SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into by and between the Chairman of the National Indian Gaming Commission ("NIGC Chairman"), and the Crow Tribe of Indians, a federally-recognized Indian tribe ("Crow Tribe" or "Tribe"). Compliance with this Agreement will resolve two enforcement matters at the Crow Tribe's gaming facility: 1) the NIGC Chairman's concerns regarding Environment, Public Health and Safety ("EPHS") issues as expressed in a letter from the NIGC Chairman to the Tribe, dated February 2, 2007 (Exh. A); and 2) the Crow Tribe's failure to submit a timely audit report to the NIGC for fiscal year 2006.

RECITALS

1. The Crow Tribe owns and operates a gaming facility known as the Little Big Horn Casino ("the Casino" or "the existing facility") on the Crow Indian Reservation within the State of Montana.

2. The Indian Gaming Regulatory Act ("IGRA") requires tribal gaming ordinances to provide that the construction and maintenance of subject gaming facilities, and the operation of gaming therein, be conducted in a manner which adequately protects the environment, public health and safety. 25 U.S.C. § 2710(b)(2)(E), (d)(1)(A)(ii); *see also* 25 C.F.R. §§ 522.4(b)(7), 522.6(b); 67 Fed. Reg. 46109 (NIGC Interpretive Rule).

3. In a letter dated February 2, 2007 (Exh. A), the NIGC Chairman identified several EPHS concerns relating to fire protection at the Little Big Horn Casino, and set forth a series of action items to be resolved under four successive deadlines in order to forestall the issuance of a notice of violation and closure order.

4. By the time the Crow Tribe received the NIGC Chairman's letter, the Tribe had already completed a number of the NIGC's pubic safety action items, and the Tribe agreed to work toward completing the others. Subsequently, the NIGC confirmed that the Tribe complied with every action item under the first deadline in the NIGC Chairman's letter; the Tribe completed several of the action items in the second group before the original deadline; and the Tribe completed several other action items in the second group after receiving a short extension. More specifically, by March 16, 2007, the Crow Tribe had completed the following corrective measures at the Casino:

   - The Tribe installed battery-operated smoke detectors throughout the Casino in areas where tobacco smoke would not cause false alarms;

- The Tribe took several steps to ensure that all exit doors would remain unlocked during business hours, including posting signs and briefing employees as to this requirement;
- The Tribe repaired an exit door that previously did not open easily;
- The Tribe removed a malfunctioning deadbolt on an exit door;
- The Tribe installed appropriate covers on all junction boxes, electrical switches, outlets and breaker panels;
- The Tribe confirmed which fire response service has responsibility to respond to a fire emergency at the Casino;
- The Tribe posted fire and other emergency phone numbers in key locations at the Casino, and briefed all employees regarding where the emergency phone numbers are posted;
- The Tribe notified the appropriate fire response service about one reportedly inoperable fire hydrant near the Casino and marked the hydrant as inoperable;
- The Tribe developed a written emergency plan for the Casino, including evacuation procedures and procedures for contacting emergency services;
- The Tribe practiced its written emergency plan for the Casino, including an employee/patron evacuation drill and fire extinguisher training for employees; and
- The Tribe repaired holes in the Casino's walls and ceiling that could have accelerated the spread of a fire.

5. As to the other action items in the NIGC Chairman's letter, the Tribe took preliminary steps toward repairing the Casino's fire alarm and installing a fire suppression system throughout the Casino. However, after analyzing the projected costs for such a repair and retrofit, the Tribe decided that it would rather put such funds toward construction of a new facility that includes a fire suppression and alarm system.

