MANAGEMENT AGREEMENT

WHEREAS, the 29 Palms Band of Mission Indians Tribe ("Tribe") and Palm Springs East, L.P. ("Manager") have agreed to enter into a Management Agreement ("Agreement") setting forth the terms under which Manager shall operate and manage Class II gaming and such Class III gaming on the Reservation of the Tribe as shall be authorized during the term of this Agreement in accordance with the Indian Gaming Regulatory Act, the controlling Gaming Ordinance of the Tribe, and such Tribal/State Compact between the Tribe and the State of California as may be entered into; and

WHEREAS, the Tribe presently intends to implement Class II gaming in accordance with the Act and is seeking the authority to implement Class III gaming; and

WHEREAS, Manager is prepared to initiate the operation and management of Class II gaming and will be prepared to initiate the operation and management of Class III gaming upon its authorization.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Tribe and Manager agree as follows:

SECTION 1. DEFINITIONS

(A) "Act" shall mean the Indian Gaming Regulatory Act, Stat.2467, 25 U.S.C. 2701, et seq.

(B) "Class II Gaming" means as defined in accordance with the Act at 25 U.S.C. 2703(7) (A) including, but not limited to:

(1) Bingo or Lotto (whether or not electronic, computer, or other technologic aids are used in connection therewith) when players:

(a) Play for prizes with cards bearing numbers or other designations:

(b) Cover numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined; and

(c) Win the game by being the first person to cover a designated pattern on such cards.

(2) If played at the same location as Bingo or Lotto, Pull Tabs, Punch Boards, Tip Jars, Instant Bingo, and other games similar to Bingo.

(3) Non banking card games that:

(a) State law explicitly authorizes, or does not explicitly prohibit, and are played legally anywhere in the State; and

(b) Players play in conformity with State laws and regulations concerning hours, periods of operation, and limitations on wagers and pot sizes.

(C) "Class III Gaming" means all forms of gaming that are not

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Class I gaming or Class II gaming.

(D) "Compact" shall mean such Tribal/State Compact for the Conduct of Class III Gaming as may be entered into between the Tribe and the State of California.

(E) "Distributable Net Profits" shall mean the amount by which gross receipts as defined in Section 1(H) exceed operating expenses as defined in Section 1(L).

(F) "Facility" shall mean the gaming center to be constructed on the Site and shall include any room or rooms therein in which Class II or Class III gaming is conducted pursuant to appropriate authorization, and shall further include contiguous patron food, beverage and service facilities, and any other related income producing activities on the Site;

(G) "Gaming Enterprise Documents" shall mean this Agreement and the Loan Agreement and the related documents and Agreements, executed pursuant to or in connection with this Agreement and the Loan Agreement, and all the exhibits and appendices thereto;

(H) "Gross Receipts" shall mean all revenues of any kind resulting from operation of the facility;

(I) "General Partner" shall mean Elsub Management Corporation, a wholly-owned subsidiary of Elsinore Corporation.

(J) "Loan Agreement" shall mean that certain Agreement between Manager and Tribe containing the terms and conditions of Loans between the parties, as set forth in Exhibit "A" hereto.

(K) "Notes" shall mean those documents evidencing the Loans described in Section 11 of this Agreement;

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(L) "Operating Expenses" shall mean:

(1) all expenditures necessary or proper for the maintenance, operation, and repair of the facility, including, without intending any limitation, costs of goods, services, prizes, employee wages, taxes relating to employee wages, advertising, promotion, bus and coordinator costs, auto and travel expense, bad debt expense, uniforms, office expense, printing, supplies, utilities, rent, insurance, maintenance, legal services, costs of regulation, accounting and miscellaneous and other expenses, provided that legal and other expenses relating to a dispute between Manager and Tribe, interest and principal repayment on Notes and depreciation on the Facility shall not be Operating Expenses;

(2) such other expenses not enumerated above that Manager and Tribe agree in writing should be treated as Operating Expenses.

(M) "Ordinances" shall mean Class II Gaming Activity Ordinance, or Class III Gaming Activity Ordinance adopted by Tribe on July 6, 1993.

(N) "Reservation" shall mean the lands near Indio, California recognized as the Reservation of the Tribe;

(O) "Site" shall mean the approximate 155-acre parcel of Reservation land described in Exhibit "B".

(P) "Tribal Council" shall mean the 29 Palms Band of Mission Indians Tribal Council, the duly elected governing body of Tribe as authorized by Article 3 of the Tribal Articles of

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Association.

(Q) "Tribal Gaming Commission" shall mean the Gaming Commission to be established by the Tribe to regulate and administer gaming activities at the Facility.

(R) "Tribal Taxes" shall mean taxes or any other form of non-discretionary, required payment to Tribe in its governmental capacity.

(S) "Working Capital" shall mean those funds advanced by Manager if, during the initial or extended term of this Agreement there is insufficient cash from revenues to pay prizes and/or operating expenses or payments to Tribe as required by Section 10 of this Agreement when due, or to maintain the Working Capital account.

SECTION 2. GOVERNMENTAL AUTHORITY

All gaming performed under the authority of this Agreement shall be conducted in accordance with the Act, the Ordinance and, with respect to any Class III Gaming to be authorized, the governing Compact.

SECTION 3. ENGAGEMENT OF MANAGER

(A) Tribe hereby retains Manager on Tribe's behalf to manage, operate, and maintain gaming on the Site. Manager shall have the exclusive right to conduct authorized Class II and Class III gaming at the Site during the term of this Agreement, including both gaming which is authorized at the time this Agreement is

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executed, and gaming which is subsequently authorized in accordance with the Governmental Authorities described in Section 2 of this Agreement, together with food service, gift and souvenir shops, and liquor and all other beverage services to be established at the Facility, and any other related income producing activities on the site.

(B) Pending the negotiation and development of specific terms within any future Compact, participation in Class III gaming activities must be consented to by both parties, which consent shall not be unreasonably withheld, and either party's decision to consent may take into account economic benefits and regulatory issues as they relate to both Tribe and Manager. The Class II gaming terms and obligations in this Agreement shall not be affected but shall remain in full force and effect.

