



JUN 25 2001

Ms. Patricia Hall
Maynes, Bradford, Shipps
& Sheftel, LLP
Attorneys at Law
P.O. Box 2717
Durango, CO 81302-2717

Dear Ms. Hall:

This letter responds to your request to the National Indian Gaming Commission (NIGC) for review and approval of the revised Southern Ute Indian Tribal Class III Gaming Code (Code), which was adopted by the Tribe on March 26, 2001, pursuant to Resolution No. 01-60 and received by the NIGC on April 4, 2001. The Tribe originally submitted its amendment on August 17, 2000, but due to deficiencies pointed out by letter on October 30, 2000, that amendment was disapproved by the NIGC.

Now that those deficiencies have been corrected, this letter constitutes approval of the Tribe's submission under the Indian Gaming Regulatory Act (IGRA). It is important to note that the gaming ordinance is approved for gaming only on Indian lands, as defined in the IGRA, over which the Tribe has jurisdiction.

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

Sincerely yours,

A handwritten signature in black ink, appearing to read "Montie R. Deer".

Montie R. Deer
Chairman

RESOLUTION NO. 01-60**RESOLUTION
OF THE
COUNCIL OF THE SOUTHERN UTE INDIAN TRIBE**

March 26, 2001

WHEREAS, authority is vested in the Southern Ute Indian Tribal Council ("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 ("Tribe"); and

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

WHEREAS, on August 11, 1992, the Tribal Council approved and adopted a Class III Gaming Code to govern and regulate Class III gaming activities, and on January 9, 1995, the Tribal Council amended said Class III Gaming Code; and

WHEREAS, the Tribe again desires to amend its existing Class III Gaming Code ("Gaming Code"); and

WHEREAS, pursuant to the Indian Gaming Regulatory Act, said Gaming Code is subject to approval by the National Indian Gaming Commission ("NIGC"); and

WHEREAS, the NIGC reviewed the proposed amended Gaming Code and noted certain deficiencies which required further revisions to the Gaming Code; and

WHEREAS, the Southern Ute Indian Gaming Commission has reviewed and approved revisions to the amended Gaming Code, as reflected in the attached amended Gaming Code; and

WHEREAS, pursuant to the Southern Ute Indian Tribe-State of Colorado Gaming Compact, revisions to the Class III Gaming Code are to be submitted to the State of Colorado Division of Gaming for comment; and

WHEREAS, the State of Colorado Division of Gaming has reviewed the attached revisions, and has responded that it has no additional comments; and

WHEREAS, the amended Gaming Code, as revised, must be submitted to the NIGC for review and approval;

NOW, THEREFORE, BE IT RESOLVED that the Southern Ute Indian Tribal Council hereby approves the revisions made in response to NIGC review and approves the amended Class III Gaming Code, as revised, a copy of which is attached hereto and incorporated herein by reference.

Resolution No. 01-60


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BE IT FURTHER RESOLVED that a copy of this Resolution and attachments be submitted expeditiously to the NIGC for approval.

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.

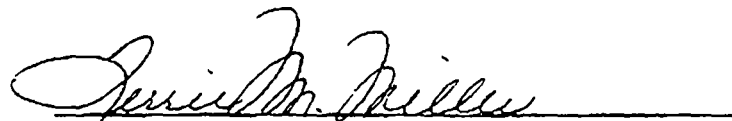
BE IT FURTHER RESOLVED that the amended Class III Gaming Code, as revised, will become effective upon approval by the NIGC and that the existing Class III Gaming Code will be repealed as of that same date.

This resolution was duly adopted on the 26th day of March, 2001.


Leonard C. Burch, Chairman
Southern Ute Indian Tribal Council

CERTIFICATION

This is to certify that there were (4) of the regularly elected Southern Ute Indian Tribal Council members present at the above meeting at which (3) 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.


Terrie M. Miller, Recording Secretary
Southern Ute Indian Tribal Council

SOUTHERN UTE INDIAN TRIBE

CLASS III GAMING CODE

TITLE 16

APR - 4 2001

ARTICLE 1. GENERAL PROVISIONS

16-1-101. Short Title. This title shall be known and may be cited as the “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. §§ 2701-2721, and as may be amended, 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 Southern Ute Indian 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 and regulated 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; and

(d) No applicant for a license or other Southern Ute Indian Tribal Gaming Commission 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 Commission 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), the Southern Ute Indian Tribal Gaming Commission 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, (“IGRA”), P.L. 100-497, 25 U.S.C. §§ 2701-2721, and as may be amended.

(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 cash, chips, tokens, or 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, and financial checks of an applicant for a license, plus any other information deemed relevant by the Southern Ute Indian Tribal Gaming Commission or Division of Gaming, 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 engaged in behavior in an occupational manner for the purpose of economic gain, utilizing methods 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) “Commission” means the Southern Ute Indian Tribal Gaming Commission.
- (14) “Compact” means the Southern Ute Indian Tribe - State of Colorado Gaming Compact.
- (15) “Consultant” means a person retained by the Southern Ute Indian Tribe as an independent contractor who is not an employee of the gaming operation.
- (16) “Division” means the Southern Ute Indian Tribal Division of Gaming.
- (17) “Drop” means the total face value of money, chips, coupons and tokens removed from the drop boxes.
- (18) “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.
- (19) “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.
- (20) “Free play” in relation to promotional items, means the use of a coupon that is issued to a patron by an establishment for play for which no bet is required.
- (21) “Gaming” means those gaming activities which are authorized by this Code and the Class II Gaming Code and regulated by the Commission.
- (22) “Gaming coupon” means an encoded credit certificate which, when inserted into a slot machine, is validated by a computerized system which causes redeemable credits in the face amount to be placed on the machine. A gaming coupon has no value unless inserted into a slot machine or redeemed by the gaming operation in any other manner. Gaming Coupon does not include a marketing or promotional coupon used for gaming purposes which cannot be inserted into a slot machine.
- (23) “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, the cards used to play blackjack and a poker table and the cards used for poker, when played as a banking card game.
- (24) “Gaming employee” means any person employed by the Tribe or management company of a gaming operation or gaming facility on the Southern Ute Indian 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 Commission shall by rule or regulation determine.

(25) “Gaming facility” means the buildings, rooms or areas in which gaming is conducted, and any other place or location on Indian lands where the Tribe allows gaming or elects to allow gaming.

(26) “Gaming license” means any license issued by the Commission pursuant to this Code which authorizes any person to engage in gaming within the Southern Ute Indian Reservation.

(27) “Gaming operation” means any enterprise operated on the Southern Ute Indian Reservation for the conduct of any form of Tribal gaming.

(28) “Gaming-related contract” means an agreement under which a person does business with a gaming operation licensed under this Code.

(29) “Gaming services contract” means an agreement for the providing of any goods or services to be used directly in connection with the operation of gaming, including equipment, maintenance or security services.

(30) “Gaming station” means an individual gaming table.

(31) “Hopper ticket” means an encoded credit ticket produced by a slot machine ticket printer system when cashing out redeemable credits.

(32) “House banked game” means any game of chance that is played with the house as a participant in the game, where the house takes on all players, collects from all losers, and pays all winners, and the house can win.

(33) “Immediate family” means a person’s spouse, children, brother, sister and/or parent residing in the same household.

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

(35) “Internal Control Minimum Procedures”(“ICMP’s”) means detailed procedural controls designed to protect the assets of the gaming operation, ensure the accuracy and reliability of accounting records, and protect the integrity of gaming.

(36) “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.

(37) “Key employee” means (a) an employee of a gaming operation defined as a “key employee” in the IGRA or subsequent legislation, including federal regulations pertaining to gaming; and (b) any other person so designated by the Division.

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

(39) “Licensed gaming facility” means any facility licensed pursuant to this Code for the conduct of gaming.

(40) “Licensee” means any person licensed under this Code.

(41) “Licensing authority” means the Commission.

(42) “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.

(43) “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 Southern Ute Indian Reservation, or are subject to the terms of a cross-deputization agreement.

(44) “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.

(45) “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.

(46) “Moral turpitude” means an act done contrary to honesty and good morals.

(47) “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.

(48) “Normal mode” means the mode of a slot machine at all times other than when it is in the jackpot verification mode.

(49) “Operator licensee” means the management company, which manages a tribal gaming operation pursuant to a management contract approved by the Southern Ute Indian Tribe and the National Indian Gaming Commission (“NIGC”), or a successor federal regulatory authority, and which holds an operator license.

(50) “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).

(51) “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.

(52) “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.

(53) “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.

(54) “Primary management official” means:

(a) The general manager or a person having management responsibility for a management contract; or

(b) Any person who has authority:

(i) To hire and fire employees; or

(ii) To set up working policy for a gaming operation; and

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

(55) “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.

(56) “Reservation” means the Southern Ute Indian Reservation as defined in Pub. Law 98-290.

(57) “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.

(58) “Slot machine malfunction” means a slot machine, in an active and valid play mode, which fails to automatically respond correctly or to meet the standards required by the Gaming Devices Regulations, whether or not due to software failures, hardware failures, human errors, human intervention or other causes.

(59) “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.

(60) “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.

(61) “Suitability” or “suitable” means, in relation to a person, the ability to be licensed by the Commission and, in relation to acts or practices, lawful acts or practices.

(62) “Support licensee” means a gaming employee licensed by the Commission other than operator licensees and key licensees.

(63) “Token” means a metal, paper or other approved material representative of value, redeemable for cash, issued and sold for use in gaming.

(64) “Tribal Council” means the Tribal Council of the Southern Ute Indian Tribe of the Southern Ute Indian Reservation.

(65) “Tribe” means the Southern Ute Indian Tribe.

(66) “Tribe’s building official” means the person designated by the Tribe to enforce building codes.

(67) “Tribe’s fire official” means the person designated by the Tribe to enforce fire safety codes.

(68) “Vendor” means a person who supplies any goods or services that are used in conjunction with any gaming operation.

(69) “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 are 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. 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.

