GAMING PROJECT DEVELOPMENT AND MANAGEMENT AGREEMENT

This Agreement is made this 28th day of September, 1993 ("Signing Date") by and among the Jamestown S'Klallam Tribe, a federally recognized Indian Tribe (the "Tribe"), JKT Gaming, Inc., a Tribal corporation organized and chartered by the Tribe ("JKTG"), and Olympia Gaming Corporation, a wholly owned subsidiary of Elsinore Corporation, (hereinafter referred to as "Manager") pursuant to the following recitals:

RECITALS

A. Tribe is recognized as eligible by the Secretary of the Interior for the special programs provided by the United States to Indians and is recognized as possessing powers of self-government.

B. Tribe is the beneficial owner of and possesses sovereign governmental powers over a parcel of real property held in trust for it by the United States, more particularly described in Exhibit A to this Agreement as defined herein referred to as the "Site".

C. The Tribe desires to use the Site to improve the economic conditions of its members, to enable it to better serve the social, economic, employment, job-training, educational and health needs of its members, to increase its revenues for governmental programs and purposes, and generally to strengthen and enhance the Tribe's economic self-sufficiency and self-determination. The Tribe has determined that to achieve those goals, it is in its best interest that a gaming facility and enterprise be constructed and developed.

D. The Tribe is in the process of forming an entity known as JKT Gaming, Inc. ("JKTG") under Tribal law for the purpose of engaging in Tribal economic development on the Site. JKTG will be wholly owned and controlled by Tribe, hold all rights, powers and immunities of Tribe for all purposes herein (including immunity from unconsented suit unless otherwise expressly waived), and will have specifically delegated to it by the Tribe the right, authority and power to contract for and to operate and manage, or cause to be operated and managed, all development on the Site, including the development, financing, construction, management and operation of the Gaming Enterprise for Tribe's governmental purposes under the IGRA, either alone or with or through others. Until such time as JKTG has been formed and so notifies the Parties, all references to JKTG in this Agreement and the other Gaming Enterprise Documents shall mean Tribe. Upon such notification, JKTG will assume all rights, duties and obligations of JKTG provided for under the Gaming Enterprise Documents and will be bound thereto and Tribe will cause JKTG to execute and deliver to Manager and Tribe a copy of this Agreement.

E. This Agreement, together with the other Gaming Enterprise Documents, serve as essential and mutually interdependent consideration for each other.

F. Tribe presently lacks the resources and expertise to develop the Site as set forth above. Tribe and JKTG therefore are entering into the Gaming Enterprise Documents in order

to acquire the resources and expertise which are needed to achieve those goals. Tribe has determined that the capital investment required and the income projections for the Gaming Enterprise and related activity described herein are such that the Term and amount of the Manager's Fee set forth herein are necessary and reasonable.

G. Both Parties are interested in the development of a long-term relationship that may encompass additional gaming and non-gaming economic development activities in the future which Manager may have significant investment with, or to, the Tribe.

H. Manager is a Nevada corporation which has the ability, expertise, resources, experience and desire to assist Tribe and JKTG in financing, constructing, managing and operating the Gaming Enterprise for JKTG's and Tribe's governmental purposes all in accordance with the provisions of the Gaming Enterprise Documents.

I. The Tribe has entered into the Class III Tribal-State Gaming Compact dated February 19, 1993 with the State of Washington ("State"), a copy of which is attached as Exhibit "B" ("Compact") to permit and regulate the games approved as a result of this Class III Compact.

J. The Tribe by resolution of its Tribal Council dated August 4, 1992, a copy of which is attached hereto as Exhibit "C", has determined that it desires to conduct the Gaming Enterprise on its Reservation, which may include all forms of gaming permitted by the Compact and the Indian Gaming Regulatory Act 25 U.S.C. § 2701 et seq. (the "Gaming Activities"); and

K. The Tribe has determined that it desires to conduct certain complementary Retail Activities in conjunction with the Gaming Enterprise;

L. The Tribe, in accordance with the resolution of the Tribe attached hereto as Exhibit "D", desires the Manager to have the exclusive responsibility, subject to the terms and conditions of this Agreement, to operate and manage the Gaming and Related Activities.

M. The Tribe has enacted an Ordinance ("Ordinance") for the operation and conduct on the Reservation of Class II and Class III Gaming Activities pursuant to the IGRA, copies of which Ordinances are attached hereto as Exhibit "E", in order to fund Tribal government operations and programs, including but not limited to programs which provide for the general welfare of the Tribe and its members, promote Tribal economic development, and provide employment and training opportunities for members of the Tribe, Indians generally and persons who reside in the surrounding community.

N. The Tribe is desirous of vesting in Manager the exclusive right and obligation to finance, improve, develop, manage, operate and maintain all Gaming and Related Activities in accordance with the terms and conditions of this Agreement, the Loan Agreement and the other Gaming Enterprise Documents subject to the independent regulatory oversight of all gaming activities by the Tribal Gaming Commission as authorized by the Compact, IGRA and Tribal ordinances.

O. Manager is desirous of performing the above described functions as exclusive manager for the Tribe, as evidenced by resolution of its Board of Directors, a copy of which is attached hereto as Exhibit "F", and in accordance with the terms and conditions of this Agreement, the Loan Agreement and the other Gaming Enterprise Documents.

NOW THEREFORE, in consideration of mutual covenants contained herein, the sufficiency of which consideration is hereby acknowledged, the Parties agree as follows:

ARTICLE I
RECITALS INCLUDED

1.1 Incorporated. The preceding recitals are hereby fully incorporated into this Agreement.

ARTICLE II
DEFINITIONS

2.1 Terms Defined. The capitalized terms used throughout this Agreement have the meanings set forth in the definitions contained in Article XLII. The capitalized terms will have such further meanings or limitations as may be found in the context in which they are used.

ARTICLE III
TERM

3.1 Initial Term. This Agreement shall become effective upon the Effective Date, subject to the conditions contained in Section XXXVI below, and shall continue until the conclusion of the business day that commences on the last day of period which commences on the first date the Gaming Enterprise is open to the public for business ("Commencement Date").

3.2 Extended Term. The Tribe recognizes that because of the remote location of the Site, substantial efforts in terms of planning, market research, promotion and advertising will be required to attract customers from major population centers to its Gaming Enterprise and Related Activities. The Tribe also believes that continuity of management and long-term identification of customers with the management of the Gaming Enterprise is the best and most cost effective method for the Tribe to maximize its economic returns from gaming, and Manager will be expending considerable amounts of its own time and resources developing such continuity and customer identification. Manager also will have a significant investment by reason of the Loan to the Tribe, which may or may not be fully repaid within of commencing operations, depending on market conditions. For these and other compelling reasons, the Tribe has reviewed and determined that the Tribe is justified in granting the management period and in extending it for ore years under the circumstances described below. The Parties agree that this Agreement shall be automatically extended for additional years ("Extended Term"), for a total of years from the Commencement Date, if any of the following criteria are met by the end of the Initial Term:

(i) The Loan has not been repaid to the Manager in full;

(ii) Capital improvements over and above those set forth in the Construction Budget are undertaken during the Initial Term at a cost of [redacted] or more, the installation or construction of which improvements will have a material adverse impact on the short-term revenue of the Gaming Enterprise; or

(iii) JKTG and Manager mutually agree to extend the Initial Term.

ARTICLE IV
CONSTRUCTION ACTIVITIES AND RESPONSIBILITIES

4.1 Construction of Facility. After the Effective Date, and in accordance with the terms and conditions set forth below, JKTG agrees to construct the Facility, which shall consist of a first class casino and bingo facility appropriate for the locale and market conditions and consisting of approximately 55,000 square feet of interior space, including approximately 15,000 square feet designed exclusively for Class III gaming permitted under the Compact. Manager agrees to provide funding to JKTG on a timely basis to commence and complete such construction on the terms and conditions set forth in this Agreement and the Loan Agreement. All contractors and the Manager shall facilitate the Tribe's use of HUD Block Grant Funds in this development. Manager shall, on behalf of JKTG, supervise the day-to-day activities of the General Contractor and monitor the General Contractor's compliance with the Construction Contract. JKTG shall make all decisions required of the owner under the Construction Contract.

4.2 Scheduling. Immediately after the Signing Date, JKTG and Manager shall develop a schedule for weekly meetings or, to the extent reasonable to do so, telephone conferences, to commence within five (5) business days after such Signing Date as may be necessary to plan and supervise [illegible] of the Facility. Manager shall fund, in accordance with the terms and conditions of the Loan Agreement, an amount mutually agreed to by Manager and JKTG for sufficient planning, architectural, engineering and environmental work so that the schedules agreed upon and set forth below for delivering completed plans and specifications after the Signing Date can be met ("Preliminary Work"). A tentative design, construction and development schedule will be prepared concurrently with the preparation of the Tentative Construction Budget referenced in paragraph 4.3.

4.3 Preparation and Approval of Master Plan and Construction Budget. Within three weeks after the Signing Date, Manager, with the cooperation of the architect, shall present to JKTG three (3) sets of general development plans and design concept drawings, including a proposed general plan for the overall Site ("Master Plan"), together with a tentative construction budget ("Tentative Construction Budget") for the complete construction of the Facility. This Tentative Construction Budget shall be updated within one week after completion of environmental reports to be prepared by the architect. The Tentative Construction Budget shall include the costs approved in the preceding paragraphs, and a detailed breakdown of the good faith cost estimate of all direct and indirect costs (including so-called "soft costs") to be incurred in connection with the development, design and construction of the Facility. Specifically,

without limiting the generality of the foregoing, the Tentative Construction Budget shall include, as applicable, all Preliminary Work, fees (architectural, interior design, engineering, development, governmental, legal, accounting, etc.), bond and insurance (title, hazard, liability, etc.) premiums, funding fees, interest, taxes, marketing costs, furniture, fixture and equipment costs, interior design additions, space planning, decoration, and other basic construction costs, the costs of any tenant improvements for any retail uses, and the amount of any contingency reserves. The Tentative Construction Budget shall include the estimated contract price for each construction subcontract.

The Tentative Construction Budget shall be in a form and substance satisfactory to JKTG and Manager. When approved by JKTG and Manager, the items set forth in the Tentative Construction Budget shall be included on applicable American Institute of Architects ("AIA") forms, all of which shall collectively be deemed the "Construction Budget" and shall be used to requisition advances under the Loan Agreement. Any direct costs incurred in preparing the Construction Budget shall be included as an item on the Construction Budget, but neither the Manager nor its employees shall be entitled to any reimbursement for their time or expertise in connection therewith.

4.4 Selection of Construction Professionals. JKTG and Manager shall mutually agree on the selection of architects, contractors and other construction professionals and on all agreements between JKTG and such architects, contractors and other construction professionals.

4.5 Financing for Facility. In order to finance the development and construction of the Facility, Manager shall make available the Loan proceeds pursuant to the terms and conditions of the Loan Agreement, a copy of which will be attached hereto as Exhibit G, upon execution by JKTG and Manager.

4.6 Governmental Approval and Licenses. JKTG shall obtain all licenses, approvals and permits required in connection with the development, construction and operation of the Facility and the Gaming Enterprise under Applicable Law and all Governmental Approvals required in connection with the execution, delivery and performance of this Agreement, the Loan Agreement and the other Gaming Enterprise Documents, and the transactions contemplated in those agreements. Manager shall cooperate with Tribe and JKTG in obtaining such approvals, licenses and permits on an expedited basis wherever possible by promptly supplying all background, financial and other information which any Governmental Body or Gaming Authority may request in connection with such approval process.

4.7 Approval by JKTG. The Final Plans, the Master Plan and the Construction Budget shall be subject to final approval of JKTG, which approval shall not be unreasonably withheld, and shall be based on goals and criteria to be jointly developed by JKTG and Manager. The Final Plans must conform to the Master Plan and the provisions of the most recently adopted edition of the Uniform Building Code and other national, State of Washington, and/or other local building codes that would be applicable if construction were taking place under the jurisdiction of the county in which the Reservation is located.