(C) Tribe agrees not to use public portions of the Facility for tribal, noncommercial purposes in a matter that conflicts, interferes with, or imposes material costs on the gaming operation.

(D) The parties may in the future agree to develop, conduct and manage other revenue producing activities in the Facility by an appropriate instrument in writing amending this Agreement.

SECTION 4. ASSIGNMENT OF RESPONSIBILITIES

(A) Manager shall operate, manage, improve and maintain the operations of the Facility in full and strict compliance with the Governmental Authorities described in Section 2, and this Agreement, all as currently or hereafter written, amended or

modified. The parties understand that the gaming operation shall be conducted in a manner that adequately protects the public health and safety and the environment shall be free of criminal or dishonest activity and shall be conducted to result in the effective and honest accounting of all revenues. Except as otherwise provided in this Agreement, Manager shall have complete responsibility for operation and maintenance of the gaming Facility. Manager is hereby retained by Tribe as an independent contractor with respect to the operation of the Facility and related activities pursuant to terms and conditions of this Agreement and Manager accepts that retention. Manager has the exclusive right to manage and operate the Facility and to perform all duties hereunder in compliance with all applicable laws.

(B) Manager shall have the following management responsibilities pursuant to this Agreement and as generally described in Section 4(A) of this Agreement, and in accordance with the regulations and controls established by the Governmental Authorities described in Section 2 of this Agreement which, shall include, but not be limited to, and the payment of which and all costs associated with which (with the exception of Sub-Paragraphs (2) below) shall be considered operating expenses of the Facility:

(1) maintaining and improving the operation of the Facility;

(2) providing operating capital;

(3) establishing operating days and hours;

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(4) hiring, firing, training, promoting, and administration of all personnel, personnel programs, and policies;

(5) maintenance of adequate accounting and internal control procedures, as well as gaming books and records, in order to assure verifiable, efficient, reliable, and honest gaming activity;

(6) preparing the operation's financial statements and records;

(7) paying for the services of an independent auditor engaged pursuant to 571.12 of the Act;

(8) hiring, staffing, supervision, and maintenance of adequate security and surveillance personnel and procedures in order to assure verifiable, efficient, reliable, and honest gaming activity;

(9) promulgation and execution of promotional, advertising, marketing, budgets and programs in order to generate interest and encourage the enlargement of business without the use of deceptive or misleading practices;

(10) paying bills and expenses;

(11) establishing and administering employment practices;

(12) obtaining and maintaining insurance coverage, including coverage of public liability and property loss or damage;

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(13) complying with all applicable provisions of the Internal Revenue Code;

(14) paying the cost of any increased public safety services, including fire services;

(15) the payment of all expenses incurred to bear the costs of regulation of the gaming activity at the Facility, as follows;

(a) the Tribal Gaming Commission pursuant to the applicable Tribal ordinance and subject to Section 5 of this Agreement;

(b) the National Indian Gaming Commission pursuant to 25 U.S.C. §2717;

(c) Such expenses of the State of California as may be imposed pursuant to any Compact that may be entered between the Tribe and the State during the term of this Agreement; provided, however,that these expenses are subject to the provisions of Section 3(B).

(16) such other management and operational activities as necessary to fulfill its responsibilities pursuant to this Agreement.

(C) The responsibilities of Tribe for the functions described in Section 4 (B), pursuant to the provisions of this Agreement and in accordance with the regulations and controls established by the Governmental Authorities described in Section 2 of this Agreement, shall include, but not be limited to, the

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following:

(1) the establishment and appointment of the Tribal Gaming Commission with the timely promulgation of the required regulations which shall govern the functions associated with the operation and management of the gaming Facility in accordance with the provisions and requirements of the Ordinance. The Tribal Gaming Commission shall have the primary responsibility for the on-site regulation, control, security and primary administrative enforcement authority of the Gaming Facility and operation;

(2) providing for fire protection and law enforcement services through the Tribal departments and in cooperation with local, county, state, and federal agencies;

(3) payment of such expenses of the State of California imposed by Compact and subject to provisions of Section 3(B); and

(4) the undertaking of capital improvements for the Facility.

(5) the filing of all environmental data required for completion of this project.

SECTION 5. TRIBAL COMMISSION BUDGET

The Tribal Gaming Commission budgeted expenses incurred to carry out actions required by applicable regulations shall be an Operating Expense.

SECTION 6. PERSONNEL

(A) Subject to the provisions of Section 6(C), Manager shall have the authority and responsibility to hire, train, direct, control and discharge all personnel employed by Tribe at the Facility, and shall employ security personnel to oversee the safety and security of the Facility, its guests and employees, and the monies derived from the enterprise, all as provided in this Section.

(B) Manager shall give first preference to enrolled members of the Tribe followed by all other Native Americans and then to all other persons in hiring such personnel during all phases of the operation of the Gaming Facility and Manager shall implement and continually maintain an active and effective policy of hiring, training, and promoting enrolled members of the Tribe and other Native Americans at all levels of employment. Compliance with this employee requirement insofar as the operation is concerned shall depend on both the availability and qualification of Tribal members and other Native Americans.

(C) Compensation for the services of all such personnel, including on site personnel of Manager who are dedicated full-time to the operation of the Gaming Facility, shall be determined by Manager and shall be considered an Operating Expense of the operation, provided that such compensation is within the annual budget approved by Tribe pursuant to Section 8 and provided that Manager shall not

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pay performance bonuses in excess of the amounts in the approved budget, without prior Tribal approval.

(D) Manager's authority over personnel shall be subject to the following provisions:

(1) The parties understand that the facility shall be operated pursuant to the Ordinance and Manager agrees to comply with the Ordinance, subject to the terms of Section 32 herein. Manager may not employ or utilize any person or entity required to be licensed or approved by the Tribal Gaming Commission and/or the National Indian Gaming Commission unless and until said person or entity has received the required license or approval.

