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

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2012

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 1-32583

FULL HOUSE RESORTS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**13-3391527**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
4670 S. Fort Apache, Ste. 190 Las Vegas, Nevada	**89147**
(Address of principal executive offices)	**(Zip Code)**

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	☐	Accelerated Filer	☐
Non Accelerated Filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 8, 2012, there were 18,673,681 shares of Common Stock, $.0001 par value per share, outstanding.

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FULL HOUSE RESORTS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 2012 (Unaudited)	December 31, 2011
ASSETS		
Current assets		
Cash and equivalents	$ 38,306,407	$ 14,707,464
Accounts receivable, net of allowance for doubtful accounts of $1,078,611 and $1,158,013	3,343,364	4,865,195
Prepaid expenses	2,561,184	2,486,975
Deferred tax asset	738,312	750,580
Deposits and other	393,185	404,171
	45,342,452	23,214,385
Property and equipment, net of accumulated depreciation of $12,204,216 and $11,080,559	38,614,823	38,668,283
Long-term assets related to tribal casino projects		
Note receivable, net of allowance of $661,600 and $661,600	—	—
Contract rights, net of accumulated amortization of $0 and $6,492,981	—	10,872,605
	—	10,872,605
Other long-term assets		
Goodwill	7,455,718	7,455,718
Intangible assets, net of accumulated amortization of $566,668 and $425,000	11,579,446	11,720,727
Long-term deposits	2,729,421	142,114
Loan fees, net of accumulated amortization of $0 and $934,491	—	1,898,492
Deferred tax asset	432,487	645,617
	22,197,072	21,862,668
	$ 106,154,347	$ 94,617,941
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 1,945,705	$ 1,613,819
Income tax payable	17,699,608	2,409,612
Accrued player club points and progressive jackpots	1,785,042	1,750,981
Accrued payroll and related	3,696,136	4,033,866
Other accrued expenses	2,829,957	2,427,197
Current portion of long-term debt	—	4,950,000
	27,956,448	17,185,475
Long-term debt, net of current portion	—	21,987,422
	27,956,448	39,172,897
Stockholders' equity		
Common stock, $.0001 par value, 25,000,000 shares authorized; 20,030,276 shares issued	2,003	2,003
Additional paid-in capital	43,758,199	43,447,798
Treasury stock, 1,356,595 common shares	(1,654,075)	(1,654,075)
Retained earnings	36,091,772	8,507,926
	78,197,899	50,303,652
Non-controlling interest in consolidated joint venture	—	5,141,392
	78,197,899	55,445,044
	$ 106,154,347	$ 94,617,941

See notes to unaudited consolidated financial statements.

FULL HOUSE RESORTS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended March 31,	
	2012	2011
Revenues		
Casino	$ 25,715,472	$ 1,541,052
Food and beverage	1,326,828	412,583
Hotel	115,509	—
Management fees	5,809,869	6,364,242
Other operations	358,662	26,350
	33,326,340	8,344,227
Operating costs and expenses		
Casino	14,770,727	522,456
Food and beverage	1,175,023	472,773
Hotel	144,434	—
Other operations	1,151,688	—
Project development and acquisition costs	97,049	531,809
Selling, general and administrative	8,560,628	1,653,708
Depreciation and amortization	1,865,295	851,744
	27,764,844	4,032,490
Operating gains		
Gain on sale of joint venture	40,762,005	—
Equity in net income of unconsolidated joint venture, and related guaranteed payments	—	1,495,322
Unrealized gains on notes receivable, tribal governments	—	24,575
	40,762,005	1,519,897
Operating income	46,323,501	5,831,634
Other income (expense)		
Interest expense	(734,210)	(210,635)
Gain on derivative instrument	8,472	—
Other income	4,825	387
Loss on extinguishment of debt	(1,719,269)	—
Other income (expense), net	(2,440,182)	(210,248)
Income before income taxes	43,883,319	5,621,386
Income tax expense	(15,853,814)	(1,406,863)
Net income	28,029,505	4,214,523
Income attributable to non-controlling interest in consolidated joint venture	(2,181,172)	(2,607,079)
Net income attributable to the Company	$ 25,848,333	$ 1,607,444
Net income attributable to the Company per common share	$ 1.38	$ 0.09
Weighted-average number of common shares outstanding	18,673,681	18,007,681

See notes to unaudited consolidated financial statements.

FULL HOUSE RESORTS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Three months ended March 31, 2012	Common stock Shares	Common stock Dollars	Additional paid-in Capital	Treasury stock Shares	Treasury stock Dollars	Retained earnings	Non-controlling interest	Total stockholders' equity
Beginning balances	20,030,276	$2,003	$43,447,798	1,356,595	$(1,654,075)	$ 8,507,926	$ 5,141,392	$55,445,044
Previously deferred share-based compensation recognized	—	—	310,401	—	—	—	—	310,401
Distribution to non-controlling interest in consolidated joint venture	—	—	—	—	—	—	(3,587,051)	(3,587,051)
Sale of interest in joint venture	—	—	—	—	—	1,735,513	(3,735,513)	(2,000,000)
Net income	—	—	—	—	—	25,848,333	2,181,172	28,029,505
Ending balances	20,030,276	$2,003	$43,758,199	1,356,595	$(1,654,075)	$36,091,772	$ —	$78,197,899

Three months ended March 31, 2011	Common stock Shares	Common stock Dollars	Additional paid-in Capital	Treasury stock Shares	Treasury stock Dollars	Retained earnings	Non-controlling interest	Total stockholders equity
Beginning balances	19,364,276	$1,936	$42,699,533	1,356,595	$(1,654,075)	$ 6,164,927	$ 5,582,526	$52,794,847
Distribution to non-controlling interest in consolidated joint venture	—	—	—	—	—	—	(2,436,950)	(2,436,950)
Net income	—	—	—	—	—	1,607,444	2,607,079	4,214,523
Ending balances	19,364,276	$1,936	$42,699,533	1,356,595	$(1,654,075)	$ 7,772,371	$ 5,752,655	$54,572,420

See notes to unaudited consolidated financial statements.

FULL HOUSE RESORTS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March, 31,	
	2012	2011
Net cash provided by operating activities	$ 8,058,534	$ 5,430,993
Cash flows from investing activities:		
Purchase of property and equipment	(1,022,348)	(28,172)
Proceeds from sale of joint venture, less holdback	48,675,000	
Other deposits	(78,808)	(50,061)
Deposits and other costs of Silver Slipper acquisition	(2,508,500)	
Deposits and other costs of Grand Victoria acquisition	—	(19,909,899)
Other	(387)	—
Net cash provided by (used in) investing activities	45,064,957	(19,988,132)
Cash flows from financing activities:		
Repayment of long term debt and swap	(26,937,422)	—
Proceeds from borrowing	—	15,103,891
Distributions to non-controlling interest in consolidated joint venture	(2,587,126)	(2,436,950)
Other	—	(5,940)
Net cash provided by (used in) financing activities	(29,524,548)	12,661,001
Net increase (decrease) in cash and equivalents	23,598,943	(1,896,138)
Cash and equivalents, beginning of period	14,707,464	13,294,496
Cash and equivalents, end of period	$ 38,306,407	$ 11,398,358

	2012	2011
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 548,207	$ 10,446
Cash paid for income taxes	$ 342,976	$ 759,000
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Deposit and other costs of Rising Star acquisition made through term loan	$ —	$ 17,896,109
Loan fees	$ —	$ 646,542
Capital expenditures financed with accounts payable	$ 8,141	$ —
Non-cash distributions for non-controlling interest in consolidated joint venture	$ 999,925	$ —

See notes to unaudited consolidated financial statements.

FULL HOUSE RESORTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

The interim consolidated financial statements of Full House Resorts, Inc. and subsidiaries (collectively, "FHR" or the "Company") included herein reflect all adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to present fairly the financial position and results of operations for the interim periods presented. Certain information normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America has been omitted pursuant to the interim financial information rules and regulations of the United States Securities and Exchange Commission.

These unaudited interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K filed March 8, 2012, for the year ended December 31, 2011, from which the balance sheet information as of that date was derived. Certain minor reclassifications to amounts previously reported have been made to conform to the current period presentation, none of which affected previously reported net income or earnings per share attributable to the Company. The results of operations for the period ended March 31, 2012, are not necessarily indicative of results to be expected for the year ending December 31, 2012.

The consolidated financial statements include all our accounts and the accounts of our wholly-owned subsidiaries, including Gaming Entertainment (Indiana) LLC ("Rising Star"), Gaming Entertainment (Nevada) LLC ("Grand Lodge") and Stockman's Casino ("Stockman's"). Gaming Entertainment (Michigan), LLC ("GEM"), our 50%-owned investee was jointly owned by RAM Entertainment, LLC ("RAM"), until March 30, 2012, when the sale of RAM and our interest in GEM closed, and has been consolidated pursuant to the relevant portions of Financial Accounting Standards Board ("FASB") *Accounting Standards Codification*™ ("ASC") Topic 810, "Consolidation". We accounted for the investment in Gaming Entertainment (Delaware), LLC ("GED") (Note 3) using the equity method of accounting until the end of the management agreement in August 2011. All material intercompany accounts and transactions have been eliminated.

Recently Issued Accounting Pronouncements

In September 2011, FASB, issued Accounting Standards Update ("ASU") 2011-08, Intangibles-Goodwill and Other (Topic 350): Testing Goodwill for Impairment. The new guidance will allow entities to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Previous guidance required an entity to test goodwill for impairment, on at least an annual basis, by comparing the fair value of a reporting unit with its carrying amount. If the fair value of a reporting unit is less than its carrying amount, then the second step of the test must be performed to measure the amount of the impairment loss, if any. Under the new guidance, we would not be required to calculate the fair value of a reporting unit unless we determine, based on the qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The new guidance includes a number of events and circumstances for an

entity to consider in conducting the qualitative assessment. The new guidance is effective, for us, beginning with annual and interim impairment tests performed in 2012. This new guidance currently has no impact on our financial statements.

2. SHARE-BASED COMPENSATION

On June 1, 2011, our compensation committee approved the issuance of 660,000 shares of restricted stock, then valued at the closing price of our stock ($3.88), with no discount. The majority of the shares (600,000) will vest on June 1, 2013. The remaining shares will vest over three years, 20,001 on June 1, 2012, 20,001 on June 1, 2013, and 19,998 on June 1, 2014. Vesting is contingent upon certain conditions, including continuous service of the individual recipients. The unvested grants are viewed as a series of individual awards and the related share-based compensation expense was initially recorded as deferred compensation expense, reported as a reduction of stockholder's equity, and will subsequently be amortized into compensation expense on a straight-line basis as services are provided over the vesting period.

We recognized stock compensation expense of $0.3 million and $0 for the three months ended March 31, 2012 and March 31, 2011, respectively. Share based compensation expense related to the amortization of the restricted stock issued is included in selling, general and administrative expense. At March 31, 2012 and December 31, 2011, we had deferred share-based compensation of $1.5 million and $1.8 million, respectively.

3. VARIABLE INTEREST ENTITIES

GED. Our investment in unconsolidated joint venture was comprised of a 50% ownership interest in GED, a joint venture between us and Harrington Raceway Inc. ("HRI"). GED had a management agreement thru August 31, 2011 with Harrington Raceway and Casino ("Harrington") (formerly known as Midway Slots and Simulcast), which is located in Harrington, Delaware. Under the terms of the joint venture agreement, as restructured in 2007, we received the greater of 50% of GED's member distribution as prescribed under the joint venture agreement, or a 5% growth rate in its 50% share of GED's prior year member distribution through the expiration of the GED management contract on August 31, 2011. GED was a variable interest entity due to the fact that we had limited exposure to risk of loss. Therefore, we did not consolidate, but accounted for its investment using the equity method.

The GED management contract expired in August 2011. We sold our interest in GED to HRI during the fourth quarter of 2011 and our investment in GED was $0 as of December 31, 2011.

GED had no non-operating income or expenses, is treated as a partnership for income tax reporting purposes and consequently recognizes no federal or state income tax provision. As a result, income from operations for GED is equal to its net income for each period presented, and there are no material differences between GED's income for financial and tax reporting purposes.

GED CONDENSED STATEMENT OF INCOME INFORMATION

	March 31, 2012	March 31, 2011
Revenues	$ —	$8,144,849
Net income	—	1,422,429

GEM. We directed the day-to-day operational activities of GEM that significantly impacted GEM's economic performance, prior to the sale of our interest on March 30, 2012 and therefore, we were the primary beneficiary pursuant to the relevant portions of FASB ASC Topic 810 "Consolidation" [ASC 810-10-25 Recognition of Variable Interest Entities, paragraphs 38-39]. As such, the joint venture was a variable interest entity that was consolidated in our financial statements.

Management believed the maximum exposure to loss from our investment in GEM was $8.1 million (before tax impact) as of December 31, 2011, which was composed of our share of contract rights and our equity investment that was eliminated in consolidation. GEM had no debt or long-term liabilities. GEM's current assets included the FireKeepers management fee receivable as of December 31, 2011. Long-term assets included $7.9 million in contract rights as of December 31, 2011.

An unaudited summary of GEM's operations follows:

GEM CONDENSED BALANCE SHEET INFORMATION

	March 31, 2012	December 31, 2011
Current assets	$ —	$2,457,133
Long-term assets	—	7,915,754
Current liabilities	—	90,104

GEM CONDENSED STATEMENT OF INCOME INFORMATION

	March 31, 2012	March 31, 2011
Revenues	$5,340,398	$6,364,242
Net income	4,362,345	5,214,159

4. CONTRACT RIGHTS

Contract rights were comprised of the following as of March 31, 2012 and December 31, 2011:

2012	Cost	Accumulated Amortization	Disposal	Net
FireKeepers project, initial cost	$ 4,155,213	$(1,582,938)	$ (2,572,275)	$—
FireKeepers project, additional	13,210,373	(5,503,093)	(7,707,280)	—
	$17,365,586	$(7,086,031)	$(10,279,555)	$—

2011	Cost	Accumulated amortization	Disposal	Net
FireKeepers project, initial cost	$ 4,155,213	$(1,434,539)	$ —	$ 2,720,674
FireKeepers project, additional	13,210,373	(5,058,442)	—	8,151,931
	$17,365,586	$(6,492,981)	$ —	$10,872,605

Amortization commenced on these additional contract rights at the opening date of the FireKeepers Casino over the management contract period (seven years). Of the remaining contract rights, $7.5 million were sold with our interest in GEM, to the FireKeepers Development Authority, ("FDA") on March 30, 2012, and the remaining $2.8 million were expensed.

5. NOTE RECEIVABLE, TRIBAL GOVERNMENTS

We have a note receivable related to advances made to, or on behalf of, Nambé Pueblo to fund tribal operations and development expenses related to a potential casino project. Repayment of this note is conditioned upon the development of the project, and ultimately, the successful operation of the casino. Subject to such condition, our agreements with the Nambé Pueblo tribe provide for the reimbursement of these advances plus applicable interest, if any, either from the proceeds of any outside financing of the development, and the actual operation itself.

As of March 31, 2012, and December 31, 2011, note receivable from tribal governments were as follows:

	March 31, 2012	December 31, 2011
Contractual (stated) amount of Nambé Pueblo note receivable	$661,600	$ 661,600
Estimated fair value of Nambé Pueblo note receivable	$ —	$ —

In the first quarter of 2008, we received notice that the Nambé Pueblo tribal council had effectively terminated the business relationship with Full House. The development agreement between us and the Nambé Pueblo provides that we are entitled to recoup its advances from future gaming revenues, even if we do not ultimately develop the project. We are in discussions with the Nambé Pueblo and the developer to determine the method and timing of the reimbursement of our advances to date of $0.7 million. Management is currently engaged in assisting the Nambé Pueblo in the process of obtaining financing to develop a small casino or slot parlor addition to their existing travel center. The financing process has proceeded more slowly than expected and in light of current

economic conditions and credit market weaknesses, there can be no assurance that a facility will ever open or that we will receive all, or any, payment on the note receivable. With due consideration to the foregoing factors, management fully reserved the value of the note receivable from the Nambé Pueblo to $0 and recognized the impairment of the note receivable during the third quarter of 2011.

6. GOODWILL & OTHER INTANGIBLES

Goodwill represents the excess of the purchase price over fair market value of net assets acquired in connection with the Stockman's casino operation and the Rising Star Casino Resort. Goodwill is $5.8 million for Stockman's and $1.6 million for Rising Star as of March 31, 2012 and December 31, 2011. Our review of goodwill associated with the purchase of Stockman's as of September 30, 2011, resulted in a $4.5 million impairment of Stockman's goodwill and related assets using a market approach considering an earnings multiple of 6.25 times. Our review of goodwill as of March 31, 2012, resulted in approximately a 19% excess of estimated fair value over the carrying value of Stockman's goodwill and related assets using a market approach considering an earnings multiple of 6.25 times. These calculations, which are subject to change as a result of future economic uncertainty, contemplates changes for both current year and future year estimates in earnings and the impact of these changes to the fair value of Stockman's and the Rising Star, although there is always some uncertainty in key assumptions including projected future earnings growth.

We acquired the Rising Star Casino Resort on April 1, 2011 for approximately $19.0 million in cash and $33.0 million drawn from our Credit Agreement with Wells Fargo (as discussed in Note 7). The goodwill of $1.6 million is the excess purchase price over the assets purchased.

	Three months ended March 31, 2012		
	Balance at beginning of the period	Changes during the period	Balance at end of the period
Stockman's Goodwill	$ 5,808,520	$ —	$ 5,808,520
Rising Star Goodwill	1,647,198	—	1,647,198
Goodwill, net of accumulated impairment losses	$ 7,455,718	$ —	$ 7,455,718

	Three months ended March 31, 2011		
	Balance at beginning of the period	Changes during the period	Balance at end of the period
Stockman's Goodwill	$10,308,520	$ —	$10,308,520
Rising Star Goodwill	—	—	—
Goodwill, net of accumulated impairment losses	$10,308,520	$ —	$10,308,520

Other Intangible Assets:

Other intangible assets, net consist of the following:

	March 31, 2012 (unaudited)				
	Estimated Life (years)	Gross Carrying Value	Cumulated Amortization	Cumulative Expense / (Disposals)	Intangible Asset, Net
Amortizing Intangibles assets:					
Player Loyalty Program—Rising Star	3	$ 1,700,000	$ (566,668)	$ —	$ 1,133,332
Wells Fargo Bank Loan Fees	5	2,614,438	(924,336)	(1,690,102)	—
Non-amortizing intangible assets:					
Gaming License-GEI—Rising Star	Indefinite	9,900,000	—	—	9,900,000
Gaming Licensing Costs	Indefinite	516,807	—	—	516,807
Trademarks	Indefinite	28,920	—	387	29,307
		$ 14,760,165	$ (1,491,004)	$ (1,689,715)	$ 11,579,446

	December 31, 2011				
	Estimated Life (years)	Gross Carrying Value	Cumulated Amortization	Cumulative Expense / (Disposals)	Intangible Asset, Net
Amortizing Intangibles assets:					
Player Loyalty Program—Rising Star	3	$ 1,700,000	$ (425,000)	$ —	$ 1,275,000
Nevada State Bank Loan Fees	15	218,545	(218,545)	—	—
Wells Fargo Bank Loan Fees	5	2,614,438	(715,946)	—	1,898,492
Non-amortizing intangible assets:					
Gaming License-GEI—Rising Star	Indefinite	9,900,000	—	—	9,900,000
Gaming Licensing Costs	Indefinite	484,676	—	32,131	516,807
Trademarks	Indefinite	26,889	—	2,031	28,920
		$ 14,944,548	$ (1,359,491)	$ 34,162	$ 13,619,219

Player Loyalty Program

The player loyalty program represents the value of repeat business associated with Rising Star's loyalty program. The value of $1.7 million of the Rising Star player loyalty program was determined using a multi-period excess earning method of the income approach, which examines the economic returns contributed by the identified tangible and intangible assets of a company, and then isolates the excess return, which is attributable to the asset being valued, based on cash flows attributable to the player loyalty program. The valuation analysis for the active rated player was based on projected revenues and attrition rates. Rising Star maintains historical information for the proportion of revenues attributable to the rated players for gross gaming revenue.

