

NATIONAL
INDIAN
GAMING
COMMISSION

MAR 4 1994

Leonard C. Burch, Chairman
Southern Ute Indian Tribe
P.O. Box 737 COLORADO
Ignacio, California 81137

Dear Chairman Burch:

This letter responds to your request to review and approve the class III tribal gaming ordinance adopted by the Southern Ute Indian Tribe (the Tribe) on February 28, 1994. This letter constitutes such approval under the Indian Gaming Regulatory Act (IGRA).

Under the IGRA and the regulations of the National Indian Gaming Commission (NIGC), the Chairman is directed to review ordinances with respect to the requirements of the IGRA and the implementing regulations. Thus, the scope of the Chairman's review and approval is limited to the requirements of the IGRA and the NIGC regulations. Provisions other than those required under the IGRA or the NIGC regulations that may be included in a tribal ordinance are not subject to review and approval. Also, such approval does not constitute approval of specific games.

It is important to note that the gaming ordinance is approved for gaming only on Indian lands as defined in the IGRA.

With the Chairman's approval of the Tribe's gaming ordinance, the Tribe is now required to conduct background investigations on its key employees and primary management officials. The NIGC expects to receive a completed application for each key employee and primary management official pursuant to 25 C.F.R. § 556.5(a) and an investigative report on each background investigation before issuing a license to a key employee or primary management official pursuant to 25 C.F.R. § 556.5(b).

Thank you for submitting the ordinance of the Southern Ute Indian Tribe for review and approval. The NIGC staff and I look forward to working with you and the Tribe in implementing the IGRA.

Sincerely yours,

Anthony J. Hope

Anthony J. Hope
Chairman

RESOLUTION
OF THE
COUNCIL OF THE SOUTHERN UTE INDIAN TRIBE

February 28, 1994

WHEREAS, authority is vested in the Southern Ute Indian Tribal Council by the Constitution adopted by the Southern Ute Indian Tribe and approved November 4, 1936, and amended October 1, 1975, to act for the Southern Ute Indian Tribe ("the Tribe"); and

WHEREAS, pursuant to said constitutional authority and the Indian Gaming Regulatory Act, Pub. L. 100-497, codified at 25 U.S.C. 2701, *et seq.*, the Southern Ute Indian Tribal Council is empowered to govern the conduct of certain gaming activities on land within the Southern Ute Indian Reservation; and

WHEREAS, the Tribe desires to amend its Class III Gaming Code, which governs and regulates Class III gaming activities; and

WHEREAS, pursuant to the Indian Gaming Regulatory Act, said Code is subject to approval by the National Indian Gaming Commission, which has reviewed the previous Class III Gaming Code and identified certain deficiencies; and

WHEREAS, the Southern Ute Indian Tribal Council, acting as the Southern Ute Indian Gaming Committee, has reviewed the attached amended Code.

NOW, THEREFORE, BE IT RESOLVED that the Southern Ute Indian Tribal Council hereby approves and adopts the Class III Gaming Code, a copy of which is attached hereto and incorporated herein by reference, and repeals all prior Class III Gaming codes.

BE IT FURTHER RESOLVED, that the Chairman of the Southern Ute Indian Tribal Council is authorized to execute any additional documents that may be needed to carry out the purpose of this Resolution.

BE IT FURTHER RESOLVED, that a copy of this Resolution and attachments be submitted expeditiously to the Bureau of Indian Affairs and the National Indian Gaming Commission for prompt review and approval.

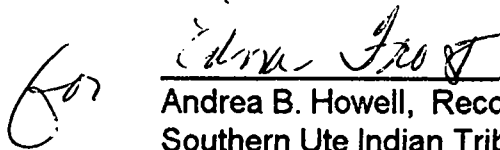
This Resolution was duly adopted on the 28th day of February, 1994.



Leonard C. Burch, Chairman
Southern Ute Indian Tribal Council

CERTIFICATION

This is to certify that there were (5) of the regularly elected Southern Ute Indian Tribal Council members present at the above meeting at which (5) voted for, and (0) against, it being a quorum and the above Resolution was passed. The Chairman not being permitted to vote in this instance due to a Constitutional provision.



Andrea B. Howell, Recording Secretary
Southern Ute Indian Tribal Council

SOUTHERN UTE INDIAN TRIBE

GAMING CODE

TITLE 16

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SOUTHERN UTE INDIAN TRIBE

CLASS III GAMING CODE

TITLE 16

ARTICLE 1. GENERAL PROVISIONS

16-1-101. Short Title. This title shall be known and may be cited as the "Southern Ute Indian Tribe Class III Gaming Code."

16-1-102. Legislative Declaration.

(1) This Code is adopted by the Southern Ute Indian Tribal Council of the Southern Ute Indian Tribe governing the establishment and operation of Class III Gaming on the Southern Ute Indian Reservation pursuant to the authority provided by the Indian Gaming Regulatory Act, P.L. 100-497, 25 U.S.C. § 2701 et seq., the Southern Ute Indian Tribe - State of Colorado Gaming Compact, and the Constitution of the Southern Ute Indian Tribe.

(2) The Southern Ute Indian Tribal Council hereby finds, determines and declares it to be the public policy of the Tribe that:

(a) The success of gaming is dependent upon public confidence and trust that licensed gaming is conducted honestly and competitively and that gaming is free from criminal and corruptive elements;

(b) Public confidence and trust can be maintained only by strict regulation of all persons, locations, practices, associations, and activities related to the operation of licensed gaming facilities and the manufacture of gaming devices and equipment;

(c) All gaming facilities and all manufacturers and sellers of certain gaming devices and equipment must be licensed, controlled, and assisted to protect the public health, safety, good order, and general welfare, to foster the stability and success of gaming and to preserve and promote the economy of the region;

(d) No applicant for a license or other Southern Ute Indian Tribal Gaming Committee approval has any right to a license or to the granting of the approval sought. Any license issued or other Southern Ute Indian Tribal Gaming Committee approval granted pursuant to the provisions of this Code is a revocable privilege, and no holder acquires any vested right therein.

(3) It is the intent of the Southern Ute Indian Tribal Council that, to achieve the goals set forth in subsection (2) of this section, the Southern Ute Indian Tribal Gaming Committee

should place great weight upon the policies expressed in subsection (2) in construing the provisions of this Code.

16-1-103. Definitions. As used in this Code, unless the context otherwise requires:

(1) "Act" means the Indian Gaming Regulatory Act, P.L. 100-497, 25 USC §2701 et seq.

(2) "Adjusted Gross Proceeds" or "AGP" means the total amount of all wagers or buy-ins made by players on Gaming, plus the rake on non-banking card games, less all payments to players. Payment to players shall include all payments of (a) cash, (b) chips, (c) tokens, or (d) merchandise.

(3) "Applicant" means any person who has applied for a license under this Code or who has applied for permission to engage in any act or activity which is regulated by this Code.

(4) "Association" means two or more persons united and acting together without a corporate charter.

(5) "Background investigation" means the security, criminal history, financial checks of an applicant for a license, plus any other information deemed relevant by the Committee or Division, to establish the suitability of the applicant to become a licensee.

(6) "Bet" means an amount placed as a wager in a game of chance.

(7) "Blackjack" means a banking card game, also known as "21," played by a maximum of seven players in which each player bets against the dealer. The object is to draw cards whose value will equal or approach twenty-one without exceeding that amount and to win amounts bet, payable by the dealer, if the player holds cards more valuable than the dealer's cards.

(8) "Career offender" means any person whose behavior is pursued in an occupational manner or context for the purpose of economic gain, utilizing such methods as are deemed criminal violations of the public policy of the Tribe.

(9) "Career offender cartel" means any group of persons who operate together as career offenders.

(10) "Chip" means a nonmetal or partly metal representative of value, redeemable for cash, issued and sold for use in gaming.

(11) "Class III Gaming" means all forms of gaming that are not Class I or Class II Gaming, as defined by the Act.

- (12) "Code" means the Southern Ute Indian Class III Gaming Code.
- (13) "Committee" means the Southern Ute Indian Tribal Gaming Committee.
- (14) "Compact" means the Southern Ute Indian Tribe - State of Colorado Gaming Compact.
- (15) "Division" means the Southern Ute Indian Tribal Division of Gaming.
- (16) "Drop" means the total face value of money, chips, coupons and tokens removed from the drop boxes.
- (17) "Drop box" means a locked container permanently marked with the game, shift and a number corresponding to a permanent number on the blackjack table. For slot machines, a container in a locked portion of the machine or its stand used to collect the money and tokens retained that is not used to make automatic payouts from the machine.
- (18) "Financial institution" means a bank, savings and loan association, credit union, trust company, or other similar entity chartered by the United States, an Indian tribe, a state, or a territory or commonwealth of the United States.
- (19) "Gaming" means those gaming activities, which are authorized by this Code and the Class II Gaming Code and regulated by the Committee.
- (20) "Gaming contract" means an agreement in which a person does business with a gaming operation on premises licensed under this Code.
- (21) "Gaming device" or "gaming equipment" means any equipment or mechanical, electromechanical, or electronic contrivance, component, or machine used remotely or directly in connection with gaming. The term includes a system for processing information which can alter the normal criteria of random selection which affects the operation of any game, or which determines the outcome of a game. The term includes a slot machine, blackjack table, and the cards used to play blackjack.
- (22) "Gaming employee" means any person employed by the Tribe or management company of a Gaming Operation or Gaming Facility on the Reservation to work with gaming, which person shall be twenty-one years of age or older. Gaming employees shall include, but shall not be limited to, the following: dealers; change and counting room personnel; cashiers; floormen; cage personnel; slot machine repairmen or mechanics; persons who accept or transport revenue from a slot or blackjack table drop or drop box; security personnel; shift or pit bosses; floor managers; supervisors; slot machine and slot booth personnel; any person involved in the handling, counting, collecting, or exchanging of money, property, checks, credit or any representative of value, including any coin, token, chip, cash premium, merchandise, redeemable

game credits, or any other thing of value or payoff from any game, any gaming, or any gaming device; and such other persons as the Committee shall by rule or regulation determine.

(23) "Gaming facility" means the buildings, rooms or areas in which gaming is conducted.

(24) "Gaming license" means any license issued by the Committee pursuant to this Code which authorizes any person to engage in gaming within the Southern Ute Indian Reservation.

(25) "Gaming operation" means any enterprise operated on the Reservation for the conduct of any form of Tribal gaming.

(26) "Gaming services" means the providing of any goods or services to be used directly in connection with the operation of gaming, including equipment, maintenance or security services.

(27) "Gaming station" means an individual gaming table.

(28) "Immediate family" means a person's spouse and any children actually living with the person.

(29) "Imprest bank" means an area in which a predetermined dollar amount of chips, tokens, or cash are kept by the licensee.

(30) "Jackpot verification mode" means the period of time between the progressive jackpot activation of a progressive slot machine and the resetting of the device which caused its activation.

(31) "Key employee" means:

(a) An employee of a gaming operation who performs one or more of the following functions: (1) counting room supervisor; (2) chief of security; (3) custodian of gaming supplies or cash; (4) floor manager; (5) pit boss; (6) dealer; (7) croupier; (8) approver of credit; (9) custodian of gambling devices including persons with access to cash and accounting records within such devices;

(b) Any other person whose total cash compensation is in excess of \$50,000 per year;

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

(d) Any other person so designated by the Division.

(32) "Key licensee" means an employee of the gaming operation who has the power to exercise significant influence over decisions concerning the gaming operation.

(33) "Licensed gaming facility" means any facility licensed pursuant to this Code for the conduct of gaming.

(34) "Licensed premises" means that portion of any facility licensed for the conduct of gaming.

(35) "Licensee" means any person licensed under this Code by the Committee.

(36) "Licensing authority" means the Committee.

(37) "Link" means one or more progressive slot machines that are connected to a progressive controller and that may be played in order to achieve the stated progressive amount.

(38) "Local law enforcement agency" means any federal, tribal or state law enforcement agencies in the immediate vicinity of the Gaming Operation and which have jurisdiction to enforce federal, tribal or state laws within the Reservation, or are subject to the terms of a cross-deputization agreement.

(39) "Management company" means any person that has entered into, or proposes to enter into, a management contract with the Tribe for the operation and management of some or all gaming.

(40) "Matched play," in relation to promotional items, means the use of a coupon that is issued to a patron by a gaming operation for play that must be accompanied by a bet.

(41) "Moral turpitude" means an act done contrary to honesty and good morals.

(42) "Net revenues" means the gross gaming revenues of a gaming operation less amounts paid out as, or paid for, prizes and total gaming-related operating expenses, excluding management fees.

(43) "Normal mode" means the mode of a progressive slot machine at all times other than when it is in the jackpot verification mode.

(44) "Operator licensee" means the management company, which manages a tribal gaming operation pursuant to a management contract approved by the Tribe and the National Indian Gaming Commission (NIGC), and which holds an operator license issued by the Committee.

(45) "Past-Posting" means the act of making a wager on an event after the outcome has already been determined. This is most commonly used to refer to the act of making a wager on

a sporting event or other such event after the event has already occurred, or of making a wager on an event after it has already started (such as to make a wager on a football game or horse race after it has already begun).

(46) "Person" means an individual, partnership, business trust, government or governmental subdivision or agency, estate, association, trust, for profit corporation, nonprofit corporation, organization, or any other legal entity or a manager, agent, servant, officer or employee thereof.

(47) "Pinching a Bet" means the act of decreasing a bet after the outcome of the event or the probable outcome of an event can be determined. This is the opposite of "pressing a bet" and usually refers to the act of removing part of a bet on a game such as blackjack, so as to decrease a player's loss, when it appears likely that the player's wager will probably lose.

(48) "Pressing a Bet" means the act of increasing a bet after the outcome of the event has been determined, or after the event has already begun. This is most commonly used to refer to the act of increasing a bet on a game such as blackjack after the cards have already been dealt, and the probable outcome, such as the strength of the hand, can be judged.

(49) "Primary management official" means: (a) the person having management responsibility for any management contract, subcontract, or collateral agreement between the Tribe and a contractor, or between a contractor and a subcontractor, if such contract or agreement provides for the management of all or part of a gaming operation; (b) each of its officers and directors if a corporation; (c) each of its owners or partners, if an unincorporated business; (d) each of its shareholders who owns more than five percent of the shares of the corporation, if a corporation; (e) each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer, or general manager; and (f) any person who has authority to hire and fire employees or to set up working policy for a gaming operation.

(50) "Progressive controller" means the hardware and software that controls all communications among the machines within a progressive slot machine link and its associated progressive meter.

(51) "Reservation" means the Southern Ute Indian Reservation as defined in Pub. Law 98-290.

(52) "Slot machine" means any mechanical, electrical, video, electronic, or other device, contrivance or machine which, after insertion of a coin, token, or similar object, or upon payment of any required consideration by a player, is available to be played or operated, and which, whether by reason of the skill of the player or application of the element of chance, or both, may deliver or entitle the player operating the machine to receive cash premiums, merchandise, tokens or redeemable free games, whether the payoff is made automatically from the machine or in any other manner.

(53) "Slot machine manufacturer" means any person who designs, assembles, fabricates, produces, constructs or otherwise prepares a complete or component part of a slot machine, other than tables or cabinetry; "slot machine manufacturer" does not include licensees performing incidental repairs on machines owned by the Tribe.

(54) "Substantial interest" means the lesser of: as large an interest in a corporation, partnership, or association as that of any other shareholder, partner, or principal; or any financial or equity interest equal to or greater than five percent (5%).

(55) "Suitability" or "suitable" means, in relation to a person, the ability to be licensed by the Committee and, in relation to acts or practices, lawful acts or practices.

(56) "Support licensee" means a gaming employee licensed by the Committee other than operator licensees and key licensees.

(57) "Token" means a metal representative of value, redeemable for cash, issued and sold for use in gaming.

(58) "Tribal Council" means the Tribal Council of the Southern Ute Indian Tribe of the Southern Ute Indian Reservation.

(59) "Tribe" means the Southern Ute Indian Tribe.

(60) "Tribe's building official" means the person designated by the Tribe to enforce building codes.

(61) "Tribe's fire official" means the person designated by the Tribe to enforce fire safety codes.

(62) "Wager" means a sum of money or thing of value risked on an uncertain occurrence.

16-1-104. Construction. Nothing contained in this Code shall be so construed as to conflict with any provision of the Compact or any applicable federal law.

16-1-105. Authorized Games. Gaming permitted pursuant to this Code shall include all games that are authorized by federal law to be conducted on the Reservation including, but not limited to: blackjack, horse racing, dog racing, off-track betting, keno, lottery, poker (as a banking card game), sports book, craps, roulette and slot machines. All such games shall be conducted by licensees only in accordance with this Code. Pending the outcome of the litigation concerning the types of games, which is contemplated in the Compact, the types of authorized games pursuant to this Code shall be limited to those provided for in the Compact.

