# U.S. SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 10-KSB

☒ **Annual Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the fiscal year ended: December 31, 2005**

☐ **Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Commission file number 1-32583**

# FULL HOUSE RESORTS, INC.

**(Name of Small Business Issuer in Its Charter)**

| **Delaware** | **13-3391527** |
|---|---|
| **(State or Other Jurisdiction of Incorporation or Organization)** | **(I.R.S. Employer Identification No.)** |

**4670 S. Fort Apache Rd., Suite 190, Las Vegas, Nevada 89147**
**(Address and zip code of principal executive offices)**

**(702) 221-7800**
**(Issuer's Telephone Number, Including Area Code)**

**Securities registered under Section 12(b) of the Exchange Act:**

| **Common Stock, $.0001 per Share** | **American Stock Exchange** |
|---|---|
| **(Title of Each Class)** | **(Name of Each Exchange on Which Registered)** |

**Securities registered under Section 12(g) of the Exchange Act:**

**None**
**(Title of class)**

Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. ☐

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 ☐

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐

State issuer's revenues for its most recent fiscal year: $3,700,916

The aggregate market value of registrant's voting $.0001 par value common stock held by non-affiliates of the registrant, as of March 31, 2006 was: $15,566,768.

The number of shares outstanding of registrant's $.0001 par value common stock, as of March 19 2006, was 10,340,380 shares.

**Documents Incorporated By Reference**

The information required by Part III of this Form 10-KSB, to the extent not set forth herein, is incorporated by reference from the Registrant's definitive proxy statement relating the annual meeting of stockholders to be held in 2006, which definitive proxy statement shall be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this Form 10-KSB relates.

Transitional Small Business Disclosure Format (check one) Yes ☐ No ☒

**PART I**

1. Description of Business.

**BACKGROUND**

Full House Resorts, Inc., a Delaware corporation, develops, manages and/or invests in gaming related opportunities. In May 1994, Lee Iacocca, who has been one of our directors since 1998, brought to us several opportunities to become involved in gaming projects, including one near Battle Creek, Michigan with the Nottawaseppi Huron Band of Potawatomi which we refer to as the Michigan tribe and a "racino" in Harrington, Delaware. As a result of these opportunities, we are currently a 50% investor in Gaming Entertainment (Delaware), LLC, a joint venture with Harrington Raceway that manages Midway Slots and Simulcast at the Delaware State Fairgrounds in Harrington, Delaware. Midway Slots has approximately 1,581 gaming devices, a 450-seat buffet, a 50-seat diner and an entertainment lounge area. In addition, through our 50%-owned Michigan joint venture, Gaming Entertainment Michigan, LLC, we and RAM Entertainment, Inc., a privately held investment company, have an agreement to develop and manage a gaming facility near Battle Creek, Michigan.

We also have agreements with the Nambe Pueblo tribe and the Northern Cheyenne Nation of Montana for the development and then management of gaming facilities in New Mexico and Montana. We have also been selected by the Manuelito Chapter of Navajo Indians to develop and manage gaming facilities near Gallup and are working with other Chapters of the Navajo Nation.

**Project Currently Operating**

**Midway Slots and Simulcast—Harrington, Delaware**

Midway Slots, which is owned by Harrington Raceway, Inc., commenced operations on August 20, 1996. Our Delaware joint venture provided over $11 million in financing, developed the project and acts as manager of the gaming facility under a 15-year contract. The facility was originally 35,000 square feet and opened with 500 gaming devices, a simulcast parlor and a small buffet. Following expansions in 1998 and 2000, the facility now includes a 450-seat buffet, a 50-seat diner, and an entertainment lounge area and accommodates 1,581 gaming devices.

In March 2006, we announced a substantial expansion and renovation of Midway Slots with an increase of 66,630 square feet to the existing 75,128 square feet and an increase to 2,000 slot machines together with remodeling and expansion of the food and beverage and related amenities. During 2005 we were successful in increasing our market share.

Midway Slots is located in Harrington, Delaware on Route 13, approximately 20 miles south of Dover, Delaware between Philadelphia and Baltimore/Washington, D.C. and is one of three gaming facilities operating in Delaware. The closest competing casino is in Dover and operates 2,000 devices, until recently, the maximum number allowed in Delaware. In February 2006, the law was changed to allow up to 4,000 gaming devices at each of the three authorized locations in Delaware. The third facility is approximately 60 miles north of Harrington. Under the management agreement, which expires in 2011, the joint venture receives a percentage of gross revenues and operating profits as a management fee, subject to an annual cap.