6. Another compliance issue arose with the Crow Tribe during the same time period in which the Tribe was responding to the NIGC's EPHS concerns. Pursuant to IGRA and NIGC regulations, each tribe that conducts gaming under IGRA must engage an independent certified public accountant to provide an annual audit of the financial statements of each gaming operation, 25 U.S.C. § 2710(b)(2)(C); 25 C.F.R. § 571.12, and must submit to the NIGC a copy of the audit report(s) and management letter(s) setting forth the results of each annual audit within 120 days after the end of each gaming operation's fiscal year, 25 C.F.R. § 571.13. Because the fiscal year for the Crow Tribe's Casino ends on December 31, the deadline for submission of the Tribe's 2006 audit report to the NIGC was April 30, 2007. The Crow Tribe failed to meet this audit report deadline.

7. The NIGC Chairman and the Crow Tribe wish to enter this Agreement in order to avoid the expense, time and risk associated with a formal enforcement action and achieve an amicable resolution of the EPHS and audit report issues.

8. Now, therefore, the NIGC Chairman and the Crow Tribe have agreed to enter into this Agreement and perform in accordance with the following terms.

TERMS OF SETTLEMENT

9. This Agreement shall be effective on the date that it is signed by the last party to enter the Agreement ("Effective Date"). The parties expressly agree and acknowledge that time is of the essence in this Agreement.

10. The Crow Tribe agrees that it shall maintain the completed corrective measures identified in Paragraph 4 of this Agreement for as long as the existing facility remains open for gaming operations.

11. The Crow Tribe agrees that it shall permanently cease all gaming operations at the existing facility on or before the date that is eighteen (18) months after the Effective Date of this Agreement. Notwithstanding the preceding sentence, if the Tribe provides notice to the NIGC within five (5) months after the Effective Date of this Agreement, it may choose instead to install an adequate fire alarm and fire suppression system, tested and certified by a reputable fire suppression engineering company, in the existing facility. Such installation, testing and certification must be approved by the NIGC, and must take place within eighteen (18) months after the Effective Date of this Agreement.

12. The Crow Tribe agrees that it shall provide, for consultation purposes, a draft building code and a draft fire code to the NIGC within thirty (30) days after the Effective Date of this Agreement. At a minimum, one or both of these codes will require an adequate fire suppression and alarm system in all new gaming facilities constructed within the Crow Tribe's jurisdiction. The Crow Tribe Office of Executive Counsel shall consider and respond to comments received from the NIGC, and shall present proposed building and fire codes to the Crow Tribal Legislature for governmental action during the first Tribal Legislative session thereafter. If not enacted during that Tribal Legislative session, the Tribal Legislature shall be presented with revised, proposed building and fire codes for its consideration at each successive Tribal Legislative session until building and fire codes for gaming facilities on the Crow Reservation are enacted. The Tribe shall provide copies of enacted building and fire codes to NIGC within five (5) days after such codes become effective pursuant to Crow Tribal laws.

13. The Tribe agrees that any and all gaming facilities constructed within the Tribe's jurisdiction after the Effective Date of this Agreement, whether temporary or permanent, shall comply with the Tribe's building and fire codes and shall incorporate an adequate fire suppression and alarm system throughout each

facility. If the Tribe has not enacted a building code or a fire code by the time that the Tribe breaks ground for any new gaming facility, then the Tribe agrees that it shall construct such gaming facility according to the International Building Code, 2006 Edition, and the National Fire Protection Association (NFPA) 1: Uniform Fire Code. The Tribe agrees that any repairs, additions, or remodeling of the existing facility shall conform to the International Building Code, 2006 Edition, and the NFPA 1: Uniform Fire Code, unless and until the Tribe has adopted its own building and fire codes, which will then apply. The Tribe further agrees that the Tribe shall not open any new gaming facility until the fire suppression and alarm system has been tested and certified by a reputable fire suppression engineering company. The Tribe shall provide: a ten (10) day prior notice to the NIGC of the applicable certification date; an opportunity for NIGC staff to attend the certification test; and a copy of all certification reports.

