NATIONAL INDIAN GAMING COMMISSION

IN THE MATTER OF:

NOTICE OF VIOLATION TO TONKAWA TRIBE OF OKLAHOMA, NO. NOV-06-06;

AND,

TEMPORARY CLOSURE ORDER TO TONKAWA TRIBE OF OKLAHOMA, NO. CO-06-01

PRE-OPENING AGREEMENT

This Agreement is entered into by and between the Tonkawa Tribe of Indians of Oklahoma ("Tribe"), through its duly authorized representatives, and the National Indian Gaming Commission ("NIGC" or "Commission"), through its Chairman ("Chairman") to resolve the following NIGC enforcement actions: 1) Notice of Violation No. NOV-06-06 (the "Notice of Violation") and 2) Order of Temporary Closure No. CO-06-01 (the "Closure Order"). The Agreement specifies various compliance measures the Tribe will take as a condition to resuming gaming operations. The parties by their signatures below represent and agree that they have authority to execute this Agreement and resolve any and all matters between the Tribe and NIGC according to the terms and provisions set out herein.

Article I. Recitals

1. The Tribe is a federally recognized Indian Tribe with its headquarters in Tonkawa, Oklahoma.

2. On February 2, 2006, the Chairman issued the Notice of Violation and Closure Order to the Tribe, Edward Street, a/k/a Edward E. Street ("Street"), and to Oakland Enterprises, a/k/a Oakland Enterprises, LLC ("Oakland"), for managing a gaming facility, specifically the Tonkawa Bingo and Casino located in Tonkawa, Oklahoma ("Tonkawa Casino") without a management contract approved by the Chairman, in violation of the Indian Gaming Regulatory Act ("IGRA") and NIGC regulations.

3. On February 8, 2006, the Tribe complied with the Notice of Violation and Closure Order and closed the Tonkawa Casino.

4. The Chairman has authority to levy and collect appropriate civil fines, not to exceed $25,000 per violation, against the tribal operator of an Indian game or management contractor engaged in gaming, for any violation of any provision of the IGRA and NIGC regulations. 25 U.S.C. § 2713(a)(1); 25 C.F.R. § 575.4. "If noncompliance continues for more than one day, the Chairman may

treat each daily act or omission as a separate violation." 25 C.F.R. § 575.4(a)(2).

5. The Tribe acknowledges that it violated the IGRA and NIGC regulations by allowing Street and Oakland to manage the Tonkawa Casino from December 1999 to February 2006, without a management contract approved by the Chairman; and has, therefore, entered into this Agreement to ensure that its gaming operations are conducted, hereafter, in full and complete compliance with the IGRA and NIGC regulations.

Article II. Terms and Conditions

1. Based on the Tribe's request that the Closure Order be rescinded and also conditioned on the Tribe's full compliance with the provisions of this Agreement, the Chairman and NIGC agree to issue an order rescinding the Closure Order. The Chairman and NIGC further agree to separately authorize the Tribe to recommence gaming operations at the Tonkawa Casino and to commence gaming operations at the Tribe's new Native Lights Casino in Newkirk, Oklahoma (collectively, "Facilities", individually, "Facility"), on such date that the Tribe has satisfactorily met the terms and conditions set forth in this Agreement. The NIGC agrees to consult with the Tribe and its newly created independent Tonkawa Tribal Gaming Commission ("Tribal Gaming Commission") and to periodically inspect each of the Facilities and their related gaming operations and records, in order to determine whether the Tribe has separately met the terms and conditions of this Agreement with respect to each Facility. Evidence of the NIGC's determination and agreement that the Tribe has met the terms and conditions set forth in this Agreement as to either of the Facilities will be in the form of a separate letter issued by the NIGC Chairman or an authorized designee (the "NIGC Letter") for each individual Facility. The Tribe may not presume such determination and agreement as to either Facility by the NIGC, in the absence of the NIGC Letter for the individual Facility in question. The parties agree that the NIGC Chairman shall have sole discretion to determine whether the Tribe has satisfactorily met the requirements of this Agreement as to each individual Facility, and to issue the NIGC Letter for each Facility, as well as the order rescinding the Closure Order as to the Tonkawa Casino. The NIGC agrees that it will issue a separate NIGC Letter for each Facility as soon as possible, but no longer than 45 days, after the Tribe provides evidence that reasonably demonstrates that the Facility is in satisfactory compliance with the terms and conditions of this Agreement. In the event the NIGC Chairman determines that the evidence provided by the Tribe does not demonstrate satisfactory compliance with the terms and conditions of this Agreement, the NIGC Chairman will provide immediate written notice to the Tribe of the specific areas of deficiency and reasons for his adverse determination, and provide the Tribe with reasonable opportunity to correct the specified deficiencies and submit additional evidence of compliance for reconsideration by the NIGC Chairman. Each Facility may commence gaming as soon as the Tribe receives the NIGC Letter for that Facility.

