

National Indian Gaming Commission

SETTLEMENT AGREEMENT

SA-06-02

INTRODUCTION

This Settlement Agreement ("Agreement") is entered into by and between John Feliz, Jr., Chairperson of the Coyote Valley Band of Pomo Indians, a federally-recognized Indian tribe ("Tribe") and Philip N. Hogen, the Chairman of the National Indian Gaming Commission ("Chairman") relating to the matters contained in Notice of Violation No. NOV-06-02.

RECITALS

Whereas, the Tribe has conducted gaming on Indian lands at a facility named Coyote Valley Shodakui Casino in Redwood Valley, California, since approximately 1996;

Whereas the Chairman issued a Notice of Violation (NOV) No. NOV-06-02, alleging that the Tribe failed to timely file an annual audit and quarterly statements and fees;

Whereas the Tribe filed a timely appeal from the NOV on February 21, 2006; and

Whereas, the Chairman and the Tribe desire to resolve issues related to Notice of Violation No. NOV-06-02.

Therefore, the Chairman and the Tribe have agreed to execute this Agreement and perform in accordance with the following covenants and conditions:

TERMS OF SETTLEMENT

1. This Agreement is entered into pursuant to 25 C.F.R. § 575.6 (b) and shall be effective upon the signature of all parties.
2. On January 18, 2006, the NIGC issued Notice of Violation No. NOV-06-02 to the Tribe relating to the:
 - a. failure to submit a timely annual audit report
 - b. Shodakai Casino's untimely submissions of the quarterly statements and fee payments to the NIGC for the following quarters:

<u>Quarter:</u>	<u>Due:</u>	<u>Received:</u>
1 st 2000	3/31/00	4/13/00
1 st 2002	3/31/02	5/9/02
1 st 2003	3/31/03	11/12/03
2 nd 2003	6/30/03	11/12/03
3 rd 2003	9/30/03	11/12/03
1 st 2004	3/31/04	8/3/04
2 nd 2004	6/30/04	8/3/04
3 rd 2004	9/30/04	6/23/05
4 th 2004	12/31/04	6/23/05
1 st 2005	3/31/05	1/9/06
2 nd 2005	6/30/05	1/9/06
3 rd 2005	9/30/05	1/9/06
4 th 2005	12/31/05	1/9/06

3. Rather than contest the issues of the timeliness of the submission of the annual audit report and statements and fees, the Tribe agrees to the terms and conditions set forth in this Settlement Agreement.
4. Annual Audit Report. The Tribe agrees to pay a fine in the amount of Ten Thousand Dollars (\$10,000.00). Two Thousand Five Hundred Dollars

(\$2,500.00) of the fine will be paid on or before April 29, 2006. The remaining Seven Thousand Five Hundred Dollars (\$7,500.00) will be suspended pending the timely submission of an annual audit report for the fiscal year ending December 31, 2005. Upon timely submission of the annual audit report for the Shodakai Casino for the fiscal year ending December 31, 2005, the Chairman will forgive the suspended Seven Thousand Five Hundred dollar (\$7,500.00) fine. If the Tribe fails to timely submit the Shodakai Casino annual audit report for the fiscal year ending December 31, 2005, the remaining Seven Thousand Five Hundred Dollars (\$7,500.00) of the fine will be paid on or before June 30, 2006.

5. Quarterly Statements and Fees. The Tribe agrees to pay a fine in the amount of Eight Thousand Dollars (\$8,000.00). One Thousand Dollars (\$1,000.00) of the fine will be paid upon execution of this Agreement. One Thousand Dollars (\$1,000.00) of the fine will be paid within thirty (30) days following execution of this Agreement. The remaining Six Thousand Dollars (\$6,000.00) will be suspended pending the timely submission of the quarterly statement and fee payment for the Shodakai Casino for each quarter up to March 31, 2007. Upon timely submission of the quarterly statement and fee payment for the Shodakai Casino for each quarter up to March 31, 2007, the Chairman will forgive the suspended Six Thousand dollar (\$6,000.00) fine. If the Tribe fails to timely submit the quarterly statement and fee payment for the Shodakai Casino for each quarter up to March 31, 2007, the remaining Six Thousand Dollars (\$6,000.00) of the fine will be paid on or before June 30, 2007.

6. The Chairman agrees upon execution of this Agreement to waive the right to impose any further civil fine for Notice of Violation No. NOV-06-02 against the Tribe, unless the Tribe fails to comply with this Agreement. If the Tribe fails to comply with this Agreement, the Chairman reserves the right to initiate an enforcement action against the Coyote Valley Shodakai Casino as outlined under 25 C.F.R. § 573.6.
7. The Tribe agrees upon execution of this Agreement to waive its right, if any, to further review of Notice of Violation No. NOV-06-02, including all rights to appeal to the full Commission as outlined in 25 C.F.R. § 577 *et seq.* and judicial review pursuant to 25 U.S.C. § 2714.
8. Subsequent to the parties' acceptance of this Agreement, the civil fine assessment set forth herein will become a Final Assessment Order of the Commission.

ADDITIONAL COVENANTS

1. This Agreement constitutes the entire agreement between the Chairman and the Tribe and supersedes all prior verbal or written agreements and understandings between the parties related to the subject matter hereof. No warranties, representations, covenants, or agreements shall be binding upon any party except as set forth herein. Any modification or waiver of any term of this Agreement, including the modification or waiver of term, must be in writing and signed by both parties.
2. The Tribe stipulates that the Notice of Violation shall be deemed a final order of the Commission and a final agency action pursuant to 25 C.F.R. § 577.9(d).

3. The Chairman and the Tribe expressly agree and acknowledge that time is of the essence in this Agreement. The recitals herein and above set shall be binding upon the parties, their agents, heirs, personal representatives, successors and assigns.
4. A signature produced by facsimile shall be deemed to be an original signature and shall be effective and binding for purpose of the Agreement.

Coyote Valley Band of Pomo Indians

By: [Signature]
John Feliz, Jr.
Chairman

3-24-06
Date

National Indian Gaming Commission

By: [Signature]
Philip N. Hogen
Chairman

3/29/06
Date