TRIBAL-STATE GAMING COMPACT

Between the

YUROK TRIBE

and the

STATE OF CALIFORNIA

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The Yurok Tribe, a federally recognized Indian tribe listed in the Federal Register as the Yurok Tribe of the Yurok Reservation, California (hereinafter "the Yurok Tribe" or "the Tribe"), and the State of California (hereinafter "the State") enter into this tribal-state compact pursuant to the Indian Gaming Regulatory Act of 1988 (hereinafter "IGRA"):

PREAMBLE

WHEREAS, the Yurok Tribe is the largest Tribe in California and originally and continuously inhabited parts of the Northern California Pacific Coast and the Klamath River past the confluence of the Trinity River; and

WHEREAS, the Yurok Tribe's current reservation was established in 1988, when the United States Congress enacted the Hoopa-Yurok Settlement Act, dividing the then Hoopa Valley Reservation into two parts: the Hoopa Valley Reservation and the Yurok Reservation consisting of 3,000 acres of tribal trust lands in Del Norte and Humboldt Counties; and

WHEREAS, the Yurok Tribe reacquired land in the Klamath Town Site by purchase from Del Norte County, which land was taken into federal trust and which is located *within* reservation boundaries and is thus Indian land eligible for Class III Gaming within the meaning of IGRA; and

WHEREAS, the Yurok Tribe seeks to establish a Gaming Facility in the Klamath Town Site and the State is obligated to negotiate in good faith to enter into a compact in connection therewith;

WHEREAS, the Yurok Tribe and the State share an interest in mitigating the off-reservation impacts of the Tribe's Gaming Facility, affording meaningful consumer and employee protections in connection with the operations of the Gaming Facility, fairly regulating the Gaming Activities conducted at the Gaming Facility, and fostering a good-neighbor relationship; and

WHEREAS, the exclusive rights that the Yurok Tribe will enjoy under this Compact create a unique opportunity for the Yurok Tribe to operate its Gaming Facility in an economic environment free of competition from Class III Gaming on non-Indian lands in California and warrant a fair revenue contribution to the State in return for this exclusivity and for other meaningful concessions; and

WHEREAS, the Yurok Tribe and the State believe that the principles underlying the specific agreements reached herein and the respectful and cooperative process in which both parties have negotiated this arrangement offer hope for a stable, long-term relationship between the State and the Tribe; and

WHEREAS, the Yurok Tribe and the State agree that all terms of this Compact are intended to be binding and enforceable;

NOW, THEREFORE, the Yurok Tribe and the State agree as set forth herein:

SECTION 1.0. PURPOSES AND OBJECTIVES.

The terms of this Compact are designed to:

(a) Evidence the goodwill and cooperation of the Tribe and the State in fostering a mutually respectful government-to-government relationship that will serve the mutual interests of the parties;

(b) Develop and implement a means of regulating the Class III Gaming to ensure its fair and honest operation in a way that protects the interests of the Tribe, the State, its citizens, and local communities, and through that regulated Class III Gaming, enable the Tribe to develop self-sufficiency, promote tribal economic development, and generate jobs and revenues to support the Tribe's government and its governmental services and programs;

(c) Promote ethical practices in conjunction with that gaming, through the licensing and control of persons and entities employed in, or providing goods and services to, the Tribe's Gaming Operation, protect against the presence or participation of persons whose criminal backgrounds, reputations, character, or associations make them unsuitable for participation in gaming, thereby maintaining a high level of integrity in tribal government gaming, and protect the patrons and employees of the Gaming Operation and the local communities.

SECTION 2.0. DEFINITIONS.

Sec. 2.1. "Applicant" means an individual or entity that applies for a Yurok tribal gaming license or State Gaming Agency determination of suitability.

Sec. 2.2. "Class III Gaming" means the forms of class III gaming defined in 25 U.S.C. § 2703(8) and by the regulations of the National Indian Gaming Commission.

Sec. 2.3. "Compact" means this compact.

Sec. 2.4. "Financial Source" means any person or entity who, directly or indirectly, extends financing to the Gaming Facility or Gaming Operation.

Sec. 2.5. "Gaming Activity" or "Gaming Activities" means the Class III Gaming activities authorized under this Compact in section 4.1.

Sec. 2.6. "Gaming Device" means any slot machine within the meaning of article IV, section 19, subdivision (f) of the California Constitution. Each player station of a multi-player slot machine constitutes a separate Gaming Device. "Gaming Device" includes, but is not limited to, instant lottery game devices and video poker devices.

Sec. 2.7. "Gaming Employee" means any natural person who (a) operates, maintains, repairs, or assists in any Class III Gaming, or is in any way responsible for supervising such Gaming Activities or persons who conduct, operate, account for, or supervise any such Gaming Activity, (b) is in a category under federal or tribal gaming law requiring licensing, (c) is an employee of the Tribal Gaming Agency with access to confidential information, or (d) is a person whose employment duties require or authorize access to areas of the Gaming Facility that are not open to the public.

Sec. 2.8. "Gaming Facility" or "Facility" means any building in California in which Gaming Activities or any Gaming Operations occur, or in which the business records, receipts, or other funds of the Gaming Operation are maintained (but excluding financial institutions), and all rooms, buildings, and areas, including hotels, parking lots, and walkways, a principal purpose of which is to serve the activities of the Gaming Operation, provided that nothing herein prevents the conduct of class II gaming (as defined under IGRA) therein.

Sec. 2.9. "Gaming Operation" means the business enterprise that offers and operates Gaming Activities, whether exclusively or otherwise.

Sec. 2.10. "Gaming Ordinance" means a tribal ordinance or resolution duly authorizing the conduct of Gaming Activities on the Yurok Tribe's Indian lands in California and approved under IGRA.

Sec. 2.11. "Gaming Resources" means any goods or services provided or used in connection with Gaming Activities, whether exclusively or otherwise, including, but not limited to, equipment, furniture, Gaming Devices and ancillary equipment, implements of Gaming Activities such as playing cards, furniture designed primarily for Gaming Activities, maintenance or security equipment and services, and Class III Gaming consulting services. "Gaming Resources" does not include professional accounting and legal services.

Sec. 2.12. "Gaming Resource Supplier" means any person or entity who, directly or indirectly, does, or is deemed likely to, manufacture, distribute, supply, vend, lease, purvey, or otherwise provide to the Tribe's Gaming Operation or Facility at least twenty-five thousand dollars ($25,000) in Gaming Resources in any 12-month period, or who, directly or indirectly, receives, or is deemed likely to receive, in connection with the Tribe's Gaming Operation or Facility, at least twenty-five thousand dollars ($25,000) in any consecutive 12-month period, provided that the Tribal Gaming Agency may exclude a purveyor of equipment or furniture that is not specifically designed for, and is distributed generally for use other than in connection with, Gaming Activities, if but for the purveyance, the purveyor is not otherwise a Gaming Resource Supplier, the compensation received by the purveyor is not grossly disproportionate to the value of the goods or services provided, and the purveyor is not otherwise a person who exercises a significant influence over the Gaming Operation.

Sec. 2.13. "IGRA" means the Indian Gaming Regulatory Act of 1988 (18 U.S.C. § 1166 et seq. and 25 U.S.C. § 2701 et seq.), and any amendments thereto, as interpreted by all regulations promulgated thereunder.

Sec. 2.14. "Interested Parties" means (i) all local, state, and federal agencies, which, if a Project were not taking place on Indian lands, would have responsibility for approving the Project or would exercise authority over the natural resources that may be affected by the Project, and (ii) persons, groups or agencies that request in writing a notice of preparation of a draft TEIR or have commented on the Project in writing to the Tribe or the Del Norte County Board of Supervisors.

Sec. 2.15. "Klamath Town Site" is that portion of the Tribe's Indian lands, identified more specifically in Exhibit C and on which the Tribe's Gaming Facilities may be located.

Sec. 2.16. "Management Contractor" means any Gaming Resource Supplier with whom the Yurok Tribe has contracted for the management of any Gaming Activity or Gaming Facility, including, but not limited to, any person who would be regarded as a management contractor under IGRA.

Sec. 2.17. "Net Win" means the total amount wagered, less the amount paid out to the winning players in prizes and payouts that are directly related to the amount wagered (as determined by GAAP) and less participation fees. Participation fees are payments made to Gaming Resource Suppliers on a periodic basis by the Gaming Operation for the right to lease or otherwise offer for play Gaming Devices that the Tribe does not own and that are not generally available for outright purchase by gaming operators.

Sec. 2.18. "NIGC" means the National Indian Gaming Commission.

Sec. 2.19. "Project" is defined as any activity occurring on Indian lands, a principal purpose of which is to serve the Tribe's Gaming Activities or Gaming Operation, and which may cause either a direct physical change in the off-reservation environment, or a reasonably foreseeable indirect physical change in the off-reservation environment. This definition shall be understood to include, but not be limited to, the construction or planned expansion of any Gaming Facility and any other construction or planned expansion thereof, a principal purpose of which is to serve a Gaming Facility, including, but not limited to, access roads, parking lots, a hotel, utility or waste disposal systems, or water supply, as long as such construction or expansion causes a direct or indirect physical change in the off-reservation environment. For purposes of this definition, "off-reservation" refers to any lands not held in trust by the United States for the Tribe or for a tribal member, including, but not limited to, county-owned roads and the Klamath-Community-Services-District-owned waste water treatment plant within the reservation. However, nothing herein negates or diminishes the Tribe's existing jurisdiction over lands within the external boundaries of its reservation.

Sec. 2.20. "Significant Effect(s) on the Off-Reservation Environment" is the same as "Significant Effect(s) on the Environment" and occur(s) if any of the following conditions exist:

(i) A proposed Project has the potential to degrade the quality of the off-reservation environment, curtail the range of the environment, or to achieve short-term, to the disadvantage of long-term, environmental goals.

(ii) The possible effects on the off-reservation environment of a Project are individually limited but cumulatively considerable. As used herein, "cumulatively considerable" means that the incremental effects of an individual Project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effect of probable future projects.

(iii) The off-reservation environmental effects of a Project will cause substantial adverse effects on human beings, either directly or indirectly.

For purposes of this definition, "off-reservation" refers to any Indian lands not held in trust by the United States for the Tribe or for a tribal member, including, but not limited to, county-owned roads and the Klamath-Community-Services-District-owned waste water treatment plant within the reservation. However, nothing herein negates or diminishes the Tribe's existing jurisdiction over lands within the external boundaries of its reservation.

Sec. 2.21. "State" means the State of California or an authorized official or agency thereof designated by this Compact or by the Governor.

Sec. 2.22. "State Designated Agency" means the entity or entities designated or to be designated by the Governor to exercise rights and fulfill responsibilities established by this Compact.

Sec. 2.23. "State Gaming Agency" means the entities authorized to investigate, approve, regulate and license gaming pursuant to the Gambling Control Act (Chapter 5 (commencing with section 19800) of Division 8 of the Business and Professions Code), or any successor statutory scheme, and any entity or entities in which that authority may hereafter be vested.

Sec. 2.24. "Tribal Chairperson" means the person duly elected under the Yurok Tribe's Constitution to serve as the primary spokesperson for the Yurok Tribe.

Sec. 2.25. "Tribal Gaming Agency" means the person, agency, board, committee, commission, or council designated under tribal law, including, but not limited to, an intertribal gaming regulatory agency approved to fulfill those functions by the NIGC, primarily responsible for carrying out the Yurok Tribe's regulatory responsibilities under IGRA and the Tribal Gaming Ordinance. No person employed in, or connected with, the management, supervision, or conduct of any Gaming Activity may be a member or employee of the Tribal Gaming Agency.

Sec. 2.26. "Yurok Tribe" or "the Tribe" means the Yurok Tribe, a federally recognized Indian tribe listed in the Federal Register as the Yurok Tribe of the Yurok Reservation, California, or an authorized official or agency thereof.

SECTION 3.0. CLASS III GAMING AUTHORIZED.

The Yurok Tribe is hereby authorized to engage in only the Gaming Activities expressly permitted in section 4.0 and shall not engage in Class III Gaming that is not expressly authorized in that section.

SECTION 4.0. SCOPE OF CLASS III GAMING AND REVENUE CONTRIBUTION.

Sec. 4.1. Authorized and Permitted Class III Gaming.

(a) The Yurok Tribe is hereby authorized to operate only the following Gaming Activities under the terms and conditions set forth in this Gaming Compact:

(i) Gaming Devices.

(ii) Any banking or percentage card games.

(iii) Any devices or games that are authorized under state law to the California State Lottery, provided that the Yurok Tribe will not offer such games through use of the Internet unless others in the state are permitted to do so under state and federal law.

(b) Nothing herein shall be construed to preclude the negotiation of a separate compact governing the conduct of off-track wagering at the Yurok Tribe's Gaming Facility.

(c) Nothing herein should be construed to authorize the operation of the game known as roulette, or any banking or percentage game played with dice.

Sec. 4.2. Authorized Gaming Facility.

The Yurok Tribe may establish and operate one Gaming Facility at the Gaming Facility site and one Gaming Facility at the Ancillary Facility Site as identified in Exhibit C, both of which shall be on eligible Indian lands in the Klamath Town Site.

Sec. 4.3. Authorized Gaming.

The Yurok Tribe may combine and operate in the Gaming Facility authorized herein any forms and kinds of gaming permitted under the law, but only to the extent allowed under this Compact, IGRA, and the Yurok Tribe's Gaming Ordinance.

Sec. 4.3.1. Authorized Number of Gaming Devices.

(a) The Yurok Tribe is authorized to operate no more than 99 Gaming Devices, up to 20 of which may be located and operated at the Ancillary Facility.

(b) In consideration for the exclusive right to operate certain Class III Gaming granted to the tribes by the California Constitution and the number of Gaming Devices authorized herein, from and after the first day of operation of the Gaming Activities, the Yurok Tribe shall pay to the State the following percentages of its Net Win from the operation of Gaming Devices:

Annual Net Win	Percentage
$0-$50 million	10%
Over $50 million to $100 million	14%
Over $100 million to $150 million	18%
Over $150 million to $200 million	22%
Over $200 million	25%

(c) The Tribe shall remit to such agency, trust, fund or entity, as the State Director of Finance, pursuant to law, from time to time, shall specify to the Tribe in writing, the payments referenced in subdivision (b) in

quarterly payments, which quarterly payments shall be based on the Net Win generated from the Gaming Devices during the quarter, less deductions taken pursuant to subdivision (d), due by the thirtieth day following the end of each calendar quarter (i.e., by April 30 for the first quarter, July 30 for the second quarter, October 30 for the third quarter, and January 30 for the fourth quarter). The percentage applied to the quarterly Net Win pursuant to subdivision (b) shall be determined by the cumulative total of the Net Win earned since the beginning of the calendar year. Thus, for example, if the Net Win for the calendar year exceeds $50 million by the fourth quarter, the 14 percent figure would be applied to the amount in excess of $50 million. If the Gaming Activities authorized by this Compact commence during a calendar quarter, the first payment shall be made within thirty (30) days of the end of the first full quarter of the Gaming Operation and shall cover the period from the commencement of the Gaming Activities to the end of the first full calendar quarter. Said quarterly payments shall be accompanied by the report specified in subdivision (f).

(d) In recognition of the Tribe's large membership of over 4,000 members and its concomitant needs, it may deduct from the amount to be paid to the State the payments made by the Tribe during the same calendar quarter pursuant to its Intergovernmental Agreements with Del Norte County and Humboldt County, as determined pursuant to Sections 11.8.7 and 11.8.8.

(e) Any quarterly payment not paid on or before the date on which such amount is due shall be deemed overdue. If any quarterly payment under this section is overdue, the Tribe shall pay, in addition to the overdue quarterly payment, all interest accrued thereon from the date such quarterly payment was due at the rate of 1.0% per month or the maximum rate permitted by state law for delinquent payments owed to the State, whichever is less. Entitlement to such interest shall be in addition to any other remedies the State may have.

(f) The quarterly payments shall be accompanied by a certification (the "Quarterly Net Win Payment Report") specifying (i) the Net Win calculation reflecting the quarterly Net Win from the operation of the Gaming Devices, prepared by an authorized representative of the Tribe, (ii) the percentage applied to the quarterly Net Win as specified in subdivision (b) (where the percentage would be determined by the

cumulative total of the Net Win earned since the beginning of the calendar year), (iii) any deductions taken pursuant to subdivision (d), and (iv) the total amount of the quarterly payment. A copy of the Quarterly Net Win Payment Report shall also be sent to the State Gaming Agency. If no payment is due the State in any quarter, the Tribe shall nevertheless submit the Quarterly Net Win Payment Report.