2. Neither the Tribe, nor any tribal entity shall have any association or relationship of any kind involving Indian gaming with Street, Oakland, Wagner, or any entity owned in whole or in part by Street or Wagner, or any entity in any way associated with Street or Wagner, and/or any entity in which Street or Wagner or an entity owned by either of them is a shareholder.

3. Neither the Tribe, nor any Tribal entity or management contractor or vendor of the Tribe shall, furthermore, have any association or relationship of any kind with Street, Oakland, Peter Wagner Enterprises (Wagner), and/or any other entity owned in whole or in part or otherwise associated with Street or Wagner, including any entity in which Street, Oakland or Wagner, or an entity owned by either of them is a shareholder (collectively, "Prohibited Persons and Entities", individually, "Prohibited Person or Entity"), that is involved or related in any way with either of the Facilities or the Tribe's gaming operations. Such prohibited associations and relationships shall include, without limitation, the employment of any Prohibited Person or Entity; the receipt or acceptance of any goods or services of any kind from any Prohibited Person or Entity; the direct or indirect financial or proprietary interest in either of the Facilities or any gaming operation or gaming-related asset of the Tribe by a Prohibited Person or Entity; or the direct or indirect payment of any money or transfer of any gaming machines, devices, associated equipment, or other goods or services of any kind by the Tribe or a Tribal entity, management contractor or vendor to any Prohibited Person or Entity, as consideration for past gaming-related goods or services rendered to the Tribe or its gaming operations, or for the prohibition or cancellation of such gaming-related goods or services in the future.

4. Neither the Tribe, nor any Tribal entity shall hire or license former Street or Oakland management employees Carol Fair, Melody Street (a/k/a Melody Ladd), Ailene Gracie Klinger, Carletta Martin, or other individuals who have been determined by the Tribal Gaming Commission to be a former key management employee of Oakland, to work in any capacity in either of the Facilities or any gaming operations of the Tribe.

5. The Tribe shall provide the NIGC with documentation that confirms that all Tribal gaming bank accounts associated with Street or Oakland have been closed and that Street, Carol Fair, Melody Street (a/k/a Melody Ladd), Ailene Gracie Klinger, Carletta Martin, or other individuals who have been determined by the Tribal Gaming Commission to be a former key management employee of Oakland, are not authorized signatories on any Tribal bank accounts.

6. The Tribe shall not honor or assume any contracts with gaming machine vendors, service providers, and other vendors that were signed by Street either individually or as a representative of the Tribe, the Tonkawa Casino or new Facility, or Oakland, and will instead enter into new contracts with the vendors, as necessary, which shall be compliant in all respects with the IGRA,

NIGC regulations, the Tribal gaming ordinance and gaming regulations, and other applicable Tribal law.

