
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities and Exchange Act of 1934**

Date of Report (date of earliest event reported): January 31, 2007

FULL HOUSE RESORTS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-32583
(Commission File Number)

13-3391527
(IRS Employer
Identification No.)

**4670 S. Fort Apache Road, Suite 190
Las Vegas, Nevada 89147**
(Address of principal executive office)

Registrant's telephone number, including area code: (702) 221-7800

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

The information in Item 2.03 below regarding our entry into a Reducing Revolving Loan Agreement with Nevada State Bank and our promissory note in favor of the James R. Peters Family Trust is incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On January 31, 2007, we completed our previously announced acquisition of Stockman's Casino in Fallon, Nevada from the James R. Peters Family Trust for a purchase price of \$26.75 million, including an adjustment based on Stockman's financial performance over the past 12 months. Stockman's Casino has approximately 8,400 square feet of gaming space with 274 slot machines, 4 table games and keno. There is a bar, a fine dining restaurant and a coffee shop. In addition, the facility includes a Holiday Inn Express, which has 98 guest rooms, indoor and outdoor pools, sauna, fitness center, meeting room and a business center. The acquisition was funded in part by a Reducing Revolving Loan from Nevada State Bank of \$16 million and approximately \$1.25 million of seller financing.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

In connection with the acquisition described in Item 2.01 above, on January 31, 2007 we entered into a Reducing Revolving Loan Agreement Effective with Nevada State Bank and related promissory note, pledge agreement and guarantee by our Stockman's subsidiary. The loan is for an initial maximum amount of \$16,000,000, which amount decreases by \$533,000 semiannually on January 1 and July 1 of each year, any outstanding amounts above such reduced maximum must be repaid on such date. The loan matures on January 31, 2022 and bears interest at an initial rate equal to 7.3892% based on the five year LIBOR/Swap rate plus 2.1%. This rate adjusts annually based on the funded debt to EBITDA ratio of our Stockman's subsidiary with adjustments based on the five year LIBOR/Swap rate occurring every five years. The loan agreement is guaranteed by our Stockman's subsidiary and is secured by a pledge of the stock and the assets of our Stockman's subsidiary.

The loan agreement contains customary representations, warranties and requires that our Stockman's subsidiary maintain specified financial covenants, including a fixed charge coverage ratio, a funded debt to EBITDA ratio and a minimum tangible net worth. In addition, the loan agreement limits the amount of distributions from and capital expenditures by our Stockman's subsidiary. The loan agreement also provides for customary events of default including payment defaults and covenant defaults

The description of the loan is qualified by reference to the loan agreement, which is attached as Exhibit 10.80 and the related promissory note, which is attached as Exhibit 10.81 hereto.

In addition, we also entered into an approximately \$1.25 million promissory note in favor of the seller of Stockman's which is secured by a deed of trust, that is subordinated to the lien granted to Nevada State Bank, on the real property held by Stockman's. The note bears interest at an annual rate of 7.44%, with monthly payments of principal and interest due over five years. The description of the note is qualified by reference to the promissory note, which is attached hereto as Exhibit 10.82.

Item 9.01. Financial Statements, Pro Forma Financial Information and Exhibits

- (a) *Financial Statements of Businesses Acquired.*

In accordance with Item 9.01(a)(4) of Form 8-K, financial statements required under this Item shall be filed by amendment to the original Current Report on Form 8-K no later than 71 calendar days after the date on which this report on Form 8-K must be filed.

(b) *Pro Forma Financial Information.*

In accordance with Item 9.01(a)(4) of Form 8-K, financial statements required under this Item shall be filed by amendment to the original Current Report on Form 8-K no later than 71 calendar days after the date on which this report on Form 8-K must be filed.

(d) *Exhibits.*

The following exhibits are being furnished herewith:

<u>Exhibit No.</u>	<u>Description</u>
10.80	Reducing Revolving Loan Agreement, dated January 31, 2007 between Full House Resorts, Inc. and Nevada State Bank.
10.81	Reducing Revolving Promissory Note, dated January 31, 2007 by Full House Resorts in favor of Nevada State Bank.
10.82	Promissory Note, dated January 31, 2007 by Full House Resorts in favor of The James R. Peters Family Trust Dated October 18, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 5, 2007

FULL HOUSE RESORTS, INC.

By: /s/ Barth Aaron
Name: Barth F. Aaron
Title: Secretary/General Counsel

REDUCING REVOLVING LOAN AGREEMENT

THIS REDUCING REVOLVING LOAN AGREEMENT (the "Agreement") is made effective as of the 31st day of January, 2007, by and between **FULL HOUSE RESORTS, INC.**, a Delaware corporation (the "Borrower"), and **NEVADA STATE BANK** (the "Lender").

WITNESSETH:

WHEREAS, Borrower desires to purchase all of the issued and outstanding shares of stock (the "Shares") in Stockman's Casino, a Nevada corporation ("Stockman's Casino"), which is licensed by the Nevada Gaming Commission to own and operate the Stockman's Casino and Hotel located on certain real property in Fallon, Churchill County, Nevada, and described in **Exhibit "A"** (the "Property");

WHEREAS, subject to the terms and conditions hereof, Lender has agreed to lend to Borrower certain funds on a reducing revolving basis in an amount not to exceed **SIXTEEN MILLION AND NO/100THS DOLLARS (\$16,000,000.00)** (the "Loan") to assist the Borrower in purchasing the Shares and to provide Borrower with working capital.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties and subject to the following terms and conditions, Borrower agrees to borrow from Lender, and Lender agrees to loan to Borrower the Loan for the purposes provided herein. The Loan shall be evidenced by a Reducing Revolving Promissory Note (the "Note") bearing even date herewith, secured by a Stock Pledge Agreement (the "Stock Pledge") under which the Borrower shall pledge to Lender all of the Shares, and guaranteed by Stockman's Casino by the execution of a Guarantee in form and content acceptable to Lender (the "Guarantee"). This Agreement, the Note, the Guarantee, Stock Pledge, and any and all other documents now or hereafter executed by Borrower or any other person or party in connection with or to evidence or secure payment of the Loan are sometimes hereafter collectively referred to as the "Loan Documents".

