

**RINCON SAN LUISEÑO BAND OF MISSION INDIANS
UNIFORM COMMERCIAL CODE**

**ORDINANCE ADOPTING ARTICLES 1 AND 9 OF UCC
FOR EXCLUSIVE APPLICATION TO THE
HOTEL/CASINO GAMING ENTERPRISE**

CHAPTER I-1

Section I-1-1. Sovereign Powers and Responsibilities

This Title is enacted pursuant to the inherent sovereign tribal powers expressly delegated to the Rincon Tribal Business Committee (the "Committee") in Section 6(c) of the Articles of Association as amended on December 19, 1979, which authorize the Committee to promulgate and enforce ordinances, including but not limited to, providing for the maintenance of law and order and the administration of justice on the Reservation, manage and otherwise deal with tribal lands and property, to exclude by ordinance from the restricted lands of the Reservation people not legally entitled to reside therein, to regulate the conduct of trade and the use and lease of property upon the Reservation, to engage in any business that will promote the health, peace, morals, education and welfare of the Rincon San Luiseño Band of Mission Indians and its members (hereinafter the "Tribe"), to administer tribal matters in accordance with accounting, property control and personnel procedures established by the Committee, to make expenditures from available tribal funds for tribal purposes and to delegate to subordinate boards or tribal officials the foregoing powers, subject to review by the Committee. The Committee hereby adopts the following Ordinance Adopting Articles 1 and 9 of the Uniform Commercial Code which shall apply only with respect to the grant and creation of the Security Interest by the Tribe in certain assets pursuant to that certain Security Agreement in favor of HCAL Corporation ("HCAL") authorized by Resolution No. 2000-13 dated March 15, 2000 and that certain Security and Reimbursement Agreement in favor of HCAL, Harrah's Operating Company, Inc. ("HOC"), and Harrah's Entertainment, Inc ("HEI"), authorized by Resolution No. 2000-12 dated March 15, 2000 (collectively or individually the "Casino Transaction"):

WHEREAS, the Tribe has contracted with HCAL for the development and management of the Tribe's Class III gaming activities on the Tribal Reservation; and

WHEREAS, to finance construction of the Class III gaming casino on the Land as described in the Security and Reimbursement Agreement (the "Casino") the Tribe will grant a security interest in certain of the Casino assets in favor of HCAL, HOC, and HEI (collectively, the "Secured Parties"); and

WHEREAS, to establish certainty with respect to the rights and obligations of the Secured Parties and the Tribe with respect to the Casino Transaction, it is desirable to adopt the Uniform Commercial Code Articles 1 and 9 by ordinance of the Rincon San Luiseño Band of Mission Indians.

NOW, THEREFORE, the Tribe adopts the following Ordinance which shall apply only with respect to the Casino Transaction:

**CHAPTER II-2
ADOPTION OF ARTICLES 1 AND 9**

Section II-2-1.

(A) Except as otherwise provided or modified by this ordinance, all provisions of Article 1 and Article 9 of the Uniform Commercial Code, as set forth in the 1972 Official Text of the Uniform Commercial Code drafted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws (the "UCC"), are adopted as the law of this Tribe applicable to the Casino Transaction (but the provisions of this Ordinance shall not be applicable to any other transactions of the Tribe).

(B) To the extent that Article 1 and Article 9 incorporate definitional provisions from Articles 2, 2A, 3, 4, 5, 6, 7 or 8 of the UCC, such definitions as set forth in Articles 2, 2A, 3, 4, 5, 6, 7 or 8 of the UCC are adopted.

(C) To the extent that Article 1 and Article 9 refer to nondefinitional provisions of Articles 2, 2A, 3, 4, 5, 6, 7 or 8 of the UCC, any court interpreting this Ordinance shall be guided by such provisions of Articles 2, 2A, 3, 4, 5, 6, 7 or 8 to the extent necessary to give the intended effect to Article 1 and Article 9, but such provisions of Articles 2, 2A, 3, 4, 5, 6, 7 or 8 are not specifically adopted as the law of this Tribe.