7. After the NIGC Chairman issues the NIGC Letter for a specified individual Facility, the Tribe may commence and continue the conduct of gaming at that Facility on a probationary basis for a period of sixty (60) months, subject to the following terms and conditions of probation:

   A. The Tribe shall establish and maintain an independent, adequately staffed Tribal Gaming Commission with a stable and adequately funded annual budget, which the Tribal Gaming Commission shall have independent authority and sole discretion to utilize and spend for its day-to-day operations in discharge of its vested regulatory powers and duties regarding the operation and maintenance of the authorized Facility and the related conduct of Tribal gaming operations, under the IGRA, NIGC regulations, and the Tribe's gaming ordinance and regulations.

   B. The Tribe shall conduct and regulate gaming operations at each authorized Facility in material compliance with the provisions of this Agreement, the IGRA, NIGC regulations, the Tribe's gaming ordinance and gaming regulations, the Tribal Internal Control Systems and Standards (TICS), and the Tribal-State Compact. In the event that management of the authorized Facility, the Tribal Gaming Commission, or the Tribe determines that gaming operations at the Facility are being conducted or regulated in material violation of any provisions of the IGRA, NIGC regulations, the Tribal gaming ordinance or gaming regulations, the TICS, the Tribal-State Compact, or this Agreement, the Tribe shall promptly notify the NIGC's Tulsa, Oklahoma Region V Office of the violation(s) and take immediate steps to correct the violation(s) as soon as possible. In the event the NIGC thereafter determines that any such self-reported violation(s) have not been timely corrected or determines that there are other violations, then the NIGC shall provide the Tribe with prompt written notice of the violation(s) and a reasonable time period to correct the violation(s); which for purposes of this Agreement and 25 C.F.R. § 573.3, the parties agree will be a period of thirty (30) days following the date of the notice of the violation(s), unless otherwise agreed or unless the violation is a "substantial violation" as that term is used in 25 C.F.R. § 573.6, in which case the NIGC Chairman or his designee may establish a shorter period. Following the period to correct the noticed violation(s), if the NIGC Chairman determines that the violation(s) has (have) still not been corrected, the NIGC Chairman may take enforcement action against the Tribe and other liable parties, in accordance with the IGRA and NIGC regulations.

C. The Tribe shall pay a civil fine in the amount and manner provided below in Paragraph 2 of Article III., within sixty (60) months after the first Facility is permitted by the Chairman to open to the public and commence gaming operations under this Agreement.

8. On or before the opening of the Native Lights Casino, the Tribe will provide to the NIGC Tulsa Office and to the Tribal Gaming Commission a detailed accounting of the close-out money from the Tonkawa Bingo and Casino.

Article III. Additional Covenants

1. The Tribe stipulates that the Notice of Violation and Closure Order shall be deemed a final order of the Commission and a final agency action pursuant to 25 C.F.R. § 577.9(d).

2. The Tribe agrees to pay a civil fine to the United States Treasury in the amount of One Million Dollars ($1,000,000.00), which shall be payable in five (5) annual installments under the following terms and conditions:

A. The first installment shall be paid eight (8) full months after the first Facility opens in the amount of Two Hundred Thousand dollars ($200,000.00), unless the Tribe has remained in material compliance with this Agreement and the terms of probation during that period, in which case the fine and amount due shall be reduced to One Hundred Thousand Dollars ($100,000.00) and the amount of reduction shall be forthwith donated by the Tribe to a state accredited University or College within the State of Oklahoma, selected by the Tribe's governing Tribal Committee, for the establishment of a specialized program curriculum for the instruction of generally accepted professional accounting and auditing practices and standards and/or other gaming related curricula for Tribal gaming in the State of Oklahoma.