Loan Fees

Loan fees incurred and paid as a result of debt instruments are accumulated and amortized over the term of the related debt, based on an effective interest method. Loan fees incurred for Nevada State Bank resulted from the credit facility to purchase Stockman's Casino in 2007. In March 2011, the credit facility with Nevada State Bank was terminated and the amortization of the loan fees was accelerated. We recognized amortization expense of $0.2 million during the first quarter of 2011 as a result of the termination. On October 29, 2010, we entered into a Credit Agreement with Wells Fargo Bank, N.A. In December 2010, we entered into a Commitment Increase Agreement to increase the funds available under the Credit Agreement. Loan fees related to the Wells Fargo debt were $2.6 million and were to be amortized over the five-year term of the loan. The aggregate amortization was $0.9 million and $0 for the three months ended March 31, 2012 and March 31, 2011, respectively. We paid off the remaining $25.3 million in debt, which consisted of $24.8 of our existing long term debt and $0.5 million due on the Swap, related to the Credit Agreement with Wells Fargo as of March 30, 2012 and therefore expensed the net remaining loan fees of $1.7 million, after the necessary amortization expense through March 30, 2012.

Gaming License

Gaming license rights represent the value of the license to conduct gaming in certain jurisdictions, which is subject to highly extensive regulatory oversight and, in some cases, a limitation on the number of licenses available for issuance. The value of $9.9 million of the Rising Star gaming license was determined using a multi-period excess earning method of the income approach, which examines the economic returns contributed by the identified tangible and intangible assets of a company, and then isolates the excess return, which is attributable to the asset being valued, based on cash flows attributable to the gaming license. The other gaming license values are based on actual costs. Gaming licenses are not subject to amortization as they have indefinite useful lives and are evaluated for potential impairment on an annual basis unless events or changes in circumstances indicate the carrying amount of the gaming licenses may not be recoverable. We reviewed existing gaming licenses as of December 31, 2011 and recognized a write down of $0.03 million related to gaming licensing costs pertaining to a former director, who is no longer affiliated with the organization and $0.02 million related to costs for a new license to be obtained.

Trademark

Trademarks are based on the legal fees and recording fees related to the trademark of the "Rising Star Casino Resort" name, and variations of such name. Trademarks are not subject to amortization, as they have an indefinite useful life and are evaluated for potential impairment on an annual basis unless events or changes in circumstances indicate the carrying amount of the trademark may not be recoverable.

Current & Future Amortization

We amortize definite-lived intangible assets, including player loyalty program and loan fees, over their estimated useful lives. The aggregate amortization expense was $0.4 million and $0.1 million for the three months ended March 31, 2012 and March 31, 2011, respectively. Total amortization expense for intangible assets for the years ending March 31, 2013 and March 2014 are anticipated to be approximately $0.6 million each year, which represents the amortization on the remaining Rising Star player loyalty program costs.

7. LONG-TERM DEBT

At March 31, 2012 and December 31, 2011, long-term debt consists of the following:

	2012	2011
Long-term debt, net of current portion:		
Term loan agreement, $33.0 million on October 29, 2010, maturing June 30, 2016, interest greater of 1 month LIBOR, or 1.5%, plus margin [4.5%-5.5%], LIBOR rates and margins are adjusted quarterly. (7.0% during the quarter ended March 31, 2012). Paid in full March 30, 2012.	$—	$26,400,000
Swap agreement, $20.0 million on January 7, 2011, effective April 1, 2011, maturing April 1, 2016, interest received based on 1 month LIBOR, and paid at a fixed rate of 1.9% through August 31, 2011. The swap was re-designated in September 2011 with interest to be received at the greater of 1.5% or 1 month LIBOR, and paid at a fixed rate of 3.06% until maturity. (average net settlement rates during the quarter ended March 31, 2012 were 1.56%). Terminated effective March 30, 2012.		537,422
Less current portion	—	(4,950,000)
	$—	$21,987,422

Credit Agreement with Wells Fargo. In 2010, we, as borrower, entered into a Credit Agreement, as amended, (the "Credit Agreement") with the financial institutions listed therein (the "Lenders") and Wells Fargo Bank, National Association as administrative agent for the Lenders, as collateral agent for the Secured Parties (as defined in the Credit Agreement), as security trustee for the Lenders, as Letters of Credit Issuer and as Swing Line Lender. The funds available under the original Credit Agreement as of March 31, 2011 were $38.0 million, consisting of a $33.0 million term loan and a revolving line of credit of $5.0 million.

The initial funding date of the Credit Agreement occurred March 31, 2011, when we borrowed $33.0 million on the term loan which was used to fund our acquisition of Grand Victoria Casino & Resort in Rising Sun, Indiana on April 1, 2011. In August 2011, the property was renamed the Rising Star Casino Resort ("Rising Star").

On March 30, 2012, we used a portion of the proceeds from the sale of our interest in GEM to pay off our remaining outstanding debt of $25.3 million, which consisted of $24.8 of our existing long term debt and $0.5 million due on the Swap, and to extinguish the credit facility and related interest-rate hedge.

We paid interest under the Credit Agreement at either the Base Rate or the LIBOR Rate set forth in the Credit Agreement which calculated a rate and then applied an applicable margin based on a leverage ratio. The leverage ratio was defined as the ratio of total funded debt as of such date to adjusted EBITDA for the four consecutive fiscal quarter periods most recently ended for which financial statements were available. The Base Rate was defined as, on any day, the greatest of (a) Wells Fargo's prime rate in effect on such day, (b) the Federal Funds Rate in effect on the business day prior to such day plus one and one half percent (1.50%) and (c) the One Month LIBOR Rate for such day (determined on a daily basis as set forth in the Credit Agreement) plus one and one-half percent (1.50%). The applicable margin on the Base Rate calculation ranged from 3.5% to 4.5%. LIBOR Rate was defined as a rate per annum equal to the quotient (rounded upward if necessary to the nearest 1/16 of one percent) of (a) the greater of (1) 1.50% and (2) the rate per annum referred to as the BBA (British Bankers Association) LIBOR RATE divided by (b) one minus the reserve requirement set forth in the Credit Agreement for such loan in effect from time to time. The applicable margin on the LIBOR Rate calculation ranged from 4.5% to 5.5%. We elected to use the LIBOR rate and for the three and twelve months ended March 31, 2012 and December 31, 2011, respectively, the rate charged was 7.0%.

We had the ability to make optional prepayments under the term loan but could not re-borrow the principal of the term loan after payment. We made an additional $1.7 million payment to Wells Fargo on January 30, 2012 and paid the remaining $25.3 million debt in full on March 30, 2012, which consisted of $24.8 of our existing long term debt and $0.5 million due on the Swap, using part of the proceeds from the sale of our interest in GEM. We were also required to make mandatory prepayments under the Credit Agreement if certain events were to occur. The events included: GEM receiving any buy-out, termination fee or similar payment related to FireKeepers; or we sold or otherwise disposed of certain prohibited assets in any single transaction or series of related transactions and the net proceeds of such sale or other disposition which exceed $0.1 million; we issued or incurred any indebtedness for borrowed money, including indebtedness evidenced by notes, bonds, debentures or other similar instruments, issued or sold any equity securities or received any capital contribution from any other source; or we received any net insurance proceeds or net condemnation proceeds which exceed $0.3 million. The mandatory repayments were subject to certain exceptions as specified in the Credit Agreement.

Loss on Extinguishment of Debt

Upon the early $24.8 million repayment and termination of our existing long term debt on March 30, 2012, we recorded a non-cash charge to expense for the remaining unamortized loan fees of $1.7 million and loan administrative fees.

8. DERIVATIVE INSTRUMENTS

We were subject to interest rate risk to the extent we borrowed against credit facilities with variable interest rates as described above. We had potential interest rate exposure with respect to the $33.0 million original outstanding balance on our variable rate term loan. During January 2011, we reduced its exposure to changes in interest rates by entering into an interest rate swap agreement ("Swap") with Wells Fargo Bank, N.A., which became effective on April 1, 2011. The Swap contract exchanged a floating rate for fixed interest payments periodically over the life of the Swap without exchange of the underlying $20.0 million notional amount. The interest payments under the Swap were settled on a net basis.

On September 1, 2011, we amended and restated the Swap. All prior terms and conditions related to the Swap remained the same, with the exception of the floating rate payable by Wells Fargo on the Swap. The re-designated Swap was not designated as a hedge for accounting purposes under ASC Topic 815, "Derivatives and Hedging." We continued to recognize the derivative as a liability on the balance sheet, included in long-term debt. Effective March 30, 2012 the Swap was terminated, and $0.5 million was paid, which reflected the fair value on that date, therefore, we no longer recognized the derivative as a liability on the balance sheet in long-term debt. Prior to the pay-off of the swap, the derivative was marked to fair value and the adjustment of the derivative was recognized as income during the first quarter of 2012.

During the three months ended March 31, 2012, we paid interest on the hedged portion of the debt ($18.0 million) at an average net rate of 8.56% and paid interest on the non-hedged portion of the debt ($13.0 million) at a rate of 7.0%. The weighted average cash interest rate paid on the debt was 8.16%, including swap interest and loan interest. On March 30, 2012, a $0.5 million final payment was made on the Swap, and it was terminated.

The following table presents the historical fair value of the interest rate swaps recorded in the accompanying condensed consolidated balance sheets as of March 31, 2012 and December 31, 2011.

Original Notional Amount at April 1 2011	Notional Balance at December 31, 2011	Notional Balance at March 31, 2012	Original Net Settlement Rate	Fair Value of Liability		Original Maturity Date
				March 31, 2012	December 31, 2011	
$20,000,000	$18,000,000	—	1.56%	—	537,422	April 1, 2016

Fair Value

Fair value approximated the amount we would have paid if these contracts were settled at the respective valuation dates. Fair value was recognized based on estimates provided by Wells Fargo, which were based upon current, and predictions of future, interest rate levels along a yield curve, the remaining duration of the instruments and other market conditions, and therefore, was subject to significant estimation and a high degree of variability and fluctuation between periods. The fair value was adjusted, to reflect the impact of our credit ratings or the credit ratings of the counterparties, as applicable. These adjustments resulted in a reduction in the fair values as compared to their settlement values.

The net effect of our floating-to-fixed interest rate swap resulted in an increase in interest expense of $0.07 million for the three months ended March 31, 2012, as compared to the contractual rate of the underlying hedged debt for the period. During the three months ended March 31, 2012, due to the derivative not being designated as a hedging instrument, we recognized a gain on the change in the fair value of the swap of $8,472.

9. SEGMENT REPORTING

The following tables reflect selected information for our reporting segments for the three months ended March 31, 2012 and 2011. The casino operation segments include the Rising Star Casino Resort's operation in Rising Sun, Indiana, the Grand Lodge Casino operation in Lake Tahoe, Nevada and Stockman's Casino operation in Fallon, Nevada. We have included regional information for segment reporting and aggregated casino operations in the same region. The development/management segment includes costs associated with casino development and management projects and the Michigan and Delaware joint ventures. The Corporate segment includes our general and administrative expenses.

Selected statement of operations data for the three months ended March 31:

2012	Casino Operations Nevada	Casino Operations Mid-west	Development/ Management	Corporate	Consolidated
Revenues	$4,886,253	$22,630,217	$ 5,809,870	$ —	$33,326,340
Selling, general and administrative expense	1,567,543	5,017,010	136,386	1,839,689	8,560,628
Depreciation and amortization	241,691	1,028,166	593,052	2,386	1,865,295
Operating gains	—	—	40,762,005	—	40,762,005
Operating income (loss)	357,886	2,062,303	45,811,271	(1,907,959)	46,323,501
Net income (loss) attributable to Company	233,636	(1,037,974)	30,108,806	(3,456,135)	25,848,333

2011	Casino Operations Nevada	Casino Operations Mid-west	Development/ Management	Corporate	Consolidated
Revenues	$1,979,985	$ —	$ 6,364,242	$ —	$ 8,344,227
Selling, general and administrative expense	461,963	—	152,240	1,039,505	1,653,708
Depreciation and amortization	238,815	—	593,196	19,733	851,744
Operating gains	—	—	1,519,897	—	1,519,897
Operating income (loss)	283,978	—	7,138,702	(1,591,046)	5,831,634
Net income (loss) attributable to Company	187,507	—	2,608,873	(1,188,936)	1,607,444

Selected balance sheet data as of March 31, 2012 and December 31, 2011:

2012	Casino Operations Nevada	Casino Operations Mid-west	Development/ Management	Corporate	Consolidated
Total assets	$ 17,317,864	$ 54,765,451	$ 5,009	$ 34,066,023	$ 106,154,347
Property and equipment, net	7,216,895	31,377,574	—	20,354	38,614,823
Goodwill	5,808,520	1,647,198	—	—	7,455,718
Liabilities	3,079,200	9,825,693	—	15,051,555	27,956,448

2011	Casino Operations Nevada	Casino Operations Mid-west	Development/ Management	Corporate	Consolidated
Total assets	$ 18,488,888	$ 54,923,492	$ 13,192,504	$ 8,013,057	$ 94,617,941
Property and equipment, net	7,350,840	31,296,224	—	21,219	38,668,283
Goodwill	5,808,520	1,647,198	—	—	7,455,718
Liabilities	4,604,218	9,649,198	102,709	24,816,772	39,172,897

10. COMMITMENTS

On March 30, 2012, we entered into a Membership Interest Purchase Agreement ("Silver Slipper Agreement") with Silver Slipper Casino Venture, LLC to acquire all of the outstanding membership interest of the entity operating the Silver Slipper Casino in Bay St. Louis, Mississippi. The purchase price is $70.0 million, exclusive of estimated cash, net working capital balances, fees and expenses and other adjustments as customary, as of the closing date. The Silver Slipper Agreement provides for a closing by January 31, 2013, which may be extended under certain circumstances. The closing is subject to the completion of financing, licensing, and other customary conditions, therefore there can be no assurance that the conditions to closing will be satisfied.

On March 30, 2012, we deposited $2.5 million in escrow related to the potential Silver Slipper acquisition, which is recorded in long-term deposits on our balance sheet. The Silver Slipper Casino features almost 1,000 slots, 26 tables, a poker room, three restaurants and two bars. The property draws heavily from the New Orleans metropolitan area and other communities in southern Louisiana and southwestern Mississippi. We plan to fund the acquisition of the Silver Slipper Casino with a new credit facility and cash on hand. We anticipate having firm financing commitments for the total amount required in May 2012 and regulatory approvals to accommodate a closing in the third quarter of 2012, although the transaction is subject to several contingencies and may not occur.

11. SUBSEQUENT EVENTS

On May 2, 2012 we obtained financing commitments for new credit facilities totaling $75.0 million which will be used to fund our acquisition of the Silver Slipper Casino in Hancock County, Mississippi. The financing will consist of a $55.0 million first lien credit facility and a $20.0 million second lien facility. Capital One N.A. will serve as administrative agent for the first lien facility and Summit Partners Credit Advisors will serve as administrative agent for the second lien facility. The expected weighted average cash interest cost of the facilities will be approximately 8%. The funding of the new credit facilities are subject to documentation and other customary conditions.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide a reader of our financial statements with a narrative from the perspective of our management on our financial condition, results of operations, liquidity and certain other factors that may affect our future results. Unless otherwise noted, transactions, trends and other factors significantly impacting our financial condition, results of operations and liquidity are discussed in order of magnitude. In addition, unless expressly stated otherwise, the comparisons presented in this MD&A refer to the same period in the prior year. Our MD&A is presented in six sections:

- Overview
- Results of continuing operations
- Liquidity and capital resources
- Off-balance-sheet arrangements
- Seasonality
- Regulation and taxes
- Critical accounting estimates and policies

Overview

We own, develop, manage, and/or invest in gaming-related enterprises. We continue to actively investigate, individually and with partners, new business opportunities and our long-term strategy has been to transition to primarily an operating company and to drive revenues from owned operations rather than management fees.

Specifically, we own and operate the Rising Star Casino in Rising Sun, Indiana, Stockman's Casino in Fallon, Nevada and the Grand Lodge Casino in Incline Village, Nevada. We have a management agreement with the Pueblo of Pojoaque in Santa Fe, New Mexico, which became effective September 2011. On April 1, 2011, we acquired all of the operating assets of Grand Victoria Casino & Resort, L.P. through Gaming Entertainment (Indiana) LLC, our wholly-owned subsidiary. In August, the property was renamed Rising Star Casino Resort ("Rising Star"). In May 2011, we entered into a three-year agreement with the Pueblo of Pojoaque, which has been approved by the NIGC as a management contract, to advise on the operations of the Buffalo Thunder Casino and Resort in Santa Fe, New Mexico along with the Pueblo's Cities of Gold and Sports Bar casino facilities. Our management and related agreements related to the Buffalo Thunder Casino and Resort became effective on September 23, 2011. As of September 1, 2011, we own the operating assets of the Grand Lodge Casino, and have a 5-year lease with Hyatt Equities LLC for the casino space in the Hyatt Regency Resort, Spa and Casino in Incline Village, Nevada on the north shore of Lake Tahoe.

Until March 30, 2012, we owned 50% of Gaming Entertainment (Michigan), LLC ("GEM"), a joint venture with RAM Entertainment, LLC ("RAM"), where we were the primary beneficiary and, therefore, consolidated GEM in our consolidated financial statements. On March 30, 2012 we sold our interest in GEM and the FireKeepers management agreement to the FireKeepers Development Authority ("FDA") for $48.8 million. GEM had a 7-year management agreement with the Nottawaseppi Huron Band of Potawatomi Indians for the development and management of the FireKeepers Casino near Battle Creek, Michigan. The FireKeepers Casino opened on August 5, 2009, which triggered the commencement of the 7-year management agreement term. Until August 31, 2011, we were a non-controlling 50%-investor in Gaming

Entertainment (Delaware), LLC ("GED"), a joint venture with Harrington Raceway Inc. ("HRI"). GED had a 15 year management contract through August 2011 with Harrington Casino at the Delaware State Fairgrounds in Harrington, Delaware.

