

DEC 28 2001

MANAGEMENT AGREEMENT (CASINO)
BETWEEN THE
AK-CHIN INDIAN COMMUNITY
AND
HARRAH'S ARIZONA CORPORATION

DATED AS OF DECEMBER 19, 2001

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MANAGEMENT AGREEMENT (CASINO)

THIS MANAGEMENT AGREEMENT (CASINO) has been entered into as of December 19, 2001, by and between the AK-CHIN INDIAN COMMUNITY and its permitted successors and assigns (the "Community"), and HARRAH'S ARIZONA CORPORATION, a Nevada corporation, and its permitted successors and assigns ("Manager") for the operation of the Community's Class II and Class III gaming enterprise (the "Enterprise," as defined at Section 2.25) in the state of Arizona.

1. Recitals.

1.1 The Community is a federally recognized Indian tribe, organized pursuant to the Indian Reorganization Act of 1934. The Community possesses sovereign governmental powers over the land described in Exhibit 1.1 hereto (the "Property"), located in the State of Arizona (the "State"), pursuant to the Community's recognized powers of self-government, the Indian Reorganization Act of 1934, and the Articles of Association, statutes and ordinances of the Community.

1.2 The Property is owned by the United States of America in trust for the Community. The Community desires to use the Property to improve the economic conditions of its members, to enable it to serve the social, economic, educational and health needs of the Community, to increase Community revenues and to enhance the Community's economic self-sufficiency and self-determination.

1.3 The Community is seeking technical experience and expertise for the operation of the Enterprise and instruction for members of the Community in the operation of the Enterprise. The Manager is willing and able to provide such experience, expertise and instruction.

1.4 The Community wants to grant the Manager the exclusive right and obligation to develop, manage, operate and maintain the Enterprise and any expansion thereof whether on lands currently held by the United States of America in trust for the Community or on land hereafter placed in trust, and to train Community members and others in the operation and maintenance of the Enterprise during the term of the Management Agreement and conforming with the provisions of this Agreement.

1.5 This Agreement is entered into pursuant to the Indian Gaming Regulatory Act of 1988, PL 100-497, 25 U.S.C. § 2701 et seq. (herein the "IGRA").

2. Definitions. As they are used in this Agreement, the terms listed below shall have the meaning assigned to them in this Section. To the extent defined terms are not contained in this Section, they shall have the meaning assigned to them in the Management Agreement (Hotel).

2.1 Advisory Board. "Advisory Board" means the Board established pursuant to, and having the duties set forth in, Section 4.6.9 respecting training programs mandated by this Agreement.

2.2 Affiliate. "Affiliate" means as to Manager or the Community, any corporation, partnership, limited liability company, joint venture, trust, department or agency or individual controlled by, under common control with, or which controls, directly or indirectly Manager or the Community.

2.3 Ak-Chin Community Gaming Code ("Community Gaming Code") . The "Community Gaming Code" is the ordinance, any amendments thereto enacted by the Ak-Chin Indian Community and the regulations promulgated thereunder, which authorize and regulate gaming on the Ak-Chin Indian Reservation.

2.4 Articles of Association. "Articles of Association" shall mean the Articles of Association of the Ak-Chin Indian Community ratified on September 16, 1961, and any amendments thereto.

2.5 Bureau of Indian Affairs ("B.I.A."). "B.I.A." is the Bureau of Indian Affairs under the Department of the Interior of the United States of America.

2.6 Capital Budget. "Capital Budget" shall mean the capital budget described in Section 4.10.

2.7 Capital Replacement(s). "Capital Replacement(s)" shall mean any alteration or rebuilding or renovation of any part of the Enterprise, and any replacement of Furnishings and Equipment, the cost of which is capitalized and depreciated, rather than being expensed, applying generally accepted accounting principles, as described in Section 4.11

2.8 Capital Replacement Reserve. "Capital Replacement Reserve" shall mean the reserve described in Section 4.12, into which periodic contributions are paid pursuant to Section 4.13

2.9 Centralized Services. "Centralized Services" shall mean those services related to the development, construction and management of the Enterprise which are approved by the Community Council and which may be purchased from or provided by Manager or its Affiliates in Memphis, Tennessee, or at locations other than the Enterprise. The cost of any of these services utilized will be an Operating Expense of the Enterprise and shall be subject to the annual budget as approved by the Community Council.

2.10 Class II Gaming . "Class II Gaming" shall mean Class II Gaming as defined in IGRA.

2.11 Class III Gaming. "Class III Gaming" shall mean Class III Gaming as defined in IGRA.

2.12 Collateral Agreements. "Collateral Agreements" shall mean any agreements defined to be collateral agreements by the phrase found at 25 USC §2711 (a)(3) and regulations issued thereto at 25 C.F.R. § 502.5.

2.13 Commencement Date . "Commencement Date" shall mean 12.01 a.m. (MST) on January 1, 2000.

2.14 Community Council. "Community Council" shall mean the Ak-Chin Community Council created pursuant to the Community's Articles of Association.

2.15 Community Inspector(s). The individual or individuals selected by the Community, pursuant to Section 4.6.3 hereof, to exercise the office of Community Inspector(s), under whatever title the Community may designate, whether Community Inspector, Casino Liaison, or other title.

2.16 Community Resolution. "Community Resolution" shall have the meaning described in Section 3.9.

2.17 Compact . "Compact" shall mean the Tribal-State Compact executed on June 24, 1993, between the Community and the State of Arizona pursuant to IGRA as same may, from time to time, be amended, or such other compact that may be substituted therefor.

2.18 Compensation. "Compensation" shall mean the direct salaries and wages paid to, or accrued for the benefit of, any employee, including incentive compensation, together with all fringe benefits payable to or accrued for the benefit of such executive or other employee, including employer's contribution under F.I.C.A., unemployment compensation or other employment taxes, pension fund contributions, workers' compensation, group life, accident and health insurance premiums and costs, and profit sharing, severance, retirement, disability, relocation, housing and other similar benefits.

2.19 Confidential Information. "Confidential Information" shall mean the information described in Section 9.22.1.

2.20 Depository Account. "Depository Account" shall mean the bank account described in Section 4.17.2.

2.21 Disbursement Account. "Disbursement Account" shall mean the bank account described in Section 4.17.3.

2.22 Effective Date. "Effective Date" shall mean the date on which all of the following listed conditions are satisfied:

(i) written approval of this Agreement is granted by the Chairman of the NIGC, if required, and/or the BIA, if required;

(ii) written confirmation that the Community, the State (to the extent required by the Compact), and the NIGC, have approved background investigations of Manager, if required;

(iii) Manager has received a certified copy of the Community Gaming Code, the regulations promulgated thereunder, and the Community's resolutions adopted by the Community in accordance with the Community's governing documents authorizing the execution of this Agreement;

(iv) receipt by Manager of all applicable licenses for or related to management of the Enterprise;

(v) Manager has satisfied itself that the Tribal Gaming Ordinance and any other ordinances adopted by the Community relative to any of the documents referenced in this Agreement do not have a material adverse effect on Manager's ability to operate the Enterprise under this Agreement.

2.23 Emergency Condition. "Emergency Condition" shall have the meaning set forth in Section 4.11

2.24 Enterprise. The "Enterprise" is any commercial enterprise of the Community authorized by IGRA, Tribal Law, and/or the Compact and operated and managed by Manager in accordance with the terms and conditions of this Agreement to engage in (a) gaming defined as Class II and Class III Gaming under IGRA; and (b) any other lawful commercial activity allowed in the buildings or structures pertaining to the Enterprise including, but not limited to, restaurants, conventions, business meetings, Automatic Teller Machines ("ATM"), and the sale of tobacco, gifts and souvenirs. The Enterprise includes any buildings or structures used for Class II and Class III Gaming, food and beverage outlets, and retail outlet(s) owned by the Community or any instrumentality of the Community located within buildings or structures housing the Enterprise. The Enterprise shall not include any commercial enterprise currently conducted by the Community which is not generally related to casino operation. The Enterprise shall not include the operations of Community Tribal Gaming Agency or Community Inspectors, or any offices or buildings relating thereto. The Community shall have the sole proprietary interest in and responsibility for the conduct of all Gaming conducted by the Enterprise, subject to the rights and responsibilities of the Manager under this Agreement.

2.25 Enterprise Bank Accounts. "Enterprise Bank Accounts" shall mean those accounts described in Section 4.17.

2.26 Enterprise Employee. "Enterprise Employee" shall mean all Employees of Manager who are assigned to work at the Enterprise and as part of the Enterprise; but shall not include such employees of the Community as the Community Inspector(s), Casino Liaison(s), and Tribal Gaming Commissioners and employees or agents of the Ak-Chin Tribal Gaming Agency, who may in fact work in the buildings or structures which house the Enterprise, but who are not intended to be part of the operations of the Enterprise.

2.27 Enterprise Employee Policies. "Enterprise Employee Policies" shall have the meaning given to it in Article 4.6.2.

2.28 Fiscal Year. "Fiscal Year" shall mean the period commencing on January 1 of each year and ending on December 31 of that year.

2.29 Furnishings and Equipment. "Furnishings and Equipment" shall mean all furniture, furnishings and equipment required for the operation of the Enterprise in accordance with the standards set forth in this Agreement, including, without limitation:

(i) cashier, money sorting and money counting equipment, surveillance and communication equipment, and security equipment;

(ii) slot machines, video games of chance, table games, keno equipment and other gaming equipment;

(iii) office furnishings and equipment;

(iv) specialized equipment necessary for the operation of any portion of the Enterprise for accessory purposes, including equipment for kitchens, cocktail lounges, restaurants, public rooms, commercial and parking spaces;

(v) all furnishings, equipment, and other personal property used in the operation of the Enterprise; and

(vi) all other furnishings and equipment hereafter located and installed in or about the buildings or structures which are used in the operation of the Enterprise in accordance with the standards set forth in this Agreement.

2.30 Gaming. "Gaming" shall mean any and all activities defined as Class II or Class III Gaming under IGRA.

2.31 Gaming Agency. "Gaming Agency" shall mean the body created pursuant to the Community Gaming Code to regulate Gaming in accordance with the Compact, IGRA and the Community Gaming Code.

2.32 General Manager. "General Manager" shall mean the person employed by Manager to direct the operation of the Enterprise.

2.33 Generally Accepted Accounting Principles or "GAAP" shall mean those principles defined by the Financial Accounting Standards Board.

2.34 Governmental Action. 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 Community, the Community Council or any instrumentality or agency of the Tribe.

2.35 Gross Gaming Revenue (Win). "Gross Gaming Revenue (Win)" shall mean the net win from gaming activities which is the difference between gaming wins and losses before deducting costs and expenses.

2.36 Gross Revenues. "Gross Revenues" shall mean all revenues of any nature derived directly or indirectly from the Enterprise including, without limitation, Gross Gaming Revenue (Win), food and beverage sales and other rental or other receipts from lessees, sublessees, licensees and concessionaires (but not the gross receipts of such lessees, sublessees, licensees or concessionaires, provided that such lessees, sublessees, and licensees and concessionaires are not subsidiaries or affiliates of Manager), and revenue recorded for Promotional Allowances, but excluding any taxes the Community is allowed to assess pursuant to Section 8.2.

2.37 Hard Count. "Hard Count" shall mean the count of the coin or tokens in a drop bucket (Slots).

2.38 Harrah's Brand Standards. "Harrah's Brand Standards" shall mean the operating and service standards currently established by Harrah's as found in the document referenced in Exhibit 2.38 and as the same may be amended or modified from time to time by Harrah's.

2.39 Harrah's Systems. "Harrah's Systems" shall mean a collective term for the casino services provided to the public by Manager or Manager's affiliates, or their successors or assigns, through management or license of facilities under the name Harrah's®.

2.40 Harrah's Marketing Services. "Harrah's Marketing Services" shall mean those services as defined in Section 4.7.

2.41 House Bank. "House Bank" shall mean the amount of cash, chips, and tokens that Manager from time to time determines necessary to have at the Enterprise daily to meet its cash needs.

2.42 IGRA. "IGRA" shall mean the Indian Gaming Regulatory Act of 1988, PL 100 497, 25 U.S.C. § 2701 et seq. as same may, from time to time, be amended.

2.43 Internal Control Systems. "Internal Control Systems" shall mean the systems described in Section 4.16.

2.44 Legal Requirements. "Legal Requirements" shall mean any and all present and future judicial, administrative, and tribal rulings or decisions, and any and all present and future federal, state, local, and tribal laws, ordinances, rules, regulations, permits, licenses and certificates, in any way applicable to the Community, Manager, the Property, the Enterprise, and the Enterprise, including without limitation, the IGRA, the Compact, and the Community Gaming Code. Moved remainder of this paragraph to the end of Section 3.6.

2.45 Management Agreement. "Management Agreement" shall mean this Agreement and may be referred to herein as the "Agreement."

2.46 Management Fee. "Management Fee" shall mean the management fee described in Section 6.1.

2.47 Management Officers. "Management Officers" shall include the General Manager, the Director of Finance and Administration, the Director of Casino Operations, the Director of Marketing, the Director of Food and Beverage, and the Director of Human Resources, whose salaries and benefits shall be paid entirely by the Manager and shall not be included in Operating Expenses of the Enterprise. To the extent any of the foregoing jobs are filled by enrolled members of the Community, their spouses, children, or persons completing the training set out at Section 4.6.8, the salaries and benefits of such persons shall become Operating Expenses.

2.48 Manager. "Manager" shall mean Harrah's Arizona Corporation.

2.49 Manager Proprietary Information. "Manager Proprietary Information" shall mean the information described in Section 9.22.2.

2.50 Manager's Representatives. "Manager's Representatives" shall be designated by Manager by notice given to the Community in accordance with Article 9 of this Agreement. The Manager's Representatives shall serve as liaison between the Manager and the Community. There shall be a Manager's Representative during the entire term of this Agreement.

2.51 Material Breach. "Material Breach" shall mean such material breach as described in Section 11.3.

2.52 Member of the Community Government. "Member of the Community Government" shall have the meaning described in Section 10.5.