(g) The Tribe shall cause, at its own expense, the annual financial statements of its Gaming Activities to be audited in accordance with generally accepted auditing standards as applied to audits for the gaming industry by an independent certified public accountant licensed by the State Board of Accountancy (or other equivalent licensing board of another state in the United States), who is not an employee of the Tribe, the Tribal Gaming Agency, or the Gaming Operation or otherwise financially interested in the Tribe's Gaming Activities. The accountant used by the Tribe for this purpose shall be approved by the California Gambling Control Commission, or other State Designated Agency, but the State shall not unreasonably withhold its consent. A copy of the current audited financial statement for the Gaming Activities shall be submitted on an annual basis to the California Gambling Control Commission, or other State Designated Agency, no later than one hundred twenty (120) days following the end of the accounting period under review. If the audited financial statement shows that the Tribe made an overpayment from its Net Win to the State during the year covered by the statement, the Tribe's next payment may be reduced by the amount of the overage. Conversely, if the audited financial statement shows that the Tribe made an underpayment to the State during the year covered by said statement, the Tribe's next payment of Net Win shall be increased by the amount owing. The Tribal Gaming Agency shall also transmit a copy of all audit reports to the California Gambling Control Commission within twenty (20) days of receipt of the audit by the Tribal Gaming Agency, and shall also provide a copy of the audit to the State Designated Agency upon request.

(h) The California Gambling Control Commission, or other State Designated Agency, may cause an audit to be made by or on behalf of the State of the Quarterly Net Win Payment Report submitted pursuant to subdivision (f). If said audit finds that the quarterly payment for any quarter is understated, the State will promptly notify

the Tribe, and the Tribe within thirty (30) days will either accept the difference or provide a reconciliation satisfactory to the State. If the Tribe accepts the difference or fails to provide a reconciliation satisfactory to the State within thirty (30) days of receipt of the notice, the Tribe must immediately pay the amount of the resulting deficiencies in the quarterly payment(s) plus interest on such amounts from the date they were due at the rate of one percent (1.0%) per month or the maximum rate permitted by state law for delinquent payments owed to the State, whichever is less. If the Tribe fails to provide a reconciliation satisfactory to the State, the Tribe, once payment is made, may commence dispute resolution under section 13.0.

(i) The Yurok Tribe shall not conduct any Gaming Activity authorized by this Compact if the Tribe is in arrears in any payment due under this section for more than sixty (60) days *and* the California Gambling Control Commission or other State Designated Agency has given at least fifteen (15) days' prior written notice to cure to the Tribal Chairperson's address set forth in section 16. Further, notwithstanding anything to the contrary in section 13.0, any failure of the Tribe to remit the payments referred in subdivision (b) pursuant to subdivisions (c), (e) and (f) will entitle the State to immediately seek injunctive relief in federal or state court, at the State's election, to compel the payments, plus accrued interest thereon at the rate of 1.0% per month or the maximum rate permitted by State law for delinquent payments owed to the State, whichever is less. Failure to make timely payment shall be deemed a material breach of this Compact.

(j) Any dispute over the amount of the quarterly payment shall be resolved by the dispute resolution process defined in this Compact, but said process shall not delay payments determined to be due either by the Tribe's certified public accountant or by the auditor retained by the California Gambling Control Commission, or other State Designated Agency, pursuant to subdivision (h). Instead, any overpayment of Net Win by the Tribe determined by the dispute resolution process will be credited against the Tribe's next quarterly payment.

(k) This Section constitutes "Section 4.3.1" within the meaning of article 6.5 (commencing with Section 63048.6) of Chapter 2 of Division 1 of Title 6.7 of the California Government Code.

Sec. 4.4. Loss of Exclusivity.

In the event the exclusive right of Indian tribes to operate Gaming Devices in California pursuant to article IV, section 19, subdivision (f) of the California Constitution is abrogated by an amendment to the Constitution or a final and dispositive California federal or state appellate judicial decision from which no further review can be granted, and another person, organization, or entity (other than a federally recognized Indian tribe) thereafter legally offers for play Gaming Devices in California within a fifty-five (55) mile radius of the Tribe's Gaming Facility, the Tribe shall have the right to: (i) terminate this Compact, in which case the Tribe will lose the right to operate Gaming Devices and other Class III Gaming; or (ii) continue under the Compact, except that the Tribe will be entitled to cease the revenue contribution made to the State pursuant to Section 4.3.1, subdivision (b) and continue to operate the Gaming Devices allowed under Section 4.3.1, subdivision (a), provided that the Tribe compensates the State for its actual and reasonable costs of regulation as determined by the State Director of Finance (unless the Tribe disputes said amount, in which case said amount, whether higher or lower, shall be subject to arbitration pursuant to Section 13.2 of this Compact).

SECTION 5.0. REVENUE SHARING TRUST FUND.

(a) In light of the Tribe's large membership of over 4,000 members, its concomitant needs, and the limit on Gaming Devices specified in Section 4.3.1, subdivision (a), the Tribe need not make any payments to the Revenue Sharing Trust Fund created by the Legislature and administered by the California Gambling Control Commission, as trustee, for the receipt, deposit, and distribution of monies to Non-Compact Tribes.

(b) In light of the Tribe's large membership of over 4,000 members, its concomitant needs, and the limit on Gaming Devices specified in Section 4.3.1, subdivision (a), the Tribe will remain a Non-Compact Tribe, as defined in the 1999 Tribal-State Gaming Compact, and shall be entitled to Revenue Sharing Trust Fund distributions pursuant to Section 4.3.2.1 of the 1999 Tribal-State Gaming Compact provided that the Tribe shall not use any monies it receives from the Revenue Sharing Trust Fund for payment of any costs arising out of, connected with, or relating to any Gaming Activities.

SECTION 6.0. LICENSING.

Sec. 6.1. Gaming Ordinance and Regulations.

(a) All Gaming Activities conducted under this Compact shall, at a minimum, comply (i) with a Gaming Ordinance duly adopted by the Tribe and approved in accordance with IGRA, (ii) with all rules, regulations, procedures, specifications, and standards duly adopted by the NIGC and the Tribal Gaming Agency, and (iii) the provisions of this Compact.

(b) The Tribal Gaming Agency shall transmit a copy of the Tribal Gaming Ordinance, and all of its rules, regulations, procedures, specifications, or standards applicable to the Gaming Activities, to the California Gambling Control Commission within twenty (20) days following execution of this Compact, or within twenty (20) days following their adoption or amendment, whichever is later.

(c) A copy of those documents identified in subdivision (b) which are applicable to the public shall be made available by the Tribe and the Tribal Gaming Agency to any member of the public upon request.

Sec. 6.2. Tribal Ownership, Management, and Control of Gaming Operation.

The Gaming Operations authorized under this Compact shall be owned solely by the Tribe.

Sec. 6.3. Prohibitions Regarding Minors.

(a) The Tribe shall prohibit persons under the age of twenty-one (21) years from being present in any room or area in which Class III Gaming Activities are being conducted unless the person is en route to a non-gaming area of the Gaming Facility.

(b) If the Tribe permits the consumption of alcoholic beverages in the Gaming Facility, the Tribe shall prohibit persons under the age of 21 years from being present in any room or area in which alcoholic beverages may be consumed, except to the extent permitted by the State Department of Alcoholic Beverage Control for other commercial establishments serving alcohol.

Sec. 6.4. Licensing Requirements and Procedures.

Sec. 6.4.1. Summary of Licensing Principles.

All persons in any way connected with the Gaming Operation or Facility who are required to be licensed or to submit to a background investigation under IGRA, and all Gaming Employees, Gaming Resource Suppliers, Financial Sources, any other person having a significant influence over the Gaming Operation, and any other person required to be licensed under this Compact, must be licensed by the Tribal Gaming Agency and cannot have had any determination of suitability denied or revoked by the State Gaming Agency. The parties intend that the licensing process provided for in this Compact shall involve joint cooperation between the Tribal Gaming Agency and the State Gaming Agency, as more particularly described herein.

Sec. 6.4.2. Gaming Facility.

(a) The Gaming Facility authorized by this Compact shall be licensed by the Tribal Gaming Agency in conformity with the requirements of this Compact, the Tribal Gaming Ordinance, IGRA, and any applicable regulations adopted by the NIGC. The license shall be reviewed and renewed every year thereafter. Verification that this requirement has been met shall be provided by the Tribe to the State by sending a copy of the initial license and each renewal license to the California Gambling Control Commission within twenty (20) days after issuance of the license or renewal. The Tribal Gaming Agency's certification that the Gaming Facility is being operated in conformity with these requirements shall be posted in a conspicuous and public place in the Gaming Facility at all times.

(b) In order to assure the protection of the health and safety of all Gaming Facility patrons, guests, and employees, the Tribe shall require the Gaming Facility, and any expansion, modification, or maintenance of such Gaming Facility, to meet or exceed the California Building Code and the Public Safety Code applicable to Del Norte County as set forth in Titles 19 and 24 of the California Code of Regulations, as those regulations may be amended during the term of this Compact, including, but not limited to, codes for building, electrical, energy, mechanical, plumbing, fire, and safety ("the Applicable Codes"); provided that the Tribe need not meet any standard that specifically

applies in name or in fact solely to tribal gaming facilities. In order to assure compliance with the Applicable Codes, in all cases where said codes would otherwise require a permit for non-tribal construction, the Tribe shall require inspections to assess compliance, and in that connection, shall (i) employ appropriate plan checkers or review firms that are either California licensed architects or engineers with relevant experience or are on the list, if any, of approved plan checkers or review firms provided by Del Norte County and (ii) employ project inspectors that are currently either certified as Class 1 inspectors by the Division of the State Architect or as Class A inspectors by the Office of Statewide Health Planning and Development or their successors. Alternatively, the Tribe can reach agreement with the County of Del Norte for the County's building inspectors to examine, at the Tribe's expense, all aspects of the Gaming Facility, or any expansion, modification, or maintenance thereof, in order to assess compliance with the Applicable Codes. In either case, the Tribe shall require the inspectors to report in writing any failure to comply with the Applicable Codes to both the Tribal Gaming Agency and the State Designated Agency. The plan checkers, review firms, and project inspectors shall be referred to as "Inspector(s)." Without limiting the rights of the State under this section, reference to Applicable Codes is not intended to confer jurisdiction upon the State or the County.

(c) The State Designated Agency may designate an agent or agents to be given reasonable notice of each inspection by an Inspector required by section 108 of the California Building Code, and the State agents may accompany the Inspector on any such inspection. The Tribe agrees to correct any Gaming Facility condition noted in an inspection that does not meet Applicable Codes (hereinafter "deficiency"). Upon not fewer than three (3) business days' notice to the Tribal Gaming Agency, except in circumstances posing an immediate threat to the life or safety of any person, in which case no advance notice is required, the State Designated Agency shall also have the right to review all records of the Inspectors and conduct an independent inspection of the Gaming Facility to verify compliance with the Applicable Codes before public occupancy and shall report to the Tribal Gaming Agency any alleged deficiency; provided, however, that concurrent with any exercise by the State of its right to inspect without advance notice based upon alleged circumstances posing an immediate threat to the life or safety of any person, the State

Designated Agency shall provide to the Tribal Gaming Agency notice in writing specifying in reasonable detail those alleged circumstances.

(d) In order to make the State Designated Agency's inspections meaningful, in all cases where the Applicable Codes would otherwise require a plan check for non-tribal construction, the Tribe shall require those responsible for the construction of any Gaming Facility, or any expansion or modification thereof, to provide all the documentation as set forth below:

(i) The Tribe shall cause the design and construction calculations, and plans and specifications (the "Design and Building Plans") that form the basis for the planned Gaming Facility, or any expansion or modification thereof, to be provided to the State Designated Agency within fifteen (15) days of their final plan check and approval.

(ii) In the event that material changes to a structural detail of the Design and Building Plans will result from contract change orders or any other changes in the Design and Building Plans, the Tribe shall provide such change orders or other changes to the State Designated Agency within five (5) days of the change's execution or approval.

(iii) The Tribe shall maintain during construction all other contract change orders for inspection and copying by the State Designated Agency upon its request.

(iv) The Tribe shall maintain the Design and Building Plans for the term of this Compact.

(e) Any Gaming Facility authorized by this Compact shall be issued a certificate of occupancy by the Tribal Gaming Agency prior to occupancy upon final certification by the Inspector that a Gaming Facility meets the Applicable Codes. The Tribal Gaming Agency shall forward the Inspector's certification to the State Designated Agency within ten (10) days of issuance. If the State Designated Agency objects to that certification, the Tribe shall make a good faith effort to address the State's concerns, but if the State Designated Agency does not withdraw its objection, the matter will be resolved in accordance with the dispute resolution provisions of section 13.0.

(f) Any failure to remedy within a reasonable period of time any material and timely raised deficiency shall be deemed a violation of the Compact, and furthermore, any deficiency that poses a serious or significant risk to the health or safety of any occupants shall be grounds for the Tribal Gaming Agency, or the State Designated Agency pursuant to a court order, to prohibit occupancy of the affected portion of the Gaming Facility until the deficiency is corrected.

(g) On an annual basis following the date of issuance of the certificate of occupancy, the Tribal Gaming Agency shall review the Gaming Facility's continuing compliance with the Applicable Codes by having the Inspectors, or alternatively, county building inspectors for the County of Del Norte, examine, at the Tribe's expense, all aspects of the Gaming Facility. The Tribe shall not allow occupancy of any portion of a Gaming Facility that is constructed or maintained in a manner that endangers the health or safety of occupants.

(h) The Tribe shall also take all necessary steps to reasonably ensure ongoing availability of sufficient and qualified fire suppression services to the Gaming Facility, and reasonably ensure the Gaming Facility satisfies all requirements of Title 19 of the California Code of Regulations applicable to similar facilities in Del Norte County as set forth below:

(i) Not less than thirty (30) days before the commencement of the Gaming Activities, and not less than biennially thereafter, and upon at least ten (10) days' notice to the State Designated Agency, the Gaming Facility shall be inspected, at the Tribe's expense, by a Tribal official, if any, who is responsible for fire protection on the reservation or by an independent expert for purposes of certifying that the Gaming Facility meets a reasonable standard of fire safety and life safety.

(ii) The State Designated Agency shall be entitled to designate and have a qualified representative present during the inspection. During such inspection, the State's representative shall specify to the Tribal official or independent expert, as the case may be, any condition which the representative reasonably believes

would preclude certification of the Gaming Facility as meeting a reasonable standard of fire and life safety.

(iii) The Tribal official or independent expert shall issue a report on the inspection to the Tribal Gaming Agency and State Designated Agency within fifteen (15) days, identifying any deficiency in fire or life safety at the Gaming Facility or in the ability of the Tribe to meet reasonably expected fire suppression needs of the Gaming Facility.

(iv) Within fifteen (15) days after the issuance of the report, the official or independent expert shall also require and approve a specific plan for correcting deficiencies, whether in fire safety at the Gaming Facility or in the Tribe's ability to meet the reasonably expected fire suppression needs of the Gaming Facility, including those identified by the State Designated Agency's representatives. A copy of the report shall be served on the State Designated Agency and the Tribal Gaming Agency.

(v) Immediately upon correction of all deficiencies identified in the report, the official or independent expert shall certify in writing to the Tribal Gaming Agency and the State Designated Agency that all deficiencies have been corrected.

(iv) Any failure to correct all deficiencies identified in the report within a reasonable period of time shall be deemed a violation of the Compact, and any failure to promptly correct those deficiencies that pose a serious or significant risk to the health and safety of any occupants shall be a violation of the Compact and grounds by the Tribal Gaming Agency, or the State Gaming Agency pursuant to court order, to prohibit occupancy of the affected portion of the Gaming Facility until the deficiency is corrected.

Sec. 6.4.3. Gaming Employees.

(a) Every Gaming Employee shall obtain, and thereafter maintain current, a valid tribal gaming license, and except as otherwise provided by regulations adopted by the California Gambling Control Commission, or its successor in interest, a State Gaming Agency determination of

suitability, which license and determination shall be subject to biennial renewal; provided that in accordance with section 6.4.9, those persons may be employed on a temporary or conditional basis pending completion of the licensing process and the State Gaming Agency determination of suitability.

(b) The Tribe shall not employ, or continue to employ, any person whose application to the State Gaming Agency for a determination of suitability, or for a renewal of such a determination, has been denied or has expired without renewal.

Sec. 6.4.4. Gaming Resource Suppliers.

(a) Every Gaming Resource Supplier shall be licensed by the Tribal Gaming Agency prior to the sale, lease, or distribution, or further sale, lease, or distribution, of any Gaming Resources to or in connection with the Tribe's Gaming Operation or Facility. Unless the Tribal Gaming Agency licenses the Gaming Resource Supplier pursuant to subdivision (d), the Gaming Resource Supplier shall also apply to the State Gaming Agency for a determination of suitability at least thirty (30) days prior to the sale, lease, or distribution, or further sale, lease, or distribution, of any Gaming Resources to or in connection with the Tribe's Gaming Operation or Facility. The period during which a determination of suitability as a Gaming Resource Supplier is valid expires on the earlier of (1) the date two years following the date on which the determination is issued, unless a different expiration date is specified by the State Gaming Agency, or (2) the date of its revocation by the State Gaming Agency. If the State Gaming Agency denies or revokes the determination of suitability, the Tribal Gaming Agency shall deny or revoke the license. The license and determination of suitability shall be reviewed at least every two years for continuing compliance. For purposes of section 6.5.2, such a review shall be deemed to constitute an application for renewal. In connection with such a review, the Tribal Gaming Agency shall require the Gaming Resource Supplier to update all information provided in the previous application.

