



JUL 16 2009

Earl J. Barbry, Sr., Chairman of the Board
Tunica-Biloxi Gaming Authority
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Fax (318) 253-9791

George P. Burkhardt and Patrick G. Minchey
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Las Vegas, NV 89147
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Dear Chairman Barbry and Messrs. Burkhardt and Minchey:

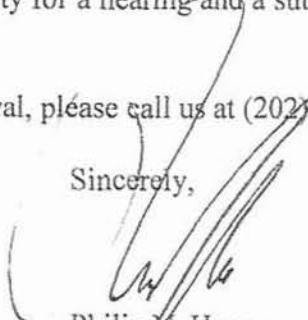
I am pleased to inform you that I have approved the First Amended and Restated Management Agreement (the "Contract") between the Tunica-Biloxi Gaming Authority (the "Authority"), a Tribal governmental instrumentality of the Tunica-Biloxi Tribe of Louisiana (the "Tribe"), and Exceptional Gaming and Entertainment, LLC (the "Manager"), dated December 23, 2008. The Indian Gaming Regulatory Act and the regulations of the National Indian Gaming Commission (the "NIGC") require that the NIGC Chairman approve management contracts for gaming operations on Indian lands. Accordingly, you submitted the Contract as required by 25 U.S.C. § 2711 and 25 C.F.R. Part 531.

We have reviewed the Contract and other information submitted and determined that the standards of 25 C.F.R. Parts 531, 533 and 537 have been met. This letter and my signature on the Contract constitute such approval.

Please note that if we learn of any actions or conditions that violate the standards contained in 25 C.F.R. Parts 531, 533, 535, or 537, we may require modifications of, or may void, the approved Contract, after providing the parties with an opportunity for a hearing and a subsequent appeal to the NIGC as set forth in 25 C.F.R. Part 577.

Should you have any questions concerning this approval, please call us at (202) 632-7003.

Sincerely,



Philip A. Hogen
Chairman

MAR - 5 2009

FIRST AMENDED AND RESTATED MANAGEMENT AGREEMENT

between the

TUNICA-BILOXI GAMING AUTHORITY,
a Tribal governmental instrumentality of the Tunica-Biloxi Tribe of Louisiana
and

EXCEPTIONAL GAMING & ENTERTAINMENT, LLC
a Nevada limited liability company

Dated as of December 23, 2008

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Appendix A: Gaming Site

MANAGEMENT AGREEMENT

This FIRST AMENDED AND RESTATED MANAGEMENT AGREEMENT is executed as of this 23rd day of December, 2008, amends and restates in its entirety the Management Agreement dated March 23, 2006 (the "Original Management Agreement"), by and between the TUNICA-BILOXI GAMING AUTHORITY (the "Authority"), a Tribal governmental instrumentality of the Tunica-Biloxi Tribe of Louisiana, a federally recognized Indian Tribe (the "Tribe"), and EXCEPTIONAL GAMING & ENTERTAINMENT, LLC, a Nevada limited liability company (the "Manager"), with the Original Management Agreement being superseded in its entirety by this First Amended and Restated Management Agreement.

RECITALS

- A. Capitalized terms used in these recitals are defined in Article 1 of this Agreement.
- B. The Tribe is a federally recognized Indian Tribe eligible for the special programs and services provided by the United States to Indian Tribes, and is recognized as possessing and exercising powers of self-government.
- C. The Tribal Council has adopted, by Resolution #33-05, Tribal Ordinance No. 1-05 titled the "Tunica-Biloxi Gaming Authority Act of 2005" (the "Act"), which established a Tribal governmental instrumentality known as the Tunica-Biloxi Gaming Authority (the "Authority"). The Authority was vested in such Act with the power and authority to own Paragon Casino Resort and oversee its operations on behalf of the Tribe. The Authority is vested with all of the privileges and immunities of the Tribe.
- D. Pursuant to the Tunica-Biloxi Gaming Authority Act of 2005, the Authority, on behalf of the Tribe, owns and operates the Paragon Casino Resort, which conducts Class III Gaming. The Authority wishes to engage a company experienced in the management of Tribal casinos to maximize revenues and otherwise improve the performance of the Paragon Casino Resort.
- E. George P. Burkhardt and Patrick G. Minchey, principals of the Manager, have represented to the Authority that they are experienced in the operation of casinos, hotels and related facilities.
- F. The Authority wishes the Manager to be the exclusive manager of the Paragon Casino Resort facilities and the Enterprise as herein provided, and the Manager has agreed to manage the Paragon Casino Resort and the Enterprise; provided, however, that the Manager shall have no management rights or any role in the conduct of Class II Gaming (if any), except poker (to the extent it might be characterized as Class II Gaming by the NIGC).

G. The parties hereto recognize that this Agreement will constitute a “management contract” within the meaning of IGRA, and that the effectiveness of this Agreement is dependent on its approval by or on behalf of the Chairman of the NIGC.

NOW THEREFORE, in consideration of the mutual promises and covenants, and for other good and valuable consideration as set forth herein, the receipt and sufficiency of which are expressly acknowledged, the Authority and the Manager agree as follows:

ARTICLE 1

Definitions

The following terms when used in this Management Agreement shall have the following meanings:

“Affiliate” means, with respect to any specified Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person; provided that individual Tribal members shall not be considered an Affiliate of the Tribe or the Authority. For the purpose of this definition, “control” means the ability to direct or cause the direction of the policies or management of the specified Person whether directly or indirectly, by voting securities, partnership or member interests, contract or otherwise.

“Agreement” means this First Amended and Restated Management Agreement by and between the Manager and the Authority, as the same may be amended, supplemented, restated or replaced from time to time.

“Annual Operating Budget” means, for any Fiscal Year, a written estimate of Expenses of Gaming Operations, Expenses of Other Operations, and OS&E Capital Expenditures, reasonably determined by the Manager on an operating department-by-department basis for the Enterprise, together with an estimate of total Management Fees, as such estimates may be amended from time to time in accordance herewith.

“Applicable Discount Rate” means, as of any date, the weighted average yield of Comparison Obligations quoted in the Wall Street Journal (or any successor publication) over the last preceding whole twenty-four consecutive months. “Comparison Obligations” means U.S. Treasury obligations (which constitute full faith and credit obligations of the United States) that have a term to maturity equal (in whole consecutive calendar months) to the then remaining term (in whole consecutive calendar months) of this Agreement.

“Applicable Law” means, as applicable to any Person and the particular matter in question, the Gaming Ordinance, the Tribal-State Compact and any other Tribal, state or federal law, ordinance, rule, regulation, permit, license or certificate, and any and all present and future orders of courts and administrative bodies of competent jurisdiction.

“Available Enterprise Funds” means as of any date and with respect to any purpose, all cash and all amounts credited to any deposit accounts and securities accounts constituting Enterprise Assets that are not restricted from being applied for such purpose by Applicable Law or the terms of any Financing Document or other Permitted Contract, and exclusive of cash reasonably required to be retained at the Paragon Casino Resort to meet daily cash demands.

“Base Management Fee” means [] per year, payable [] at the rate of [] for each full calendar month. b4

“Base EBITDA” means, for any period, an amount equal to [] multiplied by the number of calendar months (or fractions thereof) in that period.

“BIA” means the Bureau of Indian Affairs, established within the United States Department of Interior.

“Board of Directors” means the Board of Directors of the Tunica-Biloxi Gaming Authority.

“Calculation Year” means each twelve consecutive calendar month period that begins on the Effective Date and on each anniversary of that date; provided that the last Calculation Year shall end on the date this Agreement ends.

“Capital Budget” means, for any Fiscal Year, a written estimate of Capital Expenditures (including those related to maintenance and repair, expansion of the Paragon Casino Resort or construction of new improvements), exclusive of OS&E Capital Expenditures, reasonably determined by the Manager, as amended from time to time in accordance herewith.

“Capital Expenditure” means, with respect to the Enterprise, any expenditure that is considered a capital expenditure under GAAP.

“Capital Reserve Deposit Requirement” means, for any period, [] of Total Net Revenues for the period, or such other amount proposed by the Manager and approved by the Board of Directors in the Annual Operating Budget, but including any amounts required to be retained under the terms of any Financing Document or other Permitted Contract for the payment of Capital Expenditures or the payment of other costs of repair or replacement. b4

“Change of Control” shall have the meaning given to that term in Section 13.2.

“Claim” means any dispute or claim between any Tribal Party and the Manager or an Affiliate of the Manager, arising under this Agreement or to enforce the Manager’s or the Authority’s rights under this Agreement, as subject to the Authority’s sovereign immunity except as expressly waived pursuant to Section 12.1(c) hereof.

“Class II Gaming” shall have the meaning set forth in 25 U.S.C. § 2703(7), as it may be amended from time to time.

“Class III Gaming” shall have the meaning set forth in 25 U.S.C. § 2703(8), as it may be amended from time to time.

“Computational Quarter” means the period commencing with the Effective Date and ending on the day before the commencement of the next Computational Quarter, and after that first Computational Quarter, each period of three consecutive calendar months that commences on (i) the first day of the fourth calendar month after the Effective Date, (ii) the first day of the seventh calendar month after the Effective Date, (iii) the first day of the tenth calendar month after the Effective Date and (iv) each anniversary of any of the foregoing dates described in (i) through (iii).

“Constitution” means the Constitution of the Tribe, effective as of January 1, 1999, as the same may be amended from time to time in accordance with the Indian Reorganization Act of 1936, 49 Stat. 1967.

Cumulative Incremental Revenues” means, with respect to any Computational Quarter in a Calculation Year, the total of all Incremental Revenues for that Computational Quarter and all preceding Computational Quarters (if any) in the Calculation Year.

“Consultant” any Person who is engaged as a third party contractor to provide advice as to any aspect of the operation of the Enterprise, excluding Persons engaged as contractors, architects, financiers, and other third parties, associated with any development, construction or financing of additional Enterprise Assets.

“Depository” shall have the meaning given that term in Section 3.19(a) hereof.

“EBITDA” means, with respect to any period as determined in conformity with GAAP, Total Net Revenues, less the Management Fee, less, interest income (to the extent included in Total Net Revenues), plus to the extent taken into account in computing Total Net Revenues, each of the following (without duplication): (ii) all interest expense on Enterprise Indebtedness, (iii) the aggregate amount of federal and state taxes (inclusive of amounts payable to State or local governments pursuant to the Tribal-State Compact), (iv) total depreciation expense and (v) total amortization expense, provided, that the foregoing shall exclude any net income, gain or loss during such period from any change in accounting principles, any prior period adjustments (for periods subsequent to the Effective Date), or gains (or losses) on asset dispositions.

“Effective Date” shall mean the earliest first day of a calendar month on which there are in effect (a) a written approval of this Agreement (together with any amendments, supplements or restatements hereof theretofore executed between the parties) by or on behalf of the Chairman of the NIGC as required by IGRA, and (b) all licenses, approvals and

suitability determinations required to be obtained by the Manager (and its Affiliates) to commence the Manager's performance of its obligations hereunder in compliance with the Tribal-State Compact and the Gaming Ordinance.

"Enterprise" means:

- (a) the Gaming Operations,
- (b) all commercial activities undertaken by or on behalf of any Tribal Party in connection with the operation of any portion of the Gaming Operations, and
- (c) all of the following undertaken by or on behalf of a Tribal Party:
 - (i) all other commercial entertainment, lodging, hospitality, transportation or recreation, and any other trade, business or commercial activities that market, support, develop, or enhance the Gaming Operation; and
 - (ii) all other activities incidental, related, complementary or similar to the foregoing;

provided that the Enterprise shall not include:

- (A) any business related to operations of the type presently carried on under the name TB Financial Services, or any reasonable extension of such business;
- (B) the operation of any automated teller machine in any facilities;
- (C) the operation of any Class II Gaming business other than poker; or
- (D) any other non-gaming activity excluded by agreement between the Manager and the Tribe or the Manager and the Authority.

"Enterprise Accounts" shall have the meaning described Section 3.19(a) hereof.

"Enterprise Assets" means:

- (a) all real, mixed and personal tangible and intangible property, now or hereafter constituting a part of the Paragon Casino Resort;
- (b) all real, mixed and personal tangible and intangible property of the Authority or any Affiliate of the Authority that is:
 - (i) used in, reasonably related to the Enterprise or derived from the Enterprise, or

- (ii) permitted under GAAP to be reflected on the balance sheet of the Enterprise, including without limitation: (A) all books and records relating to the Enterprise and the foregoing assets; (B) Gross Total Revenues; (C) Enterprise Accounts; and (D) proceeds of the foregoing;

but excluding all Available Enterprise Funds (including the Minimum Guaranteed Monthly Payment) and any other amounts that are distributed to the Tribe under Section 5.5 hereof or as otherwise permitted by this Agreement or required by Applicable Law.

“Enterprise Capital Reserve Account” shall have the meaning given that term in Section 3.19(a).

“Enterprise Employee Policies” shall have the meaning ascribed to such term in Section 4.2.

“Enterprise Indebtedness” means indebtedness of any Tribal Party issued or incurred with respect to the Enterprise or the Paragon Casino Resort, including without limitation the Financing.

“Enterprise Operating Account” shall have the meaning given that term in Section 3.19(a).

“Excluded Receipts” means each of the following, without duplication:

- (a) any gratuities or service charges added to the bill of a customer, guest or patron;
- (b) revenues corresponding to any credits or refunds made to customers, guests or patrons;
- (c) any sums and credits received by the Enterprise for lost or damaged merchandise;
- (d) any receipts from Permitted Tribal Taxes;
- (e) any proceeds from the sale or other disposition of furnishings and equipment or other capital assets;
- (f) any insurance proceeds or settlement awards, other than for business interruption, related to casualty or damage, other than proceeds or awards to reimburse the Enterprise for any cost accounted for as an expense under GAAP;

- (g) any receipts from sales taxes, excise taxes, gross receipt taxes, admission taxes, entertainment taxes, tourist taxes or charges received from customers, guests or patrons and passed on to a governmental or quasi governmental entity (other than a Tribal Party);
- (h) any condemnation awards other than for temporary condemnation;
- (i) any proceeds of financing or refinancing; and
- (j) Promotional allowances (to the extent not otherwise deducted from Gross Gaming Revenues or Gross Other Revenues in determining Total Net Revenues).

