National Indian Gaming Commission

22327-3

SETTLEMENT AGREEMENT

SA-06-17

INTRODUCTION

This Settlement Agreement ("Agreement") is entered into by and between Guy Munroe, Chairman of the Kaw Nation ("Nation"), a federally-recognized Indian tribe, and Philip N. Hogen, the Chairman of the National Indian Gaming Commission ("NIGC Chairman") relating to the matters contained in Notice of Violation No. NOV-06-17.

RECITALS

Whereas, the Nation has conducted gaming on Indian lands at Kaw Nation South Wind Casino in Newkirk, Oklahoma; and

Whereas, the NIGC Chairman and the Nation desire to resolve issues related to Notice of Violation No. NOV-06-17.

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

TERMS OF SETTLEMENT

1. On January 5, 2007, the NIGC issued Notice of Violation No. NOV-06-17 to the Nation relating to the failure to submit a timely Agreed Upon Procedures ("AUP") report, as required by 25 C.F.R. § 542.3(f). This report was due no later than 120 days after the gaming operation's fiscal year end.

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2. The Nation agrees that, pursuant to NIGC regulations, it was required to submit an AUP report of its gaming operation for the fiscal year ending December 31, 2005, no later than May 1, 2006.

3. The Nation agrees that it did not submit its AUP report by that date. The Nation explains that it contracted with a third party to verify AUP compliance and provide an AUP report to the NIGC, but the third party did not do so. The Nation's annual financial audit report for the same fiscal year was timely submitted.

4. The Nation admits that the failure to submit an AUP report in a timely fashion is a violation of NIGC regulations.

5. The NIGC acknowledges receipt, on December 5, 2006, of the AUP report for the fiscal year ending December 31, 2005.

6. The Nation agrees to pay a fine in the amount of **Five Thousand Dollars** ($5,000.00). Two Thousand Five Hundred Dollars ($2,500.00) of the fine shall be assessed now, to be paid in full by April 1, 2007, and shall be submitted to the National Indian Gaming Commission, 1441 L Street, NW, Suite 9100, Washington, DC, 20005, payable to the United States Treasury. Failure to make this payment by April 1, 2007, shall result in reinstatement of the suspended portion of the fine, detailed below, which will become immediately due and payable.

7. Two Thousand Five Hundred Dollars ($2,500.00) of the fine shall be suspended and the NIGC Chairman will forgive the suspended portion of the fine on May 31, 2008, provided that the Nation submits annual financial audit reports and AUP reports to the NIGC on time, meaning on or before the due dates, for the 2006 fiscal year and 2007

fiscal year of the Nation's gaming operation. If the Nation fails to submit these reports by the due dates, the suspended fine will be reinstated and will become immediately due and payable.

8. The Chairman agrees upon execution of this Agreement to waive the right to impose any further civil fine for Notice of Violation No. NOV-06-17, unless the Nation fails to comply with this Agreement. If the Nation fails to comply with this Agreement, the Chairman reserves the right to initiate an enforcement action against the Kaw Nation South Wind Casino as outlined under 25 C.F.R. § 573.6.

9. This Agreement is entered into pursuant to 25 C.F.R. § 575.6(b) and shall be effective upon the signature of all parties.

10. The Nation agrees upon execution of this Agreement to waive its right, if any, to further review of Notice of Violation No. NOV-06-17, including all rights to appeal to the full Commission as outlined in 25 C.F.R. Parts 575 and 577 and judicial review pursuant to 25 U.S.C. § 2714.

11. The Nation stipulates that the Agreement shall be deemed a final Commission decision and final agency action pursuant to 25 C.F.R. § 577.9(d).

12. Upon acceptance, this Agreement shall become public.

ADDITIONAL COVENANTS

1. This Agreement constitutes the entire agreement between the NIGC Chairman and the Nation 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 NIGC Chairman and the Nation 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.

3. A signature produced by facsimile shall be deemed to be an original signature and shall be effective and binding for purpose of the Agreement.

Kaw Nation

By:_____
Guy Munroe
Chairman

2-13-07
Date

National Indian Gaming Commission

By:_____
Philip N. Hogen
Chairman

2/27/07
Date