16-1-106. Unauthorized Games. No licensee shall conduct or permit on its licensed premises any wagering or gambling, except gaming which is conducted according to this Code or the Class II Gaming Code.

16-1-107. Gaming Authorization - Regulation. Gaming is hereby authorized and may be operated and maintained subject to the provisions of this Code. All gaming authorized by this Code shall be regulated by the Committee.

16-1-108. Enforcement. It shall be the duty of the Division to enforce the provisions of this Code, which may be accomplished with the cooperation of other law enforcement agencies.

16-1-109. Severability. If any provision of this Code may be found unlawful, it shall not be considered to invalidate any of the other provisions of this Code.

16-1-110. Effective Date. The effective date of this Code shall be the first day following its approval by the Tribal Council and the NIGC.

16-1-111. Repeal. Upon the effective date of this Code, any previously enacted Class III Gaming Codes shall be deemed repealed and re-enacted as contained or modified in this Code.

ARTICLE 2.

DIVISION OF GAMING

16-2-101. Division of Gaming - Creation. There is hereby created the Division of Gaming, the head of which shall be the director of the Division. The director shall be appointed by, and shall be subject to removal by, the Tribal Council. The Division, the Committee created in section 16-3-101, and the director of the Division shall exercise their respective powers and perform their respective duties and functions as specified in this Code.

16-2-102. Function of Division. The function of the Division is to implement, regulate and supervise the conduct of gaming on the Reservation as authorized by this Code, the Class II Gaming Code, and the Compact.

16-2-103. Director - Qualifications - Powers and Duties. The director shall be qualified by training and experience to direct the work of the Division. The director shall be of good character and shall not have been convicted of any felony or gambling-related offense. The director shall devote his entire time and attention to the duties of his office and shall not be engaged in any other profession or occupation. The director, as administrative head of the Division, shall direct and supervise its administrative and technical activities. In addition to the duties imposed upon the director elsewhere in this Code, it shall be the duty of the director:

(1) To supervise and administer the operation of the Division and gaming in accordance with the provisions of this Code and the orders of the Committee.

(2) To attend meetings of the Committee or to appoint a designee to attend in the director's place;

(3) Subject to the approval of the Tribal Council and in accordance with Tribal personnel policies and procedures, to employ and direct such personnel as may be necessary to carry out the purposes of this Code, but no person shall be employed who would be denied a license under the disqualification criteria of §16-5-110. The director, with the approval of the Tribal Council, may enter into agreements with any department, agency, or unit of tribal government to secure services which the director deems necessary and to provide for the payment for such services and may employ and compensate such consultants and technical assistants as may be required and as otherwise permitted by law.

(4) To confer with the Committee as necessary or desirable, but not less than once each month, with regard to the operation of the Division.

(5) To make available for inspection by the Committee or any member of the Committee, upon request, all books, records, files and other information and documents kept by the Division.

(6) To advise the Committee and recommend to the Committee rules, regulations, amendments to this Code, and such other procedures as the director deems necessary to improve the operation of the Division and the conduct of gaming.

(7) To establish internal control minimum procedures for licensees, including accounting procedures and reporting procedures.

(8) To prepare and submit to the Tribal Council on an annual basis, for its approval, a proposed budget for the succeeding fiscal year, which budget shall set forth a complete financial plan for all proposed expenditures and anticipated revenues of the Division.

(9) To take such action as may be determined by the Committee to be necessary to protect the security and integrity of gaming.

(10) To perform any other lawful acts which the Committee may direct in order to carry out the purposes and provisions of this Code.

16-2-104. Investigator - Peace Officers.

(1) All investigators of the Division, and their supervisors, including the director, shall have all the powers of any peace officer, as defined in the Southern Ute Indian Criminal Procedure Code, to:

(a) Make arrests, with or without warrants, for any violation of the provisions of this Code, or the orders of the Committee made pursuant to this Code, any other laws or regulations pertaining to the conduct of gaming, or any criminal law of the Tribe, if, during an officer's exercise of powers or performance of duties under this section, probable cause is established that a violation of any said law or order has occurred.

(b) Inspect, examine, investigate, hold or impound any premises where gaming is conducted, any devices or equipment designed for or used in gaming, and any books and records in any way connected with any gaming activity.

(c) Require any person licensed pursuant to this Code, upon demand, to permit an inspection of the licensed premises, gaming equipment and devices, or books or records; and to permit the testing and the seizure for testing for examination purposes of all such devices, equipment, books and records.

(d) Serve all warrants, notices, summonses or other processes relating to the regulation of gaming.

(e) To inspect and examine without notice all premises where gaming is conducted or devices or equipment used in gaming are located, manufactured, sold or distributed,

and to summarily seize, remove and impound, without notice or hearing, from such premises any equipment, devices, supplies, books or records for the purpose of examination or inspection.

(f) Conduct investigations into the character, record and reputation of all applicants for gaming licenses, all licensees and such other persons as the Committee may determine pertaining to gaming.

(g) Investigate violations of all laws and regulations pertaining to gaming.

(h) Assist or aid any other peace officer in the performance of his duties upon request.

(2) Criminal violations of this Code discovered during an authorized investigation or discovered by the Division shall be referred to the appropriate law enforcement and prosecution authorities.

(3) Nothing in this section shall be construed to prohibit other law enforcement agencies having jurisdiction from performing their duties to the full extent permitted by law.

16-2-105. Division of Gaming - Access to Records. The Division, for purposes of this Code, shall have full authority to procure, at the expense of the Division, any records furnished to or maintained by any entity for the purposes of carrying out its responsibilities pursuant to this Code.

ARTICLE 3

SOUTHERN UTE INDIAN TRIBAL GAMING COMMITTEE

16-3-101. Southern Ute Indian Tribal Gaming Committee - Creation. The Committee shall consist of the Tribal Council or such other entity of the Tribe as the Tribal Council may designate.

16-3-102. Committee - Powers and Duties. In addition to any other powers and duties set forth in this Code, the Committee shall have the following powers and duties, subject to the approval of the Tribal Council:

(1) To adopt rules and regulations governing the licensing, conducting and operating of gaming as it deems necessary to carry out the purposes of this Code.

(2) To conduct hearings upon complaints charging violations of this Code.

(3) To conduct a continuous study and investigation of gaming for the purpose of ascertaining any defects in this Code, any abuses in the administration and operation of this Code or any violation of this Code.

(4) To formulate and recommend changes to this Code for the purpose of preventing abuses and violations; to guard against the use of this Code as a cloak for the conducting of illegal activities; and to ensure that this Code shall be in such form and be so administered as to serve its true purpose and intent.

(5) To issue temporary, permanent or conditional licenses to those involved in the conduct of gaming.

(6) Upon complaint, or upon its own motion, to levy fines and to suspend or revoke licenses which the Committee has issued.

(7) To establish and collect gaming fees and collect any gaming taxes.

(8) To obtain all information from licensees and other persons which the Committee deems necessary in the conduct of its business.

(9) To issue subpoenas for the appearance of persons, or the production of records and other evidence in connection with applications before the Committee or in connection with disciplinary or contested cases considered by the Committee.

(10) To apply for injunctive or declaratory relief to enforce the provisions of this Code.

(11) To exercise such other incidental powers as may be necessary to ensure the safe and orderly regulation of gaming and the secure collection of all revenues, taxes and license fees.

(12) To demand access to and inspection, examination, photocopying and auditing of all papers, books and records of applicants and licensees, on the licensed premises or elsewhere, as practicable and in the presence of the applicant or licensee pertaining to financial activity of the gaming operation and to require verification of income, expenses and all other matters affecting the enforcement of the policies of the Committee or any provision of this Code; and to impound or remove all papers, books and records of applicants and licensees for inspection or examination.

(13) To oversee the management activities of primary management officials and key licensees on an ongoing basis.

16-3-103. Recessed Meetings. Any meeting of the Committee may be recessed to consider matters which were duly noticed as items on the agenda of that meeting, to such time and place as the Committee may designate. Notice of a recessed meeting to consider matters which were duly noticed as items on the agenda may be given by announcement at the meeting, but where any other matters are to be considered at a recessed meeting, such matters must be duly noticed as required by this Code.

16-3-104. Appointment of Task Forces. The Committee may appoint task forces to study and report to the Committee any matter appropriate to the administration of this Code.

16-3-105. Delegation. The Committee may delegate any act required to be performed by the Committee to the director of the Division.

16-3-106. Request for Hearing. A person aggrieved by an action of the Committee that was taken without a hearing may, within thirty (30) days following the date of the action, request a hearing. The Committee may direct the aggrieved person to provide certain information to the Committee prior to the hearing or it may grant the hearing conditioned upon the fulfillment of other reasonable terms and conditions.

16-3-107. Conduct of Hearing. The hearing must be held at a time and place convenient to the Committee and the aggrieved person. The Committee shall issue all decisions in writing within ten (10) days. Committee actions shall be deemed final in such cases upon the mailing of the decision by first class mail to the address listed in the request for hearing.

16-3-108. Summoning of Licensee. The Committee may summon any licensee to appear to testify before it with regard to the conduct of the licensee. The testimony may be under oath and may embrace any matters which the Committee or its agents consider relevant to the discharge of its official duties. Testimony so taken may be used by the Committee as evidence in any proceeding or matter then before it or which may later come before it. Failure

to appear and testify fully at the time and place designated, unless excused, may constitute grounds for disciplinary action against a licensee.

16-3-109. Service and Filing. If a filing or a service of notice on the Committee is permitted or required by this Code, the filing or notice may be delivered in person or mailed to the Committee. A filing or notice is complete on the date it is received by the Committee.

16-3-110. Judicial Review. Any person aggrieved by a final action of the Committee may appeal the decision to the Southern Ute Indian Tribal Court.

ARTICLE 4.

CONFLICT OF INTEREST

16-4-101. Conflict of Interest

(1) Members of the Tribal Council, members of the Committee and employees of the Division are declared to be in positions of public trust. In order to ensure confidence in the integrity of gaming, the following restrictions shall apply:

(a) No member of the Tribal Council, member of the Committee or employee of the Division, and no member of the immediate family of such persons, as defined in § 16-1-103, shall have a direct or indirect interest in, or be employed by, any person who has entered into a gaming-related contract with the Tribe or who is an operator licensee.

(b) No member of the Tribal Council, member of the Committee or employee of the Division, and no member of the immediate family of such persons, as defined in § 16-1-103, shall receive any gift, gratuity, employment or other thing of value from any person that contracts with or that offers services, supplies, materials or equipment used by the Tribe in the normal course of its gaming operations, or which is licensed by the Committee; except that such persons may accept on an infrequent basis in the normal course of business such nonpecuniary items of insignificant value as shall be allowed by the Committee.

(c) No member of the Tribal Council, member of the Committee or employee of the Division shall participate in gaming.

(d) No person shall be a member of the Committee or employee of the Division who would be denied a license under the disqualification criteria of §16-5-110.

(2) For purposes of investigating violations of this Code, the provisions of paragraphs (b) and (c) of subsection (1) of this section shall not apply to an employee of the Division acting in his official capacity while on duty.

16-4-102. Prohibitions on Giving Items of Value. No licensee or applicant for a license shall give anything of value to any member of the Tribal Council, member of the Committee, or employee of the Division, except for items of insignificant value distributed without charge to the general public by a licensee or applicant for a license.

16-4-103. Financial Interest Restrictions.

(1) No manufacturer of slot machines or associated equipment shall:

(a) Have any interest, directly or indirectly, in an operator licensee;

(b) Allow any of its officers, or any other person with a substantial interest in such business, to have any interest in an operator licensee;

(c) Employ any person in any capacity or allow any person to represent the business in any way, if such person is also employed by an operator licensee;

(d) Allow any operator licensee or any primary management official to have an interest, directly or indirectly, in the business;

(2) The word "interest" as used in this section does not preclude transactions in the ordinary course of business.

16-4-104. Personal Pecuniary Gain or Conflict of Interest.

(1) It is unlawful for any person to issue, suspend, revoke or renew any license pursuant to this Code for any personal pecuniary gain or any thing of value, or for any person to violate any of the provisions of sections 16-4-101 or 16-4-102.

(2) Any licensee violating any provision of this section shall be subject to prosecution and punishment under applicable law and disciplinary action concerning his or her license. Any other person violating this section shall be subject to prosecution and punishment under applicable law.

ARTICLE 5

LICENSING

16-5-101. Licenses - Types. The Committee may issue five types of licenses as follows:

(1) **Slot Machine Manufacturer.** A slot machine manufacturer license is required for all persons who import, manufacture or distribute slot machines.

(2) **Operator License.** An operator license is required for all persons who engage in the business of managing a tribal gaming operation and who are primary management officials as defined by 25 C.F.R. Sec. 502.19.

(3) **Support License.** A support license is required for all gaming employees. Key licensees need not obtain support licenses. The Committee may deny a support license to any person discharged for cause from employment by any licensed gaming operation.

(4) **Key Employee License.** Every gaming operation shall have a person in charge of all gaming activities on the licensed premises available at all times when gaming is being conducted. Such person in charge shall be a key licensee.

(5) **Facility License.** A facility license is required for each separate gaming facility located on the Reservation.

16-5-102. License Term. Each license issued pursuant to this Code shall expire one year from the date of its issuance, but may be renewed upon the filing and approval of an application for renewal.

16-5-103. Key Licensee - Determination of Status. If, in the determination of the Committee, an employee is performing key licensee functions and as such is subject to key licensing requirements, the Committee shall serve notice of such determination upon the employee. In determining whether or not an employee is subject to key licensee requirements, the Committee is not restricted by the title of the job performed by such employee but may consider the functions and responsibilities of such employee in making its decision. The employee shall, within thirty (30) days following receipt of the notice of the Committee's determination, present the application for a key license. Failure of the employee to respond as required by this section is grounds for disciplinary action. A person subject to application for key licensing may make written request to the Committee to review its determination of such person's status within the gaming operation. If the Committee determines that the person does not require a key license, such person shall be allowed to withdraw his application and continue in his employment.

16-5-104. Licenses - Revocable - Nontransferable. Every license issued pursuant to this Code is revocable and nontransferable. No licensee acquires any vested interest or property right in a license. The revocable privilege for any license issued or other approval granted is conditioned upon the proper and continuing qualification of the licensee and upon the discharge of the affirmative responsibility of each licensee to provide to the regulatory, investigatory and law enforcement authorities any assistance and information necessary to assure that the policies and requirements of this Code are achieved.

16-5-105. Operator, Slot Machine Manufacturer, Key Licensee, or Support Licensee - Qualifications for Licensure. Prior to a person's licensure as an operator, slot machine manufacturer, key licensee, or support licensee, such person shall, in addition to meeting any other requirements imposed by this Code or the Committee, show that he is of good moral character. Such person has the burden of proving his qualifications to the satisfaction of the Committee.

16-5-106. Considerations for Licensure. In considering whether a person is of good moral character for purposes of issuing any license, or for any other purposes, the Committee may, in addition to all other information, consider whether that person has been denied a gaming license by any Indian tribe, city, state or country, or whether the person has ever had a gaming license suspended or revoked in this or any other jurisdiction. The Committee may also consider whether a person has ever withdrawn an application for any type of gaming license anywhere and the reasons for such withdrawal.

16-5-107. Temporary Licenses. The Committee may issue temporary licenses, for up to a maximum of six months, with respect to all types of licenses authorized under this Code.

16-5-108. Conditional Licenses. The Committee may issue conditional licenses with respect to all types of licenses authorized under this Code.

16-5-109. Licensed Premises - Floor Plan. For purposes of this section, "floor plan" means a physical layout of the inside of the building in which gaming will take place, which shall show the location of the licensed premises within the facility and the closed circuit television system for surveillance of the gaming. Approval of the floor plan is subject to Committee rules and those rules pertaining to the public health, safety, good order, and general welfare of the Tribe. All gaming devices shall be located within the licensed premises.

16-5-110. License - Disqualification - Criteria.

(1) The Committee shall deny a license to any applicant who is disqualified for licensure on the basis of any of the following criteria:

(a) Failure of the applicant to prove by clear and convincing evidence that the applicant is qualified in accordance with the provisions of this Code;

(b) Failure of the applicant to provide information, documentation and assurances required by this Code or requested by the Committee.