(2) Manager shall give the Tribal Gaming Commission twenty-one (21) days notice (or such other period of notice as may be required under the Ordinance) of any proposed hiring of primary management officials and key employees for the Facility. Pursuant to the Ordinance, the Tribal Gaming Commission shall conduct, or arrange for, a background investigation of such proposed employees and consider the applications of such proposed employees to be licensed by it. If the Tribal Gaming Commission issues a temporary license to any such proposed primary management official or key employee, such person may be employed temporarily

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by Manager pending the outcome of the background investigation and the Tribal Gaming Commission's ultimate disposition of the person's application for a tribal gaming license. No person may be employed temporarily for more than 90 days. The cost of the investigation shall be a charge against the gaming operations.

SECTION 7. ACCOUNTING

(A) Manager shall allow for, and maintain, all required systems, procedures, internal controls, and records of the operation adopted pursuant to the provisions of this Agreement, and subject to the regulations and controls established by the Governmental Authorities described in Section 2 of this Agreement, shall include, but not be limited to, the following:

(1) internal accounting controls and accounting cash control management procedures required by the Tribal Gaming Commission which shall be developed to safeguard monies, receipts, and other assets from skimming, money laundering, embezzlement, and other criminal activities;

(2) the preparation and submission of monthly financial statements in accordance with generally accepted accounting principals;

(3) to conduct an annual audit of the Facility operations by an Independent Certified Public Accountant, in accordance with the auditing and accounting standards for audits of

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casinos of the American Institute of Certified Public Accountants;

(4) the calculation and payment of Class II fees required by C.F.R. 531.1, the management fees and Tribe's share of distributable net profits;

(5) the appropriate allocation of Operating Expenses;

(6) a surveillance log recording all surveillance activities and a security log recording the employee assignments of the Tribal Gaming Commission or security department shall be maintained in the monitoring room of the Facility, which shall be available for any required inspection;

(7) a closed circuit television system maintained in the Facility and operating in accordance with the procedures required by the Tribal Gaming Commission.

(8) A cashier's cage maintained in the Facility and operated in accordance with the procedures required by the Tribal Gaming Commission.

(9) minimum requirements for supervisory staffing for each table and gaming pit operated in the Facility shall be maintained in accordance with the procedures required by the Tribal Gaming Commission.

(10) unfettered access by the Tribal Gaming Commission to the daily operations of all gaming activities of the Facility and who shall have the absolute right to verify the daily gross revenues and income made from the facility.

SECTION 8. BUDGET REPORTS AND REGULAR BUSINESS MEETINGS

(A) Manager shall prepare and submit to the Tribal Council and Tribe, monthly financial reports developed in accordance with generally

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accepted accounting principals by the 10th day each month identifying the financial activity of the Facility for the previous month:

(B) Manager shall meet at least once each month with the Tribal Council or its designees to review all aspects of its management of the Facility in order to facilitate the effective operation of the Facility.

(C) Manager shall prepare and submit to Tribe at least thirty days prior to December 31 of each year a detailed operating budget for the next fiscal year for approval by Tribe, which approval shall be in consultation with the Tribal Council and shall not be unreasonably withheld or unduly delayed. This submission shall include a sufficient description of each item of Operating Expense to permit its understanding and an informed review by the Tribal Council. In the course of the administration of the budget, there shall be a review of the prizes and Operating Expenses in comparison to the budget and Manager will provide a full justification for any variances to these figures in excess of Manager shall be allowed a margin of excess from the budgeted fixed expenses not to exceed each year and/or variable expenses not to exceed (i) f each year, or (ii) the same percentage that actual gross receipts increase over the budget, whichever is greater,unless approved in writing in advance of such occurrence by Tribe; provided, however, this formula is applied for any four consecutive calendar quarters (other than during the first six-months of the initial term of this Agreement).

(D) Manager shall prepare and submit to Tribe, separate proposed budgets for the construction of the Facility at least sixty (60) days before construction begins. This budget shall be as detailed as those required under Section 8(C). No construction shall take place until Tribe grants approval of the construction.

(E) Manager shall assist Tribe in the budget of capital improvements which shall be Tribe's responsibility to undertake pursuant to Section 4 herein.

SECTION 9. ACCESS

The Tribal Gaming Commission shall have unfettered access to the Facility and its records, which shall include the absolute right to verify the daily gross revenues and income made from the Facility.

SECTION 10. DISTRIBUTIONS AND PAYMENTS TO Tribe

A) Subject to the provisions of paragraph B, below, each month Manager shall distribute to Tribe the greater of:

(1) A minimum Monthly Guaranteed Payment ("MGP") of ; or

(2) of the previous month's Distributable Net Profits ("Distributable Tribal Profits").

(B) Manager may withhold from Distributable Tribal Profits the lesser of:

(1) Amounts currently payable by Tribe to Manager pursuant to the terms of the Notes and Loan Agreement; or

(2) The excess of Distributable Tribal Profits over MGP.

(C) If MGP in any month exceeds Distributable Tribal Profits, such excess amount distributed to Tribe shall be considered an advance by Manager against future Distributable Tribal Profits ("MPG Advance"). MGP Advances shall be repaid by Tribe from the next succeeding month's Distributable Tribal Profits, but only to the extent that Distributable Tribal Profits, after withholding of any amounts pursuant to paragraph B, above, exceed MGP. Unrepaid MGP Advances shall be carried forward to subsequent months and repaid in

the same manner.

(D) Within ten (10) days after the end of each calendar month of operations, Manager shall issue to Tribe an itemized statement and report of the financial condition and activities of the Facility, including, but not limited to, a report of gross revenues, prizes and Operating Expenses, Distributable Net Profits, intended distribution of Manager's fees and Tribe's share for the previous month's gaming and related activities, and any other information reasonably requested by Tribe. Tribe's share and Manager's fees for that month shall be determined on an accrual basis and shall be paid to the extent of available cash in accordance with paragraph B of this Section.

SECTION 11. INITIAL EXPENSES, NEW CONSTRUCTION, AND EQUIPMENT COSTS

(A) Tribe and Manager simultaneously with the signing of this Agreement, agree to enter into the Loan Agreement, whereby Manager agrees to loan up to to Tribe for the development, construction, and operation of the gaming facility.