16-1-108. 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 Commission.

16-1-109. 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.

16-1-110. 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.

16-1-111. Effective Date. The effective date of this Code shall be the first day following its approval by the Tribal Council and the NIGC or a successor federal regulatory authority.

16-1-112. 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, who shall be hired in accordance with the Personnel Policies and Procedures of the Tribe. Notwithstanding any such administrative relationship to the Tribe, the Division, the Commission 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 primary 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, the Compact, the "ICMP's", and the rules and regulations of individual games. Additionally, at the direction of the Tribal Council, the Division oversees the management activities of the operator licensee and/or primary management officials on an ongoing basis to ensure compliance with the requirements of this Code.

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 subject to the same suitability criteria as a key licensee. The director shall not be engaged in any other profession or occupation that could present a conflict of interest with the director's duties. The director, as administrative head of the Division, shall direct and supervise its administrative and technical activities, including the following:

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

(2) To attend meetings of the Commission 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 this Code. The director, with the approval of the Tribal Council, may enter into agreements to secure services which the director deems necessary and to provide for the payment for such services.

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

(5) To advise the Commission and recommend to the Commission 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.

(6) To establish ICMP's for licensees, including accounting and reporting procedures.

(7) To take any other lawful action which the Commission may direct in order to carry out the purposes and provisions of this Code.

16-2-104. Investigator Qualifications. Investigators shall be of good moral character, shall meet all qualifications of a certified peace officer, and shall be subject to the suitability criteria of a key licensee. In addition, they must be at least 21 years of age and not be involved in any activity which could present a conflict of interest.

16-2-105. Investigator - Peace Officers.

(1) All investigators of the Division shall have all the powers of any peace officer, as defined in the Southern Ute Indian Tribal Code, to:

(a) Make arrests for any violation of the provisions of this Code, the orders of the Commission 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 investigator'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 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) 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 from such premises, without notice or hearing, 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 Commission may determine pertaining to gaming.

(g) Investigate violations of all laws, regulations and rules of individual games pertaining to gaming, including ICMP's.

(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 may 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, or other personnel of the Division, from performing their duties to the full extent permitted by law.

16-2-106. 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 COMMISSION

16-3-101. Gaming Commission - Appointment and Terms. The Commission shall consist of five members appointed by the Tribal Council for staggered three-year terms; provided, however, that each member shall serve until reappointed or a successor is appointed.

16-3-102. Commission Member Qualifications. Members of the Commission shall be of good character and shall be subject to the same suitability criteria as a key licensee. In addition, members must meet the following specific qualifications:

- (1) Be at least 21 years of age.
- (2) Possess a basic knowledge and understanding of gaming activities authorized on the Southern Ute Indian Reservation.
- (3) Have regulatory experience or expertise in regulatory matters, or in administrative hearing procedures.
- (4) Have the ability to observe restrictions concerning conflict of interest and confidentiality.

16-3-103. Removal. A Commission member may be removed by a majority vote of the Tribal Council for neglect of duty, failure to attend meetings, failure to maintain eligibility requirements or other good cause demonstrating a member's unfitness for continued membership.

16-3-104. Powers and Duties. In addition to any other powers and duties set forth in this Code, the Commission shall have the following powers and duties:

- (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 formulate and recommend changes to this Code for the purpose of preventing abuses and violations; and ensuring proper administration of this Code.
- (4) To issue temporary, permanent and/or conditional licenses to those involved in the conduct of gaming.

- (5) To levy fines and to suspend or revoke gaming licenses.
- (6) To establish and collect gaming fees and collect any gaming taxes.
- (7) To obtain all information from licensees and other persons which the Commission deems necessary.
- (8) To issue subpoenas for the appearance of persons, or the production of records and other evidence, in connection with applications before the Commission or in connection with other matters under consideration by the Commission.
- (9) To apply for injunctive or declaratory relief to enforce the provisions of this Code and Tribal gaming rules and regulations.
- (10) 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, pertaining to the gaming operation and to require verification of income, expenses and all other matters affecting the enforcement of the policies of the Commission or any provision of this Code; and to impound and remove all papers, books and records of applicants and licensees for inspection or examination.
- (11) To promulgate tribal gaming regulations.
- (12) To approve specific rules for Class III games.
- (13) To issue licenses to each place, facility, or location where the Tribe allows gaming or elects to allow gaming.
- (14) To ensure that the Tribe constructs, maintains and operates gaming facilities in a manner that adequately protects the environment and the public health and safety.
- (15) To obtain annual independent outside audits and submit these audits as required by federal law.
- (16) To ensure that net revenues from gaming are used for the limited purposes set forth in this Code and federal law.
- (17) To resolve patron disputes pursuant to this Code.
- (18) To exercise such other incidental powers as may be necessary to ensure the proper regulation of tribal gaming.

16-3-105. Delegation. The Commission shall delegate to the Division the authority for the following:

- (1) To issue temporary licenses.
- (2) To issue gaming-related staff licenses.
- (3) To conduct criminal investigations and law enforcement oversight relating to violations of this Code.
- (4) To inspect or examine the licensed premises, equipment, books, records or other written material maintained in accordance with this Code.
- (5) To 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 Commission.
- (6) To prepare reports concerning any activities in, or movements into, the Reservation of organized crime for use by the Commission in their efforts to prevent and thwart criminal elements or enterprises from infiltrating or influencing tribal gaming.

16-3-106. Commission Meetings.

- (1) Three members of the Commission shall constitute a quorum for taking official action.
- (2) The Commission may hold executive or closed meetings for any of the following purposes:
 - (a) Considering applications for licensing when discussing background investigations or personal information;
 - (b) Meeting with gaming officials of other jurisdictions or law enforcement officials in connection with possible criminal violations;
 - (c) Consulting with employees or agents of the Tribe concerning possible criminal violations or any security issues;
 - (d) Deliberations after hearing evidence in an informal consultation or in a contested case;
 - (e) Considering information deemed confidential or proprietary.
- (3) Any meeting of the Commission 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 Commission 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.

16-3-107. Communications - Privileged and Confidential. Communications among the Commission 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 Commission. The Commission or the Division may claim this privilege.

16-3-108. Appointment of Task Forces.

(1) The Commission may appoint task forces to study and report to the Commission any matter appropriate to the administration of this Code.

(2) The Commission may delegate any act required to be performed by the Commission to the director of the Division.

ARTICLE 4.

CONFLICT OF INTEREST

16-4-101. Conflict of Interest

(1) Members of the Tribal Council, members of the Commission, 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 Commission or employee of the Division, and no member of the immediate family of such persons, as defined in this Code, 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, who is an operator licensee or who is licensed as a vendor.

(b) No member of the Tribal Council, member of the Commission or employee of the Division, and no member of the immediate family of such persons, as defined in this Code, 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 Commission; except that persons may accept on an infrequent basis, in the normal course of business, nonpecuniary items of insignificant value.

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

(d) No member of the Commission may vote on licensing/hearing/disciplinary matters involving a member of their immediate family.

(e) No member of the Tribal Council, member of the Commission or employee of the Division shall participate in any promotional activities, such as player tracking systems or drawings for prizes sponsored by the gaming operation.

(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. Financial Interest Restrictions.

(1) No vendor 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; or

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

(2) The word “interest” includes stock or other type of ownership, as well as leases, joint ventures and other business relationships.

16-4-103. 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; and

(d) Elected officials of the Tribe;

(e) Gaming Commission members.

ARTICLE 5

LICENSING

16-5-101. Licenses. The Commission may issue gaming and gaming related licenses to include the following:

(1) Gaming Licenses.

(a) Slot Machine Manufacturer or Distributor License. A slot machine manufacturer or distributor license is required for all persons who import, manufacture or distribute slot machines, or who otherwise act as a slot machine manufacturer or distributor.

(b) Operator License. An operator license is required for all persons who engage in the business of managing a tribal gaming operation pursuant to a management contract approved by the Tribe and the NIGC, or a successor federal regulatory authority.

(c) Support License. A support license is required for all gaming employees; however, key licensees need not obtain support licenses.

(d) Key License. A key license is required for all gaming employees who have the power to exercise significant influence over decisions concerning the gaming operation.

(e) Facility License. A facility license is required for each separate gaming facility located on the Reservation and must be issued by the Commission before gaming may take place thereon.

(2) Gaming Related Licenses.

(a) Vendor License. A vendor license shall be required for persons supplying goods, equipment or services, except accounting and legal services, to the gaming operation, who are not otherwise required to have a gaming license.

(b) Consultant License. A consultant license is required for any consultant who has access to restricted areas of the gaming facility or to confidential information belonging to the gaming operation, except for persons licensed by the Colorado Division of Gaming.

(c) Staff License. A staff license is required of all employees of a gaming operation, including those employed in non-gaming areas who are not otherwise required to have a support or key license.

16-5-102. Gaming License Term. Each gaming license issued pursuant to this Code, with the exception of a temporary license, 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. Gaming Related License Terms.

(1) Vendor License. Each vendor license shall expire one year from the date of its issuance, but may be renewed upon the filing and approval of an application for renewal.

(2) Consultant License. A consultant license may be issued for any term dependent on the scope of work required and the access needed; however, no consultant license shall be valid in excess of one year. Consultant licenses may be renewed upon the filing and approval of an application for renewal.

(3) Staff License. A staff license shall not expire but shall be void upon separation from employment with the gaming operation.

16-5-104. Key Licensee - Determination of Status. If, in the determination of the Commission, an employee is performing key licensee functions and as such is subject to key licensing requirements, the Commission shall serve notice of such determination upon the employee. In determining whether or not an employee is subject to key licensee requirements, the Commission 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 30 days following receipt of the notice of the Commission'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 a written request to the Commission to review its determination of such person's status within the gaming operation. If the Commission determines that the person does not require a key license, such person shall be allowed to withdraw his application.

16-5-105. Suppliers and Vendors on a Percentage Basis - Licensure Requirements.