“Existing Financing”

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“Expansion Project” means the expansion project related to the Paragon Casino Resort financed by the Financing and generally described in a certain

“Expenses of Gaming Operations” means, with respect to any period, the total of all costs that may under GAAP to be treated as expenses incurred in the Gaming Operation, which costs shall include the following items (to the extent that such items are accounted for under GAAP as expenses for the period):

- (a) all fees imposed by the NIGC based upon the Enterprise's gross receipts from Class III Gaming;
- (b) reasonably necessary costs of the Gaming Commission, including, but not limited to, reasonable costs for compensation of its commissioners and personnel, reasonably adequate facilities, investigators and customary third party services and supplies; and
- (c) to the extent properly allocable to the Gaming Operation under GAAP, the following:
 - (i) costs of administration, recruiting, hiring, firing and training of employees;

- (ii) any and all compensation and benefits of employees (exclusive of any Persons in the employ of Manager);
- (iii) interest charges on Enterprise Indebtedness;
- (iv) depreciation and amortization expenses computed in a manner consistent with historic operations of the Enterprise; and
- (v) all other expenses, including without limitation, those incurred for materials, supplies, inventory, utilities, repairs and maintenance (excluding Capital Expenditures), insurance and bonding, marketing, advertising, annual audits, accounting, legal or other professional and consulting, security or guard services; and
- (vi) all costs associated with any amendment of financing documents;

provided however, that notwithstanding the foregoing "Expenses of Gaming Operations" shall not include (A) Management Fees, (B) any tax, levy, charge or assessment by any Tribal Party on any activity, property, revenues or income of the Enterprise (other than Permitted Tribal Taxes), (C) to the extent consistent with GAAP, repayments of principal on indebtedness (including the principal component of any capital lease payment), or license fees or costs of the Manager or its employees incurred in connection with obtaining licensing with either the NIGC or the Gaming Commission; or (D) interest charges on the Financing relating to any component of the Expansion Project accruing prior to the date on which that component is placed in service (with interest charges for costs allocable generally to the Expansion Project, but not directly allocable to any single component of the Project, being deemed ratably allocated among all components of the Expansion Project based on the costs of the components), or (E) out-of-pocket expenses of any personnel of the Manager related to travel to or from or providing on-site services at the Paragon Casino Resort, including those with respect to food or lodging.

Notwithstanding any other provision herein, Expenses of Gaming Operations shall include a payment to the Tribe of [] per month payable as "rent" by the 20th day of each Fiscal Month, which amount shall be in addition to the Minimum Guaranteed Monthly Payment.

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"Expenses of Other Operations" means, with respect to any period, the total of all costs required under GAAP to be treated as operating expenses of the Enterprise, including, but not limited to, the following items permitted to be allocated to operations of the Enterprise (to the extent that such items are accounted for under GAAP as expenses for the period), exclusive of Expenses of Gaming Operations:

- (a) costs of administration, recruiting, hiring, firing and training employees; and
- (b) compensation and benefits of employees;

- (c) interest charges on Enterprise Indebtedness;
- (d) depreciation and amortization expenses computed in a manner consistent with historic operations of the Enterprise; and
- (e) all other expenses, including, without limitation those incurred for materials, supplies, inventory, utilities, repairs and maintenance (excluding Capital Expenditures), insurance and bonding, marketing, advertising, annual audits, accounting, legal or other professional and consulting, security or guard services;

provided however, that notwithstanding the foregoing "Expenses of Other Operations" shall not include (A) Management Fees, (B) any tax, levy, charge or assessment by any Tribal Party on any activity, property, revenues or income of the Enterprise (other than Permitted Tribal Taxes), (C) to the extent consistent with GAAP, repayments of principal on indebtedness (including the principal component of any capital lease payment), and costs other than Permitted Tribal Taxes related to any non-commercial operations of the Tribe (including, without limitation, those related to educational services, health services, or the like); and (D) interest charges on the Financing relating to any component of the Expansion Project accruing prior to the date on which that component is placed in service (with interest charges for costs allocable generally to the Expansion Project, but not directly allocable to any single component of the Project, being deemed ratably allocated among all components of the Expansion Project based on the costs of the components).

"Financing" means all or any portion of the indebtedness evidenced by the Existing Financing.

"Financing Documents" means any instrument or agreement evidencing or securing any or all of the obligations of the Tribe or the Authority with respect to all or any portion of the Financing.

"Fiscal Month" means the fiscal month of the Enterprise consisting of an approximate calendar month.

"Fiscal Year" means each fiscal year of the Enterprise, as adopted by the Authority for the accounting and financial reporting purposes of the Enterprise, including an approximate twelve month period that ends on the Sunday which is closest (either preceding or succeeding) to December 31.

"Furnishings and Equipment" means all fixtures, furnishings, equipment and other personal property used in connection with the Enterprise.

“GAAP” means those principles defined by the Financial Accounting Standards Board or Governmental Accounting Standards Board applicable to the Enterprise.

“Gaming Commission” means the Tribe’s gaming commission, established by the Gaming Ordinance.

“Gaming Site” means the parcel of real property described on Appendix A hereto.

“Gaming Operation” shall have the meaning set forth in 25 C.F.R. § 502.10, or any successor provision or definition, as applied to the Tribe or Authority, and shall include the conduct of all Class II and Class III Gaming by or on behalf of any Tribal Party.

“Gaming Ordinance” means the gaming ordinance of the Tribe as required by IGRA, and the regulations promulgated thereunder, as they may be amended, supplemented, restated or replaced from time to time, and to the extent required by IGRA, approved by the NIGC.

“Governmental Authority” means the United States, the BIA, the State, the Tribal Council, the Board of Directors, the NIGC, the Gaming Commission and any court, agency, department, commission, board, bureau or instrumentality, but only to the extent each has authority over Class II or Class III Gaming, the Paragon Casino Resort, the Enterprise, or the Manager, the Tribe, the Authority, or any dispute between them with respect to any rights or obligations of such Persons under this Agreement.

“Gross Gaming Revenues” means, with respect to any period, all items derived from the Gaming Operations and permitted under GAAP to be included in the total revenues of the Enterprise for that period (other than Excluded Receipts).

“Gross Other Revenues” means, with respect to any period, all items permitted under GAAP to be included in the Enterprise’s total revenues (other than Excluded Receipts and Gross Gaming Revenues).

“Gross Total Revenues” means, with respect to any period, the total of Gross Gaming Revenues and Gross Other Revenues.

“Guaranteed Manager Advances” means amounts required to be advanced by the Manager in accordance with Section 5.4.

“IGRA” means the Indian Gaming Regulatory Act of 1988, P.L. 100-497, 25 U.S.C. §§ 2701, et seq., as it may be amended from time to time.

“Incentive Fee” means, for any Calculation Year, depending on the level of total EBITDA, the amount of Incremental Revenues set forth in the left column below:

b4

Notwithstanding the foregoing, if the last Calculation Year is less than twelve calendar months, then for purposes of the foregoing chart, the EBITDA for that year will be assumed to be the actual EBITDA for that year, divided by the number of whole calendar days that have elapsed in that year, and multiplied by 365 or 366 days, as appropriate.

“Incremental Revenues” means, for any period, the amount, if any, by which EBITDA exceeds Base EBITDA.

“Internal Control Systems” shall have the meaning ascribed to such term in Section 3.18 hereof.

“IRC” shall have the meaning described in Section 3.15(b).

“Management Fee” means the Base Management Fee and any Incentive Fee.

“Manager” means Exceptional Gaming & Entertainment, LLC, a Nevada limited liability company, its permitted successors and assigns.

“Manager’s Representative” means George P. Burkhardt, Patrick G. Minchey, or any other Person designated in a writing signed by the Manager that is delivered to the Chairperson of the Board of Directors and approved by the Board of Directors.

“Material Breach” shall have the meaning set forth in Section 9.1 hereof.

“Minimum Guaranteed Monthly Payments” means, from the Effective Date until the second anniversary thereof, for each calendar month (or portion thereof) the monthly amount of [] and thereafter during the term of this Agreement, the monthly amount of [] per month. b4

“Net Gaming Revenues” means Gross Gaming Revenues reduced by (a) amounts paid out as, or paid for, prizes and (b) Expenses of Gaming Operations.

“Net Other Revenues” means Gross Other Revenues reduced by Expenses of Other Operations.

“NIGC” means the National Indian Gaming Commission established pursuant to 25 U.S.C. § 2704.

“NIGC Net Revenues” means, for any period, “net revenues” within the meaning of IGRA (29 U.S.C. § 2703(9)).

“Non-Tribal Courts” shall have the meaning ascribed to such term in Section 12.1(a).

“OS&E Capital Expenditures” means the costs of operating supplies and equipment that constitute Capital Expenditures for items, a significant portion of which are customarily subject to routine replacement.

“Paragon Casino Resort” means the permanent buildings, structures and improvements, together with all furniture, fixtures and equipment that constitute the existing gaming, resort and entertainment facilities of the Authority that are used in connection with the Enterprise, including the casino currently operated under the name “Paragon Casino Resort,” and all improvements and extensions thereto, now or hereafter existing.

“Party in Interest” means any Person for whom background investigations are required by 25 C.F.R. § 537, the Tribal-State Compact or the Gaming Ordinance by reason of this Agreement.

“Permitted Contract” means an agreement, and any modification or amendment thereto, if all terms of the agreement, modification or amendment are evidenced by a writing, that relates to the operations of the Enterprise or Enterprise Assets, including, without limitation, purchase orders, equipment and retail leases (whether operating or capitalized leases), and contracts for services, but, except as approved by the Authority, exclusive of this Agreement, any other agreement between the Authority and the Manager, and the Financing Documents; provided that no such agreement shall (i) waive the sovereign immunity of any Tribal Party or its assets, (ii) include any material covenant or require any material performance on the part of the Authority other than the payment of money within one year, and (iii) require consideration to be paid by the Authority or the Enterprise in excess of

b4

[] for the relevant line item(s) in any applicable budget approved by the Board of Directors pursuant to this Agreement.

“Permitted Indebtedness” means the Financing and all other indebtedness for borrowed money or the lease of Furnishings or Equipment incurred by the Authority if the indebtedness is permitted by all Financing Documents and consented to by the Authority.

“Permitted Tribal Taxes” means (a) reasonable charges, assessments, allocations, fines or fees imposed by a Tribal Party which are reasonably related to the cost of Tribal governmental regulation of public health, safety or welfare, or the integrity of Enterprise or Enterprise Assets; (b) reasonable fees related to the governmental expenses of the Tribe in providing customary governmental support services to the Enterprise or Enterprise Assets, including reasonably allocated costs of Tribal police, fire, utility and judicial costs; and (c) sales, use, excise, hotel occupancy and other similar taxes (excluding taxes, charges, assessments or fees against real property of the facilities or on revenues or earnings of the Enterprise) of such types and percentage amounts as established by the Tribe.

“Person” means any natural person and any entity, whether an individual, trustee, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, Indian Tribe, commission, instrumentality, firm, joint venture, Governmental Authority, or otherwise.

“Preliminary Estimated Budget” shall have the meaning given such term in Section 7.1(a).

“Quarterly Incentive Fee” means, for each Computational Quarter in any Calculation Year, an amount equal to []

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“State” means the State of Louisiana.

“Restricted Area” means the area within a [] radius from the Paragon Casino Resort, or if less, the area in which a restriction on competition as provided in Section 8.2(f) is lawful and valid, provided, however, that after this Agreement has terminated in accordance with the terms hereof, with respect to George Burkhardt and any Affiliate of his that is not Pat Minchey or an Affiliate of Pat Minchey, the Restricted Area shall not include the Gulfport Mississippi SMSA (standard metropolitan statistical area).

“Restricted Period” means a period of time commencing on the Effective Date and continuing for twenty-four full consecutive months following the termination of this Agreement, or if less, the longest period of time, commencing with the Effective Date, for which competition lawfully and validly may be restricted as provided in Section 8.2(f).

“Rolling Fiscal Year” means each period of twelve consecutive Fiscal Months ending on the day preceding the first anniversary of the Effective Date, and the last day of each Fiscal Month thereafter.

“Total Net Revenues” means the sum of Net Gaming Revenues plus Net Other Revenues.

“Tribal Court” shall have the meaning ascribed to such term in Section 12.1(a).

“Tribal Council” means the Tribal Council of the Tribe, which is the governing body of the Tribe as provided by the Constitution.

“Tribal Governmental Action” shall mean any resolution, ordinance, statute, regulation, order or decision, regardless of how constituted, having the force of law or legal authorization of the Tribe or any Tribal Party.

“Tribal Party” means the Tribe, the Authority, the Gaming Commission, and any other Affiliate of the Tribe.

“Tribal-State Compact” means any agreement entered into between the Tribe and the State concerning Class III Gaming, and any amendments or other modifications thereto, or substitutions or replacements thereof.

“Tribe” means the Tunica-Biloxi Tribe of Louisiana, a federally recognized Indian Tribe.

ARTICLE 2

Duties of the Tunica-Biloxi Gaming Authority

2.1 Monthly Financial Review Meetings. Unless waived by all members of the Board of Directors, the Board of Directors shall meet monthly in executive session with the Manager’s Representative to review a written report of the Manager regarding the financial performance and condition of the Enterprise.

2.2 Compliance with Applicable Law. The Authority shall take all actions necessary or advisable to ensure compliance with all Applicable Law, including the terms and conditions of the Tribal-State Compact, the IGRA and any applicable gaming regulations.

2.3 Fire, Police and Other Safety Services. The Authority shall be responsible for negotiating reasonable and customary coverage for fire, police and other safety services related to the Enterprise, which may be provided through contracts with the local governmental or tribal fire and police departments. Such contracts shall be consistent with any requirements under Applicable Law with respect thereto. The costs of any fire, police or

other safety services shall be allocated appropriately between Expenses of Gaming Operations and Expenses of Other Operations. If any fire, police or other safety services are provided by a Tribal Party, such services shall be provided upon terms not materially less favorable to the Enterprise than could be obtained from a provider who is not a Tribal Party. The Authority may delegate the negotiation of such contracts and services to the Tribe.

2.4 Other Duties. The Authority shall be responsible for such other duties and shall take such other actions as are necessary to comply with Applicable Law, including the National Environmental Policy Act (“NEPA”), and including expeditiously in good faith seeking approval of this Agreement by the NIGC. The Authority will also supply the NIGC with all information necessary for the Commission to comply with the regulations of the NIGC issued pursuant to NEPA.

ARTICLE 3

Duties and Authority of the Manager

3.1 Appointment as Agent; General Responsibility and Authority. Subject to the terms and conditions of this Agreement, the Authority hereby appoints the Manager to act as the exclusive agent for the Authority during the term of this Agreement for all matters related to the management of the Enterprise addressed in this Agreement. While performing any and all aspects of its duties hereunder, the Manager shall comply with Applicable Law. Subject to the terms and conditions hereof, including Section 3.2, the Manager shall have the exclusive right and duty to:

- (a) manage any and all Class III Gaming, commercial entertainment, lodging, hospitality, transportation or recreation operations at the Paragon Casino Resort;
- (b) incur Expenses of Gaming Operations, Expenses of Other Operations, and Capital Expenditures; and
- (c) execute any Permitted Contract.