(B) Manager has undertaken certain initial, preliminary, preparatory services including pre-opening advances relating to the development and pre-construction of the Facility. Manager shall also provide operating capital in accordance with Section 4(B)(2) herein. Tribe shall finance the costs of these services pursuant to the terms of the Loan Agreement. Manager shall submit to the Tribal Council, in writing, a detailed accounting for all costs expended and to be expended under this Section.

(C) Upon Class II gaming being authorized by the appropriate Government authorities described in Section 2 of this Agreement, Manager shall construct a Facility according to plans submitted to an

approved by Tribe which will be appropriate for the conduct of authorized gaming. Tribe shall finance the costs of this construction, and the purchase of equipment to implement the Class II gaming in the Facility pursuant to the terms of the Loan Agreement. Manager shall submit to the Tribal Council, in writing, a detailed proposed budget for all costs to be expended under this Section.

(D) No expenditures pursuant to said budget shall be made without prior Tribal Council approval. Tribe shall after satisfactory notification of the authorized expenditures and acceptance by Tribe, execute a note for the amount of these authorized costs. The Note shall be repaid out of Distributable Net Profits in accordance with the Loan documents.

(E) Repayment of the Notes described in this paragraph shall be from Tribe's share of Distributable Net Profits in accordance with the priorities set forth in Section 10(B).

(F) No new construction or remodeling may be started or undertaken by Manager in connection with the Facility or otherwise, unless the Tribal Council has approved the construction drawings and specifications for such construction.

SECTION 12. INSURANCE

Manager shall obtain and maintain insurance coverage of the following types in amounts mutually agreeable to Tribe and Manager through policies exclusively devoted to the gaming activity conducted hereunder:

Property hazard insurance

Comprehensive general liability insurance

Non-owned vehicle liability insurance

Workmens' compensation

Liability umbrella coverage

Employee theft insurance

Business interruption insurance

Tribe and Manager shall be named as additional insured parties on all policies. The policies shall provide that the insurer shall not assert Tribe's immunity from suit for claims within the policy limits. Tribe shall not be liable beyond those limits.

In the event the premises are substantially destroyed and Tribe decides not to rebuild them, the insurance proceeds shall be used first to repay any Notes due to Manager under Section 11, and any remaining proceeds shall be paid to Tribe;

If Tribe elects to utilize such insurance proceeds to rebuild the Facility, in such event, the Term of this Agreement shall automatically be extended for the length of time equal to the elapsed time the Facility was unavailable for complete operation due to the destruction of Facility.

SECTION 13. TERM

(A) This Agreement shall remain in effect for a period of five (5) years from the first day of operation of gaming pursuant hereto, the date of which the Tribal Council shall give notice contemporaneous with said first day of operations. The term of this Agreement may be extended by mutual agreement between the parties to a maximum of

Any such extension is specifically made subject to compliance with 25 U.S.C. 2711(b)(5) and may only be extended upon receipt of all necessary approvals finding that the capital investment and the income projections require the additional time.

(B) Subject to receipt of approval described in Section 13 (A) this Agreement shall be automatically extended if the Loan has not

been repaid to the Manager in full; such extension shall be for the lesser of a two (2) year period or until the last day of the sixth month following the month in which the Loan is fully repaid.

(C) If either party desires to extend the term of this Agreement, that party shall notify the other party, in writing, no later than 180 days prior to the termination date of this Agreement.

SECTION 14. COMPENSATION

As compensation for its services under this Agreement, Manager shall receive of Distributable Net Profits in each year, paid monthly, in accordance with Section 10.

SECTION 15. TERMINATION

This Agreement may be terminated:

(A) upon the mutual written consent and approval of both parties;

(B) by either party's giving notice of its intent to terminate this Agreement because of a material breach of its terms by the other party. Any notice to terminate shall give the other party specific notice of the breach and not less than thirty (30) days in which to cure the breach. During the period specified in the notice to terminate, either party may submit the matter to arbitration under the procedures specified in Section 16(B).

(C) upon the loss by Manager of its license to manage the gaming operation or upon the disqualification of Manager for any reason whatsoever preventing it from performing its management responsibilities hereunder.

SECTION ... L PUTE RESOLUTION PROCEDURES

(A) Disputes between Manager and customers.

(1) It is the intent of the parties that all customer disputes be resolved fairly, justly, equitably, and expediently.

(2) Manager shall adopt customer dispute resolution procedures which shall implement the above described intent and which shall be submitted in advance of adoption for approval by the Tribal Gaming Commission.

(3) The customer dispute resolution procedures shall comply with the applicable ordinance.

(B) Disputes between Manager and Tribe.

(1) Meet and Confer; Arbitration. Whenever during the term of this Agreement, any disagreement or dispute arises between the Parties as to the interpretation of this Agreement or any rights or obligations arising thereunder, such matters shall be resolved whenever possible by meeting and conferring. Any Party may request such a meeting by giving notice to the other, in which case such other Parties shall make themselves available within seven (7) days thereafter. If such matters cannot be so resolved within ten (10) days from such meeting, and do not involve any claim of material breach or termination of this Agreement or any other Gaming Enterprise Document, either Party may seek arbitration in accordance with the then prevailing rules of the American Arbitration Association

(or any successor thereto) ("Association") to the extent not inconsistent herewith, in Riverside County, California, upon notice to the other Parties of its intention to do so. Provided, however, that the time periods for meeting and resolving the arbitratable claims under this sub-paragraph which serve as a pre-condition to the initiation of arbitration shall not apply to the non-arbitratable claims of material breach or termination of this Agreement or any other Gaming Enterprise Document. The Parties agree that in any such arbitration each Party shall be entitled to reasonable discovery as provided by the California State Superior Court Civil Rules. The Parties will select an arbitrator in accordance with the rules of the Association. If the Parties fail to select or agree upon the selection of an arbitrator within ten (10) days after being requested in writing by the Association to do so, the Association shall appoint an arbitrator to resolve the dispute. All hearings shall be conducted within thirty (30) days after the arbitrator is selected, shall be conducted in the presence of the arbitrator and the decision of the arbitrator will be binding upon the Parties. The costs and expenses of the arbitration shall be advanced if and when required by the Association, each Party to share equally in such advances.