A. DISBURSEMENTS:

A.1 Initial Disbursement. Lender shall make an initial disbursement under the Loan (the "Initial Disbursement") to assist Borrower in purchasing the Shares once the following conditions have been satisfied:

(a) Borrower has caused to be provided to Lender, at Borrower's or Stockman's Casino's expense, an ALTA lender's policy of title insurance insuring the lien of a Deed of Trust and Security Agreement and Fixture Filing With Assignment of Rents (the "Deed of Trust") executed by Stockman's Casino for the benefit of Lender to secure Stockman's Casino's obligations

under the Guarantee as a first priority lien on the Property, which title policy shall be in form and content, and issued by a title insurer acceptable to Lender, and shall be subject only to such exceptions to title as Lender may approve;

(b) Borrower shall have paid Lender or deposited into escrow sufficient sums to pay Lender's loan fee in the amount of \$160,000.00, all closing costs and fees, and Lender's reasonable attorneys' fees and costs incurred in connection herewith;

(c) Lender shall have received evidence acceptable to Lender that the security interest in and to all personal property collateral for the Loan, including without limitation, the inventory and accounts receivable of Stockman's Casino, contained in the Deed of Trust constitutes a first priority lien;

(d) Lender shall have received evidence acceptable to Lender that Borrower has received any and all regulatory approvals in connection with the acquisition of the Shares, including without limitation, approvals required to be obtained from the Gaming Authorities (as defined in the Stock Pledge);

(e) Lender shall have received an opinion from counsel for the Borrower, in all respects acceptable to Lender, opining that the Loan documents have been duly executed and delivered and are enforceable under Nevada law, that Borrower and Stockman's Casino are legally existing under the laws of the state of their organization, are qualified to transact business in Nevada and are in good standing, and that the Loan has been duly authorized by all necessary corporate action; and

(1) There has occurred no material adverse change in the financial condition of Borrower or Stockman's Casino from the condition reflected in the most recent financial statements provided to Lender in connection with the Loan.

A.2 Subsequent Disbursements. Lender's obligation to make any disbursements under the an following the Initial Disbursement shall be subject to the following:

(a) Each representation, covenant and warranty made by Borrower herein shall be true and correct at the time Borrower requests any such disbursement and at the time that such disbursement is made;

(b) Borrower shall submit to Lender a disbursement request in form and content acceptable to Lender and executed by an authorized officer or other representative of Borrower;

(c) No Event of Default (as herein defined), or any event which with notice and/or the passage of time would constitute an Event of Default, shall then exist hereunder; and

(d) Borrower shall provide Lender with such information as Lender may reasonably require regarding the proposed use of the requested Loan funds.

A.3 Reductions in Commitment. The maximum committed amount under the Loan shall be reduced by the amount of \$533,000.00 semi-annually on the first day of January and July of each year commencing on the first day of July, 2007.

B. REPRESENTATIONS, COVENANTS AND WARRANTIES.

Borrower hereby unconditionally represents, covenants and warrants as follows:

B.1 Power. If Borrower or any signator who signs on its behalf is a corporation, partnership, limited liability company, or trust, that it is a corporation duly incorporated, or a partnership, limited liability company, or trust duly organized, and in any event validly existing under the laws of the state of its incorporation or organization and duly qualified to do business in the State of Nevada, with requisite power and authority to (i) incur the indebtedness evidenced by the Note; (ii) enter into this Agreement and execute the Stock Pledge; and (iii) enter into any other Loan Documents executed and delivered to Lender concurrently herewith.

B.2 Authority. That this Agreement, the Note, the Stock Pledge and all other Loan Documents executed and delivered to Lender concurrently herewith were duly executed, and, if Borrower or any signator who signs on its behalf is a corporation, partnership, limited liability company, or trust, in accordance with any requirements of its articles of incorporation, articles of partnership, articles of organization and/or operating agreement, or declaration of trust, and any amendments thereto, and that the execution of the same, and the full and complete performance of the provisions thereof, is authorized by its bylaws, articles of partnership, articles of organization and/or operating agreement, or declaration of trust, or a resolution of its board of directors, partners, members and/or managers or trustees, and will not result in any breach of, or constitute a default under, or result in the creation of any lien, charge or encumbrance (other than those contained herein or in any instrument delivered to Lender concurrently herewith) upon any property or assets of Borrower under any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument or agreement to which Borrower is a party or by which Borrower is bound or, if applicable, under Borrower's corporate charter, bylaws, articles of partnership, articles of organization and/or operating agreement, or declaration of trust.

B.3 Financial Statements. Any and all balance sheets, statements of income or loss, reconciliation of surplus and financial data of any other kind heretofore furnished Lender by or on behalf of Borrower and Stockman's Casino are true and correct in all material respects, and fully and accurately present the financial condition of the subjects thereof as of the dates thereof, and no material adverse change has occurred in the financial condition reflected therein since the dates of the most recent financial data submitted to Lender. During the Loan term, Borrower shall provide Lender with: (i) copies of annual CPA audited financial statements for the Borrower and

Stockman's Casino within 120 days following the end of each fiscal year; (ii) copies of quarterly 10Q's for Borrower within 45 days following the end of each fiscal quarter; (iii) copies of quarterly internally prepared financial statements for Stockman's Casino within 45 days following the end of each fiscal quarter; (iv) copies of federal income tax returns (including all schedules) and/or extension requests for Borrower within 30 days after filing the same; and (v) such other financial information in connection with the Borrower, Stockman's Casino and the Property as Lender may reasonably request. Stockman's Casino's annual and quarterly financial statements shall be certified to be true and correct by Stockman's Casino's chief financial officer.

B.4 Financial Covenants. During the term of the Loan, Stockman's Casino shall:

- (a) maintain a Fixed Charge Coverage Ratio (defined as [earnings before interest, taxes, depreciation and amortization ("EBITDA"), less maintenance capital expenditures (in an amount equal to two percent (2%) of total net revenues), cash taxes, dividends and withdrawals] ÷ [interest, capital lease payments and scheduled principal payments]) of not less than 1.10 to 1.00 to be measured quarterly by Lender on a rolling four (4) quarter basis (which may include quarters under previous ownership);
- (b) maintain a Maximum Funded Debt to EBITDA Ratio (the "Funded Debt to EBITDA Ratio") (defined as [interest bearing debt (which shall include the indebtedness evidenced by the Loan), plus capital leases outstanding as of the measurement date] ÷ [EBITDA]) of not greater than 4.25 to 1.00 until December 31, 2007, not greater than 3.75 to 1.00 until December 31, 2008, not greater than 3.25 to 1.00 until December 31, 2009, and not greater than 2.75 to 1.00 as of December 31, 2009 and thereafter to be measured quarterly by Lender on a rolling four (4) quarter basis (which may include quarters under previous ownership);
- (c) maintain a Minimum Tangible Net Worth (defined as net worth minus all intangible assets, including without limitation, shareholder loans, affiliate loans and investments, goodwill, and financing costs) as determined at the close of acquisition of the Shares, to be increased by an amount equal to twenty percent (20%) of Stockman's Casino's net income after income tax obligations and debt service requirements under the Loan and the Subordinated Debt (as hereinafter defined), each fiscal year end commencing with the fiscal year ending on December 31, 2007, to be measured quarterly by Lender;

- (d) limit distributions to and withdrawals by owners to an amount equal to not more than fifty percent (50%) of Stockman's Casino's net income plus income tax obligations and debt service requirements under the Loan and the Subordinated Debt (as hereinafter defined), during each of the first three (3) twelve (12) month fiscal periods following the closing of the Loan;
- (e) make annual capital expenditures in an amount not less than two percent (2%) and not greater than six percent (6%) of Stockman's Casino's consolidated net revenues for the immediately prior fiscal year unless otherwise consented to by the Lender; and
- (f) establish and maintain operating accounts with a branch of Lender.