(1) Except as otherwise provided in subsection (2) of this section, any person supplying goods, equipment, devices or services to a gaming operation in return for payment of a percentage, or calculated upon a percentage, of gaming activity or income must obtain an operator license.

(2) A licensed slot machine manufacturer or distributor need not obtain an operator's license for purposes of establishing and administering a fund associated with a multiple-property, linked, progressive slot machine system as defined by the Code, so long as all of the following conditions are met:

(a) The manufacturer or distributor shall deposit in the fund and shall account, subject to supervision by the Division, for those monies derived from wagering in machines linked to the system which are due to the manufacturer or distributor pursuant to its agreement with the gaming operation.

(b) The manufacturer or distributor shall maintain a separate account for the fund associated with each progressive system.

(c) The manufacturer or distributor shall retain as compensation only a flat, predetermined fee per machine. Operating costs of the system, including payment of prizes, may be disbursed from the fund.

(d) Machines linked to the system shall be placed only in licensed premises.

16-5-106. Temporary Licenses.

(1) The Division may issue temporary licenses with respect to all types of licenses authorized under this Code.

(2) A temporary license may only be issued where the Division 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. The temporary license shall become void upon the issuance of a regular license, upon notice of recommendation of denial or upon separation from employment with the gaming operation.

(3) The Division may require the surrender of any temporary license issued pursuant to this Code, if the Division discovers any information which would preclude the issuance of a license or if an applicant fails to supply information, documentation or assurances, as required, in a timely manner.

16-5-107. Conditional Gaming Licenses. The Commission may issue conditional gaming licenses with respect to all types of gaming licenses authorized under this Code.

16-5-108. Qualifications for Licensure. Prior to a person's licensure, such person shall, in addition to meeting any other requirements imposed by this Code or the Commission, show that he is of good moral character. An applicant for a license has the burden of proving his qualifications to the satisfaction of the Commission.

16-5-109. 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 Commission may, in addition to all other information, consider whether that person:

(1) Has been denied a gaming license by any jurisdiction;

(2) Has ever had a gaming license suspended or revoked in this or any other jurisdiction; or

(3) Has ever withdrawn an application for any type of gaming license anywhere and the reasons for such withdrawal.

16-5-110. 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.

16-5-111. Gaming Facility - Floor Plan.

(1) 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 gaming devices within the facility and the closed circuit television system for surveillance of the gaming facility. The floor plan is subject to approval of the Commission and those standards pertaining to the public health, safety, and general welfare of the Tribe. All gaming devices shall be located within the licensed premises.

(2) Within the gaming facility, an operator licensee or primary management official has the discretion to arrange gaming equipment or devices upon notice to the Division; provided, however, their arrangement does not interfere with the approved floor plan or affect adequate surveillance.

16-5-112. Gaming Facilities - Health and Safety Standards.

(1) The Tribe shall construct, maintain and operate all gaming facilities in a manner which adequately protects the environment and the public health and safety.

(2) The gaming facility 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 uniform codes are hereby adopted by the Tribe as minimum safety standards for gaming facilities:

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

(b) The Uniform Fire Code, 1988 edition.

(3) A report evidencing compliance shall be issued annually by the Tribe's fire and building officials to the Division.

(4) In advance of any structural or significant change to a gaming facility, 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 a gaming facility until the plans are approved by the Tribe's fire official, the Tribe's building official and the Commission.

(5) All gaming facilities shall be accessible to and functional for the physically handicapped.

16-5-113. Gaming License Disqualification Criteria. The Commission shall deny a gaming license to any applicant who is disqualified for licensure on the basis of any of the following criteria:

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

(2) Failure of the applicant to provide information, documentation and assurances required by this Code or requested by the Commission;

(3) 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; or

(4) Conviction of the applicant, or any of its primary officers or directors, or any of its general partners, or any of its 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:

(a) A gaming-related felony;

(b) A felony involving fraud, misrepresentation or theft by deception;

(c) Any felony within 10 years prior to the date of the application;

(d) A gaming-related misdemeanor offense within 10 years prior to the date of the application; or

(e) Any misdemeanor involving fraud, misrepresentation or theft by deception within ten years prior to the date of the application.

(5) Current prosecution or pending charges in any jurisdiction against the applicant, or against any person listed in paragraph (4) of this section, for any of the offenses enumerated; except that, at the request of the applicant or the person charged, the Commission may defer decision upon such application during the pendency of any prosecution.

(6) The identification of the applicant or any person listed in paragraph (4) of this section 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 a manner which creates a reasonable belief that the applicant's association would pose a risk to the integrity of the gaming operation.

(7) Refusal to cooperate by the applicant with any 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.

16-5-114. Gaming Related License Disqualification Criteria.

(1) The Division shall deny a gaming related license to any applicant whose background reveals a criminal conviction for an offense which bears upon the applicant's suitability for a specific position or for access to restricted areas or confidential information.

(2) The Division shall deny a gaming related license to any applicant whose financial background investigation reveals information which bears upon the applicant's suitability as a vendor, for a specific position or for access to restricted areas or confidential information.

16-5-115. Deferred Prosecution, Judgment or Sentence. If the prosecution or judgment and imposition of sentence is deferred by the court in conjunction with criminal charges, conviction of which would constitute a license disqualification factor under §16-5-113(4), the Commission may consider the pertinent circumstances in determining the applicant's suitability for licensing. The Division shall fully investigate such circumstances by conducting, at a minimum, an interview of the applicant concerning the charges and a full review of the documentation in the relevant case file, including the arrest reports. A deferred prosecution or judgment and sentence shall not be considered "pending charges" for the purpose of determining suitability for a gaming license.

16-5-116. Applicants and Licensees - Providing Information.

(1) All applicants for licenses issued by the Commission 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 Division provide fingerprints and handwriting exemplars, and each such person shall allow himself or herself to be photographed in accordance with procedures established by the Division.

(2) Upon issuance of a formal request or subpoena by the Commission 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 Commission request or subpoena, then that person's license or application may be suspended, revoked or denied, based solely upon such failure or refusal.

(3) Failure to provide information requested by the Division within 10 days after the request has been made may result in a recommendation of denial, based on the disqualification criteria.

(4) An applicant may claim any right or privilege afforded by the Indian Civil Rights Act, 25 U.S.C. §§ 1301-1341, the Constitution of the United States, or of the Tribe in refusing to answer questions by the Commission. However, such a claim of privilege with respect to any testimony or evidence pertaining to an application may constitute sufficient grounds for denial.

16-5-117. Gaming Related License Applications and Investigations for Licensure.

(1) An applicant for a vendor license must apply to the Division for licensure when the dollar amount of business conducted annually with the gaming operation meets the level required for licensure. The information required on the application and the level of investigation conducted shall be dependent on the level of business with the gaming operation.

(2) An applicant for a consultant license must apply to the Division for licensure prior to doing business with the gaming operation. The information required on the application and the level of investigation conducted shall be dependent upon the nature and level of access.

(3) An applicant for a staff license must apply to the Division for licensure immediately upon hiring by the gaming operation. The information required on the application and the level of investigation conducted shall be dependent on the position applied for; however, the level of investigation conducted shall include, at a minimum, a criminal history check and a wants and warrants check.

16-5-118. License Fees. The Commission may establish investigation and application fees for the purpose of paying for the administrative costs of the Commission and Division 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 Division. The fee for the initial license and all renewals thereof shall be determined by the Commission.

16-5-119. Application - Authorization for Background Investigation - Waiver of Confidentiality.

(1) By signing and filing an application for a license, which is subject to applicable perjury laws, the applicant authorizes the Division 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.

(2) The application form approved by the Commission 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 United States, and the NIGC or a successor federal regulatory authority. The waiver of confidentiality shall extend to any financial or personal record, wherever maintained.

16-5-120 Waiver of Liability - Disclosures or Publications. All applicants and licensees shall waive liability as to the Tribe, its instrumentalities, employees 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.

16-5-121. Confidentiality of Records.

(1) Information and records of the Commission and the Division, listed below, are confidential and may not be disclosed except pursuant to an order of a court of competent jurisdiction, an order from the Commission, or a request from the Colorado Division of Gaming, the NIGC or a successor federal regulatory authority. No person may by subpoena, discovery or statutory authority obtain such information or records. Information and records considered confidential include:

(a) Tax returns;

(b) Credit 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 Division, and any work papers related to such reports; except that the Commission or Division 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 Commission or Division for official purposes, or by employees of the Division in the performance of their authorized and official duties.

16-5-122. Renewal of Licenses.

(1) Subject to the power of the Commission to deny, revoke or suspend licenses, any license in force shall be renewed by the Commission 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. The Commission shall act upon any such application prior to the date of expiration of the current license. In addition, the Commission shall reopen licensing hearings at any time upon request of the Division.

(2) An application for renewal of a license shall be filed with the Division no later than 60 days prior to the expiration of the current license, and all license fees as required shall be paid to the Division on or before the date of expiration of the current license.

(3) Upon approval of the renewal of any license by the Commission, the Division shall issue a new license.

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

16-5-123. Duplicate Licenses. Upon the loss, mutilation or destruction of any license issued, application for a duplicate must be made on a form provided by the Division. 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 of a duplicate license. A lost license, when found, must be immediately surrendered to the Division.

16-5-124. Reapplication. 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 Commission may not reapply for licensure until at least one year from the date of denial;

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

(3) Whose request to withdraw an application has been granted may not reapply for licensing until at least one (1) year from the date of such withdrawal.

16-5-125. Appeal of Final Action of Commission. Any person aggrieved by a final action of the Commission may appeal the final action to the Southern Ute Indian Tribal Court.

ARTICLE 6

GAMING LICENSE APPLICATIONS, INVESTIGATIONS AND LICENSURE

16-6-101. Qualifications for Licensure. To qualify for a gaming license an applicant must:

(1) Be at least 21 years of age;

(2) Possess a suitable character as determined by the Commission; and

(3) If for a facility, the premises to be used for gaming must be deemed suitable by the Commission 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. Gaming License Applications.