3.2 General Limitations on the Manager’s Authority as Agent. Notwithstanding any other provision herein, the Manager shall have no authority without the written approval of the Authority to:

- (a) allow the sum of all operating costs plus all capital costs for the Enterprise in any Fiscal Year, determined as a percentage of the sum of all Gross Gaming Revenues plus all Gross Other Revenues for the year, to exceed the sum of the Annual Operating Budget plus the Capital Budget for that year, determined as a percentage of the sum of all budgeted Gross Gaming Revenues plus all budgeted Gross Other revenues for that year;

(b) allow any operating department's total operating costs in any Fiscal Year, determined as a percentage of the department's gross revenues for that year, to exceed the department's budgeted costs for that year, determined as a percentage of the department's budgeted operating costs for that year, except if within 45 days after the end of that Fiscal Year, the Manager submits to the Authority a written plan of action, reasonably acceptable to the Authority, to minimize the effect of such overage on the Authority and the Tribe; provided that the fees or expenses of any Consultant shall never exceed the amounts set forth in the Annual Budget for that Consultant without the consent of the Authority;

(c) sell, encumber or otherwise dispose of any personal property or equipment located in the Paragon Casino Resort or otherwise used by the Enterprise, except in the ordinary course of business and other than items for which it is commercially reasonable to replace due to age, obsolescence, wear and tear or otherwise;

(d) purchase any goods or services from the Manager or any of its Affiliates;

(e) waive the sovereign immunity of the Authority or any other Tribal Party;

(f) enter into any contract or agreement concerning the Authority or the Enterprise other than a Permitted Contract;

(g) enter into any contract or agreement concerning the Authority or the Enterprise that has a term exceeding one year;

(h) give final approval to any employee policies, procedures or benefits;

(i) enter into any agreements or contracts, or take any action affecting or relating to, any interest of the Authority or any of its Affiliates in real estate (excluding retail leases or licenses), gaming compacts, or agreements with any Governmental Authority; or

(j) act for the Authority, the Gaming Commission or any other Tribal Party in connection with any Tribal Governmental Action.

3.3 Hours of Operation. The parties agree that the hours of operation for the casino portion of the Paragon Casino Resort shall be 24 hours per day, 365 days per year. If in the opinion of the Manager the Paragon Casino Resort is substantially damaged or there is a credible threat that the Paragon Casino Resort may be damaged if it remains open, the Manager may close all or any portion of the Paragon Casino Resort. At the earliest feasible time but no more than 24 hours following such closure, the Manager shall notify the Authority of the closure, the Manager's reasons therefor, and the Manager's plans for

reopening at the earliest feasible time, consistent with the preservation of the Paragon Casino Resort, the safety of the Paragon Casino Resort employees and customers, and the business interests of the Authority.

3.4 Minimum Age of Admission. The Manager shall adopt policies and procedures and provide staff training and enforcement to prevent Persons under the age of 21 from entering the casino portion of the Paragon Casino Resort, whether as an employee, guest, customer or trespasser.

3.5 Public Safety. The Manager shall prepare appropriate plans for response by Enterprise staff to threats of public safety including fire, seismic events, and terrorist acts that could affect the Paragon Casino Resort. The Manager shall review and make recommendations regarding local fire code requirements pertaining to the Paragon Casino Resort, reasonable and appropriate emergency measures comparable to those that may be required by the laws of the State and, as appropriate, to the operation of the Paragon Casino Resort, including, without limitation, staff training.

3.6 Security and Surveillance. The Manager shall be primarily responsible for providing appropriate security and surveillance for operation of the Enterprise, and shall have necessary day-to-day control over such security and surveillance; provided that, nothing herein shall limit the right of the Authority, as owner of the Paragon Casino Resort and the Enterprise, to meaningful oversight of the provision of such security and surveillance. The costs of any charge for security or surveillance services shall be Expenses of Gaming Operations or Expenses of Other Operations, as appropriate.

(a) Security Personnel. The Manager shall be solely responsible for the hiring, training, and supervision of the security personnel. Security personnel shall be responsible for the security of the money and tokens and shall perform such other duties as the Manager shall require. The Manager shall require that any security officer be bonded and insured in an amount commensurate with his or her enforcement duties and obligations.

(b) External Police. External police services shall be arranged pursuant to Section 3.7 below, and shall be responsible for all arrests.

3.7 Fire, Police and Other Safety Services. The Manager may provide advice to the Authority regarding the Authority's or Tribe's negotiations with local governmental entities for fire, police and other safety services pursuant to Section 2.3 above, which advice shall be reviewed and considered by the Authority.

3.8 Utility and Other Services. The Manager shall arrange for utility services, telephone, vermin extermination, trash removal and other services necessary for the operation of the Enterprise, and the costs of such services will be Expenses of Gaming Operations or Expenses of Other Operations, as appropriate.

3.9 Advertising. As needed and in conformity with the Enterprise budget, the Manager may hire on behalf of the Authority advertising and public relations firms to, for example, create marketing materials or to place advertising. The Manager shall manage and coordinate the activities of any advertising or public relations firms hired pursuant to this Section. The costs incurred under this Section, shall be Expenses of Gaming Operations or Expenses of Other Operations, as appropriate.

3.10 Patron Disputes. The Manager shall prepare and maintain a protocol for resolving disputes between Enterprise patrons, Enterprise employees or the Manager. This protocol will comply with any Applicable Law regarding such disputes.

3.11 Maintenance. The Manager will cause the Paragon Casino Resort and other assets of the Gaming Operations to be repaired, improved, maintained and operated in a clean, good and orderly condition. Repairs and maintenance costs not constituting Capital Expenditures shall, as appropriate, constitute Expenses of Gaming Operations or Expenses of Other Operations.

3.12 Acquisition of Gaming and Other Equipment. All gaming equipment and other Furnishings and Equipment purchased or leased for use in the Paragon Casino Resort or by the Enterprise shall conform to Applicable Law and be recommended by the Manager, approved by the Board of Directors, and acquired in the name of the Authority; provided, however, that no gaming equipment used in the Paragon Casino Resort or by the Enterprise shall be approved or accepted for delivery unless approved by the Gaming Commission.

3.13 Access to Operations. The Manager shall provide immediate access by appropriate officials of the Gaming Commission and the Board of Directors (in accordance with established policies and procedures approved by the Board of Directors) to the Paragon Casino Resort, and to all books and records in addition to those listed in the access requirements set forth in Section 3.17 and 3.18 herein.

3.14 No Duty to Advance Manager's Funds. Except as provided herein, including any duty or responsibility of the Manager arising hereunder, the Manager shall not be required to advance its own funds to pay all or any portion of any Expenses of Gaming Operations, Expenses of Other Operations or Capital Expenditures. The Manager may, in its complete discretion, advance its own funds to pay any Expenses of Gaming Operations, Expenses of Other Operations or Capital Expenditure that is otherwise properly payable from Enterprise Assets, in which case, to the extent permitted by all Financing Documents, the Manager shall be entitled to receive reimbursement, without interest (unless otherwise agreed in writing by the Board of Directors), from Available Enterprise Funds.

3.15 Compliance with Laws.

(a) Manager's Compliance. In performing its duties hereunder, the Manager shall itself, and cause the Enterprise to, comply in all material respects with all Applicable Law. The Authority shall in a timely manner apprise the Manager of

all Applicable Law arising under the laws of the Tribe. Furthermore, the Authority or the Gaming Commissioner, as appropriate, shall apprise the Manager of all proposed changes to the Gaming Ordinance, not less than ten (10) days prior to the adoption of such changes.

(b) Internal Revenue Code. The Manager shall comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "IRC"), including provisions concerning the reporting and withholding of taxes with respect to wagering, excise taxes, and winnings from gaming or wagering operations and such other provisions concerning currency transactions, and the Authority hereby authorizes the Manager to withhold and pay the same from Gross Gaming Revenues. The Manager shall also ensure compliance with all employee withholding requirements of the IRC. Notwithstanding the foregoing, however, the Manager shall have no financial responsibility for the Authority's payment in full of such obligations, as applicable, and the Manager shall not be liable for any violation due to action or inaction by the Authority, unless the violation is due because of the gross negligence of willful misconduct of the Manager.

(c) Authority's Compliance. The Manager shall reasonably assist the Authority in ensuring the Enterprise's compliance with all Applicable Law, the violation of which would materially impair the operations or financial condition of the Enterprise.

3.16 Manager's Authority to Perform Responsibilities; No Proprietary Interest. Subject to the limitations expressed herein, the Manager is hereby granted all authority to take on behalf of the Authority all actions reasonably necessary to fulfill all responsibilities imposed on the Manager under this Agreement, or which are incidental to the fulfillment of such responsibilities. Nothing herein grants or is intended to grant the Manager an ownership or proprietary interest in the Enterprise, the Gaming Operations, the Paragon Casino Resort, or any Enterprise Assets.

3.17 Accounting, Financial Records, and Audit.

(a) The Manager shall maintain full and accurate records and books of account for the Enterprise in a manner that complies with all requirements of the Gaming Ordinance, the IGRA and the Tribal-State Compact, including the segregation of all gross proceeds from Class III Gaming and placement in a separate account until related expenses have been paid. Such records shall be maintained at the Manager's office located within the Paragon Casino Resort and shall be made available for immediate inspection and verification at all times. Inspection or verification by Governmental Authorities shall be coordinated through the Gaming Commission. Representatives designated by the Authority and the Gaming Commission shall have access equal to that of the Manager to accounting records and books of account and any storage facilities for those records and books of account.

(b) Within ten days following the Effective Date, the Manager shall establish and maintain accounting systems and procedures that shall: (i) include procedures for internal accounting controls; (ii) permit the preparation of financial statements in accordance with GAAP; (iii) be susceptible to audit; (iv) allow the Authority and the NIGC to calculate the annual fee under 25 C.F.R. § 514.1; (v) permit the calculation of the Manager's expenses or overhead expenses between the Authority and the Manager or any other user of shared facilities or services; and (vi) permit the calculation of Management Fees. Supporting records and the agreed-upon accounting system shall be sufficiently detailed to permit the calculation and payment of any fee or contribution computations required under IGRA, the Tribal-State Compact and other applicable laws and regulations.

(c) Net Gaming Revenues, Net Other Revenues, and Total Net Revenues will be calculated by the Manager in a timely manner to permit monthly distributions in accordance with Section 5.5, and copies of such calculations promptly shall be supplied to the Board of Directors and Gaming Commission.

(d) The Manager shall be responsible for the preparation of the Enterprise's financial statements and reports. The Manager shall also maintain all records in a manner sufficient to permit the preparation of financial statements of the Enterprise in accordance with GAAP and policies jointly determined by the Board of Directors and the Manager. The Manager shall, as an Expense of Gaming Operations, furnish to the Board of Directors and the Gaming Commission, monthly financial reports, including statements necessary or desirable to support such reports, with respect to the Gaming Operations in accordance with Section 7.2 hereof. Such reports, including statements if any, shall provide reasonable detail as requested by the Board of Directors and the Gaming Commission with respect to revenues and expenses of each profit center of the Gaming Operations. In addition, all Gaming Operations shall be subject to special outside annual audits, which the Gaming Commission shall (to the extent any such audit represents an audit required by the NIGC) cause to be conducted, and all contracts or subcontracts for supplies, services or concessions for a contract amount in excess of [] annually relating to any activity of the Gaming Operations shall be subject to audits, which audits the Gaming Commission shall (to the extent any such audit represents an audit required by the NIGC) cause to be conducted by an independent certified public accounting firm as described in Section 7.3 hereof. The Manager shall deliver any such reports or presentations to the Board of Directors within thirty (30) days of completion of such reports or presentations. The costs of such audits and audit reports (including the annual audit under 7.3 hereof), including the preparation, maintenance and delivery of same, shall constitute Expenses of Gaming Operations.

(e) The Manager shall maintain records and books of account of the Authority relative to the Enterprise in compliance with the requirements of all agreements of the Authority known to the Manager, including documents related the Financing. In addition, the Manager shall timely prepare for the Authority to review

and approve all financial and other reports required by any such foregoing document. The Manager acknowledges that the following is presently required under the documents related to the Financing:

(i) Reports to the holders and the trustee for the Authority's [(the "Senior Notes"), within the time periods specified in the rules and regulations of the Securities & Exchange Commission ("SEC") for reporting companies under Sections 13 or 15(d) of the Securities Exchange Act of 1934:

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(A) all annual and quarterly financial information that would be required to be contained in a filing with the SEC on Forms 10-K and 10 Q if the Authority were required to file such forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Authority's certified independent accountants; and

(B) all current reports that would be required to be filed with the SEC on Form 8-K if the Authority were required to file such reports.

The Manager further acknowledges that under the terms of documents for the Senior Notes, that if the reports referred to in clauses (A) and (B) above are not furnished to holders of the Senior Notes within 15 days after the date such reports are required to be furnished, then, until such reports are furnished, interest on the Senior Notes shall accrue at the rate equal to [in excess of the then applicable interest rate on the Notes to the extent lawful. The Trustee shall have no duties or obligations under this Section 3.17.

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3.18 Cash Monitoring.

(a) The Manager shall develop operational policies of the Enterprise, consistent with the Gaming Ordinance and applicable regulations of the Gaming Commission, respecting the handling of cash, security systems, and access to and amounts to be retained in cash cages, counting rooms, and other places where cash is kept and handled. The Manager shall install systems for monitoring of all funds (the "Internal Control Systems"), which systems shall comply with all Applicable Law, and shall be submitted to the Board of Directors and Gaming Commission for approval in advance of implementation. The Manager shall install and operate a closed circuit television surveillance system or a digital surveillance system to be used for monitoring the cash handling activities of the Enterprise sufficient to comply with Applicable Law, including any Gaming Commission regulations.

(b) The Board of Directors and Gaming Commission shall retain the right to review and approve all Internal Control Systems and any changes instituted to the Internal Control Systems of the Enterprise. The Gaming Commission shall have the right to improve and inspect the Internal Control Systems at all times. The Tribe, the Authority and Gaming Commission shall have the right to verify daily Gross Gaming Revenues, Gross Other Revenues, and Gross Total Revenues. The Board of Directors, subject to the approval and oversight of the Gaming Commission, shall have the exclusive right to select and retain auditors to review the adequacy of the Internal Control Systems.