4.8 Construction Consultants. For the purposes of reviewing and approving the Final Plans, JKTG may retain construction consultants to advise it on technical issues involving code compliance and related matters. Approval of Final Plans, however, shall remain JKTG's responsibility. The expense for the construction consultants shall be part of the Construction Budget and a reimbursable cost under the Loan Agreement.

4.9 Disbursements. Construction funds shall be disbursed as provided in the Loan Agreement from a commercial construction escrow account with an independent third party and typical for maintaining a lender's control over the disbursement of construction loan proceeds ("Construction Escrow"). The Parties shall agree on the escrow holder, escrow instructions, and method of release, which shall conform to reasonable and prudent release instructions where construction loan proceeds are funded by a federally regulated financial institution.

4.10 General Contractor. Manager agrees that JKTG shall engage a general contractor ("General Contractor") for all phases of construction, which contractor shall at all times hold a valid Washington State contractor's license and shall be approved by the Manager. The construction contract shall be in substantial conformity with the terms and General Conditions of a current version of an AIA standard form construction contract providing safeguards for owners regarding quality, conformance to plans and specifications, completion assurances, compliance with all building codes referenced in paragraph 4.7 above, and controls over and protection against liens and failures to pay subcontractors or materialmen ("Construction Contract"). The Construction Contract shall be approved by JKTG and Manager.

4.11 Specifications for Subcontractors; Bidding Documents; Native American Preference and Other Bid Acceptances. As part of the Final Plans, specifications (including qualifications) for all subcontracts (including any bonding and worker's compensation requirements) shall be set forth and, should JKTG, at JKTG's sole option, decide to request bids, Manager shall assist project architect in preparing bidding documents for subcontractors in accordance with such specifications. Prior to inviting or accepting bids, JKTG may adopt a policy on bidding procedures and acceptances which assures that qualified Tribal member-owned or controlled subcontractors are given a fair opportunity to learn of, bid on and receive a preference in being awarded such subcontracts. The determination of whether or not a bidder meets the qualifications set forth in the bidding documents shall be made by and at the sole discretion of JKTG. Subcontractors shall commit to providing opportunities for employment of qualified Tribal members and Native American workers.

4.12 Bid Acceptance. The General Contractor shall be required to solicit bids in each construction trade division from a minimum of three (3) qualified subcontractors or suppliers. Subcontractor bids shall be accepted only upon the express approval of JKTG, which shall have at least five (5) business days' opportunity to examine said bid. All bids shall be in writing. JKTG may require that all bids be accompanied by a nonrefundable bidding fee. Upon acceptance of any bid, the contract amount shall be inserted into the Construction Budget, revising any estimates previously contained therein.

4.13 Commencement of Construction. Unless delayed due to the causes set forth in Section XXXII, Manager agrees that JKTG may commence construction of the Facility within

ninety (90) days after (i) the Effective Date; (ii) approval of Final Plans under this Agreement; and (iii) all approvals, permits and licenses required for construction have been obtained, whichever last occurs.

4.14 Completion of Construction. Manager agrees that JKTG may adopt a fast-track construction schedule with the intent to substantially complete construction within six (6) months after the actual commencement of construction, subject to such delays beyond JKTG's control as are customarily permissible in the construction industry in Washington, including but not limited to, delays caused by an act of Tribe or JKTG or any agent of Tribe or JKTG, the act of any Governmental Body, the act of any public enemy, acts of God, the elements, war, war defense, litigation, strikes, walkouts or other causes beyond JKTG's or Tribe's control.

4.15 Improvements and Completion of Development. All buildings and improvements will be constructed in accordance with the Final Plans and change orders approved by both Manager and JKTG in accordance with this Agreement and the Construction Contract. To the extent not inconsistent herewith, all construction shall be in conformance with federal environmental standards to the extent required by Applicable Law, including compliance with applicable archeological, cultural and historic resources protection laws.

4.16 Security for Performance. As soon as available to Manager but no later than forty-five (45) days after the Signing Date, Manager agrees to provide to Tribe and JKTG's sole satisfaction and approval, which approval shall not be unreasonably withheld, evidence in writing, that the funds necessary to complete construction of the improvements as contemplated in this Agreement and payment in full of the claims of all persons for work performed on or materials furnished in connection therewith, have been committed to such purposes and will remain available throughout construction.

4.17 Claims. Manager shall notify JKTG without delay of any claim or occurrence which it learns is likely to precipitate the filing of a claim against the insured or otherwise be covered by said insurance.

4.18 Indemnification. Manager shall indemnify and hold JKTG, the Tribe, and the Gaming Enterprise harmless against all liabilities of any nature created by any negligent act or omission of Manager in connection with Manager's performance of its duties and responsibilities under this Agreement. Any claim for indemnification by JKTG or the Tribe pursuant to this Section 4.18 is subject to the limitation on claims set forth in Section 16.5.

ARTICLE V
TRIBAL OWNERSHIP AND RIGHTS

5.1 Tribal Ownership of Plans, Facility and Improvements. Any and all buildings and improvements and parts thereof erected on the Site as part of this Agreement (except for construction buildings and equipment), all alterations, additions and improvements made in or about the improvements, and all originals of all plans, specifications, change orders, as-builts, diagrams, field orders, construction notes, correspondence and memoranda, and all other construction documents in connection therewith, shall remain on the development site except as

JKTG may permit otherwise and shall become and is hereby deemed to be the property of the Tribe, under the management and control of JKTG. The Construction Contract shall require the General Contractor to keep said property free and clear of any liens, encumbrances or claims and shall require the General Contractor to immediately cause any and all purported liens and other claims against any of the improvements constructed on the Site to be removed and shall hold JKTG and Tribe harmless therefrom.

5.2 Tribal Ownership of Personal Property, Information and Technology. Except to the extent qualified by Article XXXIX below, at all times JKTG shall own all personal property whether tangible or intangible used by the Gaming Enterprise, except such property as is expressly exempted in writing duly executed by Tribe or JKTG, including but not limited to, equipment, vehicles, supplies, information technology, accounting and management information on operations, furniture, fixtures, personnel manuals, employee lists and files, customer lists, marketing studies and data, systems and methods, and internal control systems as both initially implemented and any modifications thereto.

5.3 Tribal Ownership and Right of Operation. The Tribe may operate, independent of the Manager and JKTG, a retail enterprise for art and gift sales which may be conducted by JKTG or the Tribe in or near the Facility.

5.4 Sole Tribal Discretion Over Certain Operating Policies. The following subjects in connection with the Facility and Gaming Enterprise are within the sole responsibility and discretion of the Tribe:

5.4.1 The sale or use of alcohol in or near the Facility.

5.4.2 Any matters that materially affect the overall perception of the honesty, integrity or reputation of the Tribe, JKTG, and the Gaming Enterprise.

5.4.3 Any matters relating to the Tribe's, JKTG's or the Gaming Enterprise's relationship with the surrounding community, municipal, state or federal government, or any agency thereof (including the NIGC and the BIA) and including but not limited to all matters relating to permits, licenses, taxes, investigations or approvals, except as such are part of the ordinary course of the Gaming Enterprise business. Nothing herein is intended to relieve Manager of its responsibility to cause the Gaming Enterprise to timely file and pay any taxes or assessments related to the Gaming Enterprise or otherwise to comply (including compliance on Manager's own behalf) and cause the Gaming Enterprise to comply with Applicable Law.

ARTICLE VI
PRE-OPENING RESPONSIBILITIES OF MANAGER

6.1 Manager's Duties. Manager shall do the following in consultation with JKTG so as to provide Tribe and JKTG with a turn-key gaming operation on the Commencement Date:

6.1.1 Plan the operation of the Gaming Enterprise, including initial purchases of goods, equipment and supplies, in accordance with a pre-opening Budget, to be established in accordance with the procedures set forth in Section 8.1 below, and cause the Gaming Enterprise to purchase and install such property;

6.1.2 In conformity with personnel policies developed by JKTG in consultation with Manager, and subject to Tribal and other Applicable Laws and licensing requirements, recruit, interview, screen and hire staffing for the Gaming Enterprise and provide all training necessary to assure that it will be operated in a professional and competent manner from the outset;

6.1.3 Supervise, direct and cause the Gaming Enterprise to implement all procedures and activities necessary for Gaming Enterprise operations to begin no more than twenty (20) days after the Facility has been made available for such purposes, including ordering, purchasing, set-up and installation of all furniture, equipment and supplies, arranging for utilities, security, internal controls and the like, and completing any other matters necessary for the timely opening and operation of the Gaming Enterprise; subject only to regulatory releases to begin operations, if required.

6.1.4 Provide a preliminary (i.e., covering all basic and material aspects) operating plan pursuant to Section 7.4.2, a marketing plan, training plan and manual, security manual, employees handbook, a detailed staffing plan with job descriptions, and accounting and internal control manuals (collectively "Operating Materials") at least 90 days before the Commencement Date. The Operating Materials shall be revised from time to time as marketing and business needs dictate. All Operating Materials or changes thereto shall be subject to the review and approval of JKTG, which shall not be unreasonably withheld. Should JKTG not disapprove any Operating Materials or amendments within 10 business days after receipt from Manager, they shall be deemed approved

6.1.5 At least thirty (30) days prior to the Commencement Date, and subject to JKTG's approval, which shall not be unreasonably withheld, establish and maintain such bank accounts as are provided for in this Agreement. All signatories to such accounts shall be bonded by a fidelity bonding company acceptable to JKTG, indemnifying the Gaming Enterprise against any loss, theft, embezzlement or other fraudulent acts on the part of any such signatory.

6.1.6 Deposit funds in Gaming Enterprise accounts to (i) fund a reserve for working capital ("Working Capital Reserve") in the amount of , which amount may be reduced only at the discretion of JKTG and (ii) pay or cause to be paid the pre-opening expenses mutually agreed to by the Parties from draws made in accordance with the terms and conditions of the Loan Agreement.

6.1.7 Assist JKTG and Tribe in entering into such contracts and making such other plans and arrangements as will be necessary to commence operations of the Gaming Enterprise on the Commencement Date.

6.1.8 Manager shall provide oversight and direction to on-site personnel as necessary on a best effort basis. Manager shall use due care and diligence and act in good faith in all circumstances.

ARTICLE VII
GAMING ENTERPRISE MANAGEMENT

7.1 Appointment. JKTG hereby engages Manager as an independent contractor with respect to the operation and management of the Gaming Enterprise on the terms and conditions set forth in this Agreement, and Manager hereby accepts such engagement.

7.2 Exclusive Right. The Tribe and JKTG hereby give to the Manager the exclusive right, for and on behalf of the Tribe and JKTG, and on the terms, conditions and limitations set forth herein, to manage and operate the Gaming Enterprise and perform all duties hereunder in compliance with all Applicable Law.