(2) Judicial Enforcement. Either Party may seek confirmation of an arbitrator's award in the

United States District Court for the Central District of California pursuant to the provisions of the Federal Arbitration Act. The Tribe expressly waives its sovereign immunity for this purpose in accordance with the provisions of Section 16(B)(3) below.

(3) Tribe's Limited Waiver of Sovereign Immunity.

(a) Jurisdiction and Venue. Tribe hereby waives, limits, or modifies its sovereign immunity from unconsented suit only as provided in this Section 16 (B)(3). The Tribe expressly waives its sovereign immunity from suit or action for any breach of Tribe's obligations under Section 16(B)(1), and actions involving claims of material breach or termination of this Agreement, the Loan Agreement or any other Gaming Enterprise Document and/or any arbitration award issued pursuant to Section 16. The Tribe consents to be sued in the United States District Court, Central District of California. If and only if the United States District Court lacks jurisdiction, then and only then does the Tribe consent to be sued in the Superior Court of the State of California in Riverside County, with appeals as appropriate to the California Court of Appeals and the California State Supreme Court. Provided further, that if Manager in any way challenges the jurisdiction of the United States District Court, the Tribe, upon such event, shall be deemed to have revoked this limited waiver of sovereign

immunity to the S. .e court system.

(b) Scope of Remedies. The waiver in this Section 16(B)(3) authorizes only the following remedies:

(1) Monetary Damages. The Courts described in Section 16(B)(3) above shall have authority to enforce an award of monetary damages set forth in any judgement, order of the court or arbitration award; however, the Manager agrees that the sole source of funds which can be used to pay any judgement or arbitrator's award shall be undistributed or future distributable profits to the Tribe of the Gaming Enterprise. In no instance shall any enforcement of any kind whatsoever be allowed against any assets of the Tribe other than such profits of the Tribe specified herein. In no case shall a party be entitled to punitive damages.

(2) Injunctive or Declaratory Relief. The Court may utilize its powers, including its equity powers, as it deems necessary and appropriate, except that nothing herein shall be deemed to constitute

consent by the Tribe to waive immunity with respect to any claim by Manager for possession, control or occupancy of the Facility, the Gaming Enterprise, any part of the reservation or any real or personal property of the Tribe.

(4) Notice Requirements. Before any suit is filed against Tribe, Manager shall submit to Tribe a written notice of each claim against Tribe as to which such suit is contemplated, and the basis thereof.

(5) Limitation Periods.

(a) No action for damages may be commenced against the Tribe until the same has been presented to the Tribe and 60 days have elapsed since the date of presentation without settlements of the amounts claimed. No claim against Tribe may be made based upon facts of which Manager had actual knowledge and that arose more than eighteen months before the date of which written notice of a claim is given to the Tribe. No claim, action, suit or proceeding at law or in equity against Tribe shall be had or maintained under or in connection with this Agreement unless it be commenced and process served within one year after termination of this Agreement.

(b) No action for damages may be commenced against the Manager until the same has been presented to the Manager and 60 days have elapsed since the date of presentation without

settlements of the amount claimed.

No claim against Manager may be made based upon facts of which the Tribe had actual knowledge and that arose more than eighteen months before the date on which written notice of a claim is given to Manager. No claim, action, suit or proceeding at law or in equity against Manager shall be had or maintained under or in connection with this Agreement unless it be commenced and process served within eighteen months after termination of this Agreement.

(6) Attorney's Fees. If action is brought by any Party to enforce the provisions of this Agreement or to pursue any remedy permitted under this Agreement, the losing Party shall pay reasonable attorney's fees of the prevailing Party, to be fixed by the arbitrator or the Court as a part of the costs in any such action.

(C) Disputes between Manager and Gaming Operation Employees

(1) Manager shall promulgate an employee manual which shall detail the procedures for the resolution of disputes between it and its gaming operation employees.

(2) The procedures required herein shall be subject to the approval of the Tribal Gaming Commission.

(3) No gaming operation employee shall be disciplined by Manager in any way as a penalty for that employee having properly cooperated with the Tribal Gaming

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SECTION 17. ASSIGNMENTS

(A) This Agreement shall not be assigned by either party without the prior written consent of the other party, nor shall Manager, without the prior written consent of the Tribal Council, subcontract with a third party where the third party has any responsibility for the gaming operation or access to any Gross Receipts of the gaming operation; provided, however, that Manager may assign to its General Partner or a wholly-owned affiliate thereof and provided further the Tribe may assign to a wholly-owned affiliate of it. Upon such assignment by Manager, the General Partner shall guarantee the obligations hereunder assigned by the assignee. Upon such assignment, the Tribe shall cause its assignee to assume all duties and obligations of Tribe provided for under the Gaming Enterprise Documents and will be bound thereto and Tribe will cause assignee to execute and deliver to Manager and Tribe a copy of this Agreement. No assignment other than to the General Partner or an affiliate shall be valid until approved by the National Indian Gaming Commission. If an assignment or subcontract is so approved, this Agreement shall inure to the benefit of and be binding on the assignees or subcontractor.

(B) Notwithstanding the provisions of 17 (A) above, Manager may assign its rights to receive the management fees under this Agreement if required to do so under financing agreements with outside lenders.

SECTION 18. PARTIES IN INTEREST

Manager represents that Elsub Management Corp. is its General

Partner. Manager agrees that any transfer of a controlling interest in the partnership shall be considered an assignment of this contract and must be approved by Tribe and the National Indian Gaming Commission.

SECTION 19. EFFECTIVE DATE OF AGREEMENT

This Agreement shall not be effective unless and until it is approved by the Chairman of the National Indian Gaming Commission, date of signature of the parties notwithstanding.

SECTION 20. AMENDMENT

The provisions of this Agreement may be modified at any time by written agreement signed by both the parties and approved by the National Indian Gaming Commission.

SECTION 21. WAIVER

Any of the terms or conditions of this Agreement may be waived with the approval of the National Indian Gaming Commission at any time by the party entitled to the benefit thereof, but no such waiver shall affect or impair the right of the waiving party to require observance, performance or satisfaction either of that term or condition as it applied on a subsequent occasion or of any other term or condition of this Agreement.