(1) An applicant for any type of license must apply on forms provided by the Division.

(2) Except for facility license applicants, the Division shall require, at a minimum, the following information from a gaming license applicant:

(a) Full name, other names used (oral or written), social security number(s), birth date, place of birth, citizenship, gender, and 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 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, and 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 that the Tribe deems relevant or that is required by the Compact; and

(n) Fingerprints consistent with procedures adopted by the Tribe in accordance with federal law.

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

(a) A privacy notice as required by federal law; and

(b) A notice regarding false statements as required by federal law.

16-6-103. Gaming Background Investigations - Procedures.

(1) Applicants for support licenses and tribal member applicants for key licenses will be subject to background investigations. The completed application will be forwarded to the NIGC or a successor federal regulatory authority, if required by federal law. Background investigations will be processed through the Division and an investigative report will be generated, which will be sent to the Colorado Division of Gaming, if requested pursuant to the Compact. The background investigation will include, but not be limited to, the following: a criminal history and warrants check through the Colorado Crime Information Center/National Crime Information Center; a fingerprint check, through either the Colorado Bureau of Investigation or the NIGC or a successor federal regulatory authority and the Federal Bureau of Investigation; a credit history check, personal reference checks, and past employment verifications and checks. The investigative report shall include all of the following: the steps taken in conducting the investigation; the results obtained; the conclusions reached; and the bases for those conclusions. Upon completion of the background investigation, the Division will recommend licensing or denial of licensing to the Commission. The licensing decision of the Commission, along with the investigative report will be forwarded to the NIGC or its successor federal regulatory authority for review, if required by federal law.

(2) Non-tribal member key license and operator license applicants, including primary management officials, will have, at a minimum, the same level of background investigation described above. The Division will then forward a copy of the completed application, together with the required fee, to the Colorado Division of Gaming, who will conduct any additional background investigation necessary to determine licensing suitability and eligibility. Upon receipt of the report from the Colorado Division of Gaming, the Division will recommend licensing or denial of licensing to the Commission. The licensing decision of the Commission, along with the investigative report, will be forwarded to NIGC or a successor federal regulatory authority for review, if required by federal law.

(3) The application forms shall be accompanied and supplemented by such documents and information as may be required.

(4) If the Commission, in applying the standards adopted in this tribal

ordinance, determines that employment of a person poses a threat to the public interest or to the effective regulation of gaming, or creates or enhances the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming, a management contractor or gaming operation shall not employ that person in a key employee or primary management official position.

(5) If, within 30 days of its receipt of an investigative report, the NIGC notifies the Commission that it has no objection to the issuance of a license pursuant to a license application filed by a key employee or a primary management official for whom the Commission has provided an application and investigative report to the NIGC, the Commission may go forward and issue a license to such applicant.

(6) If, within 30 days of its receipt of an investigative report, the NIGC provides the Commission with a statement itemizing objections to the issuance of a license to a key employee or to a primary management official for whom the Commission has provided an application and investigative report to the NIGC, the Commission shall reconsider the application, taking into account the objections itemized by the NIGC. The Commission shall make the final decision whether to issue a license to such applicant.

(7) If, after the issuance of a gaming license, the NIGC receives reliable information indicating that a key employee or a primary management official is not eligible for employment as described in paragraph (4) of this part, the NIGC shall so notify the Commission. Upon receipt of such information described in paragraph (a) above, the Commission shall suspend such license and shall notify the licensee of the suspension and the proposed revocation in writing. The Commission shall notify the licensee of a time and place for a hearing on the proposed revocation of a license. After a revocation hearing, the Commission shall decide to revoke or to reinstate a gaming license. The Commission shall notify the NIGC of its decision.

(8) For primary management officials and key employees, the Commission shall retain applications for employment and reports (if any) of background investigations for inspection by the Chairman of the NIGC for no less than three (3) years from the date of termination of employment.

16-6-104. Fees.

(1) License Fees. A yearly license fee, if required, must accompany an application for licensure.

(2) 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 Commission.

(3) Investigation Fees.

(a) 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 Commission. All such applicants shall also pay the Commission 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 investigation fee or deposit.

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

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

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

16-6-105. Regulation of Ownership Interests. The Commission may, in its discretion, require any person having any financial interest in a management contract to undergo a full background investigation. The Commission may further require the operator licensee to pay for that background investigation.

16-6-106. Untrue Statements. The Commission may revoke or deny 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.

16-6-107. 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 Commission by filing a written request to withdraw the application with the Commission.

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

16-6-108. Recommendation and Order. After completion of its investigation, the Division will issue a recommendation to the Commission 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.

16-6-109. Approval. The Commission shall approve an application for any license that meets all requirements imposed by this Code, including payment of all fees and costs.

ARTICLE 7

RIGHTS AND DUTIES OF OPERATOR LICENSEES AND PRIMARY MANAGEMENT OFFICIALS

16-7-101. Responsibility of Operator Licensee or Primary Management Official.

(1) Responsibility for the employment and maintenance of lawful methods of operation rests with the operator licensee or primary management official, and willful or persistent use or toleration of methods of operation considered unlawful by the Commission is prohibited. Each licensee shall fully and promptly conform to each and every requirement of the Division or Commission.

(2) Every operator licensee or primary management official shall provide audit and security measures as prescribed by this Code, ICMP's and federal law. Every operator licensee or primary management official shall ensure that all slot machines on the licensed premises comply with the specifications set forth in this Code.

16-7-102. Job Descriptions - List of Personnel. Prior to opening for business, an operator licensee or primary management official 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 or primary management official must furnish job descriptions of licensees. Additionally, the operator licensee or primary management official must by the first day of each month submit changes to its lists of employees and changes to the job descriptions of all employees who hold support licenses, unless the Division, in writing, demands more frequent notification or allows less frequent notification.

16-7-103. Information to be Furnished by Licensee.

(1) Each operator licensee must report to the Commission 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 Commission 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 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.

16-7-104. Inspections. An operator licensee or primary management official shall immediately make available for inspection by the Division, 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 kept. Upon demand, employees

and agents of the Division must be given immediate access to any portion of the gaming facility for the purpose of inspecting or examining records or documents, gaming devices or equipment, or the conduct of gaming activity.

16-7-105. Duty to Maintain Records. Each operator licensee or primary management official 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 Division. The Commission may require any operator licensee or primary management official to furnish such information as the Commission 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 Commission considers necessary by an auditor, who shall likewise have access to all such books and records of the gaming operation, and the operator licensee may be required to pay the expense thereof.

16-7-106. Employee on Premises. When a licensed game or a slot machine is available for play by the public, each operator licensee or primary management official must have a key licensee present on the premises to supervise the operation of the game or machine.

16-7-107. Display of License. All operator licensees and primary management officials are required to display the gaming facility license and operator license in a manner plainly visible to the public.

16-7-108. Chip Reserves. An operator licensee or primary management official must have sufficient numbers of chips to conduct gaming.

16-7-109. Payment of Winners - Reserves. An operator licensee or primary management official shall 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.

16-7-110. Publication of Payoffs. Payoff schedules applicable to every licensed game or slot machine must be displayed or displayable 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 or primary management official to make payment in strict accordance with posted payoff schedules is prohibited.

16-7-111. Taxes and Fees. Every operator licensee or primary management official shall ensure the payment of applicable taxes and fees, pursuant to this Code and applicable federal law. Taxes or fees must be paid in a manner that assures receipt by the due date as required.

16-7-112. Player Rules. An operator licensee or primary management official must post the following rules for players:

- (1) Players and other persons present in the gaming area must be at least 21 years of age;
- (2) No side bets are permitted; and
- (3) No credit is extended.
- (4) It is unlawful to claim unattended or unearned credits and money on gaming devices; and
- (5) It is unlawful to participate in a gaming activity while intoxicated.

16-7-113. Advertising. No operator licensee or primary management official shall allow, conduct or participate in any false or misleading advertising concerning gaming operations.

16-7-114. Special Rules of Conduct. An operator licensee or primary management official may establish rules of conduct for players and spectators at the gaming facility. Any such rules must be posted. The Commission shall have the authority to immediately terminate any or all of such rules.

16-7-115. Procedure Upon Dissolution. Upon dissolution of a corporation, partnership or association, the operator licensee must return the operator license to the Division within 10 days following the date of the dissolution.

16-7-116. Transfers of Interest. No person may sell, lease, purchase, convey or acquire an interest in an operator licensee without the prior approval of the Commission. However, this requirement shall not apply to stock transfers of less than five percent in a publicly traded corporation.

16-7-117. Termination of Employment of Key and Support Licensees. When key or support licensees change employment, are terminated, or resign, the operator licensee, primary management official or designee must notify the Division in writing within seven days.

16-7-118. 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, said operator licensee shall surrender its license.

16-7-119. Restrictions on Time, Place and Structure. Gaming conducted pursuant to this Code shall be permitted 365 days a year. Gaming may take place 24 hours a day in a licensed facility.

16-7-120. Revocation or Expiration of License. A key or support licensee whose license has been revoked, suspended or expired shall notify the operator licensee or primary management official for the gaming operation within 24 hours after such revocation, suspension or expiration. An operator licensee or primary management official shall, as soon as practical and, in any event, within 24 hours of receipt of written notice thereof, remove the person whose license has been revoked, suspended, or has expired from any licensed position.

16-7-121. Foreign Gaming. Any operator licensee or primary management official who has applied to another jurisdiction for licensure or other permission to conduct gaming in such jurisdiction shall notify the Division of such application. Upon request, the licensee shall make available to the Division 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

RIGHTS AND DUTIES OF LICENSEES

16-8-101. Responsibility of Licensees. 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 Commission. It is the responsibility of the licensee to keep informed of the content of this Code, and ignorance of the Code requirements will not excuse violations.

16-8-102. Discovery of Violations. Each licensee must immediately notify the Division of the discovery of a violation or of a suspected violation of this Code.

16-8-103. Licensee Notifications Requirements.