(b) Any agreement between the Tribe and a Gaming Resource Supplier shall include a provision for its termination without further liability on the part of the Tribe, except for the bona fide payment of all outstanding sums (exclusive of interest) owed as of, or payment for

services or materials received up to, the date of termination, upon revocation or non-renewal of the Gaming Resource Supplier's license by the Tribal Gaming Agency based on a determination of unsuitability by the State Gaming Agency. Except as set forth above, the Tribe shall not enter into, or continue to make payments to a Gaming Resource Supplier pursuant to, any contract or agreement for the provision of Gaming Resources with any person or entity whose application to the State Gaming Agency for a determination of suitability has been denied or revoked or whose determination of suitability has expired without renewal.

(c) Notwithstanding subdivision (a), the Tribal Gaming Agency may license a management contractor for a period of no more than seven (7) years, but said management contractor must apply for renewal of a determination of suitability by the State Gaming Agency at least every two (2) years and where the State Gaming Agency denies or revokes a determination of suitability, the Tribal Gaming Agency shall deny or revoke the license.

(d) The Tribal Gaming Agency may elect to license a person or entity as a Gaming Resource Supplier without requiring it to apply to the State Gaming Agency for a determination of suitability under subdivision (a) if the Gaming Resource Supplier has been issued a determination of suitability that is then valid. In that case, the Tribal Gaming Agency shall immediately notify the State Gaming Agency of its licensure of the person or entity as a Gaming Resource Supplier, and shall identify in its notification the determination of suitability on which the Tribal Gaming Agency has relied in proceeding under this subdivision (d). Subject to the Tribal Gaming Agency's compliance with the requirements of this subdivision, a Gaming Resource Supplier licensed under this subdivision may, during and only during the period in which the determination of suitability remains valid, engage in the sale, lease, or distribution of Gaming Resources to or in connection with the Gaming Operation of the Tribe, without applying to the State Gaming Agency for a determination of suitability. The issuance of a license under this subdivision is in all cases subject to any later determination by the State Gaming Agency that the Gaming Resource Supplier is not suitable or to a tribal gaming license suspension or revocation pursuant to section 6.5.1, and does not extend the time during which the determination of suitability relied on by the Tribal Gaming Agency is valid. A license issued under this

subdivision expires upon the revocation or expiration of the determination of suitability relied on by the Tribal Gaming Agency. Nothing in this subdivision affects the obligations of the Tribal Gaming Agency, or of the Gaming Resource Supplier, under Section 6.5.2 and Section 6.5.6 of this Compact.

(e) Except where subdivision (d) applies, within ten (10) days of the issuance of a license to a Gaming Resource Supplier, the Tribal Gaming Agency shall transmit to the State Gaming Agency a copy of the license and a copy of all tribal license application materials and information received by it from the Applicant.

Sec. 6.4.5. Financial Sources.

(a) Every Financial Source shall be licensed by the Tribal Gaming Agency prior to extending any financing in connection with the Tribe's Gaming Operation or Facility. Except as provided in section 6.5.6, subdivision (i), every Financial Source shall also apply to the State Gaming Agency for a determination of suitability at least 90 days prior to extending any financing in connection with the Tribe's Gaming Operation or Facility. Where the State Gaming Agency denies the determination of suitability, the Tribal Gaming Agency shall deny or revoke the license. The license and determination of suitability shall be reviewed at least every two (2) years for continuing compliance. For purposes of section 6.5.2, such a review shall be deemed to constitute an application for renewal. In connection with such a review, the Tribal Gaming Agency shall require the Financial Source to update all information provided in the previous application.

(b) Any agreement between the Tribe and a Financial Source shall include a provision for its termination without further liability on the part of the Tribe, except for the bona fide payment of all outstanding sums (exclusive of interest) owed as of the date of termination, upon revocation or non-renewal of the Financial Source's license by the Tribal Gaming Agency based on a determination of unsuitability by the State Gaming Agency. Except as set forth above, the Tribe shall not enter into, or continue to make payments to a Financial Source pursuant to, any contract or agreement for the provision of financing with any person whose application to the State Gaming Agency for a determination of suitability has been denied or has expired without renewal.

(c) A Gaming Resource Supplier who provides financing exclusively in connection with the provision, sale, or lease of Gaming Resources obtained from that Gaming Resource Supplier may be licensed solely in accordance with the licensing procedures applicable, if at all, to Gaming Resource Suppliers, and need not be separately licensed as a Financial Source under this section.

(d) Within ten (10) days of the issuance of a license to a Financial Source, the Tribal Gaming Agency shall transmit to the State Gaming Agency a copy of the license and a copy of all tribal license application materials and information received by it from the Applicant.

(e) The Tribal Gaming Agency may, at its discretion, exclude from the licensing requirements of this section the following entities regulated by either the State or the federal government:

(1) (A) Banks, (B) savings and loans, or (C) other lending institutions;

(2) Any agency of the federal, state, or local government providing financing, together with any person purchasing any debt securities of the agency to provide such financing; or

(3) Any investor who, alone or together with any person controlling, controlled by or under common control with such investor, holds less than ten percent (10%) of all outstanding debt securities issued directly or indirectly by the Tribe for the Gaming Facility or the Gaming Operation.

(f) The following are not Financial Sources for purposes of this section:

(1) An entity identified by Regulation CGCC-2, subdivision (h)(as in effect on July 1, 2004) of the California Gambling Control Commission.

(2) A person or entity whose sole connection with a provision or extension of financing to the Tribe is to provide loan brokerage or debt servicing for a Financial Source at no cost to the Tribe or the Gaming Operation, provided that no portion of any financing provided

is an extension of credit to the Tribe or the Gaming Operation by that person or entity.

(g) Notwithstanding anything to the contrary herein, the California Gambling Control Commission may issue regulations interpreting this section, including, but not limited to, the scope of the exclusion under subdivision (e) and the exemption under subdivision (f).

Sec. 6.4.6. Processing Tribal Gaming License Applications.

(a) Each Applicant for a tribal gaming license shall submit the completed application along with the required information and an application fee, if required, to the Tribal Gaming Agency in accordance with the rules and regulations of that agency.

(b) At a minimum, the Tribal Gaming Agency shall require submission and consideration of all information required under IGRA, including Section 556.4 of Title 25 of the Code of Federal Regulations, for licensing primary management officials and key employees.

(c) For Applicants who are business entities, these licensing provisions shall apply to the entity as well as: (i) each of its officers and directors; (ii) each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer, and general manager; (iii) each of its owners or partners, if an unincorporated business; (iv) each of its shareholders who owns more than 10 percent (10%) of the shares of the corporation, if a corporation; and (v) each person or entity (other than a Financial Source that the Tribal Gaming Agency has determined does not require a license under the preceding section) that, alone or in combination with others, has provided financing in connection with any Gaming Operation or gaming authorized under this Compact, if that person or entity provided more than ten percent (10%) of either the start-up capital or the operating capital, or of a combination thereof, over a twelve (12) month period. For purposes of this subdivision, where there is any commonality of the characteristics identified in clauses (i) to (v), inclusive, between any two or more entities, those entities may be deemed to be a single entity.

(d) Nothing herein precludes the Tribe or Tribal Gaming Agency from requiring more stringent licensing requirements.

Sec. 6.4.7. Suitability Standard Regarding Gaming Licenses.

(a) In reviewing an application for a tribal gaming license, and in addition to any standards set forth in the Tribal Gaming Ordinance, the Tribal Gaming Agency shall consider whether issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the license will undermine public trust that the Tribe's Gaming Operations are free from criminal and dishonest elements and would be conducted honestly.

(b) A license may not be issued unless, based on all information and documents submitted, the Tribal Gaming Agency is satisfied that the Applicant, and in the case of an entity, each individual identified in section 6.4.6, meets all the following requirements:

(1) The person is of good character, honesty, and integrity.

(2) The person's prior activities, criminal record (if any), reputation, habits, and associations do not pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the conduct of gaming, or in the carrying on of business and financial arrangements incidental thereto.

(3) The person is in all other respects qualified to be licensed as provided in, and meets the criteria established in, this Compact, IGRA, NIGC regulations, the Tribal Gaming Ordinance, and any other criteria adopted by the Tribal Gaming Agency or the Tribe; provided, however, an Applicant shall not be found to be unsuitable solely on the ground that the Applicant was an employee of a tribal gaming operation in California that was conducted prior to May 16, 2000.

Sec. 6.4.8. Background Investigations of Applicants.

(a) The Tribal Gaming Agency shall conduct or cause to be conducted all necessary background investigations reasonably required to determine that the Applicant is qualified for a gaming license under the standards set forth in section 6.4.7 and to fulfill all requirements for licensing under IGRA, NIGC regulations, the Tribal Gaming

Ordinance, and this Compact. The Tribal Gaming Agency shall not issue other than a temporary license until a determination is made that those qualifications have been met.

(b) In lieu of completing its own background investigation, and to the extent that doing so does not conflict with or violate IGRA or the Tribal Gaming Ordinance, the Tribal Gaming Agency may contract with the State Gaming Agency for the conduct of background investigations, may rely on a State determination of suitability previously issued under a Class III Gaming compact involving another tribe and the State, or may rely on a State Gaming Agency license previously issued to the Applicant, to fulfill some or all of the Tribal Gaming Agency's background investigation obligations.

(c) An Applicant for a tribal gaming license shall be required to provide releases to the State Gaming Agency to make available to the Tribal Gaming Agency background information regarding the Applicant. The State Gaming Agency shall cooperate in furnishing to the Tribal Gaming Agency that information, unless doing so would violate state or federal law, would violate any agreement the State Gaming Agency has with a source of the information other than the Applicant, or would impair or impede a criminal investigation, or unless the Tribal Gaming Agency cannot provide sufficient safeguards to assure the State Gaming Agency that the information will remain confidential.

(d) If the Tribe adopts an ordinance confirming that Article 6 (commencing with section 11140) of Chapter 1 of Title 1 of Part 4 of the California Penal Code is applicable to members, investigators, and staff of the Tribal Gaming Agency, and those members, investigators, and staff thereafter comply with that ordinance, then, for purposes of carrying out its obligations under this section, the Tribal Gaming Agency may be considered to be an entity entitled to receive state summary criminal history information within the meaning of subdivision (b)(12) of section 11105 of the California Penal Code. In that case, the California Department of Justice shall provide services to the Tribal Gaming Agency through the California Law Enforcement Telecommunications System (CLETS), subject to a determination by the CLETS advisory committee that the Tribal Gaming Agency is qualified for receipt of such services, and on such terms and conditions as are deemed reasonable by that advisory committee.

Sec. 6.4.9. Temporary Licensing of Gaming Employees.

(a) If the Applicant has completed a license application in a manner satisfactory to the Tribal Gaming Agency, and that agency has conducted a preliminary background investigation, and the investigation or other information held by that agency does not indicate that the Applicant has a criminal history or other information in his or her background that would either automatically disqualify the Applicant from obtaining a tribal gaming license or cause a reasonable person to investigate further before issuing a license, or that the Applicant is otherwise unsuitable for licensing, the Tribal Gaming Agency may issue a temporary tribal gaming license and may impose such specific conditions thereon pending completion of the Applicant's background investigation, as the Tribal Gaming Agency in its sole discretion shall determine.

(b) Special fees may be required by the Tribal Gaming Agency to issue or maintain a temporary tribal gaming license.

(c) A temporary tribal gaming license shall remain in effect until suspended or revoked, or a final determination is made on the application.

(d) At any time after issuance of a temporary tribal gaming license, the Tribal Gaming Agency shall or may, as the case may be, suspend or revoke it in accordance with the provisions of sections 6.5.1 or 6.5.5, and the State Gaming Agency may request suspension or revocation.

(e) Nothing herein shall be construed to relieve the Tribe of any obligation under Part 558 of Title 25 of the Code of Federal Regulations.

Sec. 6.5. Tribal Gaming License Issuance.

Upon completion of the necessary background investigation, the Tribal Gaming Agency may issue a tribal gaming license on a conditional or unconditional basis. Nothing herein shall create a property or other right of an Applicant in an opportunity to be licensed, or in a tribal gaming license itself, both of which shall be considered to be privileges granted to the Applicant in the sole discretion of the Tribal Gaming Agency.

Sec. 6.5.1. Denial, Suspension, or Revocation of Licenses.

(a) Any Applicant's application for a tribal gaming license may be denied, and any license issued may be revoked, if the Tribal Gaming Agency determines that the application is incomplete or deficient, or if the Applicant is determined to be unsuitable or otherwise unqualified for a tribal gaming license.

(b) Pending consideration of revocation, the Tribal Gaming Agency may suspend a tribal gaming license in accordance with section 6.5.5.

(c) All rights to notice and hearing shall be governed by federal and tribal law, as to which the Applicant shall be notified in writing along with notice of an intent to suspend or revoke the tribal gaming license.

(d) Upon receipt of notice that the State Gaming Agency has determined that a person would be unsuitable for licensure in a gambling establishment subject to the jurisdiction of the State Gaming Agency, the Tribal Gaming Agency shall deny that person a tribal gaming license and promptly revoke any tribal gaming license that has theretofore been issued to that person; provided that the Tribal Gaming Agency may, in its discretion, re-issue a tribal gaming license to the person following entry of a final judgment reversing the determination of the State Gaming Agency in a proceeding in state court conducted pursuant to section 1085 of the California Code of Civil Procedure.

Sec. 6.5.2. Renewal of Licenses; Extensions; Further Investigation.

(a) Except as provided in section 6.4.4, subdivision (c), the term of a tribal gaming license shall not exceed two (2) years, and application for renewal of a license must be made prior to its expiration. Applicants for renewal of a license shall provide updated material, as requested, on the appropriate renewal forms, but, at the discretion of the Tribal Gaming Agency, may not be required to resubmit historical data previously submitted or which is otherwise available to the Tribal Gaming Agency. At the discretion of the Tribal Gaming Agency, an additional background investigation may be required at any time if the Tribal Gaming Agency determines the need for further information concerning the Applicant's continuing suitability or eligibility for a license.

(b) Prior to renewing a license, the Tribal Gaming Agency shall deliver to the State Gaming Agency copies of all information and documents received in connection with the application for renewal of the tribal gaming license for purposes of the State Gaming Agency's consideration of renewal of its determination of suitability.

(c) At the discretion of the State Gaming Agency, an additional background investigation may be required if the State Gaming Agency determines the need for further information concerning the Applicant's continuing suitability for a license.

Sec. 6.5.3. Identification Cards.

(a) The Tribal Gaming Agency shall require that all persons who are required to be licensed wear, in plain view at chest height at all times while in the Gaming Facility, identification badges issued by the Tribal Gaming Agency.

(b) Identification badges must display information, including, but not limited to, a photograph and the person's name, which is adequate to enable members of the public and agents of the Tribal Gaming Agency to readily identify the person and determine the validity and date of expiration of his or her license.

(c) The Tribe shall monthly provide the State Gaming Agency with the name, badge identification number (if any), and job title of all Gaming Employees.

Sec. 6.5.4. Fees for Tribal License.

The fees for all tribal gaming licenses shall be set by the Tribal Gaming Agency.

Sec. 6.5.5. Suspension of Tribal Gaming License.

The Tribal Gaming Agency shall summarily suspend the tribal gaming license of any employee if the Tribal Gaming Agency determines that the continued licensing of the person could constitute a threat to the public health or safety or may summarily suspend the license of any employee if the Tribal Gaming Agency determines that the continued licensing of the person may violate the

Tribal Gaming Agency's licensing or other standards. Any right to notice or hearing in regard thereto shall be governed by Tribal law, supplemented by federal due process principles.

Sec. 6.5.6. State Determination of Suitability Process.

(a) The State Gaming Agency and the Tribal Gaming Agency (together with tribal gaming agencies under other gaming compacts) shall cooperate in developing standard licensing forms for tribal Gaming Employee license applications, on a statewide basis, that reduce or eliminate duplicative or excessive paperwork, which forms and procedures shall take into account the Tribe's requirements under IGRA and the expense thereof. To facilitate the State Gaming Agency's ability to obtain any criminal information that may relate to the Applicant, each application form shall be printed showing the State Gaming Agency's approval of its use.

(b) With respect to Gaming Employees, upon receipt of an Applicant's completed license application and a determination to issue either a temporary or permanent license, the Tribal Gaming Agency shall transmit within ten (10) days to the State Gaming Agency for a determination of suitability for licensure under the California Gambling Control Act a notice of intent to license the Applicant, together with all of the following:

(1) A copy of all tribal license application materials and information received by the Tribal Gaming Agency from the Applicant.

(2) An original set of fingerprint cards.

(3) A current photograph.

(4) Except to the extent waived by the State Gaming Agency, such releases of information, waivers, and other completed and executed forms as have been obtained by the Tribal Gaming Agency.

(c) Upon receipt of a written request from a Gaming Resource Supplier or a Financial Source for a determination of suitability, the State Gaming Agency shall transmit an application package to

the Applicant to be completed and returned to the State Gaming Agency for purposes of allowing it to make a determination of suitability for licensure.

(d) Investigation and disposition of applications for a determination of suitability shall be governed entirely by state law, and the State Gaming Agency shall determine whether the Applicant would be found suitable for licensure in a gambling establishment subject to the State Gaming Agency's jurisdiction. Additional information may be required by the State Gaming Agency to assist it in its background investigation.