2.53 Minimum Balance. "Minimum Balance" shall mean the amount described in Section 4.17.1.

2.54 Minimum Guaranteed Monthly Payment. "Minimum Guaranteed Monthly Payment" shall mean that payment due the Community each month commencing in the month after the Commencement Date occurs in accordance with 25 U.S.C. 2711 (b)(3) and Section 6.6 hereof.

2.55 Monthly Distribution Payment. "Monthly Distribution Payment" shall have the meaning set forth in Section 6.4.

2.56 National Indian Gaming Commission ("NIGC"). The "NIGC" is the commission established pursuant to 25 U.S.C. § 2704.

2.57 Net Revenues. "Net Revenues" shall mean the sum of "Net Revenues (gaming)" and "Net Revenues (other)."

2.58 Net Revenues (gaming). "Net Revenues (gaming)" shall mean Gross Gaming Revenue (Win), of the Enterprise from Class II or Class III gaming less all gaming related Operating Expenses, excluding the Management Fee, and less the retail value of any Promotional Allowances, and less the following revenues actually received by the Enterprise and included in Gross Revenues:

- (i) any gratuities or service charges added to a customer's bill;
- (ii) any credits or refunds made to customers, guests or patrons;
- (iii) any sums and credits received by the Enterprise for lost or damaged merchandise;
- (iv) any sales taxes, excise taxes, gross receipt taxes, admission taxes, entertainment taxes, tourist taxes or charges received from patrons and passed on to a governmental or quasi governmental entity;
- (v) any proceeds from the sale or other disposition of furnishings and equipment or other capital assets;
- (vi) any fire and extended coverage insurance proceeds other than for business interruption;
- (vii) any condemnation awards other than for temporary condemnation;
- (viii) any proceeds of financing or refinancing; and

- (ix) any interest on bank account(s).

It is intended that this provision be consistent with 25 U.S.C. § 2703 (9).

2.59 Net Revenues (other). "Net Revenues (other)" shall mean all Gross Revenues of the Enterprise from all other sources not included in "Net Revenues (gaming)," such as revenues from food and beverage, entertainment, and retail, less all Operating Expenses, excluding the Management Fee and less the retail value of Promotional Allowances, if any, and less the following revenues actually received by the Enterprise and included in Gross Revenues:

- (i) any gratuities or service charges added to a customer's bill;
- (ii) any credits or refunds made to customers, guests or patrons;
- (iii) any sums and credits received by the Enterprise for lost or damaged merchandise;
- (iv) any sales taxes, excise taxes, gross receipt taxes, admission taxes, entertainment taxes, tourist taxes or charges received from patrons and passed on to a governmental or quasi governmental entity;
- (v) any proceeds from the sale or other disposition of furnishings and equipment or other capital assets;
- (vi) any fire and extended coverage insurance proceeds other than for business interruption;
- (vii) any condemnation awards other than for temporary condemnation;
- (viii) any proceeds of financing or refinancing; and
- (ix) any interest on bank account(s).

It is intended that this provision be consistent with 25 U.S.C. § 2703 (9).

2.60 Off-Site Employees. "Off-Site Employees" shall mean such employees of Manager or Manager's Affiliates who are not located at the Enterprise but who are used by Manager to provide services to the Enterprise as described in Section 4.6.4.

2.61 Operating Budget and Annual Plan. "Operating Budget and Annual Plan" shall mean the operating budget and plan described in Section 4.9.

2.62 Operating Expenses. "Operating Expenses" shall mean all expenses of the operation of the Enterprise, pursuant to GAAP, including but not limited to the following:

- (i) the payment of (i) salaries, wages, and benefit programs for Enterprise Employees, excluding salaries, wages, and benefit programs for Management Officers as defined in Section 2.48; (ii) salaries, wages, and benefit programs for Off Site Employees, as described in Section 4.6.4, to the extent approved in the Operating Budget and Annual

Plan; and (iii) the cost of Centralized Services to the extent approved in the Operating Budget and Annual Plan;

(ii) Operating Supplies for the Enterprise;

(iii) all utilities, including all costs connected with operation and maintenance of the traffic signalization at the entrance to the casino and other road signals serving the Enterprise;

(iv) repairs and maintenance of the buildings or structures housing the Enterprise (excluding Capital Replacements);

(v) interest on installment contract purchases or other interest charges on debt approved in the Capital Budget or Operating Budget and Annual Plan;

(vi) insurance and bonding;

(vii) advertising and marketing, including busing and transportation of patrons to the Enterprise;

(viii) accounting, legal and other professional fees;

(ix) security costs;

(x) reasonable travel expenses for officers and employees of the Enterprise, Manager or its Affiliates to inspect and oversee the Enterprise, subject to the approved Operating Budget and Annual Plan;

(xi) lease payments for Furnishings and Equipment subject to the approved Capital Budget or Operating Budget and Annual Plan;

(xii) trash removal;

(xiii) costs of goods sold;

(xiv) other expenses designated as Operating Expenses in accordance with the accounting standards as referred to in Section 4.19.3;

(xv) expenses specifically designated as Operating Expenses in this Agreement;

(xvi) depreciation and amortization of any buildings or structures housing the Enterprise based on an assumed 30 year life, and depreciation and amortization of all other assets in accordance with GAAP;

(xvii) recruiting and training expenses;

(xiii) fees due to the NIGC under the IGRA;

(xix) any required payments to the State or local governments made by or on behalf of the Enterprise or the Community less any refunds of fees or payments made pursuant to the Compact;

(xx) any charitable contributions approved in the Operating Budget and Annual Plan made by the Enterprise on behalf of the Community, and made in the name of the Ak-Chin Indian Community and Harrah's;

2.63 Operating Supplies. "Operating Supplies" shall mean food and beverages (alcoholic and nonalcoholic) and other consumable items used in the operation of the Enterprise, such as playing cards, tokens, chips, plaques, dice, fuel, soap, cleaning materials, matches, paper goods, stationery and all other similar items.

2.64 Prime Rate. "Prime Rate" shall mean the rate that is reported in the Money Rates column of The Wall Street Journal on the Business Day for which the rate is applicable (or the next preceding Business Day, if the applicable day is not a Business Day). If The Wall Street Journal ceases publication of the Prime Rate, the Prime Rate (or base rate) from time to time announced by Bankers Trust Company, New York, New York, or its successor (whether or not such rate has actually been charged by such bank), or if Bankers Trust Company discontinues the practice of announcing the Prime Rate, the "Prime Rate" shall mean the highest rate charged by such bank on short term, unsecured loans to corporate borrowers. If The Wall Street Journal (a) publishes more than one Prime Rate, the higher or highest of such rate shall apply, or (b) publishes a retraction or correction of any such rate, the rate reported in such retraction or correction shall apply. If the Prime Rate changes, interest rates in this Agreement which are based on the Prime Rate shall change, effective as of the first day of each calendar month, to reflect the Prime Rate in effect on the last day of the preceding calendar month. Notwithstanding anything to the contrary in this paragraph, the Prime Rate shall never exceed the Usury Rate.

2.65 Promotional Allowances. "Promotional Allowances" shall mean the retail value of complimentary food, beverages, merchandise, and tokens for gaming, provided to patrons as promotional items.

2.66 Property. "Property" shall mean the parcel of land described in Exhibit 1.1 hereto held by the United States of America in trust for the Community.

2.67 Relative. "Relative" shall have the meaning described in Section 10.5.

2.68 Soft Count. "Soft Count" shall mean the count of the contents in a drop box (Tables), the contents of bill validators, as well as all revenue from other Enterprise sources not included in Hard Count, such as revenue from the bar, restaurants and gift shop.

2.69 State. "State" shall refer to the state of Arizona.

2.70 System Marks. "System Marks" shall mean the marks of Harrah's described in Section 7.2.

2.71 System Fees. "System Fees" shall mean those fees from time to time established for Harrah's Marketing Services, as described in Section 4.7.1.

2.72 **Term.** "Term" shall mean the term of this Agreement as described in Section 3.2.

3. **Covenants.** In consideration of the mutual covenants contained in this Agreement, the parties agree and covenant as follows:

3.1 **Engagement of Manager.** The Community hereby retains and engages Manager as the exclusive manager of the Enterprise pursuant to the terms and conditions of this Agreement, and Manager hereby accepts such retention and engagement, subject to receipt of all necessary regulatory approvals.

3.2 **Term.** The term of this Agreement shall begin on the Effective Date and continue until the later of .

3.3 **Status of Property.** The Community represents and covenants that it will maintain the Property throughout the Term as land held in Trust by the United States of America for the benefit of the Community, eligible as a location upon which Class II and Class III Gaming can occur. The Community covenants, during the term hereof, that Manager shall and may peaceably have complete access to and presence in the Property and buildings or structures housing the Enterprise in accordance with the terms of this Agreement; provided, however, that such right of access to and presence in the buildings or structures housing the Enterprise shall cease upon the termination of this Agreement pursuant to its terms. Further, the Community shall, at its expense, not as an Operating Expense, maintain all infrastructure, such as utility services in accordance with all Legal Requirements so as to provide such services necessary to the operation of the Enterprise, and so as to avoid any interruption to the business of the Enterprise. To the extent utility services are supplied by the Community, same will be provided at a price no greater than is charged to other governmental or business customers of the Community's utilities.

3.4 **Compliance with Law; Licenses.** Manager and Community covenant that each will at all times comply with all Legal Requirements, to the extent applicable, and any licenses issued under any of the foregoing. The Community shall not unreasonably withhold, delay, withdraw, qualify or condition such licenses as the Community is authorized to grant.

3.5 **Amendments to Community Law and Order Code.** The Community covenants that any amendments made to the Community Law and Order Code and the regulations promulgated thereunder, to the extent the same relate to the operation of the Casino, will be a legitimate effort to ensure that Gaming is conducted in a manner that adequately protects the environment, the public health and safety, and the integrity of the Enterprise. The adoption of any amendments to the Community Law and Order Code and the regulations promulgated thereunder or any other ordinances or resolutions that would materially and adversely affect Manager's rights under this Agreement shall be a Material Breach of this Agreement. Further, Manager will be given a reasonable opportunity to comment on any amendments to the Community Law and Order Code, the regulations promulgated under it, and any changes to the System for Internal Controls prior to their enactment. Such comments shall be made in writing to the Community through the Community Council or to the Tribal Gaming Agency, as may be appropriate, within

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fourteen (14) days after written notice of any proposed changes is given to the Manager, unless additional time is granted by the Community Council.

3.6 Compliance with Compact. The parties shall at all times comply with the provisions of the Compact. Further, Manager and Community mutually agree to notify the other immediately upon any imposition or attempted imposition of regulations, decisions or rulings by the state of Arizona, respecting the gaming operations conducted at the Enterprise, and to cooperate reasonably with each other in any efforts made by the Community and/or the Manager to dispute or to modify any State regulation, ordinance or procedure which may affect gaming at the Enterprise, whether by arbitration, litigation, or otherwise.

3.7 Fire and Safety. Manager shall ensure that the structures or buildings housing the Enterprise shall be maintained and any renovations or repairs made in compliance with all fire and safety statutes, ordinances, and regulations which would be applicable if such structures or buildings housing the Enterprise were located outside of the jurisdiction of the Community although those requirements would not otherwise apply within that jurisdiction. Nothing in this Section shall grant any jurisdiction to the state of Arizona or any political subdivision thereof over the Property or any structures or buildings housing the Enterprise. The Community shall be responsible for arranging fire protection and police services for any structures or buildings housing the Enterprise.

3.8 Compliance with the National Environmental Policy Act. With the assistance of Manager, the Community shall supply the NIGC with all information necessary for the NIGC to comply with any regulations of the NIGC issued pursuant to the National Environmental Policy Act (NEPA).

3.9 Satisfaction of Effective Date Requirements. Manager and the Community each agree to cooperate and to use their best efforts to satisfy all of the conditions of the Effective Date at the earliest possible date. The Community shall adopt a resolution (the "Community Resolution") reciting that the Management Agreement (Casino) is the legal and binding obligation of the Community, valid and enforceable in accordance with its terms.

4. Business and Affairs in Connection with Enterprise.

4.1 Manager's Authority and Responsibility. Manager shall have the exclusive authority to conduct and direct all business and affairs in connection with the day-to-day operation, management and maintenance of the Enterprise and any structures or buildings housing the Enterprise, including, but not limited to, the establishment of operating days and hours. The Community agrees that it will not interfere with the Manager's obligations under this Agreement. It is the parties' intention that the Enterprise be open 24 hours daily, seven days a week. Manager is hereby granted the necessary power and authority to act, through the General Manager, in order to fulfill all of its responsibilities under this Agreement. Nothing herein grants or is intended to grant Manager a titled interest to any structures or buildings housing the Enterprise or to the Enterprise itself. Manager hereby accepts such retention and engagement.

4.2 Duties of Manager. In managing, operating, maintaining and repairing the Enterprise and any structures or buildings housing the Enterprise, under this Agreement, Manager's duties shall include, without limitation, the following:

4.2.1 Physical Duties. Manager shall use reasonable measures for the orderly physical administration, management, and operation of the Enterprise and any structures or buildings housing the Enterprise, including without limitation cleaning, painting, decorating, plumbing, carpeting, grounds care and such other maintenance and repair work as is reasonably necessary.

4.2.2 Compliance. Manager shall comply with all duly enacted statutes, regulations and ordinances of the Community.

4.2.3 Required Filings. Manager shall comply with all applicable provisions of the Internal Revenue Code including, but not limited to, the prompt filing of any cash transaction reports and W-2G reports that may be required by the Internal Revenue Service of the United States or under the Compact.