B. The second installment shall be paid twelve (12) full months after the first installment in the amount of Two hundred Thousand Dollars ($200,000.00), unless the Tribe has remained in material compliance with this Agreement and the terms of probation during the preceding twelve (12) month period, in which case the fine and amount due shall be reduced by One Hundred Thousand Dollars ($100,000.00) to One Hundred Thousand Dollars ($100,000.00) and the amount of reduction shall be forthwith donated by the Tribe to a state accredited University or College within the State of Oklahoma, selected by the Tribe's governing Tribal Committee, for the establishment or continued funding of a specialized program curriculum for the instruction of generally accepted professional accounting and auditing practices and standards and/or other gaming related curricula for Tribal gaming in the State of Oklahoma.

C. The third installment shall be paid twelve (12) full months after the second installment in the amount of Two hundred Thousand Dollars (200,000.00), unless the Tribe has remained in material compliance with this Agreement and the terms of probation during the preceding twelve (12) month period, in which case the fine and amount due shall be further reduced by Seventy Five Thousand Dollars ($100,000.00) to One Hundred Thousand Dollars ($100,000.00) and the amount of reduction shall be forthwith donated by the Tribe to a state accredited University or College within the State of Oklahoma, selected by the Tribe's governing Tribal Committee, for the establishment or continued funding of a specialized curriculum for the instruction of generally accepted professional accounting and auditing practices and standards and/or other gaming related curricula for Tribal gaming in the State of Oklahoma.

D. The fourth installment shall be paid twelve (12) full months after the third installment in the amount of Two Hundred Thousand Dollars ($200,000.00), unless the Tribe has remained in material compliance with this Agreement and the terms of probation during the preceding twelve (12) months, in which case the fine and amount due shall be further reduced by One Hundred Fifty Thousand Dollars ($150,000.00) to Fifty Thousand dollars ($50,000.00).

E. The fifth and final installment shall be paid twelve (12) full months after the fourth installment in the amount of Two Hundred Thousand Dollars ($200,000.00), unless the Tribe has remained in substantial and material compliance with this Agreement and the terms of probation during the preceding twelve (12) months, in which case the fine and amount due shall be further reduced by One Hundred Seventy Five Thousand Dollars ($175,000.00) to Twenty Five Thousand dollars ($25,000.00).

3. The Tribe shall prohibit Tribal Gaming Commission members from serving in any other elected Tribal office, except the ex officio non-voting member(s), or any other position or capacity that in fact or appearance could potentially cause their independence to be impaired or appear to be impaired. The legislative action creating and chartering the gaming regulatory body, establishing the scope of its authority, providing for the election or appointment of its commissioners and the methodology for its budgetary funding shall be provided to the NIGC at least thirty (30) days prior to the Tribe's desired reopening date of the first Facility. Prior to opening, the Chairman or his designee must approve the enabling legislation. Both parties herein acknowledge that this Additional Covenant has been completed prior to the execution of this Agreement.

4. An independent certified public accountant shall be engaged by the Tribe on or before the opening date of each Facility and to perform within sixty (60)

days after actual opening of each Facility that "Agreed Upon Procedures" to verify that the Tribal Gaming Commission has established and implemented tribal internal control standards for that Facility and its gaming operations that satisfy 25 C.F.R. §542.3(c), except that, with regard to compliance by the Facilities, 25 C.F.R. §542.3(d)(2) shall control. Furthermore, the scope of the engagement shall also include such testing of the gaming operation's internal control systems to verify that all standards contained within the TICS and 25 C.F.R. §542 requiring specific action by the gaming operation are satisfied, unless such testing and verification is adequately conducted by the Tribe's independent Tribal Gaming Commission to the NIGC's satisfaction. Both parties herein acknowledge that this Additional Covenant has been completed prior to the execution of this Agreement.

5. Upon execution, a copy of the required engagement letters between the Tribe and the independent certified accountant shall be submitted to the NIGC Chairman. A copy of the respective "Agreed Upon Procedures" reports of findings for each Facility and gaming operation shall be submitted to the NIGC Chairman no later than ninety (90) days after the Tribe's actual reopening date of the Facility. Both parties herein acknowledge that this Additional Covenant has been completed prior to the execution of this Agreement.