For the purpose of determining the adjusted interest rate under the Note, the Funded Debt to EBITDA Ratio shall be based upon the average outstanding balance of the Loan as of the end of the four (4) previous fiscal quarters of Stockman's Casino.

B.5 Subordination of Seller Indebtedness. Any indebtedness of Borrower in favor of the seller of the Shares (the "Subordinated Debt") shall be subordinated to all of Borrower's indebtedness to Lender, including the Loan, pursuant to an agreement acceptable to Lender (the "Subordination Agreement"). Such Subordination Agreement shall provide that regularly scheduled payments of principal and/or interest under such Subordinated Debt may be made by Borrower if no Event of Default then exists hereunder.

B.6 Litigation. There are no actions, suits or proceedings of a material nature (collectively "Proceedings") pending, or to the knowledge of Borrower threatened, against or affecting the Borrower, Stockman's Casino, the Property, the Shares, or involving the validity or enforceability of the Stock Pledge or the priority of the lien and security interest thereof, and no event ("Adverse Event") has occurred (including specifically the execution of this Agreement, the Note, the Stock Pledge or any of the other Loan Documents) which will violate, be in conflict with, result in the breach of or constitute (with due notice or lapse of time, or both) a default under any Legal Requirement (as hereafter defined), or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on the Shares or the Property other than the liens and security interests created by, or referred to in, the Stock Pledge. Borrower shall give Lender written notice of any pending or threatened Proceeding or any Adverse Event promptly after Borrower obtains knowledge thereof.

B.7 Permits. Before requesting, or being entitled to, any disbursement of the an, Borrower and/or Stockman's Casino shall have complied with all Legal Requirements and all material requirements .of the governmental entities with jurisdiction over the Property.

The foregoing representations, covenants and warranties shall survive until all suns payable pursuant to the Note or this Agreement, or which are secured by the Stock Pledge or any of the other Loan Documents, have been paid in fill.

C. DEFAULT.

C1 Events of Default. Any of the following shall constitute a default hereunder (an "Event of Default"):

(a) The failure of Borrower to make any payment required hereunder, under the Note, or under any other Loan Document within fifteen (15) days after the due date thereof;

(b) The neglect, failure, or refusal of Borrower to keep in full force and effect any material permit, license, consent or approval required hereunder, or under the Loan Documents;

(c) The materially false or misleading nature of any representation or warranty of Borrower contained herein or in any representation to Lender concerning the financial condition of Borrower, or the reasonable determination by Lender of a material threat to its security by reason of a material adverse change in the financial condition of Borrower;

(d) The failure of Borrower to fully perform any and all covenants and agreements hereunder; provided, however, that such failure shall not be an Event of Default hereunder if such failure is not specifically covered elsewhere herein or in the Note, the Stock Pledge or any of the other Loan Documents, such failure does not relate, in the judgment of Lender, to a matter which is of an emergency nature, and Borrower performs such covenant or agreement within thirty (30) days after performance thereof is due. If such failure is specifically covered elsewhere herein or in the Note, the Stock Pledge or any of the other Loan Documents, the foregoing 30-day grace period shall not be applicable in such a situation and the grace period, notice requirement and/or cure period, if any, set forth in such other reference shall control;

(e) The failure of Borrower to perform (other than to make a payment due thereunder) as required under any other Loan Document within thirty (30) days after such performance is due;

(f) The admission by Borrower or Stockman's Casino in writing of its inability to pay its debts generally as they become due, or the filing by Borrower or Stockman's Casino of a petition or action for relief under any bankruptcy, reorganization or insolvency law, or any other law or laws for the relief of, or relating to, debtors;

(g) The filing of any involuntary petition under any bankruptcy or insolvency law against Borrower or Stockman's Casino, or the appointment of a custodian, receiver or trustee to take possession of the Property or other assets of Borrower or Stockman's Casino, unless such petition or appointment is or has been set aside or withdrawn within sixty (60) days from the date of such filing or appointment;

(h) Stockman's Casino shall notify Lender of its intention to rescind, modify, terminate or revoke the Guarantee without the prior written consent of Lender, or the Guarantee shall cease to be in full force and effect for any reason; or

(i) Any breach or default by Borrower or Stockman's Casino under any other loan or credit facility now or hereafter existing between Lender and Borrower or Stockman's Casino, subject to any applicable notice requirement and opportunity to cure.

For the purpose of paragraph C. 1, whenever Borrower is provided with a period of time within which to cure any default, and such default is not reasonably susceptible to cure within such period of time, it shall be deemed cured if Borrower commences curative action within such time period and diligently pursues such action thereafter.

C.2 Acceleration. Upon the occurrence and during the continuance of an Event of Default hereunder, the entire unpaid balance of the Note including all accrued interest shall, at the option of Lender, become immediately due and payable and Lender shall have such rights of enforcement as maybe afforded by law, hereunder, or under the Note, the Stock Pledge or any of the other Loan Documents.

D. REMEDIES.

D.1 General. Upon the occurrence and during the continuance of an Event of Default hereunder, Lender shall have all rights and remedies available to Lender under the law, hereunder or under the Note (including but not limited to the right to accelerate the Note), the Stock Pledge or any of the other Loan Documents.

D.2 Right to Advance or Post Funds. Where disputes arise which, in the good faith opinion of Lender, may endanger the performance of any covenant contained herein, Lender may, following ten (10) days written notice to Borrower, enter into such agreements or advance funds for the account of Borrower without prejudice to Borrower's rights, if any, to recover said funds from the party to whom paid. Such agreement or agreements may take the form which Lender, in its discretion, deems proper, including but not limited to agreements to indemnify a title insurer against possible assertion of lien claims or to pay disputed amounts to contractors if Borrower is unable or unwilling to pay the same. All sums paid or agreed to be paid pursuant to any such

undertaking shall be for the account of Borrower, Borrower shall reimburse Lender for any such payments made upon demand therefor, with interest at the rate then applicable under the Note until date of reimbursement, and such advances and interest shall be secured by the Stock Pledge.