14. The Tribe agrees that, pursuant to IGRA and NIGC regulations, it was required to submit a fiscal year 2006 annual audit report of its gaming operation no later than April 30, 2007. The Tribe further agrees that it did not submit its fiscal year 2006 audit report by that date, and admits that the failure to submit an annual audit report in a timely fashion is a violation of IGRA and NIGC regulations. The Tribe agrees that is shall submit its fiscal year 2006 annual audit report to the NIGC by October 15, 2007, and agrees that it shall submit all of its future annual audit reports to the NIGC by the applicable deadlines established by IGRA and the NIGC regulations. In order to ensure such compliance, the Tribe represents that it has adopted policies and procedures that require timely filed annual audits (Exh. B). The Tribe also represents that it has provided the NIGC with a copy of its current contract with an independent certified public accounting firm and that the Tribe intends to use this firm's services for future annual audits, with the understanding that such intent is not binding on the Tribe and that the contract is subject to amendment or termination. In addition, the Tribe agrees to pay a civil fine of **five thousand dollars ($5,000)** for this violation. Two thousand five hundred dollars ($2,500) of the fine shall be suspended pending the Tribe's compliance with its audit report deadlines for the 2007 and 2008 fiscal years. One thousand dollars ($1,000) of the fine shall be made payable to the U.S. Treasury and shall be delivered to the NIGC within ten (10) days after the Effective Date of this Agreement. One thousand five hundred ($1,500) of the fine shall be paid from the Casino to the Crow Tribal Gaming Commission, and shall be used for tribal regulatory compliance and/or enforcement activity. The Tribe shall deliver documentation to the NIGC demonstrating that the Casino has paid the tribal portion of the fine to the Crow Tribal Gaming Commission within ten (10) days after the Effective Date of this Agreement. If the Tribe meets its audit report deadlines for the 2007 and 2008 fiscal years, the NIGC Chairman shall waive the suspended two thousand five hundred dollars ($2,500) fine. If the Tribe fails to submit either report within the applicable deadline, the Tribe shall pay one thousand dollars ($1,000) of the fine to the NIGC and one thousand five hundred dollars ($1,500) of the fine to the Crow Tribal Gaming Commission within thirty (30) days from the deadline missed.

15. By entering this Agreement, the NIGC Chairman agrees to waive his right to issue a notice of violation, impose civil fines, or issue a closure order regarding the issues covered in this Agreement, as long as: (a) the Tribe complies with the terms of this Agreement; and (b) there is no material adverse change in the EPHS conditions at the existing Casino. The Tribe agrees that if the Tribe fails to comply with the material terms of this Agreement, including its obligation to cease gaming in the existing facility by the deadline in Paragraph 11 of this Agreement, then the Chairman may enforce this Agreement and seek injunctive relief against the Tribe in federal court or through administrative order, and the Tribe waives its right to appeal or otherwise challenge any such action. The Tribe also agrees that if the existing facility suffers from a material adverse change in EPHS conditions, then the NIGC Chairman retains the authority as provided by law to pursue one or more enforcement actions to address the deteriorated EPHS conditions. Furthermore, the Crow Tribe acknowledges and agrees that the NIGC Chairman's waiver in this paragraph covers only those issues covered under this Agreement, and does not preclude or otherwise affect any other enforcement actions that the NIGC Chairman may pursue regarding any other enforcement matter under the NIGC's jurisdiction, including new EPHS concerns that may arise or come to the NIGC's attention.

16. The Tribe agrees that the NIGC has the authority to monitor and inspect the Tribe's activities for the purpose of verifying the Tribe's compliance with the terms of this Agreement, and the Tribe agrees to provide under this Agreement any documents that the NIGC Chairman or his designee may request that are reasonably relevant to the Tribe's obligations under this Agreement. The Tribe stipulates that the withholding of any such documents referenced in the preceding sentence constitutes a breach of this Agreement, and relieves the NIGC Chairman of the waiver in the preceding paragraph, thus subjecting the Tribe to the exercise of the NIGC Chairman's enforcement authority as provided by law with respect to the issues covered in this Agreement.