3.19 Enterprise Accounts: Reserve Funds and Permitted Investments.

(a) Immediately following the Effective Date, the Manager shall open in the name of the Authority for use in connection with the Enterprise one or more deposit or securities accounts (the "Enterprise Accounts") with sound banks or securities intermediaries that are not Affiliates of the Authority and are approved by the Board of Directors (each a "Depository"). One Enterprise Account shall be designated the "Enterprise Operating Account" and one Enterprise Account shall be designated the "Enterprise Capital Reserve Account." The Authority and the Manager acknowledge that the terms of the Financing Documents may impose restrictions or additional requirements as to the Enterprise Accounts terms, and any such restrictions or additional requirements shall control over contrary terms in this Section.

(b) (i) Gross Total Revenues not required to be reasonably retained at the Paragon Casino Resort to meet daily cash demands of the Enterprise, as determined by the Manager, whether consisting of money, instruments, credit or charge card slips or otherwise, shall be credited to the Enterprise Operating Account no later than on the first business day occurring at least 24 hours after receipt thereof by the Enterprise, and (ii) all receipts of insurance proceeds or indebtedness not constituting Gross Total Revenues shall be promptly credited to one or more separate Enterprise

Accounts for application as required herein or under the terms of any Financing Documents. In the event the operating receipts are insufficient to meet the daily cash demands of the Enterprise, the Tribe, consistent with Financing Documents, shall supply the operating capital necessary to meet the daily cash demands of the Enterprise.

(c) The signatures of authorized representatives of the Manager, either bonded or insured in a sufficient amount to adequately protect the Enterprise, shall be the only signatures required or permitted to make withdrawals (by check or otherwise) from the Enterprise Accounts; provided that if the amount of any single withdrawal exceeds [redacted] the signature of a designated representative of the Authority will also be required, other than for (i) withdrawals and transfers required by the terms of any Financing Document, (ii) scheduled payments due on Permitted Indebtedness of the Authority, (iii) pay outs and prizes, (iv) employee payroll, benefits and taxes, (v) insurance premiums, (vi) Minimum Guaranteed Monthly Payments, (vii) Management Fees, and (viii) such other withdrawals or transfers, as to which the Board of Directors and the Manager may agree in writing; provided however in the case of such withdrawal requiring the signature of a designated Tribal representative, the Manager shall provide written notice to the Authority setting out in reasonable detail or with reasonable explanation the general need of such withdrawal and shall prepare and maintain a record of all such withdrawals.

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(d) Subject to Sections 3.12 and 5.5(a) hereof, to the extent of Available Enterprise Funds, the Manager shall have the authority to make or permit timely withdrawals or transfers from Enterprise Operating Account sufficient to pay or fund: (i) undisputed Expenses of Gaming Operations; (ii) undisputed Expenses of Other Operations; (iii) required debt service on Permitted Indebtedness; (iv) the Minimum Guaranteed Monthly Payments; (v) Management Fees; (vi) Capital Expenditures of the Enterprise; (vii) any reasonable reserves recommended by the Manager and approved by the Board of Directors pursuant to Section 3.20 hereof or reserves required to be maintained pursuant to any Financing Document; (viii) any other payments or distributions required under Section 5.5; and (ix) such other withdrawals or transfers, as to which the Board of Directors and the Manager may agree in writing.

(e) Each Enterprise Account shall (i) constitute a deposit account with a Depository which is a bank and from which withdrawals may be withdrawn on demand, or (ii) a securities account with a securities intermediary which shall be a broker or dealer registered under the Securities Exchange Act of 1934, and invested by the Manager solely in the following permitted investments: (A) money market mutual funds registered under the Investment Company Act of 1940 that invest exclusively in (1) marketable direct obligations issued or unconditionally guaranteed by the United States Government or issued by an agency thereof and backed by the full faith and credit of the United States, or (2) commercial paper having, at the time of acquisition, a rating of A-1 or P-1 or better from either Standard & Poor's

Corporation or Moody's Investors Service, Inc., respectively; or (B) other investments as may be directed by the Manager with the prior written consent of Board of Directors.

3.20 Establishing Reserves. In each Annual Operating Budget the Manager shall propose to the Authority for approval the amount of reserves to be funded and maintained prior to the distribution of Available Enterprise Funds to the Tribe or Authority pursuant to Section 5.5(b)(vi).

3.21 Enforcement Rights.

(a) During the term of this Agreement, the Authority and the Manager shall agree with respect to the handling of the defense, prosecution or settlement of civil disputes with third parties relating to the Enterprise or the performance of this Agreement. The parties will assist and cooperate with each other with respect to such third-party claims and disputes.

(b) During the term of this Agreement, the Authority and the Manager shall agree with respect to the handling of the defense or settlement of all claims brought against the Authority, the Manager, any Affiliate of the Manager, or any of the employees, officers or directors of any party arising out of or relating to the Enterprise. Claims between the parties hereto (or their Affiliates or individuals connected therewith), shall not be subject to the requirements of this Section 3.21(b).

3.22 TERO Compliance. Manager shall at all times observe and comply with the Title XX of the Tribe's code of laws, entitled "TRIBAL AND INDIAN PREFERENCE IN EMPLOYMENT AND CONTRACTING."

ARTICLE 4

Personnel Matters

4.1 Employees.

(a) Manager's Responsibility. The Manager shall have the exclusive responsibility and authority to direct the selection, control and discharge of all employees performing services for the Enterprise in connection with the maintenance, operation and management of the Enterprise and the Paragon Casino Resort. The Manager is authorized to act as agent of the Authority with respect to all hiring, training, promoting, and firing of all employees of the Enterprise, subject to a Tribal determination (through its Gaming Commission) that the employee is qualified to have and keep a gaming license. All salaries, wages, employee insurance, worker compensation premiums, employment taxes, government exactions of any kind related to employment, benefits, and overhead related to the hiring, supervising, and

discharge of Authority employees, will be Expenses of Gaming Operations or Expenses of Other Operations, as appropriate. Notwithstanding the foregoing, the Board of Directors shall have the exclusive authority over all employment-related matters concerning a general manager or chief executive officer of the Paragon Casino or executives of similar or higher position.

(b) Employee Background Investigations. To the extent required by Applicable Law, including the Gaming Ordinance and the Tribal-State Compact, a background investigation shall be conducted on each applicant for employment. No individual whose prior activities, criminal record, or reputation, habits and associations are known to pose a threat to the public interest or the effective regulation of gaming, shall be hired by the Manager to perform services for the Enterprise. Any cost associated with obtaining such background investigations shall constitute Expenses of Gaming Operations; provided, however, that the Manager shall pay all costs associated with the background investigations of the Manager or its officers, employees or representatives, as provided in Section 11.1, and such costs shall not constitute Expenses of Gaming Operations or Expenses of Other Operations, but rather, shall be paid directly by the Manager.

(c) Enterprise Employees. All employees involved with the operation of the Enterprise, including all Enterprise activities throughout the Paragon Casino Resort subject to management by the Manager under this Agreement, shall be employees of the Authority (maintained as such on the Authority's payroll and benefit plans), and shall be subject to the personnel policies of the Enterprise, whose adoption and amendment shall be approved by the Board of Directors. Subject to the applicable requirements in the Tribal-State Compact, the employment relationship shall be governed by the Tribe's substantive law and any applicable federal law.

4.2 Enterprise Employee Policies.

(a) The Manager shall be responsible for interpreting, implementing and enforcing policies concerning the hiring, training, promoting and firing of all Enterprise employees, provided that the hiring, training, promoting and firing of employees (excluding all supervisory, management, and office administrative employees) shall be conducted in accordance with applicable handbooks, manuals and personnel policies and procedures (the "Enterprise Employee Policies") approved by the Board of Directors, and Applicable Law.

(b) Within sixty days after the Effective Date, the Manager shall have prepared a draft of the Enterprise Employee Policies, including a job classification system with salary levels and scales, which policies and procedures shall be submitted for approval by the Board of Directors. The Enterprise Employee Policies shall include procedures for resolving disputes between the Manager and the Authority employees. Employment disputes between Authority employees and the Manager will be resolved informally in one or more meetings attended by one or more

representatives of the Manager, the aggrieved employee and the employee's supervisor, in the first instance. Any employee who is not satisfied with the results of such meetings thereafter shall be entitled to discuss the employee's grievance with the human resources department of the Authority in accordance with established policy.

(c) The Manager, as agent of the Authority, shall be responsible for administering the Enterprise Employee Policies. Any material revisions to Enterprise Employee Policies applicable to non-supervisory employees shall not be effective unless they are approved by the Board of Directors, which approval (i) shall not be unreasonably withheld, and (ii) shall be deemed granted unless, within thirty (30) days of a request for such approval, the Board of Directors delivers to the Manager written notice of its withholding approval. Any such notice must specify both the specific material revisions to which the Board of Directors reasonably objects and alternatives to such revisions that would be acceptable to the Board of Directors. All such actions shall comply with applicable Tribal law and the Tribal-State Compact.

Regarding (a) recruitment, employment, reduction in force, promotion, training and related employment actions, and (b) contracting for services and property, the Manager shall adhere to Title XX of the Tribe's laws (entitled Tribal and Indian Preference in Employment and Contracting), together with any lawful publicly announced policy approved by the Board of Directors (or as provided for in the Tribal-State Compact) that grants preference to qualified Persons (meaning they meet minimum job or other requirements) who are enrolled members of the Tribe and/or qualified Persons who are enrolled members of any federally recognized Indian Tribe and as , except as limited by Applicable Law, including, but not limited to the Indian Civil Rights Act, 25 U.S.C. § 1301 et seq. Subject to the foregoing and any policy adopted from time to time by the Authority Board and agreed to by the Manager, any job opening for employment with the Enterprise shall be made available in the following priority: (i) first to qualified persons then employed within the applicable department of the Enterprise, (ii) second, to qualified members of the Tribe, (iii) third, to qualified persons then employed in any department of the Enterprise, and (iv) fourth, to all other qualified Persons.

4.4 No Manager Wages or Salaries. Neither the Manager nor the Manager's Affiliates (nor any of their officers, directors, shareholders, or employees) shall be compensated by wages from or contract payments by the Enterprise for their efforts or for any work which they perform under this Agreement, other than the Management Fee to be paid to the Manager pursuant to Section 5.3.

ARTICLE 5

Term; Management Fee; Distributions

5.1 Effective Date; Term. Notwithstanding the date of any signature of the parties hereto, this Agreement shall not become effective until the Effective Date, and on the Effective Date, this Agreement (as it may have been theretofore amended, supplemented, restated or replaced) shall become automatically effective, without need of amendment,

ratification or other action of the parties. Unless sooner terminated as provided herein, this Agreement shall continue for a term of five calendar years from the Effective Date.

5.2 Renewal Options. After the fourth anniversary of the Effective Date, the Manager and the Authority shall meet and confer, at the request of either party, to evaluate whether a continued relationship between the Manager and the Authority is desirable and the terms, if any, upon which such relationship might continue. Among other matters, consideration shall be given to (i) severing all relationships between the parties; (ii) seeking an extension of this Agreement upon the same terms, and (iii) seeking an extension of this Agreement upon modified terms. The decisions on such matters will be within the sole discretion of each party. No extension or modification of this Agreement shall be effective until or unless approved by the NIGC

5.3 Management Fees. For services rendered under this Agreement, the Authority shall pay the Manager Management Fees as follows:

(a) For each calendar month during the term of this Agreement, the Base Management Fee shall be payable on the 20th day of the immediately following calendar month from Available Enterprise Funds (to the extent required or permitted by Section 5.5).

(b) For each Computational Quarter (other than a Computational Quarter during which a Fiscal Year ends or occurring in the fifth Calculation Year), the Quarterly Incentive Fee shall be payable on the 20th day of the calendar month immediately following the Computational Quarter from Available Enterprise Funds (to the extent required or permitted by Section 5.5).

(c) For each Computational Quarter during which a Fiscal Year ends (other than a Computational Quarter occurring in the fifth Calculation Year), the Incentive Fee shall be payable from Available Enterprise Funds (to the extent required or permitted by Section 5.5) on the later of:

(i) the 20th day of the fourth calendar month following the end of the Fiscal Year, and

(ii) the 10th business day after actual delivery to the Chairman of the Authority of the financial statements and other material required under Section 7.3(b) hereof with respect to the Fiscal Year.

(d) With respect to Incentive Fees in the fifth Calculation Year, the Incentive Fee shall be payable on the 20th day of the fourth calendar month following the end of the Calculation Year from Available Enterprise Funds (to the extent required or permitted by Section 5.5).

Notwithstanding the foregoing provisions of this Section, for any Calculation Year, the total Management Fee payable to the Manager with respect to its management of the Gaming Operations shall never exceed 30% of NIGC Net Revenues.

For purposes of this Section, Management Fees, Net Gaming Revenues and Net Other Revenues for the month in which the Effective Date occurs shall be appropriately prorated for the actual period for which management services were provided.

5.4 Minimum Guaranteed Monthly Payments. In part to meet the requirements of 25 U.S.C. § 2711(b)(3), the Tribe shall be entitled to be paid the Minimum Guaranteed Monthly Payment from Total Net Revenues, which payments shall be in addition to any payments to the Gaming Commission that are treated as a Cost of Gaming Operations. Such payments shall commence to accrue on the Effective Date and accrue throughout the term of this Agreement. The Minimum Guaranteed Monthly Payment accrued during any calendar month shall be payable on the 20th day of the next following calendar month (including the 20th day of the month next following the end of the term of this Agreement). The payment of Guaranteed Monthly Payments shall have a preference over the Manager's receipt of any portion of the Management Fee, as more fully provided in Section 5.5 (as well as the retirement of development and construction costs). With respect to any calendar month, the Minimum Guaranteed Monthly Payment shall be so paid from Available Enterprise Funds as provided in Section 5.5; provided that if for any reason Available Enterprise Funds are insufficient to pay all or any portion of a Minimum Guaranteed Monthly Payment payable in any calendar month, the Manager shall pay the deficiency to the Tribe from the Manager's own funds ("Guaranteed Manager Advances") so that the Tribe receives the entire Minimum Guaranteed Monthly Payment. Any Guaranteed Manager Advance in a Fiscal Month shall be repaid to the Manager in later calendar months from Available Enterprise Funds as provided in Section 5.5. The Minimum Guaranteed Monthly Payment (and the Manager's obligation to fund any deficiency in Total Net Revenues) for any Fiscal Month shall be appropriately prorated to the extent that Class III Gaming is not conducted in accordance herewith during the entirety of the month.

5.5 Use of Available Enterprise Funds. After payment or provision of payment of Expenses of Gaming Operations and Expenses of Other Operations due in Fiscal Month (which shall not include the payment or provision for payment of Management Fees), from and to the extent there are Available Enterprise Funds:

(a) On the twentieth day of each calendar month, the Tribe shall be paid all Minimum Guaranteed Monthly Payments then due and owing.