D.3 Curing of Defaults by Disbursement. Upon the occurrence and during the continuance of an Event of Default which may be cured by the payment of money other than under Paragraph C. 1 (a), Lender, without waiving any right of acceleration or foreclosure under the Note or the Stock Pledge which Lender may have by reason of such Event of Default, or any other right Lender may have against Borrower because of such Event of Default, shall have the right to make such payment from the Loan, thereby curing the Event of Default.

D.4 Remedies are Cumulative. All remedies of Lender provided for herein are cumulative and shall be in addition to any and all other rights and remedies provided in the Note, the Stock Pledge or any of the other Loan Documents or by law. The exercise of any rights of Lender hereunder shall not in any way constitute a cure or waiver of a default hereunder or elsewhere, or invalidate any act done pursuant to any notice of default, or, to the maximum extent permitted by law, prejudice Lender in the exercise of any of its other rights hereunder or elsewhere unless, in the exercise of said rights, Lender realizes all amounts owed to it hereunder and under the Note, the Stock Pledge and the other Loan Documents.

D.5 Right of Contest. Borrower shall have the right to contest in good faith any claim, demand, levy, or assessment by a third party, the assertion of which would constitute an Event of Default hereunder. Any such contest shall be prosecuted diligently and in a manner not prejudicial to Lender or the rights of Lender hereunder. In the event that Lender reasonably determines that such claim, demand, levy or assessment could adversely affect Lender's interest in the Property, upon demand by Lender, Borrower shall deposit funds with Lender or obtain and record a bond satisfactory to Lender in an amount sufficient to cover any amounts which may be owing in the event the contest may be unsuccessful. Borrower shall make such deposit or obtain and record such bond, as the case may be, within five (5) days after demand therefor and, if made by payment of funds to Lender, the amount so deposited shall be disbursed in accordance with the resolution of the contest to Borrower or the adverse claimant.

E. MISCELLANEOUS.

E.1 No Waiver. No waiver of any default or breach by Borrower hereunder shall be implied from any omission by Lender to take action on account of such default, and no express waiver shall affect any default other than the default specified in the waiver and the waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by Lender to or of any act by Borrower requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act.

E.2 No Third Parties Benefitted. This Agreement is made and entered into for the sole protection and benefit of Lender and Borrower. All conditions of the obligations of Lender to make advances hereunder are imposed solely and exclusively for the benefit of Lender and maybe freely modified by Lender with the concurrence of Borrower or waived by Lender in whole or in part at any time if in its sole discretion it deems it advisable to do so. No person other than Borrower shall have standing to require Lender to make any Loan advances or be a beneficiary of this Agreement or of any of the advances to be made hereunder.

E.3 [Intentionally Omitted.]

E.4 Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given if mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested, or by delivering the same in person to the intended addressee, or by telefax. Notice so mailed shall be effective two (2) business days following its deposit. Notice given in any other manner shall be effective only if and when received by the addressee during normal business hours. For purposes of notice, the addresses of the parties shall be as set forth on the signature page hereof; provided, however, that either party shall have the right to change its address for notice hereunder to any other location by the giving of notice to the other party in the manner set forth above.

E.5 Authority to File Notices. Borrower irrevocably appoints, designates, and authorizes Lender as its agent (said agency being coupled with an interest) to file for record any notice that Lender reasonably deems necessary or desirable to protect its interest hereunder or under the Note, the Stock Pledge or any of the other Loan Documents. Lender shall only file such notices if Borrower fails, within fifteen (15) days after written demand by Lender, to do so.

E.6 Expenses. Borrower shall pay promptly all reasonable costs, charges, and expenses incurred by Lender in connection with the Loan, including but not limited to commitment fees, loan fees, service charges, title charges, tax and lien service charges, costs of inspection, recording fees, processing fees, appraisal fees, attorneys' fees, real property taxes and assessments and insurance premiums, and any and all fees in consideration of Lender's commitment to provide the Loan.

E.7 Actions. Upon the occurrence and during the continuance of an Event of Default, Lender shall have the right to commence, appear in or defend any action or proceeding purporting to affect the Property, or the rights, duties, or liabilities of the parties hereunder, or the disbursement of any funds. In connection therewith, Lender may incur and pay costs and expenses, including reasonable attorneys' fees, and Borrower shall pay to Lender on demand all such costs and expenses and Lender is authorized to disburse funds from the Loan for said purpose.

E.8 Commissions and Brokerage Fee. Borrower shall indemnify Lender from any responsibility and/or liability for the payment of any commission, charge or brokerage fees to

anyone which may be payable in connection with the making, purchase or refinance of the Loan, it being understood that any such commission, charge, or brokerage fees will be paid directly by Borrower to the party or parties entitled thereto.

E.9 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of Nevada, except as preempted by federal law. Notwithstanding anything to the contrary contained herein, this Agreement is subject to the Applicable Gaming Laws (as defined in the Stock Pledge) of the State of Nevada. Lender agrees to cooperate with the Gaming Authorities (as defined in the Stock Pledge) of the State of Nevada in connection with the administration of their regulatory jurisdiction over Borrower, including the provision of such documents and other information as may be requested by the Gaming Authorities of the State of Nevada relating to Borrower or the Documents.

E.10 Heirs, Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, successors, assigns and personal representatives of the parties hereto; provided, however, that Borrower shall not assign its rights hereunder in whole or in part without the prior written consent of Lender, which such consent may be granted or withheld in the sole and absolute discretion of Lender. Any such assignment without said consent shall be void. Lender shall have the right at any time and from time to time to assign to participants or others all or certain of its rights and obligations hereunder but no such assignment shall, without Borrower's written consent, relieve Lender of its obligations hereunder. Notwithstanding the foregoing, without Lender's prior consent but on at least fifteen (15) days advance notice to Lender, the Borrower may (i) transfer the Shares to any entity controlled by or under common control with Borrower, and/or (ii) cause the transfer of the Property to a separate entity controlled by or under common control with Stockman's Casino (i.e., separate from the operations of the Property), so long as in each case the liens of the Stock Pledge and the Deed of Trust remain first priority liens in favor of Lender on the respective collateral described therein.

E.11 Time. Time is of the essence of this Agreement and each and every provision hereof in which time is an element.

E.12 Supplemental Agreement. The provisions of this Agreement are not intended to supersede the provisions of the Stock Pledge but shall be construed as supplemental thereto. This Agreement, and all representations and warranties contained herein, shall remain in effect until the Loan has been paid in full.

