements** Pursuant to the Tribal/State Compact, the Gaming Contractor shall ensure that the Enterprise shall carry the minimum amount of liability insurance required by the Tribal/State Compact in order to protect the public in the event of an accident.

**9.4 IRS Requirements** The General Manager shall be responsible for seeing that Gaming Activity is managed in accordance with Tribal and Federal law and that such Gaming Activity complies with all IRS reporting requirements.

**9.5 Audit Requirements**

9.5.1 Annual Enterprise Audit The Tribal Executive Council shall obtain an annual independent audit of the Enterprise by a certified public accountant using the accounting standards for audits of casinos of the American Institute of Certified Public Accountants.

9.5.2 Contract Audits Each contract between the Enterprise and another Person for supplies, services (other than legal and accounting services) or concessions for a contract amount in excess of Fifty Thousand Dollars (\$50,000) annually shall be subject to an independent audit. For the purposes of the previous sentence, the term "services" does not include contracts the purpose of which is to extend financing to the Management Contractor, the Tribe, or the Enterprise.

9.5.3 Copies A copy of all such audits shall be provided to the Tribal Gaming Commission, the Executive Council, and the NIGC. The State Gaming Agency shall receive a copy of the audit relating to Class III Gaming.

**9.6 Annual Reports from Enterprise.** The General Manager must file an annual report with the Tribal Gaming Commission and the Executive Council between the 15th and the last day of the 12th month duration of each such License period. The report should include, at a minimum, the following information:

9.6.1 The name, address and telephone number of the Licensee;

9.6.2 The names, addresses and titles of all of its current managers of the Licensee;

9.6.3 A description of the Gaming operated and Gross Revenue;

9.6.4 The name and address of the Person who will be designated as Primary Management Official, or new Key Employees over the next License Term;

- 9.6.5 Written proof that the Licensee has paid to the National Indian Gaming Commission such fees as Federal and Tribal law may require it to pay;
- 9.6.6 A sworn statement that the Licensee has complied with the IRS including written notice of customer winning;
- 9.6.7 The number of full-time equivalent people, on an annualized basis, employed by the operation during the past twelve (12) months, together with a projection of the number of full-time equivalent people who are expected to be employed during the next license period;
- 9.6.8 A sworn statement that the Licensee will continue to comply with all Tribal and Federal Gaming laws;
- 9.6.9 The name, address and signature of the agent who will accept service of process on behalf of the Licensee; and
- 9.6.10 If the Licensee is a corporation, a copy of any amendment to its articles of incorporation, properly certified by the incorporating government, unless a current copy has already been filed with the Tribal Gaming Commission.

## **9.7 Management Contracts**

- 9.7.1 Each Management Contract is subject to the prior approval of the National Indian Gaming Commission.
- 9.7.2 Each Management Contract shall be approved by the Executive Council. In making its selection, the Executive Council shall review the following:
  - (1) Background information on the proposed Management Contractor including: its name, its address, the names and addresses of each Person or entity having a direct financial interest or management responsibility for the proposed management contractor, and in the case of a corporation the names and addresses of each member of its board of directors and all stockholders who hold directly or indirectly ten percent (10%) or more of its issued or outstanding stock.
  - (2) A description of any previous experience that each Person listed in subsection above has had with other Gaming contracts with Indian Tribes or within the Gaming industry generally, including the name and address of any tribal government or licensing agency with which such Person has had a contract relating to Gaming.



- (3) A complete financial statement of each Person listed in subsection 9.7.2(1).
- (4) The Executive Council shall undertake any additional steps necessary and feasible to determine the character and reputation of each proposed management contractor.
- (5) If the Executive Council, after reviewing the above-described information, still desires to enter into a management contract with the proposed management contractor, such management contract shall be placed in writing and submitted to legal counsel for review before the Council approves it.

9.7.3 Any Management Contract approved by the Council must contain at a minimum the following with respect to the Gaming Enterprise to which the contract is applicable:

- (1) A provision requiring a monthly financial accounting of the Gaming Enterprise's income and expenses. An independent auditor who is mutually acceptable to the Tribe and the Management Contractor shall prepare such reports.
- (2) A provision guaranteeing the Tribe a minimum payment that shall always take precedence over the Management Contractor's right to recoup development and construction costs.
- (3) An agreed upon ceiling for the Management Contractor's development and construction costs.
- (4) A provision that the contract shall not exceed seven (7) years or 30% of Net Revenues.
- (5) A provision for termination of the contract and the grounds for termination.

9.7.4 If the Council is satisfied with the information it receives it shall submit its proposed contract along with all of the above-described information to the Tribal Gaming Commission, State Gaming Agency and to the Chairperson of the NIGC for Licensure approval.

## **SECTION 10**

## **PROCEDURES FOR RESOLVING DISPUTES BETWEEN THE GAMING PUBLIC AND GAMING MANAGEMENT**

**10.1 General Principles.** The Tribe values its customers and intends, at all times, to see that questions, concerns, issues, and/or disputes raised by the gaming public are addressed in a fair and orderly manner. .

### **10.2 Initial Dispute Resolution Procedure.**

10.2.1 Members of the Gaming public who, in the course of their otherwise lawful and proper use of the Tribe's Gaming Facilities, have questions or concerns about the condition or operation of any part of the Gaming Facilities, or who otherwise believe themselves to be aggrieved by some aspect of the condition or operation of any part of the Gaming Facilities, shall direct their questions, concerns, or complaints (hereinafter collectively "disputes") in the first instance to gaming management at the Gaming Facility, either orally or in writing.

10.2.2 Patron disputes shall be raised as soon as reasonably possible after the events giving rise to the dispute occur; however, no dispute may be raised more than 7 (seven) calendar days after said events take place.

10.2.3 Upon learning about a dispute, Gaming Management shall expediently and informally gather sufficient facts to make an initial determination about the dispute (i.e. whether the dispute has any merit, whether further investigation is required, whether to take any corrective action, etc.). Gaming Management, within thirty (30) days of receiving the dispute, shall inform the complainant, in writing, about its initial determination and provide the complainant with written notice pertaining to their right to seek resolution of the dispute by the Tribal Gaming Commission, as well as provide a copy of the procedures including the appeals process.

### **10.3 Formal Dispute Resolution Procedure.**

10.3.1 Complainants who have followed the initial dispute resolution procedure, and who are unsatisfied with gaming management's initial determination, may appeal that determination in writing to the Tribal Gaming Commission no later than fifteen (15) days after being informed about the initial determination.

10.3.2 The Tribal Gaming Commission shall offer the complainant a fair opportunity to be heard in person or through counsel about the dispute, either before or after it makes its own inquiries. The Commission will conduct a hearing and issue a written decision which shall be based on facts surrounding the dispute, and shall set forth the reasons for the



decision in accordance with the Compact § 10. Likewise, any appeal process will be conducted in accordance with the Compact § 10.

**SECTION 11            INTERPRETATION**

- 11.1    The provisions of this Code, being necessary for the benefit of the Tribe and its members, shall be liberally construed to implement the purposes and objectives thereof.

**SECTION 12            DESIGNATED AGENT FOR SERVICE OF PROCESS**

- 12.1    The designated agent for service of process is as follows:

Chairperson, Habematolet Pomo of Upper Lake Tribal Gaming Commission  
P.O. Box 516  
Upper Lake, CA  
707-275-0737-phone  
707-275-0757-fax