In November 2002, Maryland elected a governor supporting some type of gaming legalization. Our facility draws a significant number of customers from Maryland and we believe that competitive gaming in Maryland would have a negative impact on our facility. The magnitude would depend on both the form of gaming that is authorized, and the locations of competing facilities. Maryland's legislature remains deadlocked over approval of slot machines. After three consecutive legislative sessions at which a bill to approve some form of slot machine gambling was introduced but not passed in the Maryland legislature, this past year saw no further movement toward authorizing slot machines in Maryland.

In 2004, the Pennsylvania legislature passed a law authorizing gambling. Included in the authorized types of games are slot machines similar to those operated in Delaware. In 2005, the Pennsylvania Gaming Control Board accepted applications for licensure of operators and gaming equipment suppliers. It is not expected that gaming operations in Pennsylvania will begin before the second half of 2007. Harrington Raceway is located the furthest South of the three authorized gaming locations in Delaware and does not attract a substantial patronage from Pennsylvania. We do not anticipate that the commencement of gaming operations in Pennsylvania will have a material adverse effect on our operations.

**Agreement to Acquire Casino**

On April 6, 2006, we entered into a stock purchase agreement with James R. Peters, Trustee of the James R Peters Family Trust, under which we will acquire all of the outstanding shares of Stockman's Casino, Inc. for $25.5 million. An adjustment to the purchase price could occur if the operation exceeds certain financial targets during the 12 months prior to closing. We expect the closing of the transaction to occur later this year, subject to the receipt of all regulatory approvals and conditioned upon financing. We expect to finance the transaction with a combination of debt and equity.

Stockman's Casino, Inc. owns and operates Stockman's Casino and Holiday Inn Express in Fallon, Nevada, located about one hour East of Reno. Fallon is the location of Naval Air Station Fallon, the home of the Naval Strike and Air Warfare Center. Stockman's Casino is completing a renovation, which will result in almost 8,400 square feet of gaming space with approximately 280 gaming machines, 4 table games and a keno game. The casino has a bar, a fine dining restaurant and a popular coffee shop. The Holiday Inn Express has 98 guest rooms, indoor and outdoor swimming pools, a sauna, fitness club, meeting room and business center.

**Projects in Development**

**Nottawaseppi Huron Band of Potawatomi—Battle Creek, Michigan**

Our 50%-owned Michigan joint venture entered into a series of agreements in January 1995 with the Michigan tribe to develop and manage gaming and non-gaming commercial opportunities on reservation lands in south central Michigan. If developed, the facility will target potential customers in the Battle Creek, Kalamazoo, and Lansing, Michigan metropolitan areas, as well as the Ft. Wayne, Indiana area.

The Michigan tribe achieved final federal recognition as a tribe in April 1996 and obtained a Gaming Compact from Michigan's governor early in 1997 to operate an unlimited number of electronic gaming devices as well as roulette, keno, dice and banking card games. The Michigan legislature ratified the compact by resolution in December 1998, along with compacts for three other tribes.

A lawsuit was filed in 1999 by Taxpayers of Michigan Against Casinos in Ingham County Circuit Court. The lawsuit challenged the constitutionality of the approval process of these gaming compacts. On January 18, 2000, the court ruled that the compacts must be approved by a legislative bill rather than by resolution. The State of Michigan filed an appeal to the Michigan Court of Appeals on February 4, 2000. We joined in the appeal filing as an intervening defendant. On November 12, 2002, the Michigan Court of Appeals unanimously overturned the lower court decision; ruling that the compacts were valid. The plaintiff filed an appeal with the Michigan Supreme Court on December 3, 2002. On July 30, 2004 the Michigan Supreme Court ruled that the Michigan Legislature did not violate the state constitution when it approved four tribal casino compacts in 1998 by a resolution. The Supreme Court ruling upholds the 2002 ruling by the Michigan Court of Appeals. This ruling removes the objection to the Tribal-State Compact between the Michigan tribe and the State of Michigan to allow Class III casino gaming at the proposed site near Battle Creek. On October 28, 2004, the plaintiff filed a petition for certiorari asking the U.S. Supreme Court to hear its appeal of the Michigan Supreme Court's ruling approving the compacts. In February 2005, the United States Supreme Court denied, without comment, the petition, upholding the validity of four tribal-state gaming compacts entered into with the State of Michigan and ending the appeal.