7.3 Duties and Responsibilities of Manager. In addition to the duties set forth above, upon and after the Commencement Date, Manager shall provide those management services which are reasonable, necessary and advisable in connection with the planning, marketing, development, operation and maintenance of a quality and profitable Gaming Enterprise pursuant to Applicable Law, the Budget, and any policies developed by JKTG in accordance with this Agreement. All approved plans of operation and procedures may be amended and revised upon mutual consent in writing by the Manager and JKTG. Manager's duties to be performed on behalf of the Gaming Enterprise in managing, operating, and maintaining the Gaming Enterprise, shall include, but not be limited to the following:

7.3.1 Causing the Gaming Enterprise to maintain and improve the Gaming Enterprise and Related Activities and the Facility, including without limitation cleaning, painting, decorating, plumbing, carpeting, ground[illegible] and [illegible] such other maintenance and repair work on the Facility as is reasonably necessary and in accordance with the Budget;

7.3.2 Supervising the Gaming Activities as provided in this Agreement;

7.3.3 Maintaining the Gaming Enterprise's books and records, including the generation of the financial reports and statements, and implementation of internal controls and audits of the Gaming Enterprise as required herein;

7.3.4 Developing and maintaining of a JKTG-approved system of internal control;

7.3.5 Development of a JKTG-approved annual operating plan;

7.3.6 Developing and maintaining of JKTG-approved security and surveillance policies and procedures;

7.3.7 Developing and maintaining of a system for the collection of marketing information, creation of direct marketing mailing lists and conducting marketing, promotions and advertising according to JKTG policies;

7.3.8 Hiring and supervising security personnel in accordance with Section 7.12 below;

7.3.9 Hiring, firing, training, and promoting employees in accordance with Gaming Enterprise employment and personnel policies to be developed by mutual agreement with JKTG, and implementing and maintaining such employment and personnel policies in accordance with Applicable Law, including but not limited to determining that all employees are properly licensed at all times;

7.3.10 Paying of vendor invoices from Gaming Enterprise funds in accordance with vendor terms and resolution of disputes with vendors in a timely fashion;

7.3.11 Causing the Gaming Enterprise to provide coverage by local fire protection, health and safety, and law enforcement services;

7.3.12 Causing the Gaming Enterprise to obtain and maintain insurance coverage, including coverage for public liability and property loss or damage;

7.3.13 Developing an annual Budget which shall include capital and operating expenses, in consultation with and with the approval of JKTG;

7.3.14 Causing the Gaming Enterprise to comply with all applicable provisions of the Internal Revenue Code and other tax and revenue laws, as further referenced in Section 7.9 below;

7.3.15 Supervising, managing, and causing the Gaming Enterprise to maintain food and beverage services at the restaurants, lounges and snack bars located in the Facility;

7.3.16 Opening the Facility for business during the hours established in the approved plan of operations subject to provisions of Section 7.4.2(a).

7.3.17 Preparing Rules of Games, and amendments, for submission, upon JKTG's approval, to Washington State Gambling Commission and Tribal Gaming Commission for approval;

7.3.18 Developing and maintaining such other policies and procedures as may reasonably be deemed necessary to the success of the Gaming Enterprise;

7.3.19 Operating the Facility in accordance with the approved plan of operations; and according to budget procedures in Article VIII.

7.3.20 Causing the Gaming Enterprise to comply with all legally applicable aspects of the Bank Secrecy Act as they apply to the Gaming Enterprise.

7.3.21 Collecting Gross Revenues and causing the Gaming Enterprise to pay therefrom when due all Prizes and Operating Expenses to the extent of Gross Revenues available for such purpose and to make the other payments due to Tribe and the Manager in accordance with Article IX.

7.4 JKTG Responsibilities, Rights and Duties. Manager and JKTG shall meet and mutually agree on the following:

7.4.1 All operational and capital budgets.

7.4.2 An operating plan for the Gaming Enterprise to include at least, but not limited to:

(a) Hours of operation of the Gaming Enterprise which shall be open a minimum of 40 hours per week (or less as determined by mutual agreement of Manager and JKTG)
(b) Staffing
(c) Marketing
(d) Game mix
(e) Game play procedures

7.4.3 Operating policies and procedures to include at least, but not limited to:

(a) Internal control policies and procedures
(b) Game play procedures
(c) Security and surveillance policies and procedures
(d) Customer service/complaint resolution policies and procedures
(e) Management and accounting records and reports
(f) Employment policies and procedures
(g) Public relations and marketing programs

7.4.4 Other policies and procedures to include at least, but not limited to:

(a) Food service
(b) Tip pooling
(c) Complimentary services
(d) Smoking
(e) Age limits of employees and players
(f) Problem gambling
(g) Management information systems hardware and software
(h) Specification and selection of equipment, services and supplies
(i) Purchases of equipment, services and supplies

(j) Any matters related to the legal interests of the Facility or the Gaming Enterprise, including the right to select legal counsel and provide direction in connection therewith.

7.5 Manager's Responsibilities to Meet and Confer; Limitations on Authority. Manager shall be available as required by JKTG's Board of Directors' for meetings or for Tribal Gaming Commission meetings in order to confer, report, and obtain consents as required in this Agreement, which consents shall not be unreasonably delayed or withheld. Neither the Tribe, the Tribal Council, any member of the Tribe nor any officer, director or employee or agent of JKTG shall interfere in any manner with the management or operation of the Gaming Enterprise being conducted by the Manager, provided that Tribe's or JKTG's participation as provided in this Agreement shall not be deemed to be an interference with Manager's duties. Manager shall not materially obligate or encumber any funds or assets of the Gaming Enterprise, except as specifically set forth in this Agreement, the Budget, or the Loan Agreement. Manager shall not charge the Gaming Enterprise for any of its corporate services, items or leases, that directly or indirectly benefit the Manager, Parent Company or Affiliates.

7.6 JKTG and Manager Interface. In order to facilitate the smooth operation of the Gaming and Related Activities, the following meetings shall be convened:

7.6.1 Weekly meetings between the JKTG representative which representative shall be identified by JKTG to Manager in writing, and the Gaming Enterprise General Manager.

7.6.2 Monthly meetings between the JKTG Board of Directors and the Gaming Enterprise General Manager and the senior officers of Manager or its Parent Company as reasonably requested by JKTG.

7.6.3 Semi-annual and annual meetings of JKTG's representatives and appropriate senior officers of Manager or its Parent Company to review and/or approve the following:

(a) Budgets
(b) Marketing plans
(c) Operating plans

Failure to approve any of the above shall be resolved according to the dispute resolution process provided for in Article XVI.

7.7 Tribal Gaming Commission ("TGC") and Manager Interface. In order to facilitate the smooth operation of the Gaming and Related Activities, the Manager shall provide all information required under Applicable Law for TGC to carry out its duties and responsibilities under the rules and regulations adopted by TGC, no later than 120 days prior to Commencement Date and on an ongoing basis thereafter.

7.7.1 In order to facilitate the smooth operation of the Gaming and Related Activities, the following meetings shall be convened:

(a) Weekly meetings between the TGC staff representative and the Gaming Enterprise General Manager.

(b) Monthly meeting between the Tribal Gaming Commissioners and the Gaming Enterprise General Manager and staff, as reasonably requested by TGC.

(c) Semiannual and annual meetings between the Tribal Gaming Commission and Manager's, or its Parent Company's, appropriate senior officers, for the purpose of reviewing: (i) Manager staff changes; (ii) changes in operating procedures; (iii) license status; and (iv) other business as appropriate.

7.8 Compliance with Tribal Statutes and Laws. In carrying out its duties and obligations under this Agreement, Manager agrees to comply with all Applicable Laws, including but not limited to, all duly enacted statutes, regulations and ordinances of the Tribe that are presently in effect or which may in the future be enacted.

7.9 Required Filings. Manager shall cause the Gaming Enterprise to promptly file any tax returns, assessment reports, or other reports or returns, as and when due by law, together with the payment from Gaming Enterprise funds of any taxes or assessments legally due, including but not limited to:

7.9.1 Reports of gaming winnings and the names of winners and the withholding of taxes as required by Applicable Law, including but not limited to statutes and regulations under the Bank Secrecy Act if applicable, and the Internal Revenue Code of 1986 and any amendments or successors thereto (including Sections 1441, 3402(g), 6041 and 6050, and Chapter 35);

7.9.2 Payroll tax filings and withholding;

7.9.3 Assessment reports and payments under the IGRA; and

7.9.4 Sales tax (to the extent applicable).

7.10 Objection to Tax on Gaming Enterprise. Subject to the approval of JKTG, the Parties will cooperate in resisting any taxes or assessments imposed on the Gaming Enterprise by any Governmental Body, including any agency of Washington State, to the extent any of the Parties reasonably contend that the imposition of any tax or assessment is in violation of law. The Parties agree that should such tax be resisted with JKTG's consent, the legal fees and costs connected with such resistance shall be a Prize and Operating Expense of the Gaming Enterprise. If such resistance is unsuccessful, such tax shall be paid by the Gaming Enterprise on a timely basis.

7.11 Operating Advances. In the event that during the Initial Term or Extended Term there is insufficient cash from Gross Revenues to pay any Prizes and Operating Expenses or payments to JKTG required pursuant to Section 9.5.3 when due, or to maintain the Working Capital Reserve at ' (or such lower amount in the discretion of JKTG), such shortfalls shall be promptly advanced and paid into the appropriate Gaming Enterprise account from Manager's own funds, which advances shall be repaid to Manager out of JKTG's Share as soon as possible as provided in Section 9.5.4.

7.12 Security Force. Manager shall be responsible for causing the Gaming Enterprise to provide a security force sufficient to reasonably assure the safety of the customers, personnel, monies and property of the Gaming Enterprise and the Tribe. Such security force shall be comprised of security officers employed directly by the JKTG. To the extent such officers have duties that extend beyond safeguarding the Gaming Enterprise, only those duties directly related to the Gaming Enterprise shall be supervised by the Manager and be considered a Prize and Operating Expense. Each security officer shall be bonded to the extent reasonably available in sufficient amounts commensurate with their enforcement duties and obligations.

7.13 Licenses.

7.13.1 Manager, its successors and assigns, and all other persons required to be licensed in order for the Gaming Enterprise to qualify for a certificate of self-regulation under the IGRA, and to comply with Applicable Law, shall be required to obtain and maintain a license for gaming purposes under the Tribe's Gaming Ordinance, any Compact in effect and other Applicable Law. Tribe may require such deposits and impose such fees and charges on Manager and other license applicants as may be necessary to conduct background investigation and perform such other functions as may reasonably be required to fulfill Tribe's duties to investigate, issue and renew licenses, and prompt payment of such deposits and fees shall be a condition to processing and issuing such licenses. Such background checks may be extended to cover any person other than applicants to the extent such person may possess information relevant to the licensing application.

7.13.2 Manager Compliance with Tribe's Gaming Control Ordinance. Manager agrees that all Gaming Activities conducted at the Facility pursuant to this Agreement will at all times be in reasonable compliance with the terms of Tribe's Gaming Control Ordinance, (a copy of which is attached to this Agreement as Exhibit E, as may be amended, and any licenses issued thereunder.

ARTICLE VIII
BUDGETS

8.1 Preparation and Contents. At least one hundred and twenty (120) days prior to the Commencement Date, and at least sixty (60) days prior to the beginning of each fiscal year thereafter, Manager and JKTG shall meet and confer and mutually agree on an annual budget for the Gaming Enterprise operations (the "Budget"). The Budget shall include, among other matters, the following sections:

(a) Pre-Opening Budget, which provides for all costs reasonable and necessary to train personnel, conduct pre-opening publicity and marketing, order supplies, and such other pre-opening preparations as may be required to commence Gaming and Related Activities.

(b) Operating Budget, which shall set forth in detail anticipated income, expenses, and reserves for prizes, personnel and operating costs and additions or reductions in working capital reserves specifying the specific purposes therefore, and such other expenses as may be anticipated for such year on a month-by-month basis, supported by estimates of patronage, sources of income, and the like.

(c) Capital Expense Budget, which shall set forth anticipated and proposed capital expenditures for each year of the Term hereof.

(d) Gaming Enterprise Contracts, scheduled to include the identities of anticipated contracting parties, if known, and detailed explanation of purpose and need, of any anticipated contracts, agreements, understandings, licenses or leases which may be required for the operation of the Gaming Enterprise, including employment agreements, in excess of Fifteen Thousand Dollars ($15,000).

(e) Salary/Wage Schedule, detailing salary and wage schedules for each employment position, including the terms of any proposed fringe benefits such as vacations, bonuses, sick leave, and the like.