SECTION 22. INDEMNIFICATION

Beginning with the date of execution of this Agreement, Manager shall indemnify and hold the Tribe and its members, and the assignee of the Tribe under Section 17 herein, as well as all officers, directors and employees of any said assignee harmless from and against

any and all liabilities, losses, damages, claims, costs and expenses arising out of the development, construction and operating of the Facility as a result of the negligence or willful misconduct during the term of this Agreement of Manager, or any of its agents, employees or independent contractors, or arising from the breach of any provision of this Agreement by Manager. Manager may at its own cost and expense participate in the defense of any action, suit or other claim against Tribe, any of its members, or any other person or entity indemnified by this Section 22. Manager may not compromise or settle any action, suit or other claim without the expressed written consent of the Tribe, which consent shall not be unreasonably withheld.

SECTION 23. FORCE MAJEURE

Neither Tribe nor Manager shall be liable for failure of performance hereunder if occasioned by war, declared or undeclared; fire; flood; interruption of transportation; embargo; accident; explosion, strike or lockout; the discovery or dealing with toxic substances or hazardous wastes; or encountering or dealing with antiquities or archeological sites or resources, whether governed by the Antiquities Act of June 8, 19-6 (16 U.S.C.2 Article 431433), or the Archeological Resources protection Act of October 31, 1979 (16 U.S.C. Article 470(aa)); or changes in federal law or regulation which prohibits or materially restricts Class II gaming provided that Manager or Tribe has been unable to cure following a best effort to cure any failure to perform under this Agreement. Any suspension of performance by reason of this article shall be limited to the period during which such cause or failure exists.

SECTION 24. ENCUMBRANCES

The Tribe specifically warrants and represents that it shall not directly encumber assets, Gross Receipts or Distributable Net Profits of the Facility without Manager's prior written consent. Nothing in this Agreement authorizes either party to encumber any real property owned by the Tribe.

SECTION 25. FACILITY OWNERSHIP

It is expressly understood that Tribe shall own the Facility, including but not limited to the related video or other gaming machines, inventory, equipment, supplies and working capital.

SECTION 26. NOTICES

Any notice under this Agreement shall be in writing, and any written notice or other document shall be deemed to have been duly given on the date of personal service on the parties or service by telecopier at the addresses or telecopier numbers set forth below or at the most recent address or telecopier number specified by the addressee through written notice under this provision.

Name	Address
Manager: Palm Springs East, L.P. Attn: Thomas E. Martin, President of Managing General Partner, Elsub Management Corporation	202 Fremont Street, Las Vegas, NV 89101
Pillsbury, Madison & Sutro	235 Montgomery Street San Francisco, CA 94104
Tribe: c/o 29 Palms Band of Mission Indians Attn: June Mike	555 S. Sunrise, Suite 200 Palm Springs, CA 92264
Arter, Hadden, Lawler, Felix & Hall Attn: Gene Gambale	Jamboree Center 2 Park Plaza, Suite 200 Irvine, CA 92714

27. SEVERABILITY

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If any provi .on of this Agreement is he ɹ by an arbitrator or arbitration panel or by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect and shall in no way be impaired or invalidated.

SECTION 28. GOVERNING LAW

The rights and obligations of the parties and the interpretation and performance of this Agreement shall be governed by California law and by applicable federal laws and regulations.

SECTION 29. PAYMENTS TO MEMBERS OF THE GOVERNMENT OF THE TRIBE PROHIBITED

No payments have been made nor shall be made to any elected member of the government of the Tribe or any relative of any elected member of the government of the Tribe for the purpose of obtaining or maintaining this Agreement or for any privilege for Manager.

SECTION 30. NO PARTY IN INTEREST A MEMBER OF THE GOVERNMENT OF TRIBE

No party in interest to this Agreement is or shall be a member of the 29 Palms Tribal Council or a member of the immediate family of a 29 Palms Tribal Council Member.

SECTION 31. NO EMPLOYEE A MEMBER OF THE GOVERNMENT OF THE TRIBE

No member of the 29 Palms Gaming Commission shall be an employee of Manager or of the gaming operation.

SECTION 32. COMPLIANCE WITH TRIBAL CODES

Manager shall conduct its operations in accordance with tribal

codes now or hereafter in effect regulating or controlling gambling operations, the environment or public health and safety. Tribe will not alter, amend or repeal its codes relating to gambling operations in a way which has a materially adverse economic effect on Manager or on the gaming operation. The Tribe will impose no tribal taxes either on Manager or on the gaming operation during the term of this Agreement so long as the Facility is managed by Manager.

SECTION 33. NONINTERFERENCE WITH THE TRIBE

Manager will not interfere with or attempt to influence the internal affairs or the governmental decisions of the Tribe; provided, however, that Manager shall be entitled to meet with the Tribal Chairman, Council and any other governmental bodies of the Tribe in connection with the conduct of its activities under this Agreement.

SECTION 34. TOLLING OF AGREEMENT

The term of this Agreement shall be tolled if both Class II and Class III gaming operations contemplated hereby become unlawful. The term of this Agreement shall resume if either Class II or Class III gaming operations again become lawful within a seven (7) year period thereafter.

SECTION 35. FEDERAL APPROVAL

This Agreement is subject to approval under federal law. The parties shall take all steps necessary to secure such approval and to comply with federal law.

SECTION 36. TRIBAL APPROVAL

Whenever in this Agreement the approval of the Tribe is required,

such approval shal be expressed by a written esol. on adopted by the 29 Palms Tribal Council.