In December 1999, the management agreements with the Michigan tribe, along with the required licensing applications were submitted to the National Indian Gaming Commission, which we refer to as the NIGC. We met with the NIGC several times to review suggested revisions to the management agreements and, working with the Michigan tribe, have incorporated all the appropriate changes.

Also in December 1999, the Michigan tribe applied to have its existing reservation lands, as well as additional land in its ancestral territory, taken into trust by the federal Bureau of Indian Affairs, which we refer to as the BIA. The parties selected a parcel of land for the gaming enterprise, which was purchased in September 2003, and completed a Fee-to-Trust application that was submitted to the BIA in February 2002. On August 9, 2002, the United States Department of Interior issued its notice to take the land into trust for the benefit of the tribe. On August 30, 2002 Citizens Exposing Truth About Casinos filed a complaint in United States District Court for the District of Columbia, seeking to prevent this land from being taken into trust. On April 23, 2004, the U.S. District Court rejected all of the plaintiff's arguments except it found that the environmental assessment was insufficient and entered an injunction prohibiting the BIA from taking the land into trust until a more complete environmental analysis was done. A scoping meeting was held by the BIA on July 28, 2004, as the first public step in the environmental review process. The purpose of this meeting was to allow public comment to determine the scope of an environmental impact study to be conducted for the project site. The BIA approved the retention of a consultant to conduct the environmental study. A draft environmental impact statement was issued in August 2005, and a second public hearing occurred to receive comment on the draft. Based upon that public comment, the consultant, on behalf of the BIA, is drafting a final environmental impact statement which we expect to issue in the second quarter of 2006. The BIA will then issue a record of decision as the final agency action. This will allow us to return to the district court seeking to remove the injunction. If successful in court, the BIA will be free to take the land into trust, as it commenced in 2002, which is the final step in utilizing the parcel for gaming. We are awaiting the completion of this process to begin final planning, financing and construction on the Michigan project.

Our joint venture has the exclusive right to arrange the financing and provide casino management expertise to the Michigan tribe in exchange for 26% of net profits for seven years and certain other specified consideration from any future gaming or related activities conducted by the Michigan tribe. If the project is developed, a third party will be paid a royalty fee equating to 15% of management fees in lieu of its original ownership interest in earlier contracts with the Michigan tribe.

In February 2002, following our acquisition of our then partner's interest in the Michigan project, we entered into an agreement with RAM Entertainment, LLC, a privately held investment company, whereby RAM was admitted as a 50% member in our Michigan and California joint ventures in exchange for providing a portion of the necessary funding for the development of the projects. Accordingly, RAM loaned us $2,381,260, which we used to retire an outstanding loan. RAM has the right, and we expect that the loan will be converted into a $2,000,000 capital contribution and a $381,260 short-term loan to the Michigan venture, once our management contracts receive regulatory approval, and the gaming site is taken into trust for the Michigan tribe. As of December 31, 2005, these contingencies had not occurred. On May 31 2005, we entered into an agreement with RAM to modify certain terms of the investor agreement. The parties agreed that RAM would advance one-half of the continuing development expenses for the Michigan project up to a maximum of $800,000, to extend the maturity date of the loan to July 1, 2007 with further extensions at its option, to allow interest on the loan to accrue without payment and to modify certain other terms of the agreement concerning repayment from the gaming operations. As of March 15, 2006, $800,000 has been advanced by RAM.

The closest competition to the proposed Michigan project is located in Detroit, approximately 100 miles from the Battle Creek area. We do not believe that these gaming facilities in Detroit will have a material adverse impact on the proposed Michigan project. In addition, the BIA recently took land into trust for the benefit of the Pokagon Band of Potawatomi Indians casino project in the New Buffalo, Michigan area, approximately 100 miles south of the Huron location. This project is not expected to open until late 2007. The impact of this competing casino, cannot be estimated at this time.

**Nambe Pueblo Indian Tribe – Santa Fe, New Mexico**

In April 2004, the Nambe Pueblo tribe signed a letter of intent to negotiate a management agreement with Full House Resorts for a proposed casino to be built approximately 15 miles north of Santa Fe, New Mexico. On October 3, 2004, the tribe passed a referendum which approved development of the casino. On January 26, 2005, the Tribal Council voted to select Full House as the developer and manager of the tribe's casino project. Full House and the tribe entered into a development and management agreement, which has been submitted for approval by the NIGC in accordance with federal law. The master plan of economic development includes a full-scale casino with other amenities to follow. In order to approve the management agreement, the NIGC must comply with the National Environmental Policy Act, which we refer to as NEPA. We have commenced an environmental assessment of the location to analyze the impact of the development project on the natural and human environment. We anticipate completing the environmental assessment during the first half of 2006 and expect that the NIGC will adopt its findings.