(f) Community Contributions to local area charitable and fraternal organizations by Gaming Enterprise. The Gaming Enterprise shall contribute to local charities, at JKTG's sole discretion, an amount not to exceed [redacted] of gross revenues derived from Class II Gaming Activities plus any amounts provided for under the Compact unless additional amounts are agreed to by Manager. Any such contributions shall be Prizes and Operating Expenses.

8.2 Revisions to Initial Budget. There shall be a monthly review of the Prizes and Operating Expenses in comparison to Budget and the Manager will provide a full justification of any variance in excess of 10% to the Budget. The initial Budget prepared under Section 8.1 shall be revised, if necessary, after the first six months of operation of the Gaming Enterprise and no later than the eighth month thereafter.

8.3 Obligation and Authority to Implement Budget; Limitation on Contractual Obligations. Manager shall implement the most recent Budget in accordance with the foregoing provisions and shall supervise the Gaming Enterprise personnel so as to ensure that Gaming Enterprise expenditures are in accordance with the Budget. Manager shall be allowed a margin of excess from the Budget for fixed expenses not to exceed ten percent (10%) each year and for

variable expenses not to exceed (i) ten percent (10%) each year or (ii) the same percentage that actual Gross Revenues increase over the Budget, whichever is greater.

8.4 TGC Expenses. TGC expenses incurred to carry out actions required by the Compact shall be a Prize and Operating Expense.

ARTICLE IX
PAYMENTS AND COMPENSATION

9.1 Compensation to Tribe During the Initial Term. Beginning in the first month after the Commencement Date and continuing each month thereafter during the Initial Term, JKTG shall receive of the Distributable Net Profits (as defined below) for that month ("JKTG's Share"), plus any Minimum Guaranteed Payment (as defined below), if any, required under Section 9.5.3 so that JKTG shall receive not less than for any month, which amounts shall be payable as provided in Section 9.5 at the same time the monthly statement for that month's operations is issued. JKTG's Share shall be paid to JKTG as JKTG shall direct in writing. Manager may deduct any Operating Advances and then any Loan payments due to it under the Loan Agreement from any monthly payment of JKTG's Share to the extent the deduction of such amounts in that month does not cause JKTG to receive and retain less than for that month.

9.2 Compensation to Manager During the Initial Term. Beginning in the first month after the Commencement Date and continuing each month thereafter during the Initial Term, Manager shall receive a management fee of of the Distributable Net Profits ("Manager's Fee") which amounts shall be payable as provided in Section 9.5, at the same time the monthly statement for the previous month's operation is issued.

9.3 Increase in Compensation to JKTG During any Extended Term. Beginning in the first month after any Extended Term and continuing each month thereafter during such Extended Term, JKTG's Share shall be increased from provided that if there is an outstanding balance under the Loan agreement, then for so long as the Loan is outstanding, JKTG's Share shall remain at Distributable Net Profits.

9.4 Decrease in Compensation to Manager During any Extended Term. Beginning in the first month of any Extended Term, and continuing each month thereafter during such Extended Term, Manager's Fee shall be reduced from provided that if there is an outstanding balance under the Loan Agreement, then for so long as the Loan is outstanding, Manager's Fee shall remain at of the Distributable Net Profits.

9.5 Calculation and Payment of Monthly Distributable Net Profits. Within ten (10) days after the end of each calendar month of operations, Manager shall issue to JKTG an itemized statement and report of the financial condition and activities of the Gaming Enterprise, including but not limited to a report of Gross Revenues, Prizes and Operating Expenses, Distributable Net Profits, intended distributions of Manager's Fees and JKTG's Share for the

previous month's Gaming and Related Activities operations, and any other information reasonably requested by JKTG. JKTG's Share and Manager's Fee for that month shall be determined on an accrual basis and shall be paid to the extent of Available Cash as follows:

9.5.1 All Prizes and Operating Expenses incurred in that month shall be deducted from the Gross Revenues for the month ("Distributable Net Profits");

9.5.2 Manager shall cause the Gaming Enterprise to distribute Available Cash in order to pay JKTG's Share to JKTG, subject to the deductions provided for in Section 9.5.4, and the Manager's Fee to Manager. Available Cash shall be distributed pro rata based on the accrued JKTG's Share and Manager's Fee due to them. To the extent Available Cash is insufficient to fully pay JKTG's Share and the Manager's Fee at the time of such distribution, such shortfall shall be carried over and paid out of Available Cash in the next succeeding months until paid in full. Such carryovers shall be for the purpose of determining distribution of Available Cash only and shall not create any debt or liability.

9.5.3 If JKTG's Share paid for any month is less than then Manager will upon issuance of the monthly statement advance out of Manager's own funds and pay to JKTG the amount by which xceeds JKTG's Share paid for the month. Such advance shall be referred to as a "Minimum Guaranteed Payment." Any Minimum Guaranteed Payment made by Manager shall be deemed to be an Operating Advance which shall be repaid to Manager as soon as possible out of distributions of Available Cash payable to JKTG for subsequent months, to the extent such distributions exceed as provided for in Section 9.5.4.

9.5.4 Manager shall deduct any unpaid Operating Advances and then unpaid loan payments due under the Loan Agreement, in that order, from the amount of JKTG's Share otherwise payable to JKTG for any month under this Section 9.5 to the extent that JKTG's Share exceeds that month.

9.5.5 Distributions of Available Cash, in payment of JKTG'S Share to JKTG and Manager's Fee to Manager, shall be made simultaneously.

ARTICLE X
DISPUTE PROCEDURES

10.1 Dispute Resolution. Manager shall implement the following procedures for resolution of disputes:

10.1.1 As to disputes between the Gaming Enterprise (including Manager directly) and customers those procedures adopted by Tribal Ordinance; and

10.1.2 As to disputes between the Gaming Enterprise (including Manager directly) and Gaming Enterprise employees those procedures set forth in the personnel policies and procedures adopted pursuant to this Agreement.

10.2 Disputes Between Manager and Tribe. Disputes between the Manager and the Tribe or JKTG shall be resolved as set forth in Article XVI below.

ARTICLE XI
ACCOUNTING, BOOKS OF ACCOUNT, AND TRIBAL OVERSIGHT

11.1 Maintenance of Accounting and Records. The Manager, in such specific manner as JKTG, TGC, or the Tribe may approve or reasonably require, cause the Gaming Enterprises to provide for the establishment and maintenance of satisfactory accounting systems and procedures that shall, at a minimum: (1) include an adequate system of internal accounting controls; (2) permit the preparation of financial statements in accordance with generally accepted accounting principles; (3) be susceptible to audit; (4) allow the Gaming Enterprise, JKTG, the Tribe, TGC and the Commission to calculate the annual fee under 25 C.F.R. § 514.1; (5) permit the calculation and payment of the Manager's Fee; (6) provide for the allocation of Prizes and Operating Expenses. In addition to the foregoing, Manager shall cause the Gaming Enterprise to maintain such other records as JKTG, TGC, or Tribe may reasonably require. Such records once created shall become the property of the Tribe.

11.2 The Manager shall keep general records on a double entry system of accounting, maintaining detailed supporting, subsidiary records, including but not limited to:

11.2.1 Detailed records identifying revenues, expenses, assets, liabilities, and equity for the Gaming Enterprise;

11.2.2 Detailed records of all check cashing, returned check, hold checks, or other similar credit instruments; executed in accordance with Applicable Law;

11.2.3 Individual and statistical game records to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop by table for each table game, by shift, month and year to date, and individual and statistical game records reflecting similar information for all other games including poker, bingo and pull tabs, and any gaming devices utilized in the Gaming Enterprise, including those standards for auditing casinos established by the American Institute of Certified Public Accountants;

11.2.4 The records required to be maintained by Appendix "A" to the Compact and the system of internal control as established and approved;

11.2.5 Journal entries prepared by the Manager and/or its independent auditor;

11.2.6 Records required to be maintained, if any, in accordance with the Federal Bank Secrecy Act;

11.2.7 Personnel information on all management and gaming employees, including employee photographs, and employee profiles;

11.2.8 Any other records that the Tribe, JKTG, TGC reasonably require or Applicable Law specifically requires be maintained;

11.3 The Tribe requires that the general accounting records be maintained utilizing current computer technology (software and hardware) designed for each segment of the Gaming Enterprise. In this regard permanent records in a computerized fashion shall provide for a detailed computer record that is indexed by department and date.

11.4 The accounting system shall be sufficient to meet at least the following standards:

11.4.1 Permit the preparation of financial statements in accordance with generally accepted accounting principles;

11.4.2 Be susceptible to audit;

11.4.3 Permit the calculation and payment of the Manager's Fee and JKTG's Share; and

11.4.4 Provide for the appropriate allocation of Prizes and Operating Expenses and Tribal Expenses.

11.5 Manager shall furnish to Tribe monthly financial statements prepared in accordance with Section 11.1 above. Monthly statements will be furnished for a given month no later than the 10th day of the month immediately following.

11.6 Manager shall provide immediate access to the Gaming Enterprise, including its books and records, by appropriate officials of Tribe or JKTG, who shall have: (1) the right to verify the daily gross revenues and income from the Gaming Enterprise; and (2) Access to any other gaming-related information JKTG deems appropriate.

11.7 The books of account shall be audited for each year of the Term hereof by an independent/certified public accountant, duly licensed in the State of Washington (the "Auditor"), selected and engaged by the JKTG in accordance with applicable regulations of the TGC. At the Tribe's request, Manager shall assist the Tribe in selection of the Auditor, although the final selection and engagement of the Auditor shall be by the Tribe. The Auditor shall, not later than one hundred twenty (120) days after the end of each fiscal year (which shall be the calendar year) during the term of this Agreement submit to the Tribe, the Manager, and the TGC a certified statement of Gross Revenues, Prizes and Operating Expenses, Distributable Net Profit, and Tribal Expenses for all business conducted in the Gaming and Related Activities, together with copies of any management letter(s) prepared by the auditors. Each audited statement shall be prepared in accordance with generally accepted accounting principles. JKTG shall be provided with all drafts of any financial reports, management letters, or notes, comments or other written communications from auditors as and when received by Manager or any Gaming Enterprise employee.

11.8 TGC Oversight. The Manager shall cooperate with and assist any authorized representative of the TGC conducting any inspection, examination, or audit of the books and records of the Gaming and Related Activities at the Facility pursuant to regulations of the TGC. The Manager shall keep and maintain all books of account or other records required by regulations of the TGC to be kept and maintained, and shall prepare, upon request of the TGC, any statement, reports, accounting, or records permitted by regulations of the TGC to be so requested. All books and records shall be retained by Manager for such period as specified in applicable regulations, provided, however, that upon expiration or termination of this Agreement, all books and records shall be delivered to the Tribe, subject to Manager's right of access pursuant to Section 17.5 below.

ARTICLE XII
INTERNAL CONTROL AND SECURITY PROCEDURES

12.1 It is understood by the Manager that the Tribe has entered into the Compact which requires a system of internal controls to be developed. At a minimum this system must meet the standards set forth in Appendix A of the Compact. A further description of the minimum requirements follows:

12.1.1 Internal Control System Requirements. The Manager shall establish administrative and accounting procedures in accordance with the Compact and Appendix A of the Compact and for the purpose of exercising effective control over the Gaming Enterprise's internal fiscal affairs. All such procedures shall be subject to review and approval by the JKTG and TGC. The procedures must be designed to reasonably ensure that:

(a) Assets are safeguarded;

(b) Financial records are accurate and reliable;

(c) Transactions are performed only in accordance with management's general or specific authorization;

(d) Transactions are recorded adequately to permit proper reporting of gaming revenue and of fees and taxes, and to maintain accountability for assets;

(e) Access to assets is permitted only in accordance with management's specific authorization;

(f) Recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies;

(g) Functions, duties, and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel.