ADDITIONAL COVENANTS

17. This Agreement is the entire agreement, 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 amendments to this Agreement must be in writing and signed by both parties.

18. The Tribe stipulates that this Agreement shall be deemed to be the subject of a final order of the NIGC under 25 C.F.R. §§ 575.4(c)(1) and 577.15, and agrees to waive any right to appeal the terms of this Agreement.

19. This Agreement shall be binding on the parties, their agents, heirs, representatives, successors and assigns.

20. The parties agree that after the Effective Date, this Agreement shall be a public document and may be published or disclosed by either party.

21. This Agreement may be executed in one or more counterparts and each shall constitute an original. A signature produced by facsimile shall be deemed to be an original signature and shall be effective and binding for the purposes of this Agreement.

SIGNATURES

Philip N. Hogen, Chairman
National Indian Gaming Commission

Dated: 10/12/07

Carl E. Venne, Chairman
Crow Tribe of Montana

Dated: 10/9/07

Exhibit A

February 2, 2007

Via Hand Delivery

The Honorable Carl Venne
Chairman
Crow Tribe of Indians
P.O. Box 159
Crow Agency, MT 59022

RE: Fire and Emergency Preparedness at Little Big Horn Casino

Dear Chairman Venne:

As I am sure you are aware, the National Indian Gaming Commission (NIGC) is extremely concerned with the state of fire and emergency preparedness at the Little Big Horn Casino. If the Crow Tribe does not take immediate corrective action, I am prepared to issue a notice of violation and closure order.

This is not a new concern, and the NIGC has given the Tribe ample opportunity to take its own corrective actions. Under the Indian Gaming Regulatory Act (IGRA), the NIGC may initiate an enforcement action where a tribe fails to correct conditions that create imminent jeopardy to public safety. NIGC Interpretive Rule, 67 Fed. Reg. 46109 (July 12, 2002).

On November 14, 2005, the NIGC Region IV Office sent a letter to the Crow Gaming Commission noting that the Little Big Horn Casino does not have an operational fire alarm system, sprinkler system, smoke/heat detectors, or an evacuation plan, and that the fire hydrant near the Casino is reportedly inoperable. On December 12, 2005, the NIGC Region IV Office sent another letter to the Crow Gaming Commission, this time stating that in the Region Office's opinion, these problems create imminent jeopardy to public safety.

In a letter dated December 16, 2005, the Tribe's attorney informed the NIGC that an evacuation plan and routes were posted in the Casino, that the Bureau of Indian Affairs (BIA) had been notified to repair the fire hydrant, and that the Tribe intended to hire a reputable fire suppression company to design an overall fire suppression safety system for the Casino. We were told that the Tribe would provide the NIGC with copies of the plan and recommendations when they were made available, as well as on-going status reports. But to date, the Tribe has not provided the NIGC with these materials.

On August 29, 2006, the NIGC Region Office conducted another site visit to the Casino. During that visit, the NIGC learned that although emergency evacuation maps were posted, the Casino

did not have a written evacuation plan. Furthermore, the alarm system was still inoperable, and the facility still lacked a sprinkler system. These on-going concerns were relayed again to the Crow Gaming Commission by letter dated September 27, 2006, and a corrective action plan was requested by October 16, 2006. But to date, the Tribe has not provided the NIGC with a corrective action plan.

In September 2006, and again in December 2006, there were two fires in the Casino kitchen. Given the lack of emergency preparedness, it was very fortunate that these fires did not result in complete loss of the structure or personal injury.

In order to help the NIGC evaluate the level of resources available to protect the Little Big Horn Casino against fire and other life-threatening emergencies, the NIGC contracted with FAST Training & Operations Group. On January 16, 2007, the NIGC and Bill Johansen, FAST Training and Operations Group Program Manager, conducted another site visit. FAST has now provided the NIGC with the enclosed Fire Protection & Life Safety Evaluation (the FAST Report).