On March 30, 2012, we, along with our 50% joint venture partner RAM, entered into an Equity Purchase Agreement ('the GEM Sale Agreement") and closed on the $97.5 million sale of our limited liability company interests in GEM and the FireKeepers management agreement to the FDA, $48.8 million to RAM and $48.8 million to us. The gross proceeds were paid, less a $0.2 million holdback amount which the FDA will use to satisfy any liabilities arising before the sale date which are paid subsequently, or to satisfy any indemnification obligations of us and RAM under the sale agreement. The holdback receivable, less any amounts used to satisfy such liabilities, will be paid to RAM and us on December 31, 2012 in equal amounts. The FDA paid $48.7 million to us and also $48.6 to RAM, on March 30, 2012, which reflected the deduction of the hold back amount split between RAM and us and $0.03 million of buyer transaction expenses deducted from RAM's portion.

In addition to the $97.5 million, the FDA will pay RAM and us an amount equal to the management fee that would have been earned under the management agreement for April 2012, which is defined as the 'wind up fee' less $0.5 million, which will be split between RAM and us. As of March 31, 2012 we had an FDA receivable of $1.3 million, which represents our share of the March 2012 management fee of $0.7 million and $0.6 million for our share of the estimated wind-up fee. The wind up fee should be received in late May 2012, but may not be the amount we have estimated, therefore the gain on sale may be adjusted when the amounts are received. We used a portion of the sale proceeds to pay-off our remaining outstanding debt of $25.3 million to Wells Fargo, which consisted of $24.8 of our existing long term debt and $0.5 million due on the Swap, and to extinguish the credit facility and related interest-rate hedge. The Credit Agreement, which was scheduled to mature on June 30, 2016, was terminated without the incurrence of any early termination penalties or fees.

Our gain on the sale of joint venture, related to the sale of our interest in GEM, was $40.8 million and calculated as follows (in millions):

Gross proceeds, before $0.1 million holdback receivable	$ 48.8
Plus: Estimated 'wind up' fee for April 2012, net of $0.03 million deduction	0.5
	49.3
Less: Net basis of contract rights expensed	(2.8)
Less: Our interest in joint venture	(5.7)
Gain on sale of joint venture	$ 40.8

On March 30, 2012, we entered into a Membership Interest Purchase Agreement ("Silver Slipper Agreement") with Silver Slipper Casino Venture, LLC to acquire all of the outstanding membership interest of the entity operating the Silver Slipper Casino in Bay St. Louis, Mississippi. The purchase price is $70.0 million, exclusive of estimated cash, net working capital balances, fees and expenses and other adjustments as customary, as of the closing date. The Silver Slipper Agreement provides for a closing by January 31, 2013, which may be extended under certain circumstances. The closing is subject to the completion of financing, licensing, and other customary conditions. There can be no assurance that the conditions to closing will be satisfied.

Management believes the acquisition of the Silver Slipper Casino is consistent with our long-stated growth strategy and will create long-term shareholder value. The Silver Slipper Casino, which opened in November 2006, is on the far west end of the Mississippi Gulf Coast (22 miles west of Gulfport, 34 miles from Biloxi) and is approximately one hour (56 miles) from New Orleans (versus 90mi/1.5hrs to the Beau Rivage). The property has 37,000 square feet of gaming space, almost 1,000 slot and video poker machines, 26 table games, a poker room and the only live keno game on the Gulf Coast. The property includes a fine dining restaurant, buffet, quick service restaurant and two casino bars. The property draws heavily from the New Orleans metropolitan area and other communities in southern Louisiana and southwestern Mississippi.

The Gulf Coast is one of the country's largest gaming markets; and its proximity to southern Louisiana, Alabama, Mississippi and the Florida Panhandle – as well as ample non-gaming amenities and a seasonal draw – make the market attractive.

We will fund the acquisition of the Silver Slipper Casino with a new credit facility and cash on hand. On May 2, 2012 we obtained financing commitments for new credit facilities totaling $75.0 million which will be used to fund our acquisition. The financing will consist of a $55.0 million first lien credit facility and a $20.0 million second lien facility. The funding of the new credit facilities are subject to documentation and other customary conditions. We anticipate having regulatory approvals to accommodate a closing in the third quarter of 2012, although the transaction is subject to several contingencies and may not occur.

Results of continuing operations

A significant portion of our revenue has been generated from our management agreements with the FireKeepers Casino in Michigan, the Harrington Casino in Delaware, and Buffalo Thunder in New Mexico. The Delaware agreement expired on August 31, 2011. The Michigan agreement ended March 30, 2012, with the sale of our interest in GEM and the New Mexico agreement ends in September 2014. There can be no assurance that the New Mexico management agreement will be extended. Additionally, our 2011 and 2012 results of continuing operation were significantly impacted by our newly acquired Rising Star Casino Resort on April 1, 2011 and Grand Lodge Casino on September 1, 2011.

For the three months ended March 31, 2012 and 2011, our revenues from the FireKeepers management agreement were $5.3 million and $6.4 million, respectively, which represents a significant amount of our total annual operating income. Management fees represented 17.4% and 76.3% of total revenues for the years ended March 31, 2012 and 2011, respectively, as we have executed our strategy to transition to primarily an operating company and drive revenue from owned operations rather than management fees. Management plans to fund the acquisition of the Silver Slipper Casino with a new credit facility and cash on hand and we expect the potential acquisition to close in the third quarter of this year. Management believes the impact of the lost revenues from the sale of its interest in GEM and the FireKeepers management contract will be diminished if the acquisition of the Silver Slipper Casino closes as expected, as well as a full year of operations at the Rising Star and Grand Lodge.

Three Months Ended March 31, 2012, Compared to Three Months Ended March 31, 2011

Revenues. For the three months ended March 31, 2012, total revenues increased $25.0 million as compared to 2011, primarily due to the acquisition of the Rising Star and the Grand Lodge, as well as $0.5 million of Buffalo Thunder management and success fees and a $0.1 million, or 6.4%, increase in Stockman's casino revenue. For the three months ended March 31, 2012, the Rising Star's and Grand Lodge's operating revenues were $22.6 million and $2.8 million, respectively. The increase in revenues was offset by a $1.0 million, or 16.1% decrease in FireKeepers management fees. Our management agreement with the Buffalo Thunder Casino & Resort became effective September 2011. Stockman's revenue increase is primarily due to increased slot win over the prior year period.

Operating costs and expenses. For the three months ended March 31, 2012, total operating costs and expenses increased $23.7 million, as compared to 2011, primarily due to the acquisition of the Rising Star and Grand Lodge. For the three months ended March 31, 2012, the Rising Star's and Grand Lodge's operating costs and expenses were $20.6 million and $ 2.9 million, respectively.

Project development costs. For the three months ended March 31, 2012, project development costs decreased $0.4 million or 81.8%, as compared to 2011, primarily due to acquisition expenses for the Rising Star and Grand Lodge in the prior year. For the three months ended March 31, 2012 project development costs included $0.03 million in costs related to the Silver Slipper Casino potential acquisition.

Selling, general and administrative expense. For the three months ended March 31, 2012, selling, general and administrative expenses increased $6.9 million as compared to 2011 primarily due to the acquisition of the Rising Star and the Grand Lodge. For the three months ended March 31, 2012, the Rising Star's and Grand Lodge's selling, general and administrative expenses were $5.0 million and $1.1 million, respectively. Selling, general and administrative expenses increased at the corporate level by $0.8 million, or 77.0% primarily due to stock compensation expense of $0.3 million related to the issuance of 660,000 shares of restricted stock as discussed in Note 2 to the consolidated financial statements and increased incentive compensation costs.

Operating gains (losses). For the three months ended March 31, 2012, operating gains increased by $39.2 million consisting primarily of the gain on sale of the joint venture of $40.8 million, related to the sale of our interest in GEM, offset by a $1.5 million decrease in equity in net income of unconsolidated joint venture. The GED management contract was terminated August 2011, as discussed in Note 3 to the consolidated financial statements.

Other income (expense). For the three months ended March 31, 2012, other expense increased by $2.2 million, primarily due to a $1.7 million loss on extinguishment of debt related to the write-off of the Wells Fargo loan costs, due to the payoff of the debt which is discussed in Note 7 to the consolidated financial statements. Other expense also increased due to $0.7 million of interest expense in the current year period related to long term debt which was funded March 31, 2011, when we borrowed $33.0 million on the term loan to fund our acquisition of the Grand Victoria Casino.

Income taxes. For the three months ended March 31, 2012, the estimated effective annual income tax rate applied for the current year period is approximately 38%, compared to 47% for the same period in 2011. The lower tax rate in the current year period was primarily due to the $40.8 million gain on sale of joint venture, related to the sale of our interest in GEM, which is only subject to federal tax. There is no allowance on the deferred tax asset of $0.7 million as of March 31, 2012, and management believes the deferred tax asset is fully realizable.

Noncontrolling interest. For the three months ended March 31, 2012, the net income attributable to non-controlling interest in consolidated joint venture decreased by $0.4 million, or 16.3%. The decrease is attributable to the net income in GEM of $4.4 million as compared to the prior year's net income of $5.2 million, 50% of which is the non-controlling interest portion. GEM's decreased net income was primarily due to $1.0 million, or 17.8%, lower operating income which was related to lower management fees in the current year, offset by $0.2 million, or 35.4% in lower state taxes, caused by a lower effective state income tax rate. The lower tax rate was due to GEM's change in tax filing status during the second quarter of 2011, from filing as a stand-alone entity to filing unitarily with Full House Resorts, Inc. Previously, GEM filed as a stand-alone partnership, with all of its receipts subject to the Michigan Business Tax. Including GEM in Full House Resorts' tax reporting resulted in a reduction of receipts apportioned to Michigan.

Liquidity and capital resources

Economic conditions and related risks and uncertainties

The United States and the world has experienced a widespread and severe economic slowdown accompanied by, among other things, weakness in consumer spending including gaming activity and reduced credit and capital financing availability, all of which have far-reaching effects on economic conditions in the country for an indeterminate period. Our operations are currently concentrated in Indiana, northern Nevada and New Mexico. Accordingly, future operations could be affected by adverse economic conditions and increased competition particularly in those areas and their key feeder markets in neighboring states. Prior to March 30, 2012, our operations included the FireKeepers Casino in Michigan, and prior to September 1, 2011, our operations included the Harrington Casino in Delaware. The effects and duration of these conditions and related risks and uncertainties on our future operations and cash flows, including its access to capital or credit financing, cannot be estimated at this time, but may be significant.

The Rising Star Casino Resort, Grand Lodge Casino, Stockman's Casino and Buffalo Thunder management agreement are currently our primary source of recurring income and significant positive cash flow. Our management agreement for the Harrington Casino in Delaware ended on August 31, 2011 and our interest in GEM and the management agreement for the FireKeepers Casino was sold March 30, 2012 to the FDA for $48.8 million. There can be no assurance that the Buffalo Thunder management agreement will be extended.

Rising Star Casino Resort is one of three riverboat casinos located on the Ohio River in southeastern Indiana. Its closest competitor is the Hollywood Casino, approximately a twenty minute drive, which is larger with 150,000 square feet of casino space, 3,200 slots and electronic table games and over 88 table games from a $335.0 million expansion program completed in June 2009. To the south is the Belterra Casino, approximately thirty minutes away, with 1,550 slot machines and 41 table games. Ohio has recently authorized legalized gambling with one casino being developed in Cincinnati and two proposed racinos are nearby. Each of these facilities is within the general market of Rising Star and will provide competition to our operations there. While Kentucky has limited legal gaming, the cities of Lexington and Louisville are within the market of the Rising Star and there is a possibility that Kentucky will expand legalized gaming in the near future.

On a consolidated basis, cash provided by operations in the first quarter of 2012 increased $2.6 million over the prior year period primarily due to the addition of the Rising Star and Grand Lodge operations. Cash provided by investing activities increased $65.1 million from the prior year period primarily due to the $48.7 million of proceeds from the sale of our interest in GEM, offset by $2.5 million in deposits and other costs related to the potential Silver Slipper acquisition and the $19.9 million of deposits and other costs of the Grand Victoria acquisition in the prior year. Cash used in financing activities increased $42.2 million primarily due to the $26.9 million repayment of long term debt and the swap liability. As of March 31, 2012, we had approximately $38.3 million in cash.

Our future cash requirements include selling, general and administrative expenses, project development costs, capital expenditures, taxes and possibly funding any negative cash flow of our casino operations as well as potential acquisitions.

In October 2011, the Rising Sun/Ohio County First, Inc. (RSOCF) and the Rising Sun Regional Foundation, Inc. teamed up to develop a new 100-room hotel on land currently owned by us at our Rising Star Casino Resort. In December 2011, the City of Rising Sun Planning Commission denied an amendment to a previously issued Planned Unit Development (PUD), which would have allowed the development of the hotel. We are currently reviewing and exploring alternative options.

Subject to the effects of the economic uncertainties discussed above, we believe that adequate financial resources will be available to execute our current growth plan from a combination of operating cash flows and external debt and equity financing. However, continued downward pressure on cash flow from operations due to, among other reasons, the adverse effects on gaming activity of the current economic environment, increased competition and the lack of available funding sources, for example, due to the unprecedented global contraction in available credit, increases the uncertainty with respect to our development and growth plans.

Banking Relationships

On October 29, 2010, we, as borrower, entered into a Credit Agreement (the “Credit Agreement”) with Wells Fargo Bank, N.A. On December 17, 2010, we entered into a Commitment Increase Agreement and related Assignment Agreements with Wells Fargo and certain lenders under the Credit Agreement (the “Commitment”). The Commitment increased the funds available under the Credit Agreement from $36.0 million to $38.0 million, consisting of a $33.0 million term loan and a revolving line of credit of $5.0 million. All other terms of the Credit Agreement remained materially unchanged by the Commitment.

The initial funding date of the Credit Agreement occurred March 31, 2011 when we borrowed $33.0 million on the term loan which was used to fund our acquisition of the Grand Victoria Casino. The purchase occurred on April 1, 2011. The Credit Agreement was secured by substantially all of our assets. Our wholly-owned subsidiaries guaranteed the obligations under the Credit Agreement. We paid off the remaining $25.3 million remaining debt related to the Wells Fargo Credit Agreement on March 30, 2012, which consisted of $24.8 of our existing long term debt and $0.5 million due on the Swap, from proceeds from the sale of our interest in GEM and the FireKeepers management agreement.

On March 30, 2012, we deposited $2.5 million in escrow related to the potential Silver Slipper acquisition, which is recorded in long-term deposits on our balance sheet. The Silver Slipper Casino features almost 1,000 slots, 26 tables, a poker room, three restaurants and two bars. The property draws heavily from

the New Orleans metropolitan area and other communities in southern Louisiana and southwestern Mississippi. We will fund the acquisition of the Silver Slipper Casino with a new credit facility and cash on hand. On May 2, 2012 we obtained financing commitments for new credit facilities totaling $75.0 million which will be used to fund our acquisition. The financing will consist of a $55.0 million first lien credit facility and a $20.0 million second lien facility. The funding of the new credit facilities are subject to documentation and other customary conditions. We anticipate having regulatory approvals to accommodate a closing in the third quarter of 2012, although the transaction is subject to several contingencies and may not occur.

In March 2011, we opened Federal Deposit Insurance ("FDIC") insured noninterest bearing accounts with Wells Fargo. As of March 31, 2012, we had $27.4 million in insured noninterest bearing accounts. Bankrate.com's Safe & Sound® service rated Wells Fargo Financial, NA in Las Vegas, NV a "4 Star" as of December 31, 2011, which is defined as a "sound" ranking of relative financial strength and stability. As of March 31, 2012, we held $0.8 million in an FDIC insured noninterest bearing account with Nevada State Bank (NSB). NSB is a subsidiary of Zion's Bancorporation.

FireKeepers Casino

GEM, our FireKeepers Casino joint venture through March 30, 2012, had the exclusive right to provide casino management services to the Michigan Tribe in exchange for a management fee, after certain other distributions were paid to the Tribe, of 26% of net revenues (defined effectively as net income before management fees) for seven years which commenced upon the opening of the FireKeepers Casino on August 5, 2009. On December 2, 2010, the FireKeepers Development Authority entered into a hotel consulting services agreement with GEM, as the consultant, related to the FireKeepers Casino phase II development project, which includes development of a hotel, multi-purpose/ballroom facility, surface parking and related ancillary support spaces and improvements. GEM was to perform hotel consulting services for a fixed fee of $12,500 per month, continuing through to the opening of the project, provided the total fee for services did not exceed $0.2 million in total.

On February 17, 2012, GEM signed a letter of intent with the FireKeepers Development Authority, (the "Authority") to propose terms of a potential sale of GEM's management rights and responsibilities under the current management agreement and allow the FireKeepers casino to become self-managed by the Authority, in return for $97.5 million. The sale closed March 30, 2012 and effectively terminated the existing management agreement, which was scheduled to run through August 2016. We used a portion of the proceeds to pay-off our remaining outstanding debt. We will receive a wind-up fee equivalent to what our management fee would have been for the month of April.

Other projects

Additional projects are considered based on their forecasted profitability, development period, regulatory and political environment and the ability to secure the funding necessary to complete the development, among other considerations.

We continue to actively investigate, individually and with partners, new business opportunities. Management believes we will have sufficient cash and financing available to fund acquisitions and development opportunities in the future.

Off-balance sheet arrangements

We have no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Seasonality

We believe that our casino operations and management contracts and our estimates of completion for projects in development are affected by seasonal factors, including holidays, adverse weather and travel conditions. Accordingly, our results of operations may fluctuate from year to year and the results for any year may not be indicative of results for future years.

Regulation and taxes

We, and our casino projects, are subject to extensive regulation by state and tribal gaming authorities. We will also be subject to regulation, which may or may not be similar to current state regulations, by the appropriate authorities in any jurisdiction where we may conduct gaming activities in the future. Changes in applicable laws or regulations could have an adverse effect on us.

The gaming industry represents a significant source of tax revenues to state governments. From time to time, various federal or state legislators and officials have proposed changes in tax law, or in the administration of such law, affecting the gaming industry. It is not possible to determine the likelihood of possible changes in tax law or in the administration of such law. Such changes, if adopted, could have a material adverse effect on our future financial position, results of operations and cash flows.

Critical accounting estimates and policies

We describe our critical accounting estimates and policies in Note 2, Summary of Significant Accounting Policies, of the Notes to Consolidated Financial Statements included in our Form 10-K for the year ended December 31, 2011. We also discuss our critical accounting estimates and policies in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, in our Form 10-K for the year ended December 31, 2011. There has been no significant change in our critical accounting estimates or policies since the end of 2011.

