SETTLEMENT AGREEMENT

INTRODUCTION

This Settlement Agreement ("Agreement") is entered into and effective this 27th day of July, 2004, by and between Charles W. Murphy, Chairman of the Standing Rock Sioux Tribe, 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-04-03.

RECITALS

Whereas, the Tribe has conducted gaming on Indian lands at a facility named Bear Soldier Jackpot Bingo (Bear Soldier) in McLaughlin, South Dakota since approximately September, 1983;

Whereas, the Chairman and the Tribe desire to resolve issues related to Notice of Violation No. NOV-04-03.

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 agrees that it was required to submit timely annual audit reports of the Bear Soldier gaming operation for the 2002 and 2003 fiscal years.
3. The Tribe agrees that it submitted the audit report for Bear Soldier for fiscal year 2002 to the NIGC in an untimely fashion, and that it did not submit an audit to the NIGC for Bear Soldier for fiscal year 2003, as required bythe Indian Gaming Regulatory Act ("IGRA") and NIGC regulations.

4. The Tribe acknowledges that the failure to submit audits in a timely fashion is a violation of IGRA and NIGC regulations.
5. The Chairman acknowledges mitigating factors involving an inability of the Bear Soldier facility to keep current on its financial obligations and a misunderstanding with the auditor regarding whether the 2003 audit would beperformed.
6. The Tribe further agrees to submit a 2003 audit for Bear Soldier no later than August 31, 2004.
7. The Tribe agrees to pay a fine in the amount of Three Thousand dollars ($3,000). One Thousand Five Hundreddollars ($1,500) of the fine will be paid on or before August 31, 2004. The remaining One Thousand Five Hundred dollars ($1,500) will be suspended pending the submission of the 2003 audit for the Bear Soldier facility. Upon successful submission of the 2003 Bear Soldier audit by August 31, 2004, the Chairman will forgive the suspended One Thousand Five Hundred dollar ($1,500) fine. If the Tribe fails to submit the 2003 Bear Soldier audit by such dates, it must be submitted as soon as possible and, in any event, no later than will December 31, 2004 and the remaining One Thousand Five Hundred dollar ($1,500) of the fine be paid on or before December 31, 2004.
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-04-03 against the Tribe, unless the Tribe fails to comply with t Agreement. If the Tribe fails to comply with this Agreement, the Chairman reserves the right to initiate an enforcement action against the Bear Soldier facility as outlined under 25 C.F.R. § 573.6.
9. Pursuant to NIGC regulations, The Chairman and the Tribe agree that, once the terms of this settlement have been met, the only effect of NOV 04-03 would be in calculation of a civil fine for another violation within a five year period. *See* 25 C.F.R. § 575.4(c).
10. The Tribe agrees upon execution of this Agreement to waive its right, if any, to further review of Notice of Violation No. NOV-04-03, 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.
11. 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.

Standing Rock Sioux Tribe	National Indian Gaming Commission
By: /s/_____	By: /s/_____
Charles W. Murphy	Philip N. Hogen
Chairman	Chairman
__Aug. 11, 2004_____	Aug. 17, 2004_____
Date	Date

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