(e) The Tribal Gaming Agency shall require a licensee to apply for renewal of a determination of suitability at such time as the licensee applies for renewal of a tribal gaming license.

(f) Upon receipt of completed license or license renewal application information from the Tribal Gaming Agency, the State Gaming Agency may conduct a background investigation pursuant to state law to determine whether the Applicant is suitable to be licensed for association with Class III Gaming operations. While the Tribal Gaming Agency shall ordinarily be the primary source of application information, the State Gaming Agency is authorized to directly seek application information from the applicant. If further investigation is required to supplement the investigation conducted by the Tribal Gaming Agency, the Applicant will be required to pay the application fee charged by the State Gaming Agency pursuant to California Business and Professions Code section 19951, subdivision (a), as may be amended from time to time, but any deposit requested by the State Gaming Agency pursuant to section 19867 of that Code, as may be amended from time to time, shall take into account reports of the background investigation already conducted by the Tribal Gaming Agency and the NIGC, if any. Failure to provide information reasonably required by the State Gaming Agency to complete its investigation under State law or failure to pay the application fee or deposit may be grounds for denial of the application by the State Gaming Agency. The State Gaming Agency and Tribal Gaming Agency shall cooperate in sharing as much background information as possible, both to maximize investigative efficiency and thoroughness, and to minimize investigative costs.

(g) Upon completion of the necessary background investigation or other verification of suitability, the State Gaming Agency shall issue a notice to the Tribal Gaming Agency certifying that the State has determined that the Applicant is suitable, or that the Applicant is unsuitable, for licensure in a Gaming Operation and, if unsuitable, stating the reasons therefor. Issuance of a determination of suitability does not preclude the State Gaming Agency from a subsequent determination based on newly discovered information that a person or entity is unsuitable for the purpose for which the person or entity is licensed. Upon receipt of notice that the State Gaming Agency has determined that a person or entity is or would be unsuitable for licensure, the Tribal Gaming Agency shall deny that person or entity a license and promptly revoke any tribal gaming license that has theretofore been issued to that person or entity; provided that the Tribal Gaming Agency may, in its discretion, re-issue a tribal gaming license to the person or entity following entry of a final judgment reversing the determination of the State Gaming Agency in a proceeding in state court conducted pursuant to section 1085 of the California Code of Civil Procedure.

(h) Prior to denying an application for a determination of suitability, or to issuing notice to the Tribal Gaming Agency that a person or entity previously determined to be suitable had been determined unsuitable for licensure, the State Gaming Agency shall notify the Tribal Gaming Agency and afford the Tribe an opportunity to be heard. If the State Gaming Agency denies an application for a determination of suitability, or issues notice that a person or entity previously determined suitable has been determined unsuitable for licensure, the State Gaming Agency shall provide that person or entity with written notice of all appeal rights available under state law.

(i) The California Gambling Control Commission ("Commission"), or its successor, shall maintain a roster of Gaming Resource Suppliers and Financial Sources that it has determined to be suitable pursuant to the provisions of this section, or through separate procedures to be adopted by the Commission. Upon application to the Tribe for a tribal gaming license, a Gaming Resource Supplier or Financial Source that appears on the Commission's suitability roster may be licensed by the Tribal Gaming Agency in the same manner as a Gaming Resource Supplier under subdivision (d) of section 6.4.4, subject to any later determination by the State Gaming Agency that the Gaming Resource

Supplier or Financial Source is not suitable or to a tribal gaming license suspension or revocation pursuant to section 6.5.1, provided that nothing in this subdivision bars the Gaming Resource Supplier or Financial Source from applying for a renewal of a State determination of suitability.

SECTION 7.0. APPROVAL AND TESTING OF GAMING DEVICES.

Sec. 7.1. Gaming Device Approval.

(a) No Gaming Device may be offered for play unless all the following occurs:

(1) The manufacturer or distributor which sells, leases, or distributes such Gaming Device (A) has applied for a finding of suitability by the State Gaming Agency at least fifteen (15) days before it is offered for play, (B) has not been found to be unsuitable by the State Gaming Agency, and (C) has been licensed by the Tribal Gaming Agency.

(2) The software for the game authorized for play on the Gaming Device has been tested, approved and certified by an independent gaming test laboratory or state governmental gaming test laboratory (the "Gaming Test Laboratory") as operating in accordance with the standards of Gaming Laboratories International, Inc. known as GLI-11 and GLI-12, or such other technical standards as the State Gaming Agency and the Tribal Gaming Agency shall agree upon.

(3) A copy of said certification specified in subdivision (a)(2) is first provided to the State Gaming Agency by electronic transmission or by mail, unless the State Gaming Agency waives receipt of copies of the certification.

(4) The software for the game authorized for play on the Gaming Device is tested by the Tribal Gaming Agency to ensure each game authorized for play on the Gaming Device has the correct electronic signature prior to insertion into the Gaming Device.

(5) The hardware and associated equipment for the Gaming Device has been tested by the Gaming Test Laboratory to ensure operation in accordance with the manufacturer's specifications.

(b) Where either the Tribe or the State Gaming Agency requests new standards for testing, approval, and certification of the software for the game authorized for play on the Gaming Device pursuant to subdivision (a)(2), and the State Gaming Agency and the Tribe fail to agree to new standards within 120 days of the request, the technical standards shall be those approved by the State of Nevada.

Sec. 7.2. Gaming Test Laboratory Selection.

(a) The Gaming Test Laboratory will be selected as follows:

(1) The Tribal Gaming Agency shall propose to the State Gaming Agency, with supporting documentation, a Gaming Test Laboratory, which (i) is competent and qualified to conduct scientific tests and evaluations of Gaming Devices; and (ii) is licensed or approved by any one of the following states: California, Colorado, Wisconsin, Michigan, Indiana, Illinois, Iowa, Missouri, Nevada, New Jersey, or any other state agreed in writing by the Tribal Gaming Agency and the State Gaming Agency.

(2) The selection of the Gaming Test Laboratory is subject to the consent of the State Gaming Agency, but the State Gaming Agency shall not unreasonably withhold its consent, except that no such Gaming Test Laboratory may be used if it is determined to be unsuitable by the State Gaming Agency.

(b) If, at any time, any of the Gaming Test Laboratory's licenses are suspended, terminated, or subject to disciplinary action, upon notice by the Tribal Gaming Agency or the State Gaming Agency of that fact, the Tribal Gaming Agency shall ensure that such Gaming Test Laboratory discontinue its responsibilities under Section 7.0 herein, and the Tribe shall propose a new Gaming Test Laboratory pursuant to the provisions of this section.

Sec. 7.3. Independent Audits.

The Tribal Gaming Agency shall ensure that compliance with section 7.1 is audited annually by an independent auditor and shall provide the results of such audits to the State Gaming Agency within five (5) business days of completion. For purposes of this section, an independent auditor shall be a certified public accountant and/or certified internal auditor who is not employed by the Tribe, the Tribal Gaming Agency, or the Gaming Operation and has no financial interest in any of these entities, and is only otherwise retained by any of these entities to conduct regulatory audits or audits under this section.

Sec. 7.4. State Gaming Agency Inspections.

(a) The State Gaming Agency, utilizing such consultants, if any, deemed appropriate, may inspect the Gaming Devices on a random basis not to exceed four (4) times annually to confirm that they operate and play properly pursuant to the manufacturer's technical standards and industry standards.

(b) The State Gaming Agency shall provide notice to the Tribal Gaming Agency of such inspection at or prior to the commencement of the random inspection.

(c) The State Gaming Agency may conduct additional inspections, utilizing such consultants, if any, deemed appropriate, upon reasonable belief of any irregularity and after informing the Tribal Gaming Agency of the basis for such belief.

(d) The Tribe and the State Gaming Agency shall inform the Gaming Test Laboratory in writing that irrespective of the source of payment of its fees, the Gaming Test Laboratory's duty of loyalty runs equally to the State and the Tribe.

Sec. 7.5. Technical Standards.

The Tribal Gaming Agency shall provide to the State Gaming Agency copies of its regulations for the technical standards that apply to the Tribe's Gaming Devices at least thirty (30) days before the commencement of the Gaming Operation and thirty (30) days before the effective date of any revisions to the regulations.

Sec. 7.6. State Gaming Agency Designation.

For purposes of sections 7.1 to 7.5, the State Gaming Agency shall be the California Gambling Control Commission, unless the State provides otherwise by written notice pursuant to section 16.

Sec. 7.7. Transportation of Gaming Devices.

(a) Subject to the provisions of subdivision (b), the Tribal Gaming Agency shall not permit any Gaming Device to be transported to or from the Tribe's land except in accordance with procedures established by agreement between the State Gaming Agency and the Tribal Gaming Agency and upon at least ten (10) days' notice to the Sheriff's Department in Del Norte County.

(b) Transportation of a Gaming Device from a Gaming Facility within California is permissible only if:

(i) The final destination of the Gaming Device is a gaming facility of any tribe in California that has a compact with the State which makes lawful the receipt of such Gaming Device;

(ii) The final destination of the Gaming Device is any other state in which possession of the Gaming Device is made lawful by state law or by tribal-state compact;

(iii) The final destination of the Gaming Device is another country, or any state or province of another country, wherein possession of the Gaming Device is lawful; or

(iv) The final destination is a location within California for testing, repair, maintenance, or storage by a person or entity that has been licensed by the Tribal Gaming Agency and has been found suitable for licensure by the State Gaming Agency.

(c) Any Gaming Device transported to or from the Tribe's land in violation of this section 7.7, or in violation of any permit issued pursuant thereto, is subject to summary seizure by California peace officers.

Sec. 8.0. INSPECTIONS.

Sec. 8.1. Investigation and Sanctions.

(a) The Tribal Gaming Agency shall investigate any reported violation of this Compact and shall require the Gaming Operation to correct the violation upon such terms and conditions as the Tribal Gaming Agency determines are necessary.

(b) The Tribal Gaming Agency shall be empowered by the Tribal Gaming Ordinance to impose fines or other sanctions within the jurisdiction of the Tribe against gaming licensees who interfere with or violate the Tribe's gaming regulatory requirements and obligations under IGRA, NIGC gaming regulations, the Tribal Gaming Ordinance, or this Compact as long as said fines or sanctions comport with principles of federal due process.

(c) The Tribal Gaming Agency shall report violations of this Compact and any failures to comply with its orders to the California Gambling Control Commission and the Division of Gambling Control in the California Department of Justice within ten (10) days of discovery.

Sec. 8.2. Assistance by State Gaming Agency.

The Tribe may request the assistance of the State Gaming Agency whenever it reasonably appears that such assistance may be necessary to carry out the purposes described in section 8.1, or otherwise to protect public health, safety, or welfare.

Sec. 8.3. Access to Premises by State Gaming Agency; Notification; Inspections.

(a) Notwithstanding that the Tribe and its Tribal Gaming Agency have the primary responsibility to administer and enforce the regulatory requirements of this Compact, the State Gaming Agency, including but not limited to any consultants retained by it, shall have the right to inspect the Tribe's Gaming Facility, and all Gaming Operation or Facility records relating to Class III Gaming, including such records located in off-site facilities dedicated to their storage subject to the conditions in subdivisions (b), (c), and (d).

(b) The State Gaming Agency may inspect public areas of the Gaming Facility at any time without prior notice during normal Gaming Facility business hours (8:00 a.m. to 5:00 p.m.).

(c) Inspection of areas of the Gaming Facility not normally accessible to the public may be made at any time the Gaming Facility is open to the public, immediately after the State Gaming Agency's authorized inspector notifies the Tribal Gaming Agency of his or her presence on the premises, presents proper identification, and requests access to the non-public areas of the Gaming Facility. The Tribal Gaming Agency, in its sole discretion, may require a member of the Tribal Gaming Agency to accompany the State Gaming Agency inspector at all times that the State Gaming Agency inspector is in a non-public area of the Gaming Facility. If the Tribal Gaming Agency imposes such a requirement, it shall require such member to be available at all times for those purposes and shall ensure that the member has the ability to gain immediate access to all non-public areas of the Gaming Facility.

(d) Nothing in this Compact shall be construed to limit the State Gaming Agency to one inspector during inspections.

Sec. 8.4. Inspection, Copying and Confidentiality of Documents.

(a) Inspection and copying of Gaming Operation papers, books, and records may occur at any time, immediately after the State Gaming Agency gives notice to the Tribal Gaming Agency, during the hours from 8:00 a.m. to 5:00 p.m. Monday through Friday, and at any other time that a Tribal Gaming Agency employee, a Gaming Facility employee, or a Gaming Operation employee is available onsite with physical access to offices where the papers, books, and records are kept. The Tribe shall cooperate with, and cannot refuse, said inspection and copying, provided that the State Gaming Agency inspectors cannot require copies of papers, books, or records in such volume that it unreasonably interferes with the normal functioning of the Gaming Operation or Facility.

(b) In lieu of onsite inspection and copying of Gaming Operation papers, books, and records by its inspectors, the State Gaming Agency may request in writing that the Tribal Gaming Agency provide copies of such papers, books, and records as the State Gaming Agency deems necessary to ensure compliance with the terms of this Compact. The

State Gaming Agency's written request shall describe those papers, books, and records requested to be copied with sufficient specificity to reasonably identify the requested documents. Within ten (10) days after it receives the request, or such other time as the State Gaming Agency may agree in writing, the Tribal Gaming Agency shall provide one copy of the requested papers, books, and records to the requesting State Gaming Agency. An electronic version of the requested papers, books, and records may be submitted to the State Gaming Agency in lieu of a paper copy so long as the software required to access the electronic version is reasonably available to the State Gaming Agency and the State Gaming Agency does not object.

(c) Notwithstanding any other provision of California law, any confidential information and records, as defined in subdivision (d), that the State Gaming Agency obtains or copies pursuant to this Compact shall be, and remain, the property of the Tribe; provided that such confidential records and copies may be retained by the State Gaming Agency as is reasonably necessary to assure the Tribe's compliance with this Compact or to complete any investigation of suspected criminal activity; and provided further that the State Gaming Agency may provide such confidential records and copies to federal law enforcement and other state agencies or consultants that the State deems reasonably necessary in order to assure the Tribe's compliance with this Compact, in order to renegotiate any provision thereof, or in order to conduct or complete any investigation of suspected criminal activity in connection with the Gaming Activities, the operation of the Gaming Facility, or the Gaming Operation.

(d) "Confidential information and records" means information and records treated as confidential or protected from disclosure under California state law, including, but not limited to, trade secrets, non-public financial data, player tracking data, internal controls, and internal reports related to security and prevention of theft. The Tribe shall designate as confidential each page of each record it believes to be confidential under California state law, and in all such cases the State shall treat the record as confidential until such time that the designation is removed. If the State objects to such designation with respect to any record or page(s) of a record, the matter will be resolved in accordance with the arbitration procedures under section 13.2. The State need not treat as confidential any page or record not so designated.

(e) The State Gaming Agency and all other state agencies and consultants to which it provides information and records obtained pursuant to subdivisions (a) or (b) of this section, which are deemed confidential pursuant to subdivision (d), will exercise the utmost care in the preservation of the confidentiality of such information and records and will apply the highest standards of confidentiality provided under California state law to preserve such information and records from disclosure until such time as the confidential designation may be removed by the Tribe, by mutual agreement, or pursuant to the arbitration procedures under section 13.2.

(f) The Tribe may avail itself of any and all remedies under state law for the improper disclosure of confidential information or records. In the case of any disclosure of confidential information or records compelled by judicial process, the State Gaming Agency will endeavor to give the Tribe prompt notice of the order compelling disclosure and a reasonable opportunity to interpose an objection thereto with the court.

(g) The Tribal Gaming Agency and the State Gaming Agency shall confer regarding protocols for the release to law enforcement agencies of information obtained during the course of background investigations.

(h) Confidential records received by the State Gaming Agency from the Tribe in compliance with this Compact, or information compiled by the State Gaming Agency from those confidential records, shall be exempt from disclosure under the California Public Records Act.

(i) Notwithstanding any other provision of this Compact, the State Gaming Agency shall not be denied access to papers, books, records, equipment, or places where such access is reasonably necessary to ensure compliance with this Compact, or to conduct or complete an investigation of suspected criminal activity in connection with the Gaming Activities, the operation of the Gaming Facility, or the Gaming Operation.

SECTION 9.0. RULES AND REGULATIONS FOR THE OPERATION AND MANAGEMENT OF THE GAMING OPERATION AND FACILITY.

Sec. 9.1. Adoption of Regulations for Operation and Management; Minimum Standards.

It is the responsibility of the Tribal Gaming Agency to conduct on-site gaming regulation and control in order to enforce the terms of this Compact, of IGRA, of NIGC gaming regulations, and of the Tribal Gaming Ordinance, to protect the integrity of the Gaming Activities and the Gaming Operation for honesty and fairness, and to maintain the confidence of patrons that tribal governmental gaming in California meets the highest standards of fairness and internal controls. To meet those responsibilities, the Tribal Gaming Agency shall be vested with the authority to promulgate, and shall promulgate, rules and regulations governing, at a minimum, the following subjects pursuant to the standards and conditions set forth therein:

(a) All relevant laws and rules with respect to the Gaming Operation and Facility, the enforcement thereof, the conduct of investigations and hearings with respect thereto, and any other subject within its jurisdiction.