4.2.4 Contracts in Community's Name Doing Business as the Enterprise and at Arm's Length. Contracts for the operations of the Enterprise shall be entered into in the name of the Community, doing business as the Enterprise, and signed by the General Manager. Any expenditure in any year in excess of

not previously approved as part of either the Operating Budget and Annual Plan or the Capital Budget shall be approved by the Community Council. No expenditures, of any amount, for the supply of goods or services to the Enterprise shall be entered into with an Affiliate of the Manager unless that affiliation is disclosed to the Community Council. Notwithstanding anything to the contrary contained herein, contracts for the supply of any goods or services paid for entirely by Manager may be provided by an Affiliate of the Manager, provided that payments on such contracts shall not constitute Operating Expenses and shall be the sole responsibility of Manager and the Community Council shall be notified of any such contracts. Nothing contained in this Section 4.2.4 shall be deemed to be or constitute a waiver of the Community's sovereign immunity.

4.2.5 Enterprise Operating Standards. Manager shall operate the Enterprise in a proper, efficient and competitive manner in accordance with operating standards which are consistent with the operating standards of the casino industry generally and at a minimum comply with the Harrah's Brand Standards, a description of which is attached hereto as Exhibit 2.38, as revised from time to time by Harrah's Entertainment, Inc.

4.3 Security. Manager shall provide for appropriate security for the operation of the Enterprise. All operational aspects of the Enterprise security and surveillance shall be the exclusive responsibility of Manager, provided, however, that investigation of possible violations of the Compact, Tribal Gaming Code, IGRA, or other applicable statutes, is the primary responsibility of the Ak-Chin Indian Community Tribal Gaming Agency. Any security officer shall be insured in an amount commensurate with his or her enforcement duties and obligations. For security purposes, Manager shall provide advance written notice to the Tribal Gaming Agency of any theatrical production.

4.4 Damage, Condemnation or Impossibility of the Enterprise. If, during the term of this Agreement, the Enterprise, or any structures or buildings pertaining thereto, is damaged or

destroyed by fire, war, or other casualty, or by an Act of God, or if Gaming on the Property is prohibited as a result of a decision of a court of competent jurisdiction or by operation of any applicable legislation, Manager shall have the following options:

4.4.1 Recommencement of Operations. If Gaming on the Property is prohibited by Legal Requirements, Manager shall have the option to continue its interest in this Agreement and to commence or recommence the operation of Gaming at the Enterprise if, at some point during the Term of this Agreement, such commencement or recommencement shall be legally and commercially feasible in the judgment of Manager, upon consultation with and agreement with the Community Council.

4.4.2 Repair or Replacement. If the Enterprise, or any structures or buildings pertaining thereto, is damaged or destroyed so that Gaming can no longer be conducted at the Enterprise, the Enterprise, or any structures or buildings pertaining thereto, shall be reconstructed from the insurance proceeds, which must be equal to the cost of restoration or replacement of the Enterprise to a condition at least comparable to that before the casualty occurred.

4.4.3 Intentionally Left Blank

4.4.4 Termination of Gaming. Manager shall have the option at any time within a sixty (60) day period following the cessation of Gaming on the Property to notify the Community in writing that it is terminating operations under this Agreement. In such notice, Manager shall submit to the Community a plan for termination, which shall detail its plans for termination and return of the Enterprise to the Community. In any case of termination, Manager shall retain any rights Manager may have to undistributed Net Revenues pursuant to Section 6 of this Agreement and rights to repayments of amounts owed to it. If Manager does not elect to terminate this Agreement, the Manager and the Community shall take whatever action may be necessary to reduce expenses during such termination of Gaming.

4.4.5 Tolling of the Agreement. Subject to the term of the Compact, if, after a period of cessation of Gaming on the Property, the recommencement of Gaming is possible, and if Manager has not terminated this Agreement under the provisions of Section 4.4.4, the period of such cessation shall not be deemed to have been part of the term of this Agreement and the date of expiration of the term of this Agreement shall be extended by the number of days of such cessation period.

4.5 Alcoholic Beverages and Tobacco Sales. During the term of this Agreement alcoholic beverages may be served at the Enterprise if permissible in accordance with applicable law. Tobacco and tobacco products may be sold at the Enterprise subject to and in accordance with the Community's licensing requirements, if any.

4.6 Employees.

4.6.1 Manager's Responsibility. Manager shall have, subject to the terms of this Agreement, the exclusive responsibility and authority to direct the selection, control, discipline, and discharge of all employees performing regular services for the Enterprise in connection with the maintenance, operation, and management of the Enterprise and any structures or buildings pertaining thereto and the sole responsibility for determining

whether a prospective employee is qualified and the appropriate level of compensation to be paid.

4.6.2 Enterprise Employee Policies. Manager and Community hereby adopt the personnel policies and procedures (the "Enterprise Employee Policies"), currently in effect, a copy of which has been delivered to the Community Council. The Enterprise Employee Policies shall include a grievance procedure in order to establish fair and uniform standards for the Enterprise Employees, which will include procedures for the resolution of disputes between Manager and Enterprise Employees. Manager shall give written notice to the Community Council of any proposed changes to the Enterprise Employee Policies, including the addition of new policies. Approval of same shall be deemed granted if no written notice of objection is given by the Community Council within ten (10) calendar days thereafter.

4.6.3 Community Inspector(s). The Community shall select the Community Inspector(s) who shall be employed by the Community for the following purposes and shall have immediate access to the Enterprise:

(a) To inspect on behalf of the Community, all aspects of the Enterprise, including daily operations of the Enterprise, which inspections may be made by the Community Inspector(s) at any time without advance notice; such inspection, however, to be made subject to the restrictions and oversights by the Tribal Gaming Agency set forth in this Section;

(b) Verification of all revenues and all income of the Enterprise, which verification may be made at any time without advance notice;

(c) Obtaining of information requested by Community Council respecting any and all operations of the Enterprise, and reporting the same to Community Council in a format to be established by Community Council, for which purpose the Community Inspector(s) shall have full access to any and all records or papers pertaining to the Enterprise, whether maintained at the Enterprise or elsewhere.

(d) At the request of the Community Council, to investigate problems relating to any aspect of Enterprise operations of which Community Council has been made aware, and to discuss possible solutions of such problems with the Manager on behalf of Community Council; and

(e) Any other tasks relating to operation of the Enterprise which Community Council requests the Community Inspector(s) to undertake.

The salary and benefits, if any, of the Community Inspector(s) and other terms of employment shall be approved by the Community Council. The Community Inspector(s) shall report directly to the Community Council.

The powers and duties of the Community Inspector(s) may be performed by any individual or individuals designated by Community Council for this purpose, whether such individual is designated as "Community Inspector," "Casino Liaison," or otherwise.

Upon any inspection of the non-public areas of the Enterprise or the records thereof undertaken by the Community Inspector pursuant to this Section, the Manager or his or her designee may accompany the Inspector.

Upon any inspection of the "Restricted Areas" of the Enterprise undertaken by the Community Inspector pursuant to this Section, the Community Inspector shall be escorted into and from such areas by agents of the Tribal Gaming Agency, who will remain with the Inspector throughout the inspection process. For the purposes of this Section, Enterprise "Restricted Areas" include:

- (a) Cashier's Cage;
- (b) Count Rooms;
- (c) Management Information Systems (Computer) Room;
- (d) Surveillance Room;
- (e) Vault; and
- (f) Any other area specifically designated as Restricted Area by Ak-Chin Tribal Gaming Agency pursuant to a regulation promulgated by the TGA.

Upon an appointment of an individual or individuals as Community Inspectors as provided herein, the Community Council shall designate in writing the names of those individuals as Community Inspectors to the Manager pursuant to the notice requirement set forth herein.

Such individual or individuals shall be licensed by the Community, through the Tribal Gaming Agency, and shall undergo the background investigation required for Gaming Employees under the Tribal Gaming Code. Such individual or individuals, who shall be required to execute a confidentiality agreement in a form mutually agreeable to the Community and to Manager, shall have, upon request, full access, including, to the extent same is available, "read-only" access to all data concerning the Enterprise stored or residing on computer, as may be available and independent of the data input/change capability, to inspect all aspects of the Enterprise, including the daily operations of the Enterprise, and to verify daily Gross Revenues and all income and other aspects of the Enterprise, at any time without advance notice; provided, however, that such access shall be subject to the restrictions and oversight by the Tribal Gaming Agency set forth in this Section 4.6.3. Further, the Community Inspector(s) shall have no unilateral access to the Manager's Proprietary Systems, nor shall the activities of the Community Inspector(s) interfere with the Manager's operation of the Enterprise.

4.6.4 Off-Site Employees. Subject to approval of same as part of the Operating Budget and Annual Plan, Manager shall also have the right to use employees of Manager and Manager's Affiliates not located at the Enterprise to provide services to the Enterprise ("Off-Site Employees"). All expenses, costs (including, but not limited to, salaries and benefits, but excluding pension, retirement, severance or similar benefits),

which are related to such Off-Site Employees shall be subject to the Operating Budget approved by the Community Council.

4.6.5 No Manager Wages or Salaries. Except as otherwise provided with respect to the reimbursement by the Community, in its capacity as a party to the Agreement, to Manager of employer contributions to various employee benefit plans in which Enterprise Employees participate and Off-Site Employees described in Section 4.6.4, neither Manager nor Manager's Affiliates nor any of their directors or shareholders 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 Manager under Section 6.1. Nothing in this subsection shall restrict the ability of an employee of the Enterprise to purchase or hold stock in Manager, or Manager's Affiliates where (i) such stock is publicly held, and (ii) such employee acquires, on a cumulative basis, less than five percent (5%) of the outstanding stock in the corporation.

4.6.6 Community Regulatory Costs. The operations of the Gaming Agency shall, after the Commencement Date, be funded from the Operating Budget and Annual Plan as an Operating Expense of the Enterprise in an amount which reflects the reasonable cost to the Gaming Agency of regulating the Class II and Class III Gaming, up to an amount not to exceed _____ per year. Subject to the maximum amounts described above, payments of _____ of the Agency's annual approved budget shall be payable to the Community's bank account specified by the Community Council in a notice to Manager pursuant to Section 9.2 on January 21st, April 21st, July 21st and October 21st of each calendar year. Such payments shall not be combined with any other payments to the Community. Nothing contained herein is intended to limit the Community's prerogative to budget more money to the Gaming Agency. This provision only limits the amount which can be charged as an Operating Expense. During the term of this Agreement, Manager shall be supplied a copy of the actual budget and a year-end statement of account of the Gaming Agency.

4.6.7 Employee Background Checks. No individual whose prior activities, criminal record, if any, or reputation, habits and associations are known to pose a threat to the public interest, the effective regulation of Gaming, or to the gaming licenses of Manager or any of its Affiliates, or to create or enhance the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of Gaming, shall knowingly be employed by Manager or the Community.

The information required to complete background investigations shall satisfy all regulatory requirements applicable to Manager, including, but not limited to, those contained in IGRA, the Compact, the Tribal Gaming Code and any other applicable regulations. The Gaming Agency shall give written notice to Manager of said requirements as well as any changes to them.

4.6.8 Indian Preference, Recruiting and Training. In order to maximize benefits of the Enterprise to the Community, Manager shall, during the term of this Agreement, to the extent permitted by applicable law, including but not limited to the Indian Civil Rights Act, 25 U.S.C. §1301 et. seq., give preference in recruiting, training and employment to qualified members of the Community, their spouses and children in all job categories of the Enterprise, including Senior Managers. Manager shall:

- (i) abide by any duly enacted Community preference laws;
- (ii) give such preferences in the following order of preference to the extent consistent with law;
 - (a) enrolled Tribal members;
 - (b) spouse, parent or children of Tribal members;
 - (c) other Native Americans.
- (iii) develop, in consultation and with input from the Community Council or its designated representative, a plan for selecting and training qualified members of the Community in all job categories of the Enterprise, including senior manager categories thereof. Manager shall, within ninety (90) days of the Commencement Date, deliver to the Community Council a plan detailing such training, which plan will include the objectives of such training, the number of individuals who are expected to undertake such training, and the projected duration of all training segments. The training program will be based on the qualifications, attributes, and abilities of each individual participant. The cost of the training plan shall be an Operating Expense.

Manager shall submit to the Community Council a quarterly report describing the progress of each individual undertaking such training.

The initial plan, and any modifications or proposed changes thereto, shall be approved by the Community Council.

4.6.9 Advisory Board. The Community and Manager shall create a training Advisory Board, which shall consist of two representatives of the Manager, two Community members who are either currently engaged in the Casino Training Program called for under the Plan or who have successfully completed such training, and two Community employees as designated by the Community Council. The Advisory Board shall meet from time to time, but at least quarterly to review the quarterly report called for by Section 4.6.8(iii), to receive any complaints or concerns of any party regarding the training program, and to report the same to Community Council and Manager for resolution of such issues.

4.7 Harrah's Marketing.

4.7.1 Nature of Marketing Services. The services described in this Section 4.7 ("Harrah's Marketing Services") shall be provided by Manager, subject to approval by the Community Council, with individual charges ("System Fees") to accrue commencing as of the Commencement Date at the prevailing rates then being charged to Manager's casinos in the United States of America and shall be subject to increase or decrease as hereinafter set forth. The presently established System Fees applicable to the Enterprise are listed below. The only System Fees that shall be payable by the Enterprise are any optional marketing services described in Section 4.7.2.

Funds collected as System Fees shall, upon payment, become the sole property of Manager and Manager's Affiliates, as the case may be, may be commingled with Manager's and Manager's Affiliates' other funds, and shall not be segregated or subjected to any trust, fiduciary or other limitation, and the Community shall have no claim against Manager or Manager's Affiliates whatsoever to require any particular application thereof.

4.7.2 Optional Marketing Services. The Community acknowledges that Manager and Manager's Affiliates may provide services in addition to those which are encompassed by this Agreement. The Community agrees to consider in good faith any bids/proposals presented to it by Manager or any of Manager's Affiliates to provide any such additional services to the Enterprise, it being understood, however, that this Section shall in no event be construed to require the Community to accept any such bid/proposal.

