INTRODUCTION

This Settlement Agreement (Agreement) is entered into by and between the Spokane Tribe of Indians (Tribe), a federally-recognized Indian tribe, with tribal headquarters in Wellpinit, Washington and the Chairman of the National Indian Gaming Commission (NIGC Chairman), relating to the matter contained in the NIGC Chairman's Notice of Violation No. NOV-08-13.

RECITALS

1. Whereas, the Indian Gaming Regulatory Act (IGRA) authorizes the NIGC Chairman to issue civil fines for violations of the IGRA, NIGC regulations, or tribal regulations, ordinances, or resolutions approved by the NIGC Chairman under 25 U.S.C. §§ 2710 or 2712. See 25 U.S.C. § 2713(a)(l).

2. Whereas, under NIGC regulation 25 C.F.R. § 573.3(a), the Chairman may issue a Notice of Violation (NOV) to any person for violations of any provision of the IGRA, NIGC regulations, or any provision of a tribal gaming ordinance or resolution approved by the Chairman.

3. Whereas, on July 25, 2008, the NIGC Chairman issued NOV-08-12 for the Tribe's failure to submit an independent audit report within 120 days after the end of the fiscal year for the Chewelah Casino in Chewelah, Washington and the Two Rivers Casino in Davenport, Washington (two casinos).

4. Whereas, the Chairman and the Tribe desire to achieve an amicable resolution of NOV-08-13 and in recognition of the responsive and remedial efforts of the Tribe to prevent any future late audit.

5. 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

6. This Agreement is entered into pursuant to 25 C.F.R. § 575.6 (b) and shall be effective upon the date that it is signed by the last party to sign this Agreement.

7. The Tribe agrees that it was required to submit a timely audit report on its two casinos to the NIGC for the fiscal year which ended September 20, 2007. The audit report was due to the NIGC on or before January 28, 2008.

8. The Tribe agrees that it submitted the audit report for its two casinos for the fiscal year that ended September 30th, 2007, which was due to the NIGC on Jan. 28, 2008 late. The audit report was not filed until February 13, 2008, 16 days late.

9. The Tribe agrees that the failure to submit an annual independent audit report for its gaming operations in a timely fashion is a violation of NIGC regulations and the Tribe's gaming ordinance.

10. The Tribe agrees to pay a civil fine of two thousand dollars ($2,000), made payable to the U.S. Treasury and delivered to the NIGC as follows: one thousand dollars of the fine ($1,000) shall be due within thirty (30) days after the Effective Date of this agreement, and the remaining fine of one thousand dollars ($1,000) will be suspended pending the Tribe's compliance with the filing of the annual audit required by the NIGC for the fiscal year ending September 30th, 2008. If the Tribe meets the deadline for filing the annual audit for 2008, the NIGC Chairman will forgive the suspended one thousand ($1,000) dollar fine. If the Tribe fails to submit the annual audit for 2008 on a timely basis, the remaining one thousand dollar fine ($1,000) dollars of the fine will become due thirty (30) days from the missed deadline.

11. The audit report submission will be considered timely if received on or before January 28th, 2009.

12. By entering this Agreement, the NIGC Chairman agrees to waive his right to impose any additional civil fine or a closure order against the Tribe for the matters addressed in NOV-08-13, unless the Tribe fails to comply with this Agreement.

13. If the Tribe fails to comply with this Agreement, the NIGC Chairman reserves the right to issue additional civil fines, and/or a closure order to resolve the Tribe's initial violation and/or breach of this Agreement.

14. The Tribe agrees upon execution of this Agreement to waive the right to further review of matters addressed in this Agreement including all rights to appeal to the full Commission, as set forth in 25 C.F.R. Part 577 and judicial review pursuant to 25 U.S.C. § 2714.

ADDITIONAL COVENANTS
16. This Agreement constitutes the entire agreement between the NIGC Chairman and the Tribe relating to the enforcement matter set forth in NOV 08-13. Any modification or waiver of any term of this Agreement must be in writing and signed by both parties.

14. The Tribe agrees 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 a final agency action pursuant to 25 C.F.R. § 577.9(d).

15. The NIGC Chairman and the Tribe expressly agree and acknowledge that time is of the essence in this Agreement. The recitals herein shall be binding upon the parties, their agents, heirs, personal representatives, successors and assigns.

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

17. This Agreement may be executed on 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 purpose of the Agreement.

Spokane Tribe of Indians

[Signature]

Gregory J. Abrahamson, Chairman

National Indian Gaming Commission

[Signature]

Philip N. Hogen, Chairman

Date: AUG 27 2008