(b) The physical safety of Gaming Facility patrons and employees, and any other person while in the Gaming Facility. Nothing herein shall be construed, however, to make applicable to the Tribe any state laws, regulations, or standards governing the use of tobacco.

(c) The physical safeguarding of assets transported to, within, and from the Gaming Facility.

(d) The prevention of illegal activity within the Gaming Facility or with regard to the Gaming Operation, including, but not limited to, the maintenance of employee procedures and a surveillance system as provided in subdivision (e).

(e) Maintenance of a closed-circuit television surveillance system consistent with industry standards for gaming facilities of the type and scale operated by the Tribe, which system shall be approved by, and may not be modified without the approval of, the Tribal Gaming Agency. The Tribal Gaming Agency shall have current copies of the Gaming Facility floor plan and closed-circuit television system at all

times, and any modifications thereof shall be first approved by the Tribal Gaming Agency.

(f) The recording of any and all occurrences within the Gaming Facility that deviate from normal operating policies and procedures (hereinafter "incidents"). The regulations will provide, and the Tribe agrees, that the Tribal Gaming Agency shall transmit copies of incident reports to the State Gaming Agency forthwith. The procedure for recording incidents pursuant to said regulations shall also do all of the following:

(i) Specify that security personnel record all incidents, regardless of an employee's determination that the incident may be immaterial (all incidents shall be identified in writing).

(ii) Require the assignment of a sequential number to each report.

(iii) Provide for permanent reporting in indelible ink in a bound notebook from which pages cannot be removed and in which entries are made on each side of each page.

(iv) Require that each report include, at a minimum, all of the following:
(A) The record number.
(B) The date.
(C) The time.
(D) The location of the incident.
(E) A detailed description of the incident.
(F) The persons involved in the incident.
(G) The security department employee assigned to the incident.

(g) The establishment of employee procedures designed to permit detection of any irregularities, theft, cheating, fraud, or the like, consistent with industry practice.

(h) Maintenance of a list of persons barred from the Gaming Facility who, because of their past behavior, criminal history, or association with persons or organizations, pose a threat to the integrity of the Gaming Activities of the Tribe or to the integrity of regulated gaming within the State. The Tribal Gaming Agency shall transmit a copy of the list to the State Gaming Agency quarterly and shall make a copy of the

current list available to the State Gaming Agency upon request. Notwithstanding anything in this Compact to the contrary, the State Gaming Agency is authorized to make the copies of the list available to other Tribal Gaming Agencies, to licensees of the California Gambling Control Commission, the California Horse Racing Board, and other law enforcement agencies.

(i) The conduct of an audit, at the Tribe's expense, of the annual financial statements of the Tribe's Gaming Activities pursuant to section 4.3.1 subdivision (g).

(j) Submission to, and prior approval by, the Tribal Gaming Agency of the rules and regulations of each Class III game to be operated by the Tribe, and of any changes in those rules and regulations. No Class III game may be played that has not received Tribal Gaming Agency approval.

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

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

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

(n) Specification of minimum staff and supervisory requirements for each Gaming Activity to be conducted.

(o) Technical standards and specifications for the operation of Gaming Devices and other games authorized herein to be conducted by the Tribe.

(p) Maintenance, at conspicuous locations within the Gaming Facility, of notices to patrons aimed at the prevention of problem gambling and advising them where they may obtain assistance for gambling

problems, including, but not limited to, a toll-free help line. The notice shall be in the form of posted notices and pamphlets available to patrons at no cost. The Tribal Gaming Agency shall require that the Gaming Operation implement appropriate procedures (i) by which patrons may voluntarily limit their access to gambling, including denial or restraints on the issuance of credit, check cashing services, and direct mail advertisements to such gamblers, and (ii) by which the Gaming Operation may halt promotional mailings, deny or restrain the issuance of credit and cash checking services, and deny access to the Gaming Facility to patrons who have exhibited signs of problem gambling.

(q) Adoption of a code of conduct, based on that of the American Gaming Association, that addresses responsible gaming and responsible advertising.

(r) Standards that assure that advertising and marketing of the Gaming Activities make no false or misleading claims.

Sec. 9.2. Enforcement of Regulations.

The Tribal Gaming Agency shall ensure the enforcement of the rules, regulations, and specifications promulgated under this Compact, including under section 9.1.

Sec. 9.3. State Civil and Criminal Jurisdiction.

Nothing in this Compact affects the civil or criminal jurisdiction of the State under Public Law 280 (18 U.S.C. § 1162; 28 U.S.C. § 1360) or IGRA to the extent applicable. Except as provided below, all state and local law enforcement agencies and state courts shall exercise jurisdiction to enforce the State's criminal laws within the Klamath Town Site, including the Gaming Facility and all related structures, in the same manner and to the same extent, and subject to the same restraints and limitations, imposed by the laws of the State and the United States, as is exercised by state and local law enforcement agencies and state courts elsewhere in the State, to the fullest extent permitted by decisions of the United States Supreme Court related to Public Law 280. The Tribe hereby consents to such criminal jurisdiction. However, no Gaming Activity conducted by the Tribe pursuant to this Compact may be deemed to be a criminal violation of any law of the State. Except for such Gaming Activity conducted pursuant to this Compact, criminal jurisdiction to enforce state gambling laws, and to adjudicate alleged

violations thereof, is hereby transferred to the State pursuant to 18 U.S.C. § 1166(d).

Sec. 9.4. Tribal Gaming Agency Members.

(a) The Tribe shall take all reasonable steps to ensure that members of the Tribal Gaming Agency are free from corruption, undue influence, compromise, and conflicting interests in the conduct of their duties under this Compact; shall adopt a conflict-of-interest code to that end and shall ensure its enforcement; and shall ensure the prompt removal of any member of the Tribal Gaming Agency who is found to have acted in a corrupt or compromised manner or to have a conflict of interest.

(b) The Tribe shall conduct a background investigation on each prospective member of the Tribal Gaming Agency, who shall meet the background requirements of a management contractor under IGRA; provided further that if such member is elected through a tribal election process, that member may not participate in any Tribal Gaming Agency matters under this Compact unless a background investigation has been concluded and the member has been found to be suitable. If requested by the tribal government or the Tribal Gaming Agency, the State Gaming Agency may assist in the conduct of such a background investigation and may assist in the investigation of any possible corruption or compromise of a member of the agency. Upon receipt of notice that the State Gaming Agency has determined a member to be unsuitable, the Tribe shall remove that member from the Tribal Gaming Agency.

Sec. 9.5. State Gaming Agency Regulations.

(a) Subject to the provisions of section 9.6, the State Gaming Agency may adopt regulations governing matters encompassed in sections 6.0, 7.0 and 9.0 under the following circumstances:

(i) The State Gaming Agency may adopt regulations that apply to any aspect of the Gaming Operation covered by sections 6.0, 7.0 and 9.0 that is not addressed by a regulation of the Tribal Gaming Agency as long as the regulations are not inconsistent with the terms of this Compact.

(ii) The State Gaming Agency may adopt regulations that apply to any aspect of the Gaming Operation covered by sections 6.0, 7.0 and 9.0, when it deems that the regulations adopted by the Tribal Gaming Agency in connection with said subject are ineffective in addressing it, as long as the regulations are not inconsistent with the terms of this Compact.

(iii) In circumstances that present an imminent threat to public health or safety, the State Gaming Agency may adopt a regulation that becomes effective immediately, regardless of whether the Tribe or Tribal Gaming Agency has enacted a regulation on the subject and regardless of whether the regulation is deemed ineffective. Any such regulation shall be accompanied by a detailed, written description of the exigent circumstances, and shall be submitted immediately to the Tribe.

(b) Chapter 3.5 (commencing with section 11340) of Part 1 of Division 3 of Title 2 of the California Government Code does not apply to regulations adopted by the State Gaming Agency under this section in respect to the Gaming Operation.

Sec. 9.6. Approval of State Gaming Regulations.

(a) Except as provided in section 9.5, subdivision (a)(iii), no regulation of the State Gaming Agency shall be adopted as a final regulation with respect to the Tribe's Gaming Operation before the expiration of thirty (30) days after submission of the proposed regulation to the Tribe for comment as a proposed regulation, and after consideration of the Tribe's comments if made within the thirty (30) day period.

(b) Pursuant to subdivision (a), the Tribe may object to a State Gaming Agency regulation on the ground that it is unnecessary, unduly burdensome, or unfairly discriminatory, or that it conflicts with a published final regulation of the NIGC, which objection must be considered by the State Gaming Agency.

(c) The Tribe may seek repeal or amendment of the regulation through the dispute resolution process of section 13.0; provided that if the regulation of the State Gaming Agency conflicts with a final published regulation of the NIGC, the NIGC regulation shall govern, pending conclusion of the dispute resolution process.

SECTION 10.0. PATRON DISPUTES.

The Tribal Gaming Agency shall promulgate regulations governing patron disputes over the play or operation of any game, including any refusal to pay to a patron any alleged winnings from any Gaming Activities, which regulations must meet the following minimum standards:

(a) A patron who makes a complaint to personnel of the Gaming Operation over the play or operation of any game within seven (7) days of said play or operation shall be notified in writing of his or her right to request, within fifteen (15) days of the date of the notice, resolution of the dispute by the Tribal Gaming Agency, and if dissatisfied with the resolution, to seek binding arbitration of the dispute before a retired judge pursuant to the terms and provisions in subdivision (c). Any failure to provide the patron with the aforesaid written notice within fifteen (15) days of the date of the event giving rise to the dispute removes the deadlines herein, leaving only the relevant statutes of limitations under California law that would otherwise apply.

(b) Upon request by the patron for a resolution of his or her complaint, the Tribal Gaming Agency shall conduct an appropriate investigation, shall provide to the patron a copy of its regulations concerning patron complaints, and shall render a decision in accordance with industry practice extant in Nevada and New Jersey. The decision shall be issued within sixty (60) days of the patron's request, shall be in writing, shall be based on the facts surrounding the dispute, and shall set forth the reasons for the decision.

(c) If the patron is dissatisfied with the decision of the Tribal Gaming Agency, or no decision is issued within the sixty (60) day period, the patron may request that the dispute be settled by binding arbitration before a single arbitrator, who shall be a retired judge, in accordance with the streamlined arbitration rules and procedures of JAMS (or if those rules no longer exist, the closest equivalent). Upon such request, the Tribe shall consent to such arbitration, and agree to abide by the decision of the arbitrator; provided, however, that if any alleged winnings are found to be a result of a mechanical, electronic or electromechanical failure and not due to the intentional acts or gross negligence of the Tribe or its agents, the arbitrator shall deny the

patron's claim for the winnings but shall award reimbursement of the amounts wagered by the patron which were lost as a result of any said failure. To effectuate its consent to said arbitration, the Tribe shall, in the exercise of its sovereignty, waive its right to assert sovereign immunity in connection with the arbitrator's jurisdiction and in any action to (i) enforce the Tribe's or the patron's (for purposes of this section, the "parties") obligation to arbitrate, (ii) confirm, correct, modify, or vacate the arbitral award rendered in the arbitration, or (iii) enforce or execute a judgment based upon said award. The cost and expenses of such arbitration shall be initially borne by the Tribe, but the arbitrator shall award to the prevailing party its costs and expenses (but not attorney fees). Any party dissatisfied with the award of the arbitrator may at that party's election invoke the JAMS Optional Arbitration Appeal Procedure (and if those rules no longer exist, the closest equivalent); provided that the party making such election must bear all the costs and expenses of JAMS and the arbitrators associated with the Appeal Procedure, regardless of the outcome.

SECTION 11.0. OFF-RESERVATION ENVIRONMENTAL AND ECONOMIC IMPACTS.

Section 11.8.1. Tribal Environmental Impact Report.

(a) Before the commencement of any Project as defined in section 2.19 herein, the Tribe shall cause to be prepared a tribal environmental impact report, which is hereinafter referred to as a TEIR, analyzing the potentially significant off-reservation environmental impacts of the Project pursuant to the process set forth in this section 11.8; provided, however, that information or data which is relevant to such a TEIR and is a matter of public record or is generally available to the public need not be repeated in its entirety in said TEIR, but may be specifically cited as the source for conclusions stated therein; and provided further that such information or data shall be briefly described, that its relationship to the TEIR shall be indicated, and that the source thereof shall be reasonably available for inspection at a public place or public building. The TEIR shall provide detailed information about the Significant Effect(s) on the Off-Reservation Environment which the Project is likely to have, including each of the matters set forth in Exhibit A, shall list ways in which the Significant

Effects on the Environment might be minimized, and shall include a detailed statement setting forth all of the following:

(1) All Significant Effects on the Environment of the proposed Project;

(2) In a separate section:

(A) Any Significant Effect on the Environment that cannot be avoided if the Project is implemented;
(B) Any Significant Effect on the Environment that would be irreversible if the Project is implemented;

(3) Mitigation measures proposed to minimize Significant Effects on the Environment, including, but not limited to, measures to reduce the wasteful, inefficient, and unnecessary consumption of energy;

(4) Alternatives to the Project; provided that the Tribe need not address alternatives that would cause it to forgo its right to engage in the Gaming Activities authorized by this Compact on its Indian lands;

(5) Whether any proposed mitigation would be feasible;

(6) Any direct growth-inducing impacts of the Project; and

(7) Whether the proposed mitigation would be effective to substantially reduce the potential Significant Effects on the Environment.

(b) In addition to the information required pursuant to subdivision (a), the TEIR shall also contain a statement briefly indicating the reasons for determining that various effects of the Project on the off-reservation environment are not significant and consequently have not been discussed in detail in the TEIR. In the TEIR, the direct and indirect Significant Effects on the Off-Reservation Environment, including each of the items on Exhibit A, shall be clearly identified and described, giving due consideration to both the short-term and long-term effects. The discussion of mitigation measures shall describe feasible measures which could minimize significant adverse effects,

and shall distinguish between the measures that are proposed by the Tribe and other measures proposed by others. Where several measures are available to mitigate an effect, each should be discussed and the basis for selecting a particular measure should be identified. Formulation of mitigation measures should not be deferred until some future time. The TEIR shall also describe a range of reasonable alternatives to the Project or to the location of the Project, which would feasibly attain most of the basic objectives of the Project and which would avoid or substantially lessen any of the Significant Effects on the Environment, and evaluate the comparative merits of the alternatives; provided that the Tribe need not address alternatives that would cause it to forgo its right to engage in the Gaming Activities authorized by this Compact on its Indian lands. The TEIR must include sufficient information about each alternative to allow meaningful evaluation, analysis, and comparison. The TEIR shall also contain an index or table of contents and a summary, which shall identify each Significant Effect on the Environment with proposed measures and alternatives that would reduce or avoid that effect, and issues to be resolved, including the choice among alternatives and whether and how to mitigate the Significant Effects on the Environment. Previously approved land use documents, including, but not limited to, general plans, specific plans, and local coastal plans, may be used in cumulative impact analysis. The Tribe shall consider any recommendations from Del Norte County concerning the person or entity to prepare the TEIR.

Section 11.8.2. Notice of Preparation of Draft TEIR.

(a) Upon commencing the preparation of the draft TEIR, the Tribe shall issue a Notice of Preparation to the State Clearinghouse in the State Office of Planning and Research ("State Clearinghouse") and to Del Norte County for distribution to the public. The Notice shall provide all Interested Persons, as defined in section 2.14, with information describing the Project and its potential Significant Effects on the Environment sufficient to enable Interested Persons to make a meaningful response or comment. At a minimum, the Notice shall include all of the following information:

(1) A description of the Project;

(2) The location of the Project shown on a detailed map, preferably topographical, and on a regional map; and

(3) The probable off-reservation environmental effects of the Project.

(b) The Notice shall also inform Interested Persons of the preparation of the draft TEIR and shall inform them of the opportunity to provide comments to the Tribe within thirty (30) days of the date of the receipt of the Notice by the State Clearinghouse and Del Norte County. The Notice shall also request Interested Persons to identify in their comments the off-reservation environmental issues and reasonable mitigation measures that the Tribe will need to have explored in the draft TEIR.

Section 11.8.3. Notice of Completion of the Draft TEIR.

(a) Within no less than thirty (30) days following the receipt of the Notice of Preparation by the State Clearinghouse and Del Norte County, the Tribe shall file a copy of the draft TEIR and a Notice of Completion with the State Clearinghouse, the State Gaming Agency, Del Norte County, and the California Department of Justice. The Notice of Completion shall include all of the following information:

(1) A brief description of the Project;

(2) The proposed location of the Project;

(3) An address where copies of the draft TEIR are available; and

(4) Notice of a period of forty-five (45) days during which the Tribe will receive comments on the draft TEIR.

(b) The Tribe will submit ten (10) copies each of the draft TEIR and Notice of Completion to Del Norte County which will be asked to post public notice of the draft TEIR at the office of the County Board of Supervisors and to furnish the public notice to the public libraries serving Del Norte County. Del Norte County shall also be asked to serve in a timely manner the Notice of Completion to all Interested

Persons. In addition, the Tribe will provide public notice by at least one of the procedures specified below:

(1) Publication at least one time by the Tribe in a newspaper of general circulation in the area affected by the Project. If more than one area is affected, the notice shall be published in the newspaper of largest circulation from among the newspapers of general circulation in those areas; or

(2) Direct mailing by the Tribe to the owners and occupants of property adjacent to, but outside, the trust lands on which the Project is to be located. Owners of such property shall be identified as shown on the latest equalization assessment roll.