SECTION 37. NONCOMPETITION

Manager and Tribe agree that neither Management, the Tribe, or any parent company or affiliate of Manager or Tribe will directly or indirectly at any time during the initial term or the extended term, if applicable, of this Agreement engage in, or have any interest in any business (whether as a shareholder, principal, consultant or otherwise) that engages in, any gaming activities which are competitive with any aspect of the Gaming and Related Activities contemplated under this Agreement within a 50 mile radius of the site during the initial term and any extension of the Term of this Agreement. The Parties agree that any breach or violation of the terms of this Section 37 will result in immediate and irreparable harm to the other Parties, which injury would be inadequately compensable in money damages and the nonbreaching Party, shall, in addition, to all other remedies be entitled to obtain a restraining order, injunction and/or specific performance as well as any other legal or equitable remedy necessary to compel compliance with this Section 37. Should anybody before whom such equitable or legal action be brought decline to enforce any provision of this Section 37, then such section shall be deemed to be modified to restrict the breaching Parties competition with the nonbreaching Party to the maximum extent, in both time and geography, which such body shall find enforceable.

SECTION 38. ENTIRE AGREEMENT

This document constitutes the entire Agreement between the parties, all prior oral or written agreements being merged herein, and

supersedes all prior representations and agreements, including but not limited to, the prior Management Agreement between the parties dated February 24, 1993. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties relating to the subject matter of this Agreement that are not fully expressed herein.

Executed this 11 day of NOVEMBER, 1993.

Manager:

By: Thomas E. Martin
Thomas E. Martin, President
Elsub Corporation
General Partner

29 Palms Band of Mission Indians:

By: June Mike
June Mike, Chairperson

7-29-94
ANTHONY J HAL
CHAIRMAN NIGC

ADDENDUM TO

MANAGEMENT AGREEMENT

WHEREAS, the 29 Palms Band of Mission Indians Tribe ("Tribe") and Palm Springs East ("PSE") have agreed to enter into a Management Agreement setting forth the terms under which PSE shall operate and manage Class II gaming and such Class III gaming on the Reservation of the Tribe as shall be authorized during the term of this Agreement in accordance with the Indian Gaming Regulatory Act, the controlling Gaming Ordinance of the Tribe, and such Tribal/State Compact between the Tribe and the State of California as may be entered into; and

WHEREAS, the Tribe presently intends to implement Class II gaming in accordance with the Act and in the future will seek authority from the National Indian Gaming Commission ("NIGC") to implement Class III gaming; and

WHEREAS, PSE is prepared to initiate the operation and management of Class II gaming and will be prepared to initiate the operation and management of Class III gaming only upon its authorization by the NIGC; and

WHEREAS, the said Management Agreement has been submitted to the NIGC and is pending review; and

WHEREAS, the parties to said Management Agreement have been informed that certain terms and provisions of the previously submitted Management Agreement need to be amended in order to conform to the requirements of the NIGC; and

WHEREAS, such amendments do alter and effect the previously negotiated terms and provisions of the Management Agreement; and

WHEREAS, the parties to said Management Agreement, that is the Tribe and PSE, have now accepted and do accept that the following amendments to Sections 1, 4, 7, 10, 14 and 15, shall be made to, and become part of, the previously submitted Management Agreement; and

WHEREAS, the parties to said Management Agreement further agree that all unamended provisions of the previously submitted Management Agreement shall remain in full force and effect;

NOW THEREFORE, in consideration of the mutual covenants contained in the Management Agreement and in this Addendum herein, the following amendments are made to the designated sections:

SECTION 1 DEFINITIONS

Shall be amended as follows:

(A) "Act" shall mean the Indian Gaming Regulatory Act, Stat.2467, 25 U.S.C. 2701, et seq.

(B) "Class II Gaming" means as defined in accordance with the Act at 25 U.S.C. 2703 (7) (A) including, but not limited to:

(1) Bingo or Lotto (whether or not electronic, computer, or any other technologic aids are used in connection therewith) when players:

(a) Play for prizes with cards bearing numbers or other designations;

(b) Cover numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined; and

(c) Win the game by being the first person to cover a designated pattern on such cards.

(2) If played at the same location as Bingo or Lotto, Pull Tabs, Punch Boards, Tip Jars, Instant Bingo, and other games similar to Bingo.

(3) Non banking card games that:

(a) State law explicitly authorizes, or does not explicitly prohibit, and are played legally anywhere in the State; and

(b) Players play in conformity with State laws and regulations concerning hours, periods of operation, and limitations on wagers and pot sizes.

(C) "Class III Gaming" means all forms of gaming that are not Class I gaming or Class II gaming.

(D) "Compact" shall mean such Tribal/State Compact for the Conduct of Class III Gaming as may be entered into between the Tribe and the State of California.

(E) "Distributable Net Profits" shall mean the amount by which gross receipts as defined in Section 1(M) exceed operating expenses as defined in Section 1(T).

(F) "Distributable Net Profits From Gaming" shall mean the amount by which Gross Receipts from Gaming Operations exceed Gaming Operating Expenses.

(G) "Facility" shall mean the gaming center to be constructed on the Site and shall include any room or rooms therewith and all equipment therein, in which Class II or Class III gaming is conducted pursuant to appropriate authorization, and shall further include contiguous patron food, beverage and service facilities, and any other related income producing activities on the Site.

(H) "GAAP" shall mean Generally Accepted Accounting Principles as promulgated by the American Institute of Certified Public Accountants.

(I) "Gaming Enterprise Documents" shall mean this Agreement and the Loan Agreement and the related documents and Agreements, executed pursuant to or in connection with this Agreement and the Loan Agreement, and all the exhibits and appendices thereto.

(J) "Gaming Operations" shall mean all business operations directly connected with the conduct of Class II and/or Class III gaming at the Facility.

(K) "Gaming Operation Expenses" shall mean Operating Expenses directly attributable or allocable to Gaming Operations in accordance with GAAP.

(L) "General Partner" shall mean Elsub Management Corporation, a wholly-owned subsidiary of Elsinore Corporation.

(M) "Gross Receipts" shall mean all revenues of any kind resulting from operation of the facility.

(N) "Gross Receipts From Gaming Operations" shall mean all revenues directly derived from the conduct of Gaming Operations.

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(O) "Gross Receipts From Non-Gaming Operations" shall mean all revenues, including, but not limited to, revenues from the sale of food and beverages at the Facility, derived from operations other than Gaming Operations at the Facility.

(P) "Loan Agreement" shall mean that certain Agreement between Manager and Tribe containing the terms and conditions of Loans between the parties, as set forth in Exhibit "A" hereto.