(c) Failure of the applicant to reveal any fact material to qualification, or the supplying of information which is untrue or misleading as to a material fact pertaining to the qualification criteria;

(d) In the case of an applicant for an operator's license, conviction of the applicant, or any of its primary management officials, including its officers, its directors, its general partners, any stockholders, limited partners, or other persons having a financial or equity interest of five percent or greater in the applicant, of any of the following:

(i) Service of a sentence upon conviction of a felony in a correctional facility, tribal, city or county jail, or community correctional facility or under the supervision of the state board of parole or any probation department within ten years prior to the date of the application;

(ii) Any gambling-related offense or theft by deception;

(iii) Any crime involving fraud or misrepresentation.

(e) Current prosecution or pending charges in any jurisdiction against the applicant, or against any person listed in paragraph (d) of this subsection (1), for any of the offenses enumerated; except that, at the request of the applicant or the person charged, the Committee shall defer decision upon such application during the pendency of any prosecution.

(f) The identification of the applicant or any person listed in paragraph (d) of this subsection (1) as a career offender or a member of a career offender cartel or an associate of a career offender or a career offender cartel in such a manner which creates a reasonable belief that the association is of such a nature as to be inimical to the policy of this Code and to gaming operations.

(g) Refusal to cooperate by the applicant or any person who is required to be qualified under this Code with any legislative investigatory body or other official investigatory body of any Indian tribe, state or of the United States, when such body is engaged in the investigation of crimes relating to gaming, official corruption or organized crime activity.

16-5-111. Applicants and Licensees - Providing Information.

(1) All applicants for licenses issued by the Committee, and all licensees, including all persons interested, directly or indirectly, in the gaming operation or license held by an applicant or licensee, shall upon request by the Committee provide fingerprints and handwriting exemplars, and each such person shall allow himself or herself to be photographed in accordance with procedures established by the Committee.

(2) Upon issuance of a formal request or subpoena by the Committee to answer or produce information, evidence or testimony, each applicant and licensee shall comply with the request or subpoena. Where an applicant or licensee, or any person interested, directly or indirectly in either, refuses or fails to comply with a Committee request or subpoena, then that person's license or application may be suspended, revoked or denied, based solely upon such failure or refusal.

16-5-112. Application - Fee - Waiver of Confidentiality.

(1) The Committee may establish investigation and application fees for the purpose of paying for the administrative costs of the Committee and for paying for any background investigations of applicants and others. These fees may vary depending on the type of application, the complexity of the investigation, or the costs of the Committee in reviewing the matters involved.

(2) The application form approved by the Committee shall include a waiver of any right of confidentiality and a provision which allows the information contained in the application to be accessible to the Tribe, the State of Colorado, the government of the United States, and the NIGC. The waiver of confidentiality shall extend to any financial or personnel record, wherever maintained.

16-5-113. Application - Authorization for Background Investigation. By signing and filing an application for a license, which is subject to applicable perjury laws, the applicant authorizes the Committee to obtain information from any source, public or private, in this or any other jurisdiction, regarding the background or conduct of the applicant and, if the applicant is a partnership or corporation, any of its shareholders, officers, directors, partners, agents or employees.

16-5-114. License - Grounds for Approval or Denial. The Committee may approve or deny any application for a license, in addition to all other conditions and requirements set forth in this Code and the orders of the Committee, on the basis of whether it deems the applicant a suitable person to hold the license applied for and whether it considers the proposed floor plan suitable. Refusal of an applicant to provide all information requested by the Committee or to allow investigation into the applicant's background is grounds for denial of a license.

16-5-115. Licensed Premises - Safety Conditions.

(1) The building in which gaming will be conducted and the areas where gaming will occur shall meet safety standards and conditions for the protection of life and property as determined by the Tribe's fire official and the Tribe's building official. In making such determinations, the following codes are hereby adopted by the Tribe as minimum safety standards for gaming structures:

- (a) The Uniform Building Code, 1988 edition; and

(b) The Uniform Fire Code, 1988 edition.

(2) A report evidencing compliance shall be issued to an applicant for a facility license by the Tribe's fire and building officials.

(3) In advance of any structural or significant change to the building or facilities where gaming is conducted, the plans for such change shall be submitted to the Tribe's fire official and the Tribe's building official for their review. No changes may be made to the building or facilities where gaming is conducted until the plans are approved by the Tribe's fire official, the Tribe's building official and the Committee.

16-5-116. Construction and Maintenance of Gaming Facilities. The construction, maintenance and operation of all gaming facilities shall be in a manner which adequately protects the environment and the public health and safety.

16-5-117. Buildings - Accessible to Handicapped. All premises where gaming is conducted shall be accessible to and functional for the physically handicapped.

16-5-118. Waiver From Liability - Disclosures or Publications. All applicants and licensees shall waive liability as to the Tribe, its instrumentalities and agents for any damages resulting from any disclosure or publication in any manner, other than a willfully unlawful disclosure or publication, of any material or information acquired during inquiries, investigations or hearings.

16-5-119. Renewal of Licenses.

(1) Subject to the power of the Committee to deny, revoke or suspend licenses, any license in force shall be renewed by the Committee for the next succeeding license period upon proper application for renewal and payment of license fees as required. The license period for a renewed license shall be one year. In addition, the Committee shall reopen licensing hearings at any time upon request of the Division. The Committee shall act upon any such application prior to the date of expiration of the current license.

(2) An application for renewal of a license shall be filed with the Committee no later than one hundred twenty days prior to the expiration of the current license, and all license fees and taxes as required by law shall be paid to the Committee on or before the date of expiration of the current license.

(3) Upon renewal of any license, the Committee shall issue a new license.

(4) Renewal of a license may be denied by the Committee for any violation of this Code, for any reason which would or could have prevented its original issuance, or for any good cause shown.

16-5-120. Denial of Application. Any applicant, including a person who has an ownership interest of five percent or more in any management contract:

(1) Whose application has been denied by the Committee may not reapply for licensure until at least one year has elapsed from the date of denial;

(2) Who has been denied a license for a second time may not reapply until at least three years have passed since the date of the second denial.

16-5-121. Appeal of Final Action of Committee. Any person aggrieved by a final action of the Committee may appeal the final action to the Southern Ute Indian Tribal Court.

16-5-122. Executive and Closed Meetings. The Committee may hold executive or closed meetings for any of the following purposes:

(1) Considering applications for licensing when discussing background investigations or personal information;

(2) Meeting with gaming officials of other jurisdictions or law enforcement officials in connection with possible criminal violations;

(3) Consulting with employees or agents of the Tribe concerning possible criminal violations or any security issues;

(4) Deliberations after hearing evidence in an informal consultation or in a contested case;

(5) Considering information deemed confidential or proprietary.

16-5-123. Communications - Privileged and Confidential. Communications among the Committee and within the Division relating to licensing, disciplining of licensees, or violations by licensees are privileged and confidential, if made lawfully and in the course of or in furtherance of the business of the Committee. The Committee or the Division may claim this privilege.

16-5-124. Summary Suspension. Every license granted pursuant to this Code may be summarily suspended by the Committee, pending a hearing before the Committee, for good cause.

16-5-125. Suspension or Revocation of License - Grounds - Penalties.

(1) Any license granted pursuant to this Code may be suspended for up to six months or revoked for any cause which would have prevented its issuance; or if reliable information is received from the NIGC or the State of Colorado that a licensee does not meet eligibility

standards for issuance of a gaming license; or for any violation by the operator licensee or any primary management official of this Code or any order of the Committee; or for conviction of a crime involving moral turpitude or a felony. Such suspension or revocation shall occur after notice to the licensee and a hearing upon proof by a preponderance of the evidence as determined by the Committee except in those instances covered by 16-5-123. In addition to revocation or suspension, or in lieu of revocation or suspension, the Committee may impose a reprimand or a monetary penalty not to exceed the following amounts:

- (a) If the licensee is a slot machine manufacturer, the amount of one hundred thousand dollars;
- (b) If the licensee is an operator, the amount of twenty-five thousand dollars;
- (c) If a key licensee, the amount of five thousand dollars;
- (d) If a support licensee, the sum of two thousand five hundred dollars.

(2) Any monetary penalty received by the Committee pursuant to this section shall be deposited in the gaming fund established in section 16-9-101.

(3) The civil penalties set forth in this section shall not be a bar to any criminal prosecution or to the imposition of any other civil or administrative remedy.

16-5-126. Records - Confidentiality - Exceptions.

(1) Information and records of the Committee enumerated by this section are confidential and may not be disclosed except pursuant to an order of a court of competent jurisdiction, an order from the Committee, or an order from the NIGC. No person may by subpoena, discovery or statutory authority obtain such information or records. Information and records considered confidential include:

- (a) Tax returns of licensees;
- (b) Credit reports and security reports;
- (c) Audit work papers, worksheets and auditing procedures used by the Tribe, its agents or employees; and

(d) Investigative reports concerning violations of law or concerning the backgrounds of licensees, applicants or other persons, prepared by tribal investigators or investigators from other agencies working with the Committee, and any work papers related to such reports; except that the Committee may in its sole discretion disclose so much of said reports or work papers, as it deems necessary and prudent, to authorized persons showing a legitimate need for the information.

(2) This section does not apply to requests for such information or records from any tribal, federal or state law enforcement agency, or for the use of such information or records by the Committee for official purposes, or by employees of the Committee in the performance of their authorized and official duties.

16-5-127. Committee Access to Files and Records. The Committee shall have access, both physically and electronically, to all files and records kept, or required to be maintained and may contribute to those records.

ARTICLE 6

APPLICATIONS, INVESTIGATIONS AND LICENSURE

16-6-101. Qualifications for Licensure. To qualify for licensure an applicant must:

- (1) Be at least 21 years of age;
- (2) Possess a suitable character as determined by the Committee; and
- (3) If for a facility, the premises to be used for gaming must be deemed suitable by the Committee and must satisfy all health and safety requirements; and
- (4) Comply with all specific laws, rules and regulations pertaining to gaming on the Reservation.

16-6-102. Applications.

- (1) An applicant for any type of license must apply on forms provided by the Division.
- (2) The Division shall require, at a minimum, the following information from an applicant:
 - (a) Full name, other names used (oral or written), social security number(s), birth date, place of birth, citizenship, gender, all languages (spoken or written);
 - (b) Currently and for the previous 5 years: business and employment positions held, ownership interests in those businesses, business and residence addresses, and drivers license numbers;
 - (c) The names and addresses of at least three personal references, including one personal reference who was acquainted with the applicant during each period of residence listed under the above subsection (b);
 - (d) Current business and residence telephone numbers;
 - (e) A description of any existing and previous business relationships with Indian tribes, including ownership interests in those businesses;
 - (f) A description of any existing and previous business relationships with the gaming industry generally, including ownership interests in those businesses;

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

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

(i) For each misdemeanor conviction or ongoing misdemeanor prosecution (excluding minor traffic violations), within 10 years of the date of the application and is not otherwise listed above, the criminal charge, the name and address of the court involved and the date and disposition;

(j) For each criminal charge (excluding minor traffic charges), whether or not there is a conviction, if such criminal charge is within 10 years of the date of the application and is not otherwise listed above, the criminal charge, the name and address of the court involved and the date and disposition;

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

(l) A current photograph;

(m) Any other information the Tribe deems relevant; and

(n) Fingerprints consistent with procedures adopted by the Tribe according to 25 C.F.R. Sec. 522.2(h).

(3) The application, in addition to those items in section (2) above, will contain:

(a) A privacy notice as required by 25 C.F.R. Sec. 537.1(b)(4); and

(b) A notice regarding false statements as required by 25 C.F.R. Sec. 537.1(b)(5).

16-6-103. Background Investigations - Procedures.

(1) Applicants for licensing will be subject to a background investigation check. The completed application will be forwarded to the NIGC at the time of employment. Background investigations for non-Indians and non-member Indians will be processed through the Division and forwarded to the Colorado Division of Gaming. For support license applications, the Colorado Division of Gaming will perform a criminal history and warrants check through Colorado Crime Information Center/National Crime Information Center (CCIC/NCIC), a fingerprint check through the Colorado Bureau of Investigation (CBI) and the Federal Bureau of

Investigation (FBI), and a credit history check. The Division will conduct personal reference checks and past employment verification and checks. For key and operator license applications, including primary management officials, the Colorado Division of Gaming will perform a criminal history and warrants check through CCIC/NCIC, a fingerprint check through the CBI and FBI, a credit history check, personal reference checks of listed and developed references, and past employment verifications and interviews. An investigative report containing the results of the investigation will be prepared by the Division and presented to the Committee for licensing approval. Upon approval for licensing and within 60 days of the application, the investigative report will be forwarded to the NIGC for review and objection, if any.

(2) Southern Ute tribal member applicants will be investigated by the Division following the same guidelines as described in Section (1).

(3) The application forms shall be accompanied and supplemented by such documents and information as may be specified or required. Failure to supply the information requested within five days after the request has been made by the Committee constitutes grounds for delaying consideration of the application.

16-6-104. License Term. Each license issued pursuant to this Code shall expire one year from the date of its issuance but may be renewed upon the filing and approval of an application for renewal.

16-6-105. License Fees. A yearly license fee must accompany an application for licensure; provided, however, that this section shall not apply to members of the Tribe.

16-6-106. Application Fees. In addition to a yearly license fee, applicants for a slot machine manufacturer license or an operator license shall pay non-refundable application fees at the time their applications are first submitted to the Committee.

16-6-107. Investigation Fees.

(1) All applicants for licenses shall pay the costs of investigations into their backgrounds, suitability and qualifications for licensure. The cost of such investigations shall be at the rate established by the Committee. All such applicants shall also pay the Committee for the following actual costs incurred in conducting the background investigations: transportation, lodging, meals and document reproduction costs. Before any such investigations are conducted, each applicant shall pay the required deposit to the gaming fund. Deposits shall be by check made out to the Tribe.

At the end of each month, the Division shall calculate the expenses for each investigation, and draw upon the respective deposits in the gaming fund. A monthly statement of costs, draws upon deposit, and deposit balance shall be sent by the fifteenth of the following month to each applicant. Where a deposit approaches zero dollars, the Committee may request a further deposit

of an amount equal to or less than the initial deposit. Until receipt of such further deposit, investigation of the application may cease.

(2) Upon the Committee's approval or denial, or upon withdrawal, of an application, any deposit balance shall be promptly returned to the applicant.

(3) Where an applicant disputes any investigative charges, or the necessity for further deposits, the applicant may request a hearing before the Committee regarding the matters in dispute.

(4) No license shall be issued until payment for the full amount of any negative deposit balance has been received from the applicant.

16-6-108. Waiver of Privilege. An applicant may claim any privilege afforded by the Indian Civil Rights Act, 25 U.S.C. §1301, the Constitution of the United States, or of the Tribe in refusing to answer questions by the Committee. However, a claim of privilege with respect to any testimony or evidence pertaining to an application may constitute sufficient grounds for denial.

16-6-109. Regulation of Ownership Interests. The Committee may require any interested person or an applicant to complete an application requiring background information, source of funding, and a sworn statement that the interested person or applicant is not holding such interest for another party. The Committee may, in its discretion, require any person having any financial interest in a management contract to undergo a full background investigation. The Committee may further require the operator licensee to pay for that background investigation.

16-6-110. Untrue Statements. The Committee may refuse to grant or renew a license to an applicant or licensee who makes deliberate misstatements, deliberate omissions, misrepresentations or untruths in the application or in connection with the applicant's or licensee's background investigation. Such conduct may also form the basis for criminal charges against the applicant or licensee.

16-6-111. Licensed Premises. Within the licensed premises, an operator licensee may arrange gaming equipment or devices in the discretion of the operator licensee without notice to the Committee. Nothing in this section, however, shall be construed to permit violation of any fire safety, health or building codes.

16-6-112. Withdrawal of Application.

(1) A request for withdrawal of an application may be made at any time prior to final action upon the application by the Committee by filing a written request to withdraw with the Committee.

(2) The Committee may, in its discretion, deny the request, or grant the request.

(3) If a request for withdrawal is granted, the applicant is not eligible to apply again for licensing until after expiration of one (1) year from the date of such withdrawal.

16-6-113. Recommendation and Order. After completion of its investigation, the Division will issue a recommendation to the Committee for the approval or denial of the application. If the Division recommends that an application be denied, the recommendation will include written reasons upon which the recommendation is based.

16-6-114. Temporary Licensing. The Committee may in its sole discretion issue a temporary license, for up to six months, to any applicant. A temporary license may only be issued where the Committee is satisfied that the investigation of the applicant conducted thus far, and the application in its entirety, indicate that the applicant: meets all the requirements of this Code; meets all the requirements contained in the Compact; does not present any danger to the public or to the reputation of gaming; further investigation most likely will not uncover any derogatory information about the applicant; and issuance of a temporary license is of economic necessity to the gaming operation and is just under the circumstances. The temporary gaming license shall become void and be of no effect upon either the issuance of a permanent gaming license or upon notice of application denial.