The System Fees charged the Enterprise for any Harrah's Marketing Services provided under this Section 4.7.2 will be made on the same basis as fees charged to all casinos owned or managed by Manager or Manager's Affiliates or licensed to operate under Harrah's System Marks, provided that, owing to the different characteristics of certain casinos (for example, casinos having hotel rooms versus casinos not having such rooms; river boat casinos versus land based casinos) certain System Fees may not apply to all casinos. Increases, decreases, additions or deletions in charges for Harrah's Marketing Services may be made from time to time provided such changes are made on a system wide basis for casinos having characteristics similar to the Enterprise. If Manager or Manager's Affiliates extend other services to casinos, on a system-wide basis and if a uniform charge or charges for such services shall be applicable to other Harrah's casinos, then such other services shall also be made available to the Enterprise on a basis no greater than that applicable to other Harrah's casinos.

4.8 Centralized Services Cost. The cost of Centralized Services utilized by the Enterprise will be an Operating Expense of the Enterprise and shall be subject to the Operating Budget and Annual Plan as approved by the Community Council.

4.9 Operating Budget and Annual Plan. Manager shall, not less than ninety (90) days prior to the commencement of each full or partial Fiscal Year, submit to the Community Council for its approval, a proposed Operating Budget and Annual Plan for the ensuing full or partial Fiscal Year, as the case may be. The Operating Budget and Annual Plan shall include a projected income statement, balance sheet, and projection of cash flow for the Enterprise, with detailed justifications explaining the assumptions used therein, and included with the Operating Budget and Annual Plan a business and marketing plan for the Fiscal Year, and the Minimum Balance which must remain in the Enterprise Bank Accounts and the House Bank as of the end of each month during the Fiscal Year to assure sufficient monies for working capital purposes, the House Bank and other expenditures authorized under the Operating Budget and Annual Plan.

The Operating Budget and Annual Plan for the Enterprise will be submitted by Manager in a format mutually agreed upon by the parties and will be comprised of the following:

(a) a summary statement of the estimated income and expenses for the coming Fiscal Year, including estimates as to Gross Revenues and Operating Expenses for such Fiscal Year, such operating budget to reflect the estimated results of the operation during each month of the subject Fiscal Year;

(b) detailed budgets for each department of the Enterprise, which shall include written explanations and back-up documentation for the budget of each department;

(c) either as part of the statement of the estimated income and expenses referred to in the preceding clause (a), or separately, budgets (and timetables and requirements of Manager) for:

- (i) repairs and maintenance;
- (ii) Capital Replacements;
- (iii) Furnishings and Equipment;
- (iv) advertising and business promotion programs for the Enterprise;
- (v) the estimated cost of Promotional Allowances; and

(d) the business and marketing plan for the subject Fiscal Year.

The Community Council's approval of the Operating Budget and Annual Plan shall not be unreasonably withheld or delayed. Manager and the Community Council, the Community Inspector(s) and other Community representatives shall meet to discuss the proposed Operating Budget and Annual Plan within twenty (20) days after submission of the proposed Budget and Plan by Manager. Community Council and the Community Inspector(s) shall review the proposed Budget and Plan and respond to Manager with either approval thereof or objections thereto within thirty (30) days after Manager and Community representatives have met to discuss the proposed Budget and Plan.

If the Community Council for any reason declines to meet with Manager to discuss a proposed Budget and Plan, the Community shall be deemed to have consented to such proposed Budget and Plan unless a specific written objection is delivered to Manager within forty (40) days after the date the proposed Budget and Plan was submitted to Community Council.

To be effective, any notice which disapproves a proposed Budget and Plan must contain specific objections in reasonable detail to individual line items, provided that sufficient reasonable detail is provided in the Budget and Plan respecting such items, so as to allow the Community Council opportunity to respond in detail.

If the Community Council and the Manager are unable to resolve the disputed or objectionable item(s) prior to the commencement of the applicable fiscal year, the undisputed portions of the proposed Operating Budget and Annual Plan shall be deemed to be adopted and approved and the corresponding line item(s) contained in the Operating Budget and Annual Plan for the preceding fiscal year shall be adjusted as set forth herein and shall be substituted in lieu of the disputed item(s) in the proposed Operating Budget and Annual Plan. Those line items which are in dispute shall be determined by reference to and incorporation of corresponding line items in the preceding Fiscal Year's Budget increasing the preceding fiscal year's actual expenses for the corresponding line items by an amount which does not exceed the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, U.S. City Average, all items (1982-1984 = 100) for the Fiscal Year prior to the Fiscal Year

with respect to which the adjustment to the line item(s) is being calculated or any successor or replacement index thereto. The resulting Operating Budget and Annual Plan obtained in accordance with the preceding sentence shall be deemed to be the Operating Budget and Annual Plan in effect until such time as Manager and the Community Council have resolved the items objected to by the Community Council.

4.9.1 Adjustments to Operating Budget and Annual Plan. Manager may, after notice to and approval by the Community Council, revise the Operating Budget and Annual Plan from time to time, as necessary, to reflect any unpredicted significant changes, variables or events or to include significant, additional, unanticipated items of expense. Manager may reallocate part or all of the amount budgeted with respect to any line item to another line item and to make such other modifications to the Operating Budget and Annual Plan as Manager deems necessary, provided that such reallocation shall not exceed _____ and that the total adjustments to the Operating Budget and Annual Plan shall not exceed _____ of the aggregate approved Operating Budget and Annual Plan without approval of the Community Council. Increases in excess of _____

of the aggregate Operating Budget and Annual Plan shall not be deemed to be changes in the Budget unless specifically approved as such by Community Council, which approval shall not be unreasonably withheld or delayed. In addition, in the event actual Gross Revenues for any month are greater than those provided for in the Operating Budget and Annual Plan, the amounts approved in the Operating Budget and Annual Plan for any month shall be automatically deemed to be increased to an amount that bears the same relationship (ratio) to the amounts budgeted for such items as actual Gross Revenue for such month bears to the projected Gross Revenue for such month. The Community acknowledges that the Operating Budget and Annual Plan is intended only to be a reasonable estimate of the Enterprise's revenues and expenses for the ensuing Fiscal Year. Manager shall not be deemed to have made any guarantee concerning projected results contained in the Operating Budget and Annual Plan.

4.9.2 Advertising and Marketing Plan. Manager shall provide to Community Council a draft of the Plan for advertising and marketing of the Enterprise for the ensuing Fiscal Year by October 1 of each year.

Manager and Community Council shall meet with each other and other Community representatives, as designated by Community Council, to discuss the proposed Advertising and Marketing Plan within thirty (30) days after submission of the proposed Plan by Manager.

Except as provided herein as to the early delivery and discussions of a draft Advertising and Marketing Plan; the Advertising and Marketing Plan shall be approved in the same manner as, and shall become a part of the Operating Budget and Annual Plan developed pursuant to Section 4.9.

4.10 Capital Budgets. Manager shall, not less than ninety (90) days prior to the commencement of each fiscal year, or partial fiscal year, submit to the Community Council a recommended capital budget (the "Capital Budget") describing the present value, estimated useful life and estimated replacement costs for the ensuing full or partial year, as the case may be, for the physical plant, furnishings, equipment, and ordinary capital replacement items, all of which are defined to be any items, the cost of which is capitalized and depreciated, rather than

expensed, using GAAP ("Capital Replacements") as shall be required to operate the Enterprise in accordance with sound business practices. Capital Replacements in the Capital Budget in an aggregate sum equal to or less than the sum of the Capital Replacement Reserve for the Fiscal Year shall be approved by the Community Council; and any amounts in excess of the Capital Replacement Reserve for the Fiscal Year shall be subject to approval of the Community Council in its sole discretion. The Community Council and Manager shall meet to discuss the proposed Capital Budget and the Community Council shall be required to make specific written objections to a proposed Capital Budget in the same manner and within the same time periods specified in Section 4.9 with respect to an Operating Budget and Annual Plan. The Community Council shall not unreasonably withhold or delay its consent. Manager shall be responsible for the design and installation of Capital Replacements, subject to the Community Council's approval of the design of same.

4.11 Capital Replacements. The Community shall effect and expend such amounts for any Capital Replacements as shall be required, in the course of the operation of the Enterprise, to maintain, at a minimum, the Enterprise in compliance with any Legal Requirements and to comply with Manager's recommended programs for renovation, modernization and improvement intended to keep the Enterprise competitive in its market, to maintain any Harrah's Brand Standards; or to correct any condition of an emergency nature, including without limitation, maintenance, replacements or repairs which are required to be effected by the Community, which in Manager's sole discretion requires immediate action to preserve and protect the Enterprise and any buildings or structures pertaining thereto, assure its continued operation, and/or protect the comfort, health, safety and/or welfare of the Enterprise's guests or employees (an "Emergency Condition"); provided, however, that Manager is authorized to take all steps and to make all expenditures from the Disbursement Account, described at Section 4.17.3 (in the case of non-capitalized repairs and maintenance), or Capital Replacement Reserve, described at Section 4.12, (in the case of expenditures for Capital Replacements) as it deems necessary to repair and correct any Emergency Condition, regardless whether such provisions have been made in the Capital Budget or the Operating Budget and Annual Plan for any such expenditures; or the cost thereof may be advanced by Manager and reimbursed from future revenues.

Manager shall not sell or dispose of any capital assets, as defined by GAAP, of the Enterprise, other than gaming devices, without giving thirty (30) days prior notice of any projected sale or disposal to Community Council, and without receiving written approval of such transaction from Community Council.

4.12 Capital Replacement Reserve. Manager shall establish a Capital Replacement Reserve in the name of the Community, and the periodic contributions of cash required by Section 4.13 shall be deposited by the Manager into an account (the "Capital Replacement Reserve") established in the Community's name at a bank designated by the Community Council in accordance with Section 4.17.1 of this Agreement. All amounts in the Capital Replacement Reserve shall be invested in interest bearing investments in accordance with the Enterprise Investment Policy set forth in Exhibit 4.12 to this Agreement to the extent that availability of funds, when required, is not thereby impaired. Interest earned on amounts deposited in the Capital Replacement Reserve shall be credited to the Capital Replacement Reserve and shall be available for payment of expenditures for Capital Replacements to the Enterprise. Manager shall draw on the Capital Replacement Reserve for Capital Replacements to purchase those items included in the Capital Budget approved by the Community Council or such emergency additions, repairs or replacements as shall be required to correct an Emergency Condition or to comply with the Harrah's Brand Standards.

4.13 Periodic Contributions to Capital Replacement Reserve. In accordance with Section 6.4 of this Agreement, Manager shall make monthly deposits into the Capital Replacement Reserve in amounts equivalent to an annual rate of _____ of Gross Revenues during the Term of this Agreement. The cash amounts required to be so deposited shall be calculated and deposited into the Capital Replacement Reserve, in arrears, no later than the twenty-first (21st) day of the month immediately following the month with respect to which a deposit is made. If any adjustment of Gross Revenues is made as a result of an audit or for other accounting reasons, a corresponding adjustment in the Capital Replacement Reserve deposit shall be made. In addition, all proceeds from the sale of capital items no longer needed for the operation of the Enterprise, and the proceeds of any insurance received in reimbursement for any items previously paid for from the Capital Replacement Reserve, shall be deposited into the Capital Replacement Reserve upon receipt. At the end of any Fiscal Year, the actual amount remaining in the Capital Replacement Reserve which exceeds the greater of _____ or the upcoming year's Capital Budget, shall, with the recommendation of the Community Council, be distributed to the Community at the end of the first quarter of the upcoming Fiscal Year.

(b)(1)

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4.14 Use and Allocation of Capital Replacement Reserve. Any expenditures for Capital Replacements which have been approved as part of the Capital Budget may be paid from the Capital Replacement Reserve without further review or approval from the Community Council or any other agency of the Community; provided, however, that if funds which have been budgeted for a specific project or projects are not in fact committed by December 15 of any given calendar year in which this Agreement is in force, a request for approval of expenditure of such funds on the project or projects for which they have been budgeted and previously approved must be resubmitted for approval as part of the following year's Capital Budget, pursuant to the provisions of Section 4.10.

4.15 Contracting. In entering contracts for the supply of goods and services for the Enterprise, Manager shall give preference to qualified members of the Community, their spouses and children, and qualified business entities certified by the Community to be controlled by members of the Community.

"Qualified" shall mean a member of the Community, a member's spouse or children, or a business entity certified by the Community to be controlled by members of the Community, who or which is able to provide services at competitive prices, and has skills and abilities to perform the tasks to be undertaken in an acceptable manner. Manager shall provide written notice to the Community in advance of all such contracting, subcontracting and construction opportunities, and the Community shall provide to Manager on a quarterly basis a list of Qualified vendors.

4.16 Internal Control Systems. Manager shall maintain systems for monitoring of all funds (the "Internal Control Systems"), which systems shall comply with all Legal Requirements. The Community shall retain the right to review all Internal Control Systems and any changes instituted to the Internal Control Systems of the Enterprise. Any significant changes in such systems after the Commencement Date also shall be subject to review and approval by the Gaming Agency. The Gaming Agency and Manager shall have the right and duty to maintain and police the Internal Control Systems in order to prevent any loss of proceeds from the Enterprise. The Gaming Agency shall have the right, subject to advance written notice and opportunity to comment as provided in Section 3.5, to require the Manager to make changes or corrections to the Internal Control System; provided that such changes or corrections shall better safeguard

Enterprise proceeds, and be in the best interest of the Enterprise. The Gaming Agency shall have the right to inspect and oversee the Internal Control System at all times. Manager shall install a closed circuit television system to be used for monitoring the cash handling activities of the Enterprise sufficient to meet all Legal Requirements.

4.17 Banking and Bank Accounts.

4.17.1 Enterprise Bank Accounts. The Manager shall recommend, and the Community Council shall approve, a bank or banks for the deposit and maintenance of funds and shall establish in such bank or banks accounts as Manager deems appropriate and necessary in the course of business and as consistent with this Agreement ("Enterprise Bank Accounts"). Establishment of any Enterprise Bank Account shall be subject to the mutual approval of the Manager and the Community. The sum of money agreed to by the parties hereto to be maintained in the Enterprise Bank Account(s) to serve as working capital for Enterprise operations, shall include all sums needed for the House Bank, and all sums needed to accrue for payment of expenses not paid on a monthly basis (the "Minimum Balance"). The Community shall have the responsibility to provide the working capital needs of the Enterprise. Attached hereto as Exhibit 4.17.1(a) is the form of Irrevocable Banking Instructions to be executed by the Community with regard to each Enterprise Bank Account and to be in effect during the Term of this Agreement. For informational purposes only and without limitation, attached hereto as Exhibit 4.17.1(b) is a list, in general categories, of expenditures to be made from each Bank Account.