(D) As adopted by this ordinance, all references in Article 1 and Article 9 to "this state" are modified to refer to the

Tribe, or to lands under the jurisdiction of the Tribe, as the context requires.

(E) As used in this Ordinance, "United States" includes its territories and possessions and the Commonwealth of Puerto Rico, including lands under the jurisdiction of this Tribe.

**CHAPTER III-3
AMENDMENTS TO ARTICLE 1 OF THE UNIFORM COMMERCIAL CODE**

Section III-3-1.

Article 1 of the UCC, as adopted by this Ordinance, is amended as follows:

(A) Section 1-101 is deleted and all references in Article 1 to this "Act" shall be deemed to refer to this Ordinance.

(B) Section 1-102(2) is deleted.

(C) Section 1-103 is modified to provide as follows: "Unless displaced by the particular provisions of this Ordinance, the principles of law and equity as developed by this Tribe and, where required to supplement Tribal law, California state law, including the law relative to merchant capacity to contract, principal and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy, or other validating or invalidating cause shall supplement its provisions."

(D) Section 1-105 is modified to provide as follows:

"(1) Except as provided hereafter in this section, when a transaction bears a reasonable relation to the Tribe, and also to another nation or state within such other nation, including but not limited to an individual state of the United States, the parties may agree that the law either of this Tribe or such other nation or state within such nation shall govern their rights and duties.

(2) Where the perfection provisions of Article 9 specify the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the law (including the conflict of laws rules) so specified."

**CHAPTER IV-4
AMENDMENTS TO ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE**

Section IV-4-1

Article 9 of the UCC, as adopted by this Ordinance, is amended as follows:

(A) Section 9-103(2)(a) is modified by changing the phrase "a statute of this state" to read "a law of this Tribe."

(B) Section 9-104(e) is deleted

(C) Section 9-203(4) is deleted.

(D) Section 9-302(3)(b) is deleted.

(E) Except as specifically provided in subsection (f) below, Part 4 of Article 9 of the UCC is deleted, and Part 4 of Article 9, in the form now enacted and as hereafter amended in the state of California (the "State") is adopted as the law of this Tribe with respect to the Casino Transaction.

(F) As adopted by subsection (E) above, Part 4 of Article 9 is modified as follows:

(i) The date appearing in the first clause of Section 9-404(1), as enacted by the State, is replaced with the effective date of this Ordinance.

(ii) As adopted by this Ordinance, all references in Part 4 to the offices of the Secretary of State, the county recorder or other offices shall be interpreted to refer to such offices as established from time to time by the State or its political subdivisions.

**CHAPTER V-5
Miscellaneous**

Section V-5-1

All tribal laws and parts of tribal laws inconsistent with this Ordinance are hereby repealed as they apply to the Casino Transaction.

Section V-5-2

Nothing contained in this Ordinance shall be construed as a waiver of the sovereign immunity of the Tribe or any of their officers, agents or instrumentalities.

Section V-5-3

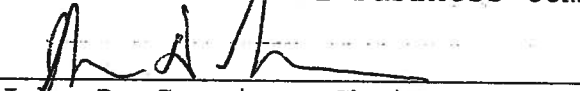
This ordinance shall apply only to the Casino Transaction.

Section V-5-4


This Ordinance shall remain in force and shall not be amended or repealed so long as the Security and Reimbursement Agreement is in force.

Now therefore be it ordained by the Tribal Business Committee of the Rincon San Luiseño Band of Mission Indians in council assembled with quorum present that this Ordinance is and hereby is approved and adopted on behalf of the Rincon San Luiseno Band of Mission Indians and shall be effective upon July 25th, 2000.

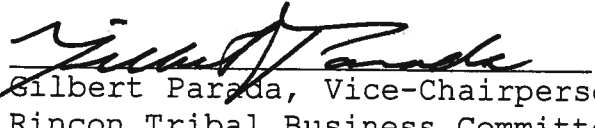
Done this 25th day of July 2000, by the following members of the Rincon Tribal Business Committee.