(b) On the twentieth day of each calendar month, if the Tribe has been paid the Minimum Guaranteed Monthly Payment as provided above, Available Enterprise Funds shall be applied to pay or fund the following items in the following amounts and in the following priority; provided that the Authority and the Manager acknowledge that the terms of the Financing Documents may impose terms,

restrictions or additional requirements as to the following priorities, and any such restrictions or additional requirements shall control:

(i) First, unpaid principal, accrued interest and any other unpaid payments currently or past due with respect to each Financing;

(ii) Second, any outstanding unreimbursed Guaranteed Manager Advances (without interest) or other amounts due the Manager for any reason hereunder (other than amounts due under Sections 5.5(b)(iii) or 5.5(b)(v));

(iii) Third, all current or past due Management Fees;

(iv) Fourth, the deposit of the Capital Reserve Deposit Requirement to the Enterprise Capital Reserve Account, and thereafter, contributions to any other reserve in accordance with the Annual Operating Budget;

(v) Fifth, any amounts currently or past due because of indemnification or other obligations then owing by the Authority to the Manager for any reason (provided the Manager has provided written notice to the Board of Directors that the above amounts are owed and the Board of Directors has not disputed the same or such amounts have been determined to be owing through a dispute resolution proceeding under Article 12 hereof); and

(vi) Sixth, transfers to the Tribe (or the Authority as appropriate) of all remaining Available Enterprise Funds, subject to the retention of any such amounts in Enterprise Accounts as required by any of the Financing Documents, or as the Tribal Council (or the Board of Directors as appropriate) shall in its complete discretion determine to the contrary.

(c) To the extent permitted by all Financing Documents, the Manager, on behalf of the Tribe (or the Authority as appropriate), shall be responsible for applying Available Enterprise Funds in compliance with this Section.

5.6 Audit Adjustments. All amounts payable to the Manager pursuant to Sections 5.3 or 5.5 shall be subject to adjustment as provided in Section 7.3(b).

ARTICLE 6

Insurance

6.1 Duty to Maintain. The Manager, acting as agent of the Authority, shall maintain during the term of this Agreement, insurance coverage in forms and amounts that will protect the Paragon Casino Resort, the Enterprise, the Tribe, the Authority and the Manager, but in no case less than the amounts set forth in this Article, or as required by the

Tribal-State Compact. The costs of such insurance coverage shall be allocated as appropriate between Expenses of Gaming Operations and Expenses of Other Operations. Notwithstanding any other provision in this Article, all insurance shall provide for coverage for amounts and risks that are customary or reasonable.

6.2 Commercial General Liability. The Manager, acting as agent of the Authority, shall maintain commercial general liability insurance covering operations of the Enterprise, including, without limitation, blanket contractual liability coverage, broad form property liability coverage, and personal injury coverage as required by the Tribal-State Compact or in higher amounts as proposed by the Manager and approved by the Board of Directors; provided that nothing in this Agreement shall be construed as requiring the Authority to waive its sovereign immunity with respect to any claims except as the Tribe may agree in the Tribal-State Compact.

6.3 Automobile. The Manager, acting as agent of the Authority, shall maintain comprehensive automobile liability insurance covering operations of the Enterprise, including all owned, hired and non-owned automobiles, trucks, buses, trailers, motorcycles or other equipment licensed for highway use with limits and coverage proposed by the Manager and approved by the Board of Directors.

6.4 Authority and Manager to be Insured. Insurance set forth in Sections 6.2 and 6.3 as well as such other insurance as is reasonable or customary, shall name the Authority and the Manager as insureds. Policies for the insurance described in Sections 6.2 and 6.3 shall be endorsed to prohibit the insurer from raising Tribal or Authority sovereign immunity as a defense to the payment of the claim by the insurer except as otherwise directed by the Board of Directors.

6.5 Property Insurance. The Manager shall also, acting as agent for the Authority, procure replacement value all-risk casualty and extended hazard insurance in appropriate coverage amounts that shall insure the Paragon Casino Resort and any fixtures, improvements and contents located therein against loss or damage by fire, theft and vandalism. Subject to any contrary requirements in any Financing Documents, all such casualty insurance proceeds shall be distributed as follows:

(a) proceeds constituting a part of Gross Total Revenues shall be deposited in the Enterprise Operating Account;

(b) proceeds not constituting a part of Gross Total Revenues shall upon receipt be credited to a Enterprise Account to be applied to the immediate replacement of the applicable Paragon Casino Resort part or fixture, improvements or contents therein, unless the Manager and Board of Directors agree otherwise;

(c) any excess insurance proceeds not required to be deposited in the Enterprise Operating Account and not used to repair and reconstruct the applicable damaged Enterprise Assets shall, upon conclusion of the repair or restoration of the Paragon Casino Resort, be deposited into the Enterprise Operating Account and

disbursed in accordance with the same terms and provisions applicable to Available Enterprise Funds, provided that such excess proceeds (except business interruption insurance proceeds) shall be excluded from Net Gaming Revenues and Net Other Revenues for purposes of calculating the Management Fee.

(d) notwithstanding the other provisions of this Section, if the Paragon Casino Resort is damaged or destroyed such that Gaming Operations can no longer be conducted at the Paragon Casino Resort, the Authority may, in its sole discretion, decide to: (i) rebuild the Paragon Casino Resort; or (ii) retain the casualty insurance proceeds, at which time this Agreement shall terminate.

6.6 Other Insurance. In addition, to all foregoing insurance, the Manager shall, as agent for the Authority, procure crime insurance, excess liability umbrella insurance, and such other insurance as is reasonable or customary for a Tribal gaming facility and related commercial activities, as may be proposed from time to time by the Manager and approved by the Board of Directors.

6.7 Evidence of Insurance. Immediately following the Effective Date, and from time to time as reasonably requested by the Board of Directors, the Manager shall supply to the Authority and any necessary Governmental Authorities, copies of the insurance policies applicable to the Paragon Casino Resort or the Enterprise operations as required by this Article.

6.8 Insurance Proceeds. Subject to the terms of Sections 9.5 and 10.8, any insurance proceeds received with respect to the Enterprise, except as provided in Section 6.5, shall be deposited into the applicable Enterprise Account and disbursed in accordance with the same terms and provisions applicable to Available Enterprise Funds, provided, however, that if there is any insurance recovery for a claim related to the operation of the Authority for which either the Authority or the Manager has previously paid from its own separate funds, then, to the extent of amounts paid by either of such parties, the insurance proceeds will be paid over to them and the balance shall be deposited into the Enterprise Operating Account as above.

ARTICLE 7

Budgets; Reimbursement

7.1 Budgets.

(a) Preliminary Estimated Budget for Contract Term. If requested by the Authority, within ten days following the Effective Date, the Manager shall prepare, revise and present to the Board of Directors revenues, expenses and Capital Expenditures estimated to be incurred during the term of this Agreement (the "Preliminary Estimated Budget"). As soon thereafter as reasonably practical, the Board of Directors shall either approve or reject the Preliminary Estimated Budget. The Authority acknowledges that the Preliminary Estimated Budget is based solely on in-house estimates of the Manager utilizing the past experience of its principals, and

that the Preliminary Estimated Budget may therefore differ from the approved Annual Operating Budgets.

(b) Annual Operating Budget. The Manager shall prepare and submit to the Board of Directors for its approval, no later than ten days after the Effective Date, and no later than thirty days prior to the commencement of each Fiscal Year thereafter, an Annual Operating Budget for the applicable Fiscal Year. As soon as reasonably practical, either (i) the Board of Directors shall grant its approval of the proposed Annual Operating Budget or, (ii) to the extent the Board of Directors is so permitted to withhold its approval, the Board of Directors shall request modifications to the proposed Annual Operating Budget. The Manager shall consider any requested modifications and continue to resubmit a proposed Annual Operating Budget to the Board of Directors until such budget is approved by the Board of Directors.

(c) Disagreement as to Annual Operating Budget. If the Board of Directors and the Manager are unable to resolve any disputed portions of the proposed Annual Operating Budget before commencement of the Fiscal Year, the undisputed portions of the Annual Operating Budget shall be deemed approved by the Board of Directors, and any item in dispute shall be determined by assuming the budget for such items for the upcoming Fiscal Year is increased from the most comparable item (based on costs actually or reasonably estimated to be incurred) in the then current Fiscal Year by a percentage amount to be determined by the Manager that does not exceed the percentage increase in the Consumer Price Index for All Urban Consumers published by the U.S. Bureau of Labor Statistics, U.S. City Average, all items (1997-98'100), or any successor or replacement index thereto, for the current Fiscal Year in comparison with such index from the Fiscal Year last preceding the current year. The resulting Annual Operating Budget shall be deemed to be approved by the Board of Directors for that upcoming Fiscal Year until such time as the Manager has proposed and the Board of Directors has approved an amended Annual Operating Budget resolving the disputed items.

(d) Capital Budget. The Manager shall prepare and submit to the Board of Directors for its approval, no later than thirty days prior to the commencement of each Fiscal Year commencing after the Effective Date, a Capital Budget for the applicable Fiscal Year. As soon as reasonably practical, either (i) the Board of Directors shall grant its approval of the proposed Capital Budget or, (ii) to the extent the Board of Directors is so permitted to withhold its approval, the Board of Directors shall request modifications to the proposed Capital Budget. The Manager shall consider any requested modifications and continue to resubmit a proposed Capital Budget to the Board of Directors until such budget is approved by the Board of Directors.

(e) Enterprise Capital Reserve Account. Subject to any contrary provisions in any Financing Document, amounts shall be withdrawn from the Enterprise Capital Reserve Account only as provided for in the Capital Budget or as proposed by the Manager and approved by the Board of Directors.

(f) Amendments to Annual Operating Budget: Manager Discretion to Vary from Approved Budget. The parties recognize that the Annual Operating Budget and Capital Budget will be an estimate for the applicable Fiscal Year and that such estimates are often required to be adjusted during the Fiscal Year to reflect the results of actual operations, the impact of unforeseen or changed circumstances, financial constraints, or other events. The Manager agrees to keep the Board of Directors reasonably informed regarding any matters that are reasonably anticipated to require a material change to any Annual Operating Budget or Capital Budget previously approved by the Board of Directors. For any required change in an Annual Operating Budget or Capital Budget, the Manager shall propose appropriate budget amendments to the Board of Directors, and the Board of Directors shall approve or request modifications in the same manner as with respect to any original proposed Annual Operating Budget or Capital Budget, as applicable. Notwithstanding the foregoing, the Manager shall be entitled to exceed any departmental budget or any given line item contained in an Annual Operating Budget that has been approved by the Board of Directors to the extent expressly authorized in Section 3.2.

(g) Minimum Detail of Budgets. All budgets required to be submitted by the Manager to the Board of Directors for approval shall be prepared with such details as to specific line items as is consistent with the practices prevailing for budgeting with respect to the Paragon Casino Resort for the Fiscal Year in which the Effective Date occurs.

7.2 Daily and Monthly Statements. The Manager shall promptly cause to be prepared and furnish to the Board of Directors daily statements identifying the Gross Gaming Revenues and Gross Other Revenues for each day in such form as the Board of Directors shall reasonably request. Within fifteen days after the end of each Fiscal Month, the Manager shall provide to the Board of Directors and the Gaming Commission verifiable financial statements that in the reasonable opinion of the Manager comply with GAAP (subject to customary year-end adjustments) covering the preceding month's operations of the Enterprise, including operating statements, balance sheets, income statements, and statements reflecting the amounts computed to be distributed in accordance with Section 5.5 hereof, together with such other Enterprise financial information as may reasonably be requested by the Gaming Commission or the Board of Directors. Within fifteen days after the end of each Computational Quarter, the Manager shall provide to the Board of Directors and the Gaming Commission verifiable financial statements that in the reasonable opinion of the Manager comply with GAAP (subject to customary year-end adjustments) covering the Enterprise's operations for that Computational Quarter, including operating statements, balance sheets, income statements, and statements reflecting the amounts computed to be distributed in accordance with Section 5.5 hereof, together with such other Enterprise financial information as may reasonably be requested by the Gaming Commission or the Board of Directors

7.3 Annual Audit; Adjustments.

(a) With respect to each Fiscal Year, the Manager, on behalf of the Authority, shall diligently cooperate with an annual audit of the Gaming Operations, to be conducted under the auspices of the Gaming Commission by an independent certified public accountant selected by the Tribal Council, to the end that on or before one hundred twenty days after the end of such year (or such earlier date as may be required by any Financing Document), such accounting firm is able to issue audited financial statements in accordance with GAAP with respect to the Fiscal Year (or portion of the year in the case of the first year after the Effective Date), including operating statements, balance sheets, income statements and statements reflecting the amounts computed to be distributed in accordance with Section 5.5. In addition, upon termination of this Agreement in accordance with its terms, such accounting firm shall conduct an audit, and on or before ninety days after the termination date, shall issue a report setting forth the same information as is required in the annual report, in each case with respect to the portion of the Fiscal Year ending on the termination date. Unless waived in writing by the Authority, the foregoing financial statements shall also be accompanied by a written statement as to whether or not, based on a review of the books and the records, the accounting firm found that the Manager had operated the Gaming Operations in material compliance with the provisions of the Tribal-State Compact.

(b) If amounts paid to the Tribe, the Authority, the Gaming Commission or the Manager in accordance with Section 5.5 for a relevant period are different from the amount that should have been paid to such party based on the report prepared by the accounting firm and based upon the provisions of this Management Agreement, then to the extent either party received an overpayment, it shall repay and deposit the amount of such overpayment into the bank account referenced in Section 3.20(a) hereof within twenty-five days of the receipt by such party of the accountant's report; provided that if the Authority is required to pay an amount to the Manager exceeding [redacted] the Authority, at its written election, may pay the same over a period of one-year. The Manager may make adjustments to future payments to correct a discrepancy to the extent the foregoing adjustments are not timely paid by the Authority. The cost of the audit shall be treated as an operating expense of the Enterprise.

7.4 Recoupment of Development and Construction Costs. All ongoing development, construction, and other capital improvements to the Tribe's existing facility are being funded with proceeds of the Financing or other funds of the Tribe or Authority, and the Manager is not financing such; accordingly, the Manager shall be entitled to recoup \$0.00 for development and construction costs.

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ARTICLE 8

Representations, Warranties and Covenants

8.1 Representations, Warranties of the Manager. The Manager hereby represents and warrants as follows:

(a) Organization. The Manager is a limited liability company duly organized and validly existing under the laws of the State of Nevada. The Manager has presented the Authority with true and correct copies of the Articles of Formation and Operating Agreement of the Manager.

(b) Authority. The Manager has the full legal right, power and authority to enter into this Agreement, and as of the Effective Date, the Manager shall have the authority to perform its obligations hereunder and to consummate all other transactions contemplated by this Agreement.