Safe harbor provision

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, relating to our financial condition, profitability, liquidity, resources, business outlook, market forces, corporate strategies, contractual commitments, legal matters, capital requirements and other matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. We note that many factors could cause our actual results and experience to change significantly from the anticipated results or expectations expressed in our forward-looking statements. When words and expressions such as: "believes," "expects," "anticipates," "estimates," "plans," "intends," "objectives," "goals," "aims," "projects," "forecasts," "possible," "seeks," "may," "could," "should," "might," "likely," "enable," or similar words or expressions are used in this Form 10-Q, as well as statements containing phrases such as "in our view," "there can be no assurance," "although no assurance can be given," or "there is no way to anticipate with certainty," forward-looking statements are being made.

Various risks and uncertainties may affect the operation, performance, development and results of our business and could cause future outcomes to change significantly from those set forth in our forward-looking statements, including the following risks:

- our growth strategies;
- our development and potential acquisition of new facilities, including the Silver Slipper Casino;
- successful integration of acquisitions, including the Silver Slipper Casino;
- risks related to development and construction activities; including weather, labor, supply and other unforeseen interruptions, including development of hotel or other amenities in conjunction with the Silver Slipper Casino and Rising Star Casino Resort;
- anticipated trends in the gaming industries;
- patron demographics;
- general market and economic conditions;
- access to capital and credit, including our ability to finance future business requirements, including obtaining financing for the Silver Slipper acquisition;
- the availability of adequate levels of insurance;
- changes in federal, state, and local laws and regulations, including environmental and gaming licenses or added types of gaming legislation, regulations and taxes;
- ability to obtain and maintain gaming and other governmental licenses, including licenses and approvals from the Mississippi Gaming Commission;
- regulatory approvals;
- competitive environment, including increased competition from existing and new jurisdictions, such as Ohio, Illinois, Kentucky, Louisiana and Mississippi and new forms of gaming such as internet gaming;
- risks, uncertainties and other factors described from time to time in this and our other SEC filings and reports.

We undertake no obligation to publicly update or revise any forward-looking statements as a result of future developments, events or conditions. New risks emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ significantly from those forecasted in any forward-looking statements.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures — As of March 31, 2012, we completed an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rule 13a-15(e) and 15d-15(e)). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective at a reasonable assurance level in timely alerting them to material information relating to us which is required to be included in our periodic Securities and Exchange Commission filings.

Changes in Internal Control Over Financial Reporting— On April 1, 2011, we acquired Rising Star Casino Resort. With respect to this acquisition Management has assessed the effectiveness of the newly acquired property's internal controls, and has deemed the controls over financial reporting to be effective as of March 31, 2012.

On September 1, 2011, we acquired the operational assets of Grand Lodge Casino. Management is currently continuing its assessment of the effectiveness of the newly acquired property's internal controls. The Company has a period of one year from the respective acquisition date to complete its assessment of effectiveness of the internal controls of newly acquired operations and to take the required actions to ensure that adequate internal controls and procedures are in place.

Upon completion of our assessment of the effectiveness of the internal controls, as well as implementation of certain controls and procedures, we will provide a conclusion in our interim report Form 10-Q for the quarter ending September 30, 2012 about whether or not our internal control over financial reporting related to the Grand Lodge Casino acquisition was effective as of the corresponding reporting period, based on the criteria in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

There have been no other changes in our internal controls over financial reporting that occurred during the last fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Item 5. Other Information.

The 2012 annual meeting of the stockholders of Full House Resorts, Inc. (the "Company") was held on May 2, 2012. Items of business set forth in the Company's proxy statement filed with the Securities and Exchange Commission on March 27, 2012 that were voted on and approved are as follows:

(1) Election of Directors:

	Votes		
Nominee	For	Withheld	Broker Non-Vote
Kenneth R. Adams	8,052,538	300,689	8,136,842
Carl G. Braunlich	8,052,237	300,989	8,136,842
Kathleen M. Caracciolo	8,052,138	301,089	8,136,842
Andre M. Hilliou	6,778,032	1,575,195	8,136,842
Lee A. Iacocca	6,766,366	1,586,861	8,136,842
Mark J. Miller	6,776,321	1,576,906	8,136,842

(2) Ratification of Piercy Bowler Taylor & Kern, as the Company's independent registered public accounting firm for 2012:

For	Against	Abstain	Broker Non-Vote
16,381,155	104,602	3,962	—

PART II - OTHER INFORMATION

Item 6. Exhibits

2.1	Equity Purchase Agreement dated March 30, 2012 by and among Full House Resorts, Inc.; Firekeepers Development Authority, an unincorporated instrumentality and political subdivision of the Nottawaseppi Huron Band of Potawatomi Indians; RAM Entertainment, LLC and Robert A. Mathewson. Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The registrant hereby undertakes to furnish copies of any of the omitted schedules and exhibits upon request by the U.S. Securities and Exchange Commission. †
2.2	Membership Interest Purchase Agreement by and between the Sellers named therein, Full House Resorts, Inc. and Silver Slipper Casino Venture LLC, dated as of March 30, 2012 (Incorporated by reference to Exhibit 2.01 to Full House Resorts, Inc.'s Current Report on Form 8-K as filed with the Securities and Exchange Commission on April 5, 2012). Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The registrant hereby undertakes to furnish copies of any of the omitted schedules and exhibits upon request by the U.S. Securities and Exchange Commission.
31.1	Certification of principal executive officer pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of principal financial officer pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of principal executive officer pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of principal financial officer pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance*
101.SCH	XBRL Taxonomy Extension Schema*
101.CAL	XBRL Taxonomy Extension Calculation*
101.DEF	XBRL Taxonomy Extension Definition*
101.LAB	XBRL Taxonomy Extension Labels*
101.PRE	XBRL Taxonomy Extension Presentation*

* XBRL information is furnished and not filed or a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

† Certain parts of this document have been omitted based on a request for confidential treatment submitted to the SEC. The non-public information that has been omitted from this document has been separately filed with the SEC. Each redacted portion of this document is indicated by a "[***]" and is subject to the request for confidential treatment submitted to the SEC. The redacted information is confidential information to the Registrant.

SIGNATURES

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

FULL HOUSE RESORTS, INC.

Date: May 8, 2012

By: /s/ MARK J. MILLER
Mark J. Miller
Chief Financial Officer and Chief Operating Officer
(on behalf of the Registrant and
as principal financial officer)

Exhibit 2.1

*** Confidential Treatment Request Under 17 C.F.R. Section 240.246-2

EQUITY PURCHASE AGREEMENT

BY AND BETWEEN

FIREKEEPERS DEVELOPMENT AUTHORITY

AND

FULL HOUSE RESORTS, INC.

AND

RAM ENTERTAINMENT, LLC AND ROBERT A. MATHEWSON

FOR THE PURCHASE OF ALL LIMITED LIABILITY COMPANY INTERESTS

OF

GAMING ENTERTAINMENT (MICHIGAN), LLC

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Exhibits

Schedules

EQUITY PURCHASE AGREEMENT

THIS EQUITY PURCHASE AGREEMENT (this "Agreement") is entered into as of March 30, 2012, by and among FIREKEEPERS DEVELOPMENT AUTHORITY ("Buyer"), an unincorporated instrumentality and political subdivision of the NOTTAWASEPPI HURON BAND OF POTAWATOMI INDIANS, a federally recognized Indian tribe (the "Tribe") and Full House Resorts, Inc. a Delaware corporation ("Full House"), RAM ENTERTAINMENT, LLC, a Nevada Limited Liability Company ("RAM"), (each a "Seller" and together the "Sellers") and Robert A. Mathewson, a resident of Nevada ("Mathewson") to the extent provided herein by Sections 3.21, and 5.19, regarding the purchase of all limited liability company interests of GAMING ENTERTAINMENT (MICHIGAN), LLC, a Delaware limited liability company (the "Company"). Article 10 contains definitions of certain capitalized terms.

Recitals

A. Full House and RAM own all of the limited liability company interests of the Company (the "Interests") and Mathewson owns all of the equity of RAM.

B. Sellers desire to sell, assign and transfer to Buyer, and Buyer desires to purchase from Sellers, all of the Interests and the Acquired Intellectual Property, upon and subject to the terms herein.

Agreement

In consideration of the foregoing and the representations, warranties, covenants and agreements in this Agreement and other good and valuable consideration, the receipt of which is hereby acknowledged, each Party hereby agrees as follows:

ARTICLE 1
PURCHASE OF INTERESTS AND INTELLECTUAL PROPERTY

Upon and subject to the terms herein, at Closing: 1) Full House and RAM will sell, assign and transfer to Buyer, and Buyer will purchase from Full House and RAM, all of the Interests; and 2) Full House and RAM will sell, assign and transfer to Buyer and Buyer will purchase from Full House and RAM, all of the Acquired Intellectual Property.

ARTICLE 2
PURCHASE PRICE

2.1 **Purchase Price.** Upon and subject to the terms herein, at Closing, Buyer will pay to Sellers the aggregate amount of $97,500,000.00 (the "Purchase Price") less the Holdback Amount and less the Buyer Transaction Expenses, by wire transfer of immediately available funds to the accounts that Sellers designate in writing at least two Business Days before the Closing Date. The Purchase Price will be paid $48,675,000.00 to Full House and $48,645,000.00 to RAM (which reflects the Buyer Transaction Expenses).

2.2 **Wind-Up Fee.** In addition to the Purchase Price, Buyer will pay Sellers a fee equal in amount to the management fee that would have been earned by the Company under the Management Agreement for March 2012 (if not paid prior to Closing) and April 2012 (the "Wind-up Fee"), less $500,000.00 The Wind-up Fee will be paid at the time that the management fee for such month would have been paid if the Management Agreement had remained in effect for that month in equal amounts to each Seller. Notwithstanding anything to the contrary in this Section 2.2, if the Closing Date occurs later than March 30, 2012, the amount of the Wind-up Fee will be reduced dollar-for-dollar by the amount of management fee earned on and after March 30, 2012 and prior to May 1, 2012.

2.3 **Claims Related to Management Agreement.** The Parties agree that all amounts paid under the Management Agreement for periods ending on or prior to the Closing Date will not be adjusted after Closing Date and each Party waives any claim regarding any possible miscalculation or adjustment to such amounts and agrees to not make any such claim for miscalculation or adjustment; provided, however, that such amounts will be adjusted based on any adjustments to Net Revenues for the periods of January 1, 2012 through April 30, 2012 in the final audit for the fiscal year of Firekeepers Casino (each as defined in the Management Agreement). Payment of such adjusted amounts shall be made to the appropriate party within 60 days of the final audit for the fiscal year. The Wind-up Fee will be calculated on the same basis as management fees that have been previously calculated and paid prior to the date of this Agreement, including utilizing the same accounting practices and methods for hotel pre-opening costs and capitalized interest, provided that depreciation will be determined consistent with the accounting used by Buyer for fiscal year 2010.

2.4 **Holdback Amount.** The Holdback Amount will be equal to $150,000. The Holdback Amount may be used by Buyer to satisfy any liabilities of the Company arising before the Closing Date but paid after the Closing Date or to satisfy any indemnification obligations of any Seller under this Agreement. The Holdback Amount, less any amounts used to satisfy such liabilities of the Company, will be paid to Sellers on December 31, 2012 in equal amounts to each Seller.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF SELLERS

Each Seller, jointly and severally with each other Seller, hereby represents and warrants to Buyer that each of the following are and will be true, correct and complete, each as of the date hereof and as of the Closing Date, except that Full House does not make any representation or warranty as to the organization, structure, validity, authority or authorization of RAM and RAM does not make any representation or warranty as to the organization, structure, validity, authority or authorization of Full House and except that Mathewson, and no other Seller, hereby represents and warrants to Buyer only the representation in Section 3.21:

3.1 **Organization and Good Standing.** Full House is a duly organized and validly existing corporation in good standing under the laws of Delaware. RAM is a duly organized and validly existing limited liability company in good standing under the laws of Nevada. The Company is a duly organized and validly existing limited liability company in good standing under the laws of the jurisdiction in which it was organized. The Company is duly qualified and in good standing to do business as a foreign limited liability company in each jurisdiction in which the ownership or leasing of its properties or assets or the conduct of its business requires such qualification. Each of Sellers and the Company has full power and authority to own and lease its properties and assets and conduct its business. The Company does not hold any equity interest, directly or indirectly, of any other legal entity. Sellers have delivered to Buyer a true, correct and complete copy of the Organizational Documents of the Company. Schedule 3.1 lists the officers, directors, governors, members, managers of the Company. The Company's ownership records have been made available to Buyer and are true, correct and complete. The Company is not in default under or in violation of any provision of any of its Organizational Documents.

3.2 **Capitalization.** Schedule 3.2 lists (a) all authorized equity interests the Company (including any economic or membership interest in a limited liability company) and the (b) the Interests held by Full House and RAM. The Interests constitute all of the outstanding equity interests of the

Company. All of the issued and outstanding equity interests listed in Schedule 3.2 are duly authorized, validly issued, fully paid and non-assessable. No equity interest of the Company was issued in violation of any Organizational Document of the Company, any Applicable Law or any pre-emptive right (or other similar right) of any Person. Sellers have good and valid title to all Interests, free and clear of any Encumbrance (other than restrictions imposed by securities laws applicable to securities generally and rights of Buyer hereunder). Other than rights of Buyer created hereunder, there is no: (1) pre-emptive right, option, warrant, put, call, purchase right, subscription right, conversion right, convertible instrument, exchange right or other security, Contract or commitment of any nature whereby any Person has, or has a right to receive, any equity interest of, or right or obligation to acquire any equity interest of the Company; (2) equity appreciation, phantom stock, profit participation or similar right with respect to the Company; or (3) voting trust, proxy or other Contract with respect to any equity interest of the Company.

3.3 **Authority and Authorization; Conflicts; Consents.**

(a) **Authority and Authorization**. The execution, delivery and performance of this Agreement and each Ancillary Document have been duly authorized and approved by all necessary corporate, limited liability company or other action with respect to each Seller and each applicable Affiliate of each Seller, and each such authorization and approval remains in full force and effect. Assuming due authorization, execution and delivery by Buyer of this Agreement and each Ancillary Document, this Agreement is, and each Ancillary Document at Closing will be, the legal, valid and binding obligation of Sellers and each such applicable Affiliate, enforceable against each Seller and each such applicable Affiliate in accordance with its terms, except to the extent enforceability may be limited by any Enforcement Limitation. Each Seller and each such applicable Affiliate has all requisite corporate, limited liability company or other power and authority to enter into this Agreement and each Ancillary Document to be executed and delivered by Sellers or such applicable Affiliate and to consummate the transactions contemplated herein and therein to be consummated by Sellers and each such applicable Affiliate.

(b) **Conflicts**. Except as listed in Schedule 3.3(b), neither the execution nor delivery by Sellers of this Agreement or by any Seller or any Affiliate of any Seller of any Ancillary Document nor consummation by any Seller or any Affiliate of Seller of the transactions contemplated herein or therein does or will (with or without the passage of time or giving of notice): (1) constitute a breach of, violate, conflict with or give rise to or create any right or obligation under any Organizational Document of any Seller, any such Affiliate of any Seller or the Company; (2) violate any Applicable Law or Order; (3) constitute a breach or violation of or a default under, conflict with or give rise to or create any right of any Person other than the Company to accelerate, increase, terminate, modify or cancel any right or obligation other than a Permitted Encumbrance under, any Contract to which any Seller or any the Company is a party or by which any asset of any Seller or any the Company is bound; or (4) give rise to any limitation, restriction or adverse effect on the Company's ability to conduct its business after Closing (including the revocation or other termination of any Permit).

(c) **Consents**. Except as listed in Schedule 3.3(c), no consent or approval by, notification to or filing with any Person is required in connection with Sellers' or any Affiliates of Seller (including the Company's) execution, delivery or performance of this Agreement or any Ancillary Document of any Seller or any Affiliate of Seller or any Seller's or any such Affiliate's consummation of the transactions contemplated herein or therein.

3.4 **Financial Statements and Undisclosed Liabilities**.

(a) **Financial Statements Defined**. Schedule 3.4(a) contains a true, correct and complete copy of the Company's unaudited balance sheet as of February 29, 2012 (the "Financial Statements").

(b) **Financial Statements**. The Financial Statements (1) were prepared in accordance with GAAP, (2) were prepared in accordance with, and are consistent with, the books and records of the Company (which books and records are correct and complete in all material respects) and (3) fairly present in all material respects, the assets, liabilities and financial condition of the Company at their respective dates and the results of operations of the Company for the respective periods covered thereby. The financial records of the Company, all of which Sellers have made available to Buyer, are true, correct and complete and represent actual, bona fide transactions and have been maintained in accordance with sound business practices.

(c) **Undisclosed Liabilities**. The Company has no Liability (and there is no reasonable basis for any present or future Proceeding against the Company giving rise to any Liability), except for any Liability (1) set forth on the face of the most recent Financial Statements, (2) listed in Schedule 3.4(c), (3) that has arisen under a Contract listed on Schedule 3.8 and in its Ordinary Course of Business since the Financial Statements (which does not arise out of, relate to or result from and which is not in the nature of and was not caused by any breach of Contract, breach of warranty, tort, infringement or other violation of Applicable Law) or (4) under this Agreement or any Ancillary Document or otherwise in connection with the transactions contemplated herein or therein.

(d) **Liabilities at Closing.** At Closing, the Company will have no Liability other than liabilities that arise in the ordinary course under the Management Agreement.

3.5 **Taxes.** The Company has properly prepared and timely filed all Tax Returns that were required to be filed by it, and no extensions are currently in effect. All Taxes owed by or with respect to the Company with respect to any Pre-Closing Tax Period were paid when due, or, in the case of Taxes not yet due, will be paid in full before the Effective Time. The Company (a) has not received notice that any Tax audit or other Tax Proceeding is being or will be conducted by any Governmental Authority, (b) does not have in effect any waiver of any statute of limitations regarding Taxes or agreement to an extension of time regarding the assessment of any Tax deficiency and (c) has not a received a written claim from any Governmental Authority in a jurisdiction where the Company does not file any Tax Return that the Company is or may be subject to Taxation by such jurisdiction.

3.6 **Litigation and Orders.** Except as set forth on Schedule 3.6, there is (a) no claim (whether or not commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority) or other Proceeding pending or, to Sellers' Knowledge, Threatened against the Company or to which the Company is a party and (b) the Company is not subject to any Order.

3.7 **Compliance with Law.** At all times since formation the Company has been operated in compliance with all Applicable Laws. No notice has been received by any Seller or the Company from any Governmental Authority alleging that the Company is not or was not in compliance in any material respect with any Applicable Law. The Company possesses and is in compliance in all material respects with each Permit necessary for the Company to own, operate and use its assets and conduct its business.

3.8 **Contracts.** Other than disclosed on Schedule 3.8, the Company is not a party to any Contract.