16-6-115. Conditional Licensing. The Committee may grant a license with special conditions.

16-6-116. Notice of Hearing. Written notice will be given by the Committee to all applicants, in which the Division has recommended a conditional license, suspension of a license, or denial of a license. The notice will contain the time and place when the application for licensing will come before the Committee for consideration, and such applicants are expected to attend the meetings of the Committee. The Committee will notify each applicant in writing of the disposition of the application.

16-6-117. Approval. The Committee shall approve an application for any license that meets all requirements imposed by this Code, including payment of all fees and costs.

16-6-118. Non-transferability of License. A license issued pursuant to this Code shall not be assignable or transferable. The Committee reserves the right to terminate any license and revoke the privileges of such license whenever appropriate.

16-6-119. Duplicate Licenses. Upon the loss, mutilation or destruction of any license issued by the Committee, application for a duplicate must be made on a form approved by the Committee. A statement signed by the licensee which details the circumstances under which the license was lost, mutilated or destroyed and certifies that such license was, in fact, lost, mutilated or destroyed, shall accompany such application. A mutilated license shall be surrendered to the Division upon issuance or denial of a duplicate license. A lost license, when found, must be immediately surrendered to the Division.

ARTICLE 7

RIGHTS AND DUTIES OF OPERATOR LICENSEES

16-7-101. Responsibility of Operator Licensee. Responsibility for the employment and maintenance of lawful methods of operation rests with the operator licensee, and willful or persistent use or toleration of methods of operation considered unlawful by the Committee is prohibited. Each licensee shall fully and promptly perform each and every term, condition and duty required by the Division or Committee.

16-7-102. Discovery of Violations. Each licensee must immediately notify the Committee of the discovery of a violation or of a suspected violation of this Code.

16-7-103. Unauthorized Games. No licensee may permit the operation of any game other than authorized games as defined in this Code and the Act.

16-7-104. Job Descriptions - List of Personnel. Prior to opening for business, an operator licensee must furnish to the Division a written list of all persons, including birth dates and social security numbers, employed by the gaming operation. The operator licensee must furnish job descriptions of licensees. Additionally, the operator licensee must by the first day of each month submit changes to its lists of employees and changes to the job descriptions of employees who hold support licenses, unless the Division, in writing, demands more frequent notification or allows less frequent notification.

16-7-105. Information to be Furnished by Licensee.

(1) Each operator licensee must report to the Committee at least quarterly the full name and address of every person, including lending agencies, who has a right to share in the revenues of gaming, or to whom any interest or share in the profits of gaming has been pledged as security for a debt or deposited as a security for the performance of an act or to secure the performance of a contract of sale.

(2) Each operator licensee must immediately report to the Committee the name, date of birth, and social security number of all persons who obtain an ownership, financial or equity interest in the management company of five (5) percent or greater, or have the ability to control the management company, or who have the ability to exercise significant influence over the management company, or who loan any money or other thing of value to the management company.

(3) Any person licensed by the Committee must notify, in writing, the director of the Division of any criminal charge pending against each person or criminal conviction within ten days of such persons's arrest, summons, or conviction. This notification requirement shall not apply to non-felony traffic violations unless they result in suspension or revocation of a driver's

license or unless they are based on allegations of driving under the influence of intoxicating liquor or drugs.

16-7-106. Inspections. A licensed manufacturer and operator licensee must immediately make available for inspection by the Committee, or its agents or investigators, upon demand, all papers, books and records produced, used or kept in connection with gaming, and all portions of the premises where gaming is conducted or where gaming devices or equipment are manufactured, sold, used, or kept. Upon demand, employees and agents of the Committee must be given immediate access to any portion of the premises of a manufacturer, or operator for the purpose of inspecting or examining records or documents, gaming devices or equipment, or the conduct of gaming activity.

16-7-107. Duty to Maintain Records. Each operator licensee shall keep a complete set of books of account, correspondence and all other records necessary to show fully the gaming transactions of the gaming operation, all of which shall be open at all times during business hours for the inspection and examination of the Committee or its duly authorized representatives. The Committee may require any operator licensee to furnish such information as the Committee considers necessary for the proper administration of this Code and may require an audit to be made of such books of account and records on such occasions as the Committee considers necessary by an auditor, selected by the Committee, who shall likewise have access to all such books and records of the operator licensee, and the operator licensee may be required to pay the expense thereof.

16-7-108. Access to Premises and Production of Records. No applicant or licensee or applicant or licensee's employee or agent may neglect or refuse to produce records or evidence or to give information on lawful demand by the Committee, or any investigator or agent of the Committee. No applicant or licensee shall interfere or attempt to interfere with lawful efforts by the Committee or any of its agents to obtain or produce such information.

16-7-109. Employee on Premises. When a licensed game or a slot machine is available for play by the public, each operator licensee must have a key licensee present on the premises to supervise the operation of the game or machine.

16-7-110. Licensee Identification. Every licensee and support licensee must wear in plain view identification issued by the Committee. This section shall not apply to employees engaged in undercover security operations.

16-7-111. Display of License. All operator licensees and licensed premises must display their licenses, in a manner plainly visible to the public.

16-7-112. Payment of Winners - Reserves. All operator licensees shall at all times have available sufficient financial reserves to pay winners of, or participants in, gaming activities conducted or offered. Payment must be made to winners and participants by cash or by check drawn upon a bank, or other financial institution, within 24 hours. Any check issued to any

winner of gaming must, at the time of issuance and until cashed or three months has expired (whichever is earlier), be backed by and drawn upon sufficient funds to cover the full amount of the check.

16-7-113. Publication of Payoffs. Payoff schedules applicable to every licensed game or slot machine must be displayed at all times either on the table or machine or in a conspicuous place immediately adjacent to it. Payoff schedules must accurately state actual payoffs applicable to the particular game and may not be worded in a manner which misleads or deceives the public. Maintenance of misleading or deceptive matter on a payoff schedule or failure on the part of an operator licensee to make payment in strict accordance with posted payoff schedules is prohibited.

16-7-114. Responsibilities of Operator. Every operator licensee shall provide audit and security measures as prescribed by this Code and federal regulations. Every operator licensee shall ensure that all slot machines on the licensed premises comply with the specifications set forth in this Code.

16-7-115. Player Rules. An operator licensee must post the following rules for players:

- (1) A player must be at least 21 years of age;
- (2) No side bets are permitted; and
- (3) No credit is extended.

16-7-116. Visibly Intoxicated Persons. No licensee shall permit:

- (1) Persons who are visibly intoxicated to participate in gaming activity; or
- (2) Service of alcoholic beverages in the licensed premises to persons who are visibly intoxicated.

16-7-117. Advertising. No operator licensee shall allow, conduct or participate in any false or misleading advertising concerning gaming operations.

16-7-118. Patron Disputes. In a patron dispute, a licensee must notify the disputing patron that the patron has a right to contact the Division or the Committee regarding the dispute.

If a licensee refuses payment of alleged winnings to a patron, the licensee and the patron are unable to resolve the dispute to the patron's satisfaction, or the dispute involves at least \$250, the licensee must immediately notify the Division. An agent of the Division shall investigate the dispute and make a report to the Committee for a decision.

The Committee must notify the licensee and the patron in writing of the Committee's decision regarding the dispute, within thirty (30) days after the date that the Committee first received notice of the dispute.

Failure to immediately notify the Division of a dispute, or to notify a patron of the patron's rights or failure to pay after an adverse decision is a violation by the licensee.

16-7-119. Special Rules of Conduct. An operator licensee may establish rules of conduct for players and spectators on the licensed premises. Any such rules must be posted. The Committee shall have the authority to immediately terminate any or all of such rules.

16-7-120. Procedure Upon Dissolution. Upon dissolution of a corporation, partnership or association, the operator licensee must return the license to the Committee or Division within ten (10) days following the date of the dissolution.

16-7-121. Transfers of Interest. No person may sell, lease, purchase, convey or acquire an interest in an operator licensee without the prior approval of the Committee. However, this requirement shall not apply to stock transfers of less than five percent in a publicly traded corporation.

16-7-122. Termination of Employment of Key and Support Licensees. When key or support licensees change employment, are terminated, or resign, the operator licensee or affected employee must notify the Division in writing within seven days.

16-7-123. Post-Termination Matters. Upon termination of a license issued to an operator licensee for any reason, no further gaming activity shall be conducted by said licensee. After such termination, at a date designated by the Committee, said operator licensee shall appear before the Committee for the purpose of rendering a final accounting and to surrender the license.

16-7-124. Restrictions on Time, Place and Structure. Gaming conducted pursuant to this Code shall be permitted three hundred and sixty-five days a year. Gaming may take place twenty-four hours a day in a licensed facility.

16-7-125. Revocation or Expiration of License - Requirement of Modification. An operator licensee shall, within twenty-four hours of receipt of written notice thereof, terminate the employment of any person whose license has been revoked, suspended, or has expired. A key or support licensee whose license has been revoked, suspended or expired shall notify the operator licensee for the gaming operation within twenty-four hours after such revocation, suspension or expiration.

16-7-126. Activities Which Constitute Fraud. Fraudulent acts shall not be permitted by licensees or patrons of gaming. In addition to those acts listed elsewhere in this Code, "fraudulent acts" shall include but shall not be limited to:

(a) Misrepresentation of the probabilities of pay out or pay out awards of any gaming device or game;

(b) Wording pay off schedules or pay out awards in a misleading or deceptive manner; and

(c) The failure of the licensee to make payment in strict accordance with posted payoff schedules.

16-7-127. Foreign Gaming. Any key or operator licensee who has applied to another jurisdiction for licensure or other permission to conduct gaming in such jurisdiction, shall notify the Division and Committee of such application. Upon request, the licensee shall make available to the Committee all executed copies of all application forms and related documents filed with the foreign jurisdiction by or on behalf of the applicant or by any entity affiliated with the applicant.

ARTICLE 8

GROUND AND PROCEDURES FOR DISCIPLINARY ACTIONS

16-8-101. Grounds for Disciplinary Action. The Committee may levy a monetary penalty, may suspend for up to six months, or revoke any license issued by it for any violations by the person holding the license, or such licensee's employees or agents, of any of the provisions of this Code. Acceptance of a gaming license or renewal thereof by a licensee constitutes an agreement on the part of the licensee to be bound by this Code and all the orders of the Committee. It is the responsibility of the licensee to keep informed of the content of this Code, and ignorance of Code requirements will not excuse violations.

16-8-102. Initiation of Disciplinary Proceedings.

(1) Upon its own motion, or upon written complaint signed and sworn to by the complainant, the Committee may determine to initiate disciplinary proceedings against any licensee. Disciplinary proceedings, as used herein, shall mean those procedures undertaken by the Committee to suspend or revoke any license issued, to levy a monetary penalty against any licensee, or to otherwise sanction violations of gaming laws, regulations and rules.

(2) The Committee may initiate disciplinary proceedings against a licensee where it determines that there is probable cause to believe:

(a) That the licensee, the licensee's employees, or agents have violated any of the provisions of this Code;

(b) That the licensee or persons associated with the licensee are of unsuitable moral character; or

(c) That violations by the licensee, the licensee's employees or agents of laws other than the gaming laws make the licensee no longer suitable for licensing.

(3) Disciplinary proceedings shall be initiated by the Committee by sending to the licensee by first class mail, at the last known mailing address of the licensee, or by personal service, a list of the grounds for the proposed disciplinary action and a notice containing the time and place for any hearing before the Committee. Said list and notice shall be provided to the licensee at least ten (10) days prior to the hearing.

16-8-103. Citizen Complaints Authorized - Procedure Following Filing. Any person claiming that a licensee has engaged in, or is engaging in, conduct constituting grounds for disciplinary action may file with the Committee or the Division a written complaint stating the name of the licensee complained against. The complaint must fully detail the conduct upon which the complaint is made.

The Division shall investigate the complaint and make a recommendation to the Committee regarding the merits of the complaint. The Committee may reject a complaint if it does not meet the requirements of this section. If the Committee determines the complaint has merit, the Committee must serve a copy of the complaint, by first class mail or personal service, on the licensee complained against and any other affected parties. The licensee complained against has twenty (20) days to answer after service of the complaint. If the licensee answers the complaint, the licensee must serve the answer on the Committee by first class mail or personal service.

16-8-104. Informal Consultation. If the Committee considers the complaint to be grounds for disciplinary action, the Committee may consult with the licensee and the parties affected in an effort to resolve the matter satisfactorily without a formal hearing. The Committee must notify in writing the complainant, the licensee complained against, and affected parties of the results of the informal consultation. The informal consultation does not prevent the Committee from conducting a formal hearing.

16-8-105. Assurance of Voluntary Compliance. The Division may accept an assurance of voluntary compliance regarding any act or practice alleged to violate this Code, from a person who has engaged in, is engaging in, or is about to engage in such acts or practices. The assurance must be in writing and may include a stipulation for the voluntary payment of the costs of the investigation and any amount necessary to restore to a person money or property, which may have been acquired by the alleged violator because of the acts or practices. An assurance of voluntary compliance may not be considered an admission of a violation for any purpose; however, proof of failure to comply with the assurance of voluntary compliance is prima facie evidence of a violation of this Code. The Committee may review an assurance of voluntary compliance and approve or reject the disposition proposed by the Division.

16-8-106. Decision to Initiate Disciplinary Action. At any time during the review and investigation of a citizen complaint, the Committee may decide to initiate formal disciplinary proceedings where grounds exist.

16-8-107. Criminal Convictions as Grounds for Revocation or Suspension. The Committee may revoke or suspend the gaming license of any person who is convicted of a crime, even though the convicted person's post conviction rights and remedies have not been exhausted, if the crime or conviction involves a felony, gambling or gaming, or if it discredits or tends to discredit the Tribe.

16-8-108. Facts of Criminal Charge. The charge of a licensee with a felony or with a misdemeanor involving moral turpitude in any jurisdiction is grounds for disciplinary action. The Committee may find the licensee guilty of a violation of this Code based on the facts of the criminal charge even though the licensee may be acquitted on the criminal charge.

16-8-109. Final Action by Committee.

(1) After hearing the evidence and reaching a decision in connection with any disciplinary proceeding, the Committee may find the grounds alleged for disciplinary action substantiated or unsubstantiated. In the event the complaint is found unsubstantiated, the disciplinary proceedings shall be terminated. The Committee may, substantiate the complaint by a preponderance of the evidence on some or all of the grounds alleged for disciplinary action.

(2) In the event the complaint is deemed substantiated, the Committee may revoke the license, may suspend the license for a particular period of time, may impose a monetary penalty, may impose conditions upon the license, may issue a public or private letter of reprimand to be placed in the file of the licensee, or may take any combination of these actions.

(3) The Committee may allow or require briefs of law before making its decision.

(4) Written findings of fact, conclusions of law, and an order must be entered before any decision of the Committee to suspend, revoke or impose conditions upon a license shall be considered final.

16-8-110. Grounds for Summary Suspension.

(1) Where the Committee has reasonable grounds to believe and finds that any person licensed under this Code has been guilty of a deliberate or willful violation of any of the provisions of this Code, or that the licensee has been charged with a felony, or that due to other violations of law by the licensee, the public health, safety or welfare imperatively requires emergency action, and where the Committee incorporates such findings in its order, the Committee may summarily suspend a license pending disciplinary proceedings for suspension or revocation. Any such disciplinary proceedings shall be promptly instituted and determined.

(2) The summary suspension of a license without notice pending a public hearing shall be for a period not to exceed thirty (30) days.

16-8-111. Notice. The Committee must have delivered a notice of summary suspension personally or by certified mail, return receipt requested, to the licensee summarily suspended. The notice must state when the suspension will begin and must state the reasons for the suspension.

16-8-112. Disciplinary Proceeding Notice Required. The Committee must serve upon the summarily suspended licensee a formal notice initiating disciplinary proceedings and a notice of hearing within five (5) days after receipt by the licensee of the notice of summary suspension. The Committee shall hear the matter on an expedited basis, but in no event later than thirty (30) days after the imposition of the summary suspension.

ARTICLE 9
GAMING FUND

16-9-101. Gaming Fund. There is hereby created a gaming fund, which shall be maintained and operated as follows:

(1) The following funds shall be deposited into the gaming fund: The Tribe's share of net revenues from gaming; the guaranteed minimum payment to the Tribe, a portion of which shall be reserved for tribal management development; capital expenditure reserve; rent; and any other fees the Tribe may collect from the gaming operation.

(2) All expenses of the Division and the Committee, including expenses of background and other investigations, prosecution, and legal expenses relating to gaming, shall be paid from the gaming fund.