4.17.2 Daily Deposits to Depository Account. Manager shall establish for the benefit of the Community in the Enterprise's name a Depository Account. Manager shall collect all gross revenues and other proceeds connected with or arising from the operation of the Enterprise, the sale of all products, food and beverage, and all other activities of the Enterprise and deposit the related cash daily into the Depository Account at least once during each 24-hour period. All money received by the Enterprise on each day that it is open must be counted at the close of operations for that day or at least once during each 24-hour period. An exception to this is the drop and count of individual slot machine currency proceeds. This process occurs on a rotational basis, whereby the proceeds from each individual slot machine are counted at a minimum of every other day. Manager agrees to obtain a bonded transportation service to effect the safe transportation of the daily receipts to the bank, which expense shall constitute an Operating Expense.

4.17.3 Disbursement Account. Manager shall establish for the benefit of the Community in the Enterprise's name a Disbursement Account. Manager shall, consistent with and pursuant to the approved annual Operating Budget and Annual Plan, have responsibility and authority for making all payments for Operating Expenses, debt service, management fees, and disbursements to the Community from the Disbursement Account.

4.17.4 No Cash Disbursements. Manager shall not make any cash disbursements from the Enterprise Bank Accounts and all payments or disbursements by the Manager from Enterprise Bank Accounts shall be made by check or wire transfer drawn against an Enterprise Bank Account.

4.17.5 Transfers Between Accounts. Manager has the authority to transfer funds from and between the Enterprise Bank Accounts to the Disbursement Account in

order to pay Operating Expenses and to pay other debts of the Community as authorized by the Community Council, to invest funds in accordance with the Enterprise Investment Policy and to pay the fees payable to Manager and distributions to the Community pursuant to this Agreement.

4.17.6 Petty Cash Fund. Manager shall establish and maintain for the benefit of and in the name of the Community a petty cash fund, the amounts and uses of which shall be established in conjunction with the establishment of the annual Operating Budget and Annual Plan, or more often as approved by the mutual agreement of the parties. The petty cash fund shall be used for miscellaneous small expenditures of the Enterprise shall be maintained at the Enterprise and accounted for pursuant to GAAP.

4.18. Insurance. Manager, on behalf of the Community, shall arrange for, obtain and maintain, or cause its agents to maintain, with responsible insurance carriers licensed to do business in the state of Arizona, adequate insurance satisfactory to Manager and the Community Council covering the Enterprise, any buildings or structures pertaining thereto, and the operations of the Enterprise, in amounts sufficient to totally cover any replacement of the Enterprise to the condition in which it was prior to the insurance event, and naming the Community, the Enterprise, Manager, and Manager's Affiliates as insured parties, in at least the amounts which are set forth in Exhibit 4.18.

4.19. Accounting and Books of Account.

4.19.1 Statements. Manager shall prepare and provide to the Community Council on a monthly, quarterly, and annual basis, operating statements. The operating statements shall provide both summary and detailed back-up, in a format mutually agreeable to the parties. Such statements shall include the Operating Budget and Annual Plan and Capital Budget projections as comparative statements, and which will include comparative statements from the comparable period for the prior year of all revenues, and all other amounts collected and received, and all deductions and disbursements made therefrom in connection with the Enterprise, including a monthly cash flow statement and balance sheet.

4.19.2 Books of Account. Manager shall maintain full and accurate books of account at an office in the buildings or structures housing the Enterprise, and at such other location as may be determined by Manager and approved by the Community Council. Upon request by the Community Council, Harrah's shall return all records of the Enterprise maintained off-site to the Ak-Chin Indian Reservation for storage in a facility to be provided by the Community. The Community shall have immediate access to the daily operations of the Enterprise and shall have the unlimited right to inspect, examine, and copy all such books and supporting business records, including any records maintained at other locations. Such rights may be exercised through an auditor, attorney, or independent accountant authorized by and acting on behalf of the Community Council, and by authorized employees of the Tribal Gaming Agency or members of the Tribal Gaming Commission in their official capacity.

4.19.3 Accounting Standards. Manager shall maintain the books and records reflecting the operations of the Enterprise in accordance with the accounting practices of Manager in conformity with Generally Accepted Accounting Principles consistently applied and shall adopt and follow the fiscal accounting periods utilized by Manager in its normal

course of business (i.e., a month, quarter and year prepared in accordance with the Enterprise Fiscal Year). The accounting systems and procedures shall comply with Legal Requirements and, at a minimum:

- (i) include an adequate system of internal accounting controls;
- (ii) permit the preparation of financial statements in accordance with generally accepted accounting principles;
- (iii) be susceptible to audit;
- (iv) allow the gaming operation, the Community and the NIGC to calculate the annual fee under 25 CFR § 514.1;
- (v) permit the calculation and payment of the Management Fee described in Section 6; and
- (vi) provide for the allocation of operating expenses or overhead expenses among the Community, the Enterprise, and any other user of shared facilities and services.

4.19.4 Annual Audit. An independent certified public accounting firm selected by the Community Council shall perform an annual audit of the books and records of the Enterprise and of all contracts for supplies, services or concessions reflecting Operating Expenses. The Community Council will determine the scope of the audit, which, at a minimum, will meet all Legal Requirements. The Community Council shall allow the Manager to offer advice to it concerning the scope of the audit. The Community Council and the Manager shall cooperate with the NIGC should it request an audit of the Enterprise. The costs incurred for such audits shall constitute an Operating Expense. Such audit shall be provided by the Community to all applicable federal and state agencies, as required by law, and may be used by Manager for reporting purposes under federal and state securities laws, if required.

4.20 Maximum Dollar Amount/Development Construction. This Agreement does not involve the expenditure of any development costs. The agreed upon maximum dollar recoupment related to the Hotel shall be

4.21 Intentionally Left Blank.

5. Liens. The Community specifically warrants and represents to the Manager that during the term of this Agreement the Community shall not act in any way whatsoever, either directly or indirectly, to cause any party to become an encumbrancer or lienholder of the Property or any buildings or structures pertaining to the Enterprise or of the intangible property of the Enterprise, or to allow any party to obtain any interest in this Agreement without the prior written consent of the Manager, and, where applicable, consent from the United States. The Manager specifically warrants and represents to the Community that during the term of this Agreement the Manager shall not act in any way, directly or indirectly, to cause any party to become an encumbrancer or lienholder of the Property or any buildings or structures pertaining to the Enterprise, or to obtain any interest in this Agreement without the prior written consent of the Community, and, where applicable, the United States. The Community and the Manager shall

keep any buildings or structures pertaining to the Enterprise and Property free and clear of all mechanics' and other liens resulting from the construction of any buildings or structures pertaining to the Enterprise and all other liens which may attach to any buildings or structures pertaining to the Enterprise or the Property, which shall at all times remain the property of the United States in trust for the Community. If any such lien is claimed or attempted to be filed, the Community, in consultation with the Manager, shall take the necessary steps to eliminate or remove such claim or filing.

Notwithstanding the foregoing, purchase money security interests in personal property may be granted with the prior written consent of the Community and, when necessary, the B.I.A., United States Department of Interior and/or the NIGC as appropriate.

6. Management Fee, Reimbursements, Disbursements, and Other Payments by Manager.

6.1 Management Fee. Subject to the provisions of Section 6.4, on or before the twenty-first (21st) day of each month after the first calendar month of operation, Manager is authorized by the Community to pay itself from the Bank Account(s) a fee for the prior month of operation as set out below, which is stated as a percent of Net Revenues.

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The Management Fee does not include any reimbursement of manager for costs, which are Operating Expenses under the Management Agreement.

6.2 Disbursements. As and when received by Manager, Gross Revenues shall be deposited in the Depository Account created pursuant to Section 4.17.2 of this Agreement. There shall, in turn, be disbursed by Manager, on a monthly basis, for and on behalf of the Community, funds from the Enterprise Bank Account(s) to pay, to the extent available, Operating Expenses, Management Fee, required deposits into the Capital Replacement Reserve, and the Monthly Distribution Payment.

Manager will reserve funds in the Enterprise in amounts equal to the Minimum Balance, and Manager may increase the Minimum Balance, in amounts approved by the Community Council.

6.3 Adjustment to Bank Account. After the disbursements pursuant to Section 6.2, and establishment of any additional reserves for future disbursements as Manager deems necessary and as are approved by the Community Council, taking into account anticipated cash flow and Operating Expenses of the Enterprise, any excess funds remaining in the Enterprise Bank Account(s) over the Minimum Balance, the Capital Replacement Reserve, and such additional reserves approved by the Community Council, shall be disbursed monthly in accordance with Section 6.4.

6.4 Payment of Fees and Community Disbursement. Within 21 days after the end of each calendar month of operations, the Manager shall calculate and report to the Community Council the Gross Revenues, Operating Expenses, and Net Revenues of the Enterprise for the previous month's operations and the year's operations to date. Such Net Revenues, less any amount reasonably needed to maintain a Cash Contingency Reserve Fund as previously agreed upon by the Community Council, shall be disbursed from the Bank Account(s) to the extent available to pay the scheduled items to the extent due and payable and earned in the following order of priority:

1. the Minimum Guaranteed Monthly Payment
2. Capital Replacement Reserve Contribution
3. Management Fee

All remaining Net Revenues shall be distributed to the Community, the Monthly Distribution Payment, at the same time the Management Fee is paid.

6.5 Operative Dates. For purposes of this Article 6, the first year of operations shall begin on the Commencement Date and continue until the first day of the month following the first anniversary of the Commencement Date, and each subsequent year of operations shall be the 12-month period following the end of the previous year. Notwithstanding the foregoing, with the exception of 4.4.5, the term of this Agreement shall not extend beyond

6.6 Minimum Guaranteed Monthly Payment. "Minimum Guaranteed Monthly Payment" shall mean that payment due the Community beginning the due date of the first payment on the Note following the Commencement Date, which payment shall have priority over the Management Fee and retirement of development and construction costs and shall be paid monthly in the amount of ^{1.} Minimum Guaranteed Monthly Payments shall be charged against the Community's distribution of Net Revenues and, where there is insufficient Net Revenues in a given month, Manager shall advance the funds necessary to compensate for the deficiency and shall be reimbursed by the Community in the next succeeding month or months in accordance with the schedule of disbursements set forth in Article 6.4, as Recoupment Payment. No Minimum Guaranteed Monthly Payment shall be owed for any full month(s) during which Class II and/or Class III gaming is suspended or terminated at the Enterprise pursuant to Article 4.4. The Manager shall pay a percentage of the Minimum Guaranteed Monthly Payment for any partial calendar month during which Class III and Class II Gaming is either suspended or terminated equal to the percentage of such calendar month during which Class III Gaming is conducted. The obligation shall cease upon termination of this Agreement for any reason.

6.7 Payment of Net Revenues. The Manager is authorized to transfer funds from the bank accounts of the Enterprise to the bank accounts of the Manager and the Community in order to distribute Net Revenues and any other amounts due under this Article 6. The Net Revenues paid to the Community pursuant to this Article 6 shall be payable to the Community official or bank account specified by the Community Council pursuant to Article 9.2.

7. Trade Names, Trade Marks and Service Marks.

7.1 Enterprise Name. The Enterprise shall be operated under the business name of Harrah's Phoenix Ak-Chin Casino and Hotel (Resort) (the "Enterprise Name").

7.2 System Marks. Prior to the Commencement Date and from time to time during the Term hereof, Manager agrees to erect and install, in accordance with local codes and regulations, all signs Manager deems necessary in, on or about the Enterprise, including, but not limited to, signs bearing the System Marks as part of the Enterprise Name.

The Community agrees to recognize the exclusive right of ownership of Harrah's Operating Company, Inc., a Delaware corporation, to all Harrah's service marks, trademarks, copyrights, trade names, patents or other similar rights or registrations now or hereafter held or applied for in connection therewith (collectively, the "System Marks"). The Community hereby disclaims any right or interest therein, regardless of any legal protection afforded thereto. The Community acknowledges that all System Marks might not be used in connection with the Enterprise, and Manager, with the prior written consent of Harrah's Operating Company, Inc., shall have sole discretion to determine which System Marks shall be so used. The Community covenants that in the event of termination, cancellation or expiration of this Agreement, whether as a result of a default by Manager or otherwise, the Community shall not hold itself out as, or continue operation of the Enterprise as a Harrah's casino nor will it utilize any System Marks or any variant thereof in the name or operation of the Enterprise. The Community agrees that Manager or Harrah's Operating Company, Inc. or their respective representative may, at any time thereafter, enter any buildings or structures pertaining to the Enterprise and may remove all signs, furnishings, printed material, emblems, slogans or other distinguishing characteristics which are now or hereafter may be connected or identified with Manager or which carry any System Mark. The Community shall not use the name Harrah's, or any variation thereof, directly or indirectly, in connection with a private placement or public sale of securities or other comparable means of financing or press releases and other public communications related to the financial performance of the Enterprise other than those directed exclusively to the Community membership, without the prior written approval of Manager, which consent shall not be unreasonably withheld or delayed.

7.3 Litigation Involving System Marks. Community and Manager agree that, in the event Community and/or Manager is or are the subject of any litigation or action brought by any party seeking to restrain the use by Community or Manager, or either of them, of any System Mark used by Manager for or on or in connection with the Enterprise, any such litigation or action shall be defended entirely by and at the expense of Manager, notwithstanding that Manager may not be named as a party thereto. Manager shall take all necessary steps to become a party to any such litigation. The Community shall not have the right to bring suit related to the use of System Marks against any user of any of the System Marks. In all cases, the conduct of any suit, whether brought by Manager or instituted against Community and/or Manager shall be under the absolute control of counsel to be nominated and retained by Manager, notwithstanding that Manager may not be a party to such suit. Notwithstanding the foregoing, the Community shall control the conduct of any such suit as to any issues raised concerning the Tribe's status as a Federally recognized Indian Tribe, its sovereignty or its immunity from suit. Manager agrees and covenants to defend and hold Community harmless from and to indemnify Community against

any judgments or awards of any court or administrative agency of competent jurisdiction, whether such awards be in the form of damages, costs or otherwise, imposed against Community and arising from the use by Manager of any System Marks or similar rights or registrations for or on or in connection with the Enterprise in accordance with the terms of this Agreement.