(1) Any person licensed by the Commission must notify, in writing, the director of the Division of any criminal charge pending against such person within 10 days of such person's arrest or filing of charges. 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.

(2) The licensee must notify, in writing, the director of the Division of the disposition of the charges within 10 days of said disposition.

(3) Any person licensed by the Commission must notify the Division, in writing, of any change of physical or mailing address within 10 days of such change.

16-8-104. Licensee Identification. Every licensee must wear, in plain view, identification issued by the Division. This section shall not apply to employees engaged in undercover operations.

16-8-105. 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 Commission, 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 OF THE GAMING CODE MAY DETAIN THAT PERSON.

16-8-106. Intoxicated Persons.

(1) No licensee shall permit:

(a) Persons who are visibly intoxicated or noticeably under the influence to participate in a gaming activity; or

(b) Service of alcoholic beverages in the licensed premises to persons who are visibly intoxicated.

(2) No person shall participate in a gaming activity when such person is intoxicated.

16-8-107. Patron Disputes.

(1) In a patron dispute, a licensee must notify the disputing patron that the patron has a right to contact the Division or the Commission regarding the dispute.

(2) 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 notify the patron, in writing, of the outcome of the investigation and the findings of the Division. If the patron is not satisfied with the determination of the Division, the patron or the Division will notify the Commission, in writing, of the disputed point for a decision.

(3) 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.

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

16-8-108. Patron Violations. Licensees shall not allow a patron to repeatedly violate the rules of the game.

ARTICLE 9

PROCEDURES FOR DISCIPLINARY ACTIONS

16-9-101. Grounds for Disciplinary Action.

(1) Any license granted pursuant to this Code may be suspended for up to six months or revoked:

(a) for any cause which would have prevented its issuance; or

(b) if reliable information is received that a licensee does not meet eligibility standards for issuance of a gaming license; or

(c) for any violation of this Code, the ICMP's or any order of the Commission; or

(d) for conviction of a crime involving moral turpitude or a felony.

(2) 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 Commission, except in those instances covered by summary suspension.

(3) The Commission 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.

(4) The charge of a licensee with a felony or with a misdemeanor involving moral turpitude in any jurisdiction is grounds for disciplinary action. The Commission may find the licensee violated this Code based on the facts of the criminal charge even though the licensee may be acquitted on the criminal charge.

16-9-102. Penalties.

(1) In addition to revocation or suspension, or in lieu of revocation or suspension, the Commission 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 \$100,000.00.
- (b) If the licensee is an operator, the amount of \$25,000.00.
- (c) If a key licensee, the amount of \$5,000.00.
- (d) If a support licensee, the amount of \$2,500.00.

(2) Any monetary penalty received by the Commission pursuant to this section shall be deposited in the gaming fund established pursuant to this Code.

(5) 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.

16-9-103. Initiation of Disciplinary Proceedings.

(1) Upon its own motion, or upon written complaint signed and sworn to by the complainant, the Commission may determine to initiate disciplinary proceedings against any licensee. Disciplinary proceedings, as used herein, shall mean those procedures undertaken by the Commission 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 Commission may initiate disciplinary proceedings against a licensee where it determines that there is probable cause to believe:

- (a) That the licensee or the operator 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 or the operator 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 Commission 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 Commission. Said list and notice shall be provided to the licensee at least 10 days prior to the hearing.

16-9-104. Citizen Complaints Authorized - Procedure Following Filing.

(1) Any person claiming that a licensee has engaged in, or is engaging in, conduct constituting grounds for disciplinary action may file with the Commission 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.

(2) The Division shall investigate the complaint and make a recommendation to the Commission regarding the merits of the complaint. The Commission may reject a complaint if it does not meet the requirements of this section.

(3) If the Commission determines the complaint has merit, the Commission 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 20 days to answer after service of the complaint and the notice containing the time and place for any hearing before the Commission. The complaint and notice shall be provided to the licensee at least 10 days prior to the hearing.

16-9-105. Informal Consultation. If the Division considers the complaint to be grounds for disciplinary action, the Division may consult with the licensee and the parties affected in an effort to resolve the matter satisfactorily without a formal hearing. The Division must notify in writing the complainant, the licensee complained against and affected parties of the results of the informal consultation, which must be approved in writing by the Commission. The informal consultation does not prevent the Commission from conducting a formal hearing.

16-9-106. 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 Commission may review an assurance of voluntary compliance and approve or reject the disposition proposed by the Division.

16-9-107. Final Action by Commission.

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

(2) The Commission may allow or require briefs of law before making its decision.

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

(4) In the event the complaint is deemed substantiated, the Commission 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.

16-9-108. Summary Suspension. Every license granted pursuant to this Code may be summarily suspended by the Commission, pending a hearing before the Commission, for good cause.

16-9-109. Grounds for Summary Suspension.

(1) Where the Commission 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, or where the Commission has received post-license notification from the NIGC pursuant to § 16-6-103(7), and where the Commission incorporates such findings in its order, the Commission 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 hearing shall be for a period not to exceed 30 days.

16-9-110. Notice. The Division 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.

16-9-111. Disciplinary Proceeding Notice Required. The Division must serve upon the summarily suspended licensee a formal notice initiating disciplinary proceedings and a notice of hearing within five days after receipt by the licensee of the notice of summary suspension. The Commission shall hear the matter on an expedited basis but in no event later than 30 days after the imposition of the summary suspension.

ARTICLE 10

PROCEDURES FOR HEARINGS

16-10-101. Request for Hearing. A person aggrieved by an action of the Commission that was taken without a hearing may, within 30 days following the date of the action, request a hearing. The Commission may direct the aggrieved person to provide certain information to the

Commission prior to the hearing or it may grant the hearing conditioned upon the fulfillment of other reasonable terms and conditions.

16-10-102. Notice of Hearing. The Commission shall give written notice to an applicant for whom the Division recommends a conditional license, suspension of a license, or denial of a license. The notice shall contain the time and place when the licensing issue will come before the Commission for consideration and shall notify the applicant of the right to attend the Commission meeting. The notice shall be served, together with a copy of the Division's recommendation, at least 10 days prior to the meeting by personal service or by first class mail to the address listed for the applicant in the application. The Commission shall notify each applicant in writing of the disposition of the application or license.

16-10-103. Summoning of License. The Commission 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 Commission or its agents consider relevant to the discharge of its official duties. Testimony so taken may be used by the Commission 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.

16-10-104. Conduct of Hearings.

(1) Hearings shall be conducted as administrative proceedings with all rights of due process; however, strict evidentiary and procedural rules shall not apply.

(2) The Division will first present its case, including witnesses, exhibits and testimony. The licensee will then have the opportunity to present his case, including witnesses, exhibits and his own testimony.

(3) The Commission may ask questions of any witnesses for clarification and may recall witnesses, if necessary, but must maintain neutrality.

16-10-105. Decisions of the Commission. The Commission shall issue all decisions in writing within 10 days. Commission 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.

16-10-106. Service and Filing. If a filing or a service of notice on the Commission is permitted or required by this Code, the filing or notice may be delivered in person or mailed to the Commission. A filing or notice is complete on the date it is received by the Commission.

16-10-107. Judicial Review. Any person aggrieved by a final action of the Commission may appeal the decision to the Southern Ute Indian Tribal Court by filing a petition for review within 30 days of the decision.

ARTICLE 11

GAMING FUND

16-11-101. 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 tribal management development fee; the gaming fund fee; and any other taxes or fees the Tribe may collect from the gaming operation, including any payments required pursuant to a management contract with an operator licensee.

(2) All expenses of the Division and the Commission, including expenses of background and other investigations, prosecution, and legal expenses related 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; and
- (e) To help fund operations of local government 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.

16-11-102. Audits. 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 Commission and the Tribal Council. The expenses of the audit shall be paid from the gaming fund.

ARTICLE 12

UNLAWFUL ACTS

16-12-101. Fraudulent Acts.

- (1) Fraudulent acts by licensees or patrons are prohibited.

(2) 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) Failure of the licensee to make payment in strict accordance with posted payoff schedules.

(3) 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 determined 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) To knowingly entice or induce another to go to any place where gaming is being conducted or operated in violation of the provisions of federal, state, or tribal law 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, 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 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 on 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 Commission;

(m) 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 this Code pertaining to conflict of interest;

(n) 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

(o) 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.

16-12-102. Collusion.

(1) Players in any game shall not play, nor attempt to play, in cooperation or collusion with any other person, nor shall any licensee knowingly permit such cooperation or collusion.

(2) Evidence of collusion may include, but shall not be limited to, the following:

(a) Any play by a player which is intended to assist one player over another.

(b) A continuing or repeated pattern of betting by and between the same two or more players, the purpose of which is to cause other players to fold or withdraw from a game.

(c) Two or more players sharing winnings from a hand or a player agreeing to share winnings with another player if either wins any part of the pot, except as permitted in tournament play.

(d) Having an agreement not to bet or not to raise another player.

(e) Verbal or non-verbal communication pertaining to the game between persons including, but not limited to: imparting information about one's hand to a player in the pot; advising someone on how to play a hand or suggesting a particular betting action; reading a hand for a player who has not yet shown his hand; or any

communication between players by means other than spoken English, unless such communication, or its import, is understood by all persons at the table.

(f) Any other act participated in by two or more players which fraudulently creates an unfair advantage for a player, or which fraudulently creates a disadvantage for any other player in the game.

16-12-103. False Statements - Misleading Information - Falsifications of Records.
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 Commission, the Division or the Tribal Council; or who fails to keep records to substantiate the receipts, expenses or uses resulting from gaming conducted under this Code; or who falsifies any 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.

16-12-104. Age of Participants - Violations.

(1) It is unlawful for any person under 21 years of age to:

(a) Linger in the gaming area of a casino;

(b) Sit on a chair or be present at a gaming table, slot machine, or other area in which gaming is being conducted; or

(c) Participate, play, be allowed to play, place wagers, or collect winnings, whether personally or through an agent, in or from any gaming.