(3) In addition to the direct gaming expenses stated in subsection (2), upon adoption of a resolution by the Tribal Council, the gaming fund may be used for the following purposes:

- (a) To fund tribal government operations or programs;
- (b) To provide for the general welfare of the Tribe and its members;
- (c) To promote tribal economic development;
- (d) To donate to charitable organizations;
- (e) To help fund operations of local agencies.

(4) Net revenues from gaming shall not be used for any purpose other than those listed above; and no per capita distribution shall be paid from the gaming fund, except pursuant to a plan approved by the Secretary of the Interior.

16-9-102. Audits and Annual Reports.

(1) The gaming fund shall be audited at least annually by an independent certified public accountant, who shall submit a report of the audit to the Committee. The expenses of the audit shall be paid from the gaming fund.

(2) The Committee and the Division shall make an annual report within 120 days of the end of the fiscal year to the Tribal Council, which shall include a summary of the Division's activities for the previous year, a statement of gaming revenues, expenses of the Division,

allocation of remaining revenues, and any recommendations for changes in this Code which the Committee or the Division deems necessary or desirable.

ARTICLE 10

UNLAWFUL ACTS

16-10-101. Slot Machine Manufacturers, Operator Licensees, Key Licensees, Support Licensees, Persons Contracting with the Tribe.

- (1) This section applies to the following persons:
 - (a) All licensees;
 - (b) With respect to privately held corporations licensed pursuant to this Code, the officers, directors and stockholders of such corporations;
 - (c) With respect to publicly traded corporations licensed pursuant to this Code, all officers, directors and stockholders holding either five percent or greater interest or a controlling interest;
 - (d) With respect to partnerships licensed pursuant to this Code, all partners;
 - (e) With respect to any other organization licensed pursuant to this Code, all those persons connected with the organization having a relationship to it similar to that of an officer, director or stockholder of a corporation;
 - (f) All persons contracting with or supplying any gaming-related goods or services to the Tribe;
 - (g) All persons supplying financing or loaning money to an operator licensee, when such financing or loan is connected with the operation of gaming;
 - (h) All persons having a contract or other ongoing financial or business arrangement with any operator licensee, where such contract or arrangement relates to gaming operations, equipment, devices or licensed premises.
- (2) Each of the persons described in subsection (1) of this section shall be:
 - (a) A person of good moral character, honesty and integrity;
 - (b) A person whose prior activities, criminal record, reputation, habits and associations do not pose a threat to the public interests of the Tribe or to the regulation of gaming and do not create or enhance the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of gaming;

(c) A person who has not been convicted of a felony within ten years prior to the date of applying for a license pursuant to this Code.

(d) A person who has not been found to have seriously or repeatedly violated the provisions of this Code; and has not knowingly made a false statement of material facts to the Committee or the Division.

16-10-102. False Statement on Application - Violations of Rules or Provisions of Code.
Any person who knowingly makes a false statement in any application for a license or in any statement attached to the application, or who provides any false or misleading information to the Committee or the Division, or who fails to keep books and records to substantiate the receipts, expenses or uses resulting from gaming conducted under this Code, or who falsifies any books or records which relate to any transaction connected with the holding, operating and conducting of any gaming, or who knowingly violates any of the provisions of this Code may be prosecuted under applicable law.

16-10-103. Slot Machines - Shipping Notices.

Any slot machine manufacturer shipping or importing a slot machine into the Reservation shall provide to the Division at the time of shipment a copy of the shipping invoice, which shall include, at a minimum, the destination, the serial number of each machine, and a description of each machine. Any person within the Reservation receiving a slot machine shall, upon receipt of the machine, provide to the Division upon a form available from the Division information showing, at a minimum, the location of each machine, its serial number and description. Such a report shall be provided regardless of whether the machine is received from a manufacturer or any other person. Any machine licensed pursuant to this Code shall be licensed for a specific licensed facility, and movement of the machine from that location shall be reported to the Division within twenty-four hours after such movement.

16-10-104. Persons Prohibited from Interest in Gaming.

None of the following persons shall have any direct interest in any management contract or management company:

- (a) Officers, agents or employees of any law enforcement agency of the Tribe;
- (b) Employees of the Division;
- (c) Tribal judges;
- (d) Elected officials of the Tribe;
- (e) Gaming Committee members.

16-10-105. Slot Machine - Security and Audit Specifications. All slot machines and all other gaming equipment and devices shall have the features, security provisions and audit specifications listed in this Code and the regulations implementing this Code.

16-10-106. Gaming Equipment - Not Subject to Exclusive Agreements. It is the public policy of the Tribe that gaming equipment authorized and licensed by the Committee may not be subject to any exclusive agreement.

16-10-107. Age of Participants - Violation.

(1) It is unlawful for any person under twenty-one years of age to participate, play, be allowed to play, place wagers, or collect winnings, whether personally or through an agent, in or from any gaming activity.

(2) It is unlawful for any person to engage in gaming with, or to share proceeds from gaming with, any person under twenty-one years of age.

(3) It is unlawful for any licensee to permit any person who is less than twenty-one years of age to participate, play, place wagers or collect winnings in or from any gaming activity.

(4) Any person violating any of the provisions of this section may be prosecuted under applicable law.

(5) Any person violating any of the provisions of this section with a person under eighteen years of age may also be prosecuted under applicable law for contributing to the delinquency of a minor.

16-10-108. Persons Conducting Gaming. No person under the age of twenty-one years shall be employed as a gaming employee, conduct, or assist in conducting, any gaming activity, and no such person shall manage or handle any of the proceeds from gaming.

16-10-109. Employee of Licensed Person - Good Moral Character. No person licensed under this Code shall employ or be assisted by any person who is not of good moral character.

16-10-110. Minimum Payback - Limit to a Slot Machine. The minimum theoretical payback value on a slot machine shall be at least eighty but not more than one hundred percent of the value of any coins or tokens played or accumulated credits played back. However, this section shall not be construed to prohibit tournament slot machines with theoretical payback values greater than one hundred percent where such machines do not accept nor pay out coins or tokens.

16-10-111. Key and Support Licensees.

(1) An operator licensee shall not employ any person to work in the field of gaming, or to handle any of the proceeds of gaming, unless such person holds a valid key or support license issued by the Committee.

(2) It is unlawful for any key licensee to participate in gaming in the gaming facility where such key licensee is employed; except that such key licensee may participate in gaming if such participation is performed as part of the key licensee's employment responsibilities.

16-10-112. Extension of Credit Prohibited. No licensee may extend credit to another person for participation in gaming.

16-10-113. Maximum Amount of Bets. The amount of bet made pursuant to this Code shall be unlimited on the initial bet or subsequent bet or such amount as may be established from time to time by the Committee; provided, however, that pending the outcome of the litigation concerning the bet limit contemplated in the Compact, the amount of bet pursuant to this Code shall not be more than that required pursuant to the Compact.

16-10-114. Failure to Pay Winners.

(1) It is unlawful for any licensee to willfully refuse to pay the winner of any game.

(2) Any person violating any provision of this section shall, upon conviction, be subject to prosecution under applicable law.

16-10-115. Approval of Rules for Certain Games. Specific rules for blackjack shall be approved by the Committee and shall be available upon request to the public.

16-10-116. Exchange - Redemption of Chips - Unlawful Acts. It is unlawful for any person to exchange or redeem chips for anything whatsoever, except currency, negotiable personal checks, negotiable counter checks, or other chips.

16-10-117. Persons in Supervisory Positions - Unlawful Acts. It is unlawful for any employee who serves in a supervisory position, to solicit or accept any tip or gratuity from any player or patron at the premises where he is employed. A dealer may, however, accept tips or gratuities from a patron at the table at which such dealer is conducting play, subject to the provisions of this section. All such tips or gratuities shall be immediately deposited in a lockbox reserved for that purpose, accounted for, and placed in a pool for distribution based upon criteria established in advance by the operator licensee.

16-10-118. Cheating.

(1) It is unlawful for any person to cheat at any gaming activity.

(2) For purposes of this Code, "cheating" means to alter the selection of criteria which determine:

- (a) The result of a game; or
- (b) The amount of frequency of payment in a game.

(3) Any licensee violating any provision of this section shall be subject to prosecution under applicable law and shall also be subject to disciplinary proceedings regarding his or her license.

16-10-119. Fraudulent Acts.

(1) It is unlawful for any person:

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

(b) To place, increase or decrease a bet, or to determine the course of play after acquiring knowledge, not available to all players, of the outcome of the game or any event that affects the outcome of the game or which is the subject of the bet or to aid anyone in acquiring such knowledge for the purpose of placing, increasing or decreasing a bet, or determining the course of play contingent upon that event or outcome;

(c) To claim, collect, or take, or attempt to claim, collect, or take, money or anything of value in or from a gaming activity with intent to defraud and without having made a wager contingent thereon, or to claim, collect, or take an amount greater than the amount won;

(d) Knowingly to entice or induce another to go to any place where gaming is being conducted or operated in violation of the provisions of this Code, with the intent that the other person participate in that gaming activity;

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

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

(g) To manipulate, with the intent to cheat, any component of a gaming device in a manner contrary to the designed and normal operational purpose for the component, including, but not limited to, varying the pull of the handle of a slot machine, with knowledge that the manipulation may affect the outcome of the game or with knowledge of any event that affects the outcome of the game;

(h) To win or attempt to win money or property, or a representative of either, by any trick or sleight of hand performance, or by fraud or fraudulent scheme;

(i) To conduct a gaming operation without a valid operator license;

(j) To conduct a gaming operation on unlicensed premises;

(k) To permit any gaming activity to be conducted, operated or dealt in any licensed premises by an unlicensed person;

(l) To place any games or slot machines into play or display such games or slot machines without the authorization of the Committee;

(m) To employ or continue to employ any person in a gaming operation who is not duly licensed in a position whose duties require a license pursuant to this Code; or

(n) To be employed, work or otherwise act in a position whose duties would require licensing pursuant to this Code without first obtaining the requisite license.

(2) Any licensee who violates any provision of this section shall be subject to prosecution under applicable law and shall also be subject to disciplinary proceedings regarding his or her license.

16-10-120. Use of Device for Calculating Probabilities.

(1) It is unlawful for any person at a licensed gaming facility to use, or possess with the intent to use, any device to assist:

(a) In projecting the outcome of the game;

(b) In keeping track of the cards played;

(c) In analyzing the probability of the occurrence of an event relating to the game; or

(d) In analyzing the strategy for playing or betting to be used in the game, except as permitted by the Committee.

(2) Any person violating any provision of this section shall be subject to prosecution under applicable law and, if a licensee, subject to disciplinary action.

16-10-121. Use of Counterfeit or Unapproved Chips or Tokens or Unlawful Coins or Devices - Possession of Certain Unlawful Devices, Equipment, Products, or Materials.

- (1) It is unlawful for any person to use counterfeit chips in any gaming activity.
- (2) It is unlawful for any person engaged in any gaming activity designed to be played with, to receive, or to be operated by chips or tokens approved by the Committee or by lawful coin of the United States of America:
 - (a) Knowingly to use anything other than chips or tokens approved by the Committee or lawful coin, or to use coin not of the same denomination as the coin intended to be used in that gaming activity; or
 - (b) To use any device or means to violate the provisions of this Code.
- (3) It is unlawful for any person to possess any device, equipment or material which he knows has been manufactured, distributed, sold, tampered with, or serviced in violation of the provisions of this Code.
- (4) It is unlawful for any person, not a duly authorized employee of a licensee acting in furtherance of his or her employment within a facility, to have on his or her person or in his or her possession any device intended to be used to violate the provisions of this title.
- (5) It is unlawful for any person, not an authorized licensee acting in furtherance of his or her employment within a facility, to have in his or her possession while on the premises of any licensed gaming facility any key or device known to have been designed for the purpose of and suitable for opening, entering or affecting the operation of any gaming activity, drop box or electronic or mechanical device connected thereto, or for removing money or other contents therefrom.
- (6) Possession of more than one of the devices, equipment, products or materials described in this section shall give rise to a rebuttable presumption that the possessor intended to use them for cheating.
- (7) It is unlawful for any person to use or possess while on the premises any cheating or thieving device, including but not limited to, tools, drills, wires, coins or tokens attached to strings or wires or electronic or magnetic devices, to facilitate the alignment of any winning combination or to facilitate removing from any slot machine any money or contents thereof, unless the person is a licensee acting in the furtherance of his or her employment.
- (8) Any person violating the provisions of this section shall be subject to prosecution and punishment under applicable law.

16-10-122. Persons Not to Bring Their Own Cards or Chips. No person may bring into the gaming operation, or introduce into a game, playing cards or chips other than those obtained from that gaming facility.

16-10-123. Cheating Games and Devices.

(1) It is unlawful for any person engaged in gaming in a licensed facility knowingly to:

(a) Conduct, carry on, operate, or deal or allow to be conducted, carried on, operated, or dealt any cheating or thieving game or device; or

(b) Deal, conduct, carry on, operate, or expose for play any game or games played with cards or any mechanical device, or any combination of games or devices, which have in any manner been marked or tampered with or placed in a condition or operated in a manner the result of which tends to deceive the public or tends to alter the normal random selection of characteristics or the normal chance of the game which could determine or alter the result of the game.

(2) Any licensee who violates any provision of this section shall be subject to prosecution and punishment under applicable law and shall be subject to disciplinary proceedings concerning his or her license. Any other person violating this section shall be subject to prosecution and punishment under applicable law.

16-10-124. Unlawful Manufacture, Sale, Marking, Altering, or Modification of Equipment and Devices Associated With Gaming - Unlawful Instruction.

(1) It is unlawful to manufacture, sell or distribute any cards, chips, dice, game or device which is intended to be used to violate any provision of this Code.

(2) It is unlawful to mark, alter, or otherwise modify any associated equipment or gaming device in a manner that:

(a) Affects the results of a wager by determining win or loss; or

(b) Alters the normal criteria of random selection, which affects the operation of a game or which determines the outcome of a game.

(3) It is unlawful for any person to instruct another in cheating, or in the use of any device for that purpose, with the knowledge or intent that the information or use so conveyed may be employed to violate any provision of this Code.

(4) Any licensee who violates any provision of this section shall be subject to prosecution and punishment under applicable law and shall also be subject to disciplinary action

concerning his or her license. Any other person violating this section shall be subject to prosecution and punishment under applicable law.

16-10-125. Excluded and Ejected Persons.

(1) It is unlawful for any person whose name is on the list promulgated by the Committee pursuant to section 16-12-101 to enter the licensed premises of a gaming facility.

(2) It is unlawful for any person whose name is on the list promulgated by the Committee pursuant to section 16-12-101 to have any personal pecuniary interest, direct or indirect, in any management contract, management company or business involved in or with gaming or in the shares in any entity licensed pursuant to this Code.

(3) Any person violating the provisions of this section shall be subject to prosecution and punishment under applicable law.

16-10-126. Detention and Questioning of Person Suspected of Violating Code - Limitations on Liability - Posting of Notice.

(1) Any licensee may question any person in the gaming facility suspected of violating any of the provisions of this Code. A licensee is not criminally or civilly liable:

(a) On account of any such questioning; or

(b) For reporting to the Committee, the Division or law enforcement authorities the person suspected of the violation.

(2) Any licensee who has probable cause to believe that there has been a violation of this Code in the gaming facility by any person may detain him or her in the facility in a reasonable manner and for a reasonable length of time. Such a detention does not render the licensee criminally or civilly liable.

(3) A licensee is not entitled to the immunity from liability provided for in subsection (2) of this section unless there is displayed, in a conspicuous place in the gaming facility, a notice in boldface type clearly legible and in substantially this form:

ANY GAMING LICENSEE WHO HAS PROBABLE CAUSE TO BELIEVE THAT ANY PERSON HAS VIOLATED ANY PROVISION PROHIBITING CHEATING IN GAMING MAY DETAIN THAT PERSON.

16-10-127. Failure to Display Licenses and Required Notices.

(1) It is unlawful to fail to display in a conspicuous manner:

- (a) Operator and facility licenses granted by the Committee;
- (b) A notice in bold face type, which is clearly legible and in substantially the following form:

**IT IS UNLAWFUL FOR ANY PERSON UNDER THE AGE OF
TWENTY-ONE TO ENGAGE IN GAMING.**

(2) Any operator licensee who violates any provision of this section shall be subject to prosecution and punishment under applicable law and shall be subject to disciplinary proceedings concerning his or her license. Any other person violating this section shall be subject to prosecution and punishment under applicable law.

16-10-128. Gaming Committee - Authority, Duties and Powers.

(1) The Committee shall regulate gaming and enforce the gaming laws with the assistance of the Division.

(2) The Committee shall rely on the Division, who shall have authority for the following:

(a) Conduct criminal investigations and law enforcement oversight relating to violations of this Code.