Section 11.8.4. Issuance of Final TEIR.

The Tribe shall prepare, certify and make available to Del Norte County and the State Gaming Agency at least fifty-five (55) days before the completion of negotiations pursuant to section 11.8.7 a Final TEIR, which shall consist of:

(a) The draft TEIR or a revision of the draft;

(b) Comments and recommendations received on the draft TEIR, either verbatim or in summary;

(c) A list of persons, organizations, and public agencies commenting on the draft TEIR;

(d) The responses of the Tribe to significant environmental points raised in the review and consultation process; and

(e) Any other information added by the Tribe.

Section 11.8.5.

The Tribe shall reimburse Del Norte County for copying and mailing costs resulting from making the Notice of Preparation, Notice of Completion, and Draft TEIR available to the public under this section 11.0.

Section 11.8.6.

The Tribe's failure to prepare a TEIR when required may warrant an injunction where appropriate.

Section 11.8.7. Intergovernmental Agreement.

(a) Before the commencement of a Project, and no later than the issuance of the Final TEIR to Del Norte County, the Tribe shall offer to commence negotiations with said County and the State, and upon the County's acceptance of the Tribe's offer, shall negotiate with the County and the State, and shall enter into an enforceable written agreement with both the County and the State with respect to the matters set forth below:

(1) The timely mitigation of any Significant Effect on the Off-Reservation Environment (which effects may include, but are not limited to, aesthetics, agricultural resources, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, water resources, land use, mineral resources, traffic, noise, utilities and service systems, and cumulative effects), where such effect is attributable, in whole or in part, to the Project unless the parties agree that the particular mitigation is infeasible, taking into account economic, environmental, social, technological, or other considerations. In all events, the mitigation must include repair or improvement of the Klamath Community Services District-owned waste water treatment plant or development of another waste water treatment plant to service the Gaming Facility at the Gaming Facility Site.

(2) Compensation for law enforcement, fire protection, emergency medical services and any other public services to be provided by Del Norte County and its special districts to the Tribe for the purposes of the Tribe's Gaming Operation as a consequence of the Project.

(3) Reasonable compensation for programs designed to address gambling addiction.

(4) Mitigation of any effect on public safety attributable to the Project, including any compensation to the County as a consequence thereof.

(b) The Tribe may negotiate, and enter into, an enforceable intergovernmental agreement with the State and Humboldt County relating to compensation for any law enforcement, fire protection, emergency medical services or other public services to be provided by Humboldt County, where authorized by Del Norte County, for purposes of the Tribe's Gaming Operation as a consequence of the Project.

Section 11.8.8. Arbitration.

In order to foster good government-to-government relationships and to assure that the Tribe is not unreasonably prevented from commencing a Project and benefiting therefrom, if an agreement with Del Norte County and the State is not entered within fifty-five (55) days of the submission of the Final TEIR, or such further time as the Tribe, Del Norte County, and the State (for purposes of this section "the parties") may mutually agree in writing, any party may demand binding arbitration before a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association as set forth herein with respect to any remaining disputes arising from, connected with, or related to the negotiation:

(a) The arbitration shall be conducted as follows: Each party shall exchange with each other within five (5) days of the demand for arbitration its last, best written offer made during the negotiation pursuant to section 11.8.7. The arbitrator shall schedule a hearing to be heard within thirty (30) days of his or her appointment unless the parties agree to a longer period. As between the Tribe, Del Norte County, and the State, the arbitrator shall be limited to awarding only one of the offers submitted, without modification, based upon that proposal which best provides feasible mitigation of Significant Effects on the Off-Reservation Environment and on public safety and most reasonably compensates for public services pursuant to Section 11.8.7, without unduly interfering with the principal objectives of the Project or imposing environmental mitigation measures which are different in nature or scale from the type of measures that have been required to mitigate impacts of a similar scale of other projects in the surrounding area, to the extent there are such other projects. The

arbitrator shall take into consideration whether the final TEIR provides the data and information necessary to enable Del Norte County to determine both whether the Project may result in a Significant Effect on the Off-Reservation Environment and whether the proposed measures in mitigation are sufficient to mitigate any such effect. If a respondent or respondents do not participate in the arbitration, the arbitrator shall nonetheless conduct the arbitration and issue an award, and the claimant shall submit such evidence as the arbitrator may require therefor.

(b) Review of the resulting arbitration award is waived.

(c) In order to effectuate this section, and in the exercise of its sovereignty, the Tribe agrees to waive its right to assert sovereign immunity in connection with the arbitrator's jurisdiction and in any action to (i) enforce the other party's obligation to arbitrate, (ii) enforce or confirm any arbitral award rendered in the arbitration, or (iii) enforce or execute a judgment based upon said award.

(d) The arbitral award shall become part of the intergovernmental agreement required under Section 11.8.7.

SECTION 12.0. PUBLIC AND WORKPLACE HEALTH, SAFETY, AND LIABILITY.

Sec. 12.1. General Requirements.

The Tribe will not conduct Class III Gaming in a manner that endangers the public health, safety, or welfare; provided, however, that nothing herein shall be construed to make applicable to the Tribe any state laws or regulations governing the use of tobacco. Notwithstanding the foregoing, the Tribe has agreed to provide a non-smoking area in the Gaming Facility and to utilize a ventilation system throughout the Gaming Facility that exhausts tobacco smoke to the extent reasonably feasible under existing state-of-the-art technology.

Sec. 12.2. Health and Safety Standards.

For the purposes of this Compact, the Tribe shall:

(a) Adopt and comply with state public health standards for food and beverage handling. The Tribe will allow inspection of food and

beverage services in the Gaming Facility by state, county, or city health inspectors, as applicable, during normal hours of operation, to assess compliance with these standards, unless inspections are routinely made by an agency of the United States government to ensure compliance with equivalent standards of the United States Public Health Service. Any report or other writing by said state, county, city, or federal health inspectors shall be transmitted within twenty-four (24) hours to the State Gaming Agency. Nothing herein shall be construed as submission of the Tribe to the jurisdiction of those state, county, or city health inspectors, but any violations of the standards shall be treated as violations of this Compact and may serve as a basis to enjoin the food and beverage operations of the Gaming Facility.

(b) Adopt and comply with federal water quality and safe drinking water standards applicable in California. The Tribe will allow for inspection and testing of water quality at the Gaming Facility by state, county, or city health inspectors, as applicable, during normal hours of operation, to assess compliance with these standards, unless inspections and testing are routinely made by an agency of the United States pursuant to federal law to ensure compliance with federal water quality and safe drinking water standards. Any report or other writings by said state, county, city or federal health inspectors shall be transmitted within twenty-four (24) hours to the State Gaming Agency. Nothing herein shall be construed as submission of the Tribe to the jurisdiction of those state, county, or city health inspectors, but any violations of the standards shall be treated as violations of this Compact and may serve as a basis for enjoining the use or disposal of water at the Gaming Facility.

(c) Comply with the building and safety standards set forth in section 6.4.2.

(d) Adopt and comply with standards no less stringent than federal and state workplace and occupational health and safety standards. The Tribe will allow for inspection of Gaming Facility workplaces by state inspectors, during normal hours of operation, to assess compliance with these standards, unless inspections have been made by an agency of the United States government during the previous calendar quarter to ensure compliance with federal workplace and occupational health and safety standards. The Tribe shall give notice to the State Gaming

Agency of each federal inspection and provide a copy of any reports from said inspection within five (5) business days of the inspection. Nothing herein shall be construed as submission of the Tribe to the jurisdiction of those state inspectors, but any violations of the standards shall be treated as violations of this Compact and may serve as the basis to enjoin employee entry into the Gaming Facility to the extent employee health or safety is endangered by the failure to comply with the workplace and occupational health and safety standards.

(e) Adopt and comply with tribal codes to the extent consistent with the provisions of this Compact and other applicable federal law regarding public health and safety.

(f) Adopt and comply with standards no less stringent than federal laws and state laws forbidding employers from discrimination in connection with the employment of persons working for the Gaming Operation or in the Gaming Facility on the basis of race, color, religion, national origin, gender, sexual orientation, age, or disability.

(g) Adopt and comply with state laws prohibiting a gambling enterprise from cashing any check drawn against a federal, state, county, or city fund, including but not limited to, Social Security, unemployment insurance, disability payments, or public assistance payments.

(h) Adopt and comply with standards that are no less stringent than state laws, if any, prohibiting a gambling or other enterprise from providing, allowing, contracting to provide, or arranging to provide alcoholic beverages, or food or lodging, for no charge or at reduced prices at a gambling establishment, lodging facility, or other enterprise as an incentive or enticement.

(i) Adopt and comply with state laws, if any, prohibiting extensions of credit.

(j) Comply with provisions of the Bank Secrecy Act, P.L. 91-508, October 26, 1970, 31 U.S.C. §§ 5311-5314, as amended, and all reporting requirements of the Internal Revenue Service, insofar as such provisions and reporting requirements are applicable to gambling establishments.

Sec. 12.3. Tribal Gaming Facility Standards Ordinance.

The Tribe shall adopt in the form of an ordinance the standards described in subdivisions (a)-(j) of section 12.2 to which the Gaming Facility is held and shall transmit to the State Gaming Agency said ordinance not later than thirty (30) days after the effective date of this Compact. In the absence of a promulgated tribal standard in respect to a matter identified in said subdivisions, or the express adoption of an applicable federal and/or state statute or regulation, as the case may be, in respect to any such matter, the otherwise applicable federal and/or state statute or regulation shall be deemed to have been adopted by the Tribe as the applicable standard.

Sec. 12.4. Insurance Coverage and Claims.

(a) The Tribe shall obtain and maintain commercial general liability insurance consistent with industry standards for non-tribal casinos in the United States underwritten by an insurer or insurers admitted by the State of California, which provides coverage of no less than Five million dollars ($5,000,000) per occurrence for bodily injury, personal injury, and property damage arising out of, connected with, or relating to the operation of the Gaming Facility or Gaming Activities. The Tribe shall not invoke its sovereign immunity up to the limits of the insurance policy in connection with any claim for bodily injury, personal injury, or property damage, or any judgment resulting therefrom, arising out of, connected with, or relating to the operation of the Gaming Facility or Gaming Activities, including, but not limited to, injuries resulting from entry onto the Tribe's land for purposes of patronizing the Gaming Facility or providing goods or services to the Gaming Facility; provided, however, that nothing herein requires the Tribe to agree to liability for punitive damages or to waive its right to assert sovereign immunity in connection therewith. The Tribe's insurance policy shall acknowledge in writing that the Tribe has waived its right to assert sovereign immunity for claims for bodily injury, personal injury, and property damage up to the limits of the policy and shall include an endorsement providing that the insurer shall not invoke tribal sovereign immunity up to the limits of the policy. However, such endorsement and acknowledgement shall not be deemed to waive or otherwise limit the Tribe's sovereign immunity for the amount of any claim above the policy limits.

(b) The Tribe shall adopt, and at all times hereinafter shall maintain in continuous force, an ordinance that provides for all of the following:

(1) The ordinance shall provide that California tort law, including all applicable statutes of limitations, shall govern all claims of bodily injury, personal injury, or property damage arising out of, connected with, or relating to the operation of the Gaming Facility or the Gaming Activities, including, but not limited to, injuries resulting from entry onto the Tribe's land for purposes of patronizing the Gaming Facility or providing goods or services to the Gaming Facility, provided that California law governing punitive damages need not be a part of the ordinance.

(2) In the exercise of its sovereignty, the Tribe agrees that said ordinance shall also expressly provide for waiver of the Tribe's sovereign immunity with respect to the claims specified in subdivision (b)(1), and the enforcement of any judgment based thereon, but only up to the limits of the insurance policy identified in subdivision (a) and shall provide for the Tribe's consent to jurisdiction of any federal or state court having jurisdiction over the subject matter of any such suit to the extent of the limits of the insurance specified under subdivision (a).

(3) The ordinance may also request that the claimant first exhaust the Tribe's administrative remedies for resolving the claim, provided that the only remedy for a claimant's failure to exhaust the administrative remedies is a stay of any litigation pending their exhaustion and provided further that the exhaustion not take more than 120 days and that the claimant be advised in writing of the administrative remedies within seven (7) days of the Tribe's receipt of notice of the claim.

(c) In the event the Tribe fails to adopt such an ordinance, the tort law of the State of California, including all applicable statutes of limitations, shall apply to all claims of bodily injury, personal injury, and property damage arising out of, connected with, or relating to the operation of the Gaming Facility or the Gaming Activities, including, but not limited to, injuries resulting from entry onto the Tribe's land for purposes of patronizing the Gaming Facility or providing goods or services to the Gaming Facility.

(d) Employees or authorized agents of the Tribe may not invoke, and the Tribe shall not invoke on behalf of any employee or agent, the Tribe's sovereign immunity in connection with any claim for, or any judgment based on any claim for, intentional injury to persons or property committed by the employee or authorized agent, without regard to the Tribe's public liability insurance limits. Nothing herein prevents the Tribe from invoking sovereign immunity on its own behalf or authorizes a claim against the Tribe or a tribally owned entity.

Sec. 12.5. Participation in State Statutory Programs Related to Employment.

(a) The Tribe agrees that it will participate in the State's workers' compensation program with respect to employees employed at the Gaming Facility. The workers' compensation program includes, but is not limited to, state laws relating to the securing of payment of compensation through one or more insurers duty authorized to write workers' compensation insurance in this state or through self-insurance as permitted under the State's workers' compensation laws. All disputes arising from the workers' compensation laws shall be heard by the Workers' Compensation Appeals Board pursuant to the California Labor Code. The Tribe hereby consents to the jurisdiction of the Workers' Compensation Appeals Board and the courts of the State of California for purposes of enforcement. The parties agree that independent contractors doing business with the Tribe are bound by all state workers' compensation laws and obligations.

(b) The Tribe agrees that it will participate in the State's program for providing unemployment compensation benefits and unemployment compensation disability benefits with respect to employees employed at the Gaming Facility, which participation shall include compliance with the provisions of the California Unemployment Insurance Code, and the Tribe consents to the jurisdiction of the state agencies charged with the enforcement of that Code and of the courts of the State of California for purposes of enforcement.

(c) As a matter of comity, with respect to persons employed at the Gaming Facility, the Tribe shall withhold all taxes due to the State as provided in the California Unemployment Insurance Code, and except for Tribal members living on the Tribe's reservation, as provided in

the Revenue and Taxation Code, and shall forward such amounts as provided in said Codes to the State.

(d) As a matter of comity, the Tribe shall, with respect to the earnings of any person employed at the Gaming Facility, comply with all earnings withholding orders for support of a child, or spouse, or former spouse, and all other orders by which the earnings of an employee are required to be withheld by an employer pursuant to Chapter 5 (commencing with Section 706.010) of Division 1 of Title 9 of Part 2 of the California Code of Civil Procedure, and with all earnings assignment orders for support made pursuant to Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the California Family Code or Section 3088 of the Probate Code, or their successor provisions.

Sec. 12.6. Emergency Services Accessibility.

The Tribe shall make reasonable provisions for adequate emergency fire, medical, and related relief and disaster services for patrons and employees of the Gaming Facility.

Sec. 12.7. Alcoholic Beverage Service.

Standards for alcohol service shall be subject to applicable law.

Sec. 12.8. Possession of Firearms.

The possession of firearms by any person in the Gaming Facility is prohibited at all times, except for federal, state, or local law enforcement personnel, or tribal law enforcement or security personnel authorized by tribal law and federal or state law to possess firearms at the Facility.

Sec. 12.9. Labor Relations.

Notwithstanding any other provision of this Compact, the Gaming Activities authorized by this Compact may only commence after the Tribe has adopted an ordinance identical to the Tribal Labor Relations Ordinance attached hereto as Exhibit B and may only continue as long as the Tribe maintains said ordinance. The Tribe shall provide written notice to the State Gaming Agency that it has adopted said ordinance before commencing the Gaming Activities authorized by this Compact.

SECTION 13.0. DISPUTE RESOLUTION PROVISIONS.

Sec. 13.1. Voluntary Resolution.

In recognition of the government-to-government relationship of the Tribe and the State, the parties shall make their best efforts to resolve disputes that arise under this Compact by good faith negotiations whenever possible. Therefore, except for the right of either party to seek injunctive relief against the other when circumstances are deemed to require immediate relief, the Tribe and the State shall seek to resolve disputes by first meeting and conferring in good faith in order to foster a spirit of cooperation and efficiency in the administration and monitoring of the performance and compliance of the terms, provisions, and conditions of this Compact, as follows:

(a) Either party shall give the other, as soon as possible after the event giving rise to the concern, a written notice setting forth the facts giving rise to the dispute and with specificity, the issues to be resolved.

(b) The other party shall respond in writing to the facts and issue set forth in the notice within fifteen (15) days of receipt of the notice, unless both parties agree in writing to an extension of time.