(c) No Violation or Conflict. The execution and delivery of this Management Agreement and, as of the Effective Date, the performance by the Manager of its obligations hereunder and the consummation by the Manager of the transactions contemplated hereby will not violate any contract or agreement to which the Manager is a party or any Applicable Law, except for such violations as are not material to the Manager's obligations or the Authority's rights hereunder.

(d) Binding Obligation. This Agreement has been duly executed and delivered by the Manager and, as of the Effective Date will constitute a valid and binding obligation of the Manager, enforceable against the Manager in accordance with its terms.

(e) No Improper Influence. No payments knowingly have been made by or on behalf of the Manager to any Tribal Official for the purpose of obtaining any special privilege, gain, advantage or consideration for the Manager (excluding from this representation all costs paid or absorbed by the Manager or its Affiliates relating to travel, dining or lodging opportunities made available to members of the Tribal Council, the Board of Directors, or Tribal members of the Tribe). "Tribal Official" means any member of the Tribal Council, the Board of Directors, the Gaming Commission or any independent board or body created to oversee any aspect of the Gaming Operations, any Tribal Court judge or any individual residing in the same household who is related as an ancestor, spouse, lineal descendent or sibling of the foregoing. Nothing in this provision, however, shall prohibit the Manager from making contributions to the government of the Tribe or for the general welfare of members of the Tribe. Any payments made by the Manager pursuant to this section 8.1 (e) shall be approved by the Tribal Council

(f) No Litigation. There are no judgments entered or actions, suits, investigations or proceedings pending against the Manager or any of its assets or properties that would have a material adverse effect on its ability to enter into or perform this Agreement.

8.2 Covenants of the Manager.

(a) Principals. Each of George P. Burkhardt and Patrick G. Minchey, principals of the Manager, shall each dedicate not less than [] hours per month to fulfillment of the duties and responsibilities of the Manager set forth in this Agreement, and each shall be "on site" at the facilities of the Enterprise no less than [] days per calendar month (inclusive of at least one week end in that month); provided that in meeting this requirement any of Mr. Burkhardt, Mr. Minchey or another executive officer of the Manager may be on site in lieu of Mr. Burkhardt or Mr. Minchey, as the case may be, for [] days each calendar month. Either Mr. Burkhardt or Mr. Minchey shall be available on an "on-call" basis or present at the Paragon Casino Resort at all times during the term of this Agreement.

(b) Non-Interference. The Manager will not unduly interfere with or attempt to influence any Tribal Governmental Action.

(c) Non-Involvement. The Manager will not employ any member of the Gaming Commission or permit such Person to be a Party in Interest or to be a party to any gaming equipment agreement or, except in their capacity as a Tribal member, to have any direct or indirect financial interest in the Gaming Operation. The Manager shall not hire any member of the Tribal Council or the Board of Directors as an employee of the Manager or its Affiliates.

(d) Licensing. The Manager shall obtain and maintain in good standing all licenses required under Applicable Law to perform its duties hereunder, and shall cooperate with the NIGC, the State and the Gaming Commission in providing all information properly requested of it with respect to its licensing and regulatory suitability for performing its duties hereunder.

(e) Third Party Consultants. Manager shall, as necessary, retain and from its own funds pay for the services of Consultants to assist the Manager in fulfilling its duties and obligations hereunder. Notwithstanding the foregoing, the costs of services from Consultants (and only such Consultants) who were expressly identified as potential contractors in Annual Operating Budget or Capital Budget currently in effect in accordance with the terms hereof (whether such budget is an original or amended budget), or who have been expressly approved by the Board of Directors to be charged to the Enterprise, shall be paid as one of the Expenses of Gaming Operation or as one of the Expenses of Other Operations, as appropriate (and only to the extent such costs are included in that budget or express approval).

(f) Non-Competition. During the Restricted Period within the Restricted Area, none of the Manager or any Affiliate of Manager shall own, manage, develop, consult for, be an employee of, or assist (financially or otherwise) any person or business or activity not acting or occurring on behalf of the Enterprise, the Authority or the Tribe that will compete, directly or indirectly, with any material business of the Enterprise, including the Gaming Operation; provided, however, that the preceding clause shall not apply with respect to one non-tribal gaming operation and related commercial undertakings located in or within a [] radius of the city limits of Greenville, Mississippi during the Allowed Period if the Manager pays to the Tribe within twenty days following the end of each calendar month in the Allowed Period (i) the sum of [] per month for the first twelve (12) calendar months ending in the Allowed Period, and (ii) [] per month thereafter for each month commencing in the Allowed Period. The term "Allowed Period" means the period of time that (A) starts on the date the Authority receives written notice from the Manager that the Allowed Period has commenced, and (B) ends on the date the Authority receives written notice from the Manager that the Allowed Period has terminated.

8.3 Representations and Warranties of the Authority. The Authority hereby represents and warrants:

(a) Organization. The Authority has been validly created, and currently exists, pursuant to Tribal Council Resolution #33-05, Tribal Ordinance No. 1-05 titled the "Tunica-Biloxi Gaming Authority Act of 2005," in which the Authority was vested with the power and authority to own Paragon Casino Resort and oversee its operations on behalf of the Tribe.

(b) Authority. The Authority has the full legal right, power and authority under the laws of the Tribe and has taken all official action necessary to: (i) enter into this Management Agreement; (ii) perform its obligations hereunder; and (iii) consummate all other transactions contemplated by this Agreement.

(c) Binding Obligation. This Agreement has been duly executed and delivered by the Authority, and when approved by the Chairman of the NIGC, will constitute a valid and binding obligation, enforceable against the Authority in accordance with its terms.

(d) No Violation or Conflict. The execution, delivery and performance by the Authority of this Agreement does not violate any provision of the Constitution, the Gaming Ordinance, or any other law of the Tribe. The execution, delivery and performance of this Agreement will not conflict with or result in any breach of any provision of, or constitute a default under, or result in the imposition of any lien or charge upon any asset of the Authority under, or result in the acceleration of any obligation under the terms of any agreement or document binding upon the Authority, other than such a conflict, breach, default or imposition as will not materially

adversely affect the Paragon Casino Resort, the Enterprise, or the performance or security of the parties under this Agreement.

(e) No Litigation. There are no judgments entered, or actions, suits, investigations or proceedings pending or, to the knowledge of the Authority, threatened, against a Tribal Party or any Enterprise Assets or properties, or any other Indian Tribe in the State, that could have a material adverse effect on the Paragon Casino Resort, the Enterprise, or on the Authority's ability to enter into and perform their obligations under this Agreement.

8.4 Covenants of the Authority. The Authority hereby covenants:

(a) Non-Impairment. No Tribal Party shall enact any law, ordinance, rule or regulation impairing the obligations of any Tribal Party hereunder, or under any contracts entered into by a Tribal Party or the Manager in furtherance of the management of the Paragon Casino Resort and the Enterprise, including but not limited to this Agreement.

(b) No Tax. The Authority agrees that no Tribal Party shall impose any tax, levy, duty or other similar government assessment on the Manager, or, on any vendor or any activity of the Enterprise, provided that nothing herein shall limit the right of any Tribal Party to impose a Permitted Tribal Tax or otherwise charge the Manager, any vendor or the Enterprise reasonable regulatory or other fees associated with the costs of regulation, administration, oversight or other reasonably necessary responsibilities allocable to the Enterprise.

8.5 Mutual Covenant Regarding IGRA Compliance. The Authority and the Manager agree that all gaming governed by this Management Agreement shall be conducted in accordance with IGRA and all Applicable Laws.

ARTICLE 9

Termination: Material Breach

9.1 Termination for Cause. Either party may terminate this Agreement, without that party being obligated to pay any termination fee or other penalty because of the termination, if the other party commits or allows to be committed a Material Breach (as hereinafter defined) and fails to cure the breach within sixty (60) calendar days after receipt of a written notice from the non-breaching party identifying the nature of the breach in specific detail and its intention to terminate the Agreement; provided, however, that if the nature of the breach (but specifically excluding breaches curable by the payment of money) is such that it is not possible to cure it within sixty days, such sixty-day period shall be extended for so long as the breaching party uses diligent efforts to effect a cure, and provided further that the Manager shall not be entitled to an extension of such sixty-day cure period in the event of theft, embezzlement or willful misconduct with respect to the handling of money

or other property. Termination is not an exclusive remedy for claims of a Material Breach, and the parties shall be entitled to other rights and remedies as may be available under this Agreement or Applicable Law. For purposes of this Agreement, a "Material Breach" is any of the following circumstances: (i) failure of the Manager to pay the Minimum Guaranteed Monthly Payments in accordance with Section 5.4 hereof; (ii) material failure of either party to perform a material obligation hereunder for reasons not lawfully excused; (iii) any employees of the Paragon Casino Resort or Enterprise under the Manager's charge are found guilty of theft, embezzlement or a crime of moral turpitude by a final judgment of a court of competent jurisdiction and if, after knowledge of such final judgment, the Manager does not remove such employee from connection with Gaming Operations; (iv) any representation or warranty made by a party hereof proves to be knowingly false or erroneous in any material way when made, or (v) EBITDA for any Rolling Fiscal Year shall be less than [redacted] (provided that the Authority shall have given written notice to the Manager at least three full Fiscal Months prior to the end of that Rolling Fiscal Year to the effect that, for the Rolling Fiscal Year most recently ended prior to such notice, EBITDA was less than [redacted])

In addition, it shall constitute a Material Breach on the part of the Authority if: (a) the Manager is required to defer its Management Fee for more than six months after the month in which the Management Fee is earned (without the Manager's prior written consent); or (b) any Tribal Party adopts, enacts, develops or otherwise places into effect any law or legal requirement that impairs or interferes, or could impair or interfere, in any manner, with any right or remedy of the Manager under this Agreement. Any final notice of termination hereunder shall be in writing detailing the reason a party considers the Material Breach not cured and must be delivered to the other party before such termination becomes effective.

9.2 Mutual Consent. This Agreement may be terminated at any time without either party being obligated to pay any termination fee or other penalty because of the termination upon the mutual written consent and approval of the parties.

9.3 Involuntary Termination Due to Changes in Law or Tribal-State Compact. The parties hereby agree to conduct Class III Gaming activities in accordance with this Agreement and to ensure that such activities and this Agreement conform to and comply with all Applicable Law and the Tribal-State Compact. In the event of any change in State or federal laws that results in a final determination by the Secretary of Interior, the NIGC, or a court of competent jurisdiction that this Agreement is unlawful (and any appeals therefrom have been fully exhausted), the Authority and the Manager shall use their respective good faith best efforts to amend this Agreement in a mutually satisfactory manner that will comply with the change in applicable laws and not materially change the rights, duties and obligations of the parties hereunder. In the event an amendment cannot be legally effected following exhaustion of all good faith best efforts (including the lapse of all legal proceedings and appeal periods without favorable results) and performance of this Agreement becomes unlawful by such final determination, then either party shall have the right to terminate such suspended Agreement upon written notice to the other party, and neither party shall be obligated to pay any termination fee or other penalty because of the termination.

9.4 Manager's Right to Terminate Agreement. The Manager may terminate this Agreement by written notice to the Authority effective upon receipt if:

- (a) Any license, permit or other approval from any Governmental Authority (which shall not include the Board of Directors) required for the Manager to perform any of its obligations hereunder is denied, revoked or not renewed; or
- (b) Because of inadequate Available Enterprise Funds, total outstanding unreimbursed Guaranteed Manager Advances exceed
- (c) Any amounts due the Manager are not paid when due in accordance with Section 5.5.

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Upon any such termination, the Authority shall have no obligation to pay any termination fee or other penalty because of the termination.

9.5 Other Rights upon Material Breach: Ownership of Assets and Repayment of Obligations on Termination.

(a) The Manager acknowledges that, subject to its rights to receive payments as set forth herein, the Manager is not entitled by reason of this Agreement to own any part of the Enterprise Assets, and that upon termination of this Agreement the Authority will retain full ownership of the Enterprise, Paragon Casino Resort, and the Enterprise Assets.

(b) Notwithstanding any termination of this Agreement for any reason, such termination shall not release either party with respect to the following, and the following rights and obligations under the provisions of this Management Agreement shall survive such termination:

- (i) The right of any party to assert any Claim as against the other party;
- (ii) All rights of a party to receive previously accrued payments due such party; and
- (iii) Sections 5.6, 9.5, 9.6, 9.8, 9.9, 13.3, 13.9 and 13.13, and Articles 10 and 12 hereof.

(c) In the event of termination for any reason, the Manager shall cooperate with the Authority in the orderly transition of management of the Enterprise, and shall provide the Authority or its designee with any and all books, records, documents, contracts, and all other information relating to the Paragon Casino Resort or the Enterprise, whether such information shall be in electronic, hard copy or any other form.

9.6 Notice of Termination. In the event of a proposed termination pursuant to this Article, the Authority shall provide notice of the termination to the Chairman of the NIGC and/or other appropriate Governmental Authorities within ten calendar days after the termination.

9.7 Cessation of Class III Gaming at the Paragon Casino Resort.

(a) If, during the term of this Agreement, the Paragon Casino Resort is damaged by casualty or other occurrence to the extent, as reasonably determined by the Manager, that Class III Gaming cannot be conducted at the Paragon Casino Resort, the Manager shall elect to:

(i) retain the Manager's interest in this Agreement and suspend Class III Gaming operations and any management of Class III Gaming pending repair or reconstruction of the Paragon Casino Resort (during which period the term of this Agreement shall be tolled until Class III Gaming at the Paragon Casino Resort can be again conducted in substantially the manner as it was conducted prior to the casualty or occurrence or the parties mutually agree otherwise) and arrange for such repair or reconstruction in the manner described in this Section; provided such right to retain an interest in this Agreement shall expire if material repairs to restore the Paragon Casino Resort as contemplated, with adequate funding to complete such repairs being available to the Authority on commercially reasonable terms, is not available within four years after the date such tolling begins; or

(ii) terminate this Agreement, such termination to be effective on the sixtieth day after written notice of termination shall have been delivered to the Authority;

provided that under either option set forth in this subsection, the rights of the Manager shall be subject to the right of the Authority to terminate this Agreement without penalty or payment as set forth in Section 6.5(d).