(b) Develop and collect information with regard to organized crime, in an effort to identify criminal elements or enterprises which might infiltrate and influence gaming, in cooperation with other law enforcement organizations, and report such information to appropriate law enforcement organizations and the Committee.

(c) Prepare reports concerning any activities in, or movements into, the Reservation of organized crime for use by the Committee in their efforts to prevent and thwart criminal elements or enterprises from infiltrating or influencing tribal gaming.

(d) Inspect or examine, during normal business hours, the licensed premises, equipment, books, records or other written material maintained in accordance this Code.

(3) The Committee shall, in cooperation with the Division, conduct background investigations of applicants and licensees.

(4) The Committee shall refer violations of this Code discovered during an authorized investigation to the appropriate law enforcement or prosecution authority.

16-10-129. Violations of Code. Any person violating any of the provisions of this Code shall be subject to prosecution and punishment under applicable law.

ARTICLE 11

PROPRIETARY INTEREST

16-11-101. Proprietary Interest. The Tribe shall have the sole proprietary interest and responsibility for the conduct of gaming on the Reservation or on Indian lands, as defined by the Act.

ARTICLE 12

EXCLUDED PERSONS

16-12-101. Persons Excluded or Ejected - Legislative Declaration - Factors Considered.

(1) The Committee hereby declares that the exclusion or ejection of certain persons from licensed gaming facilities is necessary to carry out the policies of this Code and to maintain the strict regulation of gaming.

(2) The Committee shall establish a list of persons who are to be excluded or ejected from any licensed gaming premises, including any person whose presence in the facility is determined to pose a threat to the interest of the Tribe or to gaming. In making the determination for exclusion, the Committee shall consider the following:

(a) Prior conviction of a felony, a misdemeanor involving moral turpitude, or a violation of the gaming laws of any Indian tribe, any state, the United States, or any of its possessions or territories.

(b) A violation, attempt to violate, or conspiracy to violate the provisions of this Code relating to the failure to disclose an interest in gaming for which the person must obtain a license or make disclosures to the Committee.

(c) A reputation that would adversely affect public confidence and trust that tribal gaming is free from criminal or corruptive influences.

(d) Prior exclusion or ejection under the gaming regulations of any other Indian tribe, state, the United States, any of its possessions or territories.

(e) Career or professional offenders or associates of career or professional offenders, and such others as defined by the Committee.

(3) If the name and description of any person is placed on the exclusion list, the Committee shall serve notice of that action upon the person by one of the following means:

(a) By personal service;

(b) By certified mail to the last known address of the person; or

(c) By publication in a newspaper of general circulation within the Reservation.

(4) A person placed upon the exclusion list may contest that action by filing a written protest with the Committee, and the protest shall be heard by the Committee as a contested matter.

(4) The Committee may impose sanctions upon any operator or key licensee, in accordance with the provisions of this Code, if such licensee fails to exclude or eject from the licensed premises any person placed by the Committee on the list of persons to be excluded or ejected, which sanctions may include, but not be limited to, suspension, revocation, denial or restriction of any license.

ARTICLE 13

ACCOUNTING REGULATIONS

16-13-101. Definitions for Accounting Regulations. In addition to definitions previously set forth in this Code, the following definitions apply to accounting regulations as established in this Code:

(1) "Examination or Examine" means an audit, review or other examination procedures.

(2) "Fiscal Year" or "business year" means a period beginning on October 1st and ending September 30th of the following year.

(3) "Statements on Auditing Standards" means the auditing standards and procedures published by the American Institute of Certified Public Accountants.

(4) "Statements on Standards for Accounting and Review Services" means the standards and procedures published by the American Institute of Certified Public Accountants.

16-13-102. Accounting and Financial Records.

(1) Each operator licensee must keep accurate, complete, legible and permanent records of all transactions pertaining to revenue that is taxable or subject to fees under this Code. An operator licensee who keeps permanent records in a computerized form or on microfiche must provide the Division or the Committee, on its request, with a detailed index to the microfiche or computer record. All such records must be made available upon demand to the Committee and employees of the Division.

(2) Each operator licensee must keep general accounting records on a double entry system of accounting, maintaining necessary detailed, supporting, subsidiary records, including:

(a) Detailed records identifying revenues, expenses, assets, liabilities and equity for each facility;

(b) Detailed records of all returned checks;

(c) Individual and game records to reflect drop, adjusted gross proceeds (AGP), and the percentage of AGP to drop by table for each table game and to reflect drop, AGP, and the percentage of AGP to drop for each type of table game, by each shift;

(d) Slot analysis reports which, by each machine, compare actual hold percentages to theoretical hold percentages;

(e) The records required by the internal control minimum procedures, as approved by the Committee, applicable to the operator licensee;

(f) Journal entries prepared by the operator licensee and adjustments proposed by the independent accountant;

(g) Any other records that the Committee specifically requires to be maintained; and

(h) All tax returns relating to the licensed facility.

(3) Each operator licensee must create and maintain records sufficient to accurately reflect AGP, net revenues, and expenses relating to the gaming operation on a monthly and year-to-date basis, as well as financial statements.

(4) If an operator licensee fails to keep the required records used to calculate AGP and net revenues, the Committee may compute and determine the amount of taxable proceeds upon the basis of an audit conducted by the Committee, upon any information within the Committee's possession, or upon statistical analysis or projections.

16-13-103. AGP Computations.

(1) For each blackjack game, AGP equals the closers plus credit slips for cash, chips or tokens returned to the casino cashier cage, plus drop, less openers and fills to the table.

(2) For each slot machine, AGP equals drop less fills to the machine, and jackpot payouts and additional payouts. The initial hopper load is not a fill and does not affect AGP. The difference between the initial hopper load and the total amount that is in the hopper at the end of each quarter must be adjusted accordingly as an addition to or subtraction from the drop for that quarter. If an operator licensee does not make or makes inaccurate quarterly additions to or subtractions from the drop, the Division may compute an estimated total amount in the slot machine hoppers and may make reasonable adjustments to AGP during the course of an audit.

(3) An operator licensee shall not exclude from AGP money paid out on wagers that are knowingly accepted by the operator licensee in violation of this Code.

16-13-104. Records of Ownership - Corporation. Each corporate operator licensee must provide to the Committee, upon its request, the following documents pertaining to the corporation:

(1) A certified copy of the articles of incorporation and any amendments;

(2) A copy of the bylaws and any amendments;

- (3) A copy of the certificate issued by the Colorado secretary of state authorizing the corporation to transact business in Colorado;
- (4) A list of all current and former officers and directors;
- (5) Minutes of all meetings of the stockholders;
- (6) Minutes of all meetings of the directors;
- (7) A list of all stockholders, listing each stockholder's name, address, the number of shares held, and the date the shares were acquired;
- (8) The stock certificate ledger;
- (9) A record of all transfers of the corporation's stock; and
- (10) A record of amounts paid to the corporation for issuance of stock and other capital contributions.

16-13-105. Partnership, Limited Liability Company, or Association Records. Each partnership, limited liability company, or association operator licensee must provide to the Committee, upon its request, the following documents:

- (1) A copy of the partnership, limited liability company, or association agreement and, if applicable, the certificate of limited partnership;
- (2) A list of the general and limited partners, or associates, including their names and addresses, the percentage of interest held by each, the amount and date of each capital contribution of each partner or associate, the date the interest was acquired, and the salary paid by the partnership or association; and
- (3) A record of all withdrawals of partnership or association funds or assets.

16-13-106. Sole Proprietor Records. Each sole proprietor operator licensee must provide to the Committee, upon its request, a schedule showing the name and address of the proprietor and the amount and date of the proprietor's original investment and of any additions and withdrawals.

16-13-107. Records Retention - Noncompliance. Each operator licensee must provide to the Committee, upon its request, the records required to be maintained by this Code. Unless the Committee approves or requires otherwise in writing, each operator licensee must retain all such records on the Reservation for at least five (5) years. Failure to keep and provide such records is an unsuitable method of operation and subjects the operator licensee to a fine, penalty or revocation of license.

16-13-108. Examination Procedures.

- (1) The Division shall:
 - (a) Conduct periodic examinations of the accounting and financial records of operator licensees, including but not limited to revenue, expenditure and compliance audits;
 - (b) Review the accounting principles and procedures used by operator licensees;
 - (c) Review and observe methods and procedures used by operator licensees to count and handle cash, chips, tokens and negotiable instruments;
 - (d) Examine operator licensees' internal control procedures;
 - (e) Examine accounting and financial records of the operator licensee;
 - (f) Examine the accounting and financial records of any operator licensee when conditions indicate the need for such action or upon the request of the Committee; and
 - (g) Review tax returns, tax records and tax adjustments.

(2) The Division may conduct an audit, a review or other examination procedures in conformity with generally accepted accounting principles, the applicable sections of the Statements on Auditing Standards, Statements on Standards for Accounting and Review Services, or other Division examination procedures.

(3) At the conclusion of each examination, the Division shall review the results of the examination with the operator licensee. The Division shall prepare a report, as appropriate for the examination conducted, at the conclusion of each examination for submission to the Committee, incorporating any responses of the operator licensee. The operator licensee shall, within ten (10) days of the examination, submit written comments to the Committee as to why the results of the examination should not be accepted. If the Division and the operator licensee cannot reach an agreement on the report, the Committee shall consider the report and the submission of the operator licensee's responses prior to its determination of its acceptance of the report.

16-13-109. Mandatory Drop and Count Procedure.

(1) Each operator licensee must report annually to the Division, on or before October 1, and at other times as the Division requires, the time or times when drop boxes will be removed and the contents counted for table games and slot machines. All drop boxes must be removed and counted at the time or times submitted to the Division. Removal and counting of drop box contents at other than the designated times is prohibited unless the operator licensee

provides advance notice and receives approval from the Committee of a change in times or the Division requires a change of authorized times.

(2) Each operator licensee must submit a list to the Division, at least annually, on or before October 1, of employees authorized to participate in the drop and count ("personnel list"). Each operator licensee must submit a revised list to the Division within 15 days of any change to the personnel list. The personnel list must indicate those persons, if any, who hold an interest in the operator license and shall indicate what relationship by blood or marriage, if any, exists between any person on the personnel list and any other person on such list or any interest holder or employee of the operator licensee. The personnel list shall also indicate the social security number of each employee and the job position title held by each employee.

16-13-110. Internal Control Procedures.

(1) The Division shall establish internal control minimum procedures for operator licensees.

(2) Each operator licensee shall establish its own internal control procedures, including accounting procedures, reporting procedures and personnel policies for the purpose of determining the operator licensee's liability for taxes, fees and exercising effective control over internal fiscal affairs. The operator licensee's procedures must incorporate the minimum requirements as established by the Division, or alternative requirements approved by the Division, and must be designed to ensure that:

- (a) Assets are safeguarded and accountability over assets is maintained;
- (b) Liabilities are properly recorded and contingent liabilities are properly disclosed;
- (c) Financial records, including revenue, expenses, assets, liabilities and equity are accurate and reliable;
- (d) Transactions are performed only in accordance with generally accepted accounting principles, and the operator licensee's stated policies, which cannot be inconsistent with such principles and this Code;
- (e) Transactions are recorded adequately to permit proper reporting of gaming revenue and of fees and taxes;
- (f) Access to assets is permitted only in accordance with specific authorizations in accordance with internal control minimum procedures;
- (g) Recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies; and

(h) Functions, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel.

(3) Each operator licensee must describe its administrative, accounting, reporting and personnel procedures in detail in a written system of internal control. Each operator licensee must at all times follow and comply with its written system of internal control and must submit a copy of its written system to the Committee at least 15 days prior to conducting or offering gaming to the public. Each written system must include:

(a) An organizational chart depicting appropriate segregation of functions and responsibilities;

(b) A description of the duties and responsibilities of each position shown on the organizational charts;

(c) A detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of subsection (2);

(d) A written statement signed by the gaming operation's controller and the operator licensee's chief executive officer, attesting that the system satisfies the requirements of this section;

(e) Such other items as the Committee or Division may require.

(4) At least 45 days prior to revising the internal control minimum procedures, the Division shall mail a copy of the proposed revision to every operator licensee.

(5) Prior to revising the internal control minimum procedures, the Division shall consider all written statements, arguments or contentions submitted by interested parties.

(6) The Division shall send written notice that it has adopted revised procedures pursuant to subsection (4) to all operator licensees.

(7) Not later than thirty (30) days after service of written notice that the minimum procedures revised pursuant to this section are effective, each operator licensee whose procedures are affected by the revised minimum procedures shall amend its written system, submit a copy of the written system as amended to the Division, and comply with the procedures and system as amended.

(8) The operator licensee may not implement a system of internal control that does not satisfy the minimum procedures established by the Division unless the Division determines that the operator licensee's proposed system satisfies subsection (2), and approves the system in writing. Within thirty (30) days after an operator licensee receives notice of the Division's approval of procedures that satisfy the requirements of subsection (2), but that do not satisfy the

minimum procedures, the operator licensee shall comply with the approved procedures, amend its written system accordingly, and submit to the Division a copy of the written system as amended and a written description of the variations signed by the gaming operation's controller and the operator licensee's chief executive officer.

(9) Operator licensees shall require the independent accountant engaged by the Tribe to audit or review the financial statements of the gaming operation, as required by the Committee, and to prepare a report on the operator licensee's compliance with the written procedures on the system of internal control. Using the criteria established by the Division, the independent accountant shall report each material event and procedure discovered by, or brought to the accountant's attention during the course of the examination, that the accountant believes does not satisfy the minimum procedures or variations from the procedures that have been approved by the Division. In addition to the above, the operator licensee shall prepare a letter addressing each item of noncompliance noted by the accountant and describing the corrective measures taken. The operator licensee shall provide to the Committee within 150 days after the end of the business year, a copy of the accountant's written report on internal controls and any other information provided to the operator licensee relating to accounting or internal controls, such as a management letter, along with the operator licensee's response letter.

(10) Before eliminating all table games; adding a table game at a gaming facility not previously offering table games; adding any computerized system that affects the proper reporting of revenues; or adding any computerized system for monitoring slot machines or other games, or any other computerized associated equipment, the operator licensee must:

(a) Amend its written system of internal control to comply with the minimum procedures, or with alternatives approved by the Division;

(b) Submit to the Division a copy of the written system as amended, and a written description of the amendments signed by the gaming operation's controller and the operator licensee's chief executive officer;

(c) Comply with any written requirements imposed by the Committee or the Division regarding administrative approval of computerized associated equipment; and

(d) After paragraphs (a) through (c) have been complied with, implement the procedures and written system as amended.

(11) Not later than October 1 of each year, the operator licensee must report any amendments to its procedures and written system, not affecting compliance with the minimum procedures, that have been made since the previous report. The report must include either a copy of the written system as amended or a copy of each amended page of the written system, and a written description of the amendments signed by the gaming operation's controller and the operator licensee's chief executive officer. If no such amendments have been made, the operator licensee shall submit a statement to that effect.

(12) If the Committee or the Division determines at any time that an operator licensee's procedures or its written system does not comply with the requirements of this section, the Division shall so notify the licensee in writing. Within ten (10) days after receiving the notification, the operator licensee shall amend its procedures and written system accordingly, and shall submit a copy of the written system as amended and a description of any other remedial measures taken.

(13) Failure to comply with the minimum procedures, or the variations from the minimum procedures approved pursuant to this section, is an unsuitable method of operation and may result in a fine, penalty or license revocation.

16-13-111. Handling of Cash. Each licensee who receives currency of the United States (other than tips or gratuities) from a patron in the gaming area of a gaming facility must promptly place the currency in the locked box in the table, in the cash register, in an appropriate place in the cashiers' cage, or in another repository approved by the Division.

16-13-112. Minimum Bankroll Requirements. Each operator licensee must maintain, in such manner and amount as the Division may approve or require, cash or cash equivalents in an amount sufficient to protect patrons against defaults in gaming debts owed by the gaming operation. The Division shall distribute to operator licensees a formula by which licensees determine the minimum bankroll requirements of this section. If at any time the operator licensee's available cash or cash equivalents should be less than the amount required by this section, the operator licensee must immediately notify the Division of this deficiency. Failure to maintain the minimum bankroll required by this section, or a higher bankroll as required by the Division pursuant to this section, or failure to notify the Division of any deficiencies is an unsuitable method of operation and may result in a fine, penalty or license revocation.

16-13-113. Promotional Items.

(1) An operator licensee who engages in promotions to increase business and gaming may not deduct payouts made pursuant to the promotion from AGP except for money or tokens paid at face value directly to a patron as the result of a specific wager.