E.13 Legal Requirements. "Legal Requirements" shall mean (i) any and all present and future judicial decisions, statutes, rulings, directions, rules, regulations, permits, certificates or ordinances of any governmental authority in any way applicable to Borrower or the Property, including the ownership, use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction thereof, including, without limitation, any Applicable Gaming Laws, (ii) Borrower's presently or subsequently effective bylaws and articles of incorporation or partnership, limited partnership, joint venture, trust or other form of business association agreement, (iii) any and

all terms, provisions and conditions of any commitment between Lender and Borrower which are to be performed or observed by Borrower, and (iv) any and all leases and other contracts (written or oral) of any nature that relate, in any way, to the Property and to which Stockman's Casino may be bound, including but not limited to any lease or other contract pursuant to which Stockman's Casino is granted a possessory interest in the Property.

E.14 Relationship of Parties. The relationship between Borrower and Lender is, and at all time shall remain, solely that of debtor and creditor, and shall not be, or be construed to be, a joint venture, equity venture, partnership or other relationship of any nature, and Lender neither undertakes nor assumes any responsibility or duty to Borrower or to any other person with respect to the Property or the Loan, except as expressly provided in the an Documents; and notwithstanding any other provision of the Loan Documents: (a) Lender is not, and shall not be construed as, a partner, joint venturer, alter ego, manager, controlling person or other business associate or participant of any kind of Borrower or its partners or members and Lender does not intend to ever assume such status; (b) Lender shall in no event be liable for any debts, expenses or losses incurred or sustained by Borrower; (c) Lender does not intend to ever assume any responsibility to any person for the quality, suitability, safety or condition of the Property; and (d) Lender shall not be deemed responsible for or a participant in any acts, omissions or decisions of Borrower or its partners or members.

E.15 Attorneys' Fees and Costs. If any legal action or any arbitration or other proceeding is brought for the enforcement of this Agreement or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which he may be entitled.

E.16 Expiration of Commitment. Lender's obligation to disburse the Loan is further conditioned upon the execution of this Agreement and the other Loan Documents and the recordation of the Deed of Trust on or before February 28, 2007.

E.17 Counterparts. This Agreement may be executed in any number of counterparts, all of which, when taken together, shall be construed as one document.

E.18 Interpretation. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties jointly prepared this Agreement and any uncertainty and ambiguity shall not be interpreted against any one party,

E.19 Partial Invalidity. In the event that any of the terms hereof shall be held to be invalid or unenforceable by any court of competent jurisdiction, such fact shall not affect the validity or enforceability of the remaining terms hereof.

E.20 Reasonableness Standard. Except as otherwise provided herein, whenever Lender's consent or approval is required in this Agreement or any of the other Loan Documents, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

E.21 Gaming Laws. Whenever in this Agreement a right is given to Lender, which right is affected by Applicable Gaming Laws (as defined in the Stock Pledge) or the enforcement of which is subject to Applicable Gaming Laws, the enforcement of any such right shall be subject to Applicable Gaming Laws and approval, if so required, of the applicable Gaming Authorities (as defined in the Stock Pledge). Without limiting the generality of the foregoing, Lender acknowledges that (a) Lender is subject to being called forward by the Gaming Authorities of the State of Nevada, in their discretion, for licensing or a fording of suitability as a lender to a gaming licensee, and (b) to the extent the prior approval of the Gaming Authorities of the State of Neva is required pursuant to Applicable Gaming Laws for the exercise, operation and effectiveness of any remedy hereunder or under any other Loan Document, or the taking of any action that may be taken by Beneficiary hereunder or under any other Loan Document, such remedy or action shall be subject to such prior approval of the Gaming Authorities of the State of Nevada.

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

Full House Resorts, Inc.
4670 S. Fort Apache, Suite 190
Las Vegas, Nevada 89147

FULL HOUSE RESORTS, INC.,
a Delaware corporation

By: /s/ Barth F. Aaron
Its: Secretary
"Borrower"

Nevada State Bank One
W. Liberty Street
Reno, Nevada 89501

NEVADA STATE BANK

By: /s/ Richard Thomas
Its: Vice President
"Lender"

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Hale Lane Peek Dennison and Howard
Attorneys and Counsellors at Law
Reno, Nevada
(775) 327-3000

EXHIBIT "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of CHURCHILL, described as follows:

Parcels 1, 2 and 3 of the Parcel Map for James R. Peters, as trustee under the James R. Peters Family Trust Agreement recorded March 1, 2005, under Document No. 368694, Official Records, Churchill County, Nevada.

REDUCING REVOLVING PROMISSORY NOTE

\$16,000,000.00

January 31, 2007

FOR VALUE RECEIVED, at the times hereinafter stated, the undersigned, **FULL HOUSE RESORTS, INC.**, a Delaware corporation (the "Borrower"), promises to pay to **NEVADA STATE BANK**, or order (the "Lender"), at Nevada State Bank, 1 West Liberty Street, Reno, Nevada 89501, or at such other place as the holder hereof may from time to time designate in writing, in legal tender of the United States of America, the principal sum of **SIXTEEN MILLION AND NO/100THS DOLLARS (\$16,000,000.00)**, or so much thereof as may be advanced (the "Loan") pursuant to the terms of that certain Reducing Revolving Loan Agreement of even date herewith between Lender and Borrower (the "Loan Agreement"), with interest from the date or dates of disbursement on the unpaid principal balance from time to time outstanding at a fixed rate equal to two and one-tenth percent (2.10%) in excess of Lender's five (5) year LIBOR/Swap rate (the "Index") as of the date of this Note until the first Interest Adjustment Date (as defined below). The rate of interest charged hereunder shall be adjusted annually as of the first day of the first month following the date that Lender receives the final CPA audited financial statements pursuant to Section B.3 of the Loan Agreement (each an "Interest Adjustment Date") to a new fixed rate determined by Lender based upon the Applicable Index (defined below) and the Funded Debt to EBITDA Ratio (as defined in the Loan *Agreement*) reflected on such financial statements as follows:

<u>Funded Debt to EBITDA Ratio.</u>	<u>Rate</u>
Equal to or greater than 4.00 to 1.00	The Applicable Index plus 2.40%
Equal to or greater than 3.50 to 1.00, but less than 4.00 to 1.00	The Applicable Index plus 2.25%
Equal to or greater than 3.00 to 1.00, but less than 3.50 to 1.00	The Applicable Index plus 2.10%
Less than 3.00 to 1.00	The Applicable Index plus 1.95%

LIBOR/Swap rate is to be strictly interpreted and is not intended to serve any other purpose other than providing an index to determine the interest rate used herein. As used herein, Lender's LIBOR/Swap rate shall mean the rate per annum quoted as the five (5) year LIBOR/Swap rate for U.S. Dollars by Bloomberg or other comparable pricing services selected by Lender.