(c) The parties shall meet and confer in good faith by telephone or in person in an attempt to resolve the dispute through negotiation within thirty (30) days after receipt of the notice set forth in subdivision (a), unless both parties agree in writing to an extension of time.

(d) If the dispute is not resolved to the satisfaction of the parties after the first meeting, either party may seek to have the dispute resolved by an arbitrator in accordance with this section, but neither party shall be required to agree to submit to arbitration.

(e) Disagreements that are not otherwise resolved by arbitration or other mutually agreed means may be resolved in the United States District Court in the judicial district where the Tribe's Gaming Facility is located, or any state court of competent jurisdiction in Del Norte County. The disputes to be submitted to court action include, but are not limited to, claims of breach of this Compact. The parties are entitled to all rights of appeal permitted by law in the court system in which the action is brought.

(f) In no event may the Tribe be precluded from pursuing any arbitration or judicial remedy against the State on the ground that the Tribe has failed to exhaust its state administrative remedies, and in no event may the State be precluded from pursuing any arbitration or judicial remedy against the Tribe on the ground that the State has failed to exhaust any tribal administrative remedies.

Sec. 13.2. Arbitration Rules.

Unless otherwise specified in this Compact, arbitration shall be conducted before a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and shall be held in the federal judicial district in which the Tribe's Gaming Facility is located at a location selected by the arbitrator. Each side shall initially bear one-half the costs and expenses of the American Arbitration Association and the arbitrator, but the arbitrator shall award the prevailing party its costs, including the costs of the American Arbitration Association and the arbitrator; however, the parties shall bear their own attorney fees. The provisions of section 1283.05 of the California Code of Civil Procedure shall apply, provided that no discovery authorized by that section may be conducted without leave of the arbitrator. The decision of the arbitrator shall be in writing, shall give reasons for the decision, and shall be binding. Judgment on the award may be entered in any federal or state court having jurisdiction thereof.

Sec. 13.3. No Waiver or Preclusion of Other Means of Dispute Resolution.

This section 13.0 may not be construed to waive, limit, or restrict any remedy that is otherwise available to either party, nor may this section be construed to preclude, limit, or restrict the ability of the parties to pursue, by mutual agreement, any other method of dispute resolution, including, but not limited to, arbitration or mediation.

Sec. 13.4. Limited Waiver of Sovereign Immunity.

(a) For the purpose of actions or arbitrations based on disputes between the State and the Tribe that arise under this Compact and the enforcement of any judgment or award resulting therefrom, the State and the Tribe expressly waive their right to assert their sovereign immunity from suit and enforcement of any ensuing judgment or arbitral award and to the arbitrator's jurisdiction and further consent to

be sued in federal or state court, as the case may be, provided that (i) the dispute is limited solely to issues arising under this Compact, (ii) neither side makes any claim for monetary damages (except that payment of any money required by the terms of this Compact may be sought, and injunctive relief, specific performance (including enforcement of a provision of this Compact requiring the payment of money to one or another of the parties), and declaratory relief may be sought); and (iii) nothing herein shall be construed to constitute a waiver of the sovereign immunity of either the Tribe or the State with respect to any third party that is made a party or intervenes as a party to the action.

(b) In the event that intervention or other participation by any additional party in any action between the State and the Tribe would waive the parties' sovereign immunity as to that additional party, the waivers of either the Tribe or the State provided herein may be revoked, unless joinder is required to preserve the court's jurisdiction.

(c) The waivers and consents provided for under this section 13.0 shall extend to all arbitrations and civil actions authorized by this Compact, including, but not limited to, actions to compel arbitration, any arbitration proceeding herein, any action to confirm, correct, modify, or vacate any arbitral award or to enforce any judgment, and any appellate proceedings emanating from a matter in which an immunity waiver has been granted. Except as stated herein or elsewhere in this Compact, no other waivers or consents to be sued, either express or implied, are granted by either party.

SECTION 14.0. EFFECTIVE DATE AND TERM OF COMPACT.

Sec. 14.1. Effective Date.

This Compact shall not be effective unless and until all of the following have occurred:

(a) The Compact is ratified by statute in accordance with state law; and

(b) Notice of approval or constructive approval is published in the Federal Register as provided in 25 U.S.C. § 2710(d)(3)(B).

Sec. 14.2. Term of Compact; Termination.

(a) Once effective, this Compact shall be in full force and effect for state law purposes until December 31, 2025. No sooner than eighteen (18) months prior to the aforementioned termination date, either party may request the other party to enter into negotiations to extend this Compact or to enter into a new compact.

(b) Either party may bring an action in federal court, after providing a thirty (30) day written notice of an opportunity to cure any alleged breach of this Compact, for a declaration that the other party has materially breached this Compact. Upon issuance of such a declaration by the trial court, unless said declaration is stayed, the complaining party may unilaterally terminate this Compact upon service of written notice on the other party. In the event a federal court determines that it lacks jurisdiction over such an action, the action may be brought in the Superior Court for Del Norte County. The parties expressly waive their immunity to suit for purposes of an action under this subdivision pursuant to and subject to the qualifications stated in section 13.4.

SECTION 15.0. AMENDMENTS; RENEGOTIATIONS.

Sec. 15.1. Amendment by Agreement.

The terms and conditions of this Compact may be amended at any time by the mutual and written agreement of both parties.

Sec. 15.2. Requests to Amend or Renegotiate.

All requests to amend or renegotiate this Compact shall be in writing, addressed to the Tribal Chairperson or the Governor, as the case may be, and shall include the activities or circumstances to be negotiated, together with a statement of the basis supporting the request. A request to amend may include a request to negotiate a new site for the Gaming Facility on the Tribe's eligible Indian lands within its reservation if the Klamath Town Site proves to be impracticable or negotiate an increase in the number of Gaming Devices. If the request meets the requirements of this section, the parties shall confer promptly and determine a schedule for commencing the negotiations within ninety (90) days of the request and both parties shall negotiate in good faith concerning any matters encompassed in this Compact. The Chairperson of the Tribe and the Governor of the State are

hereby authorized to designate the person or agency responsible for conducting the negotiations, and shall execute any documents necessary to do so.

SECTION 16.0. NOTICES.

Unless otherwise indicated by this Compact, all notices required or authorized to be served shall be served by first-class mail at the following addresses, or to such other address as either party may designate by written notice to the other:

Governor
Attention: Legal Affairs Secretary
Governor's Office
State Capitol
Sacramento, California 95814

Tribal Chairperson
Yurok Tribe
190 Klamath Blvd.
P.O. Box 1027
Klamath, California 95548

SECTION 17.0. CHANGES TO IGRA.

This Gaming Compact is intended to meet the requirements of IGRA as it reads on the effective date of this Compact, and when reference is made to IGRA or to an implementing regulation thereof, the referenced provision is deemed to have been incorporated into this Compact as if set out in full. Subsequent changes to IGRA that diminish the rights of the State or the Tribe may not be applied retroactively to alter the terms of this Gaming Compact, except to the extent that federal law validly mandates that retroactive application without the State's or the Tribe's respective consent.

SECTION 18.0. MISCELLANEOUS.

Sec. 18.1. Third Party Beneficiaries.

Except to the extent expressly provided under this Compact, this Compact is not intended to, and shall not be construed to, create any right on the part of a third party to bring an action to enforce any of its terms.

Sec. 18.2. Complete agreement.

This Compact, together with all exhibits and approved amendments, sets forth the full and complete agreement of the parties and supersedes any prior agreements or understandings with respect to the subject matter hereof.

Sec. 18.3. Construction.

Neither the presence in another tribal-state compact of language that is not included in this Compact, nor the absence in another tribal-state compact of language that is present in this Compact shall be a factor in construing the terms of this Compact.

Sec. 18.4. Successor Provisions.

Whenever this Compact makes reference to a specific statutory provision, it also applies to any successor provision.

Sec. 18.5. Representations.

(a) The Tribe expressly represents that as of the date of the undersigned's execution of this Compact the undersigned has the authority to execute this Compact on behalf of the Yurok Tribe, including any waiver of the right to sovereign immunity therein, and will provide written proof of such authority and of the ratification of this Compact by the tribal governing body to the Governor no later than thirty (30) days after the execution of this Compact by the undersigned.

(b) The Tribe further represents that it is (i) recognized as eligible by the Secretary of the Interior for special programs and services provided by the United States to Indians because of their status as Indians, and (ii) recognized by the Secretary of the Interior as possessing powers of self-government.

(c) In entering into this Compact, the State expressly relies upon the foregoing representations by the Tribe, and the State's entry into the Compact is expressly made contingent upon the truth of those representations as of the date of the Tribe's execution of this Compact through the undersigned. If the Tribe fails to timely provide written proof of the undersigned's authority to execute this Compact or written proof of ratification by the Tribe's governing body, the Governor shall have the right to declare this Compact null and void.

IN WITNESS WHEREOF, the undersigned sign this Compact on behalf of the State of California and the Yurok Tribe.

STATE OF CALIFORNIA

By Arnold Schwarzenegger
Governor of the State of California

YUROK TRIBE

By Howard McConnell
Chairperson of the Yurok Tribe
8-29-06

ATTEST:

Secretary of State, State of California

EXHIBITS

A. Off-Reservation Environmental Impacts Checklist

B. Tribal Labor Relations Ordinance

C. Description and Map of the Klamath Town Site

EXHIBIT A

Off-Reservation Environmental Impact Analysis Checklist

I. Aesthetics

Would the project:	*Potentially Significant Impact*	*Less Than Significant With Mitigation Incorporation*	*Less than Significant Impact*	*No Impact*
a) Have a substantial adverse effect on a scenic vista?	☐	☐	☐	☐
b) Substantially damage off-reservation scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	☐	☐	☐	☐
c) Create a new source of substantial light or glare, which would adversely affect day or nighttime views of historic buildings or views in the area?	☐	☐	☐	☐

II. Agricultural Resources

Would the project:	*Potentially Significant Impact*	*Less Than Significant With Mitigation Incorporation*	*Less than Significant Impact*	*No Impact*
a) Involve changes in the existing environment, which, due to their location or nature, could result in conversion of off-reservation farmland to non-agricultural use?	☐	☐	☐	☐

III. Air Quality

Would the project:	*Potentially Significant Impact*	*Less Than Significant With Mitigation Incorporation*	*Less than Significant Impact*	*No Impact*
a) Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	☐	☐
b) Violate any air quality standard or contribute to an existing or projected air quality violation?	☐	☐	☐	☐
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions, which exceed quantitative thresholds for ozone precursors)?	☐	☐	☐	☐

Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less than Significant Impact	No Impact
d) Expose off-reservation sensitive receptors to substantial pollutant concentrations?	☐	☐	☐	☐
e) Create objectionable odors affecting a substantial number of people off-reservation?	☐	☐	☐	☐

IV. Biological Resources

Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less than Significant Impact	No Impact
a) Have a substantial adverse impact, either directly or through habitat modifications, on any species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	☐	☐	☐	☐
b) Have a substantial adverse effect on any off-reservation riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	☐	☐	☐	☐
c) Have a substantial adverse effect on federally protected off-reservation wetlands as defined by Section 404 of the Clean Water Act?	☐	☐	☐	☐
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	☐	☐	☐	☐
e) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	☐	☐	☐	☐

V. Cultural Resources

Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of an off-reservation historical or archeological resource?	☐	☐	☐	☐
b) Directly or indirectly destroy a unique off-reservation paleontological resource or site or unique off-reservation geologic feature?	☐	☐	☐	☐
c) Disturb any off-reservation human remains, including those interred outside of formal cemeteries?	☐	☐	☐	☐

VI. Geology and Soils

Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less than Significant Impact	No Impact
a) Expose off-reservation people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	☐	☐	☐	☐
ii) Strong seismic ground shaking?	☐	☐	☐	☐
iii) Seismic-related ground failure, including liquefaction?	☐	☐	☐	☐
iv) Landslides?	☐	☐	☐	☐
b) Result in substantial off-reservation soil erosion or the loss of topsoil?	☐	☐	☐	☐

VII. Hazards and Hazardous Materials

Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less than Significant Impact	No Impact
a) Create a significant hazard to the off-reservation public or the off-reservation environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	☐	☐

b) Create a significant hazard to the off-reservation public or the off-reservation environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☐	☐
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed off-reservation school?	☐	☐	☐	☐
d) Expose off-reservation people or structures to a significant risk of loss, injury or death involving wildland fires.	☐	☐	☐	☐

VIII. Water Resources

Would the project:	*Potentially Significant Impact*	*Less Than Significant With Mitigation Incorporation*	*Less than Significant Impact*	*No Impact*
a) Violate any water quality standards or waste discharge requirements?	☐	☐	☐	☐
b) Substantially deplete off-reservation groundwater supplies or interfere substantially with groundwater recharge such that there should be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	☐	☐	☐	☐
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion of siltation off-site?	☐	☐	☐	☐
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding off-site?	☐	☐	☐	☐
e) Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff off-reservation?	☐	☐	☐	☐
f) Place within a 100-year flood hazard area structures, which would impede or redirect off-reservation flood flows?	☐	☐	☐	☐
g) Expose off-reservation people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	☐	☐	☐	☐

IX. Land Use

Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less than Significant Impact	No Impact
a) Conflict with any off-reservation land use plan, policy, or regulation of an agency adopted for the purpose of avoiding or mitigating an environmental effect?	☐	☐	☐	☐
b) Conflict with any applicable habitat conservation plan or natural communities conservation plan covering off-reservation lands?	☐	☐	☐	☐

X. Mineral Resources

Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less than Significant Impact	No Impact
a) Result in the loss of availability of a known off-reservation mineral resource classified MRZ-2 by the State Geologist that would be of value to the region and the residents of the state?	☐	☐	☐	☐
b) Result in the loss of availability of an off-reservation locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?	☐	☐	☐	☐

XI. Noise

Would the project result in:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less than Significant Impact	No Impact
a) Exposure of off-reservation persons to noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	☐	☐	☐	☐
b) Exposure of off-reservation persons to excessive groundborne vibration or groundborne noise levels?	☐	☐	☐	☐
c) A substantial permanent increase in ambient noise levels in the off-reservation vicinity of the project?	☐	☐	☐	☐

Would the project result in:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less than Significant Impact	No Impact
d) A substantial temporary or periodic increase in ambient noise levels in the off-reservation vicinity of the project?	☐	☐	☐	☐

XII. Population and Housing

Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less than Significant Impact	No Impact
a) Induce substantial off-reservation population growth?	☐	☐	☐	☐
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere off-reservation?	☐	☐	☐	☐

XIII. Public Services

Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less than Significant Impact	No Impact
a) Result in substantial adverse physical impacts associated with the provision of new or physically altered off-reservation governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the off-reservation public services:				
Fire protection?	☐	☐	☐	☐
Police protection?	☐	☐	☐	☐
Schools?	☐	☐	☐	☐
Parks?	☐	☐	☐	☐
Other public facilities?	☐	☐	☐	☐

XIV. Recreation

Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less than Significant Impact	No Impact
a) Increase the use of existing off-reservation neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☐	☐

XV. Transportation / Traffic

Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less than Significant Impact	No Impact
a) Cause an increase in off-reservation traffic, which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume-to-capacity ratio on roads, or congestion at intersections)?	☐	☐	☐	☐
b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated off-reservation roads or highways?	☐	☐	☐	☐
c) Substantially increase hazards to an off-reservation design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	☐	☐	☐	☐
d) Result in inadequate emergency access for off-reservation responders?	☐	☐	☐	☐

XVI. Utilities and Service Systems

Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less than Significant Impact	No Impact
a) Exceed off-reservation wastewater treatment requirements of the applicable Regional Water Quality Control Board?	☐	☐	☐	☐
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant off-reservation environmental effects?	☐	☐	☐	☐
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant off-reservation environmental effects?	☐	☐	☐	☐

Would the project:	*Potentially Significant Impact*	*Less Than Significant With Mitigation Incorporation*	*Less than Significant Impact*	*No Impact*
d) Result in a determination by an off-reservation wastewater treatment provider (if applicable), which serves or may serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	☐	☐

XVII. Cumulative Effects

Would the project:	*Potentially Significant Impact*	*Less Than Significant With Mitigation Incorporation*	*Less than Significant Impact*	*No Impact*
a) Have impacts that are individually limited, but cumulatively considerable off-reservation? "Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past, current, or probable future projects.	☐	☐	☐	☐

EXHIBIT B

MODEL TRIBAL LABOR RELATIONS ORDINANCE

Section 1: Threshold of applicability

(a) Upon the employment of 250 or more persons in a Tribal Casino and Related Facility, if any, once they are open to the public, the provisions of this Tribal Labor Relations Ordinance (TLRO or Ordinance) shall become effective immediately. For purposes of this ordinance, a "Tribal Casino" is one in which class Ill gaming is conducted pursuant to a tribal-state compact between the State of California and this Tribe. A "Related Facility" is one for which the only significant purpose is to facilitate patronage of the class III gaming operations.

(b) Upon the request of a labor union, the Tribal Gaming Agency shall certify the number of employees in the Tribal Casino or other Related Facility as defined in 1(a) above. Either party may dispute the certification of the Tribal Gaming Agency to the Tribal Labor Panel.