(2) No deduction is allowed in the computation of AGP for any prizes, premiums, drawings, benefits or tickets that are redeemable for money, merchandise or other promotional allowances.

16-13-114. Match Play Items. When match play promotional items are used in a game, there will be no effect on calculation of AGP. A match play coupon must have printed on it the name of the gaming facility, its value, and an explanation of its use.

16-13-115. Procedure for Reporting and Paying Gaming Taxes and Fees. Required taxes and fees and all reports relating thereto must be paid and submitted not later than the due date specified by law.

16-13-116. Standard Financial Statements.

(1) Each operator licensee, in such manner and using such forms as required by the Division, must prepare a financial statement covering all financial activities of the gaming operation for each fiscal year. If the operator licensee operates room, food or beverage facilities at the gaming facility, the financial statement must cover those operations as well as gaming operations, in which case the gaming operations must be presented separately. Operator licensees must submit the financial statements to the Committee not later than 90 days following the end of the fiscal year covered by the statement. Each financial statement must be signed by the controller for the gaming operation and chief executive officer of the operator licensee, who thereby attest to the completeness and accuracy of the statement. In the event of a license termination, change in the business entity, or a change in control of ownership, the operator licensee or former licensee must, not later than 75 days after the event, submit to the Committee a financial statement covering the period from the last statement to the date of termination or change.

(2) The Division shall prescribe a uniform chart of accounts and accounting classifications as part of the internal control minimum procedures developed by the Division. Operator licensees must prepare their financial statements in accordance with the chart and on forms required by the Division.

16-13-117. Audited Financial Statements.

(1) Annual financial statements covering all financial activities of every gaming operation shall be prepared and audited in accordance with Generally Accepted Auditing Standards by a licensed independent accountant. In addition, all contracts for supplies, services or concessions for a contract amount in excess of \$25,000 annually (except contracts for professional legal or accounting services) relating to gaming shall be audited in accordance with Generally Accepted Auditing Standards by a licensed independent accountant. Said audits may be encompassed within existing independent tribal audit systems and shall be provided by the Committee to the NIGC.

(2) The Committee may require any operator licensee to prepare financial statements covering all financial activities of the gaming and non-gaming operations for a business year and to engage a licensed independent accountant to audit the statements in accordance with Generally Accepted Auditing Standards or to review the statements in accordance with Statements on Standards for Accounting and Review Services.

(3) Statements required must be presented on a comparative basis after the first period of operation. Consolidated financial statements may be filed by commonly operated facilities, but the consolidated statements must include consolidating financial information or consolidating schedules presenting separate financial statements for each facility. The independent accountant must issue a report on the financial statements that expresses an opinion, whether it is unqualified, qualified, adverse or a disclaimer of opinion. The independent accountant must also

include any necessary explanatory or emphasis paragraph to the standard report as defined in the Statement of Auditing Standards (SAS) No. 58. The independent accountant must include in the report on the consolidated financial statements an appropriate opinion on the consolidating financial information, if any.

(4) Each operator licensee required to submit audited or reviewed financial statements, must submit to the Committee a copy of its audited or reviewed statements not later than 120 days after the last day of the gaming operation's business year. In the event of a license termination, change in business entity, or a change in control of ownership, the operator licensee or former licensee must, not later than 120 days after the event, submit to the Committee copies of audited or reviewed statements covering the period since the previous statement. If a license termination, change in business entity, or a change in control of ownership occurs within 120 days after the end of the business year for which a statement has not been submitted, the operator licensee may submit statements covering both the business year and the final period of business.

(5) The Committee or the Division may request additional information and documents from either the operator licensee or the licensed independent accountant, through the licensee, regarding the financial statements or the services performed by the independent accountant. Failure to submit the requested information or documents is an unsuitable method of operation and may result in a fine, penalty or revocation of license.

ARTICLE 14

GAMING DEVICES AND EQUIPMENT

16-14-101. Possession of Slot Machines. The possession of slot machines on the Reservation by licensed manufacturers and gaming operations is legal if all the requirements, conditions and provisions of this Code are met. However, nothing in this section shall be deemed to authorize or permit any use of slot machines for any purpose, except as specifically authorized and provided for by this Code.

16-14-102. Device and Equipment Approval. No slot machine, card table, cards, chips or tokens may be used for gaming by any operator licensee without prior written approval of the Committee. The approval must describe with particularity the equipment or device approved.

16-14-103. Testing. All slot machines, and such other devices and equipment as the Committee may determine, shall be tested prior to approval for use in gaming by the Division.

16-14-104. Blackjack Table - Physical Characteristics. Blackjack must be played at a table having on one side places for the players and on the opposite side a place for the dealer. The cloth covering the blackjack table may have imprinted on it the name of the establishment and must have rectangular, circular or oval areas to indicate boxes for wagers.

The following inscriptions shall appear on the cloth covering the blackjack table:

- (1) Blackjack pays at least 3 to 2;
- (2) Dealer must draw to 16 and stand on all 17's; and
- (3) Insurance pays 2 to 1.

A blackjack table must have a drop box.

16-14-105. Cards - Receipt and Storage.

(1) When decks of cards are received for use in a gaming facility, they must be stored in a locked cabinet. The cabinet must be located in a secure location approved by the Committee. Before the beginning of gaming for a shift or day and as necessary, a licensee or the licensee in charge must open the cabinet and remove the appropriate number of decks of cards for that shift or day, distribute the decks to the dealer at each table, and place the extra decks in a card reserve. The card reserve must be a locked compartment approved by the Committee.

- (2) Cards removed from play will be stored in a secure area prior to destruction.

16-14-106. Cards - Inspection and Removal From Use. Prior to their use at a table, decks must be inspected by the dealer. The dealer must check the back of each card to ensure that it is not flawed, scratched or marked in any way. If, after checking the cards, the dealer finds that certain cards are damaged or improper, the licensee must bring a substitute deck from the card reserve. The damaged or improper cards must be placed in a sealed envelope or container, identified by table number, date and time, and signed or initialed by the dealer and supervisor.

Cards damaged during the course of play must be replaced. The damaged card must be placed in a sealed envelope or container, identified by table number, date and time, and must be signed or initialed by the dealer and supervisor.

The licensee must remove cards at any time if there is any indication of tampering, flaws, scratches, marks or other defects that might affect the integrity or fairness of the game or at the request of an authorized representative of the Committee. The damaged cards must be placed in a sealed envelope or container, identified by table number, date and time, and must be signed or initialed by the dealer and supervisor.

Where a licensee has no reason to believe that damaged or flawed cards in a sealed envelope or container were so damaged or flawed as a result of an unlawful act, motive or scheme, the licensee may dispose of such cards after thirty (30) days in any manner designed to prevent their future use in gaming.

16-14-107. Cards, Envelopes and Containers to Committee. All envelopes and containers containing cards which indicate purposeful tampering must be turned over to the Division who may inspect them for tampering, marks, alterations, missing or additional cards, or anything that might indicate unfair play.

16-14-108. Duties of a Licensee. The Committee or the Division may request that a licensee remove all or designated cards from play or storage for the purpose of inspection. The Division may conduct the inspection or may request a licensed employee of the gaming facility to conduct the inspection. If a licensed employee of the gaming facility conducts the inspection, the employee must follow procedures, which include at a minimum:

- (1) Completion of a work order setting forth the procedures performed and listing the tables from and time at which the cards were removed;
- (2) Sorting of the cards sequentially by suit and inspecting the sides of the cards for crimps, bends, cuts and shaving; and
- (3) Immediately contacting the Division by telephone, or in person, to report any evidence of tampering, alteration, missing or additional cards, or anything that might indicate unfair play.

The licensed employee must thereafter complete a written report and deliver the report, copies of the completed work order, and any cards discovered to be damaged, altered or otherwise reported pursuant to this Code.

16-14-109. Destruction of Cards. Destruction of cards removed from play must be by shredding or by other means approved by the Committee. Cancellation of cards must be by cutting a corner, drilling or by other means.

16-14-110. Dealing Shoes. A dealing shoe must be designed and constructed to maintain the integrity of the game. Dealing shoes and shuffling devices in the gaming facility must be inspected on a regular basis to ensure that there is no contrivance within the shoe or shuffling device.

16-14-111. Approval of Chips and Tokens - Applications and Procedures. An operator licensee may not issue chips or tokens or sell or redeem chips or tokens unless the specifications of the chips or tokens have been approved in writing by the Committee.

An application for approval must include the following in addition to other items of information that the Committee may require:

- (1) An exact drawing of each side and the edge of the proposed chip or token, drawn to actual size or drawn in scale to larger than actual size, showing the measurements of the proposed chip or token in each dimension;
- (2) Written specifications for the proposed chips or tokens;
- (3) The name and address of the manufacturer; and
- (4) The intended use for the proposed chips or tokens.

If the Committee is satisfied that the proposed chips or tokens conform with the requirements of this section, the Committee will notify the operator licensee. The operator licensee must submit a sample of the proposed chips or tokens in final, manufactured form to the Committee. If the Committee is satisfied that the sample conforms with the requirements of this section and with the information submitted with the application, the Committee must approve the proposed chips or tokens.

16-14-112. Specifications for Chips and Tokens. Chips and tokens must be designed, manufactured and constructed in compliance with all applicable statutes, rules and policies of the United States and the Southern Ute Indian Tribe to prevent counterfeiting of the chips or tokens. Chips and tokens must not resemble any current or past coinage of the United States or any other nation.

In addition to other specifications that the Committee may approve, the following must appear on the chip or token:

- (1) The name of the gaming facility must be inscribed on each side of a chip or token;
- (2) The value of the chip or token must be inscribed on each side of a chip or token;

and

(3) A chip must be designed so that when stacked with chips and tokens of other denominations and viewed on closed-circuit, black-and-white television, the denomination of the chip may be distinguished from that of the other chips and tokens in the stack.

16-14-113. Specifications for the Shape and Size of Chips. Chips must be disk-shaped, must be .130 inch thick, and must have a diameter of 1.55 inches.

16-14-114. Colors of Chips. Denominations of chips must be denoted by the following colors:

- (1) The 25-cent chip must be predominantly yellow;
- (2) The 50-cent chip must be predominantly blue;
- (3) The one-dollar chip must be predominantly white;
- (4) The five-dollar chip must be predominantly red; and
- (5) The twenty-five dollar chip must be predominantly green.

An operator licensee must have sufficient numbers of chips to conduct gaming.

16-14-115. Specifications for Tokens. One-dollar tokens must be disk-shaped and must measure from 1.459 through 1.474 inches in diameter, from .095 through .115 inches thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 150. Five-dollar tokens must be disk-shaped and must measure from 1.740 inches through 1.760 inches in diameter, from .115 inches through .135 inches thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 175.

Tokens must not be manufactured from material possessing sufficient magnetic properties to allow it to be accepted by a coin mechanism other than that of a slot machine. Tokens may not be manufactured from a three-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core nor from a copper-based material unless the total of zinc, nickel, aluminum, magnesium and other alloying materials is at least twenty (20) percent of the token's weight.

16-14-116. Other Devices. Other devices with which gaming is conducted must be designed, manufactured, approved, used, discontinued, destroyed or otherwise disposed of in accordance with the provisions of this Code. Other devices must be of a shape, size, design or other specifications approved by the Committee.

16-14-117. Ownership Identification on Gaming Devices. An operator licensee must post in a prominent place in the gaming facility a sign that identifies the person or persons responsible for repairs or malfunctions of the machines, payments of winnings, and disputes regarding payments.

16-14-118. Drop Box Requirements. Drop box markings must be visible from a distance of at least 20 feet. The container must be locked to the table with a lock separately keyed from the container itself. Currency exchanged for chips at the table and all other items or documents relating to transactions at the table must be put into the drop box.

16-14-119. Definitions for Slot Machines. The following definitions apply to all slot machine hardware and software requirements:

(1) "Leakage current" means an electrical current which flows when a conductive path is provided between exposed portions of a slot machine and the environmental electrical ground when the slot machine is isolated from the normal AC power ground.

(2) "Inappropriate coin-in" means a coin or token which has been accepted by a slot machine after the slot machine has already accepted the maximum number of coins or when the slot machine is in a state which normally rejects additional coins, sometimes caused by mechanical timing limits in coin handling equipment.

(3) "Par sheet" means a document which depicts the possible outcomes from the play of a slot machine, the probability of occurrence of each, and the contribution of each winning outcome to the payback percentage of a slot machine.

(4) "Random access memory" or "RAM" means the electronic component used for computer work space and storage of volatile information in a slot machine.

(5) "Randomness" means the unpredictability and absence of pattern in the outcome of an event or sequence of events.

(6) "Random number generator" means a hardware, software or combination hardware and software device for generating number values that exhibit characteristics of randomness.

(7) "Read only memory" or "ROM" means the electronic component used for storage of nonvolatile information in a slot machine, including programmable ROM and erasable programmable ROM.

(8) "Tilt condition" means a programmed error state for a slot machine, which occurs when the slot machine detects an internal error, malfunction or attempted cheating. The machine ceases processing further input, output or display information other than that indicating the tilt condition itself.

16-14-120. Control Program Requirements. Slot machine control programs must test themselves for possible corruption caused by failure of the program storage media. Test methodology must detect 99.99 percent of all possible failures. The ROM must be tested not more than once during a game cycle.

The program residing in the slot machine must be contained in a storage medium which is not alterable through any use of the circuitry or programming of the slot machine itself.

The control program must check for corruption of random access memory locations used for crucial slot machine functions, including information relating to the play and final outcome of the two prior games, random number generator outcome, and any error states. These memory areas must be checked for corruption following game initiation but prior to the display of the game outcome to the player. Detection of corruption is a game malfunction and must result in a tilt condition, which identifies the error and causes the slot machine to cease further functions.

Slot machines must have the capacity to display a complete play history for the last two games played. The display must indicate the game outcome or a representative equivalent, bets placed, credits or coins paid, credits cashed out, and any error conditions.

16-14-121. Meters. A slot machine must have both electronic and electromechanical meters. Slot machine meters must have at least six digits. The slot machine must accumulate the same values in electronic digital storage and provide the means for on-demand display of the stored information.

The coins-in meter must accumulate all coin and token transactions. The coins-out meter must accumulate all coin and credit transactions paid for winning combinations. The coins-dropped meter must accumulate the number of coins that have been diverted into a drop bucket. The jackpots-paid meter must reflect the cumulative amounts paid out by the machine.

A slot machine must be equipped with electronic meters that record the number of times the cabinet door was opened. No slot machine may have a mechanism that causes the electronic accounting meters to clear automatically when an error occurs. Clearing of the electronic accounting meters may be done only by approval of the Division. A slot machine's meters must be maintained at all times, regardless of whether the machine is being supplied with power. Meter readings must be recorded before and after the electronic accounting meter is cleared.

Electro-mechanical meters must have an accuracy rate of 99 percent or better. Electronic meters must have an accuracy rate of 99.99 percent or better.

A slot machine must be designed so that replacement of parts or modules required for normal maintenance does not require replacement of the electro-mechanical meters.

A slot machine must have an electronically stored digital meter of at least three digits for the number of plays since "power on" and the number of plays since "door closure." The slot machine must provide the means for on-demand display of the stored information.

Slot machines must have electronic meters capable of displaying the following information relating to the current play or monetary transaction:

- (1) The number of coins or credits wagered;
- (2) The number of coins or credits won;
- (3) The number of coins paid by the hopper for a credit cash out or a direct pay from a winning outcome;
- (4) Coins to the drop area and currency accepted (in credits); and
- (5) The number of credits available for wagering (credit meter), if applicable.

16-14-122. Random Events. Events in slot machines are occurrences of elements, or particular combinations of elements, that are available on the particular slot machine. A random event has a given set of possible outcomes, each with a given probability or occurrence. The set of these probabilities is called the distribution. Two events are independent if the outcome of one has no influence over the outcome of the other. The outcome of one event cannot affect the distribution of another event if the two events are independent.

16-14-123. Basic Slot Machine Specifications. Slot machines must meet the following security and audit specifications:

- (1) Be controlled by one or more microprocessors;
- (2) Be compatible to on-line data monitoring and accounting meter acquisitions;
- (3) Be able to continue a game with no data loss after a power failure;
- (4) Have a previous and current game data recall;
- (5) Have a random selection process that satisfies the 99 percent confidence level using standard chi-squared, runs and serial correlation tests;
- (6) Clearly display applicable rules of play and the payout schedule;

(7) Display an accurate representation of each game outcome; and

(8) Have mechanical meters which monitor coins in, coins out, coins and currency to drop and jackpots.