8. Taxes.

8.1 State and Local Taxes. If the state of Arizona or any local government attempts to impose any tax including any possessory interest tax upon any party to this Agreement or upon the Enterprise, or any buildings or structures pertaining thereto, or the Property, the Community Council, in the name of the appropriate party or parties in interest, may resist such attempt through legal action. The costs of such action and the compensation of legal counsel shall be an Operating Expense of the Enterprise. Any such tax shall constitute an Operating Expense of the Enterprise. This Section shall in no manner be construed to imply that any party to this Agreement or the Enterprise is liable for any such tax.

8.2 Community Taxes. The Community agrees that, except for an occupancy tax not to exceed _____ of room sales, neither it nor any agent, agency, affiliate or representative of the Community will impose any taxes, fees, assessments, or other charges of any nature whatsoever on the Enterprise revenues therefrom or on the Management Fee as described in Section 6.1 of this Agreement; the Community further agrees that neither it nor any agent, agency, affiliate or representative will impose any taxes, fees, assessments or other charges of any nature whatsoever on the salaries or benefits, or dividends paid to, any of Manager's stockholders, officers, directors, or employees, any of the employees of the Enterprise; or any provider of goods, materials, or services to the Enterprise, other than with respect to any such provider of goods, materials, or services to the Enterprise, license fees reflecting reasonable regulatory costs incurred by the Gaming Agency. Breach of this provision shall be a Material Breach. Should the Manager terminate this Agreement pursuant to this Article, the Manager shall retain the right to repayment of: (a) money lent to the Community; (b) reimbursement of any monies which may become due and payable under the terms of this Agreement; and (c) and any earned but unpaid Management Fee.

Nothing in this Section 8.2 shall be construed to prohibit the Community from taxing the sale of goods or services by the Enterprise in amounts equivalent to any state taxes that would otherwise be applicable but for the Community's status as an Indian tribe; provided that no such tax shall be applied to any goods or services supplied as Promotional Allowances. Except as otherwise provided herein, if any taxes, fees or assessments are levied by the Community on the Enterprise, such taxes and assessments shall be abated for the term of this Agreement. Nothing herein shall limit the Community's ability to tax its members. Notwithstanding the foregoing, no tax shall attach to transactions to the extent same are provided as a Promotional Allowance by the Enterprise.

8.2.1. Termination by Manager. Should Manager terminate this Agreement pursuant to this Section, Manager shall retain the right to repayment of money lent to the Community by Manager or Manager's Affiliates and money lent to the Community and guaranteed by the Manager and/or Manager's Affiliates to the extent Manager and/or Manager's Affiliates are required to pay pursuant to such guarantee. Except as otherwise provided herein, if any taxes, fees or assessments are levied by the Community, such taxes and assessments shall constitute Operating Expenses of the Enterprise.

8.3 Compliance with Internal Revenue Code. Manager shall comply with all applicable provisions of the Internal Revenue Code. Manager agrees that should the Internal Revenue Service assess any sum in the nature of interest and/or penalty as a result of Manager's grossly negligent failure to comply with all applicable provisions of the Internal Revenue Code, Manager shall pay any such sum out of its revenues, and that such sum shall not be considered an Operating Expense of the Enterprise.

9. General Provisions.

9.1 Situs of the Contracts. This Agreement, as well as all contracts entered into between the Community and any person or any entity providing services to the Enterprise, shall be deemed entered into in Arizona, and shall be subject to all Legal Requirements of the Community and federal law as well as approval by the Secretary of the Interior where required by 25 U.S.C. § 81 or by the Chairman of the NIGC where required by the IGRA.

9.2 Notice. Any notice required to be given pursuant to this Agreement shall be delivered to the appropriate party by Federal Express or by Certified Mail Return Receipt Requested, addressed as follows:

If to the Community: Ak-Chin Indian Community
42507 West Peters & Nall Road
Maricopa, AZ 85239
Attn: Community Chairperson

Copies to: William E. Strickland, Sr., Esq.
Strickland & Strickland, P.C.
Suite 700
4400 East Broadway
Tucson, AZ 85711-3517

If to Manager: Harrah's Arizona Corporation
5100 West Sahara Avenue
Las Vegas, NV 89146
Attn: Corporate Secretary

Copies to: William L. Buffalo, Esq.
5100 West Sahara Avenue
Las Vegas, NV 89146

Harrah's Phoenix Ak-Chin Casino
15406 Maricopa Road
Maricopa, AZ 85239
Attn: General Manager

or to such other different address(es) as Manager or the Community may specify in writing using the notice procedure called for in this Section 9.2. Any such notice shall be deemed given two days following deposit in the United States mail or upon actual delivery, whichever first occurs.

9.3 Authority to Execute and Perform Agreement. The Community and Manager represent and warrant to each other that they each have full power and authority to execute this

Agreement and to be bound by and perform the terms hereof. On request, each party shall furnish the other evidence of such authority.

9.4 Relationship. Manager and the Community shall not be construed as joint venturers or partners of each other by reason of this Agreement and neither shall have the power to bind or obligate the other except as set forth in this Agreement.

9.5 Manager's Contractual Authority. Within the scope of the approved Operating Budget and Annual Plan and the approved Capital Budget, Manager is authorized to make, enter into and perform in the name of and for the account of the Community, doing business as the Enterprise, such contracts deemed necessary by Manager to perform its obligations under this Agreement.

9.6 Further Actions. The Community and Manager agree to execute all contracts, agreements and documents and to take all actions necessary to comply with the provisions of this Agreement and the intent hereof.

9.7 Defense. Both the Manager and the Community shall have the right to bring and/or defend and/or settle any claim or legal action brought against Manager, the Enterprise, or any Enterprise Employee, individually, jointly or severally, in connection with the operation of the Enterprise, except for disputes between the Community and Manager, and claims relating to the Community's status as a Tribe with a trust status of the Property. Manager shall immediately notify counsel for Community of any action brought against the Community and/or Manager, or the Enterprise, jointly or severally, or any Enterprise Employee, in connection with the operation of the Enterprise. Counsel for the Manager and the Community shall then apportion duties of prosecution or defense of particular actions among themselves. All liabilities, costs and expenses, including reasonable attorneys' fees and disbursements incurred in defending and/or settling any such claim or legal action which are not covered by insurance, shall be an Operating Expense. Nothing contained herein is a grant to Manager of the right to waive the Community's sovereign immunity. That right is strictly reserved to the Community. Nothing contained herein is a grant to Manager or a waiver by the Community of the Community's right to bring, defend and/or settle any claim or legal action respecting its status as a sovereign in dealings with the state of Arizona, the United States of America, and other entities.

9.8 Waivers. No failure or delay by Manager or the Community to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy consequent upon the breach thereof, shall constitute a waiver of any such breach or any subsequent breach of such covenant, agreement, term or condition. No covenant, agreement, term, or condition of this Agreement and no breach thereof shall be waived, altered or modified except by written instrument. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

9.9 Captions. The captions for each Section and Subsection are intended for convenience only.

9.10 Severability. If any of the terms and provisions hereof shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any of the other terms or provisions hereof. If, however, any material part of a party's rights under this Agreement shall be

declared invalid or unenforceable, (specifically including Manager's right to receive its Management Fees) the party whose rights have been declared invalid or unenforceable shall have the option to terminate this Agreement upon thirty (30) days written notice to the other party, without liability on the part of the terminating party.

9.11 Recoupment and Reimbursement. Manager shall, according to the terms of this Agreement or at its option if not so required, advance funds or contribute property, on behalf of the Community, to satisfy obligations of the Community in connection with the Enterprise and this Agreement. Manager shall keep appropriate records to document all reimbursable expenses paid by Manager, which records shall be made available for inspection by the Community or its agents upon request. The Community agrees to reimburse Manager with interest from future Net Revenues for money paid or property contributed by Manager to satisfy obligations of the Community in connection with the Enterprise and this Agreement. Interest shall be calculated at the Prime Rate from the date the Community was obligated to remit the funds or contribute the property for the satisfaction of such obligation to the date reimbursement is made. Notwithstanding the foregoing, no interest shall accrue on advances of the Minimum Guaranteed Monthly Payment. Manager's sole source of such Reimbursement shall be from undistributed and future Net Revenues.

9.12 Travel and Out-of-Pocket Expenses. Subject to the approved Operating Budget and Annual Plan, all travel and out-of-pocket expenses of Enterprise Employees reasonably incurred in the performance of their duties shall be an Operating Expense.

9.13 Third Party Beneficiary. This Agreement is exclusively for the benefit of the parties hereto and it may not be enforced by any party other than the parties to this Agreement and shall not give rise to liability to any third party other than the authorized successors and assigns of the parties hereto as such are authorized by this Agreement.

9.14 Brokerage. Manager and the Community represent and warrant to each other that, except as disclosed on Exhibit 9.14, neither has sought the services of a broker, finder or agent in this transaction, and neither has employed, nor authorized, any other person to act in such capacity. Manager and the Community each hereby agrees to indemnify and hold the other harmless from and against any and all claims, loss, liability, damage or expenses (including reasonable attorneys' fees) suffered or incurred by the other party as a result of a claim brought by a person or entity engaged or claiming to be engaged as a finder, broker or agent by the indemnifying party.

9.15 Survival of Covenants. Any covenant, term or provision of this Agreement which, in order to be effective, must survive the termination of this Agreement, shall survive any such termination.

9.16 Estoppel Certificate. Manager and the Community agree to furnish to the other party, from time to time upon request, an estoppel certificate in such reasonable form as the requesting party may request stating whether there have been any defaults under this Agreement known to the party furnishing the estoppel certificate and such other information relating to the Enterprise as may be reasonably requested.

9.17 Periods of Time. Whenever any determination is to be made or action is to be taken on a date specified in this Agreement, if such date shall fall on a Saturday, Sunday or legal

holiday under the laws of the Community or the state of Arizona, then in such event said date shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

9.18 Exhibits. All exhibits attached hereto are incorporated herein by reference and made a part hereof as if fully rewritten or reproduced herein.

9.19 Successors, Assigns, and Subcontracting. The benefits and obligations of this Agreement shall inure to and be binding upon the parties hereto and their respective successors and assigns. Manager shall have the right to assign its rights under this Agreement to one or more directly or indirectly wholly-owned subsidiaries of Harrah's Entertainment, Inc., or its successor. The acquisition of Manager or its parent company by a party other than an Affiliate of Manager, or its successor corporation, shall not constitute a breach of this Agreement on the part of Manager. However, upon the completion of such acquisition (the "Acquisition Date") the Community may, within one-hundred twenty (120) days following the Acquisition Date, exercise, at its option, the right to relieve Manager of any outstanding obligations to or for the benefit of the Community, pay Manager any sums owed it through the date management of the Enterprise is turned over to the Community or its designate, and terminate the Management Agreement without further obligation of either party to the other.

9.20 Permitted Assignment. Other than as stated above, this Agreement may not be assigned or its non-gaming obligations subcontracted by Manager, without approval by the Community, which approval shall be in the sole discretion of the Community, and the approval of the Chairman of the NIGC or his authorized representative after a complete background investigation of the proposed assignee. The Community shall, without the consent of Manager but subject to approval by the Secretary of the Interior or the Chairman of the NIGC or his authorized representative, have the right to assign this Agreement and the assets of the Enterprise to an instrumentality of the Community or to a corporation wholly-owned by the Community organized to conduct the business of the Enterprise for the Community that assumes all obligations herein. Any assignment by the Community shall not prejudice the rights of Manager under this Agreement. No assignment authorized hereunder shall be effective until all necessary government approvals have been obtained.

9.21 Time is of the Essence. Time is of the essence in the performance of this Agreement.

9.22 Confidential and Proprietary Information

9.22.1 Confidential Information. Both parties agree that any information received concerning the other party during the performance of this Agreement, regarding the parties' organization, financial matters, marketing plans, or other information of a confidential nature (the "Confidential Information"), will be treated by both parties in full confidence and except as required to allow Manager and the Community to perform their respective covenants and obligations hereunder, or in response to legal process or appropriate and necessary inquiry, and will not be revealed to any other persons, firms or organizations. This provision shall survive the termination of this Agreement for a period of two (2) years.

The obligations not to use or disclose the Confidential Information shall not apply to Confidential Information which (a) has been made previously available to the public by the Community or Manager or Manager's Affiliates or becomes generally available to the

public, unless the Confidential Information being made available to the public results in a breach of this Agreement; (b) prior to disclosure to the Community or Manager or Manager's Affiliates, was already rightfully in any such person's possession; or (c) is obtained by the Community or Manager or Manager's Affiliates from a third party who is lawfully in possession of such Information, and not in violation of any contractual, legal or fiduciary obligation to the Community or Manager or Manager's Affiliates, with respect to such Confidential Information and who does not require the Community or Manager or Manager's Affiliates to refrain from disclosing such Confidential Information to others.

9.22.2 Manager's Proprietary Information. The Community agrees that Manager has the sole and exclusive right, title and ownership to:

- (i) certain proprietary information, techniques and methods of operating gaming businesses;
- (ii) certain proprietary information, techniques and methods of designing games used in gaming businesses;
- (iii) certain proprietary information, techniques and methods of training employees in the gaming business;
- (iv) certain proprietary business plans, projections and marketing, advertising and promotion plans, strategies, and systems; and
- (v) all other Information which Manager and its Affiliates contend is confidential and proprietary information. Manager and its Affiliates have designated a list of some of those items in each of the above categories which Manager and its Affiliates maintain as confidential and as a trade secret(s) at Exhibit 9.22.2.