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Hale Lane Peek Dennison and Howard
Attorneys and Counsellors at Law
Reno, Nevada
(775) 327-3000

The term "Applicable Index" shall mean the following:

- (i) for each Interest Adjustment Date occurring between the date of funding the Loan and January 31, 2012, the Index determined by Lender as of the date hereof;
- (ii) for each Interest Adjustment Date occurring between February 1, 2012 and January 31, 2017, the Index as determined by Lender as of January 31, 2012; and
- (iii) for each Interest Adjustment Date occurring between February 1, 2017 and January 31, 2022, the Index determined by Lender as of January 31, 2017.

Interest shall be computed on the basis of a 360-day year and actual number of days elapsed-

During the term of the Loan, principal and interest shall be due as follows:

- (i) interest only on the first day of each and every month commencing on the first day of March, 2007;
- (ii) principal in the amount required, if any, to reduce the outstanding principal balance consistent with Borrower's obligation under the Loan Agreement to reduce the maximum committed amount under the Loan by the amount of Five Hundred Thirty Three Thousand and No/100ths Dollars (\$533,000.00) semi-annually on the first day of January and July of each year commencing on the first day of July, 2007; and
- (iii) any balance of principal and accrued and unpaid interest shall be due and payable in full on January 31, 2022 (the "Maturity Date").

At no time shall the rate of interest in effect hereunder (the "Interest Rate") exceed the legal rate of interest permitted to be charged by the Lender. In the event any law precludes Lender from charging the Interest Rate otherwise permitted hereunder, the rate of interest hereunder for the period during which such rate is unlawful shall be the highest rate permitted by law. The rate of interest hereunder shall immediately increase to the rate permitted hereunder as soon as permitted by law. Any interest which would otherwise have become due to Lender but for the application of any law, shall, to the extent legally permitted, be repaid to Lender in equal monthly installments above the interest otherwise due *at such time*, so that the interest otherwise due to Lender hereunder, but not permitted by law, shall be fully repaid to Lender by the Maturity Date. Such payments shall be made at the time and in the manner set forth herein for the payment of interest.

This Note is issued pursuant to the Loan Agreement and is secured by, among other instruments, a Stock Pledge Agreement (the "Stock Pledge") under which Borrower shall pledge to Lender all of Borrower's shares (the "Shares") in Stockman's Casino.

In the event that the Loan is prepaid due to a refinancing by a financial institution not affiliated with Lender, or as a result of an acquisition of or merger of Borrower, then such prepayment shall be accompanied by a prepayment fee calculated as follows:

- (1) a prepayment fee equal to five percent (5%) of the then maximum committed amount under the Loan if the prepayment occurs in the first Loan Year;
- (2) a prepayment fee equal to four percent (4%) of the then maximum committed amount under the Loan if the prepayment occurs in the second Loan Year;
- (3) a prepayment fee equal to three percent (3%) of the then maximum committed amount under the Loan if the prepayment occurs in the third Loan Year;
- (4) a prepayment fee equal to two percent (2%) of the then maximum committed amount under the Loan if the prepayment occurs in the fourth Loan Year;
- (5) a prepayment fee equal to one percent (1%) of the then maximum committed amount under the Loan if the prepayment occurs in the fifth Loan Year; and
- (6) a prepayment fee equal to zero percent (0%) of the then maximum committed amount under the Loan if the prepayment occurs after the fifth Loan Year.

For Purposes hereof, the term "Loan Year" shall mean the twelve (12) month period following the date of this Note and each subsequent twelve (12) month period.

All payments on this Note shall be applied first to accrued interest and the balance to principal and if outstanding interest is not paid in full on a payment date it shall bear interest like principal at the Interest Rate. Borrower acknowledges that the foregoing, and other provisions of this Note, shall result in compounding of interest and Borrower agrees thereto pursuant to the provisions of Nevada Revised Statutes 99.050.

Borrower agrees with Lender that it would be extremely difficult or impracticable to fix the actual damages of Lender in the event that any installment of interest or principal hereunder shall not be paid when due and that Lender will incur extra administrative expenses and loss of use of funds; therefore, Borrower agrees to pay Lender, in the event a payment is not made

within fifteen (15) days of the date it was due, an amount equal to 5% of such late installment. Acceptance of such amount by Lender shall be in lieu of its actual damages for any such delinquent payment of an installment. Nothing in this Note shall be construed as an express or implied agreement by Lender to forbear in the collection of any delinquent payment, or be construed as in any way giving the Borrower the right, express or implied, to fail to make timely payments hereunder, whether upon payment of such damages or otherwise. The right of the holder hereof to receive payment of such damages, and receipt thereof, are without prejudice to the right of such holder to collect such delinquent payments and any other amounts provided to be paid hereunder or under any security for this Note or to declare a default hereunder or under any security for this Note.

Failure to make any payment of principal and/or interest within fifteen (15) days after the due date thereof or to otherwise perform hereunder, or an Event of Default by Borrower under the terms of the Loan Agreement, the Stock Pledge, any other agreement or instrument securing the indebtedness evidenced hereby, or any other obligations of Borrower to the holder hereof, shall constitute an Event of Default hereunder and shall, without notice, at the option of the holder hereof, cause all of the unpaid principal of this Note, with interest accrued thereon and any other sums due under the Loan Agreement, Stock Pledge or other instruments, to become immediately due and payable. Upon an Event of Default hereunder, at the option of the holder hereof, all amounts then unpaid under this Note, the Loan Agreement, the Stock Pledge or any other instrument securing the Note or the Loan Agreement shall bear interest from the date of an Event of Default until such Event of Default is cured at a default rate equal to five percent (5%) *above* the applicable Interest Rate (the "Default Rate") and shall be immediately due and payable. Delay or failure to exercise said options shall not constitute a waiver of the right to exercise same at any time thereafter or **in** the event of any subsequent default.

The acceptance of any payment hereunder which is less than payment of all amounts then due and payable shall not constitute a waiver of any of the rights or options of the holder hereof or to the exercise of those rights and options at the time of such acceptance or at any subsequent time. Principal, interest and any fees hereunder shall be payable in lawful money of the United States of America in immediately available funds free and clear of, and without deduction for, any and all present and future taxes, withholdings, and costs or reserves.

In the event that **suit** be brought hereon, or an attorney be employed or expenses be incurred to compel payment of this Note or any portion of the indebtedness evidenced hereby, whether or not any suit, proceeding or any judicial or non judicial foreclosure proceeding be commenced, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred as a result thereof from the non-prevailing party.

This Note shall be construed and enforced in accordance with the laws of the State of Nevada, except as may be pre-empted by federal law, Borrower agrees that Lender shall have the rights and remedies available to a creditor under the laws of the State of Nevada. Borrower consents to the personal jurisdiction of the appropriate state or federal court located in Washoe County, Nevada.