Section 2: Definition of Eligible Employees

(a) The provisions of this ordinance shall apply to any person (hereinafter "Eligible Employee") who is employed within the Tribal Casino or other Related Facility, except for any of the following:

(1) any employee who is a supervisor, defined as any individual having authority, in the interest of the Tribe and/or employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibility to direct them or to adjust their grievances, or effectively to recommend such action, if in connection with the foregoing the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment;

(2) any employee of the Tribal Gaming Agency;

(3) any employee of the security or surveillance department, other than those who are responsible for the technical repair and maintenance of equipment;

(4) any cash operations employee who is a "cage" employee or money counter, or auditor; or

(5) any dealer.

Section 3: Non-interference with regulatory or security activities

Operation of this Ordinance shall not interfere in any way with the duty of the Tribal Gaming Agency to regulate the gaming operation in accordance with the Tribe's National Indian Gaming Commission-approved gaming ordinance. Furthermore, the exercise of rights hereunder shall in no way interfere with the Tribal Casino's surveillance/security systems, or any other internal controls system designed to protect the integrity of the Tribe's gaming operations. The Tribal Gaming Agency is specifically excluded from the definition of Tribe and its agents.

Section 4: Eligible Employees free to engage in or refrain from concerted activity

Eligible Employees shall have the right to self-organization, to form, to join, or assist employee organizations, to bargain collectively through representatives of their own choosing, to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any or all such activities.

Section 5: Unfair Labor Practices for the Tribe

It shall be an unfair labor practice for the Tribe and/or employer or their agents:

(1) to interfere with, restrain or coerce Eligible Employees in the exercise of the rights guaranteed herein;

(2) to dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it, but this does not restrict the Tribe and/or employer and a certified union from agreeing to union security or dues checkoff;

(3) to discharge or otherwise discriminate against an Eligible Employee because s/he has filed charges or given testimony under this Ordinance;

(4) to refuse to bargain collectively with the representatives of Eligible Employees.

Section 6: Unfair Labor Practices for the union

It shall be an unfair labor practice for a labor organization or its agents:

(1) to interfere, restrain or coerce Eligible Employees in the exercise of the rights guaranteed herein;

(2) to engage in, or to induce or encourage any individual employed by any person engaged in commerce or in an industry affecting commerce to engage in, a strike or a primary or secondary boycott or a refusal in the course of his employment to use, manufacture, process, transport or otherwise handle or work on any goods, articles, materials, or commodities or to perform any services; or to threaten, coerce, or restrain any person engaged in commerce or in an industry affecting commerce or other terms and conditions of employment. This section does not apply to section 10;

(3) to force or require the Tribe and/or employer to recognize or bargain with a particular labor organization as the representative of Eligible Employees if another labor organization has been certified as the representative of such Eligible Employees under the provisions of this TLRO;

(4) to refuse to bargain collectively with the Tribe and/or employer, provided it is the representative of Eligible Employees subject to the provisions herein;

(5) to attempt to influence the outcome of a tribal governmental election, provided, however, that this section does not apply to tribal members.

Section 7: Tribe and union right to free speech

The Tribe's and labor organization's expression of any view, argument or opinion or the dissemination thereof, whether in written, printed, graphic or visual form, shall not constitute or be evidence of interference with, restraint or coercion if such expression contains no threat of reprisal or force or promise of benefit.

Section 8: Access to Eligible Employees

(a) Access shall be granted to the labor organization for the purposes of organizing Eligible Employees, provided that such organizing activity shall not interfere with patronage of the Tribal Casino or Related Facility or with the normal work routine of the Eligible Employees and shall be done on non-work time in non-work areas that are

designated as employee break rooms or locker rooms that are not open to the public. The Tribe may require the labor organization and or union organizers to be subject to the same licensing rules applied to individuals or entities with similar levels of access to the Tribal Casino or Related Facility, provided that such licensing shall not be unreasonable, discriminatory, or designed to impede access.

(b) The Tribe, in its discretion, may also designate additional voluntary access to the labor organization in such areas as employee parking lots and non-Casino facilities located on tribal lands.

(c) In determining whether organizing activities potentially interfere with normal tribal work routines, the labor organization's activities shall not be permitted if the Tribal Labor Panel determines that they compromise the operation of the casino:

(1) security and surveillance systems throughout the casino, and reservation;

(2) access limitations designed to ensure security;

(3) internal controls designed to ensure security;

(4) other systems designed to protect the integrity of the Tribe's gaming operations, tribal property and/or safety of casino personnel, patrons, employees or tribal members, residents, guests or invitees.

(d) The Tribe shall provide to the labor organization, upon a thirty percent (30%) showing of interest to the Tribal Labor Panel, an election eligibility list containing the full first and last name of the Eligible Employees within the sought after bargaining unit and the Eligible Employees' last known address within ten (10) working days. Nothing herein shall preclude a Tribe from voluntarily providing an election eligibility list at an earlier point of a union organizing campaign.

(e) The Tribe agrees to facilitate the dissemination of information from the labor organization to Eligible Employees at the Tribal Casino by allowing posters, leaflets and-other written materials to be posted in non-public employee break areas where the Tribe already posts announcements pertaining to Eligible Employees. Actual posting of

such posters, notices, and other materials, shall be by employees desiring to post such materials.

Section 9: Secret ballot elections

(a) Dated and signed authorized cards from thirty percent (30%) or more of the Eligible Employees within the bargaining unit verified by the elections officer will result in a secret ballot election to be held within 30 days from presentation to the elections officer, unless the Tribe and a labor organization have agreed to a different arrangement that affords the majority of Eligible Employees the right to choose a labor organization as their exclusive collective bargaining representative.

(b) The election shall be conducted by the election officer. The election officer shall be a member of the Tribal Labor Panel chosen pursuant to the dispute resolution provisions herein. All questions concerning representation of the Tribe and/or employer's Eligible Employees by a labor organization shall be resolved by the election officer. The election officer shall be chosen upon notification by the labor organization to the Tribe of its intention to present authorization cards, and the same election officer shall preside thereafter for all proceedings under the request for recognition; provided however that if the election officer resigns, dies or is incapacitated for any other reason from performing the functions of this office, a substitute election officer shall be selected in accordance with the dispute resolution provisions herein.

(c) The election officer shall certify the labor organization as the exclusive collective bargaining representative of a unit of employees if the labor organization has received the majority of votes by employees voting in a secret ballot election that the election officer determines to have been conducted fairly. If the election officer determines that the election was conducted unfairly due to misconduct by the Tribe and/or employer or labor organization, the election officer may order a re-run election. I f the election officer determines that there was the commission of serious Unfair Labor Practices by the Tribe that interfere with the election process and preclude the holding of a fair election, and the labor organization is able to demonstrate that it had the support of a majority of the employees in the unit at any point before or during the course of the Tribe's misconduct, the election officer shall certify the labor organization.

(d) The Tribe or the labor organization may appeal any decision rendered after the date of the election by the election officer to a three (3) member panel of the Tribal Labor Panel mutually chosen by both parties.

(e) A labor organization which loses an election and has exhausted all dispute remedies related to the election may not invoke any provisions of this labor ordinance at the Tribal Casino or Related Facility until one year after the election was lost.

Section 10: Collective bargaining impasse

Upon recognition, the Tribe and the labor organization will negotiate in good faith for a collective bargaining agreement covering bargaining unit employees represented by the labor organization. If collective bargaining negotiations result in impasse, and the matter has not been resolved by the tribal forum procedures sets forth in Section 12 (b) governing resolution of impasse within sixty (60) working days or such other time as mutually agreed to by the parties, the labor organization shall have the right to strike. Strike-related picketing shall not be conducted on Indian lands as defined in 25 U.S.C. Sec. 2703 (4).

Section 11: Decertification of bargaining agent

(a) The filing of a petition signed by thirty percent (30%) or more of the Eligible Employees in a bargaining unit seeking the decertification of a certified union, will result in a secret ballot election to be held 30 days from the presentation of the petition.

(b) The election shall be conducted by an election officer. The election officer shall be a member of the Tribal Labor Panel chosen pursuant to the dispute resolution provisions herein. All questions concerning the decertification of the labor organization shall be resolved by an election officer. The election officer shall be chosen upon notification to the Tribe and the labor organization of the intent of the employees to present a decertification petition, and the same election officer shall preside thereafter for all proceedings under the request for decertification; provided however that if the election officer resigns, dies or is incapacitated for any other reason from performing the functions of this office, a substitute election officer shall be selected in accordance with the dispute resolution provisions herein.

(c) The election officer shall order the labor organization decertified as the exclusive collective bargaining representative if a majority of the employees voting in a secret ballot election that the election officer determines to have been conducted fairly vote to decertify the labor organization. If the election officer determines that the election was conducted unfairly due to misconduct by the Tribe and/or employer or the labor organization, the election officer may order a re-run election or dismiss the decertification petition.

(d) A decertification proceeding may not begin until one (1) year after the certification of a labor organization if there is no collective bargaining agreement. Where there is a collective bargaining agreement, a decertification petition may only be filed no more than 90 days and no less than 60 days prior to the expiration of a collective bargaining agreement. A decertification petition may be filed anytime after the expiration of a collective bargaining agreement.

(e) The Tribe or the labor organization may appeal any decision rendered after the date of the election by the election officer to a three (3) member panel of the Tribal Labor Panel mutually chosen by both parties.

Section 12: Binding dispute resolution mechanism

(a) All issues shall be resolved exclusively through the binding dispute resolution mechanisms herein, with the exception of a collective bargaining negotiation impasse, which shall only go through the first level of binding dispute resolution.

(b) The first level of binding dispute resolution for all matters related to organizing, election procedures, alleged unfair labor practices, and discharge of Eligible Employees shall be an appeal to a designated tribal forum such as a Tribal Council, Business Committee, or Grievance Board.

The parties agree to pursue in good faith the expeditious resolution of these matters within strict time limits. The time limits may not be extended without the agreement of both parties. In the absence of a mutually satisfactory resolution, either party may proceed to the independent binding dispute resolution set forth below. The agreed upon time limits are set forth as follows:

(1) All matters related to organizing, election procedures and alleged unfair labor practices prior to the labor organization

becoming certified as the collective bargaining representative of bargaining unit employees, shall be resolved by the designated tribal forum within thirty (30) working days.

(2) All matters after the labor organization has become certified as the collective bargaining representative and relate specifically to impasse during negotiations, shall be resolved by the designated tribal forum within sixty (60) working days;

(c) The second level of binding dispute resolution shall be a resolution by the Tribal Labor Panel, consisting of ten (10) arbitrators appointed by mutual selection of the parties which panel shall serve all tribes that have adopted this ordinance. The Tribal Labor Panel shall have authority to hire staff and take other actions necessary to conduct elections, determine units, determine scope of negotiations, hold hearings, subpoena witnesses, take testimony, and conduct all other activities needed to fulfill its obligations under this Tribal Labor Relations Ordinance.

(1) Each member of the Tribal Labor Panel shall have relevant experience in federal labor law and/or federal Indian law with preference given to those with experience in both. Names of individuals may be provided by such sources as, but not limited to, Indian Dispute Services, Federal Mediation and Conciliation Service, and the American Academy of Arbitrators.

(2) Unless either party objects, one arbitrator from the Tribal Labor Panel will render a binding decision on the dispute under the Ordinance. If either party objects, the dispute will be decided by a three-member panel of the Tribal Labor Panel, which will render a binding decision. In the event there is one arbitrator, five (5) Tribal Labor Panel names shall be submitted to the parties and each party may strike no more that two (2) names. In the event there is a three (3) member panel, seven (7) TLP names shall be submitted to the parties and each party may strike no more than two (2) names. A coin toss shall determine which party may strike the first name. The arbitrator will generally follow the American Arbitration Association's procedural rules relating to labor dispute resolution. The arbitrator or panel must render a written, binding decision that complies in all respects with the provisions of this Ordinance.

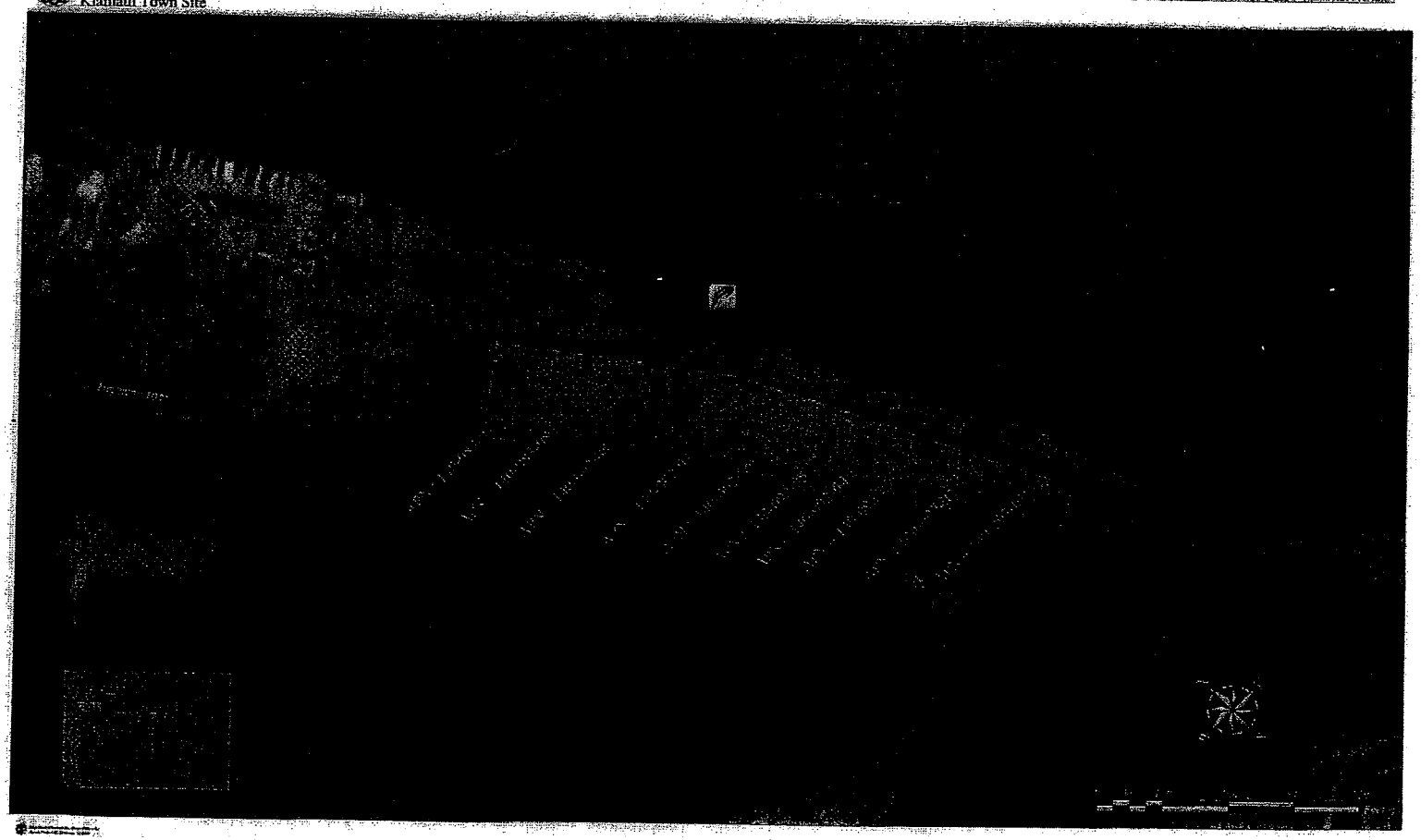
(d) Under the third level of binding dispute resolution, either party may seek a motion to compel arbitration or a motion to confirm an arbitration award in Tribal Court, which may be appealed to federal court. If the Tribal Court does not render its decision within 90 days, or in the event there is no Tribal Court, the matter may proceed directly to federal court. In the event the federal court declines jurisdiction, the Tribe agrees to a limited waiver of its sovereign immunity for the sole purpose of compelling arbitration or confirming an arbitration award issued pursuant to the Ordinance in the appropriate state superior court. The parties are free to put at issue whether or not the arbitration award exceeds the authority of the Tribal Labor Panel.

EXHIBIT C

DESCRIPTION & MAP OF KLAMATH TOWN SITE

(a) Gaming Facility Site: All land in Klamath Townsite according to the map filed in the office of the County Recorder of Del Norte County, California, including but not limited to the land referenced by Assessor Parcel Numbers 140-092-01, 140-092-02, 140-092-03, 140-092-04, 140-092-05, 140-092-06, 140-092-07, 140-092-08, 140-083-07, and 140-083-08 within South East 1/4 of Section 10, Township 13 North, Range 1 East, Humboldt Base Meridian.

(b) Ancillary Facility Site: That land in Klamath Townsite known as the Pem-Mey Fuel Mart located at 125 Ehlers Way, Klamath, California 95548, according to the map filed in the office of the County Recorder of Del Norte County, California, referenced by Assessor Parcel Numbers 140-083-01, 140-083-02, and 140-083-03.

Yurok Tribe
Klamath Town Site

South East 1/4 of Section 10, Township 13 North, Range 1 East, Humboldt Meridian