3.9 **Certain Assets.** The Company has good and marketable title to, or a valid leasehold interest in or a valid license for, each asset used by it, located on any of its premises, shown on the Financial Statements or acquired by it after the Financial Statements or as is otherwise necessary for the conduct of its business, free and clear of any Encumbrance other than any Permitted Encumbrance. Each such asset is free from defects (patent and latent), has been maintained in accordance with normal applicable industry practice, is in good operating condition and repair (except normal wear and tear) and is suitable and sufficient for the purposes for which it is used.

3.10 **Real Property.** The Company does not own or have any right, title or interest in, or lease, any real property.

3.11 **Intellectual Property.**

(a) Schedule 3.11(a) lists all Intellectual Property of the Company that is registered with any Governmental Authority (or with any Person that maintains domain name registrations) and all applications for any such registration.

(b) The Company owns (free and clear of all Encumbrances, other than any Permitted Encumbrance), or has the right to use without payment of any royalty, license fee or similar fee, the Intellectual Property used by the Company in the operation of its business. Sellers own (free and clear of all Encumbrances, other than any Permitted Encumbrance), or have the right to use without payment of any royalty, license fee or similar fee, the Acquired Intellectual Property.

(c) Except as listed in Schedule 3.11(c):

(1)(A) the Company has not received notice that any registered Intellectual Property has been declared unenforceable or otherwise invalid by any Governmental Authority, (B) no Intellectual Property of the Company is or has been involved in any interference, reissuance, reexamination, invalidation, cancellation, opposition or similar Proceeding and, to Sellers' Knowledge, no such Proceeding is Threatened, and (C) with respect to the Acquired Intellectual Property, no Acquired Intellectual Property is or has been involved in any interference, reissuance, reexamination, invalidation, cancellation, opposition or similar Proceeding and, to Sellers' Knowledge, no such Proceeding is Threatened;

(2) the Company has not received any written or oral charge, complaint, claim, demand or notice, alleging that any use, sale or offer to sell any good or service of the Company interferes with, infringes upon, misappropriates or violates any Intellectual Property right of any other Person, including any claim that the Company must license or refrain from using any Intellectual Property right of any other Person or any offer by any other Person to license any Intellectual Property right of any other Person, and with respect to the Acquired Intellectual Property, no Seller has received any written or oral charge, complaint, claim, demand or notice, alleging that any use, sale or offer to sell any good or service of any Seller interferes with, infringes upon, misappropriates or violates any Intellectual Property right of any other Person, including any claim that any Seller must license or refrain from using any Intellectual Property right of any other Person or any offer by any other Person to license any Intellectual Property right of any other Person; and

(3) the Company is not interfering with, infringing upon, misappropriating or violating the Intellectual Property of any other Person, and, to Sellers' Knowledge, no other Person is interfering with, infringing upon, misappropriating or violating the Intellectual Property of the Company and, with respect to the Acquired Property, no Seller is interfering with,

infringing upon, misappropriating or violating the Intellectual Property of any other Person, and, to Sellers' Knowledge, no other Person is interfering with, infringing upon, misappropriating or violating the Acquired Intellectual Property.

(d) Intentionally omitted.

(e) With respect to each issued or registered item of Intellectual Property, such Intellectual Property is: (1) in compliance with all applicable legal requirements (including: payment of filing, examination and maintenance fees; proofs of working or use; post-registration filing of affidavits of use; and incontestability and renewal applications); (2) valid and enforceable; and (3) not subject to any maintenance fee, Tax or action that is due within 90 days after the Closing Date.

(f) With respect to each trade secret of the Company (including each item of Intellectual Property that the Company regards as a trade secret and any of the Acquired Intellectual Property that Sellers or the Company regards as a trade secret): (1) the documentation relating to such trade secret is current, accurate and is sufficient in detail and content to identify and explain it and to allow its full and proper use without reliance on the knowledge or memory of any individual; (2) Sellers and the Company have taken all reasonable precautions to protect the secrecy, confidentiality and value of such trade secret; and (3) to Sellers' Knowledge, such trade secret has not been used, divulged or appropriated either for the benefit of any Person (other than the Company) or to the detriment of the Company. With respect to all other know-how of any the Company, and with respect to any know-how considered Acquired Intellectual Property, the documentation relating to such know-how is current, accurate and is sufficient in detail and content to identify and explain it and to allow its full and proper use without reliance on the knowledge or memory of any individual.

3.12 **Insurance.**

(a) Schedule 3.12(a) lists the following information with respect to each insurance policy to which the Company is or was ever a party or under which any of its assets, employees, officers, directors, managers or governors (in each such individual's capacity as such) is or was at any time during such period a named insured or otherwise the beneficiary of coverage thereunder (each an "Insurance Policy"): (1) the name of the insurer, the name of the policyholder and the name of each covered insured; (2) the policy number and the period of coverage; and (3) an accurate description of all retroactive premium adjustments and other loss-sharing arrangements. Schedule 3.12(a) lists all self-insurance arrangements affecting the Company and all obligations of the Company to any other Person with respect to insurance (including such obligations under leases and service agreements).

(b) Each Insurance Policy is legal, valid, binding, enforceable and in full force and effect (subject to any Enforcement Limitation) as of the Closing Date.

3.13 **Absence of Certain Events.** Since the Financial Statements, (A) there has not been any Material Adverse Effect on the Company and (B) the Company has been operated in its Ordinary Course of Business. Without limiting the generality of the foregoing, except as listed in Schedule 3.13, since the Financial Statements, the Company has not entered into any Contract or incurred any Liability other than any ordinary course liability incurred pursuant to a Contract listed in Schedule 3.8.

3.14 **Employee Benefits.** Except as listed on Schedule 3.14(a) there have not been, and are not now, any Company Plans.

3.15 **Employees and Labor Relations.**

(a) Except as listed in Schedule 3.15(a), (1) no employee of the Company is a party to any confidentiality, non-competition, proprietary rights or similar Contract between such employee and any Person other than the Company that is material to the performance of such employee's employment duties or the Company's ability (or, after Closing, that will be material to Buyer's ability) to conduct the business of the Company; (2) there is no employment-related Proceeding pending or Threatened regarding an alleged violation or breach the Company (or any of its managers, officers or directors) of any Applicable Law or Contract; and (3) no employee or agent of the Company has committed any act or omission giving rise to any material Liability for any violation or breach by the Company (or any of its managers, officers or directors) of any Applicable Law or Contract.

(b) Schedule 3.15(b) lists the name, position, base compensation of every current and former employee of the Company.

(c) As of the Closing Date, there will be no outstanding liability to or with respect to any current or former employee including, but not limited to, any liability for wages, salary, bonus, vacation, sick leave, insurance, workers' compensation claims or any other claim.

3.16 **Certain Business Relationships.** Except as listed in Schedule 3.16, none of the following Persons (regardless of the capacity of such Person, including as an individual or trustee) (a) owns, licenses or leases any material asset used in the business of the Company or (b) owns, directly or indirectly, any interest in any Person that competes with the Company: (1) any Seller or any of its Affiliates other than the Company; or (2) any director or officer of any Seller or any of its Affiliates (including the Company).

3.17 **Brokers.** The Company does not have any Liability to any broker, finder or similar intermediary in connection with the transactions contemplated herein that would cause Buyer or the Company to become liable for payment of any fee or expense with respect thereto.

3.18 **Indebtedness**. The Company does not have any Indebtedness outstanding on the date hereof and the Company will not have any Indebtedness outstanding on the Closing Date.

3.19 **Full Disclosure.** The representations and warranties contained in this Article 3 do not contain any untrue statement of a fact or omit a material fact necessary to make the statements and information in this Article 3 not misleading.

3.20 **Limited Business.** At all times since its organization, the Company has not engaged in any trade or business or any other activity other than ownership of, and investment in, the Management Agreement and performing the Management Agreement.

3.21 **Ownership of RAM.** Mathewson owns all of the equity interests of RAM. RAM is a duly organized and validly existing limited liability company in good standing under the laws of Nevada and Schedule 3.2 lists the Interest held by RAM in the Company.

3.22 **Investor Agreement.** The Company is no longer a party and has no obligations related to the Investor Agreement.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

4.1 **Organization and Good Standing.** Buyer (a) is a an unincorporated instrumentality and political subdivision of the Tribe, and (b) has full power and authority to own and lease its properties and assets and conduct its business.

4.2 **Authority and Authorization; Conflicts; Consents.**

(a) **Authority and Authorization**. The execution, delivery and performance of this Agreement and each Ancillary Document of Buyer have been duly authorized and approved by all necessary tribal governmental action with respect to Buyer, and each such authorization and approval remains in full force and effect. Assuming due authorization, execution and delivery by Sellers of this Agreement and each Ancillary Document of each Seller, this Agreement is, and each Ancillary Document of Buyer at Closing will be, the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except to the extent enforceability may be limited by any Enforcement Limitation.

(b) **Conflicts**. Neither the execution nor delivery by Buyer of this Agreement or by Buyer or any Affiliate of Buyer of any Ancillary Document nor consummation by Buyer or any Affiliate of Buyer of the transactions contemplated herein or therein does or will (with or without the passage of time or giving of notice): (1) constitute a breach of, violate, conflict with or give rise to or create any right or obligation under any Organizational Document of Buyer or any such Affiliate of Buyer; (2) violate any Applicable Law or Order; or (3) constitute a breach or violation of or a default under, conflict with, or give rise to or create any right of any Person other than Buyer to accelerate, increase, terminate, modify or cancel any right or obligation under, any Contract to which Buyer is a party, except where such breach, violation, default, conflict or right described in clause (2) or (3) above will not materially and adversely affect Buyer's ability to consummate the transactions contemplated herein.

(c) **Consents**. No consent or approval by, notification to or filing with any Person is required in connection with Buyer's execution, delivery or performance of this Agreement or any Ancillary Document of Buyer or Buyer's consummation of the transactions contemplated herein or therein, except for any consent, approval, notice or filing, the absence of which will not materially and adversely affect Buyer's ability to consummate the transactions contemplated herein or which has been obtained prior to Closing.

ARTICLE 5
CERTAIN COVENANTS

5.1 **Certain Actions to Close Transactions.** Subject to the terms of this Agreement, each Party will use its reasonable best efforts to fulfill, and to cause to be satisfied, the conditions in Article 7 (but with no obligation to waive any such condition) and to consummate and effect the transactions contemplated herein, including to cooperate with and assist each other in all reasonable respects in connection with the foregoing.

5.2 **Pre-Closing Conduct of Business.**

(a) **Certain Required Actions**. Except as expressly contemplated herein or as otherwise consented to in writing by Buyer, from the date hereof through Closing, Seller will cause the Company to conduct the business of the Company in its Ordinary Course of Business and not to do any of the following:

(1)(A) issue or otherwise allow to become outstanding or acquire or pledge or otherwise encumber any equity interest or other security of the Company or right (including any option, warrant, put or call) to any such equity interest or other security, (B) declare, set aside or pay any dividend on, or make any other distribution in respect of, any of its equity interests or other securities, except for (i) distribution of the management fees received in the ordinary course of the Company's business or (ii) distribution Green Acres rights or (iii) Company operating bank account, (C) split, combine or reclassify any of its equity interests or issue or authorize the issuance of any other security in respect of, in lieu of or in substitution for any of its equity interests or other securities or make any other change to its capital structure or (D) purchase, redeem or otherwise acquire any equity interest or any other security of the Company or any right, warrant or option to acquire any such equity interest or other security;

(2)(A) make any sale, lease to any other Person, license to any other Person or other disposition of any asset, (B) make any capital expenditure or purchase or otherwise acquire any license or any intangible asset from any other Person, lease any real property from any other Person or lease any tangible personal property from any other Person, (C) acquire by merging with, or by purchasing a substantial portion of the stock or assets of, or by any other manner, any business or any Person or division thereof, (D) disclose any confidential, proprietary or non-public information (other than as is reasonably protected under a customary non-disclosure Contract) or (E) adopt a plan of liquidation, dissolution, merger, consolidation, statutory share exchange, restructuring, recapitalization or reorganization;

(3) grant or have come into existence any Encumbrance on any asset, other than any Permitted Encumbrance;

(4)(A) become a guarantor with respect to any obligation of any other Person, (B) assume or otherwise become obligated for any obligation of any other Person for borrowed money or (C) agree to maintain the financial condition of any other Person;

(5)(A) incur any indebtedness for borrowed money, (B) make any loan, advance or capital contribution to, or investment in, any other Person or (C) make or pledge to make any charitable or other capital contribution;

(6)(A) enter into any Contract, or amend or terminate in any respect that is material and adverse to the Company any material Contract to which the Company is a party, or (B) waive, release or assign any right or claim under any such material Contract;

(7)(A) fail to prepare and timely file all Tax Returns with respect to the Company required to be filed before Closing or timely withhold and remit any employment Taxes with respect to the Company, (B) file any amended Tax Return, (C) make or change any election with respect to Taxes or (D) settle or compromise any Tax Liability, enter into any Tax closing agreement, surrender any right to claim a refund of Taxes, waive any statute of limitations regarding any Tax, agree to any extension of time regarding the assessment of any Tax deficiency or take any other similar action relating to any Tax;

(8)(A) adopt or change any material accounting method or principle used by the Company, except as required under GAAP or the Code or (B) change any annual accounting period;

(9) fail to use commercially reasonable efforts to (A) keep intact the business organization of the Company, (B) keep available to the Company present officer and management-level employees of the Company or (C) preserve, and prevent any degradation in, the Company's relationship with all of its suppliers, customers and others having material business relations with the Company;

(10) (A) adopt, enter into, amend or terminate any bonus, profit-sharing, compensation, severance, termination, pension, retirement, deferred compensation, trust, fund or other arrangement or other Plan for the benefit or welfare of any individual, (B) enter into or amend any employment arrangement or relationship with any new or existing employee except that the Company shall negotiate with the General Manager for a termination of his employment by the Company and the Company shall consent to the employment of the General Manager by the Buyer after the Effective Time, (C) increase any compensation or fringe benefit of any director, officer or employee or pay any benefit to any director, officer or employee, other than pursuant to an existing Plan that is, in each case, in an amount consistent with past practice, (D) grant any award to any director, officer or employee under any bonus, incentive, performance or other compensation Plan (including the removal of any existing restriction in any Plan or award made thereunder), (E) enter into or amend any collective bargaining agreement or (F) except as required by Applicable Law or Contract that exists on the date hereof, take any action to segregate any asset for, or in any other way secure, the payment of any compensation or benefit to any employee;

(11) amend or change, or authorize any amendment or change to, any of its Organizational Documents;

(12) except in its Ordinary Course of Business, (A) pay, discharge, settle or satisfy any claim or Liability or (B) otherwise waive, release, grant, assign, transfer, license or permit to lapse any right of material value; or

(13) enter into any Contract, or agree or commit (binding or otherwise), to do any of the foregoing.

5.3 **Access to Information.**

(a) **Pre-Closing Access for Buyer**. From the date hereof through Closing, Sellers will cause Buyer and Buyer's representatives (including legal counsel and accountants), who are subject to a mutually agreed confidentiality obligation, to have full access to all properties, personnel, books, records, Contracts and other documents of or pertaining to the Company.

(b) **Post-Closing Access for Seller**. Until the expiration of the period applicable in Section 8.4, subject to Buyer's reasonable confidentiality precautions, Buyer will, during normal business hours and upon reasonable notice from Seller: (1) cause Sellers and Sellers' representatives to have reasonable access to the pre-Closing books and records of the Company, and to the personnel responsible for preparing and maintaining such books and records, in each case to the extent necessary to (A) defend or pursue any Proceeding, (B) defend or pursue indemnification matters hereunder, (C) prepare or audit financial statements, (D) prepare or file Tax Returns or (E) address Tax, accounting, financial or legal matters or respond to any investigation or other inquiry by or under the control of any Governmental

Authority; and (2) permit Sellers and Sellers' representatives to make copies of such books and records for the foregoing purposes, at Sellers' expense. If requested by Buyer, Sellers will provide reasonable substantiation of Sellers' purpose for such access to show that such access is for any of the foregoing purposes.

(c) **Post-Closing Retention of Information by Buyer and Seller**. At and after Closing, Sellers may retain in Sellers' (or any of their Affiliates') possession, subject to Buyer's reasonable confidentiality precautions, any copies of any books or records of such types described in Section 5.3(b)(1) that are in Sellers' possession or control (or the possession or control of any of its Affiliates), in each case for any purpose described in Section 5.3(b)(1). Buyer will retain the books or records of the type described in Section 5.3(b)(1) until the expiration of the period applicable in Section 8.4.

5.4 **Further Assurances.** If after Closing any further action is necessary to carry out any purpose of this Agreement, then each Party will take such further action (including the execution and delivery of further documents) as the other Party requests to carry out such purpose. The foregoing will be at the expense of such requesting Party, except to the extent such requesting Party is entitled to indemnification therefor or to the extent this Agreement otherwise allocates such expense to any other Party.

5.5 **Confidentiality and Publicity.**

(b) **Confidentiality**. Throughout the five-year period following the Closing Date, Sellers will, and Sellers will cause their Affiliates to, keep confidential and not disclose any confidential, proprietary or other non-public information of Buyer, the Tribe, the Company or Firekeepers Casino. Throughout the five-year period following the Closing Date, Buyer will keep confidential and not disclose any confidential, proprietary or other non-public information of the Sellers.

(c) **Publicity**. Each Party will not, and each Party will cause each of its Affiliates not to, make any public release or announcement regarding the terms of this Agreement or the details of any of the transactions contemplated herein without the prior written approval thereof of each Party; provided, however, that Buyer and the Tribe may disclose such information on a confidential basis to persons underwriting, arranging or extending credit in connection with the Financing, and the representatives and attorneys of such persons.

(d) **Certain Permitted Disclosures**. Notwithstanding the foregoing, nothing in this Section 5.5 will prevent any of the following at any time:

(1) a Party disclosing any information to the extent required under Applicable Law; provided, however, that if a Party or any of such Party's Affiliates is required to so disclose any information that otherwise would be prohibited in the absence of this clause (1), then (A) such Party will provide to each other Party prompt written notice thereof and cooperate (and cause such Affiliate, as applicable, to cooperate) with any such other Party, to the extent such other Party reasonably requests, so that such other Party may seek a protective order or other appropriate remedy or waive compliance with the terms of this Agreement (subject, in each case, to legal requirements to the contrary) and (B) if such protective order or other remedy is not obtained, or if such other Party waives compliance with the terms of this Agreement, then such Party will (and will cause such Affiliate, as applicable, to) disclose only the portion of such information that is required to be disclosed, and such Party will (and will cause such Affiliate, as applicable, to) exercise its commercially reasonable efforts, at the expense of such other Party, to obtain reasonable assurance that confidential treatment will be accorded such information; or

(2) a Party (or its Affiliates) making a statement or disclosure to (A) such Party's (or any of its Affiliate's) legal, accounting and financial advisers to the extent reasonably necessary for any such adviser to perform its legal, accounting and financial services, respectively, for such Party (or such Affiliate) or (B) any lender or prospective lender of such Party (or such Affiliate) to the extent reasonably required as part of such lending relationship; provided, however, that such Party will cause each Person to whom such statement or disclosure is made under this clause (2) to keep confidential and not disclose to any other Person or use any information in such statement or disclosure.