No waiver by Lender of any right or remedy shall be effective unless in writing and signed by Lender, and no such waiver, on one occasion, shall be construed as a waiver on any other occasion. Borrower waives any right of offset now or hereafter existing against the holder hereof.

To the extent permitted by applicable law, each endorser and guarantor jointly and severally and to the extent permitted by law waives notice of intent to accelerate, demand, presentment for payment, protest and notice of protest and non-payment of this Note; waives any and all lack of diligence or delays in the collection or enforcement hereof; and expressly agrees to remain and continue bound for the payment of the principal, interest and other sums provided for by the terms of this Note, the Loan Agreement or the Stock Pledge, notwithstanding any extension of time for the payment of said principal or interest or other sum, or any change in the amount agreed to be paid under this Note, the Loan Agreement or in the Stock Pledge, or any change by way of release or surrender, exchange or substitution for any real estate security or other collateral security now held or which may hereafter be held as security for this Note, and waives all and every kind of notice of such extension, or change, and agrees that the same may be made without notice to or joinder of Borrower.

Except for leases of portions of the Property (as defined in the Loan Agreement) in the ordinary course of business, in the event that the interest of Stockman's Casino in the Property, or any material part thereof, or any material interest therein is sold, conveyed, alienated, further encumbered or otherwise transferred by Stockman's Casino, voluntarily or involuntarily, whether by operation of law or otherwise, the obligations hereunder, irrespective of the maturity dates expressed herein, at the option of the holder hereof and without demand or notice, shall immediately become due and payable. In the event that the holder hereof does not elect to declare this Note immediately due and payable, then, unless indicated otherwise in writing by the holder hereof, Borrower shall remain primarily liable for the obligations hereunder and under any other instrument securing this Note or executed in connection herewith. This provision shall apply to each and every sale, conveyance, alienation, encumbrance or transfer, regardless of whether or not the holder has consented to, or waived, holder's rights hereunder, whether by action or nonaction, in connection with any previous sale, conveyance, alienation, encumbrance or transfer and whether or not the holder has received any payments after such event. Notwithstanding the foregoing, without Lender's prior consent but on a least fifteen (15) days advance notice to Lender, the Borrower may (i) transfer the Shares to any entity controlled by or under common control with Borrower, and/or (ii) cause the transfer of the Property to a separate entity controlled by or under common control with Stockman's Casino (i.e., separate from the operations of the Property), so long as in each case the liens of the Stock Pledge and the Deed of Trust And Security Agreement And Fixture Filing With Assignment of Rents executed in connection with the Loan remain first priority liens in favor of Lender on the respective collateral described therein.

In the event that any of the terms hereof shall be held to be invalid or unenforceable by any court of competent jurisdiction, such fact shall not affect the validity or enforceability of the remaining terms hereof.

Whenever in this Note a right is given to Lender, which right is affected by Applicable Gaming Laws (as defined in the Stock Pledge) or the enforcement of which is subject to Applicable Gaming Laws, the enforcement of any such right shall be subject to Applicable Gaming Laws and approval, if so required, of the applicable Gaming Authorities (as defined in the Stock Pledge). Without limiting the generality of the foregoing, Lender acknowledges that (a) Lender is subject to being called forward by the Gaming Authorities of the State of Nevada, in their discretion, for licensing or a finding of suitability as a lender to a gaming licensee, and (b) to the extent the prior approval of the Gaming Authorities of the State of Nevada is required pursuant to Applicable Gaming Laws for the exercise, operation and effectiveness of any remedy hereunder or under any other Loan Document (as defined in the Loan Agreement), or the taking of any action that may be taken by Lender hereunder or under any other Loan Document, such remedy or action shall be subject to such prior approval of the Gaming Authorities of the State of Nevada.

FULL HOUSE RESORTS, INC.,
a Delaware corporation

By: /s/ Barth F. Aaron
Its: **Secretary**
“Borrower”

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Hale Lane Peek Dennison and Howard
Attorneys and Counsellors at Law
Reno, Nevada
(775) 327-3000

PROMISSORY NOTE

\$ 1,246,816.00

January 31, 2007

FOR VALUE RECEIVED, the undersigned, FULL HOUSE RESORTS, INC., a Delaware corporation, hereby promises to pay to the order of THE JAMES R. PETERS FAMILY TRUST DATED OCTOBER 18, 2002, ("Trust"), or assigns, in lawful money of the United States of America, the principal sum of One Million, Two Hundred Forty-Six Thousand Eight Hundred and Sixteen Dollars (\$ 1,246,816.00) together with interest on the outstanding principal balance hereof (computed on the basis of a 365-day year) at the rate of Seven and Forty-Four Hundredths percent (7.44%), in sixty (60) equal monthly installments commencing on the date thirty days after the date hereof and continuing monthly thereafter in accordance with the amortization schedule attached hereto as Schedule A.

This note may be prepaid in whole or in part, without premium, penalty or discount, at any time, or from time to time, at the option of the undersigned, together with accrued interest on the amount prepaid.

This note may be assigned, in whole or in part, at any time, or from time to time, at the option of the Trust. The undersigned shall have no obligation to make payment to any one other than the Trust unless and until actual written notice is received by the undersigned stating the name, address and proportionate interest of the assignee(s).

This note shall be payable at:

1616 Shoffner Lane
Fallon, Nevada 89406

Or such other address as the Trust may advise in writing.

This note shall be secured by a deed of trust in and upon the premises known as 1560 West Williams Street, 1600-1608 West Williams Street and 1650 West Williams Street, all of Fallon, Nevada, which deed of trust shall be junior to the First Deed of Trust of Nevada State Bank and/or any equivalent first lien related to the purchase price under the Agreement and may be senior to any other lien on the property.

No waiver by the Trust of any rights or remedies under this note shall be considered a waiver of any other subsequent right or remedy. No delay or omission in the exercise by the Trust of any rights or remedies and no exercise or enforcement of any such rights or remedies shall be held to exhaust any other right or remedy.