(Q) "Net Profit (Loss) From Non-Gaming Operations" shall mean the amount by which Gross Receipts From Non-Gaming Operations exceeds (is less than) Non-Gaming Operating Expenses.

(R) "Non-Gaming Operation Expenses" shall mean Operating Expenses directly attributable or allocable to operations other than Gaming Operations in accordance with GAAP.

(S) "Notes" shall mean those documents evidencing the Loans described in Section 11 of this Agreement.

(T) "Operating Expenses" shall mean:

(1) all expenditures necessary or proper for the maintenance, operation, and repair of the Facility, including, without intending any limitation, costs of goods, services, prizes, employee wages, taxes relating to employee wages, advertising, promotion, bus and coordinator costs, auto and travel expense, bad debt expense, uniforms, office expense, printing, supplies, utilities, rent, insurance, maintenance, legal services, costs of regulation, accounting and miscellaneous and other expenses, including depreciation on the Facility and interest repayment on notes, provided that legal and other expenses relating to a dispute

between Manager and Tribe, management fees and principal repayment on Notes shall not be Operating Expenses;

(2) such other expenses not enumerated above that Manager and Tribe agree in writing should be treated as Operating Expenses.

(U) "Ordinances" shall mean Class II Gaming Activity Ordinance, or Class III Gaming Activity Ordinance adopted by Tribe on July 6, 1993.

(V) "Reservation" shall mean the lands near Indio, California recognized as the Reservation of the Tribe;

(W) "Site" shall mean the appropriate 155-acre parcel of Reservation land described in Exhibit "B".

(X) "Tribal Council" shall mean the 29 Palms Band of Mission Indians Tribal Council, the duly elected governing body of Tribe as authorized by Article 3 of the Tribal Articles of Association.

(Y) "Tribal Gaming Commission" shall mean the Gaming Commission to be established by the Tribe to regulate and administer gaming activities at the Facility.

(Z) "Tribal Taxes" shall mean taxes or any other form of non-discretionary required payment to Tribe in its governmental capacity.

(AA) "Working Capital" shall mean those funds advanced by Manager if, during the initial or extended term of this Agreement there is insufficient cash from revenues to pay prizes and/or operating expenses or payments to Tribe as required by Section 10

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of this Agreement when due, or to maintain the Working Capital account.

SECTION 4 ASSIGNMENT OF RESPONSIBILITIES

Section 4 shall be amended as follows:

At Sub-Section 4(B)(7):

(7) Paying for the service of the independent certified public accountant selected by the Tribe and engaged pursuant to 25 CFR 571.12 of the regulations promulgated pursuant to the Act.

At Sub-Section 4(C) add:

(C) Selecting an independent certified public accountant to prepare financial statements in conformity with 25 CFR 571.12.

Add Sub-Section 4(D):

(D) Manager shall also have the responsibility to manage, supervise and conduct all non-gaming activities attendant to the gaming facility. Manager shall be compensated for said non-gaming services as per Section 15, infra.

SECTION 7 ACCOUNTING

Sub-Section 7(A)(2) shall be amended to read:

(2) The preparation and submission of monthly financial statements in accordance with GAAP.

New Sub-Section 7(A)(11) shall be added as follows:

(11) Revenues and expenses derived from gaming operations shall be reported separately from those revenues and expenses derived from non-gaming operations.

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SECTION 10 DISTRIBUTION AND PAYMENTS TO TRIBE

Shall be amended as follows:

(A) Subject to the provisions of Paragraph B, below, each month Manager shall distribute to Tribe the greater of:

(1) a minimum Monthly Guaranteed Payment ("MGP") of ("MGP"); or

(2) of the previous month's Distributable Net Profits from Gaming ("Distributable Tribal Profits").

(B) Manager may withhold from Distributable Tribal Profits the lesser of:

(1) principal amounts currently payable by Tribe to Manager pursuant to the terms of the Notes and Loan Agreement; or

(2) the excess of Distributable Tribal Profits over MGP.

(C) If MGP in any month exceeds Distributable Tribal Profits, such excess amount distributed to Tribe shall be considered an advance. MGP Advances shall be repaid by Tribe from the next succeeding month's Distributable Tribal Profits, but only to the extent that Distributable Tribal Profits, after withholding of any amounts pursuant to Paragraph B, above, exceed MGP. Unrepaid MGP Advances shall be carried forward to subsequent months and repaid in the same manner.

(D) Within ten (10) days after the end of each calendar month of operations, Manager shall issue to Tribe an itemized statement

and report of the financial condition and activities of the Facility, including, but not limited to, a report of gross revenues, prizes and Operating Expenses, Distributable Net Profits, intended distribution of Manger's fees and Tribe's share for the previous month's gaming and related activities, and any other information reasonably requested by Tribe. Tribe's share and Manager's fees for that month shall be determined on an accrual basis and shall be paid to the extent of available cash in accordance with Paragraph B of this Section.

SECTION 14 COMPENSATION FROM GAMING OPERATIONS

Shall be amended as follows:

As compensation for it's services in managing Gaming Operations, Manager shall receive of Distributable Net Profits from Gaming in each year, paid monthly in accordance with Section 10.

SECTION 15 NON-GAMING COMPENSATION/DISTRIBUTION

Shall be amended as follows:

As compensation for it's services in managing Non-Gaming Operations at the Facility, Manager shall receive a management fee which shall be the lesser of:

(1) per month; or

(2) a sum not to exceed of Distributable Net Profits calculated on an annual basis.

This Addendum to the Management Agreement amends, supplements and supersedes all prior representations and agreements, including, but not limited to, any and all prior Management Agreements between the parties. Other than as stated herein, there are no representations, agreements, arrangements or understandings, oral or written, between or among the parties which further amends or supplements the terms of the submitted Management Agreement.

Executed this 25 day of January, 1994.

Manager:

By: Thomas E. Martin
Thomas E. Martin, President
Elsub Corporation
General Partner

29 Palms Band of Mission Indians:

By: June Mike
June Mike, Chairperson

7-29-94
Anthony J. Hope
Chairman NIGC