The FAST Report identifies several serious problems at the Little Big Horn Casino. Among the problems identified in the report, I note the following:

- It appears that the Tribe has not adopted building or fire codes for construction, remodeling and maintenance of the Casino.
- There are no clear policies and procedures for facility personnel to follow during a fire emergency, and the facility has not conducted evacuation drills.
- There is significant confusion regarding which fire and emergency responder(s) have permission or the responsibility to respond to an emergency at the Casino.
- The fire alarm system still does not work.
- Most of the facility is still not protected by a fire suppression system.
- Some exit doors are locked during business hours.
- The exit door near the top floor poker area was very difficult to open during the site visit and had a malfunctioning deadbolt.
- The fire hydrant closest to the facility is still reported as being inoperable, but is not clearly identified as inoperable.
- There are holes in the facility's drywall that could cause rapid spread of fire.
- Multiple junction boxes, switches, and outlets were missing cover plates, exposing live wires, and a breaker panel in the utility room was missing its cover.

These are unacceptable fire risks that must be addressed. I urge you to review carefully the FAST Report for a full and detailed analysis of the problems.

Based on the record as it exists today, I am prepared to find that the conditions at the Little Big Horn Casino present imminent jeopardy to public safety. In order to forestall the issuance of a notice of violation and a closure order, the Tribe must provide the NIGC with documentation that it has completed all of the following actions by the following dates:

By **February 9, 2007**:

- As an interim protective measure, install battery-operated smoke detectors throughout the facility in areas where patrons or occupants are not continuously present and where cigarette smoke will not cause false alarms;
- Keep all exit doors unlocked during business hours;
- Notify all employees to keep all exit doors unlocked during business hours;
- Post signs at all exit doors stating that doors must remain unlocked during business hours;
- Repair the exit door in the poker room so that it opens easily;
- Remove the malfunctioning deadbolt on the exit door in the poker room;
- Install appropriate covers on all junction boxes, electrical switches, outlets and breaker panels;
- Post fire and other emergency phone numbers in key locations; and
- Brief all employees regarding where the fire emergency phone numbers are posted.

By **March 2, 2007**:

- Provide documentation to the NIGC addressing which fire responder(s) have permission and/or responsibility to respond to a fire emergency at the Casino. In so doing, please pay particular attention to the concerns and recommendations expressed in the FAST report regarding the options available to the Tribe for providing emergency services at the Casino and surrounding community;
- Update the emergency phone number listings posted in the facility, if the information has changed;
- Provide documentation from the appropriate fire responder(s) confirming that they will respond to fire emergencies at the Casino;
- Notify the appropriate fire responder(s) about the reportedly inoperable fire hydrant closest to the facility;
- Repair the existing alarm system or replace it with a modern alarm system incorporating smoke and heat detectors;
- Develop written emergency plans, which must include procedures for evacuation and for contacting emergency services;
- Brief all employees on their responsibilities as identified within the emergency plan;
- Practice the emergency plan procedures, which must include an evacuation drill and fire extinguisher training;
- Document the time it takes to evacuate all occupants from the facility;
- Repair all of the drywall holes in the facility's walls and ceiling; and
- Hire a reputable fire suppression company that will design, install, test and maintain a modern fire suppression and alarm system, incorporating smoke and heat detectors, to be completed by August 3, 2007 (see below).

By **May 4, 2007**:

- Provide documentation to the NIGC that identifies the party responsible for maintaining the fire hydrants near the facility;

- Make a serious effort to have the responsible party conduct a water flow analysis for both of the fire hydrants near the facility, and if necessary, repair the reportedly inoperable fire hydrant closest to the facility. At the very least, any inoperable hydrant must be clearly marked as inoperable so that fire responders would not waste time in the event of a fire emergency; and
- Adopt a building code and a fire code that will apply to any future remodeling or expansion of the facility, and that includes operation and maintenance measures for existing areas of the facility.