The occurrence of any of the following events shall constitute an Event of Default under this note:

- (a) the undersigned shall fail to make any payment due hereunder for more than five (5) business days after (i) the due date thereof and (ii) written notice to Full House Resorts, Inc.;
- (b) the undersigned shall commence any case or proceeding seeking to have an order for relief entered on its behalf as debtor or to adjudicate it as bankrupt or insolvent or seeking reorganization, liquidation, dissolution, winding-up, arrangement, composition or readjustment of its

debts or any other relief under any bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement, composition, readjustment of debt or other similar act or law of any jurisdiction, domestic or foreign, now or hereafter existing; or the undersigned shall apply for a receiver, custodian or trustee (other than any trustee appointed as a mortgagee or secured party in connection with the issuance of indebtedness for borrowed money of the undersigned) of it or for all or a substantial part of its property; or the undersigned shall make a general assignment for the benefit of creditors; or the undersigned shall take any corporate action in furtherance of any of the foregoing; or

(e) an involuntary case or other proceeding shall be commenced against the undersigned with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a trustee, receiver, liquidator, custodian or similar official of it or any substantial part of its property; and such case or proceeding (i) results in the entry of an order for relief or a similar order against it or (ii) shall continue unstayed and in effect for a period of 60 consecutive days.

Upon the occurrence of an Event of Default, the unpaid principal balance of this note and accrued interest on this note shall become immediately due and payable, without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the undersigned.

The substantive laws of the State of Nevada shall govern the validity, construction, enforcement and interpretation of this note.

FULL HOUSE RESORTS, INC.

By: /S/ Barth F. Aaron

Printed Name: Barth F. Aaron

Title: Secretary

Schedule A
Amortization Schedule

Stockman's Casino

Compound Period: Monthly
 Nominal Annual Rate: 7.440%
 Effective Annual Rate: 7.699%
 Periodic Rate: 0.6200
 Daily Rate: 0.02038%

CASH FLOW DATA

Date	Event Start	Amount	Number	Period End Date
1	Loan	02/01/2007	1,246,816.00	1
2	Payment	03/01/2007	24,948.10	60 Monthly

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 02/01/2007				1,246,816.00
1	03/01/2007	24,948.10	7,730.26	1,229,598.16
2	04/01/2007	24,948.10	7,623.51	1,212,273.57
3	05/01/2007	24,948.10	7,516.10	1,194,841.57
4	06/01/2007	24,948.10	7,408.02	1,177,301.49
5	07/01/2007	24,948.10	7,299.27	1,159,652.66
6	08/01/2007	24,948.10	7,189.85	1,141,894.41
7	09/01/2007	24,948.10	7,079.75	1,124,026.06
8	10/01/2007	24,948.10	6,968.96	1,106,046.92
9	11/01/2007	24,948.10	6,857.49	1,087,956.31
10	12/01/2007	24,948.10	6,745.33	1,069,753.54
2007 Totals	249,481.00	72,418.54	177,062.46	
11	01/01/2008	24,948.10	6,632.47	1,051,437.91
12	02/01/2008	24,948.10	6,518.92	1,033,008.73
13	03/01/2008	24,948.10	6,404.65	1,014,465.28
14	04/01/2008	24,948.10	6,289.68	995,806.86
15	05/01/2008	24,948.10	6,174.00	977,032.76
16	06/01/2008	24,948.10	6,057.60	958,142.26
17	07/01/2008	24,948.10	5,940.48	939,134.64
18	08/01/2008	24,948.10	5,822.63	920,009.17
19	09/01/2008	24,948.10	5,704.06	900,765.13
20	10/01/2008	24,948.10	5,584.74	881,401.77
21	11/01/2008	24,948.10	5,464.69	861,918.36
22	12/01/2008	24,948.10	5,343.89	842,314.15
2008 Totals	299,377.20	71,937.81	227,439.39	
23	01/01/2009	24,948.10	5,222.35	822,588.40
24	02/01/2009	24,948.10	5,100.05	802,740.35
25	03/01/2009	24,948.10	4,976.99	782,769.24
26	04/01/2009	24,948.10	4,853.17	762,674.31
27	05/01/2009	24,948.10	4,728.58	742,454.79
28	06/01/2009	24,948.10	4,603.22	722,109.91
29	07/01/2009	24,948.10	4,477.08	701,638.89

Stockman's Casino

Date		Payment	Interest	Principal	Balance
30	08/01/2009	24,948.10	4,350.16	20,597.94	681,040.95
31	09/01/2009	24,948.10	4,222.45	20,725.65	660,315.30
32	10/01/2009	24,948.10	4,093.95	20,854.15	639,461.15
33	11/01/2009	24,948.10	3,964.66	20,983.44	618,477.71
34	12/01/2009	24,948.10	3,834.56	21,113.54	597,364.17
2009 Totals		299,377.20	54,427.22	244,949.98	
35	01/01/2010	24,948.10	3,703.66	21,244.44	576,119.73
36	02/01/2010	24,948.10	3,571.94	21,376.16	554,743.57
37	03/01/2010	24,948.10	3,439.41	21,508.69	533,234.88
38	04/01/2010	24,948.10	3,306.06	21,642.04	511,592.84
39	05/01/2010	24,948.10	3,171.88	21,776.22	489,816.62
40	06/01/2010	24,948.10	3,036.86	21,911.24	467,905.38
41	07/01/2010	24,948.10	2,901.01	22,047.09	445,858.29
42	08/01/2010	24,948.10	2,764.32	22,183.78	423,674.51
43	09/01/2010	24,948.10	2,626.78	22,321.32	401,353.19
44	10/01/2010	24,948.10	2,488.39	22,459.71	378,893.48
45	11/01/2010	24,948.10	2,349.14	22,598.96	356,294.52
46	12/01/2010	24,948.10	2,209.03	22,739.07	333,555.45
2010 Totals		299,377.20	35,568.48	263,808.72	
47	01/01/2011	24,948.10	2,068.04	22,880.06	310,675.39
48	02/01/2011	24,948.10	1,926.19	23,021.91	287,653.48
49	03/01/2011	24,948.10	1,783.45	23,164.65	264,488.83
50	04/01/2011	24,948.10	1,639.83	23,308.27	241,180.56
51	05/01/2011	24,948.10	1,495.32	23,452.78	217,727.78
52	06/01/2011	24,948.10	1,349.91	23,598.19	194,129.59
53	07/01/2011	24,948.10	1,203.60	23,744.50	170,385.09
54	08/01/2011	24,948.10	1,056.39	23,891.71	146,493.38
55	09/01/2011	24,948.10	908.26	24,039.84	122,453.54
56	10/01/2011	24,948.10	759.21	24,188.89	98,264.65
57	11/01/2011	24,948.10	609.24	24,338.86	73,925.79
58	12/01/2011	24,948.10	458.34	24,489.76	49,436.03
2011 Totals		299,377.20	15,257.78	284,119.42	
59	01/01/2012	24,948.10	306.50	24,641.60	24,794.43
60	02/01/2012	24,948.10	153.67	24,794.43	0.00
2012 Totals		49,896.20	460.17	49,436.03	
Grand Totals		1,496,886.00	250,070.00	1,246,816.00	

Last interest amount decreased by 0.06 due to rounding.