NATIONAL INDIAN GAMING COMMISSION

SETTLEMENT AGREEMENT

INTRODUCTION

This Settlement Agreement (Agreement) is entered into by and between Clarence Atwell, Jr., Chairman of the Santa Rosa Rancheria Tachi-Yokut Tribe (Tribe), a federally-recognized Indian tribe, and Philip N. Hogen, the Chairman of the National Indian Gaming Commission (Chairman) relating to the matters contained in NOV-06-15.

RECITALS

Whereas, the Tribe has conducted gaming on Indian lands at a facility named the Tachi Palace Hotel and Casino, formerly known as the Palace Indian Gaming Center, in Lemore, California since November 4, 1983.

Whereas, the Chairman and the Tribe desire to resolve issues related to NOV-06-15.

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. The Tribe acknowledges that its failure to conduct background investigations, determine the suitability of individuals to work in a gaming operation, license key

employees and primary management officials, and submit a completed license application, eligibility determination, and investigative report, or Notice of Results (NOR), to the NIGC for key employees and primary management officials is a violation of the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. § 2701 *et seq.*, NIGC regulations, and the Tribe's gaming ordinance.

3. The NIGC acknowledges that the Tribe has quickly taken appropriate steps to correct the violations that are the subject of NOV 06-15. The Tribe has also stated and shown its willingness to dedicate sufficient resources to ensure that all key employees and primary management officials are properly licensed henceforth.

4. The Tribe agrees to pay a fine in the amount of Forty Thousand Dollars ($40,000). Twenty Thousand Dollars ($20,000) of the fine will be paid on or before September 29, 2006. The remaining Twenty Thousand Dollars ($20,000) will be suspended pending the submission of fingerprint cards, the completion of background investigations, the determination of the suitability of individuals to work in a gaming operation, and licensure of all key employees and primary management officials subject to NOV 06-15. The Tribe will further submit a completed license application, eligibility determination, and investigative report, or Notice of Results, to the NIGC for any key employee and primary management official subject to NOV 06-15 presently outstanding. These submissions must be received by the NIGC on or before October 30, 2006.

5. The NIGC Chairman will forgive the suspended Twenty Thousand Dollar ($20,000) portion of the civil fine assessment if, after conducting a site visit, on a

date after October 30, 2006, NIGC field staff can confirm that the licensing files for all key employees and primary management officials that are the subject of NOV 06-15, have been properly completed. However, if the review performed by NIGC field staff reveals that the licensing process for all key employees and primary management officials, that are the subject of NOV 06-15, were not completed on or before October 30, 2006, then the remaining Twenty Thousand Dollar ($20,000) portion of the fine will become payable. In this event, the NIGC will provide notice to the Tribe that the site visit revealed incomplete licensing files for any key employee or primary management official that was subject to NOV 06-15. Such notice will identify which licensing files remain out of compliance and the manner in which the file is deficient. Payment of the remaining Twenty Thousand Dollars ($20,000) will be due within thirty (30) days of such notice.

6. The Chairman agrees upon execution of this Agreement to waive the right to impose any further civil fine for NOV-06-15 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 Tribe 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 NOV-06-15, 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

9. 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.

10. The Tribe stipulates that the NOV 06-15 shall be deemed a final order of the Commission and a final agency action pursuant to 25 C.F.R. § 575.4(c)(1).

11. 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, successors and assigns.

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

Santa Rosa Rancheria Tachi-Yokut Tribe	National Indian Gaming Commission
By: Clarence Atwell Jr.	By:
Clarence Atwell, Jr. Chairman	Philip N. Hogen Chairman
8/31/06	9/6/06
Date	Date