12.1.2 The Manager shall describe, in such a manner as the JKTG may approve or require forty-five (45) days prior to the Commencement Date, its administrative and accounting procedures in detail in a written system of internal control. The written system must include:

(a) An overall organizational chart depicting the segregation of function and responsibilities for the organization;

(b) Individual departmental organizational charts depicting the segregation of functions and responsibilities for each department;

(c) A general description of duties and responsibilities of each position on the overall organizational chart;

(d) A detailed description of duties and responsibilities of each position for each departmental organizational chart;

(e) A detailed, narrative description of the administrative and accounting procedures for each department including operating procedures, cash handling, physical controls, forms, forms use and reconciliation, and management reports;

(f) At a minimum the following departments must be addressed in the system: accounting department, cashier & vault department, table games (pit) department, poker department, bingo department, pull tab department, security department, surveillance department.

ARTICLE XIII
EMPLOYMENT AND TRAINING

13.1 Employees. It is hereby understood and agreed that Manager shall have the full responsibility and authority to supervise the employment, direction, control and discharge by the Gaming Enterprise of all personnel performing services for Gaming and Related Activities, in accordance with employment and personnel policies of the Gaming Enterprise. All Gaming Enterprise personnel including the General Manager shall be employees of JKTG and not of Manager. Employees of JKTG shall not receive any compensation from Manager or any Affiliate unless approved in advance by Tribe. Employment policies shall ensure the utilization of the Tribal Employment office as a primary point of dissemination of information related to employment and career opportunities. The office shall also serve as an initial contact and referral source for Tribal members and other Indians, and review training and career paths. 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 operation is concerned shall depend on both the availability and qualification of Tribal members and other Native Americans.

13.2 Licenses and Background Investigations. It shall be Manager's responsibility to ensure that any employees who are required to hold gaming licenses shall be employed to work in the Gaming Enterprise only upon being properly licensed under Applicable Law.

ARTICLE XIV
INSURANCE

14.1 The Gaming Enterprise shall maintain the following insurance coverage, the premiums for which shall be a Prizes and Operating Expense of the Gaming Enterprise:

14.2 Liability insurance for the operation of the Gaming Enterprise in the amount of at per occurrence and annual aggregate for bodily injury and for property damage;

14.3 Building and personal property coverage with an endorsement attached for full replacement cost against loss or damage by fire, robbery, theft, flood, earthquake, boiler explosion, machinery breakdown, electrical injury, sabotage, collapse of structure, malicious mischief and vandalism. The exact nature and extent of such coverage shall be determined by the Manager with the approval of JKTG;

14.4 Fidelity and forgery insurance for appropriate employees of the Gaming Enterprise as mutually agreed to by Manager and JKTG.

14.5 Business income insurance and business interruption insurance in amounts to be determined by the Manager with the approval of JKTG. The proceeds of such insurance policy shall be deemed to be Gross Revenues and shall be paid to the Gaming Enterprise for the payment of Prizes and Operating Expenses, Loan Agreement repayments and the Manager's Fees and JKTG's Share as provided in Article IX of this Agreement; and

14.6 Workers' Compensation insurance with limits as would be required by State law if Tribe chooses to adopt the Workers' Compensation law of the State. To the extent permitted by Applicable Law, Tribe may elect to self fund a workers' compensation program, in whole or in part, in which event Tribe shall maintain Workers' Compensation insurance with limits as required by such program, provided that nothing in this Agreement shall grant any jurisdiction over the Gaming Enterprise or its employees to the State, or any political subdivision thereof.

14.7 All Parties, as appropriate, shall be named as an additional named insured or loss payee in any insurance policies maintained pursuant to this Article XIV. The United States shall be named as an additional insured in any such policies to the extent of its ownership in the Site.

To the extent permitted under applicable insurance policies, all Parties hereby waive all rights of subrogation against the other to the extent covered by insurance proceeds.

14.8 Liability Insurance. Notwithstanding Tribe's and JKTG's immunity from unconsented suit (other than as to Manager to the extent explicitly waived herein), at all times during the construction of the Facility and for such time thereafter as JKTG's risk management consultant shall determine, the Construction Budget and the Budget shall include premiums for personal injury and public liability insurance in connection with said construction in an amount of not less than , per occurrence. The General Contractor shall also be required to provide all workers' compensation and similar employee protection as is required by law or customary in the building trade in Washington State in projects involving construction budgets of or more. All of said policies shall be endorsed to protect JKTG, Tribe, Manager, and the United States as co-insured. Evidence of such coverage and that JKTG will be notified of any change in coverage, in a form acceptable to JKTG, shall be furnished to JKTG before any construction may take place. The purchase of such insurance overages is not intended, and shall not be deemed, to be evidence of any intent to waive Tribe's or JKTG's immunity from unconsented suit and such immunity may be raised as a defense to any claim regarding an insured risk or loss.

14.9 Property Insurance. In addition to the foregoing, the Construction Budget shall include the cost of carrying fire insurance with extended coverage endorsements to include vandalism and earthquake damage, jointly in the names of the Tribe, JKTG, and Manager, covering the full replacement value (including at Manager's option coverage for cost increases due to changes in Applicable Law) of all buildings, materials and work in progress on the Site from the date of commencement of construction until construction of the Facility is completed. Evidence of such coverage and that JKTG will be notified of any change in coverage, in a form acceptable to JKTG, shall be furnished to JKTG before any construction may take place. The purchase of such insurance overages is not intended, and shall not be deemed, to be evidence of any intent to waive Tribe's or JKTG's immunity from unconsented suit and such immunity may be raised as a defense to any claim regarding an insured risk or loss.

14.10 Destruction, Replacement of Facility; Use of Insurance Proceeds. The Parties hereby agree that damages or destruction of any portion of the Facility at any time during construction or operation by fire or any other casualty whatsoever shall not cause termination of this Agreement or the Gaming Enterprise Documents except as provided in this Section 14.10. In the event of damage to the Facility or any part thereof, and to the extent such casualty was an insured loss for which insurance proceeds are available, JKTG shall use the insurance proceeds to rebuild the Facility unless Manager and JKTG agree otherwise in writing. The insurance proceeds shall be: (1) deposited in escrow with an institution, (2) used to reconstruct the damaged improvements, and (3) disbursed during the process of reconstruction in the same manner as original costs of construction were escrowed and disbursed. If there is any dispute regarding reconstruction of the Facility including, but not limited to, design, cost, or location of the Facility, the Parties agree to promptly, meet and confer to resolve any disputes. If a dispute cannot be resolved amicably, it shall be submitted to arbitration for decision. Reconstruction of the Facility shall be undertaken as soon as reasonably possible, but in any event no later than six (6) months from date the damage occurs, or within 90 days after receipt

of the insurance proceeds, whichever last occurs, and shall be in conformity with the Agreement and all Applicable Law.

If the insurance proceeds are insufficient to reconstruct the Facility to a condition which is substantially similar to the condition of the Facility prior to the casualty, Manager shall provide up to) shortfall funding, which shortfall will be added to the Loan and amortized over the remaining term of the Loan.

If JKTG determines that it is in the Tribe's best interest to reconstruct the Facility to a condition which is substantially improved over the Facility's condition prior to the casualty, it may finance and construct such improvements, but such financing shall be the sole responsibility of the Tribe or JKTG and shall not affect the cash flow under, or term of, this Agreement.

In the event the Parties mutually agree not to reconstruct the Facility, this Agreement shall be terminated. In the event of such termination, the insurance proceeds shall be applied to any outstanding loan balance due under the Loan Agreement, and any remaining proceeds shall be deemed the sole property of the Tribe and shall not be included as funds or assets of the Gaming Enterprise.

ARTICLE XV
DEFAULT

15.1 Time is declared to be the essence in this Agreement.

15.2 The occurrence of any of the following shall constitute a default and breach of this Agreement by Manager: (a) Manager's default in payment of monies as required by the terms of this Agreement, if such default continues uncured for a period of five (5) business days after written notice thereof by JKTG to Manager, during which 5-day period Manager shall have the privilege of curing such default; or (b) Manager's breach of any other covenant of this Agreement, if such other breach continues uncured for a period of thirty (30) days after written notice thereof by JKTG to Manager, during which 30-day period Manager shall have the privilege of curing such breach (if more than thirty (30) days are reasonably required by Manager to cure a breach of a covenant of this Agreement, other than a failure to pay monies, then Manager shall have such additional time as Manager may reasonably require to cure such default, provided that Manager commences such cure within said 30-day period and diligently thereafter prosecutes such cure to completion, and provided further that the right to cure shall terminate within six (6) months of the date of breach). In the event of a default or breach by Manager, JKTG may at any time thereafter, exercise any right or remedy at law or in equity which JKTG may have by reason of such default.

15.3 The occurrence of any of the following shall constitute a default and breach of this Agreement by Tribe or JKTG: (a) the Tribe's or JKTG's default in the payment of any monies required by the terms of this Agreement, if such default continues uncured for a period of five (5) business days after written notice thereof by Manager to the Tribe or JKTG, as the case may be, during which 5-day period the Tribe or JKTG, as the case may be, shall have the privilege of curing such default; or (b) the Tribe's or JKTG's breach of any other covenant of this

Agreement, if such breach continues uncured for a period of thirty (30) days after written notice thereof by the Manager to the Tribe or JKTG, as the case may be, during which 30-day period the Tribe or JKTG, as the case may be, shall have the privilege of curing such breach (if more than thirty (30) days are reasonably required by JKTG or the Tribe to cure a breach of a covenant of this Agreement, other than a failure to pay monies, then the Tribe or JKTG shall have such additional time as the Tribe or JKTG may reasonably require to cure such default, provided that the Tribe or JKTG, as the case may be, commences such cure within said 30-day period and diligently thereafter prosecutes such cure to completion, and provided further that the right to cure shall terminate within six (6) months of the date of breach). In the event of a default or a breach by the Tribe or JKTG, Manager may at any time thereafter exercise any right or remedy at law or in equity which Manager may have by reason of such default.

ARTICLE XVI
DISPUTE RESOLUTION

16.1 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, and do not involve any claim of 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 Clallam County, Washington, upon notice to the other Parties of its intention to do so. The Parties agree that in any such arbitration each Party shall be entitled to reasonable discovery as provided by the Washington 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.

16.2 Judicial Enforcement. Either Party may seek confirmation of an arbitrator's award in the United States District Court for the Western District of Washington pursuant to the provisions of the Federal Arbitration Act. The Tribe and JKTG expressly waive their sovereign immunity for this purpose in accordance with the provisions of Section 16.3 below.

16.3 Tribe's Limited Waiver of Sovereign Immunity.

16.3.1 Jurisdiction and Venue. Tribe does not waive, limit, or modify its sovereign immunity from unconsented suit except as provided in this Section 16.3. The Tribe and JKTG expressly waive their sovereign immunity from suit or action for any and all matters arising out of or related to this Agreement and/or the Loan Agreement

or any other Gaming Enterprise Document, including but not limited to any actions to enforce this Agreement, the Loan Agreement or any other Gaming Enterprise document and/or any arbitration award issued pursuant to Section 16. The Tribe and JKTG consent to be sued in the United States District Court for the Western District of Washington, the United States Court of Appeals for the Ninth Circuit and the United States Supreme Court. Venue for any suits or actions between the parties shall be in United States District Court for the Western District of Washington. If and only if the United States District Court lacks jurisdiction, then and only then do the Tribe and JKTG consent to be sued in the Superior Court of the State of Washington in Clallam County, with appeals as appropriate to the Washington Court of Appeals and the Washington 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 State court system.

16.3.2 Scope of Remedies. The waiver in this Section 16.3 authorizes only the following remedies:

(a) Monetary Damages. The Courts described in Section 16.3.1 shall have authority to enforce an award of monetary damages set forth in any judgment, order of the court or arbitration award; however, the Manager agrees that the sole source of funds which can be used to pay any judgment or arbitrator's award shall be undistributed or future distributable profits to the Tribe and/or JKTG of the Gaming Enterprise. In no instance shall any enforcement of any kind whatsoever be allowed against any other assets of the Tribe or JKTG other than the assets of the Tribe and JKTG specified herein. In no case shall a Party be entitled to punitive damages.