5.6 **Employee Matters.** Nothing in this Agreement will obligate Buyer or the Company to continue the employment of any individual for any specific period after Closing (including any employee on medical, disability, family or other leave of absence).

5.7 **Intellectual Property.** The Sellers hereby authorize the Buyer and the Tribe to use for gaming operations conducted by the Tribe or the Buyer at all times after the date of this Agreement, free of charge, all intellectual property, confidential data, technology or know-how belonging to Sellers that is used or as of the Closing Date has been available with respect to the management and operation of Firekeepers Casino.

5.8 **Certain Tax Matters.**

(a) **Payment of Taxes and Filing Responsibility**. Sellers will prepare and timely file (or cause to be prepared and timely filed) all (1) Tax Returns with respect to the Company required to be filed on or before the Closing Date (after taking into account extensions therefor), (2) Tax Returns with respect to the Company for any Tax period ending on or before the Closing Date; and (3) consolidated, combined or unitary Tax Returns that include any Seller and the Company that are required to be filed before, on or after the Closing Date. Buyer will prepare and timely file (or cause to be prepared and timely filed) all Tax Returns with respect to the Company that Sellers are not obligated to file (or cause to be filed) pursuant to this Section 5.8(a). Sellers will satisfy (or cause to be satisfied) in full when due, and will be jointly and severally liable for, all Taxes with respect to the Company with respect to any Pre-Closing Tax Period and any Tax owed by the Company (including without limitation withholding with respect to any Seller and the RAM withholding Taxes) with respect to the Wind-Up Fee (all of such Taxes being the "Pre-Closing Taxes"). Buyer will satisfy (or cause to be satisfied) in full when due all Tax Liabilities with respect to any period that is not a Pre-Closing Tax Period or a Pre-Closing Tax. If Buyer is required under this Section 5.8(a) to file a Tax Return that involves Pre-Closing Taxes, then no later than 10 Business Days before the filing of any such Tax Return, Sellers will pay to Buyer an amount equal to the amount of Taxes shown due on such Tax Return for which Sellers are obligated with respect to such Tax Return. Buyer agrees not to file any amended Tax Return for a Pre-Closing Tax Period without the prior consent of Sellers, which consent shall not be unreasonably withheld, conditioned or delayed. Subject to Buyer maintaining the confidentiality thereof, Sellers will give to Buyer a copy of any Tax Return required to be prepared and filed by Sellers pursuant to this Section 5.8(a) as soon as practicable after the preparation, but before the filing, thereof for such Buyer's review and comment. Sellers will consider in good faith any changes to such Tax Return that are reasonably requested by Buyer.

(b) **Cooperation**. Each Party will, and each Party will cause its applicable Affiliates to, cooperate in all reasonable respects with respect to Tax matters and provide one another with such information as is reasonably requested to enable the requesting Party to complete and file all Tax Returns which it may be required to file (or cause to be filed) with respect to the Company, to respond to any Tax audit, inquiry or other Tax Proceeding and to otherwise satisfy any Tax requirement.

(c) **Transfer Taxes**. Notwithstanding Section 5.8(a), Sellers will pay all Transfer Taxes, and Seller and Buyer will cooperate in timely making all filings, returns, reports and forms as may be required to comply with the provisions of Applicable Law relating thereto.

(d) **Straddle Periods**. In the case of any Straddle Period, the amount of any Income Taxes with respect to a Pre-Closing Tax Period will be determined based on an interim closing of the books as of the close of business on the Closing Date (and for such purpose, the Taxable year of any pass-through entity will be deemed to terminate at such time) and the amount of any other Tax with respect to the Company with respect to any Straddle Period which relates to a Pre-Closing Tax Period will be deemed to be the amount of such Tax for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days in the portion of such Straddle Period ending on the Closing Date and the denominator of which is the total number of days in such Straddle Period. Income Taxes that are Pre-Closing Taxes will be determined consistent with past tax elections and methods, to the extent allowed by Applicable Law.

(e) **Tax Refunds**. Buyer will cause the Company to pay to Sellers in equal amounts to each Seller a refund of Michigan Business Tax owed to the Company for 2010 (estimated as of the date hereof at $314,000) (the "2010 Michigan Refund") if and when received by the Company. Buyer acknowledges that the 2010 Michigan Refund is for the benefit Sellers and that the receipt thereof was a material and essential consideration of the Sellers in agreeing to the Purchase Price and that the Buyer will have no interest or right to the 2010 Michigan Refund; provided, however, if the amount of the 2010 Michigan Refund is less than $314,000 or any other amount applied for by the Company, neither the Company nor Buyer will have any obligation to make the Sellers whole and Sellers will receive only the amount of the 2010 Michigan Refund actually received by the Company. Buyer agrees not to amend, or cause the Company to amend, the 2010 Michigan Refund request.

(f) **RAM Withholding Taxes.** Sellers and Buyer agree to provide for any Taxes required to be withheld by the Company from the payment of the Wind-Up Fee to RAM (the "RAM Withholding Taxes") as described in this Section 5.8(f). Full House will reserve an estimate of the RAM Withholding Taxes from RAM's interest in the February fee paid to the Company pursuant to the Management Agreement. Upon payment of the Wind-Up Fee by Buyer, Full House will determine the final amount of RAM Withholding Taxes with respect to the Wind-Up Fee as if the Company was paid the Wind-Up Fee and, on behalf of the Company and consistent with past practice, timely remit the RAM Withholding Taxes to the appropriate Governmental Authority. If the final amount of RAM Withholding Taxes is less than the estimated amount, Full House will refund the difference to RAM; if it is greater, RAM will pay the difference to Full House.

5.9 **Covenant Not to Compete and Related Covenants**.

(a) To further ensure that Buyer receives the expected benefits of acquiring the Interests, each Seller agrees that, throughout the period that begins on the date hereof and ends on the fifth anniversary of the Closing Date (the "Non-Compete Period"), it will not, and each Seller will cause each of the Seller's Affiliates not to, directly or indirectly:

(1) own, operate, be a partner, stockholder, co-venturer or otherwise invest in, lend money to, consult with, manage or render services to, act as agent for, license any intellectual property to, or acquire or hold any interest in, any Person that conducts any gaming or related operations (or develops, constructs or finances any facility for gaming or related operations) located within 125 miles of the Firekeepers Casino; provided that nothing herein prohibits any Seller or any of Seller's Affiliates from owning or holding less than 1% of the outstanding shares of any class of stock that is regularly traded on a recognized domestic or foreign securities exchange or over-the-counter market; [***];

[***] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted parties.

(2) employ or attempt to employ any individual who is now or later becomes a director, officer or manager-level or above employee of Firekeepers Casino, Buyer or the Tribe, or otherwise interfere with or disrupt any such employment relationship (contractual or other) of Firekeepers Casino, Buyer or the Tribe, except that nothing herein prohibits any Seller or an Affiliate of any Seller from any (A) general solicitation for employment (including in any newspaper or magazine, over the internet or by any search or employment agency) if not specifically directed towards any employee of Firekeepers Casino, Buyer or the Tribe or (B) hiring of any individual where the initial contact with such individual regarding such hiring primarily arose from (x) any such general solicitation or (y) initial contact by such individual that was unsolicited by any Seller or any Affiliate of any Seller; or

(3) criticize or disparage in any manner or by any means (whether written or oral, express or implied) the Firekeepers Casino, Buyer, the Tribe, or any Affiliate of Buyer or the Tribe or any aspect of the Firekeepers Casino's, Buyer's or the Tribe's or any of their Affiliates' management, policies, operations, products, services, practices or personnel.

(b) Sellers specifically acknowledge and agree that (1) Buyer has refused to enter into this Agreement in the absence of this Section 5.9 and (2) breach of this Section 5.9 will harm Buyer to such an extent that monetary damages alone would be an inadequate remedy and Buyer would not have an adequate remedy at law. Therefore, in the event of a breach by any Seller of this Section 5.9, (A) Buyer (in addition to all other remedies Buyer may have) will be entitled to an injunction and other equitable relief (without posting any bond or other security) restraining any Seller and its Affiliates (as applicable) from committing or continuing such breach and to enforce specifically this Agreement and its terms and (B) for any Seller and its Affiliates (as applicable), the duration of the Non-Compete Period will be extended beyond its then-scheduled termination date for a period equal to the duration of such breach.

(c) Buyer agrees that (subject to the other terms of this Section 5.9), throughout the Non-Compete Period, it will not, and it will cause each of its Affiliates not to, directly or indirectly criticize or disparage in any manner or by any means (whether written or oral, express or implied) the Company or any Affiliate of the Company or the Sellers, or any aspect of the Company's or Sellers' or any of their Affiliates' management, policies, operations, products, services, practices or personnel.

5.10 **Intercompany Accounts.** Sellers will cause all intercompany accounts in effect immediately before the Effective Time between the Company, on the one hand, and any Seller or any of its Affiliates, on the other hand, to be paid in full at or before Closing.

5.11 **Transition Services.** For the period from the Closing Date through April 30, 2012 (the "Wind-up Period"), each Seller will provide transition services to the Company as the Company shall reasonably request. Each Seller will use commercially reasonable efforts to assure a successful transition to self-management by the Company.

5.12 **Notice of Developments.** Each Party will give prompt written notice to the other Party of any incident, condition, change, effect or circumstance of which such Party obtains Knowledge causing or constituting a breach of any of such Party's representations or warranties herein had such representation or warranty been made on the date of such incident, condition, change, effect or circumstance or the date of its discovery. No disclosure by any Seller pursuant to this Section 5.12 will be sufficient as such to amend or supplement any Schedule or to prevent or cure any breach of any representation, warranty, covenant or agreement.

5.13 **Insurance and Insurance Proceeds.** Sellers will keep, or cause to be kept, all insurance policies of Sellers (or any of its Affiliates) relating to the Company, or substantially equivalent replacements therefor, in full force and effect from the date hereof through the Effective Time. To the extent that there are in force any policies of property or casualty insurance insuring the Company among such insurance policies of Sellers (or any of its Affiliates), any proceeds of insurance payable (in excess of any deductible, retention or self-insurance amount) regarding any event that occurs on or after the date hereof but before the Effective Time will be received by Sellers in trust for the Company and, to the extent the damage to which such proceeds pertain has not been repaired or restored, will be paid over to the Company at Closing; or, if no such proceeds have been received before Closing, Sellers will assign (or cause the assignment of) any of any Seller's (or such Affiliates') claims thereto to the Company at Closing. Subject to the terms of such insurance policies, each Seller will use commercially reasonable efforts to cause the Company to have the right, power and authority, in the name of any Seller (or such Affiliates), to make directly to the insurer any request for payment under such insurance policies of any claim relating to the Company. Buyer will have sole responsibility to obtain and maintain any insurance policies for the Company after the Effective Time. Buyer specifically understands and agrees that all insurance policies providing coverage for the Company before the Effective Time are in the form of riders or endorsements to insurance policies obtained and maintained by Full House for itself and each of its subsidiaries and that these policies will cease to apply to the Company as of the Effective Time.

5.14 **Return of Property.** On or before the Closing, each Seller will return to Firekeepers Casino or Buyer all property of Firekeepers Casino, Buyer or the Tribe in the possession of, or under the control of, any Seller or any Seller's Affiliates or agents, including all (i) account statements, deposit and securities account documentation and agreements, books and records reasonably necessary for the conduct of the business of Firekeepers Casino or the retention of records relating to past operations, (ii) all access keys or codes related to Firekeepers Casino, Buyer or the Tribe, and (iii) to the extent not already in the possession of Buyer or the Tribe, all documented analyses, reports, plans and marketing strategies related to Firekeepers Casino or the Tribe.

5.15 **Green Acres.** Sellers jointly and severally agree to indemnify and hold harmless Buyer and Firekeepers Casino from and against any and all claims, loss, liability damages or expenses (including reasonable attorneys' fees) suffered or incurred by any action brought by Green Acres, Basil Green, Dorothy Green or any other shareholder, director or officer of Green Acres arising from the termination of the Original Agreements (as such term is defined in the Management Agreement) (the "Green Acres Matter"). Before the Effective Time, the Company will assign any rights and interest to Sellers of the Green Acres Matter which assignment will not limit Sellers' liabilities to Buyer pursuant to this Section 5.15.

5.16 **Hotel Consulting Arrangement.** The agreement dated December 2, 2010, between Buyer and the Company (the "Hotel Agreement") regarding assistance in the opening of Buyer's hotel will be assumed by Full House and Full House will perform all of the obligations of the Company pursuant to the Hotel Agreement and according to the terms of the Hotel Agreement.

5.17 **Maintenance of Existence.** Full House and RAM will preserve and maintain their respective existences in good standing under Applicable Law for a period of at least five years after the Closing Date.

5.18 **Use of Marks.** No Seller nor any of its Affiliates will publish or use any logo or trademark of any of Buyer, the Tribe or Firekeepers Casino without the consent of Buyer, the Tribe or Firekeepers Casino, respectively, except that a Seller or any of its Affiliates may use the name and logo of Buyer, the Tribe or Firekeepers Casino in any marketing materials or otherwise in a description of its business history or experience, provided the such materials or description have been reviewed and approved in advance by Buyer, the Tribe or Firekeepers Casino, respectively. Buyer will not publish or use any logo or trademark of any Seller or its Affiliates without the consent of the relevant Seller, except that Buyer, the Tribe and Firekeepers Casino may use the name, logo and trademarks of any Seller and its affiliates in any marketing materials or otherwise in a description of its business history or experience, provided the such materials or description have been reviewed and approved in advance by the relevant Seller.

5.19 **Ownership, Existence and Capitalization of RAM.** Until all of RAM's obligations under this Agreement are satisfied in full, Mathewson will continue to own all of the equity interests in RAM and will cause RAM to remain in existence and sufficiently capitalized to satisfy any of RAM's obligations under this Agreement.

ARTICLE 6
CLOSING, CLOSING DELIVERIES AND TERMINATION

6.1 **Closing.** Subject to any earlier termination hereof, closing of the transactions contemplated herein ("Closing") will take place at the offices of Faegre Baker Daniels LLP in Minneapolis, Minnesota beginning at 10:00 a.m. local time in Minneapolis on the Business Day of the satisfaction or waiver of all conditions to the obligations of the Parties to consummate such transactions (other than conditions that by their nature are to be satisfied at Closing, but subject to the satisfaction or waiver of such conditions at Closing) or such other date or time as Buyer and Sellers mutually determine but in any event not before March 30, 2012 or after May 1, 2012 (the actual date Closing occurs being the "Closing Date"). Closing will be effective as of 11:59 p.m. on the Closing Date (the "Effective Time"). All actions to be taken and all documents to be executed or delivered at Closing will be deemed to have been taken, executed and delivered simultaneously, and no action will be deemed taken and no document will be deemed executed or delivered until all have been taken, delivered and executed, except in each case to the extent otherwise stated in this Agreement or any such other document. To the extent the Parties agree, documents may be delivered at Closing by facsimile or other electronic means, and (except as so agreed) the receiving Party may rely on the receipt of such documents so delivered as if the original had been received.

6.2 **Closing Deliveries by Sellers.** At Closing, Sellers will deliver, or cause to be delivered, to Buyer (or as Buyer or this Agreement otherwise directs), the following:

(a) an Assignment of Limited Liability Company Interests, dated the Closing Date and executed by Full House and RAM, in a form suitable for transferring the Interests to Buyer in the records of the Company and approved in advance by Buyer (such approval not to be unreasonably withheld);

(b) the written resignation (or documentation reasonably satisfactory to Buyer showing the removal) of each director, officer and manager of the Company, with each such resignation (or removal) effective no later than the Effective Time;

(c) the true, correct and complete minute books and ownership records of the Company;

(d) a certificate of a duly authorized officer of the Company, in a form approved in advance by Buyer (such approval not to be unreasonably withheld), dated the Closing Date and executed by such officer, certifying that attached thereto is a true, correct and complete certified copy of the Certificate of Formation of the Company, and a true, correct and complete copy of the Limited Liability Company Agreement or similar agreement of the Company, in each case as are then in full force and effect;

(e) an officer's certificate of a duly authorized officer of each of Full House and RAM, each in a form approved in advance by Buyer (such approval not to be unreasonably withheld), dated the Closing Date and each executed by such officer, each certifying (1) that attached thereto is a true, correct and complete copy of the Organizational Documents of such Seller, in each case as are then in full force and effect, and (2) that attached thereto is a true, correct and complete copy of the resolutions of the Board of Directors of such Seller, authorizing the execution, delivery and performance of this Agreement and each Ancillary Document of such Seller and the transactions contemplated herein and therein, in each case as are then in full force and effect;

(f) evidence of assignment of the Company's obligations under the Hotel Agreement to Full House in a form approved in advance by Buyer;

(g) evidence of assignment of the Green Acres Matter to the Sellers;

(h) the release required by Section 7.1(f); and

(i) all other documents and items required by this Agreement to be delivered, or caused to be delivered, by Sellers at Closing.

6.3 **Closing Deliveries by Buyer.** At Closing, Buyer will deliver, or cause to be delivered, to Sellers (or as Sellers or this Agreement otherwise directs), the following:

(a) payment of the Purchase Price, pursuant to Article 2; and

(b) all other documents and items required by this Agreement to be delivered, or caused to be delivered, by Buyer at Closing.

6.4 **Termination of Agreement.** This Agreement may be terminated before Closing as follows:

(a) by mutual written consent of the Parties;

(b) by Buyer, if any condition in Section 7.1 becomes incapable of fulfillment at Closing; provided that Buyer has not waived such condition; or

(c) by Seller, if any condition in Section 7.2 becomes incapable of fulfillment at Closing; provided that Seller has not waived such condition.

A termination of this Agreement under any of the preceding clauses (b) through (c) will be effective two Business Days after the Party seeking termination gives to the other Party written notice of such termination. Notwithstanding any term in this Section 6.4, a Party will not have the right to terminate this

Agreement (except by mutual written consent pursuant to Section 6.4(a)) if the failure to satisfy any condition to Closing or consummate the transactions contemplated herein results in any material respect from the breach or anticipated breach by such Party of any of its representations, warranties, covenants or agreements herein (provided that any breach or anticipated breach by any Seller or will be attributed to each other Seller for purposes of determining if any Seller has the right to terminate this Agreement under this Section).

6.5 **Effect of Termination.** Termination of this Agreement pursuant to Section 6.4 will not be deemed to release any Party from any Liability for breach of any term hereof (nor a waiver of any right in connection therewith) and will be in addition to any other right or remedy a Party has under this Agreement or otherwise. The exercise of a right of termination of this Agreement is not an election of remedies.