By **August 3, 2007**:

- Install a modern fire suppression and alarm system for the entire structure. Ensure that the Tribe's fire suppression company has tested and certified the system.

These action items are the minimum requirements to forestall an enforcement action. I encourage the Tribe to review all of the recommendations in the FAST Report and implement as many as possible. The NIGC stands ready to meet and discuss these issues with the Tribe and to provide technical assistance from our staff and contractors. But if the Tribe does not meet the deadlines as set forth above, I am prepared to take formal enforcement action to ensure that the Casino's patrons and employees are not exposed to unacceptable risks.

We have made arrangements for a conference call with the Tribe on Monday, February 5, at 11:00 a.m. Mountain time. We have reserved two lines for the Tribe's use, which you may access by dialing 1-877-234-1666 and then entering the access code 7316.

If you have any general questions, you may contact our Region IV Office at 605-718-5724. For questions of a technical nature, please contact our EPHS Program Manager, Brad Mehaffy, at 202-632-7003. Legal questions may be directed to Staff Attorneys Jeffrey Nelson or Carrie Newton Lyons, also at 202-632-7003.

Sincerely,

Philip N. Hogen
Chairman

CC: William Falls Down, Crow Tribe Gaming Commission Chairman
Sam Painter, Esq. (via facsimile)

Encl: Fire Protection & Life Safety Evaluation for the Little Big Horn Casino

Exhibit B

CROW TRIBAL GAMING COMMISSION

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made by and between the Crow Tribal Gaming Commission (CTGC), Little Big Horn Casino ("Casino"), and Apsaalooke Casino Enterprises, Inc. (ACE).

WHEREAS the National Indian Gaming Commission (NIGC) has certain financial reporting requirements for tribal gaming facilities; and

WHEREAS Little Big Horn Casino, a gaming facility operated by ACE, is subject to the reporting requirements of the National Indian Gaming Commission under applicable federal laws and regulations; and

WHEREAS failure to comply with the NIGC reporting requirements may result in fines and/or closure of a gaming facility; and

WHEREAS CTGC and ACE share a common goal of ensuring that the NIGC reporting requirements are complied with in a timely fashion.

NOW, THEREFORE, IT IS MUTUALLY AGREED BETWEEN THE PARTIES:

1. An annual, independent audit is due to NIGC within one hundred and twenty (120) days of the close of Casino's accounting fiscal year.

2. On or before the sixtieth calendar day before the annual audit is due to NIGC, the Chairman of CTGC shall provide written notice to the Chairman of ACE and to the General Manager of Little Big Horn Casino and any other gaming facility operated by ACE of the due date for the annual audit.

3. In order to correct errors and/or to make comment, ACE shall take all steps necessary to ensure a preliminary audit report is received by CTGC no less than thirty (30) calendar days before such report is due to NIGC.

4. ACE shall ensure that Casino has arranged to prepare a preliminary audit report no less than sixty (60) days before such report is due to NIGC.

5. On or before the tenth day before the annual audit is due NIGC, ACE shall submit the final audit to NIGC by way of registered (return receipt requested) or overnight mail. ACE shall be responsible for generating, maintaining, and retaining any and all documents necessary to verify the annual audit was made, transmitted, and received by NIGC consistent with the terms of this Agreement.

6. On or before the fifth day before the annual audit is due NIGC, ACE shall submit to CTGC written verification that the annual audit was submitted to NIGC consistent with the terms of paragraph 2 (c) above.

7. CTGC shall retain the authority to cite and fine Casino and/or ACE for failure to comply with the terms of this Agreement. Fines shall not exceed the sum of one thousand dollars ($1000.00) per day, per violation.

Date: 10-9-07

William Falls Down, Chairman
Apsaalooke Casino Enterprises, Inc.

Gilbert Bird In Ground, General Manager
Little Big Horn Casino

Date: 10/05/07

Kayle Howe, Chairman
Crow Tribal Gaming Commission