(b) 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 or JKTG 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 or JKTG.

16.4 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.

16.5 Limitations Periods.

16.5.1 No action for damages may be commenced against the Tribe or JKTG until the same has been presented to the Tribe and 60 days have elapsed since the date of presentation. No claim against Tribe or JKTG may be made based upon facts of which Manager had actual knowledge and that arose more than eighteen months before

the date on which written notice of a claim is given to the Tribe or JKTG. No claim, action, suit or proceeding at law or in equity against Tribe or JKTG 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.

16.5.2 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. No claim against Manager may be made based upon facts of which the Tribe or JKTG 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.

16.6 JKTG Deemed to be Tribe Hereunder. For all purposes under this Article XVI, JKTG shall be regarded as having the sovereign immunity of the Tribe and shall be entitled to the benefits of all provisions applicable to Tribe, and shall have waived its sovereign immunity to the same extent as the Tribe under this Article XVI as if the word "JKTG" were inserted whenever the word "Tribe" appears.

16.7 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.

ARTICLE XVII
TERMINATION

17.1 Termination. This Agreement terminates on the expiration of the Initial Term or if applicable the Extended Term.

17.1.1 This Agreement may also be terminated by JKTG only upon the occurrence of one or more of the following events:

(a) A material breach of this Agreement by Manager which remains uncured after notice of such breach is given to Manager by JKTG and the expiration of the applicable cure periods set forth in Article XV.

(b) Manager or its Parent Company becomes insolvent. For purposes of this section, Manager shall be conclusively presumed to have become insolvent if Manager can no longer perform its obligation under this Agreement and:

(i) has a receiver appointed to take possession of all or substantially all of Manager's property because of insolvency; or

(ii) makes a general assignment for the benefit of creditors.

(c) The Manager fails to achieve at least 90% of projected quarterly Distributable Net Profits (which quarterly projections shall be mutually agreed to by JKTG and Manager as set forth in the Budget) for any four consecutive calendar quarters (other than during the first six months of the Initial Term of this Agreement).

(d) Manager shall engage in any unfair competition with the Gaming Enterprise which unfair competition continues after written notice from JKTG to Manager of such unfair competition and Manager fails to cease such unfair competition promptly after such notice from JKTG.

(e) Manager's failure to maintain, or for its principals to maintain, all necessary licenses and suitability approvals under Applicable Law, provided that Manager shall have the privilege of curing any such failure for a period of 30 days after written notice of such failure is given to Manager by JKTG. (If more than 30 days are reasonably required by Manager to cure such failure, then Manager shall have such additional time as Manager may reasonably require to cure such failure, provided that Manager commences such cure within said 30-day period and diligently thereafter prosecutes such cure to completion, and provided further that the right to cure shall terminate within six months of the date of such failure). In the case of an uncured failure, JKTG may then exercise its right under this Section 17.1.1(e) to terminate the Agreement. Notwithstanding the cure period in this Section 17.1.1(e), during any period in which Manager lacks a required license or fails to meet suitability qualifications required by Applicable Law its rights shall be suspended hereunder and it shall have no access to the Gaming Enterprise.

17.1.2 This Agreement may also be terminated by Manager upon the occurrence of a material breach of this Agreement by Tribe or JKTG which remains uncured after notice of such breach is given to Tribe and JKTG by Manager and the expiration of the applicable cure periods set forth in Article XV.

17.2 Effect of Termination. Termination of this Agreement for any reason shall terminate all rights and obligations of the Parties under this Agreement except as specifically provided otherwise in this Agreement, except further that termination shall not affect any warranties of the Parties to each other, nor shall termination discharge, release or prejudice the rights, remedies, or liabilities of either Party from, to or against the other with respect to any default under this Agreement or as to any rights, duties, or obligations with respect to termination. Termination of this Agreement shall not terminate, discharge, release or prejudice the rights, remedies, liabilities, or obligations of either Party under the Loan Agreement, except as provided therein.

17.3 Duty to Render Final Accounting. Upon termination, the Manager shall cause the accountant for the Gaming and Related Activities to render and deliver to the Parties a final and accurate accounting of operations of the Gaming and Related Activities.

17.4 Payments of JKTG's Share and Manager's Fee Upon Termination. Upon termination of this Agreement, JKTG's Share and Manager's Fee through the termination date shall be calculated and paid in accordance with Article IX. If there is insufficient Available Cash at the time of such payment distribution to pay JKTG's Share and Manager's Fee in full, the Parties shall make an equitable adjustment for any prepaid expenses and capital expenditures, and the amount of such adjustment shall be paid to JKTG and Manager in accordance with Section 9.5 within three (3) months after the termination date.

17.5 Manager's Access to Books and Records After Termination. For a period of four (4) years after termination of this Agreement, Manager shall have access at reasonable times and place to inspect and copy the books and records of the Gaming and Related Activities for the periods prior to termination, upon reasonable notice to the JKTG and mutually satisfactory arrangements for such copying or inspection.

ARTICLE XVIII
NO TRANSFER OF INTEREST IN LAND

18.1 No Conveyance Intended. Nothing in this Agreement is intended to transfer, assign, sell or convey any interest in the Site or any other land or real estate.

ARTICLE XIX
ASSIGNMENTS; CHANGES IN PRINCIPALS

19.1 Assignment. The Manager shall not sell, transfer or assign its rights or duties under this Agreement without the prior consent of the Tribe and JKTG, which consent shall not be unreasonably withheld, and to the extent required by Applicable Law, the approval of the NIGC or other Governmental Authority. In the event of any sale, transfer or assignment in violation of this Section 19.1, this Agreement shall be deemed terminated upon such occurrence.

19.2 Change in Principals. If, during the term of this Agreement, there is a change in a majority of the members of Manager's Board of Directors and a majority of the officers of Manager, other than by reason of death or disability (a "Control Change"), and such Control Change has not been approved by JKTG, which approval shall not be unreasonably withheld, and subsequent to such Control Change the General Manager is changed, then JKTG shall have the right to select the replacement General Manager subject to the approval of Manager, which approval shall not be unreasonably withheld, and his continued employment shall be subject to review and approval by JKTG on a semi-annual basis. A breach of Manager's covenants under this Section 19.2 shall be deemed a material breach of this Agreement by Manager and shall entitle JKTG to terminate this Agreement in accordance with Section 17.1.1(a).

ARTICLE XX
CONFLICT OF INTEREST

20.1 No Payments to Tribal Council Member. All Parties hereto declare that no payments have been made nor shall any payments be made to any elected member of the Jamestown S'Klallam Tribal Council nor its representatives for the purpose of obtaining or maintaining this Agreement or any other privilege for Manager.

20.2 Interested Party. All Parties hereto hereby warrant that no Interested Party is an elected member of the Jamestown S'Klallam Tribal Council, nor considered a relative in the immediate household of any elected member of the Jamestown S'Klallam Tribal Council. "Interested Party" means, on behalf of Manager all corporate officers and directors, all stockholders of said corporation, and all employees who will have a day-to-day management responsibility for the Gaming and Related Activities.

20.3 Elected Members Excluded from Employment. Manager agrees that no elected member of the Jamestown S'Klallam Tribal Council and TGC or relative in the immediate household of an elected member of the Jamestown S'Klallam Tribal Council may be an employee of the Gaming Enterprise. "Relative" means an individual who is related to an elected member of the Tribal government as a father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister.

ARTICLE XXI
DISCLOSURES

21.1 Shareholders and Directors. Manager warrants that as of September 1, 1993 its shareholders owning at least ten percent (10%) of the common equity, its directors, officers and key employees were as set forth in Exhibit H.

21.2 Parties in Interest. Manager agrees it shall have a continuing good faith obligation to disclose to Tribe the names and addresses of its Parties in Interest as the same may change from time to time and meet all requirements of Applicable Law. Tribe agrees that if Manager fails to disclose such information such failure shall not be a material breach of this Agreement unless Manager willfully refuses to disclose the information after requested to do so in writing by Tribe and such information proves to be materially inconsistent with prior disclosures.

21.3 Warranties. Manager represents and warrants to Tribe and JKTG as of the Effective Date as follows: (1) that there are no material management, financial, or ownership interests in Manager nor any Parties in Interest, except the interests and Parties in Interest, if any, that have been disclosed in writing to JKTG on the Effective Date of this Agreement; (2) no Parties in Interest are an elected Member of the Tribal Government or a relative of an elected Member of the Tribal Government and, to the best of Manager's knowledge, no elected Member of the Tribal Government or relative of an elected Member of the Tribal Government has any indirect or direct financial interest in Manager, any Parties in Interest or the Gaming

Enterprise; (3) that to the best of Manager's knowledge, and except as provided below, no Party in Interest has been arrested, indicted for, convicted of, or pleaded nolo contendere to any felony or any gaming offense or had any association with individuals or entities connected with organized crime. Manager agrees that it shall have a continuing good faith obligation to disclose any change in the above warranties. If Manager fails to disclose such information, such failure shall not be a material breach of this Agreement unless Manager willfully refuses to disclose the information after requested to do so in writing by Tribe or JKTG and such information proves to be materially inconsistent with prior disclosures. For the purposes of this Section, any management, financial or ownership interests that are set forth in a written document shall be considered "undisclosed" until a copy of such document is provided to Tribe. Manager warrants that within thirty (30) days of the Signing Date it will provide to JKTG a description of any previous experience that each Party in Interest listed in Exhibit H has had with other [illegible] with Indian tribes or with the gaming industry generally, including specifically the name and address of any licensing or regulatory agency with which such person has had contact relating to gaming, and will also provide a complete financial statement of each Party in Interest. Notwithstanding the foregoing warranties, Manager further warrants that it will provide such information concerning the matters addressed in this Section 21.3 as part of any licensing or investigatory process described in this Agreement or required by Applicable Law.

21.4 Investigations. Manager and Parties in Interest shall consent to background investigations by all regulatory agencies to the extent required by Applicable Law.

21.5 Breach of Manager Warranties. The material breach of any warranty contained in Section 21.3, if not cured within the cure periods set forth in Article XV for a breach of covenant by Manager, shall be grounds for immediate termination of this Agreement, provided (i) that if a breach of the warranty contained in Section 21.3 is discovered during the Term hereof, and such breach was not disclosed by any background check conducted by the FBI as part of the NIGC, BIA or other approval of this Agreement, or was discovered by the FBI investigation but officers, directors, and shareholders of Manager and the officers and directors of any corporate shareholder of Manager sign a sworn affidavit that they had no knowledge of such breach therein, or occurred subsequent to the Commencement Date, Manager shall have thirty (30) days from the day it is informed of such breach to terminate the interest of the breaching person and if such termination takes place, this Agreement shall remain in full force and effect; and (ii) that if the breach relates to a failure to update changes in financial position or additional Gaming related activities, Manager shall have thirty (30) days after notice from the Tribe to cure such default prior to termination.

ARTICLE XXII
WAIVER

22.1 Waiver by any Party of a breach by any other Party of any covenant, term or condition herein contained, or failure by any Party to exercise any right or remedy in respect of any such breach, shall not constitute a waiver or relinquishment for the future of any such covenant, term or condition or of any subsequent breach of any such covenant, term or condition, nor bar any right or remedy of the Party in respect of any such subsequent breach or any breach of any other covenant, term, or condition.