(b) If the Manager elects to retain its interest in this Management Agreement under Section 9.7(a)(i) above, the Authority shall be obligated to make such repairs or reconstruction as the Manager shall reasonably determine should be made to the Paragon Casino Resort (to the extent that insurance proceeds are available or as otherwise mutually agreed by the Authority and the Manager), and the Manager shall promptly verify the amount of insurance proceeds available to pay the cost of repair or reconstruction. If the Manager elects to retain its interests under Section 9.7(a)(i) above, the Manager is hereby granted the authority to submit, adjust and settle, on behalf of the Authority, all insurance claims associated with the casualty or occurrence; provided, however, that the Manager shall obtain the Board of Director's prior written consent to any settlement above [] The Manager shall provide copies of all settlement documents to the Board of Directors. If the Manager does not elect to retain its interest under Section 9.7(a)(i) above and if any

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Guaranteed Manager Advances remain unpaid, then: (i) the Board of Directors shall have the authority to submit, adjust and settle all insurance claims provided that any final settlement shall be with the prior written consent of the Manager which will not be unreasonably withheld, and the Board of Directors shall provide copies of all settlement documents to the Manager; (ii) to the extent economically feasible, the Authority shall have the obligation to continue to operate and maintain the Paragon Casino Resort and Enterprise in accordance with reasonable industry standards, and as to any portions of the Paragon Casino Resort and the Enterprise that are no longer economically feasible to operate, the Board of Directors and the Manager shall conduct an orderly liquidation of such assets and any liquidation proceeds (net of reasonable sale costs) shall be deposited into the applicable Enterprise Account and disbursed in accordance with the same terms and provisions applicable to Gross Total Revenues; (iii) the Authority shall repair and reconstruct such operations that were damaged and are to be continued; and (iv) any excess insurance proceeds that are not used to repair and reconstruct the applicable damaged Enterprise Assets shall be deposited into the applicable Enterprise Account and disbursed in accordance with the same terms and provisions applicable to Gross Total Revenues.

(c) If the Manager elects to terminate this Agreement under this Section 9.7, the provisions of Section 9.4 above shall apply.

9.8 Buyout Option. After [] months from the Effective Date during which no material interruptions in operation of the Enterprise have occurred, the Authority shall have the option to buy out the Manager's remaining rights under this Agreement. Such buy out shall occur upon not less than sixty days' prior written notice thereof to the Manager. On the date the buy out is closed, the Authority shall pay []

[] assuming that each monthly payment of Management Fees would equal the average monthly payment earned over the twelve full Fiscal Months preceding the date of closing (the "Buy-out Fee"). The present value of such future Management Fees shall be computed using the Applicable Discount Rate and monthly compounding. No Buy-out Fee shall be payable to Manager as a result of any termination of this Agreement under any Section of this Agreement other than this Section 9.8

9.9 Cumulative Remedies. All rights or remedies of the Authority or the Manager under this Agreement shall be cumulative and may be exercised individually in any order or concurrently, at such party's respective option, and the exercise or enforcement of any such right or remedy shall be neither a condition, nor a bar to the exercise or enforcement of any other right or remedy.

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ARTICLE 10

Release and Indemnity

10.1 Third-Party Claims. Neither party shall be entitled to recover from, and expressly releases, the other party, its agents, directors, officers and employees, from or for any third-party damages, claims, causes of action, losses and/or expenses of whatever kind or nature, including attorneys' fees and expenses incurred in defending such claims, in connection with the lawful operation of the Paragon Casino Resort and the Enterprise in accordance with the terms of this Agreement. Such claims, damages, losses or expenses shall be considered either Expenses of Gaming Operations or Expenses of Other Operations, depending on the circumstances and nature of the claim, payable from Enterprise Assets. This release shall not apply to claims, causes of action, losses and/or expenses, including attorneys' fees resulting from the other party's intentional, willful or criminal misconduct.

10.2 Indemnity by the Manager. Notwithstanding Section 10.1, the Manager shall indemnify and hold harmless any Tribal Party and enrolled members of the Tribe from and against any and all damages, claims, losses or expenses of whatever kind or nature, incurred in defending such claims, losses or expenses, to the extent the same result from the gross negligence or willful misconduct of the Manager or any Affiliate of the Manager with respect to the performance or non-performance of any of the Manager's obligations hereunder. The Manager shall have the sole right to control the defense and settlement of any matter in which indemnification is required of the Manager.

10.3 Indemnity by the Authority. Notwithstanding Section 10.1, the Authority shall indemnify and hold harmless the Manager, its Affiliates, agents, and employees, from and against any and all damages, claims, losses or expenses of whatever kind or nature, including reasonable attorneys' fees and expenses incurred in defending such claims, losses or expenses, to the extent the same result from the gross negligence or willful misconduct of any Tribal Party with respect to the Enterprise or out of the performance or non-performance of any of the Authority's obligations hereunder. The Authority shall have the sole right to control the defense and settlement of any matter in which indemnification is required of the Authority, and shall pay its attorneys' fees, provided that, with respect to any such matters, the Authority shall not be responsible for the attorneys' fees of attorneys hired by the indemnitee.

10.4 Indemnity Against Unauthorized Debt and Liabilities. The parties expressly agree that neither this Management Agreement nor its performance creates or implies a partnership between the parties or authorizes either party to act as agent for the other except to the extent expressly provided herein. The Manager hereby agrees to indemnify and hold the Tribe and the Authority harmless from any third-party claims, actions and liabilities, including reasonable attorneys' fees, arising from obligations of the Authority entered into by the Manager with respect to the Enterprise that were not reasonably inferred to be within the

scope of the Manger's authorization in this Agreement or any other express written authorization of the Manager by the Board of Directors. The Authority agrees to indemnify and hold the Manager harmless from any third-party claims, actions and liabilities on account of any of the separate obligations or debts of the Authority.

ARTICLE 11

Parties in Interest

11.1 Payment of Fees and Submission of Information for Background Investigations. Upon execution of this Agreement, and upon the Authority's submission of this Agreement to the NIGC for approval, the Manager shall pay all fees required for customary background investigations of the Manager and all Parties in Interest.

(a) The Manager shall diligently seek to supply or cause to be supplied all information required to be submitted to the NIGC. All such information submitted to the NIGC or reasonably required by the Gaming Commission shall be submitted to the Gaming Commission. All Parties in Interest as of the date this Agreement is submitted to the NIGC shall be properly identified to the NIGC.

(b) No Person shall become a Party in Interest without prior approval of the NIGC and Gaming Commission.

11.2 Removal; Divestiture. Should the Gaming Commission, the NIGC, or the State (pursuant to the Tribal-State Compact), in a final non-appealable decision, find that any Party in Interest whose prior activities, criminal record, if any, or reputation, habits, or associations pose a threat to the public interest, or the Tribal interest, or the effective regulation of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming or the carrying on of related business and financial arrangements, or is otherwise unsuitable to be licensed under applicable law, and should such entity notify the Manager or the Authority of such finding, then the Manager shall require such individual to divest his or her interest in this Agreement and remove such Person from all association with operations under this Agreement within ten business days of receipt of such notice. In addition, if any Party in Interest: (a) has been or is subsequently convicted of a felony relating to gaming; (b) has knowingly or willfully provided materially false statements to the Authority, the Gaming Commission, the NIGC, or the State, or refused to respond to questions from any of these entities; or (c) attempts to interfere or influence any decision or process of Tribal government relating to Class III Gaming and if the Manager becomes aware of such conflicts or prohibited actions, then the Manager shall notify the Board of Directors and the Gaming Commission of such event and within seventy-two hours cause such Person to divest his or her interest in this Agreement. Nothing herein shall be deemed to require that a Tribal member may be required to relinquish membership in the Tribe or the exercise of rights or status as a member, or the right of any elected Tribal official to hold office, such matters being within the sole discretion and province of the Tribe.

ARTICLE 12

Dispute Resolution; Waivers of Sovereign Immunity; and Governing Law

12.1 Dispute Resolution. The parties agree that any Claim shall be governed by the following dispute resolution procedures:

(a) Obligation to Meet and Confer; Informal Mediation. Neither party shall commence any judicial proceeding without providing written notice of the pending commencement of such proceeding to the other party no less than twenty (20) days prior to such commencement, during which time the parties shall in good faith seek to meet and confer to resolve the dispute without the need for commencement of judicial proceedings. If the parties are unable to resolve the dispute after meeting and conferring, informal mediation shall occur, which shall be conducted by a neutral mediator to be appointed by the Chief Judge of the Tunica-Biloxi Tribal Court (the "Tribal Court").

(b) Judicial Proceedings. If the parties are unable to resolve the dispute after informal mediation, then either party may bring suit in the Tribal Court. To the extent permitted by Tribal law, the decision of the Tribal Court may be appealable to the Tunica-Biloxi Court of Appeals (the "Tribal Court of Appeals").

(c) Limited Waiver of Sovereign Immunity. The parties acknowledge that the Tunica-Biloxi Gaming Authority, as an instrumentality of the Tribe, possesses sovereign immunity from unconsented suit and other legal proceedings. Nothing in this Agreement shall be deemed to be a waiver of the Authority's sovereign immunity, except as provided in this Section 12.1(c). With respect to all Claims, the the Tunica-Biloxi Gaming Authority hereby irrevocably waives its sovereign immunity, and all defenses based thereon, for the limited purpose of permitting judicial proceedings before the Tribal Court and the Tribal Court of Appeals in accordance with this Section.

(d) Limitation on Recourse. Notwithstanding any other provision herein, any monetary award or judgment against the Authority with respect to a Claim may be enforced and collected only as against the assets and revenues of the Authority that are used in connection with or derived from the Paragon Casino Resort.

12.2 Governing Law. This Agreement shall be governed by and construed in accordance with applicable federal laws and the laws of the Tribe, without regard to the Tribe's conflict of laws provisions.

ARTICLE 13

Miscellaneous

13.1 Assignment by the Manager and the Authority. Other than as expressly provided herein or in Section 13.2 below, any attempted assignment or subcontracting shall be void.

(a) Manager. The rights and obligations under this Agreement shall not be assigned or subcontracted by the Manager, without the prior written consent of the Board of Directors and without first obtaining prior approval from all Governmental Authorities, including the NIGC and the Gaming Commission, if such approval is required by law.

(b) Authority. The Authority may assign its rights and obligations under this Agreement to an instrumentality or corporation wholly owned by the Tribe ("Tribal Entity"), provided that:

(i) the Tribal Entity provides the Manager with the same limited waiver of sovereign immunity as contained herein as well as written representations on which it can rely that the Tribal Entity: (A) validly exists under the laws of the Tribe; (B) has all requisite power and authority to undertake the rights and obligations of the Authority hereunder; and (C) has authority and access to the premises of the Paragon Casino Resort and the right to hold Enterprise Assets (other than real property) in its name and to apply such Enterprise Assets as determined by the Tribal Entity; and

(ii) the Authority provides the Manager with fourteen (14) days written notice of the assignment.

Subject to the preceding requirements, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.

13.2 Change in Ownership Interest; Change in Control.

(a) Any Change in Ownership Interest in the Manager shall require prior written consent of the Board of Directors and be subject to all Applicable Law. For purposes of this Agreement, a "Change in Ownership Interest" means the acquisition of beneficial ownership of one percent (1%) or more of membership interest in the Manager by a Person or group of Persons other than George P. Burkhardt or Patrick G. Minchey.

(b) The parties also acknowledge that 25 C.F.R. Part 533.7 provides that: "changes in persons with a financial interest in or management responsibility for a

management contract, that have not been approved by the Secretary of the Interior or the Chairman in accordance with the requirements of this part, are void.”

13.3 Notices. Any notice, consent or any other communication permitted or required by this Agreement shall be in writing, shall be effective on the date sent and shall be delivered by personal service, via fax with reasonable evidence of transmission, express delivery or by certified or registered mail, postage prepaid, return receipt requested, and, until written notice of a new address or addresses is given, shall be addressed as follows:

If to the Authority: Tunica-Biloxi Gaming Authority
171 Melacon Road
Marksville, Louisiana 71351
Attn: Chairman of the Board Earl J. Barbry, Sr.
Fax: (318) 253-9791

With a Copy to: Kent E. Richey, Esq.
Faegre & Benson, LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-3901
Fax: (612) 766-1600

If to the Manager: Exceptional Gaming & Entertainment, LLC
9655 Irvine Bay Ct
Las Vegas, NV 89147
Fax: (702) 215-3952

Attention: Chief Executive Officer

With a Copy to: Doug Twait
Hamilton, Quigley, Twait
W1450 First National Bank Building
332 Minnesota Street
St. Paul, MN 55101
Fax: (651) 602-9976

Providing a copy of the notice to counsel shall not constitute notice to the party. Copies of any notices given to one party shall be given to all parties.

13.4 Amendments. This Agreement may be amended only by written instrument duly executed by all of the parties hereto and with any and all necessary regulatory approvals, including written approval by or on behalf of the Chairman of the NIGC. This Agreement shall not be supplemented, amended, or modified by any course of dealing, course of performance or uses of trade.

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

13.6 Force Majeure. No party shall be in default of its performance obligations due hereunder if such failure of performance is due to causes beyond its reasonable control, including acts of God, war, fires, floods, or accidents causing material damage to or destruction of the Paragon Casino Resort or property necessary to operate the Paragon Casino Resort, or any other causes, contingencies, or circumstances not subject to its reasonable control that materially prevent or hinder performance of this Agreement.

13.7 Time is Material. The parties agree that time is of the essence and the time and schedule requirements set forth in this Agreement are material terms of this Agreement.

13.8 Further Assurances. The parties hereto agree to do all acts and deliver necessary documents as shall from time to time be reasonably required to carry out the terms and provisions of this Agreement.

13.9 Severability. If any provision of this Agreement is, by final order of a court of competent jurisdiction or Government Authority, held to be illegal or void, the validity of the remaining portions of it shall be enforced as if the Agreement did not contain such illegal or void clauses or provisions, and the parties shall use their best efforts to negotiate an amendment to this Agreement that will comply with the judicial order and maintain the originally contemplated rights, duties and obligations of the parties hereunder.

13.10 Entire Agreement. This Agreement, including all exhibits, represents the entire agreement between the parties relating to management of Class III Gaming conducted by the Authority at the Paragon Casino Resort. All prior and contemporaneous conversations, discussions, negotiations, agreements, representations, covenants, and warranties with respect to the subject matter hereof, are waived, merged herein and superseded hereby.

13.11 Approvals. Unless otherwise provided herein, all approvals or consents required by either party hereunder shall not be unreasonably withheld or delayed. Unless otherwise provided herein, approval by the Board of Directors shall be deemed to constitute approval by the Authority and approval by the Chief Executive Officer of the Manager shall be deemed to constitute approval by the Manager.

13.12 Request for NIGC Approval. The parties specifically request that the NIGC, or the Secretary of Interior where appropriate, approve this Agreement and any other agreements between the parties, if required, or declare that such approval is not required.