Manager shall clearly mark, identify, or disclose to the Community Council in writing all materials it contends are Manager's proprietary information. The Community further agrees to maintain the confidentiality of such Manager Proprietary Information, both during the term of this Agreement and after, and upon the termination of this Agreement, return same to Manager, including, but not limited to, documents, notes, memoranda, lists, computer programs and any summaries of such Manager Proprietary Information. Manager Proprietary Information specifically excludes any information or document otherwise falling within (i)-(iv) above, if same is prepared, designed or created solely for the use and benefit of the Enterprise.

9.23 Patron Dispute Resolution. Manager shall immediately notify the Tribal Gaming Agency of any patron dispute, as defined by the Compact, at the Enterprise. Manager may, after such notice, continue to attempt to resolve such dispute pursuant to its customer satisfaction policies for a period of an additional twenty-four (24) hours for an amount of Thereafter, the Manager may not settle the matter without the approval of the Community Council. Should Manager wish to pay a patron who has filed a patron dispute in a case in which the Gaming Agency has resolved the dispute in favor of the Enterprise, Manager shall submit such proposal for the approval of the Community Council prior to making any such payment.

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9.24 Modification. Any change to or modification of this Agreement must be in writing signed by both parties hereto and shall be effective only upon approval by the Chairman of the NIGC, the date of signature of the parties notwithstanding.

10. Warranties.

10.1 Noninterference in Community Affairs. Manager warrants and agrees not to interfere in or attempt to wrongfully influence the internal affairs or government decisions of the Community government by offering cash incentives, by making written or oral threats to the personal or financial status of any person. Nor shall Manager interfere with the performance of the Community's obligations under this Agreement. Nothing in this Section shall be interpreted to interfere with the Manager's right to attempt to persuade the Community government to adopt business proposals and take other actions in the ordinary course of business relating to the Enterprise.

10.2 Prohibition of Payments to Members of Community Government. Manager represents and warrants that no payments, gifts or gratuities of any kind have been or will be made by Manager or Manager's Affiliates, to any Member of the Community government, any Community official, any relative of a member of Community government or Community official, or any Community government employee for the purpose of obtaining any special privilege, gain, advantage or consideration.

10.3 Prohibition of Hiring Members of Community Government. No Member of the Community Government or Community official may be employed at the Enterprise. No relative of a Member of the Community Government or Community official or employee of the Community government may be employed at the Enterprise without a written waiver of this Section 10.3 by the Community. For this purpose, the Community will identify all such persons to Manager in a writing and take reasonable steps to keep the list current; Manager shall not be held responsible if any person not on such written list is employed.

10.4 Prohibition of Financial Interest in Enterprise. No elected Member of the Community government or relative of an elected member of the Community government shall have a direct or indirect financial interest in the Enterprise provided, however, nothing in this subsection shall restrict the ability of any other Community member to purchase or hold stock in Manager, or Manager's Affiliates where (i) such stock is publicly held, and (ii) the Community member acquires less than 5% of the outstanding stock in the corporation, provided that if a Community member shall acquire more than 5% such person shall comply with all applicable law.

10.5 Definitions. As used in this Section 10, "Member of the Community Government" means any member of the Community Council or any independent board or body created to oversee any aspect of Gaming and any Community court official; "Relative" means an individual residing in the same household who is related as a spouse, father, mother, son or daughter.

11. Grounds for Termination.

11.1 Voluntary Termination and Termination for Cause. This Agreement may be terminated pursuant to the provisions of Sections 4.4.4, 10.1, 11.2, 11.3, 11.4, 11.5 and 11.6.

11.2 Voluntary Termination. This Agreement may be terminated upon the mutual written consent and approval of the parties.

11.3 Termination for Cause. Either party may terminate this Agreement if the other party commits or allows to be committed any Material Breach of this Agreement. A Material Breach of this Agreement means a failure of either party to perform any material duty or the material breach of any warranty obligation on its part for any twenty (20) consecutive days after notice, and shall include, but not be limited to, those events identified as a Material Breach in Sections 3.6, 8.2 and 14.5 of this Agreement. Any action taken or the adoption of any statute or ordinance that taxes, prejudices or adversely affects any material aspect of this contract shall be a Material Breach of this Agreement. Neither party may terminate this Agreement on grounds of Material Breach unless it has provided written notice to the other party of its intention to declare a default and to terminate this Agreement and the defaulting party thereafter fails to cure or take steps to substantially cure the default within sixty (60) days following receipt of such notice. During the period specified in the notice to terminate, either party may submit the matter to arbitration under the dispute resolution provisions of this Agreement at Section 16. The discontinuance or correction of a Material Breach shall constitute a cure thereof.

The Community may also terminate this Agreement immediately where Manager has had its license withdrawn.

In the event of any termination for cause, regardless of fault, the parties shall retain all money previously paid to them pursuant to Section 6 of this Agreement; and the Community shall retain title to all Enterprise and Enterprise fixtures, improvements, supplies, Furnishings and Equipment, funds and accounts, subject to the rights of Manager under any security agreement and to the rights of Manager to any accrued and unpaid Net Revenues due under Section 6 of this Agreement.

An election to pursue damages or to pursue specific performance of this Agreement or other equitable remedies while this Agreement remains in effect pursuant to the provisions of Sections 11.7 or 11.8 shall not preclude the injured party from providing notice of termination pursuant to this Section 11.3. Neither shall termination of this Agreement preclude a suit for damages.

Nothing contained herein shall be interpreted to either require the Community to allow manager to continue management functions under this Agreement without maintaining all required licenses.

11.4 Involuntary Termination Due to Changes in Legal Requirements.

It is the understanding and intention of the parties that the establishment and operation of the Enterprise shall conform to and comply with all Legal Requirements. If during the term of this Agreement, the Enterprise or any material aspect of Gaming is determined by the Congress of the United States, the Department of the Interior of the United States of America, the NIGC, or the final judgment of a court of competent jurisdiction to be unlawful under federal law, or the Gaming Compact between the Community and the state of Arizona is not renewed on terms which are substantially similar to, provide for a scope of gaming on a par with, and the economic equivalent to the Compact expiring on June 23, 2003, the obligations of the parties hereto shall cease, and this Agreement shall be of no further force and effect; provided that:

- (i) Manager shall have the rights described in Section 4.4 of this Agreement;

(ii) Manager and the Community shall retain all money previously paid to them pursuant to Section 6 of this Agreement;

(iii) funds of the Enterprise in any Enterprise account shall be paid and distributed as provided in Section 6 of this Agreement; and

(iv) any money loaned to the Community by or guaranteed by Manager or Manager's Affiliates (to the extent Manager or its Affiliates have paid under such guarantee) or owed to Manager or its Affiliates shall be repaid to Manager or its Affiliates in accordance with the terms of this Agreement; and

(v) the Community shall retain its interest in the title (and any lease) to all Enterprise assets, including all fixtures, supplies and Furnishings and Equipment, subject to the rights of Manager under this Agreement.

11.5 Manager's Right to Terminate Agreement. Manager may terminate this Agreement by written notice effective upon receipt if:

(i) Any Community, State or Federal authority where approval is required fails to approve this Agreement or otherwise objects to the performance by Manager of any obligation imposed on it under this Agreement.

(ii) Manager has been notified by any regulatory agency that the performance by it of any obligation imposed by this Agreement will jeopardize the retention of any license, or approvals granted thereunder, held by Manager or any of its Affiliates in other jurisdiction, and the Community refuses to allow Manager to immediately rectify any such complaint.

(iii) Manager has reason to believe that the performance by it or the Community of any obligation imposed under this Agreement may reasonably be expected to result in the breach of any Legal Requirement and the parties have been unable to agree upon waiver of such performance within ten (10) days written notice by Manager.

(iv) Through its own actions, the Community fails to make any payment to Manager when due within the time specified in this Agreement and a grace period of ten (10) days.

11.6 Community's Right to Terminate Agreement. The Community may terminate this Agreement by written notice effective upon receipt if:

(i) Any Federal or State authority, where approval is required, fails to approve this Agreement or otherwise objects to the performance by Manager of any obligation imposed on it under this Agreement and Manager has not cured the circumstance giving rise to the failure to approve or the objection to performance within ninety (90) days of the receipt by Community or Manager of notice of any such denial or objection.

(ii) Community has reason to believe that the performance by it or Manager of any obligation imposed under this Agreement may reasonably be expected to result in the breach of any Legal Requirement and the parties have been unable to agree upon waiver of such performance within ten (10) days of written notice given by the Community.

(iii) Manager fails to make any payment to the Community when due, including but not limited to any Monthly Distribution Payment or any Minimum Guaranteed Monthly Payment to the Community within the time specified in this Agreement and a grace period of ten (10) days.

11.7 Consequences of Manager's Breach. In the event of the termination of this Agreement by the Community for cause under Section 11.3, Manager shall not, prospectively from the date of termination, except as provided in Section 11.3, have the right to its Management Fee from the Enterprise, but such termination shall not affect Manager's rights relating to recoupment and reimbursement of monies owed to Manager and/or guaranteed by Manager and/or Manager's Affiliates (to the extent Manager or Manager's Affiliate has paid under such guarantee) under this Agreement. Any Net Revenues accruing through the date of termination shall be distributed in accordance with Section 6 of this Agreement. The Manager and Community acknowledge and agree that termination of this Agreement may not be a sufficient or appropriate remedy for breach by the Manager, and further agree that pursuant to the provisions of this Section and Section 16, the Community shall, upon breach of this Agreement by the Manager, have the right to pursue such remedies (in addition to termination) at law or equity as it determines are best able to compensate it for such breach, including, without limitation, specifically actions to require payment of the Minimum Guaranteed Monthly payment. The Manager specifically acknowledges and agrees that there may be irreparable harm to the Community and that damages will be difficult to determine if the Manager commits a Material Breach, and the Manager therefore further acknowledges that an injunction and/or other equitable relief may be an appropriate remedy for any such breach. In any event, the Community shall have the right to all payments due to the Community accruing until the date of termination.

11.8 Consequences of Community's Breach. In the event of termination of this Agreement by Manager for cause under Section 11.3, Manager shall not be required to perform any further services under this Agreement and the Community shall indemnify and hold Manager harmless against all liabilities of any nature whatsoever relating to the Enterprise, but only insofar as these liabilities result from wrongful acts within the control of the Community or its agents or created by the termination of this Agreement. Manager and the Community acknowledge and agree that termination of this Agreement may not be a sufficient or appropriate remedy for breach by the Community, and further agree that pursuant to the provisions of this Section and Section 16, Manager shall, upon breach of this Agreement by the Community, have the right to pursue such remedies (in addition to termination) at law or equity as it determines are best able to compensate it for such breach, including, without limitation, specifically actions to require payment of the Management Fee pursuant to Section 6 for a term equal to the then remaining term of this Agreement at the percentage of Net Revenues specified in Section 6. The Community specifically acknowledges and agrees that there may be irreparable harm to Manager and that damages will be difficult to determine if the Community commits a material breach, and the Community therefore further acknowledges that an injunction and/or other equitable relief may be an appropriate remedy for any such breach. In any event, Manager shall have the right to its Management Fee accruing until the date of termination as provided in Section 6 of this Agreement, and to the repayment of unpaid amounts due under this Agreement.

12. Conclusion of the Management Term. Upon the conclusion or the termination of this Agreement, Manager shall have the following rights and obligations:

12.1 Transition. Manager shall take reasonable steps for the orderly transition of management of the Enterprise to the Community or its designee pursuant to a transition plan as described in Section 17.1 of this Agreement.

12.2 Undistributed Net Revenues. If the Enterprise has accrued Net Revenues which have not been distributed under Section 6 of this Agreement, Manager shall receive that Management Fee equal to that Management Fee it would have received had the distribution occurred during the term of the Management Agreement.

13. Consents and Approvals.

13.1 Community. Where approval or consent or other action of the Community is required, such approval shall mean the written approval of the Community Council evidenced by a resolution thereof, certified by a Community official as having been duly adopted, or such other person or entity designated by resolution of the Community Council. Any such approval, consent or action shall not be unreasonably withheld or delayed; provided that the foregoing does not apply where a specific provision of this Agreement allows the Community an absolute right to deny approval or consent or withhold action.

13.2 Manager. Where approval or consent or other action of Manager is required, such approval shall mean the written approval of the Management Representative. Any such approval, consent or other action shall not be unreasonably withheld or delayed.

14. Disclosures.

14.1 Shareholders and Directors. Manager warrants that on the date of this Agreement its shareholders, directors and officers are those listed at Exhibits 14.1.

14.2 Warranties. Manager further warrants and represents as follows:

(i) no person or entity has any beneficial ownership interest in Manager other than as set forth herein;

(ii) no officer, director or owner of five percent (5%) or more of the stock of Manager has been arrested, indicted for, convicted of, or pleaded nolo contendere to any felony or any gaming offense, or had any association with individuals or entities known to be connected with organized crime; and

(iii) no person or entity listed on Exhibits 14.1 to this Agreement, including any officers and directors of Manager, has been arrested, indicted for, convicted of, or pleaded nolo contendere to any felony or any gaming offense, or had any association with individuals or entities known to be connected with organized crime.

14.3 Intentionally Left Blank

14.4 Disclosure Amendments. Except as to those matters requested to be disclosed by Manager to the NIGC within ten (10) days, Manager agrees that any other material change in the information disclosed pursuant to this Section 14 shall be disclosed, in writing to the Community not later than thirty (30) days following the change or within ten days after it becomes aware of such change, whichever is later. All of the warranties and agreements contained in this

Section 14 shall apply to any person or entity who would be listed in this Section 14 as a result of such changes.

14.5 Breach of Manager's Warranties and Agreements. The material breach of any warranty or agreement of Manager contained in this Section 14 shall be grounds for immediate termination by the Community of this Agreement; provided that (a) if a breach of the warranty contained in clause (ii) of Section 14.2 is discovered, then Manager shall have twenty-four (24) hours after notice from the Community to terminate the interest of the offending person or entity and, if such termination takes place, this Agreement shall remain in full force and effect; and (b) if a breach relates to a failure to update changes in financial position or additional gaming related activities, then Manager shall have thirty (30) days after notice from the Community to cure such default prior to termination.