(2) It is unlawful for any person to engage in gaming with, or to share proceeds from gaming with, any person under 21 years of age.

(3) It is unlawful for any licensee to permit any person who is less than 21 years of age to:

(a) Linger in the gaming area of a casino;

(b) Sit on a chair or be present at a gaming table, slot machine or other area in which gaming is being conducted; or

(c) Participate, play, be allowed to play, place wagers, or collect winnings, whether personally or through an agent, in or from any gaming.

(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.

16-12-105. Age of Persons Conducting Gaming. No person under the age of 21 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.

16-12-106. Licensees - Requirements and Restrictions.

(1) An operator licensee or primary management official 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 Commission.

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

(3) It is unlawful for any licensee to knowingly participate in an illegal gambling activity in any jurisdiction.

16-12-107. Extension of Credit Prohibited. No licensee may extend credit to another person for participation in gaming.

16-12-108. 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 Commission; 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 allowed under the Compact.

16-12-109. Failure to Pay Winners. It is unlawful for any licensee to willfully refuse to pay the winner of any game.

16-12-110. Exchange - Redemption of Chips. 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.

16-12-111. Tips.

(1) It is unlawful for any employee who serves in a supervisory position to solicit or accept any tip from any player or patron at the premises where he is employed, except that a supervisor may accept a tip on behalf of an employee under his supervision.

(2) All such tips shall be immediately deposited in a lockbox reserved for that purpose, accounted for, and distributed based upon procedures established in the ICMP's

16-12-112. 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 or frequency of payment in a game.

16-12-113. Use of Device for Calculating Probabilities. It is unlawful for any person at a licensed gaming facility to use, or possess with the intent to use, any device to assist:

(1) In projecting the outcome of the game;

(2) In keeping track of the cards played;

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

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

16-12-114. Use of Counterfeit or Unapproved Chips or Tokens or Unlawful Coins.

(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 Commission or by lawful coin of the United States of America knowingly to use anything other than chips or tokens approved by the Commission or lawful coin, or to use coin not of the same denomination as the coin intended to be used in that gaming activity.

16-12-115. Possession of Certain Unlawful Devices, Equipment, Products or Materials.

(1) 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.

(2) It is unlawful for any person, not an authorized employee of a licensee acting in furtherance of his employment, to have in his possession any device intended to be used to violate the provisions of this Code.

(3) It is unlawful for any person, not an authorized employee of a licensee acting in furtherance of his employment, to have in his possession while on the licensed gaming premises

any key or device 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.

(4) 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.

(5) It is unlawful for any person to use or possess while on the licensed gaming premises any cheating 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 employment.

16-12-116. Persons Not to Bring Their Own Cards or Chips. Persons may not bring onto the licensed gaming premises, or introduce into a game, playing cards or chips other than those authorized for play by the gaming facility.

16-12-117. Cheating Games and Devices. It is unlawful for any person engaged in gaming in a licensed gaming facility knowingly to:

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

(2) 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.

16-12-118. 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 that the information so conveyed may be used to violate any provision of this Code.

16-12-119. Seizure of Evidence. Gaming Investigators or other tribal law enforcement officers may seize any property which constitutes evidence of a violation of this Code, consistent with the Indian Civil Rights Act and pursuant to applicable standards of lawful search and seizure.

16-12-120. Disposition of Seized Property or Evidence. Property seized as evidence as a result of a violation of this Code shall be disposed of in the following manner at the conclusion of all official proceedings, including appellate proceedings in the Tribal Court system:

(1) Unlawfully obtained gaming money, chips or tokens shall be returned to the gaming operation.

(2) Unlawful counterfeit money, chips or tokens shall be either destroyed by the Division or may be retained by the Division for display or training purposes.

(3) Cheating devices shall be either destroyed by the Division or may be retained by the Division for display and training purposes.

(4) Surveillance videotapes, records or logs shall be returned to the gaming operation.

16-12-121. Excluded and Ejected Persons. It is unlawful for any person whose name is on the list promulgated by the Commission to enter the licensed premises of a gaming facility.

16-12-122. Failure to Display Licenses and Required Notices. It is unlawful to fail to display in a conspicuous manner:

(1) Operator and facility licenses granted by the Commission.

(2) Notices in bold face type, which are clearly legible and in substantially the following form:

**YOU MUST BE 21 YEARS OF AGE WITH PROPER ID TO
ENTER THE CASINO.**

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

16-12-123. 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 Commission, or employee of the Division, except for items of insignificant value distributed

without charge to the general public or items provided by vendors for demonstration, educational or training purposes.

16-12-124. Violations of Code - Penalties.

(1) Any person violating this Code shall be subject to prosecution and punishment under applicable law, which may be tribal, state or federal, depending on the offense and whether the defendant is Indian or non-Indian.

(2) Any licensee who violates any provision of this Code shall not only be subject to prosecution and punishment under applicable law, but shall also be subject to disciplinary proceedings concerning his license.

(3) Persons prosecuted in Tribal Court shall be subject to punishment of up to one (1) year in jail and/or a \$5,000 fine.

ARTICLE 13

EXCLUDED PERSONS

16-13-101. Legislative Declaration. The Commission 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.

16-13-102. Factors Considered.

(1) The Commission 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.

(2) In making the determination for exclusion, the Commission 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 Commission.

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

(d) Prior exclusion 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.

16-13-103. Procedure.

(1) If the name and description of any person is placed on the exclusion list, the Commission 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, if personal service or service by certified mail is not possible.

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

16-13-104. Sanctions.

(1) The Commission 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 Commission on the list of persons to be excluded, which sanctions may include, but not be limited to, suspension, revocation, denial or restriction of any license.

(2) Any person whose name is on the list promulgated by the Commission shall not have any personal pecuniary interest, direct or indirect, in any management contract, management company or business involved in or with gaming or in any entity licensed pursuant to this Code.

ARTICLE 14

ACCOUNTING REGULATIONS

16-14-101. 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 financial examination procedures.

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

16-14-102. Accounting and Financial Records.

(1) Each operator licensee or primary management official must keep accurate, complete, legible and permanent records of all transactions pertaining to revenue that is taxable or subject to fees under this Code. If permanent records are kept in a computerized form or on microfiche, the Division or the Commission, on request, must be provided with a detailed index to the microfiche or computer record. All such records must be made available upon request to the Commission and the Division.

(2) Each operator licensee or primary management official 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 ICMP’s, as approved by the Division, applicable to the gaming operation;

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

(g) Any other records that the Commission or Division specifically requires to be maintained; and

(h) All tax returns relating to the gaming operation.

(3) Each operator licensee or primary management official 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 or primary management official fails to keep the required records used to calculate AGP and net revenues, the Division may compute and determine the amount of taxable proceeds upon the basis of an audit conducted by the Division, upon any information within the Division’s possession, or upon statistical analysis or projections.

16-14-103. AGP Computations.

(1) For each blackjack game and house-banked card game, AGP equals the closers plus credits, plus drop, less openers and less fills.

(2) For each slot machine, AGP equals drop less fills to the machine, 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 or primary management official 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 require reasonable adjustments to AGP.

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

16-14-104. Internal Control Minimum Procedures.

(1) The Division shall establish ICMP's for the gaming operation.

(2) In addition to the ICMP's established by the Division, each operator licensee or primary management official shall establish internal control procedures for the gaming operation, including accounting procedures, reporting procedures and personnel policies, for the purpose of determining the gaming operation's liability for taxes and fees and exercising effective control over internal fiscal affairs.

(3) The procedures 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 ("GAAP") and the gaming operation's stated policies, which cannot be inconsistent with GAAP and this Code;

(e) Transactions are recorded adequately to permit proper reporting of gaming revenue, fees and taxes;

(f) Access to assets is permitted only in accordance with specific authorizations in accordance with the ICMP's;

(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.

(4) Each operator licensee or primary management official must describe the gaming operation's administrative, accounting, reporting and personnel procedures in detail in a written system of internal control. Each operator licensee and primary management official must at all times follow and comply with the written system of internal control and must submit a copy of its written system to the Division 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 chart;

(c) A detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of subsections (2) and (3);

(d) A written statement signed by the gaming operation's Chief Financial Officer or controller and the operator licensee or primary management official, attesting that the system satisfies the requirements of this section; and

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

(5) Not later than October 1 of each year, the operator licensee or primary management official must report any amendments to the gaming operation's procedures and written system of internal controls not affecting compliance with the ICMP's.

16-14-105. ICMP Revisions.

(1) At least 45 days prior to revising the ICMP's, the Division shall provide a copy of the proposed revision to the operator licensee or primary management official.

(2) Prior to revising the ICMP's, the Division shall consider all written statements, arguments or contentions submitted.

(3) The Division shall send written notice that it has adopted revised procedures to the operator licensee or primary management official.

(4) Not later than 30 days after notice that the ICMP's revised pursuant to this section are effective, all licensees must comply with the procedures and system as amended.

16-14-106. Variances.

(1) The operator licensee or primary management official may not implement a system of internal control that does not satisfy the minimum procedures established by the Division, unless the Division has approved a variance to the ICMP's. Variances are specific to the gaming operation requesting the variance and do not apply to other gaming operations.

(2) Requests for variances must be submitted in writing to the Division through the internal control compliance officer. The Division must review the request for variance and respond, in writing, within 10 days of receipt of the request, indicating whether or not the variance is approved.

(3) All licensees must comply with approved variances within 10 days of notification.

16-14-107. Audits.

(1) Operator licensees or primary management officials shall require the independent accountant engaged by the Tribe to audit or review the financial statements of the gaming operation and to prepare a report on the gaming operation's compliance with the written procedures on the system of internal control. Using the criteria established by the Division, the independent Certified Public Accountant ("CPA") shall report each material event and procedure discovered during the course of the examination that the accountant believes does not satisfy the ICMP's or variations that have been approved by the Division.

(2) In addition to the above, the operator licensee or primary management official shall prepare a letter addressing each item of noncompliance noted by the accountant, describing the corrective measures taken.