ARTICLE XXIII
NOTICES

23.1 Whenever it is provided herein that notice, demand, request or other communication shall or may be given to or served upon, either of the Parties by the other, and whenever either of the Parties shall desire to give or serve on the other any notice, demand, request or other communication with respect to this Agreement, each such notice, demand, request or other communication shall be in writing, and any law or statute to the contrary notwithstanding, shall not be effective for any purpose unless the same shall be given or served as follows:

23.1.1 If given or served by Manager to JKTG, by mailing the same to JKTG by registered or certified mail, postage prepaid, return receipt requested, or by overnight courier service, acknowledgement of receipt required, addressed to:

JKT Gaming, Inc.
1033 Old Blyn Highway
Blyn, Washington 98382

with a simultaneous copy to counsel, addressed as follows:

Jerome L. Levine, Esq.
Levine & Associates
2029 Century Park East, Suite 1700
Los Angeles, CA 90067

or to such other addresses as JKTG may from time to time designate by notice given to Manager by registered or certified mail;

23.1.2 If given or served by JKTG, by mailing the same to Manager by registered or certified mail, postage prepaid, return receipt requested, or by overnight courier service, acknowledgement of receipt required, addressed to:

Olympia Gaming Corporation
202 Fremont Street
Las Vegas, Nevada 89101
Attention: Thomas E. Martin

with a simultaneous copy to counsel, addressed as follows:

Lane Powell Spears Lubersky
1420 Fifth Avenue, Suite 4100
Seattle, Washington 98101
Attention: Thomas F. Grohman

If given or served by Manager to the Tribe by mailing the same to the Tribe by registered or certified mail, postage prepaid, return receipt requested, or by overnight courier service, acknowledgement of receipt required, addressed to:

Jamestown S'Klallam Tribe
1033 Old Blyn Highway
Blyn, Washington 98382

with a simultaneous copy to counsel, addressed as follows:

Jerome L. Levine, Esq.
Levine & Associates,
Suite 1700
2029 Century Park East
Los Angeles, CA 90067

or to such other address as the Tribe may from time to time designate by notice to Manager by registered or certified mail.

ARTICLE XXIV
SEVERABILITY

24.1 The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

ARTICLE XXV
CAPTIONS

The section captions of this Agreement shall have no effect on its construction or interpretation.

ARTICLE XXVI
REPRESENTATION; ENTIRE AGREEMENT

26.1 This Agreement upon its approval by the Commission supersedes any previous agreements between the Parties. When so approved, this Agreement together with the Loan Agreement and other Gaming Enterprise Documents will constitute the sole and only agreement between the Parties hereto with respect to the management of Gaming and Related Activities and correctly sets forth the rights, duties and obligations of each to the other as of the Effective Date hereof. Any prior agreements, promises, negotiations or representations not expressly set forth in this Agreement respecting the subject matter of this Agreement are no longer of any force and effect.

ARTICLE XXVII
COVENANTS AND CONDITIONS

27.1 All provisions of this Agreement, whether covenants or conditions, shall be deemed to be both covenants and conditions.

ARTICLE XXVIII
SUCCESSORS AND ASSIGNS

28.1 All of the terms, covenants and conditions herein contained shall inure to the benefit of and be binding upon the JKTG, the Tribe, their successors and assigns, and Manager, its successors and permitted assigns.

ARTICLE XXIX
COMPLIANCE WITH TRIBAL LAW AND ORDINANCES

29.1 Compliance with Tribal Statutes and Laws. In carrying out its obligations, Manager, on behalf of itself and its employees and agents, agrees to comply with all Applicable Laws, including but not limited to, all duly enacted statutes, regulations and ordinances of the Tribe that are presently in effect or which may in the future be enacted. The Tribe agrees that it will not enact any future laws, ordinances or regulations that shall act in any manner whatsoever that will change or alter the negotiated terms and conditions of this Agreement or the other Gaming Enterprise Documents or which would limit or interfere with the Gaming and Related Activities being conducted during the term of this Agreement without the express written consent of the Manager. By so agreeing not to attempt to alter the negotiated terms of this Agreement, the Tribe does not limit or forego any of its legitimate governmental functions or powers. The Tribe shall not enact or apply to Manager, its employees or agents, any tax, assessment, ordinance or regulation which will require any payments by Manager to Tribe not already covered in this Agreement.

ARTICLE XXX
VALIDITY

30.1 This Agreement and any modification or amendment to this Agreement, shall not be valid or binding upon any Party hereto until approved by the applicable Federal and State regulatory authorities. Each Party agrees to cooperate fully with the other Parties to obtain such approvals as soon as possible after the execution of this Agreement.

ARTICLE XXXI
TAX IMMUNITY

31.1 Nothing contained in this Agreement shall be deemed to constitute a waiver of Applicable Laws providing tax immunity to trust or restricted Indian property or any interest or income therefrom.

ARTICLE XXXII
FORCE MAJEURE

32.1 Neither Tribe, JKTG 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 any other event occurs that is beyond Manager's power to control, provided that Manager, Tribe, or JKTG, 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.

ARTICLE XXXIII
UNLAWFUL USE

33.1 Manager agrees not to use, cause to be used, or permit to be used, any part of the Facility used in the Gaming Enterprise for any unlawful conduct or purpose.

ARTICLE XXXIV
NONCOMPETITION

34.1 Manager, Tribe and JKTG agree that neither Manager, JKTG, the Tribe or any Parent Company or Affiliate of Manager, Tribe, or JKTG 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 in the counties of Clallam, Kitsap, or the eastern half of Jefferson County, State of Washington during the Initial Term and any extension of the Term of this Agreement. This section shall also apply to Manager, or its Parent Company, or any Affiliate for , following the termination of this Agreement. The Parties agree that any breach or violation of the terms of this Section 34.1 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 34.1. Should any body before whom such equitable or legal action be brought decline to enforce any provision of this Section 34.1, then such section shall be deemed to be modified to restrict the breaching Party's competition with the nonbreaching Party to the maximum extent, in both time and geography, which such body shall find enforceable.

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ARTICLE XXXV
PUBLICITY

35.1 No press release or similar dissemination to the general public of information concerning this Agreement or identifying Manager shall be made except with the prior specific mutual consent of Manager and JKTG, except as may be required by Applicable Law.

ARTICLE XXXVI
CONDITIONS

36.1 This Agreement, and all of the other Gaming Enterprise Documents and the obligations of the Parties herein and therein (except as indicated otherwise in such other agreements), are expressly conditioned upon the following:

36.1.1 The execution and delivery to JKTG and Tribe by Manager and by JKTG and Tribe to Manager of duly executed copies of the other Gaming Enterprise Documents including the Loan Agreement in a form mutually agreeable to Manager, JKTG and the Tribe within thirty (30) days after the Signing Date.

36.1.2 Receipt by the Tribe of a nonrefundable signing payment from Manager in the amount of payable on the Signing Date;

36.1.3 Manager's parent company, Elsinore Corporation, a Nevada corporation, shall within forty-five (45) days after the Signing Date execute and deliver to Tribe and JKTG a guaranty unconditionally guaranteeing to Tribe and JKTG the full and prompt performance of all of Manager's duties and obligations in a form reasonably acceptable to JKTG;

36.1.4 Receipt by the Tribe from Manager of , to be paid to the Tribe in three equal monthly payments, with the first payment due 30 days after the Signing Date and on the same day of each succeeding month, to reimburse the Tribe for certain development expenses incurred related to the Gaming Enterprise, which payments shall be draws under the Loan Agreement and repayable solely in accordance with the terms and conditions of the Loan Agreement; and

36.1.5 Manager shall have provided to JKTG with evidence that the funds necessary to complete construction of the Facility have been committed for such purposes and will remain available throughout construction in accordance with Section 4.16.

36.1.6 Approval of the Gaming Enterprise Documents by such Gaming Authorities as may be required under Applicable Law (such as but not limited to NIGC), and the receipt by the Tribe and JKTG of such written approval, provided that if all Gaming Authority approvals have been granted except for one or more required to be obtained from a gaming jurisdiction from which Manager or Manager's Parent Company is required to obtain approval ("Manager Gaming Jurisdiction"), Manager shall have ninety (90) days from the date of receiving such other Gaming Authority approvals to

obtain approvals from the Manager Gaming Jurisdictions or to expressly waive such requirement in writing, or this Agreement and the other Gaming Enterprise Documents shall terminate as of such date;

36.1.7 Issuance of any and all licenses and background checks and approvals as required by Applicable Law.

36.2 Submission and Resubmission to Gaming Authority; Effect of Related Events on This Agreement; Modifications and Resubmissions.

36.2.1 The Parties agree to use best efforts to diligently submit to the appropriate Gaming Authority, promptly after execution of the Gaming Enterprise Documents, all information and documents required to be approved thereby, including such information regarding background, suitability and licensing as may be required.

36.2.2 If any Gaming Authority (1) rejects any of the Gaming Enterprise Documents or (2) approves any of them subject to conditions, including requiring the Parties to agree to additional or different terms than as submitted, the Parties shall have twenty (20) days after notice of the rejection or conditional approval in which to notify the other Party that it considers any change or condition that might be necessary to overcome the Gaming Authority objection to be material (i.e., that the change or condition is reasonably deemed by such Party to affect an essential term or condition of the Gaming Enterprise Documents). A failure by either Party to notify the other of its contention of materiality on a timely basis shall be deemed a waiver of the right to make that contention.

36.2.3 The determination that the change or condition is material by either Party shall be made in good faith, and may be waived either expressly or as set forth above. If both Parties agree that the changes which are required to overcome Gaming Authority rejection or conditional approval are nonmaterial, or any right to claim materiality has been waived, the Parties shall cooperate in expediting whatever steps may be necessary to obtain final Gaming Authority approval of the Gaming Enterprise Documents. Neither a determination of nonmateriality nor any such waiver shall be binding or in any way used against such Party for any other purposes in connection with the Gaming Enterprise Documents, including but not limited to claims of failure of consideration or breach.

36.2.4 If it is determined by either Party that the change or condition imposed by the Gaming Authority is material, the Parties shall negotiate in good faith to resolve the change or condition, but if no agreement is reached on resubmitting the documents within forty-five (45) days after notice of the change or condition, the failure to reach agreement shall be deemed to be a Termination Event. If agreement is reached, the Parties shall promptly resubmit the Gaming Enterprise Documents to the Gaming Authority;

36.2.5 In the event any of the Gaming Enterprise Documents, including this Agreement, fail to receive a required Gaming Authority approval, and reasonable efforts

by the Parties to obtain such approval have ceased or would be futile, such circumstances may be deemed to be a Termination Event by any Party at any time thereafter; or

36.2.6 If Manager is unable to cure, within a reasonable time after written notice thereof, a final determination by a Gaming Authority that Manager or a Party in Interest of Manager is unsuitable for gaming purposes or may not qualify for a gaming license, such determination shall be deemed to be a Termination Event.

36.3 Termination on Termination Event. The following shall be considered to give rise to a "Termination Event" hereunder: The failure to satisfy any of the conditions set forth in Section 36.1 and the Termination Events described in Sections 36.2.4, 36.2.5 and 36.2.6. Upon the occurrence of a Termination Event, this Agreement and the other Gaming Enterprise Documents shall be null and void and of no further force and effect whatsoever, except that to the extent Manager engaged in any activities prior to the occurrence of such Termination Event and efforts must be made to wind down Manager's activities undertaken on behalf of JKTG pursuant to the provisions of Article IV, if any. Upon such Termination Event and provided it does not arise as the result of any wilful conduct by a Party, the Parties shall have no further obligations to any Party hereto or under the Gaming Enterprise Documents, and each of the Parties shall have been deemed to have released and discharged each other and each of them from all claims and liabilities for future obligations under the Gaming Enterprise Documents.

ARTICLE XXXVII
COUNTERPARTS

37.1 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original Agreement, but all of which together shall constitute one and the same instrument.

ARTICLE XXXVIII
SURVEILLANCE SYSTEM

38.1 Surveillance System. Manager shall make available a separate surveillance system which shall be installed for the use of the Tribal Gaming Commission, this system shall be limited to control and recording capability and to a maximum of three monitors and shall be part of Construction Budget.