15. No Present Lien, Lease or Joint Venture. The parties agree and expressly warrant that neither the Management Agreement nor any exhibit thereto is a mortgage or lease and, consequently, does not convey any present interest whatsoever in the buildings utilized by the Enterprise or the Property, nor any proprietary interest in the Enterprise itself. The parties further agree and acknowledge that it is not their intent, and that this Agreement shall not be construed, to create a joint venture between the Community and Manager; rather, Manager shall be deemed to be an independent contractor for all purposes hereunder.

16. Dispute Resolution.

16.1 Community's Waiver of Sovereign Immunity and Consent to Suit. Subject to Section 16.2 and Section 16.3, the Community expressly waives its immunity from suit for the purpose of permitting or compelling arbitration as provided in this Section and consents to be sued in any of the following: the Community Court, or in the United States District Court in the district where the Property is located, the United States Court of Appeals for the Ninth Circuit, and the United States Supreme Court for the purpose of compelling arbitration or enforcing any arbitration award or judgment arising out of this Agreement. If the United States District Court for the District where the Property is located lacks jurisdiction, the Community consents to be sued in the Arizona State Court system or any court of competent jurisdiction. Without in any way limiting the generality of the foregoing, the Community expressly authorizes any governmental authorities who have the right and duty under applicable law to take any action authorized or ordered by any such court, including without limitation, entering the Property for the purpose of executing against any property subject to a security interest or otherwise giving effect to any judgment entered; provided, however, that in no instance shall any enforcement of any kind whatsoever be allowed against any assets of the Community other than the limited assets of the Community specified in Section 16.2.1. The foregoing grant of waiver and consent to suit is limited to the Manager and its Affiliates, their successors and assigns.

16.1.1 Arbitration. All disputes, controversies or claims arising out of or relating to this Management Agreement or any notice of termination thereof shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and the Federal Arbitration Act. The parties agree that binding arbitration shall be the sole remedy as to all disputes arising out of this Agreement, except for disputes requiring injunctive or declaratory relief, which shall be pursued as provided in Sections 16.1 and 16.2 unless the parties mutually agree otherwise.

16.1.2 Choice of Law. In determining any matter the Arbitrator(s) shall apply the terms of this Agreement, without adding to, modifying or changing the terms in any respect, and shall apply Community laws and federal law relating to federally-recognized Indian communities.

16.1.3 Place of Hearing. All arbitration hearings shall be held at a place designated by the arbitrator(s) in Phoenix, Arizona or at such other place as may be agreed to by the parties.

16.1.4 Confidentiality. The parties and the arbitrator(s) shall maintain strict confidentiality with respect to the arbitration.

16.2 Limitation of Actions. The Community's waiver of immunity from suit is specifically limited to the following actions and judicial remedies:

Manager and Affiliates:

16.2.1 Damages. The enforcement of an award of money and/or damages by arbitration; provided that the arbitrator(s) and/or the court shall have no authority or jurisdiction to order execution against any assets or revenues of the Community except: (i) undistributed or future Net Revenues of the Enterprise; and (ii) the Furnishings and Equipment used in the Enterprise. In no instance shall any enforcement of any kind whatsoever be allowed against any assets of the Community other than the limited assets of the Community specified in this Section 16.2.1.

16.2.2 Consents and Approvals. The enforcement of a determination by an arbitrator that the Community's consent or approval has been unreasonably withheld contrary to the terms of this Agreement.

16.2.3 Injunctive Relief and Specific Performance. The enforcement of a determination by an arbitrator that prohibits the Community or the Manager from taking any action that would prevent Manager or Community from operating the Enterprise pursuant to the terms of this Agreement, or that requires the Community or Manager to specifically perform any obligation under this Agreement (other than an obligation to pay money which is provided for in Section 16.2.1).

16.2.4 Action to Compel Arbitration. An action to compel arbitration pursuant to this Section 16.

16.2.5 Action to Preserve the Status Quo During Disputes. An action to preserve the status quo during disputes pursuant to Section 16.3.

16.2.6 Action to Compel or to Enforce a Determination of Arbitrator(s). An action to compel or to enforce a determination by an arbitrator(s).

16.3 Performance During Disputes. It is mutually agreed that during any kind of controversy, claim, disagreement or dispute, including a dispute as to the validity of this Agreement, Manager shall continue to possess the rights, duties, and obligations set forth in this Agreement, and the Community and Manager shall continue their performance of the provisions of this Agreement and its exhibits. Manager and the Community agree that the Enterprise Bank

Accounts shall not be subject to attachment, or any rights of deduction or set off or counterclaim by either party. Manager and the Community shall each be entitled to injunctive relief from a civil court or other competent authority to maintain such rights, duties, and obligations in the event of a threatened eviction during any dispute, controversy, claim or disagreement arising out of this Agreement.

16.4 Notice and Right to Cure. The parties agree that before the dispute resolution mechanisms described in this Section may be utilized, the party claiming breach or damage shall give written notice of the alleged breach or damage to the other party, and both shall make a serious effort to meet, cure any breach, and otherwise make a good faith effort to resolve any differences; provided, however, such right of notice and opportunity to cure shall not extend any timetables for Material Breach set forth elsewhere in this Agreement.

16.5 No Arbitration of Governmental Action. Nothing contained in this Agreement is intended to subject to arbitration the prerogative of the Community or any of its instrumentalities or agencies, to take any Governmental Action.

17. Renewal, Termination and Transition.

17.1 Intent to Negotiate New Agreement. Within thirty (30) days after the end of the of this Agreement, or within thirty (30) days after the end of the

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17.2 Transition Plan. If the Community and Manager are unable to agree to the terms of a new agreement or if the Community decides not to enter into negotiations for a new agreement, then the Community and Manager shall agree upon a transition plan within sixty (60) days notice from the Community of its intention not to negotiate a new Management Agreement, including a computer transition and/or information technology plan, which plan shall be sufficient to allow the Community to operate the Enterprise and provide for the orderly transition of the management of the Enterprise. The cost of transition related to the removal of items bearing Harrah's proprietary marks, shall be borne as follows:

- | | |
|-------------------------------|----------------------------------------------------|
| Manager's Expense: | Exterior and Interior Signage |
| Enterprise Operating Expense: | All other items bearing Harrah's proprietary marks |

The cost of acquiring equipment and other items used in the Community's operation of the Enterprise shall be borne by the Community and shall not be charged as an Operating Expense.

Manager will, on expiration or termination of this Agreement, provide the Community with a list of all customers (as such list appears in Manager's database) who, during the term of this Agreement, either: (i) originated their Harrah's Total Gold card at the Casino; or (ii) used their Total Gold card during play while visiting the Casino. The list shall contain all information in Manager's database for such customers relating to their activities at the Casino, and shall be provided in machine readable form or written form, at the election of the Community. This

information will be provided to the Community as of the termination or expiration date of this Agreement.

The information provided to the Community will also remain in Manager's database and accordingly, may be used by Manager.

17.3 Termination.

17.3.1 Surviving Obligations. In the event of any termination or expiration of this Agreement, the Community shall remain liable to pay all fees and other amounts due to Manager for periods through termination, to maintain insurance for the benefit of and indemnify Manager in accordance with the provisions of Section 11.8 with respect to all occurrences before termination, and to reimburse Manager for all expenses, which would have otherwise been Operating Expenses or related to the provision of services in aid of the transition of management of the Enterprise, incurred by Manager before or in connection with such termination or expiration. Manager's indemnity obligations shall also survive termination or expiration of this Agreement.

17.3.2 Termination/Expiration. In connection with the expiration and/or termination of this Agreement:

(a) Manager shall:

- (i) deliver possession of the Enterprise to the Community or Community's designated agents or employees subject to rights of all parties in possession, in "as is" condition, without recourse or any warranty whatsoever. Manager shall disclose known defects in writing to the Community Council;
- (ii) deliver to Community any written operating agreements with respect to the Enterprise which have not theretofore been delivered to the Community;
- (iii) advise all Enterprise purveyors by mail of the change of control of the Enterprise in a form approved by the Community Council;
- (iv) deliver to the Community records of the Enterprise pertaining to:
 - (1) accounts payable outstanding and unpaid at termination or expiration, provided that Manager shall, to the extent funds are made available therefor by the Community and amounts due are then known, pay all accounts payable through and including the date of expiration or termination;
 - (2) accounts receivable outstanding and uncollected at termination or expiration, all of which the Community agrees shall be accounted for by the Community when collected by

the Community or Manager as Gross Revenues under this Management Agreement; and

(3) employees who are hired by the Community and remain at the Enterprise following termination or expiration of the Management Agreement (to the extent the information in such files is not deemed confidential by law).

- (v) After deducting therefrom any amounts due and payable under this Agreement and not theretofore paid, Manager shall disburse the balance, if any, remaining in the Bank Account(s) 21 days after termination or expiration of this Agreement to the Community.
- (b) The Community shall be solely responsible for and shall pay all costs of:
- (i) canceling any operating agreements which the Community does not wish to continue after such termination or expiration; or
 - (ii) assuming and continuing performance under any such operating agreements which the Community desires to retain in effect.
- (c) The Enterprise shall, except for the employees holding the job classifications referred to at Section 2.48 whose salaries and benefits are not an Operating Expense, continue to be responsible and shall pay for all severance or other termination benefits due any employee of Manager whose services are terminated;
- (d) The Community shall, in the event of termination of this Agreement in connection with any termination involving a change of casino brand identification or affiliation, as of the date of termination or expiration:
- (i) cooperate in the removal of all signage identifying the Enterprise as a Harrah's® branded casino or containing any Harrah's System Mark and, in the case of any such signage supplied pursuant to an advertising contract (as in the case of billboard advertisements) pay all costs necessary to repaint or otherwise re-identify the Enterprise and remove any Harrah's System Marks from such advertisement;
 - (ii) cease use of any Harrah's System Mark at the Enterprise and shall destroy any personal property bearing such

designation unless otherwise authorized in writing by Manager;

- (iii) de-identify the Enterprise as a Harrah's® branded casino; and
- (iv) cooperate with Manager and the supplier thereof to permit the removal of any proprietary system owned by or licensed solely to Manager or Manager's Affiliates at the Enterprise and shall not move or disturb such equipment and shall be solely responsible for any damage to such system for any period after termination or expiration of this Agreement during which the equipment is stored at the Enterprise, provided, however, that such equipment shall, subject to force majeure, be removed from the Enterprise within ten (10) days after termination or expiration of this Agreement, and provided further that the Community shall not be responsible for any damage to such equipment caused by the parties effecting its removal.

The foregoing shall survive termination or expiration of this Agreement, and shall be specifically enforceable by Manager and the Community.

18. Entire Agreement. This Agreement, including the Schedules and Exhibits referred to herein which are expressly incorporated herein by reference, constitutes the entire understanding and agreement of the parties hereto and supersedes all other prior agreements and understandings, written or oral, between the parties.

19. Government Savings Clause. Each of the parties agrees to execute, deliver and, if necessary, record any and all additional instruments, certifications, amendments, modifications and other documents as may be required by the United States Department of the Interior, BIA, the NIGC, the office of the Field Solicitor, or any applicable statute, rule or regulation in order to effectuate, complete, perfect, continue or preserve the respective rights, obligations, liens and interests of the parties hereto to the fullest extent permitted by law; provided, that any such additional instrument, certification, amendment, modification or other document shall not materially change the respective rights, remedies or obligations of the Community or Manager under this Agreement or any other agreement or document related hereto.

20. Preparation of Agreement. This Agreement was drafted and entered into after careful review and upon the advice of competent counsel; it shall not be construed more strongly for or against either party.

21. Employment Solicitation Restriction Upon Termination. If this Agreement is terminated for any reason during its Term or at the end of the Term, then the Community agrees not to employ any employee of Manager whose salary and benefits are not paid as an Operating Expense of the Enterprise for a period of twelve (12) months after the termination or expiration of this Agreement, without Manager's prior written approval. Furthermore, the Community hereby agrees not to solicit the employment of any such employee at any time during the Term of this Agreement or for a period of twelve (12) months after the termination or expiration of this

Agreement without Manager's prior written approval. Notwithstanding anything contained herein to the contrary, no enrolled member of the Ak-Chin Indian Community shall ever be considered an employee subject to this restriction.

22. **Community Assets.** Nothing in this Agreement shall obligate or authorize the payment or encumbrance of any funds or assets of the Community other than the revenues and assets of the Enterprise (excluding any buildings or structures relating thereto and the realty on which they are located).

23. **Standard of Reasonableness.** Unless specifically provided otherwise, all provisions of this Agreement and all collateral agreements shall be governed by a standard of reasonableness.

24. **Execution.** This Agreement may be executed in four counterparts, two to be retained by each party. Each of the four originals is equally valid. This Agreement shall be deemed "executed" and shall be binding upon both parties when properly executed and approved by the Chairman of the NIGC.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

AK-CHIN INDIAN COMMUNITY

By: Alvan Canyon
Its: CHAIRMAN

HARRAH'S ARIZONA CORPORATION

By: Charles L. O'Connell
Its: Senior Vice President/Treasurer

Approved pursuant to 25 U.S.C. § 2711 and
Approved pursuant to 25 U.S.C. § 81

NATIONAL INDIAN GAMING
COMMISSION

By: Montell New
Chairman

Dated: 01/23/02

GUARANTEE
OF
HARRAH'S OPERATING COMPANY, INC.

In consideration of the benefits it expects to receive from the foregoing Management Agreement as an indirect shareholder of Harrah's Arizona Corporation, and as an inducement to the Ak-Chin Indian Community to enter into the Management Agreement, Harrah's Operating Company, Inc. hereby guarantees the faithful performance by Harrah's Arizona Corporation of the Management Agreement, and agrees to be bound by Article 16 of the Management Agreement with respect to any dispute arising in connection with this Guarantee.

HARRAH'S OPERATING COMPANY, INC.

By: _____

Its: _____

Dated: _____