ARTICLE 7
CONDITIONS TO OBLIGATIONS TO CLOSE

7.1 **Conditions to Obligation of Buyer to Close.** The obligation of Buyer to effect the closing of the transactions contemplated herein is subject to the satisfaction at or before Closing of all of the following conditions, any one or more of which may be waived by Buyer, in Buyer's sole discretion:

(a) **Accuracy of Representations and Warranties**. Each representation and warranty of Sellers in Article 3 will have been true and correct in all material respects as of the date of this Agreement and will be true and correct in all material respects as of the Closing Date as if made on the Closing Date (or, in each case, if any such representation and warranty is expressly stated to have been made as of a specific date, then, for such representation and warranty, as of such specific date).

(b) **Observance and Performance**. Sellers will have performed and complied with, in all respects, all covenants and agreements required by this Agreement to be performed and complied with by any Seller on or before the Closing Date.

(c) **Officer's Certificate**. Each Seller will have delivered to Buyer a certificate from a duly authorized officer of Seller unless such Seller is a natural person, dated the Closing Date and executed by such officer, in the form attached hereto as Exhibit 7.1(c), certifying the items in Sections 7.1(a) and 7.1(b).

(d) **Delivery of Other Items**. Sellers will have delivered (or caused to be delivered) to Buyer each of the other items contemplated to be so delivered by this Agreement, including each item listed in Section 6.2.

(e) **No Legal Actions**. There will not be any Applicable Law that restrains, prohibits, enjoins or otherwise inhibits (whether temporarily, preliminarily or permanently) consummation of any transaction contemplated herein that has been enacted, issued, promulgated, enforced or entered. There will not be any pending or Threatened Proceeding that seeks to restrain, prohibit, enjoin or otherwise inhibit (whether temporarily, preliminarily or permanently), or that reasonably could cause the rescission of or challenge the legality or validity of, consummation of any transaction contemplated herein. There will not be pending or Threatened against any Party any Proceeding that reasonably could (1) result in damages or other relief in connection with any transaction contemplated herein or materially and adversely affect Buyer's ownership of the Interests or operation of the Business or (2) prevent, delay, make illegal or otherwise materially interfere with any transaction contemplated herein.

(f) **Release of Claims**. Sellers will have delivered to Buyer a release from the General Manager and each other employee of the Company that releases Full House, RAM, Mathewson, and the Company and any other parties identified in the release, from all claims of such Person against Full House, RAM, Mathewson, and the Company and any other parties identified in the release.

(g) **Financing**. Buyer will have received financing on terms satisfactory to Buyer.

7.2 **Conditions to Obligation of Sellers to Close.** The obligation of Sellers to effect the closing of the transactions contemplated herein is subject to the satisfaction at or before Closing of all of the following conditions, any one or more of which may be waived by Sellers, in Sellers' sole discretion:

(a) **Accuracy of Representations and Warranties**. Each representation and warranty of Buyer in Article 4 will have been true and correct in all material respects as of the date of this Agreement and will be true and correct in all material respects as of the Closing Date as if made on the Closing Date (or, in each case, if any such representation and warranty is expressly stated to have been made as of a specific date, then, for such representation and warranty, as of such specific date).

(b) **Observance and Performance**. Buyer will have performed and complied with, in all respects, all covenants and agreements required by this Agreement to be performed and complied with by Buyer on or before the Closing Date.

(c) Officer's Certificate. Buyer will have delivered to Sellers a certificate of a duly authorized officer of Buyer, dated the Closing Date and executed by such officer, in the form attached hereto as Exhibit 7.2(c), certifying the items in Sections 7.2(a) and 7.2(b).

(d) **No Legal Actions**. There will not be any Applicable Law that restrains, prohibits, enjoins or otherwise inhibits (whether temporarily, preliminarily or permanently) consummation of any transaction contemplated herein that has been enacted, issued, promulgated, enforced or entered. There will not be any pending or Threatened Proceeding that seeks to restrain, prohibit, enjoin or otherwise inhibit (whether temporarily, preliminarily or permanently), or that reasonably could cause the rescission of or challenge the legality or validity of, consummation of any transaction contemplated herein. There will not be pending or Threatened against any Party any Proceeding that reasonably could (1) result in damages or other relief in connection with any transaction contemplated herein or materially and adversely affect Buyer's ownership of the Interests or operation of the Business or (2) prevent, delay, make illegal or otherwise materially interfere with any transaction contemplated herein.

(e) **Delivery of Other Items**. Buyer will have delivered (or caused to be delivered) to Sellers each of the other items contemplated to be so delivered by this Agreement, including each item listed in Section 6.3.

ARTICLE 8
INDEMNIFICATION AND RESOLUTION OF CERTAIN DISPUTES

8.1 **Indemnification by Sellers.** Sellers will jointly and severally indemnify, defend and hold harmless Buyer and each of Buyer's Other Indemnified Persons from and against all Losses arising out of, relating to or resulting from, directly or indirectly, any:

(a) breach of any representation or warranty made by Sellers or any Seller herein or in any Ancillary Document of any Seller, except that Full House will be not be liable for the breach of

any representation or warranty as to the organization, structure, validity, authority or authorization of RAM and RAM will not be liable for the breach of any representation or warranty as to the organization, structure, validity, authority or authorization of Full House, and except that Full House will not be liable for the breach of Mathewson's representation and warranty in Section 3.21;

(b) breach of any covenant or agreement of Sellers or any Seller herein or in any Ancillary Document of any Seller;

(c) ownership or operation of the Company or any business or asset of the Company before Closing or the condition of any asset of the Company to the extent such condition first exists before Closing; and

(d) Tax that Seller is required to satisfy, or cause to be satisfied, pursuant toSection 5.8.

8.2 **Indemnification by Buyer.** Buyer will indemnify, defend and hold harmless Sellers and each of Sellers' Other Indemnified Persons from and against all Losses to the extent arising out of, relating to or resulting from, directly or indirectly, any:

(a) breach of any representation or warranty made by Buyer herein or in any Ancillary Document of Buyer; and

(b) breach of any covenant or agreement of Buyer herein or in any Ancillary Document of Buyer.

8.3 **Certain Limitations and Other Matters Regarding Claims**.

(a) **Additional Remedies**. Indemnification obligations in this Article 8 are in addition to any rights that the Parties and their respective Other Indemnified Persons may have at common law or otherwise.

(b) **Other Factors Not Limiting**. No representation or warranty will limit the generality or applicability of any other representation or warranty. The terms of this Article 8 will be enforceable regardless of whether Liability is based on past, present or future acts, claims or legal requirements and regardless of any sole, concurrent, contributory, comparative or similar negligence, or of any sole, concurrent, strict or similar Liability, of a Person seeking indemnification (or of any of its Other Indemnified Persons).

8.4 **Certain Survival Periods.**

(a) **Survival of Representations and Warranties**. Subject to Section 8.4(b), each representation or warranty herein or in any Ancillary Document will survive the execution and delivery of this Agreement and remain in full force thereafter until all liability hereunder relating thereto is barred by all applicable statutes of limitation, at which time such representation or warranty will expire and terminate and no indemnification obligation will be associated therewith or based thereon.

(b) **Survival of Representations and Warranties Until Final Determination**. Notwithstanding Section 8.4(a), for each claim for indemnification hereunder regarding a representation or warranty that is made before expiration of such representation or warranty, such claim and associated right to indemnification (including any right to pursue such indemnification, including via any Proceeding) will not terminate before final determination and satisfaction of such claim.

(c) **Survival of Covenants and Agreements**. Each covenant and agreement (*i.e.*, other than representations and warranties) herein or in any Ancillary Document, and all associated rights to indemnification, will survive Closing and will continue in full force thereafter until all Liability hereunder relating thereto is barred by all applicable statutes of limitation, subject to any applicable limitation stated herein.

8.5 **Notice of Claims and Procedures.**

(a) **Notice of Claims**. A Party entitled to indemnification hereunder (the "Claiming Party") will give the Party obligated to provide such indemnification (the "Indemnifying Party") prompt notice of any claim, for which such Claiming Party proposes to demand indemnification, (1) by a Person that is not a Party nor an Other Indemnified Person (such a claim, including any Tax Claim, being a "Third Party Claim" and such notice of such Third Party Claim being the "Initial Claim Notice") or (2) that does not involve a Third Party Claim, in each case specifying the amount and nature of such claim (to the extent known). Thereafter, the Claiming Party will give the Indemnifying Party, promptly after the Claiming Party's (or any of its applicable Other Indemnified Person's) receipt thereof, copies of all documents (including court papers) received by the Claiming Party (or any such Other Indemnified Person) relating to any such Third Party Claim. The failure to promptly give such notice or to promptly give such copies will not relieve the Indemnifying Party of any Liability hereunder, except if the Indemnifying Party was prejudiced thereby, but only to the extent of such prejudice.

(b) **Access and Cooperation**. Each Party will, and will cause its Other Indemnified Persons to, cooperate and assist in all reasonable respects regarding such Third Party Claim, including by promptly making available to such other Party (and its legal counsel and other professional advisers with a reasonable need to know) all books and records of such Person relating to such Third Party Claim, subject to reasonable confidentiality precautions.

(c) **Defense and Participation**.

(1) **Election to Conduct Defense**. Promptly after receiving an Initial Claim Notice under Section 8.5(a), the Indemnifying Party will have the option to conduct the Defense of such Third Party Claim, at the expense of the Indemnifying Party, except if (A) it is reasonably likely that such Third Party Claim will adversely affect the Claiming Party (or any of its Other Indemnified Persons), other than as a result of money damages, or (B) the Indemnifying Party fails to provide the Claiming Party with evidence reasonably satisfactory to the Claiming Party that the Indemnifying Party has the financial resources to actively and diligently conduct the Defense of such Third Party Claim and fulfill the Indemnifying Party's indemnification obligations hereunder with respect thereto. To elect to conduct such Defense, the Indemnifying Party must give written notice of such election to the Claiming Party within 10 days (or within the shorter period, if any, during which a Defense must be commenced for the preservation of rights) after the Claiming Party gives the corresponding Initial Claim Notice to the Indemnifying Party (otherwise, such right to conduct such Defense will be deemed waived). If the Indemnifying Party validly makes such election, it will nonetheless lose such right to conduct such Defense if it fails to continue to actively and diligently conduct such Defense.

(2) **Conduct of Defense, Participation and Settlement**. If the Indemnifying Party conducts the Defense of such Third Party Claim, then (A) the Claiming Party may participate, at its own expense in such Defense (including any Proceeding regarding such Third Party Claim) and will have the right to receive copies of all notices, pleadings or other similar submissions regarding such Defense, (B) the Indemnifying Party will keep the Claiming

Party reasonably informed of all matters material to such Defense and Third Party Claim at all stages thereof, (C) the Claiming Party will not (and will cause its Other Indemnified Persons not to) admit Liability with respect to, or compromise or settle, such Third Party Claim without the Indemnifying Party's prior written consent (which consent will not be unreasonably withheld), and (D) there will be no compromise or settlement of such Third Party Claim without the consent of the Claiming Party (which consent will not be unreasonably withheld, conditioned or delayed).

(3) **Indemnifying Party Does Not Conduct Defense**. If the Indemnifying Party does not have the option to conduct the Defense of such Third Party Claim or does not validly elect such option or does not preserve such option (including by failing to commence such Defense within 10 days following receipt of such Initial Claim Notice or within the shorter period, if any, during which a Defense must be commenced for the preservation of rights), then the Claiming Party may conduct the Defense of such Third Party Claim in any manner that the Claiming Party reasonably deems appropriate, at the expense of the Indemnifying Party (subject to the other limitations of this Article 8), and the Claiming Party will have the right to compromise or settle such Third Party Claim without the consent of the Indemnifying Party.

8.7 **Mitigation.** Each Party will commercially reasonable efforts to mitigate each Loss for which such Party is or may become entitled to be indemnified hereunder.

8.8 **Indemnification Adjusts Purchase Price for Tax Purposes.** Each Party will, including retroactively, treat indemnification payments under this Agreement as adjustments to the Purchase Price for Tax purposes to the extent permitted under Applicable Law.

8.9 **Effect of Officer's Certificates.** For the avoidance of doubt, any written certification by a Person (or any officer thereof) of the accuracy of any representation or warranty (or of any other matter), including any certification contemplated in Section 7.1 or 7.2, will be deemed to constitute the making or re-making of such representation or warranty by such Person (or a representation or warranty regarding such other matter) at the time of such certification in the manner and to the extent stated in such certification, including for purposes of Section 8.1(a) and 8.2(a).

8.10 **Right of Set Off.** Each Party (a "Setting Off Party") will have the right to set off and retain any amount to which such Setting Off Party may be entitled from any other Party (the "Owing Party"), including under this Agreement or any other Contract, against any amount otherwise payable by such Setting Off Party to such Owing Party. The exercise of or failure to exercise such right of set off will not constitute an election of remedies or limit in any manner the enforcement of any other remedy that may be available to a Party.

ARTICLE 9
CERTAIN GENERAL TERMS AND OTHER AGREEMENTS

9.1 **Notices** . All notices or other communications required or permitted to be given hereunder will be in writing and will be (a) delivered by hand, (b) sent by United States registered or certified mail or (c) sent by nationally recognized overnight delivery service for next Business Day delivery, in each case as follows:

(1) if to Sellers, to:

Full House Resorts, Inc.
4670 South Fort Apache Road
Suite 190
Las Vegas, Nevada 89147
Attn: Andre Hilliou

RAM Entertainment, LLC
425 Juniper Hill Road
Reno, Nevada
Attn: Robert A. Mathewson

Robert A. Mathewson
425 Juniper Hill Road
Reno, Nevada

(2) if to Buyer, to:

Firekeepers Development Authority
11177 Michigan Avenue
Battle Creek, Michigan 49014
Attn: Homer A. Mandoka

with a copy to:

Faegre Baker Daniels LLP
90 South Seventh Street
Suite 2200
Minneapolis, Minnesota 55419
Attn: Michael K. Coddington

Such notices or communications will be deemed given (A) if so delivered by hand, when so delivered, (B) if so sent by mail, three Business Days after mailing, or (C) if so sent by overnight delivery service, one Business Day after delivery to such service. A Party may change the address to which such notices and other communications are to be given by giving the other Party notice in the foregoing manner.

9.2 **Expenses.** Except as is expressly stated otherwise herein including the reduction of the Purchase Price for the Buyer Transaction Expenses, each Party will bear its own costs and expenses incurred in connection with the transactions contemplated herein.

9.3 **Interpretation; Construction.** In this Agreement:

(a) the table of contents and headings are for convenience of reference only and will not affect the meaning or interpretation of this Agreement;

(b) the words “herein,” “hereunder,” “hereby” and similar words refer to this Agreement as a whole (and not to the particular sentence, paragraph or Section where they appear);

(c) terms used in the plural include the singular, and vice versa, unless the context clearly requires otherwise;

(d) unless expressly stated herein to the contrary, reference to any document means such document as amended or modified and as in effect from time to time in accordance with the terms thereof;

(e) unless expressly stated herein to the contrary, reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, in whole or in part, and as in effect from time to time, including any rule or regulation promulgated thereunder;

(f) the words "including," "include" and variations thereof are deemed to be followed by the words "without limitation";

(g) "or" is used in the sense of "and/or"; "any" is used in the sense of "any or all"; and "with respect to" any item includes the concept "of," "under" or "regarding" such item or any similar relationship regarding such item;

(h) unless expressly stated herein to the contrary, reference to a document, including this Agreement, will be deemed to also refer to each annex, addendum, exhibit, schedule or other attachment thereto;

(i) unless expressly stated herein to the contrary, reference to an Article, Section, Schedule or Exhibit is to an article, section, schedule or exhibit, respectively, of this Agreement;

(j) all dollar amounts are expressed in United States dollars and will be paid in cash (unless expressly stated herein to the contrary) in United States currency;

(k) when calculating a period of time, the day that is the initial reference day in calculating such period will be excluded and, if the last day of such period is not a Business Day, such period will end on the next day that is a Business Day;

(l) with respect to all dates and time periods in or referred to in this Agreement, time is of the essence;

(m) the phrase "the date hereof" means the date of this Agreement, as stated in the first paragraph hereof; and

(n) the Parties participated jointly in the negotiation and drafting of this Agreement and the documents relating hereto, and each Party was (or had ample opportunity to be) represented by legal counsel in connection with this Agreement and such other documents and each Party and each Party's counsel has reviewed and revised (or had ample opportunity to review and revise) this Agreement and such other documents; therefore, if an ambiguity or question of intent or interpretation arises, then this Agreement and such other documents will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the terms hereof or thereof.

9.4 **Parties in Interest; Third-Party Beneficiaries.** There is no third party beneficiary hereof and nothing in this Agreement (whether express or implied will or is intended to confer any right or remedy under or by reason of this Agreement on any Person (including any Other Indemnified Person), except: (a) each Party and their respective permitted successors and assigns; and (b) the Tribe, Firekeepers Casino and their Affiliates pursuant to Section 5.9, Section 5.11, Section 5.15 and Section 5.18.

9.5 **Governing Law.** This Agreement will be construed and enforced in accordance with the substantive laws of the State of Michigan without reference to principles of conflicts of law.

9.6 **Jurisdiction, Sovereign Immunity, Venue and Waiver of Jury Trial.** EACH PARTY

HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.

(a) Either Party may submit any dispute arising under the terms of this Agreement, the Ancillary Documents and any other document executed in conjunction with this Agreement to arbitration under this Section 9.6, including without limitation a claim that a Party has breached this Agreement and the Agreement should be terminated. The arbitrators shall have the right to grant injunctive relief and specific performance. Arbitration shall be the exclusive means of dispute resolution between the Parties and shall take place under the procedure set forth in this Section 9.6; provided, however, that any of Buyer, Firekeepers Casino and the Tribe may bring an action in any court to enforce the provisions of Section 5.9.

(b) Unless the Parties agree upon the appointment of a single arbitrator, a panel of arbitrators consisting of three (3) members shall be appointed. One (1) member shall be appointed by Buyer and one (1) member shall be appointed by Sellers within ten (10) working days' time following the giving of notice submitting a dispute to arbitration. The third member shall be selected by agreement of the other two (2) members. In the event the two (2) members cannot agree upon the third arbitrator within fifteen (15) working days' time, then the third arbitrator shall be chosen by the Chief Judge of the United States District Court for the Western District of Michigan. If for any reason the Chief Judge refuses to choose the third arbitrator, the Dean of the Law School at the University of Michigan shall make the selection.

(c) Expenses of arbitration shall be shared equally by the Parties unless the arbitrator or arbitration panel determines that the expenses should be paid by the non prevailing Party under standards similar to those in Rule 11 of the Federal Rules of Civil Procedure. Meetings of the arbitrators may be in person or, in appropriate circumstances, by telephone. All decisions of any arbitration panel shall be by majority vote of the panel, shall be in writing, and, together with any dissenting opinions, shall be delivered to both Parties.

(d) The arbitrator or arbitration panel shall have power to administer oaths to witnesses, to take evidence under oath, and, by majority vote, to issue subpoenas to compel the attendance of members of the Tribe or employees, officers and directors of (i) Buyer, (ii) Firekeepers Casino, (iii) Sellers, and (iv) any Affiliate of Seller, for the production of books, records, documents and other relevant evidence by either Party. Sellers and Buyer agree to comply with such subpoenas and to cause any Affiliate to comply with such subpoenas.