13.13 Non-Disclosure. The parties agree not to divulge to third parties the terms of this Agreement or any other proprietary or confidential information exchanged between the parties pursuant to this Agreement, unless (i) the information is required to be disclosed

pursuant to judicial order or Applicable Law; (ii) the information is at the time of disclosure already in the public domain; or (iii) to the extent required in order to obtain financing. This prohibition shall not apply to disclosures by either party to their attorneys, accountants, or other professional advisers. In situations where disclosure of the terms of this Agreement to regulatory, governmental or judicial entities is required by law or regulations, the parties will make reasonable efforts to secure confidential treatment of the economic terms of this Agreement by such entities. The parties agree to consult with each other and cooperate regarding any press releases regarding this Agreement and the relationships described herein.

13.14 Recitals. The recitals at the beginning of this Agreement are true and are incorporated by reference herein.

13.15 Preparation of Agreement. This Agreement has been carefully prepared and reviewed by counsel for each party hereto and shall not be construed more strongly for or against either party hereto regardless of who is responsible for its preparation.

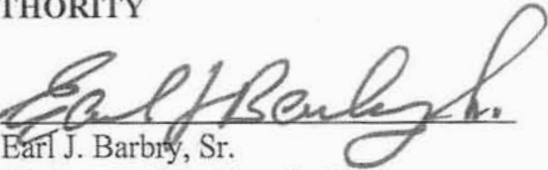
13.16 Superseding Effect. Upon the Effective Date, to the extent necessary this Agreement shall supersede Memorandum of Understanding entered into by and between the Tribe and the Manager and the Employment Contracts between the Tribe and each of the principals of Manager.

13.17 Waivers in Writing. Any and all waivers required or provided hereunder shall be effective only if expressed in writing and executed by a Person or entity authorized to provide such waiver(s).

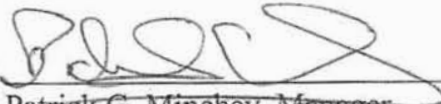
13.18 Gaming to be Conducted on Gaming Site. All gaming subject to this Agreement shall occur only on the Gaming Site.

IN WITNESS WHEREOF: the parties have executed this Management Agreement as of the above first written date.

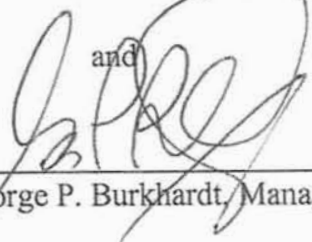
**TUNICA-BILOXI GAMING
AUTHORITY**

By 
Earl J. Barbry, Sr.
Chairman of the Board of Directors

**EXCEPTIONAL GAMING &
ENTERTAINMENT, LLC**

By 
Patrick G. Minchey, Manager

and

By 
George P. Burkhardt, Manager

APPENDIX A
GAMING SITE

That real property lying in the Parish of Avoyelles, State of Louisiana described as follows:

Commencing at the intersection of the east right-of-way of La. Hwy. No. 1 and the north right-of-way of Avoyelles Parish Road No. 199, thence North 15 degrees 16 minutes West, along the east right-of-way of La. Hwy. No. 1, a distance of 396.0 feet to the point of beginning (P.O.B. 2) of the land to be described; thence North 74 44 minutes East a distance of 523 feet, thence South 83 degrees 16 minutes East a distance of 437.0 feet; thence North 2 degrees 44 minutes East a distance of 1,072.0 feet; thence North 74 degrees 44 minutes East a distance of 514.0 feet; thence North 13 degrees 27 minutes East a distance of 60.1 feet; thence North 16 degrees 17 minutes East a distance of 367.4 feet; thence South 78 degrees 08 minutes West a distance of 731.4 feet; South 1 degree 44 minutes West a distance of 655.2 feet; thence South 52 degrees 44 minutes West a distance of 495.0 feet; thence South 74 degrees 44 minutes West a distance of 614.- feet; thence South 15 degrees 16 minutes East, along the east right-of-way of La. Hwy. No. 1, a distance of 453.0 feet to the point of beginning.

TUNICA-BILOXI TRIBE OF LOUISIANA
07-09

A RESOLUTION APPROVING MANAGEMENT AGREEMENT BETWEEN THE
TUNICA-BILOXI GAMING AUTHORITY AND EXCEPTIONAL GAMING &
ENTERTAINMENT, LLC

WHEREAS, the Tunica-Biloxi Tribe of Louisiana (the "Tribe") was federally-recognized by the United States Secretary of the Interior on July 27, 1981; and

WHEREAS, the Tunica-Biloxi Tribal Council (the "Tribal Council") is the duly-elected governing body of the Tunica-Biloxi Tribe, as authorized by Article VII, Section 1, of the Constitution of the Tunica-Biloxi Tribe; and

WHEREAS, the Tunica-Biloxi Gaming Authority (the "Authority") was formed as an agency and governmental instrumentality of the Tribe by Tribal Council Resolution # 33-05 on October 24, 2005; and

WHEREAS, pursuant to the provisions of Tribal Ordinance No. 1-05 (the "Ordinance"), the Authority has all the privileges and immunities of the Tribe and by delegation of powers of the Tribal Council, exercises the Tribe's ownership and oversight of the Tribe's class III gaming operation and related amenities and enterprises, collectively known as the Paragon Casino Resort; and

WHEREAS, pursuant to the Ordinance, the Authority is authorized and empowered under Section 6 of the Ordinance, among other things, to (a) do any and all things necessary or desirable in connection with the operation and management of Paragon Casino Resort; (b) make contracts and incur liability; and (c) to otherwise manage all economic affairs and enterprises of the Paragon Casino Resort; and

WHEREAS, the Board of Directors of the Authority has previously approved a First Amended and Restated Management Agreement (the "Previously Submitted Management Agreement"), between the Authority and Exceptional Gaming & Entertainment, LLC (the "Company") that has been submitted to the Chairman of the National Indian Gaming Commission (the "NIGC") for approval pursuant to the Indian Gaming Regulatory Act ("IGRA"); and

WHEREAS, as of this date, the Previously Submitted Management Agreement has not been approved by the Chairman of the NIGC; and

WHEREAS, the Authority and the Manager have agreed that a correction to the definition of "Base EBITDA" therein and a modification to Section 8.2(f) thereof relating to non-compete restrictions imposed on the Manger should be made, all as set forth in the form of First Amended and Restated Management Agreement dated as of December 23, 2008, attached as EXHIBIT A to this Resolution (the "Management Agreement"); and

WHEREAS, the members of the Tribal Council have reviewed the terms of the proposed Management Agreement and believe that such agreement is in the best interest of the Tribe, and the Tribal Council now wishes (a) to formally endorse the execution of the Management Agreement, and (b) to further approve all necessary action on behalf of the Tribe relating to the submission of the Management Agreement to the NIGC for approval in accordance with IGRA.

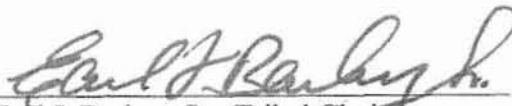
NOW, THEREFORE BE IT RESOLVED, that the Tribal Council, hereby consents to and approves the Authority's execution and delivery of the Management Agreement in the form attached hereto at Exhibit A.

BE IT FURTHER RESOLVED that the Tribal Council hereby authorizes and directs the Tribal Chairman, the Vice-Chairman and the Secretary-Treasurer, as applicable, to execute and transmit to the Chairman of the NIGC, all documents and other information pertaining to the Tribe and its gaming operation as required to obtain NIGC approval for the Management Agreement.

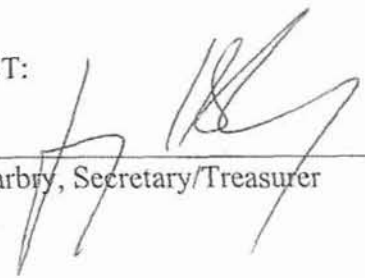
CERTIFICATION

I, the undersigned, as Secretary-Treasurer of the Tunica-Biloxi Tribe of Louisiana, certify that the Tribal Council of said Tribe is composed of 7 members, of whom 5, constituting a quorum, were present at a special meeting thereof, duly called, noted, convened and held this 3rd day of March , 2009; and that the foregoing Resolution was duly adopted by a vote of 4 members in favor, 0 opposed, and 0 abstaining.

Dated this 3rd day of March, 2009.


Earl J. Barbry, Sr., Tribal Chairman

ATTEST:


Joey Barbry, Secretary/Treasurer

TUNICA-BILOXI GAMING AUTHORITY
RESOLUTION No. 03-09

A RESOLUTION OF THE BOARD OF DIRECTORS APPROVING
MANAGEMENT AGREEMENT BETWEEN THE AUTHORITY AND EXCEPTIONAL
GAMING & ENTERTAINMENT, LLC

WHEREAS, the Tunica-Biloxi Gaming Authority (the "Authority") was formed as an agency and governmental instrumentality of the Tunica-Biloxi Tribe of Louisiana (the "Tribe") by Tribal Council Resolution # 33-05 on October 24, 2005; and

WHEREAS, pursuant to the provisions of Tribal Ordinance No. 1-05 (the "Ordinance"), the Authority has all the privileges and immunities of the Tribe and exercises the Tribe's ownership and oversight of the Tribe's class III gaming operation and related amenities and enterprises known as Paragon Casino Resort; and

WHEREAS, the Authority is authorized and empowered under Section 6 of the Ordinance, among other things, to (a) do any and all things necessary or desirable in connection with the operation and management of Paragon Casino Resort; (b) make contracts and incur liability; and (c) to otherwise manage all economic affairs and enterprises of the Paragon Casino Resort; and

WHEREAS, pursuant to the Ordinance, the governing body of the Authority is a board of directors (the "Board of Directors"), who has determined that it is in the best interest of the Authority to retain a professional management company experienced in the management of Indian casinos to operate and manage Paragon Casino Resort; and

WHEREAS, the principals of Exceptional Gaming & Entertainment, LLC (the "Company") is experienced in the management of casinos, resorts and restaurant facilities, including Indian-owned casino resort; and

WHEREAS, the Board of Directors has previously approved a First Amended and Restated Management Agreement (the "Previously Submitted Management Agreement"), between the Authority and Exceptional Gaming & Entertainment, LLC (the "Company") that has been submitted to the Chairman of the National Indian Gaming Commission (the "NIGC") for approval pursuant to the Indian Gaming Regulatory Act ("IGRA"); and

WHEREAS, as of this date, the Previously Submitted Management Agreement has not been approved by the Chairman of the NIGC; and

WHEREAS, the Authority and the Manager have agreed that a correction to the definition of "Base EBITDA" therein and a modification to Section 8.2(f) thereof relating to non-compete restrictions imposed on the Manger should be made, all as set forth in the form of

First Amended and Restated Management Agreement dated as of December 23, 2008, attached as EXHIBIT A to this Resolution (the "Management Agreement"); and

WHEREAS, the Board of Directors has determined that the Management Agreement is in the best interest of the Authority and now wishes to (a) formally approve the Management Agreement, and (b) submit the Management Agreement and other required information to the Chairman of the NIGC for approval in accordance IGRA".

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors hereby approves the Management Agreement in the form attached hereto at Exhibit A.

BE IT FURTHER RESOLVED, that in accordance with Article 11 of the Ordinance, the Board of Directors has reviewed and expressly approves, the dispute resolution provisions and the limited waiver of sovereign immunity from unconsented suit and other judicial proceedings granted by the Authority for the limited purposes and within the limited scope set forth in Article 12 of the Management Agreement.

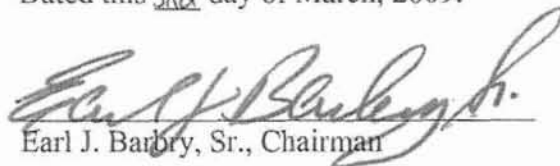
BE IT FURTHER RESOLVED that the Board of Directors hereby:

- (1) authorizes and directs Earl J. Barbry, Sr., the Chairman of the Board of Directors of the Authority, to execute the Management Agreement on behalf of the Authority,
- (2) authorizes and directs the officers and attorneys of the Authority to take all other necessary action, including the submission of the fully executed Management Agreement, and all related exhibits and additional information as may be required to the Chairman of the National Indian Gaming Commission for approval in accordance the Indian Gaming Regulatory Act of 1988, and
- (3) authorizes and approves officers and attorneys of the Board of Directors of to execute such additional documents and take such additional actions as may be required to obtain NIGC approval of the Management Agreement in accordance with IGRA.

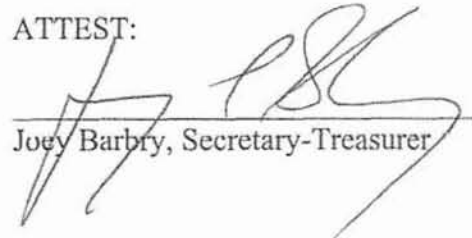
CERTIFICATION

I, the undersigned, as Secretary-Treasurer of the Tunica-Biloxi Gaming Authority, certify that the Board of Directors of said Authority is composed of 7 members, of whom 5, constituting a quorum, were present at a meeting thereof, duly called, noted, convened and held this 3rd day of March, 2009; and that the foregoing Resolution was duly adopted by a vote of 4 members in favor, 0 opposed, and 0 abstaining.

Dated this 3rd day of March, 2009.


Earl J. Barbry, Sr., Chairman

ATTEST:


Joey Barbry, Secretary-Treasurer

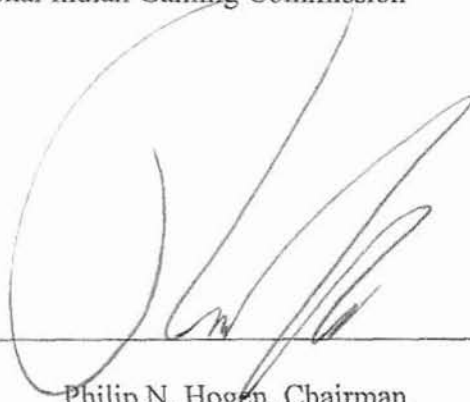
The First Amended and Restated Management Agreement between the Tunica-Biloxi Gaming Authority, a Tribal government instrumentality of the Tunica-Biloxi Tribe of Louisiana, and Exceptional Gaming Entertainment, LLC, a Nevada limited liability company, dated December 23, 2008, is approved by the National Indian Gaming Commission

By: _____ Date: _____

Philip N. Hogan, Chairman

The First Amended and Restated Management Agreement between the Tunica-Biloxi Gaming Authority, a Tribal government instrumentality of the Tunica-Biloxi Tribe of Louisiana, and Exceptional Gaming Entertainment, LLC, a Nevada limited liability company, dated December 23, 2008, is approved by the National Indian Gaming Commission

By:



Philip N. Hogen, Chairman

Date:

7/16/09