John D. Currier, Chairperson
Rincon Tribal Business Committee
Committee

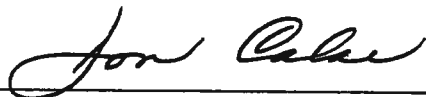


Sheryl Gahn, Council Member
Rincon Tribal Business

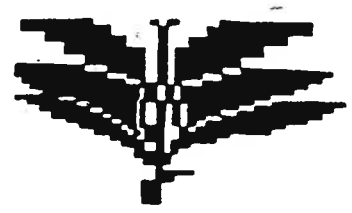


Gilbert Parada, Vice-Chairperson
Rincon Tribal Business Committee
Committee

Bo Mazzetti, Council Member
Rincon Tribal Business



Don Calac, Council Member
Rincon Tribal Business Committee



Rincon Indian Reservation

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AMENDMENT NO. 1 TO THE RINCON SAN LUISENO BAND OF MISSION INDIAN UNIFORM COMMERCIAL CODE

This AMENDMENT to the Rincon San Luiseno Band of Mission Indian Uniform Commercial Code ("Tribal UCC" herein) is made this 6th day of September, 2000.

WHEREAS, the inherent sovereign tribal powers expressly delegated to the Rincon Tribal Business Committee ("Committee") in Section 6(c) of the Articles of Association as amended on December 19, 1979 authorize the Committee to promulgate and enforce ordinances; and

WHEREAS the Committee has adopted the Ordinance Adopting Articles 1 and 9 of the Uniform Commercial Code to apply only with respect to certain of the Band's contracts with HCAL Corporation, Harrah's Operating Company, Inc., and Harrah's Entertainment, Inc.; however, the Committee would like the provisions of the Ordinance to also apply to particular tribal contracts with Wells Fargo Bank National Association ("Wells Fargo"); and

WHEREAS, the Committee desires to amend the Tribal UCC to accomplish that result.

IT IS HEREBY AGREED AS FOLLOWS:

Chapter I-1, Section I-1-1, Paragraph 1 of the Tribal UCC is amended to read as follows:

The Committee hereby adopts the following Ordinance Adopting Articles 1 and 9 of the Uniform Commercial Code which shall apply only with respect to the grant and creation of the Security Interest by the Tribe in certain assets pursuant to that certain Security Agreement in favor of HCAL Corporation ("HCAL") authorized by Resolution No. 2000-13

dated March 15, 2000; that certain Security and Reimbursement Agreement in favor of HCAL, Harrah's Operating Company, Inc. ("HOC"), and Harrah's Entertainment, Inc. ("HEI"), authorized by Resolution No. 2000-12 dated March 15, 2000; and that certain Security Agreement in favor of Wells Fargo, authorized by Resolution No. 2000-__ dated September __, 2000 (collectively or individually the "Casino Transaction"):

Insert the following paragraph after Chapter I-1, Section I-1-1, Paragraph 3 of the Tribal UCC:

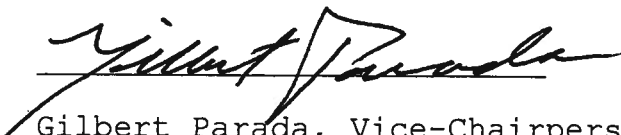
WHEREAS, to finance construction of the Class III Gaming Casino on the Land, as described in the Loan Agreement between the Tribe and Wells Fargo dated September 6, 2000, the Tribe will grant a security interest in certain of the Casino assets in favor of Wells Fargo (also known as a "Secured Party"); and

DATED this 6th day of September, 2000.

RINCON SAN LUISENO BAND OF MISSION INDIANS



John D. Currier, Chairman,
Rincon Tribal Business Committee



Gilbert Parada, Vice-Chairperson
Rincon Tribal Business Committee

Don Calac

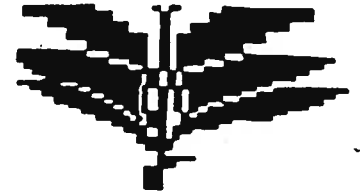
Don Calac, Committee Member
Rincon Tribal Business Committee

Sheryl Grahn

Sheryl Grahn, Committee Member
Rincon Tribal Business Committee

Bo Mazzetti

Bo Mazzetti, Committee Member
Rincon Tribal Business Committee



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AMENDMENT NO. 2 TO THE RINCON SAN LUISENO BAND OF MISSION INDIAN UNIFORM COMMERCIAL CODE

This AMENDMENT to the Rincon San Luiseno Band of Mission Indian Uniform Commercial Code ("Tribal UCC" herein) is made this 13th day of September, 2000.