(e) The arbitrator or arbitration panel shall hold hearings in the proceeding before it and shall give reasonable advance notice to Buyer and Sellers by registered mail not less than five (5) days before any hearing. Unless otherwise agreed by Buyer and Sellers, all hearings shall be held at the Tribal Offices on the Huron Band of Potawatomi Reservation. Appearance at a hearing waives such notice. The arbitrator or arbitration panel may hear and determine the controversy only upon evidence produced before it and may determine the controversy notwithstanding the failure of either Buyer or Sellers duly notified to appear. Buyer and any Seller are entitled to be heard at all hearings, to present evidence material to the matter subject to arbitration, to cross-examine witnesses appearing at the hearing, and to be represented by counsel at its own expense.

(f) If the matter being submitted to arbitration involves a notice to terminate the Agreement for material breach, the Party seeking termination may apply to the arbitrator or arbitration panel for an order suspending performance of the Agreement during the pendency of arbitration, and the arbitrator or arbitration panel shall promptly hear and decide that application.

(g) The decision of the arbitrator or arbitration panel shall be presumed to be valid, shall be enforceable in full in any court of competent jurisdiction and may be vacated or modified only by the United States District Court for the Western District of Michigan on one of the following grounds; (a) the decision is not supported by substantial evidence; (b) the decision was procured by corruption, fraud or undue means; (c) there was evident partiality or corruption by the arbitrator, arbitration panel or any member; (d) the arbitrator, arbitration panel or any member was guilty of misconduct in refusing to hear the question, or in refusing to hear evidence pertinent and material to the question, or any other clear misbehavior by which the rights of either Party have been substantially prejudiced; (e) the arbitrator or arbitration panel or any member exceeded its authority under the terms of this Agreement; or (f) the arbitrator or arbitration panel's decision is contrary to law.

(h) The Buyer waives its sovereign immunity only to the extent of allowing arbitration and judicial review and enforcement under the procedures set forth in this Section 9.6. This Agreement does not constitute and shall not be construed as a waiver of sovereign immunity by the Buyer except to permit arbitration and judicial review and enforcement under the procedures set forth in this Section 9.6.

(i) Notwithstanding this or any other provision, the arbitrator(s) may make an award of only damages against Buyer or interpretation of this Agreement and any Ancillary Document, and the only tribal income, assets and property which shall be subject to any claim or award under this Agreement are (a) Buyer's interest in any undistributed or future income, revenues or proceeds from the Firekeepers Casino, including without limitation such revenues arising or generated from the Firekeepers Casino after the termination of this Agreement, and (b) Gaming and related revenues from the Firekeepers Casino arising or generated after the date that the matter in dispute is referred to arbitration.

(j) In no event shall this Section 9.6 apply to any governmental function, action or decision of the Tribe or any of its boards, agencies, authorities or commissions.

(k) This Section 9.6 shall survive the termination of this Agreement.

9.7 **Entire Agreement; Amendment; Waiver.** This Agreement, including the Schedules, constitutes the entire Agreement between the Parties pertaining to the subject matter herein and supersedes any other existing representation, warranty, covenant, agreement. No supplement, modification or amendment hereof will be binding unless expressed as such and executed in writing by each Party (except as contemplated in Section 9.9). Except to the extent as may otherwise be stated herein, no waiver of any term hereof will be binding unless expressed as such in a document executed by the Party making such waiver.

9.8 **Assignment; Binding Effect.** Neither this Agreement nor any right or obligation hereunder will be assigned, delegated or otherwise transferred (by operation of law or otherwise) by either Party without the prior written consent of the other Party (which consent will not be unreasonably withheld), except that each Party will have the right to assign or otherwise transfer this Agreement or any right hereunder or delegate any obligation hereunder to (a) a Person that does all of the following: (1) acquires or otherwise succeeds to all or substantially all of such Party's business and assets; (2) assumes all of such Party's obligations hereunder or such Party's obligations hereunder that arise after such assignment, delegation or transfer; and (3) agrees to perform or cause performance of all such assumed obligations when due; (b) any of its Affiliates; or (c) any source of financing for such Party; provided that no such assignment, delegation or transfer under clause (a), (b) or (c) above will relieve the assigning, delegating or transferring Party of any obligation hereunder. This Agreement will be binding on and inure to the benefit of the respective permitted successors and assigns of the Parties. Any purported assignment, delegation or other transfer not permitted by this Section is void.

9.9 **Severability; Blue-Pencil.** If any term of this Agreement is determined by an arbitrator pursuant to Section 9.6 or court of competent jurisdiction to be invalid, illegal or incapable of being enforced (including any term in Section 5.9), then all other terms of this Agreement will nevertheless remain in full force and effect, and such term automatically will be amended so that it is valid, legal and enforceable to the maximum extent permitted by Applicable Law, but as close to the Parties' original intent as is permissible.

9.10 **Counterparts.** This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

9.11 **Schedules.** Nothing in any Schedule will be adequate to disclose an exception to a representation or warranty in this Agreement, unless such Schedule identifies the specific representation or warranty to which it applies. Additionally, the mere listing (or inclusion of a copy) of an item is not adequate to disclose an exception or other response to a representation or warranty in this Agreement, except to the extent such representation or warranty only pertains to the existence of such item itself.

ARTICLE 10
CERTAIN DEFINITIONS

"Acquired Intellectual Property" means the intellectual property described and set forth on Exhibit 1.

"Affiliate" means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, such Person. For purposes of this definition, "control," "controlled by" and "under common control with," as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by Contract or otherwise.

"Agreement" is defined in the first paragraph of this Agreement.

"Ancillary Document" means, with respect to a Person, any document executed and delivered by or on behalf of such Person or any Affiliate of such Person, in connection with the execution and delivery of this Agreement or Closing, pursuant to the terms of this Agreement (but not including this Agreement).

"Applicable Law" means any applicable provision of any constitution, treaty, statute, law (including the common law), rule, regulation, ordinance, code or order enacted, adopted, issued or promulgated by any Governmental Authority.

"Business" is defined in the Recitals.

"Business Day" means any day, other than a Saturday or Sunday and other than a day that banks in the State of Minnesota are generally authorized or required by Applicable Law to be closed.

"Buyer" is defined in the first paragraph of this Agreement.

"Buyer Transaction Expenses" is $30,000.00.

"Claiming Party" is defined in Section 8.5(a).

"Closing" is defined in Section 6.1.

"Closing Date" is defined in Section 6.1.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" is defined in the first paragraph of this Agreement.

"Company Plan" means a Plan of which the Company or any ERISA Affiliate is or was a Plan Sponsor, or to which the Company or any ERISA Affiliate otherwise contributes or has contributed, or in which any employee of the Company or any ERISA Affiliate otherwise participates or has participated or in which the Company has any Liability.

"Contract" means any contract, agreement, purchase order, warranty or guarantee, license, use agreement, lease (whether for real estate, a capital lease, an operating lease or other), instrument or note, in each case that creates a legally binding obligation, and in each case whether oral or written.

"Defense" means legal defense (which may include related counterclaims) reasonably conducted by reputable legal counsel of good standing selected with the consent of the Claiming Party (which consent will not be unreasonably withheld).

"Effective Time" is defined in Section 6.1.

"Encumbrance" means any mortgage, claim, pledge, security interest, charge, lien, option or other right to purchase, restriction or reservation or any other encumbrance whatsoever.

"Enforcement Limitation" means any applicable bankruptcy, reorganization, insolvency, moratorium or other similar Applicable Law affecting creditors' rights generally and principles governing the availability of equitable remedies.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any (if any) corporation, trade or business (whether or not incorporated) that at any time before Closing is under common control with the Company pursuant to section 414(b) and (c) of the Code.

"Financial Statements" is defined in Section 3.4(a)(2).

"Financing" is defined in Section 4.4.

"Firekeepers Casino" includes the Firekeepers Casino and any related or successor entity operated by Buyer.

"GAAP" means generally accepted United States accounting principles.

"Gaming" shall mean any and all activities defined as Class II or Class III Gaming under Indian Gaming Regulation Act, or if supported by the context, any form of legalized gaming authorized by state, federal or foreign law.

"General Manager" is R. Bruce McKee.

"Governmental Authority" means any: (a) nation, state, county, city, district or other similar jurisdiction of any nature; (b) federal, state, local or foreign government; (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, commission, bureau, instrumentality, department, official, entity, court or tribunal); (d) multi-national organization or body; or (e) body or other Person entitled by Applicable Law (or by Contract with the Parties) to exercise any arbitrative, administrative, executive, judicial, legislative, police, regulatory or Taxing authority or power.

"Green Acres Matter" is defined in Section 5.15.

"Greektown Casino" means the Greektown Casino located at 555 E. Lafayette Avenue, Detroit, Michigan.

"Holdback Amount" is defined in Section 2.3(a).

"Hotel Agreement" is defined in Section 5.16.

"Income Tax" means any Tax (other than sales, use, stamp, duty, value-added, business, goods and services, property, transfer, recording, documentary, conveyancing or similar Tax) based upon or measured by gross or net receipts of gross or net income (including any Tax in the nature of minimum taxes, tax preference items and alternative minimum taxes) and including any Liability arising pursuant to the application of Treasury Regulation section 1.1502-6 or any similar provision of any Applicable Law regarding any Tax.

"Indebtedness" means any obligation or other Liability under or for any of the following (excluding any trade payable incurred in the Ordinary Course of Business of the Company): (a) indebtedness for borrowed money (including if guaranteed or for which a Person is otherwise liable or responsible, including an obligation to assume indebtedness); (b) obligation evidenced by a note, bond, debenture or similar instrument (including a standby letter of credit (c) surety bond; (d) swap or hedging Contract; (e) capital lease; (f) banker acceptance; (g) purchase money mortgage, indenture, deed of trust or other purchase money lien or conditional sale or other title retention agreement; (h) indebtedness secured by any mortgage, indenture or deed of trust upon any asset; or (i) interest, fee or other expense regarding any of the foregoing.

"Indemnifying Party" is defined in Section 8.5(a).

"Initial Claim Notice" is defined in Section 8.5(a).

"Insurance Policy" is defined in Section 3.14(a).

"Intellectual Property" means any trademark, service mark, trade name, trade dress, goodwill, patent, copyright, design, logo, formula, invention (whether or not patentable or reduced to practice), concept, domain name, website, trade secret, know-how, confidential information, mask work, product right, software, technology or other intangible asset of any nature, whether in use, under development or design or inactive (including any registration, application or renewal regarding any of the foregoing).

"Interests" is defined in the Recitals.

"Investor Agreement" is the Investor Agreement dated as of February 15, 2002, as amended, between Full House, RAM and the Company.

"Knowledge" means, (a) with respect to an individual, the actual knowledge of such individual and what such individual reasonably should have known after a reasonable investigation; and (b) with respect to a Person other than an individual, the actual knowledge of any individual who is serving as a director or officer (or similar executive) of such Person and what any such individual reasonably should have known after a reasonable investigation.

"Liability" means any liability or obligation of any kind or nature (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due).

"Loss" means any claim, demand, loss, fine, interest, penalty, assessment, cost or expense (including reasonable attorneys' fees or expenses), damage or any other Liability.

"Management Agreement" is the Third Amended and Restated Management Agreement dated as of April 11, 2008 between Buyer and the Company.

"Material Adverse Effect" means, with respect to any Person, any incident, condition, change, effect or circumstance that, individually or when taken together with all such incidents, conditions, changes, effects or circumstances in the aggregate, (a) has had or would reasonably be expected to have a material adverse effect on the business, operations, condition (financial or otherwise), properties, Liabilities, results of operations or prospects of such Person and its Subsidiaries, taken as a whole or any of them taken individually (other than (1) changes in economic conditions generally in the United States or (2) conditions generally affecting the industries in which the Company participates; provided that with respect to clauses (1) and (2), the changes or conditions do not have a materially disproportionate effect (relative to other participants in such industries)) or (b) materially and adversely affects the ability of Sellers to consummate the transactions contemplated herein.

"Non-Compete Period" is defined in Section 5.9(a).

"Order" means any order, writ, injunction, decree, judgment, award or determination, that is exclusive to the applicable Person, of or from, or Contract with,]any Governmental Authority or similar binding decision of any arbitration (or similar Proceeding).

"Ordinary Course of Business" means, with respect to a Person, the ordinary and usual course of normal day-to-day operations of such Person, consistent with such Person's past practice.

"Organizational Document" means, for any Person: (a) the articles or certificate of incorporation, formation or organization (as applicable) and the by-laws or similar governing document of such Person; (b) any limited liability company agreement, partnership agreement, operating agreement, shareholder agreement, voting agreement, voting trust agreement or similar document of or regarding such Person; (c) any other charter or similar document adopted or filed in connection with the incorporation, formation, organization or governance of such Person; (d) any Contract regarding the governance of such Person or the relations among any of its equity holders with respect to such Person; or (e) any amendment to any of the foregoing.

"Other Indemnified Person" means, for any Person, such Person's Affiliates and each of such Person's and each of such Affiliate's stockholders, officers, directors, partners, members, governors, managers, and permitted successors and assigns.

"Owing Party" is defined in Section 8.10.

"Party" means Sellers (or any Seller) or Buyer or Mathewson (as context provides).

"Permit" means any license, permit, registration or similar authorization from a Governmental Authority.

"Permitted Encumbrance" means any: (a) Encumbrance for any Tax, assessment or other governmental charge that is not yet due and payable or that may thereafter be paid without penalty; or (b) mechanic's, materialmen's, landlord's or similar Encumbrance arising or incurred in the Ordinary Course of Business of the applicable Person that secures any amount that is not overdue.

"Person" means any individual, partnership, corporation, limited liability company, association, joint stock company, trustee or trust, joint venture, unincorporated organization or any other business entity or association or any Government Authority.

"Plan" means an "employee benefit plan" (as such term is defined in section 3(3) of ERISA) and any other employee benefit plan, program, agreement or arrangement of any kind, including any: stock option or ownership plan; stock appreciation rights plan; stock purchase plan; phantom stock plan; executive compensation plan; bonus, incentive compensation, deferred compensation or profit-sharing plan; or arrangement regarding any vacation, holiday, sick leave, fringe benefit, educational assistance, pre-Tax premium or flexible spending account plan or life insurance.

"Pre-Closing Tax Period" means (a) any Tax period ending on or before the Closing Date and (b) with respect to a Straddle Period, any portion thereof ending on, and including, the Closing Date.

"Pre-Closing Taxes" is defined in Section 5.8(a).

"Proceeding" means any action, arbitration, audit, claim, demand, grievance, complaint, hearing, inquiry, investigation,]litigation, proceeding or suit (whether civil, criminal or administrative), in each case that is commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.

"Purchase Price" is defined in Section 2.1.

"RAM Withholding Taxes" is defined in Exhibit 2.2.

"Seller" and "Sellers" is defined in the first paragraph of this Agreement.

"Setting Off Party" is defined in Section 8.14.

"Straddle Period" means any complete Tax period of the Company relating to any Tax that includes but does not end on the Closing Date.

"Subsidiary" means, with respect to any Person, any other Person of which at least a majority of the securities or other interests, having by their terms ordinary voting power to elect a majority of the board of directors of such other Person (or others performing similar functions with respect to such other Person), is directly or indirectly owned or controlled by such first Person or by any one or more of such first Person's Subsidiaries.

"Tax" means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under section 59A of the Code), customs duties, capital stock, franchise, profits, withholding, social

security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including any interest, fine, penalty or similar addition thereto, whether disputed or not and including any obligations to indemnify or otherwise assume or succeed to the Tax Liability of any other Person.

"Tax Benefit" is defined in Section 8.8(a).

"Tax Claim" means any claim by a Governmental Authority with respect to any Tax that, if successful, might result in an indemnity obligation hereunder.

"Tax Return" means any return, declaration, report, filing, claim for refund or information return or statement relating to any Tax, including any schedule or attachment thereto and including any amendment thereof.

"Third Party Claim" is defined in Section 8.5(a).

"Threatened" means, with respect to any matter, that a demand, notice or statement has been made or given, orally or in writing, that such matter is being or will be, or that circumstances exist that would lead a reasonably prudent Person to conclude that such matter could be asserted, commenced, taken or otherwise pursued, including if conditioned upon certain events occurring or not occurring.

"Transfer Tax" means any sales, use, value-added, business, goods and services, transfer (including any stamp duty or other similar tax chargeable in respect of any instrument transferring property), documentary, conveyancing or similar tax or expense or any recording fee, in each case that is imposed as a result of any transaction contemplated herein, together with any penalty, interest and addition to any such item with respect to such item.

[Signature Page Follows]

IN WITNESS WHEREOF, each Party has executed this Equity Purchase Agreement effective as of the date first written above.

SELLERS:

/s/ ANDRE M. HILLIOU
Full House Resorts, Inc.
By: _Andre M. Hilliou
Its: _Chairman / CEO

/s/ ROBERT A. MATHEWSON
RAM Entertainment, LLC
By: Robert A. Mathewson
Its: Managing Member

/s/ ROBERT A. MATHEWSON
Robert A. Mathewson

BUYER:

/s/ HOMER A. MANDOKA
Firekeepers Development Authority
By: Homer A. Mandoka
Its: Chairperson

Exhibit 31.1

CERTIFICATION

I, Andre M. Hilliou, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Full House Resorts, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f)) for the small business issuer and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent quarter (the small business issuer's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially effect the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management of other employees who have a significant role in the small business issuer's internal controls over financial reporting.

Dated: May 8, 2012

By: /s/ ANDRE M. HILLIOU
Andre M. Hilliou
Chief Executive Officer and Chairman of the Board

Exhibit 31.2

CERTIFICATION

I, Mark Miller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Full House Resorts, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f)) for the small business issuer and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent quarter (the small business issuer's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially effect the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management of other employees who have a significant role in the small business issuer's internal controls over financial reporting.

Dated: May 8, 2012

By: /s/ MARK J. MILLER
Mark J. Miller
Chief Financial Officer and Chief Operating Officer

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q of Full House Resorts, Inc. for the quarter ended March 31, 2012 as filed with the Securities and Exchange Commission (the "Report'), I, Andre M. Hilliou, Chief Executive Officer and Chairman of the Board of Full House Resorts, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Full House Resorts, Inc.

Dated: May 8, 2012

By: /s/ ANDRE M. HILLIOU
Andre M. Hilliou
Chief Executive Officer and Chairman of the Board

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q of Full House Resorts, Inc. for the quarter ended March 31, 2012 as filed with the Securities and Exchange Commission (the "Report") I, Mark Miller, Chief Financial Officer and Chief Operating Officer of Full House Resorts, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Full House Resorts, Inc.

Dated: May 8, 2012

By: /s/ MARK J. MILLER
Mark J. Miller
Chief Financial Officer and Chief Operating Officer