ARTICLE XXXIX
TRADE SECRETS

39.1 The Parties acknowledge and agree that the identity of the Gaming Enterprise customers and employees, and the Gaming Enterprise policies, procedures, financial information, market and demographic information, training methods, sources of supply, purchasing costs, employee payroll and benefit information, proposed plans, products and services for the Gaming Enterprise, and similar information or data unique to the Gaming Enterprise, constitute trade secrets ("Trade Secrets"), are property of Tribe, and are confidential. The foregoing list of Trade Secrets is not intended to be all-inclusive. The Parties acknowledge and agree that except

for its use in the ordinary course of the Gaming Enterprise business, the sale, disclosure or use of any of such Trade Secrets without the express written consent of the Tribe is prohibited and constitutes unfair competition with the Tribe. Notwithstanding the foregoing, information, operating policies and data supplied to the Gaming Enterprise by Manager from Manager's own sources and not at the expense of the Gaming Enterprise shall be excluded from the definition of Trade Secrets ("Manager's contributed Know-How"). Nothing in this Agreement shall be deemed to prohibit either Party from utilizing Manager's contributed Know-How during or after the termination of this Agreement.

ARTICLE XL
FURTHER COOPERATION

40.1 Further Cooperation. The Parties agree that each will cooperate and assist the other and execute such other and further documents as may be necessary or desirable to effect the transactions contemplated under this Agreement, and take such additional action as any Party may reasonably request to effect, consummate, confirm or evidence the transactions contemplated in this Agreement.

ARTICLE XLI
GOVERNING LAW

41.1 This Agreement and the rights and obligations of the Parties thereunder shall be governed by the laws of the State of Washington.

ARTICLE XLII
DEFINITIONS

42.1 Terms Defined. As used herein, the following terms shall have the meanings set forth below:

42.1.1 "Affiliate" shall mean, with respect to any Person or Persons, a Person that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person or Persons. For purposes of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of securities or otherwise.

42.1.2 "Agreement" means this Gaming Project Development and Management Agreement between Tribe and Manager.

42.1.3 "Applicable Law" means the Compact, the IGRA, NIGC, BIA regulations and Tribal Gaming Ordinances, MOUs and Interlocal Agreements and all other applicable laws and regulations under State, Federal, and Tribal law.

42.1.4 "Available Cash" means cash of the Gaming Enterprise in excess of the sum of the Working Capital Reserve and the current liabilities of the Gaming Enterprise.

42.1.5 "BIA" means the Bureau of Indian Affairs of the Department of Interior of the United States Government.

42.1.6 "Budget" means the annual budget for the Gaming Enterprise operations mutually agreed to as provided for in Section 8.1.

42.1.7 "Capital Expense Budget" means the budget described in Section 8.1(c).

42.1.8 "Commencement Date" means the first date on which the Gaming Enterprise is open to the public for business.

42.1.9 "Commission" means the National Indian Gaming Commission.

42.1.10 "Compact" means the Class III Tribal-State Gaming Compact between the Tribe and the State of Washington dated February 19, 1993.

42.1.11 "Construction Contract" has the meaning set forth in Section 4.10.

42.1.12 "Construction Escrow" has the meaning set forth in Section 4.9.

42.1.13 "Distributable Net Profits" shall mean Gross Revenues minus Prizes and Operating Expenses, as defined in Section 9.5.1.

42.1.14 "Effective Date" means date of receipt of all required gaming and environmental approvals for the Gaming Enterprise to undertake Gaming Activities at the Facility and for the Manager to manage the Gaming Activities in accordance with the terms of this Agreement.

42.1.15 "Extended Term" shall have the meaning set forth in Section 3.2.

42.1.16 "Facility" means the casino for gaming to be built or maintained on the Site, as more fully described in Section 4.1, together with: (i) any restaurants, lounges, gift shops, concession operations and other facilities to be constructed on the Site; (ii) all landscaping, parking facilities and other amenities intended to be used in connection with the casino; (iii) all furniture, fixtures and equipment located in or on the casino, restaurants, lounges and other facilities to be constructed, maintained or operated as part of the Gaming Enterprise; and (iv) all intangible rights (including trade names, gaming licenses and liquor licenses) associated with the casino.

42.1.17 "Final Plans" means the plans and specifications for the Facility, as approved by Manager and JKTG, including all architectural, mechanical, plumbing, electrical, HVAC, kitchen, landscaping, lighting, graphics, interior design, and other similar plans and specifications for the construction, equipping and developing of the Facility as prepared by the architects, engineers, designers and other professionals retained by JKTG.

42.1.18 "Gaming Activities" means all forms of gaming permitted by the Compact and the IGRA.

42.1.19 "Gaming and Related Activities" means all activities within the Facility including Gaming Activities and Related Activities but excluding tribal economic development department operations, TGC activities and Retail Activities conducted in or in connection with the Gaming Enterprise by the Tribe or JKTG.

42.1.20 "Gaming Authority" or "Gaming Authorities" means, individually and collectively, the Commission, the Washington State Gambling Commission, TGC, and any other gaming authorities having jurisdiction over the Gaming Enterprise.

42.1.21 "Gaming Enterprise Documents" means 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.

42.1.22 "Gaming Enterprise" means the business enterprise of operating the Facility and all Gaming and Related Activities conducted therein.

42.1.23 "General Contractor" has the meaning set forth in Section 4.10.

42.1.24 "General Manager" means the person employed as the General Manager of the Gaming Enterprise.

42.1.25 "Governmental Approval" means an authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any Governmental Body.

42.1.26 "Governmental Body" means the United States, the State of Washington, the government of the Tribe, and any other court, arbitrator or governmental or regulatory official, body, subdivision, agency or authority, whether federal, state, tribal or local.

42.1.27 "Gross Revenues" shall mean all income received by the Gaming Enterprise from the Gaming and Related Activities except for i) amounts collected and paid out for a sales or excise tax imposed by any governmental authority where such tax is billed to the purchaser as a separate item; ii) funds made available by virtue of capital contributions, loans, Operating Advances or gifts from any source; iii) proceeds from the sale or trade-in of any capital asset (other than replacement assets purchased after the Commencement Date and included in the Capital Expense Budget); and iv) sums and credits received in settlement of loss, theft, or damage to property other than the proceeds of any business interruption insurance. All Gross Revenues shall be determined on an accrual basis in accordance with generally accepted accounting principles unless otherwise provided herein.

42.1.28 "Guarantee" has the meaning assigned to it in Section 36.1.3.

42.1.29 "IGRA" means the Indian Gaming Regulatory Act, 25 USC § 2701 et seq. and 25 USC § 1166 et seq.

42.1.30 "Initial Term" shall have the meaning set forth in Section 3.1.

42.1.31 "Interested Party" has the meaning set forth in Section 20.2.

42.1.32 "JKTG" means JKT Gaming, Inc., a tribal corporation organized and chartered by the Tribe.

42.1.33 "JKTG's Share" has the meaning set forth in Sections 9.1 and 9.3.

42.1.34 "Loan Agreement" means that certain Loan Agreement between Tribe, JKTG and Manager to be executed by the Parties as referenced in Section 36.1.1.

42.1.35 "Loan" means the up-to- oan made by Manager to Tribe and JKTG pursuant to the terms and conditions of the Loan Agreement.

42.1.36 "Local Law Enforcement Agency" means law enforcement agencies in the immediate vicinity of the gaming operation and which have jurisdiction to enforce tribal, local or state laws on Jamestown S'Klallam tribal lands.

42.1.37 "Manager" means Olympia Gaming Corporation, a wholly owned subsidiary of Elsinore Corporation.

42.1.38 "Manager's Fee" has the meaning set forth in Sections 9.2 and 9.4

42.1.39 "Master Plan" has the meaning set forth in Section 4.3.

42.1.40 "Minimum Guaranteed Payment" shall mean any advances made by Manager pursuant to Section 9.5.3.

42.1.41 "Operating Advances" shall include all advances made by Manager pursuant to Section 7.11 and all Minimum Guaranteed Payment advances made pursuant to Section 9.5.3.

42.1.42 "Operating Budget" means the budget referred to in Section 8.1(b).

42.1.43 "Ordinance" means that ordinance attached hereto as Exhibit E for the operation and conduct on the Reservation of Class II and Class III Gaming and Related Activities.

42.1.44 "Parent Company" means Elsinore Corporation.

42.1.45 "Parties" means Manager, JKTG and the Tribe.

42.1.46 "Parties in Interest" means all shareholders, directors and officers and key employees of Manager and if Manager is a corporation the officers, directors, and controlling shareholders of such corporation.

42.1.47 "Person" shall mean any person, corporation, partnership, joint venture, association, organization, other entity or governmental or regulatory authority, Tribe or Tribal entity.

42.1.48 "Prizes and Operating Expenses" shall mean all sums expended directly for the operation and maintenance of Class II and Class III games and Related Activities including but not limited to all jackpots and prizes; salaries, wages, payroll taxes, burdens and assessments, and employee benefits of personnel employed directly in Gaming and Related Activities; gaming taxes and licenses, including fees or assessments imposed on the Gaming Enterprise or Related Activities; casino entertainment, operating supplies and the cost of any independent audits of the Gaming Enterprise required under Applicable Law. Prizes and Operating Expenses shall not include any capital expenditures, depreciation (other than depreciation on replacement assets purchased after the Commencement Date and included in the Capital Expense Budget), or loan principal repayments. Manager's general overhead, travel expenses, salaries of its employees and Manager's licensing fees,and taxes shall not be considered "Prizes or Operating Expenses." The Manager's Fee and JKTG's Share as defined herein shall not be deemed to be a Prizes and Operating Expense. All Prizes and Operating Expenses shall be determined on an accrual basis in accordance with generally accepted accounting principles unless otherwise provided herein.

42.1.49 "Related Activities" means all activities directly related to the operation of the Gaming Enterprise in addition to the Gaming Activities and include without limitation, food and beverage service, and entertainment and operation of any arcade within the Facility.

42.1.50 "Reservation" means the Tribal lands of the Jamestown S'Klallam Tribe consisting of approximately nine usable acres located in the northwestern part of the State of Washington, on the Olympic Peninsula, approximately seven miles east of the City of Sequim.

42.1.51 "Retail Activities" means art and gift sales which may be conducted by JKTG or the Tribe in or near the Facility.

42.1.52 "Signing Date" The date on which both Tribe and/or JKTG and Manager have signed this agreement

42.1.53 "Site" has the meaning set forth in Recital B.

42.1.54 "State Gaming Agency" means the Washington State Gambling Commission.

42.1.55 "Term" shall mean collectively the Initial Term and the Extended Term, if applicable.

42.1.56 "Tribal Expenses" shall be those expenses of the Tribe which are not Prizes and Operating Expenses identified in the Budget and shall be the sole responsibility of the Tribe and shall not be used in the calculation of Prizes and Operating Expenses or Distributable Net Profits.

42.1.57 "Tribal Gaming Commission or TGC" means the Jamestown S'Klallam Gaming Commission to be established in accordance with Tribal Ordinance No. 01-92 as the tribal agency responsible for independent regulatory oversight of Class II and Class III gaming as authorized by the Compact.

42.1.58 "Tribe" means the Jamestown S'Klallam Tribe, a federally recognized Indian Tribe.

42.1.59 "Working Capital Reserve" means the working capital reserve described in Section 7.11 that shall be maintained at subject to reduction to a lower amount at the discretion of JKTG.

IN WITNESS WHEREOF, the JKTG and the Tribe have set their hand at King County, Washington, on this 28th day of September, 1993, and the Manager has set its hands at King County, State of Washington, on this 28th day of September, 1993.

Tribe:

THE JAMESTOWN S'KLALLAM TRIBE

By W. Ron Allen
Its Chairman

JKTG:

JKT GAMING, INC.

By W. Ron Allen
Its Chairman

Manager:

OLYMPIA GAMING CORPORATION

By Thomas E. Martin
Its President

7/25/94