16-14-124. Safety Requirements. Electrical and mechanical parts and design principles must not subject a player to physical hazards. Spilling a conductive liquid on the slot machine must not create a safety hazard or alter the slot machine's performance. The power supply used in a slot machine must be designed to make minimum leakage of current in the event of an intentional or inadvertent disconnection of the AC power ground. The power supply must be appropriately fused or protected by circuit breakers.

16-14-125. Backup Devices. A battery backup device must be installed that is capable of maintaining the accuracy of required information for 180 days after power is discontinued for the slot machine.

16-14-126. ON and OFF Switch. An ON and OFF switch that controls the electrical current used to operate the slot machine and its associated equipment must be located in an accessible place within the interior of the slot machine.

16-14-127. Coin and Bill Acceptors. At least one electronic coin or token acceptor must be installed in a slot machine. In addition, bill acceptors may be installed. Coin and bill acceptors must be designed to accept designated coin, token or bills and reject others. The coin acceptor must be designed to prevent the use of cheating methods such as slugging, stringing and spooning. Bill acceptors must be free from mechanical cheating techniques.

Coins or tokens which are accepted but are inappropriate "coins-in" must be returned to the player or credited toward the next play of the slot machine. The slot machine hardware must be capable of handling rapidly fed coins or piggy backed coins so that occurrences of cheating are eliminated.

16-14-128. Automatic Light. A light must be installed on the top of the slot machine that automatically illuminates when the door to the slot machine is opened or when associated equipment that may affect the operation of the slot machine or which houses its coins, bills or tokens is accessed. A bell which rings may be substituted for the light required. This provision, in whole or in part, may be waived by the Committee.

16-14-129. Access to Interior. Logic boards, read only memory and random access memory, and any other discrete logic that determines the outcome of the device (either directly or indirectly) must be in a locked or sealed area within the machine. Unauthorized tampering or entrance into the logic area without prior notification to the Division is grounds for disciplinary action.

16-14-130. Hardware Switches. No hardware switches may be installed which alter the pay tables or payout percentage in the operation of a slot machine. Hardware switches may be installed to control graphic routines, speed of play, sound or any other feature approved by the Committee.

16-14-131. Display of Rules of Play. The rules of play for a slot machine must be displayed on the slot machine face or screen. Rules of play must have approval of the Committee. The Committee may reject the rules if they are incomplete, confusing or misleading.

16-14-132. Power Supply Filter. Slot machine power supply filtering must be sufficient to prevent disruption of the slot machine by repeated switching on and off of the AC power.

16-14-133. Error Condition - Automatic Reset. Slot machines must be capable of detecting and displaying the following conditions, which must be automatically cleared by the slot machine upon initiation of a new play sequence:

- (1) Power reset;
- (2) Door open; and
- (3) Inappropriate coin-in.

16-14-134. Error Conditions. Slot machines must be capable of detecting and displaying the following error conditions, which an attendant may clear:

- (1) Coin-in jam;
- (2) Coin out jam;
- (3) Hopper empty or timed out;
- (4) RAM corruption error;
- (5) Program error;
- (6) Hopper runaway or extra coin paid out;
- (7) Reverse coin-in (coin traveling wrong way through acceptor);
- (8) Reel spin error of any type, including mis-index condition for mechanical reels (the specific reel number must be identified in the error code); and
- (9) Low RAM battery for batteries external to the RAM itself.

A description of the slot machine error codes in section 16-14-132 and this section and their meanings must be affixed inside the slot machine. Mechanical and electronic meter readings must be recorded if the RAM is cleared.

16-14-135. Hopper Mechanism. Slot machines must be equipped with a hopper which is designed to detect jammed coins, extra coins paid out, hopper runaways and hopper empty conditions. The slot machine control program must monitor the hopper mechanism for these error conditions on all game states. All coins or tokens paid from the hopper mechanism must be accounted for by the slot machine, including those paid as extra coins during hopper malfunction. Hopper pay limits must be designed to permit compliance by operator licensees with tax laws and regulations.

16-14-136. Communication Protocol. A slot machine which is capable of bi-directional communication with internal or external associated equipment must use a communication protocol which ensures that erroneous data or signals will not adversely affect the operation of the machine.

16-14-137. Number and Value of Credits Wagered. Collectible credits may be accumulated from wins or from coin or token acceptance, if the slot machine uses a coin or token acceptor that accepts or rejects on the basis of metallic composition of the coins being used.

16-14-138. Software Requirements for Randomness Testing. A slot machine must have a random number generator. A selection process is considered random if the following specifications are met:

(1) A reel, card or ball or other event that determines the outcome of the play satisfies at least 99 percent confidence level using the standard chi-squared analysis. Chi-squared analysis is the sum of the squares of the difference between the expected result and the observed result.

(2) A reel, card or ball or other event that determines the outcome of the play satisfies at least 99 percent confidence level using the Median Runs Test or any similar pattern checking statistic. The runs test is a mathematical statistic that determines the existence of recurring patterns within a set of data.

(3) A reel, card or ball is independently chosen without reference to any other event produced during that play. This test is the correlation test. Each pair of events is considered random if they meet at least the 99 percent confidence level using standard correlation analysis.

(4) A reel, card or ball or other event is independently chosen without reference to the same event in the previous game or games. This test is the serial correlation test. The event is considered random if it meets at least 99 percent confidence level using standard serial correlation analysis.

(5) The random number generator and random selection process must be impervious to influences from outside the slot machine, including electromagnetic interference, electrostatic interference and radio frequency interference. A slot machine must use appropriate communication protocols to protect the random number generator and random selection process from influence by associated equipment which is conducting data communications with the slot machine.

16-14-139. Software Requirements for Percentage Payout. The slot machine must meet the following maximum and minimum theoretical pay out during the expected lifetime of the slot machine:

(1) The slot machine must theoretically pay out at least 80.0 percent and no more than 100.0 percent of the amount wagered. The theoretical payout percentage is determined using standard methods of probability theory, and when applied to games whose outcome is determined in whole or in part by skill, the theoretical pay out shall be computed using the optimum play strategy for the given game tested.

(2) The slot machine must have a probability of obtaining the maximum payout greater than 1 in 17 million.

(3) Whenever a gaming operation offers a progressive jackpot as a part of the slot machine payout, the amount of the payout may not be included in the theoretical payout percentage for purposes of satisfying the minimum and maximum pay out requirements specified in this section.

16-14-140. Software Requirements for Continuation of Game After Malfunction. A slot machine must be capable of continuing the current play with all current play features after a slot machine malfunction is cleared.

16-14-141. Progressive Slot Machines. A progressive slot machine is a slot machine with a payoff that increases as the slot machine is played. A progressive slot machine may be transferred to another progressive slot machine at the same location in the event of the slot machine malfunction, replacement or for some other good reason. When the maximum jackpot limit is reached, it must be permitted to remain until it is won by a player or transferred to another progressive link.

Records must be maintained that record the amount shown on a progressive jackpot display. Supporting documents must be maintained to explain any reduction in the pay off amount from a previous entry. The records and documents must be retained for a period of five years unless permission to destroy them earlier is given by the Committee in writing.

The slot machine must be linked to an electronic display showing the payoff, which is visible to all players who are playing a machine which may potentially win the progressive amount.

(1) **Linked Machines.** Each machine on the link must have the same probability of hitting the combination that will award the progressive jackpot.

(2) **Normal Mode of Progressive Slot Machines.** During the normal mode of progressive slot machines, the progressive controller must continuously monitor each machine on the link for inserted coins and must multiply the accepted coins by the rate progression in order to determine the correct amounts to apply to the progressive jackpot. The progressive display must be constantly updated as play on the link is continued.

(3) **Requirements for Progressive Controller.** Each progressive controller linking one or more progressive slot machines must be housed in a double keyed compartment. The Division must be in possession of one of the keys. There must be a progressive entry authorization log within each controller, and the log must be completed by any person gaining entrance to the controller.

(4) **Progressive Jackpot.** If a progressive jackpot is recorded on a progressive slot machine which is linked to the progressive controller and more than one machine is linked to the controller, the progressive controller must identify the machine that caused the progressive jackpot display to activate and it must display the winning progressive amount.

(5) **Multiple Linkage of Progressive Slot Machines.** If more than one progressive slot machine is linked to the progressive controller, the progressive controller may automatically reset to the minimum amount and continue normal play only if the progressive meter displays the following information:

(a) The identity of the machine that caused the progressive jackpot display to activate;

(b) The winning progressive amount; and

(c) The new normal mode amount that is used by the other players on the link.

(6) **Alternating Displays.** If this Code prescribes multiple items of information to be displayed on a slot machine, it is sufficient to have the information displayed in an alternating fashion.

(7) **Progressive Controller Information.** A progressive meter or progressive controller must keep the following information in nonvolatile memory, which shall be displayed upon demand:

(a) The number of progressive jackpots won, if the progressive display has more than one winning amount;

- (b) The cumulative amounts paid, if the progressive display has more than one winning amount;
- (c) The maximum amount of the progressive payout for each progressive displayed;
- (d) The minimum amount or reset amount of the progressive payout for each progressive displayed; and
- (e) The rate of progression for each meter.

(8) **Key Switch for Resetting Slot Machine After a Jackpot.** Each machine must have a key switch to reset the progressive meter.

(9) **Limits on Jackpot of Progressive Slot Machines.** An operator licensee may impose a limit on the jackpot of a progressive slot machine, if the limit imposed is greater than the possible maximum jackpot payout on the slot machine at the time the limit is imposed. The operator licensee must inform the public with a prominently posted notice of progressive slot machines with the limits.

(10) **Discontinuance of Progressive Slot Machines.** No operator licensee may discontinue a progressive slot machine until all of the advertised progressive amounts or prizes or both have been awarded or moved to another progressive link within the licensed facility.

(11) **Cash Requirements.** Unless the Committee has approved the payment of prizes by annuity, a gaming operation that has a progressive slot machine must maintain a minimum cash reserve equal to the total of all progressive slot machine jackpots that may be won at the facility. The Committee must approve all such cash reserves.

(12) **Applicability of Requirements.** The requirements of this section are intended to apply equally to one progressive slot machine linked to a progressive controller, as well as several progressive slot machines linked to one progressive controller. The Committee may grant waivers in order that both single slot machines and multiple slot machines linked to a progressive controller may meet the requirements of this section.

16-14-142. Surveillance Requirements.

At all times during the conduct of gaming the following surveillance shall be required:

(1) Video cameras capable of providing fixed, pan, tilt and zoom surveillance of all gaming activities being played, including:

(a) A full unobstructed view of all slot machine areas, pit and card game areas and all table games;

(b) A clear view of the dealing action of all games, including sufficient specific coverage to identify dealers, patrons, spectators and game number; and

(c) A clear unobstructed view of all areas in the count rooms, cage areas, cage windows or areas where business with the public is transacted and fill windows where chip fill transactions are being handled.

(2) The viewing capability of all cameras required under this subsection shall be of sufficient quality to ensure that card values in specific hands, as well as denominations of chips being wagered, can be determined.

(3) All fixed, pan, tilt and zoom cameras shall be concealed in a manner to prohibit viewing the camera and determining the direction under surveillance.

(4) All fixed, pan, tilt and zoom cameras shall be connected to video monitors and linked to recording devices that will provide instant video tape playback of any area.

(5) No time lapse recording systems are allowed.

(6) The recording devices shall be capable of providing a hard photo of any video picture upon request.

(7) Video recordings gathered under this section shall be preserved and stored for a period of at least thirty (30) days and shall not be erased, recorded over, nor otherwise altered during that time.

ARTICLE 15

PURCHASE AND REDEMPTION OF COINS, CHIPS AND TOKENS

16-15-101. Use of Chips and Tokens.

- (1) A gaming operation using chips or tokens must do the following:
 - (a) Comply with all applicable statutes, rules and policies of the Tribe and of the United States relating to chips or tokens;
 - (b) Sell chips and tokens only to patrons of the gaming facility and only at their request;
 - (c) Promptly redeem the facility's own chips and tokens from its patrons;
 - (d) Post conspicuous signs notifying patrons that federal law prohibits the use of the gaming operation's tokens and chips outside the gaming facility for any monetary purpose whatever; and
 - (e) Take reasonable steps, including examining chips and tokens and segregating those issued by other gaming facilities, to prevent sales to its patrons of chips and tokens issued by another gaming operation.
- (2) Chips or tokens may not be accepted as payment for goods or services other than gaming or as change in any other transaction.

16-15-102. Redemption. A licensee may not redeem chips or tokens if presented by a person who the licensee knows, or reasonably should know, is not a patron of the gaming facility, unless they are presented as follows:

- (1) By another gaming facility which represents that it redeemed the chips and tokens from its patrons or received them unknowingly, inadvertently or unavoidably;
- (2) By an employee of the gaming facility who presents the chips and tokens in the normal course of employment; or
- (3) By a person engaged in the business of collecting chips and tokens issued by other gaming facilities and presenting them to the issuing gaming facility for redemption.

16-15-103. Use of Other Facility's Chips and Tokens. A licensee may not knowingly sell, use, permit the use of, accept or redeem chips or tokens issued by another gaming facility except as follows:

(1) The chips or tokens are presented by a patron for redemption to a cashier and the patron states that the patron received the tokens from the payout chutes of slot machines or from a licensee at that gaming facility;

(2) The chips or tokens are presented by a patron at a game, and the licensee redeems the chips or tokens with chips of that gaming facility, places the redeemed chips in the imprest bank or the table's drop box, and separates and accounts for the redeemed chips during the count performed pursuant to the operator licensee's system of internal control.

16-15-104. Redemption and Disposal of Discontinued Chips and Tokens. An operator licensee who permanently removes from use or replaces chips or tokens at the gaming facility or ceases gaming activity for any reason must prepare a plan for redeeming discontinued chips and tokens that remain outstanding at the time of discontinuance. The operator licensee must submit the plan in writing to the Committee no later than thirty (30) days before the discontinuance. If the cause for discontinuance of the chips or tokens cannot reasonably be anticipated, the operator licensee must submit the plan as soon as practicable. The Committee may approve the plan or require modification as a condition of approval. Upon approval of the plan, the operator licensee must implement the plan as approved. In addition to other provisions the Committee may approve or require, the plan must provide for the following:

(1) Redemption of outstanding, discontinued chips and tokens for 120 days after the discontinuance or for a longer or shorter period required by the Committee;

(2) Redemption of the chips and tokens at the gaming facility or at another location approved by the Committee;

(3) Publication of notice of the discontinuance of the chips and tokens and their redemption and the pertinent times and locations. The notice must be published in at least two newspapers of general circulation on the Reservation at least twice during each week of the redemption period. Publication is subject to the Committee's approval of the form of the notice, the newspapers selected for publication, and the specific days of publication;

(4) Conspicuous posting of the notice at the gaming facility or other redemption location; and

(5) Destruction or other disposition of the discontinued chips and tokens as required by the Committee.

16-15-105. Destruction of Counterfeit Chips and Tokens. As used in this section, counterfeit chips or tokens" means any chips or token-like objects that have not been approved pursuant to this Code, including objects commonly referred to as "slugs," but not including coins of the United States or any other nation. Unless the Division, the Committee or a court of competent jurisdiction orders otherwise in a particular case, operator licensees must destroy or

otherwise dispose of counterfeit chips and tokens in a manner approved or required by the Committee.

Unless the Division, the Committee or a court of competent jurisdiction orders otherwise, an operator licensee may dispose of coins of the United States or any other nation discovered to have been unlawfully used in the gaming facility by including them in their coin inventories; in the case of foreign coins, by exchanging them for United States currency or coins and including the exchanged currency or coins in their currency or coin inventories; or by disposing of them in any other lawful manner.

In addition to other information the Committee may require, the operator licensee must report the following information to the Division in writing on a monthly basis:

- (1) The number and denominations, actual and purported, of the coins and counterfeit chips and tokens destroyed or otherwise disposed of pursuant to this section;
- (2) The month during which they were discovered;
- (3) The date, place and method of destruction or other disposition, including, in the case of foreign coin exchanges, the exchange rate and the identity of the bank, exchange company or other business at which the coins were exchanged; and
- (4) The names of the persons carrying out the destruction or other disposition on behalf of the operator licensee.

Each operator licensee must maintain a record required by this section for at least five years, unless the Committee approves otherwise.

16-15-106. Forms of Wagers. All wagers must be made with United States currency or coins, or with chips or tokens furnished by the gaming operation.

16-15-107. Sale of Chips and Tokens. Chips and tokens used for gaming must be sold for cash only. No credit may be extended.

Where a gaming operation redeems chips and tokens, it must redeem all chips and tokens at the value for which they were sold.

16-15-108. Procedure for Accepting Checks. Checks may not be accepted for purchase of chips or tokens at gaming tables; however, checks may be accepted at the cashier's cage. All checks accepted at the cashier's cage must be deposited by the next banking day.