(3) The independent accountant shall provide to the Commission and the Tribal Council, within 120 days after the end of the business year, a copy of the accountant's written report on the ICMP's and any other information related to accounting or internal controls, such as a management letter, along with the operator licensee's or primary management official's response letter.

16-14-108. Failure to Comply. Failure to comply with the ICMP's, or the variances approved pursuant to this article, is an unsuitable method of operation and may result in a fine, penalty or license revocation against any licensee determined by the Division to be responsible.

16-14-109. Examination Procedures.

(1) The Division shall:

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

(2) At the conclusion of each examination, the Division shall prepare a report of the examination conducted for submission to the Commission, incorporating any responses of the operator licensee or primary management official.

(3) When the Division finds that the gaming operation is required to pay additional fees and taxes or finds that it is entitled to a refund of fees and taxes, the Division shall report its findings and the legal basis for the finding to the Commission and to the operator licensee or primary management official in sufficient detail to enable the Commission to determine if an assessment or refund is required.

16-14-110. Records Retention - Noncompliance.

(1) Each operator licensee or primary management official must provide to the Division, upon its request, the records required to be maintained by this Code. Unless the Commission approves or requires otherwise in writing, each operator licensee or primary management official must retain all such records within the exterior boundaries of the Reservation for at least five years.

(2) Failure to keep and provide such records is an unsuitable method of operation and subjects the operator licensee or primary management official to a fine, penalty or revocation of license.

16-14-111. Records of Ownership - Corporation. Each corporate operator licensee must provide to the Division, 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.

16-14-112. Partnership, Limited Liability Company, or Association Records. Each partnership, limited liability company, or association operator licensee must provide to the Division, 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 compensation paid by the partnership or association to each partner or associate; and
- (3) A record of all withdrawals of partnership or association funds or assets.

16-14-113. Sole Proprietor Records. Each sole proprietor operator licensee must provide to the Division, 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.

16-14-114. Handling of Cash. Each licensee who receives currency of the United States 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.

16-14-115. Procedure for Accepting Checks.

(1) Checks may not be accepted on the gaming floor except at a cashier's cage.

(2) Once a check is accepted at the cashier's cage, it must be deposited in a bank or other financial institution. Prior to depositing the check, the licensee may not return the check to the player or anyone else. Only if a check has been deposited and returned by the bank or other financial institution may a check be returned to a patron in return for payment of the delinquent funds.

16-14-116. Minimum Bankroll Requirements.

(1) Each operator licensee or primary management official 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 or primary management officials a formula by which minimum bankroll requirements are to be determined.

(2) If at any time the gaming operation's available cash or cash equivalents should be less than the amount required by this section, the operator licensee or primary management official must immediately notify the Division of this deficiency.

(3) 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.

16-14-117. Promotional Items.

(1) A gaming operation which 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.

16-14-118. 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.

16-14-119. Free Play Items.

(1) Free play items are allowed but once used, may not be retained for subsequent play by the customer. A free play coupon must have printed on it the name of the issuing

establishment, the monetary worth of the coupon and a sequential control number. All coupons must have an expiration date printed on them.

(2) When a free play item is used in a game, there will be no effect on calculation of AGP.

16-14-120. 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 the Commission.

16-14-121. Financial Statements.

(1) Each operator licensee or primary management official must prepare a financial statement covering all financial activities of the gaming operation on a monthly and year-to-date basis. If the gaming operation includes room, food, beverage or other non-gaming revenue, the financial statements must cover those operations as well as gaming operations, in which case the gaming operation's financial statements must be presented separately.

(2) Operator licensees or primary management officials must submit the financial statements to the Division and the Tribal Council not later than 15 days following the end of the month covered by the statement and 45 days after the last month of the fiscal year.

16-14-122. 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 an independent CPA. 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 an independent CPA. Said audits may be encompassed within existing independent tribal audit systems and shall be provided by the Division to the NIGC or its successor federal regulatory agency, if required by federal law.

(2) 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 separate financial statements for each facility.

(3) The independent CPA 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 CPA must also include any necessary explanatory or emphasis paragraph as may be required by Generally Accepted Auditing Standards. The independent CPA must include in the report on the consolidated financial statements an appropriate opinion on the consolidated financial information, if any.

(4) Each operator licensee or primary management official must submit to the Division and the Tribal Council a copy of its audited 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 primary management official must, not later than 120 days after the event, submit to the Division and the Tribal Council copies of audited 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 or primary management official may submit statements covering both the business year and the final period of business.

(5) The Commission or the Division may request additional information and documents from the operator licensee, the primary management official or the independent CPA regarding the financial statements or the services performed by the independent CPA.

(6) 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 15

GAMING DEVICES AND EQUIPMENT

16-15-101. Exclusive Agreements. It is the public policy of the Tribe that gaming equipment authorized and licensed by the Commission may not be subject to any exclusive agreement.

16-15-102. 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.

16-15-103. Slot Machines - Shipping.

(1) 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 the machine, and a description of each machine.

(2) Any person within the Reservation receiving a slot machine shall, upon receipt of the machine, provide to the Division information showing, at a minimum, the facility 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.

(3) Any machine licensed pursuant to this Code shall be licensed for a specific licensed facility, and movement of the machine from that facility shall be reported to the Division prior to such movement.

16-15-104. 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.

16-15-105. Unlawful Acts. No licensed manufacturer, distributor or operator shall sell, offer for sale, offer for play, or use for any other gaming purpose any slot machine or component part that the licensee knows, or reasonably should know, will malfunction in any manner that affects game play or the accuracy of the required meters. Licensed manufacturers and distributors shall notify the Division of Gaming in writing within seven days of the discovery of any design flaw or manufacturer's defect that causes malfunctions in a model of slot machine, component part, or game program.

16-15-106. Testing. All slot machines, and such other devices and equipment as the Commission may determine, shall be tested prior to approval for use in gaming by the Division. The Division shall Kobetron the game EPROMs and verify the accuracy of the pay table. Once tested and verified, the EPROMs shall be sealed in a manner determined by the Division.

16-15-107. Slot Machine Minimum Payback. The minimum theoretical payback value on a slot machine shall be at least 80 but not more than 100 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.

16-15-108. Device and Equipment Approval.

(1) No slot machine, card table, cards, chips or tokens may be used for gaming by any licensee without prior written approval of the Commission. The approval must describe with particularity the equipment or device approved.

(2) Each individual slot machine, bill, token, or coin acceptor, hopper, ticket printer or system, progressive system or progressive controller, and card table with electronic or electro-mechanical components, mechanical shuffling device, card shoe, or other gaming devices or equipment must be approved by the Division before it is used for gaming.

16-15-109. House Banked Game Table Physical Characteristics. House banked card game tables must be played at a table having on one side places for the players and the opposite side a place for the dealer. The cloth covering the table may have imprinted on it the name of the establishment and must have rectangular, circular or oval areas to indicate boxes for wagers. If the game is copyrighted, trademarked, and patented, tables must display the information required pursuant to the rules of the game.

16-15-110. Approval of Chips and Tokens - Applications and Procedures.

(1) An operator licensee or primary management official 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 Commission.

(2) An application for approval must include the following in addition to other items of information that the Commission may require:

(a) 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;

(b) Written specifications for the proposed chips or tokens;

(c) The name and address of the manufacturer; and

(d) The intended use for the proposed chips or tokens.

(3) If the Commission is satisfied with the proposed chips or tokens, the Division will notify the operator licensee or primary management official. The operator licensee or primary management official must submit a sample of the proposed chips or tokens in final, manufactured form to the Commission. If the Commission is satisfied that the sample conforms with the requirements of this section and with the information submitted with the application, the Commission shall approve the proposed chips or tokens.

16-15-111. Specifications for Chips and Tokens.

(1) Chips and tokens must be designed, manufactured and constructed in compliance with all applicable statutes, rules and regulations of the United States and the Tribe to prevent counterfeiting of the chips or tokens. Chips and tokens must not resemble any current or past coinage or currency of the United States or any other nation.

(2) Chips and tokens must be approved by the Commission in accordance with the specifications for chips and tokens in the Gaming Devices Regulations.

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

(b) 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.

16-15-112. 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 specification approved by the Commission.

16-15-113. 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) “Random” 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.

16-15-114. Meters.

(1) A slot machine must have both electronic (soft) and electromechanical (hard) meters or another type of hard meter that is approved by the Division. Soft meters must have at least eight digits. Hard meters must have at least six digits. The slot machine’s hard and soft

meters must accumulate the same values. Slot machine soft meters must accumulate in electronic digital storage and provide the means for on-demand display of the stored information.

(2) The coin-in meter must accumulate for all coin, token and credit wagers. The coin-out meter must accumulate all coin, token, and credit transactions paid out by the slot machine's hopper for awards and credits from awards that are wagered. If the slot machine's coin-out meter increments for any additional values such as accumulated credit handpays, the slot machine must have an additional soft meter that increments for those additional values. The coin-drop meter must increment for the credit value of all coins and metal tokens that have been diverted into a drop bucket and the credit value of all bills, paper tokens, gaming coupons, and hopper tickets inserted into a bill acceptor. The jackpot meter, accumulated-credit meter and hand-pay meter must reflect all awards and accumulated credits that are not paid out by the slot machine's hopper except additional payouts and promotional awards. Slot machines equipped with ticket printers must increment the appropriate meters for all ticket payments.

(3) All slot machines equipped with bill acceptors must have bill acceptor soft meters which accumulate the information required by the Gaming Devices Regulations.

(4) If a slot machine is equipped with a ticket printer or bill hopper, the slot machine must have soft meters, approved by the Division, that accurately accumulate the value of all hopper tickets and paper tokens or bills paid out of the slot machine. If the slot machine accepts gaming coupons, paper tokens or hopper tickets, the slot machine must have soft meters, approved by the Division, that accurately accumulate the value of all gaming coupons, paper tokens and hopper tickets accepted by the slot machine.