6. In accordance with 25 C.F.R. § 571.12, the Tribe agrees and commits to submit the Tonkawa Casino Facility's audited financial statements for the year ending December 31, 2005 by April 30, 2006. Likewise, in accordance with 25 C.F.R. § 572.3(f), the Tribe agrees and commits to submit the required "Agreed Upon Procedures" report of findings for the Tonkawa Casino Facility by April 30, 2006. Prior to commencement of gaming operations at either the Tonkawa Casino Facility or the Native Lights Casino Facility pursuant to this Agreement, the Tribe will provide to the NIGC Chairman a copy of the executed letter of engagement with a certified public accounting firm to conduct the audit of the Facility's financial statements for the year ending December 31, 2006. Furthermore, in accordance with 25 C.F.R. § 572.3(f), prior to commencement of gaming operations at either Facility pursuant to this Agreement, the Tribe will provide to the NIGC Chairman a copy of the executed letter of engagement with a certified public accounting firm to conduct an "Agreed Upon Procedures" within sixty (60) days after opening of each Facility to verify that the Facility is in compliance with 25 C.F.R. § 542 or a Tribally approved variance thereto that has received NIGC concurrence. The period subject to examination will be for the year ending December 31, 2006. Both parties herein acknowledge that this Additional Covenant has been completed prior to the execution of this Agreement.

7. In accordance with 25 C. F. R. Part 514, the Tribe shall submit a statement showing its assessable gross revenues at the Tonkawa Casino Facility for the previous year of 2005 accompanied by the fee payment required by the referenced regulation. The first required quarterly submission shall be filed with the NIGC no later than March 31, 2006, unless otherwise agreed by the

NIGC. Furthermore, in conjunction therewith or within thirty (30) days of receipt of the Tonkawa Casino gaming operation's audited financial statements for the year 2005, the Tribe shall submit to the NIGC a copy of the reconciliation of the fee assessment calculation to its audited financial statements, as required by 25 C.F.R. § 571.14. Both parties herein acknowledge that this Additional Covenant has been completed prior to the execution of this Agreement.

8. If the Tribe or any of its Tribal entities hereafter fail to comply with this Agreement, the Chairman reserves the right to initiate an enforcement action as outlined under 25 C.F.R. § 573.6, which may result in additional fines or closure of the Tonkawa Casino Facility and/or Native Lights Casino Facility.

9. The Tribe agrees that all Key Employees and Primary Management Officials will be licensed as required by the Tonkawa Tribal Gaming Ordinance, the regulations of the Tonkawa Tribal Gaming Commission, the IGRA, and NIGC regulations.

10. The Tribe agrees to adequately train all gaming employees at any Tonkawa tribal gaming operation in internal controls and all pertinent Bank Secrecy Act requirements.

11. The Tribe also agrees to maintain a gaming machine inventory for any Tonkawa tribal gaming operation, which at a minimum shall include the manufacturer name, serial number, and game description.

12. The Tribe agrees to establish a records retention policy for all Key Employee, Primary Management Official and vendor background investigations and licensing determination files of the Tribal Gaming Commission.

13. The Tribe will notify the NIGC at least 90 days in advance of the construction of any gaming facility.

14. The Tribe agrees that it will not open any future gaming facilities without first submitting its own written certification to the NIGC, and receiving written confirmation from the NIGC or the United States Department of the Interior, that such facility is located on Indian lands as that term is defined in IGRA.

15. A signature produced by facsimile shall be deemed to be an original signature and shall be effective and binding for purposes of this Agreement.

16. 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 all the parties.

For the Tonkawa Tribe of Oklahoma:

By: _____ Date: _____

Anthony Street
President, Tonkawa Tribe of Oklahoma

For the National Indian Gaming Commission:

By: _____ Date: 7/5/06

Philip N. Hogen
Chairman, National Indian Gaming Commission