WHEREAS, the inherent sovereign tribal powers expressly delegated to the Rincon Tribal Business Committee ("Committee") in Section 6(c) of the Articles of Association, as amended on December 19, 1979, authorize the Committee to promulgate and enforce ordinances; and

WHEREAS, the Committee has initially adopted the Ordinance Adopting Articles 1 and 9 of the Uniform Commercial Code to apply only with respect to certain of the Band's contracts with HCAL Corporation, Harrah's Operating Company, Inc., and Harrah's Entertainment, Inc.; and

WHEREAS, the Committee would like the provisions of the Ordinance to have general application to all commercial transactions which are under the jurisdiction of the Rincon San Luiseno Band of Mission Indians ("the Tribe"); and

WHEREAS, the Committee desires to amend the Tribal UCC to accomplish that result.

IT IS HEREBY AGREED AS FOLLOWS:

1. The portion of the Ordinance title reading "FOR EXCLUSIVE APPLICATION TO THE HOTEL/CASINO GAMING ENTERPRISE" is deleted.
2. Chapter I-1, Section I-1-1, Paragraph 1 of the Tribal UCC is amended to read as follows:

The Committee hereby adopts the following Ordinance Adopting Articles 1 and 9 of the Uniform Commercial Code which shall have general application to all commercial transactions which are under the jurisdiction of the Rincon San Luiseno Band of Mission Indians.

3. Paragraphs 2, 3 and 4 of Chapter I-1, Section I-1-1, are deleted.

4. The portion of Paragraph 5 of Chapter I-1, Section I-1-1, which reads "which shall apply only to with respect to the Casino Transaction" is deleted.

5. Section II-2-1(A) of Chapter II-2 is amended to read as follows:

Except as otherwise provided or modified by this Ordinance, all provisions of Article 1 and Article 9 of the Uniform Commercial Code, as set forth in the 1972 Official Text of the Uniform Commercial Code drafted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws (the "UCC"), are adopted as the law of this Tribe applicable to all commercial transactions which are under the jurisdiction of the Tribe.

6. The portion of Section IV-4-1(E) of Chapter IV-4 which reads "with respect to the Casino Transaction" is deleted.

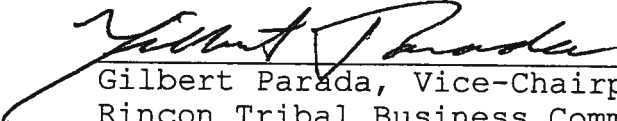
7. Sections V-5-3 and V-5-4 of Chapter V-5 are deleted.

NOW THEREFORE, BE IT ORDAINED, by the Tribal Business Committee of the Rincon San Luiseno Band of Mission Indians in council assembled with quorum present that this Ordinance is hereby approved and adopted on behalf of the Rincon San Luiseno Band of Mission Indians and shall be effective upon September 13, 2000.

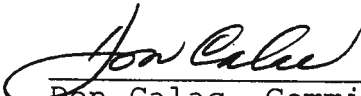
DATED this 13th day of September, 2000.

RINCON SAN LUISENO BAND OF MISSION INDIANS

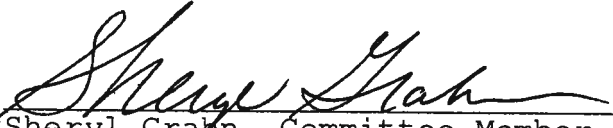
John D. Currier, Chairman,
Rincon Tribal Business Committee



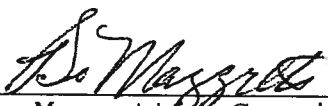
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Rincon Tribal Business Committee



Sheryl Grain, Committee Member
Rincon Tribal Business Committee



Bo Mazzetti, Committee Member
Rincon Tribal Business Committee