(5) A slot machine must be equipped with electronic meters that record the number of times the cabinet door was opened. Clearing of the electronic accounting meters requires prior notification to 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 the electronic accounting meter is cleared, unless prevented by a machine malfunction, and after the electronic accounting meter is cleared. Licensees must maintain adequate records when any electronic accounting meters are cleared.

(6) No slot machine may have a mechanism that causes the electronic accounting meters to clear automatically when an error occurs.

(7) 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.

16-15-115. Random Events.

(1) 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.

(2) The random number generator in a slot machine must produce game plays that are random and independent, so that a complete future game outcome cannot be predicted from a previous game's outcome. Slot machine games may use information from the outcome of a previous game in the next game, provided that information cannot be used to predict the entire final outcome of the next game. The payable must explain how the information from the previous game is used in the next game. Random number generators must continue to run in the background whether or not games are being played on the slot machine, so that the numbers selected cannot be predicted when a number is picked for a particular game.

16-15-116. Electronic Acceptors. At least one electronic acceptor must be installed in a slot machine. All electronic acceptors must be approved by the Division.

16-15-117. Display of Rules of Play.

(1) The rules of play for a slot machine must be displayable on the slot machine face or screen. Rules of play must be approved by the Division, which may reject the rules if they are incomplete, confusing or misleading. Rules of play must be kept under glass or another transparent substance or be displayed in a video format.

(2) The payable for a slot machine game program must be displayable prior to making a wager and must include an explanation of any special features and the amount of the awards for all winning combinations. The slot machine must not allow the payable or payout percentage of a slot machine game to be altered, except in a manner approved by the Division.

(3) The slot machine game program may be replaced with the approval of the Division.

(4) Multi-station slot machines that initiate games without a required action by the patron must have a countdown clock advising the patron when the game will start.

(5) Slot machine games involving skill that use something other than a deck of cards must display the probabilities of occurrence for all symbols used in the game.

16-15-118. Hopper Mechanism. Slot machines must be equipped with a hopper which is designed to detect jammed coins, extra payouts, hopper runaways and hopper empty conditions. A hopper is defined to include a ticket printer or a bill hopper. 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 and credit limits must be designed to permit compliance by operator licensees or primary management officials with tax laws and regulations.

16-15-119. 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 percent and no more than 100 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) A nonprogressive 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.

16-15-120. Progressive Slot Machines.

(1) A progressive slot machine is a slot machine with an award that increases based on coin, token or credit play.

(2) A progressive slot machine jackpot may be transferred to another progressive slot machine at the same location in the event of a slot machine malfunction, replacement or for some other good reason with the written approval of the Division. Once a progressive award has been offered for play, it must be permitted to remain until it is won by a player or transferred to other progressive games.

(3) The progressive slot machine must be linked to an electronic display meter showing the award, which is visible to all players who are playing a game that may potentially win the progressive amount. This meter is the progressive jackpot display.

(4) 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 award amount from a previous entry. The records and documents must be retained for a period established by the Division.

(5) Each progressive game on the link must have the same probability of hitting the combination that will award the progressive jackpot, and all machines on any link must be located on the licensed premises of one gaming facility, or they may be linked across telecommunication lines among more than one gaming facility (hereinafter referred to as "Multi-Link"), provided any such system complies with the Gaming Devices Regulations.

(6) During the normal mode of progressive slot machines, the progressive controller must continuously monitor each machine on the link for coin-in and must multiply the accepted

coin-in by the rate progression in order to determine the correct amounts to apply to the progressive jackpot. The progressive jackpot display must be constantly updated as play on the link is continued.

(7) Each progressive controller linking one or more progressive slot machines must be housed in a double-keyed compartment or secured in a manner approved by the Division. The Division must be in possession of one of the keys. No person who has not been authorized by the Division may have access to change a controller's configuration data. There must be a progressive entry authorization log within each controller compartment, and the log must be completed by any person gaining entrance to the controller. The log must be entered on a form approved by the Division.

(8) If a progressive jackpot event occurs 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.

(9) 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 Commission 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.

16-15-121. Cash Requirements. Unless the Commission has approved the payment of prizes by annuity, a gaming operation that has a progressive slot machine game must maintain a minimum cash reserve equal to the total of all progressive slot machine jackpots that may be won at the facility, as prescribed in the ICMP's, to ensure the gaming operation has cash available to pay all progressive liabilities.

16-15-122. Increasing Probability and Progressive Bonus Slot Machine Games.

(1) An increasing probability bonus is an award on a slot machine game or games of either coins, credits, or free play games, where the chance of winning the bonus award increases as the slot machine game is played.

(2) A progressive bonus award is a progressive award on one slot machine that does not use an exterior controller. Progressive bonus awards do not include top and secondary payable progressive awards.

16-15-123. Progressive Table Games.

(1) A progressive table game is a table which is equipped with a progressive game controller which increases the progressive jackpot liability as wagers are made by patrons specifically to win the progressive jackpot award.

(2) A progressive jackpot may be transferred to another progressive table game at the same location in the event of a progressive table game malfunction or replacement, or for some other good reason, with the written approval of the Division. Once a progressive award has been offered for play, it must be permitted to remain until it is won by a player or transferred to another progressive table game.

(3) The progressive table game must be linked to an electronic display meter showing the award, which is visible to all players who are playing at the table which may potentially win the progressive amount. This meter is the progressive jackpot display.

(4) 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 award amount from a previous entry. The records and documents must be retained for a period established by the Division.

(5) Each table on the link must have the same probability of hitting the combination that will award the progressive jackpot, and all tables on any link must be located on the licensed premises of one gaming facility. A progressive table game, upon written permission of the Division, may be moved to a different licensed location if good cause warrants.

(6) During the normal mode of progressive table games, the progressive controller must continuously monitor each table on the link for inserted/placed tokens and must multiply the tokens by the rate progression in order to determine the correct amounts to apply to the progressive jackpot. The progressive jackpot display must be constantly updated as play on the link is continued.

(7) Each progressive controller linking one or more progressive tables must be housed in a double-keyed compartment or secured in a manner approved by the Division. The Division must be in possession of one of the keys. No person may have access to a controller without notice to the Division. 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. The log must be entered on a form provided by the Division. If the progressive controller is integrated with a personal computer software system, logical access over the personal computer software components must be designed to prevent unauthorized access to the software.

(8) If a progressive jackpot event occurs on a progressive table which is linked to the progressive controller and more than one table is linked to the controller, the progressive controller must identify the table that caused the progressive jackpot display to activate and it must display the winning progressive amount.

(9) The requirements of this section are intended to apply equally to one progressive table game linked to a progressive controller as well as several progressive table games linked to one progressive controller. The Commission may grant waivers in order that both single progressive table games and multiple progressive table games linked to a progressive controller may meet the requirements of this section.

16-15-124. Progressive Table Game Meter Requirements.

Progressive table games must be equipped with an electro-mechanical meter that records all coin-in transactions at the table. The meter must have at least six digits. A progressive table games meter must be maintained at all times. In the event an electro-mechanical meter malfunctions, meter readings must be recorded before and after the electro-mechanical meter is replaced. Electro-mechanical meters must have an accuracy rate of 99 percent or better.

ARTICLE 16

SURVEILLANCE REQUIREMENTS

16-16-101. Video Camera Capabilities.

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

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

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

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

(iii) 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; and

(iv) A clear unobstructed view of entrances and exits of the gaming facility.

(b) Video 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.

(c) A surveillance system shall be capable of providing a hard photo of any video picture upon request.

16-16-102. Video Camera Requirements.

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

(2) All fixed and 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.

(3) No time lapse recording systems are allowed.

16-16-103. Preservation of Video Recordings. Video recordings gathered under this section shall be preserved and stored for a period of at least 30 days and shall not be erased, recorded over, nor otherwise altered during that time.

ARTICLE 17

COINS, CHIPS AND TOKENS

16-17-101. Forms of Wagers. All wagers must be made with United States currency or coins, or with chips or tokens furnished by the gaming operation.

16-17-102. Sale of Chips and Tokens.

(1) Chips and tokens used for gaming must be sold for cash only; no credit may be extended.

(2) Where a gaming operation redeems chips and tokens, it must redeem its own chips and tokens from its patrons at face value.

16-17-103. 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 regulations 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) Except for tips given on the gaming floor, chips or tokens may not be accepted as payment for goods or services other than gaming or as change in any other transaction.

16-17-104. 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.

16-17-105. 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; or
- (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 ICMP's.

16-17-106. Redemption and Disposal of Discontinued Chips and Tokens. An operator licensee or primary management official 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 or primary management official must submit the plan in writing to the Commission no later than 30 days before the discontinuance. If the cause for discontinuance of the chips or tokens cannot reasonably be anticipated, the operator licensee or primary management official must submit the plan as soon as practicable. The Commission may approve the plan or require modification as a condition of approval. Upon approval of the plan, the operator licensee or primary management official must implement the plan as approved. In addition to other provisions the Commission 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 Commission;
- (2) Redemption of the chips and tokens at the gaming facility or at another location approved by the Commission;

(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 Commission'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 Commission.

16-17-107. Destruction of Counterfeit Chips and Tokens.

(1) 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.

(2) Unless the Division, the Commission or a court of competent jurisdiction orders otherwise in a particular case, operator licensees or primary management officials must destroy or otherwise dispose of counterfeit chips and tokens in a manner approved or required by the Commission.

(3) Unless the Division, the Commission or a court of competent jurisdiction orders otherwise, an operator licensee or primary management official 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.

16-17-108. Disposition Reports and Records.

(1) In addition to other information the Commission may require, the operator licensee or primary management official must report the following information to the Division in writing on a monthly basis:

(a) The number and denominations, actual and purported, of the coins and counterfeit chips and tokens destroyed or otherwise disposed of pursuant to this section;

(b) The month during which they were discovered;

(c) 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

(d) The names of the persons carrying out the destruction or other disposition on behalf of the operator licensee or primary management official.

(2) Each operator licensee or primary management official must maintain a record required by this section for at least five years, unless the Commission approves otherwise.

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