**Northern Cheyenne Tribe – Decker, Montana**

On March 7, 2005, we signed a letter of intent with the Northern Cheyenne tribe of Montana to explore gaming and other economic development. On May 26, 2005, we signed a gaming management agreement and related agreements for the development and management of a site held in trust for the tribe in the Tongue River Reservoir area. Plans are for a 25,000 square foot facility housing 250 gaming devices and related amenities. We have commenced the environmental review to comply with the NEPA in conjunction with the NIGC approval of the management agreement. The tribe is also holding discussions with the Governor of Montana to extend and expand the gaming compact existing with the State of Montana.

**Navajo Nation – New Mexico**

On February 20, 2005, the Manuelito Chapter of Navajo Indians selected us to develop and manage a gaming facility near Gallup, New Mexico. We have also been in discussions with other Chapters of Navajo Indians to develop and manage other gaming facilities. Each of these development projects requires the approval and consent of the Navajo Nation. The Navajo Nation has created a gaming office and retained the services of an executive director for that office. The Navajo Nation must still determine where gaming will be authorized and by which Chapters. In addition, other issues related to gaming are to be decided by the Navajo Nation.

**Discontinued Projects**

**Torres Martinez Band of Desert Cahuilla Indians—Thermal, California**

In April 1995, our 50%-owned California subsidiary entered into a gaming and development agreement and a gaming management agreement with the Torrez Martinez Band of Desert Cahuilla Indians, which was amended in 1997. These agreements gave the subsidiary certain rights to develop, manage, and operate gaming activities for the Torres Martinez Band and the right to receive a defined percentage of the net revenues from gaming activities as a management fee, subject to our obligation to arrange or provide financing for the development. Since 1995, we incurred approximately $1 million in costs on the Torres Martinez Band's behalf that were expensed as incurred.

In August 2001, we received a notice from the Torres Martinez Band purporting to sever our contractual relationship. Pursuant to the agreement, we demanded arbitration and in February 2005, our contract rights were upheld. Alternatively at our discretion, the arbitrator awarded monetary damages of $838,686 plus attorneys fees of approximately $200,000 and related court costs of approximately $25,000. During 2005, through legal counsel, we conducted several discussions with the tribe which resulted in an agreement whereby the tribe would pay us $1,050,897 in exchange for a full and release of all claims. On December 20, 2005, we received the payment and signed a mutual release and satisfaction of all claims.

**Hard Rock Casino, Biloxi, Mississippi**

In November 2002, we entered into a termination agreement with Hard Rock Café International with respect to licensing the rights to develop a Hard Rock Café-themed casino and hotel in Biloxi, Mississippi. We received $100,000 in exchange for relinquishing any right we had to prevent Hard Rock from entering into any other

licensing agreements in Mississippi prior to the original contract termination date of November 20, 2003, and we also sold the land we previously acquired in connection with the proposed development. Additionally, if Hard Rock executed a new licensing agreement for Biloxi within one year of the termination agreement, we agreed to provide consulting services to Hard Rock for a two year period for annual fees of $100,000 or 10% of the licensing fees, whichever is greater. During 2003 and within the one-year period, Hard Rock executed a new licensing agreement. Our consulting fees become payable upon opening of the facility. The casino was scheduled to open on September 1, 2005. On August 29, 2005, Hurricane Katrina devastated the Mississippi Gulf Coast, causing substantial damage to the Hard Rock Casino facility. The fate of the facility is uncertain and we may not receive any additional fees from that licensing agreement.

**GOVERNMENT REGULATION**

The ownership, management, and operation of gaming facilities are subject to many federal, state, provincial, tribal and/or local laws, regulations and ordinances, which are administered by the relevant regulatory agency or agencies in each jurisdiction. These laws, regulations and ordinances are different in each jurisdiction, but mostly deal with the responsibility, financial stability and character of the owners and managers of gaming operations as well as persons financially interested or involved in gaming operations.

Neither Full House nor any subsidiary may own, manage or operate a gaming facility unless they obtain proper licenses, permits and approvals. Applications for a license, permit or approval may be denied for reasonable cause. Most regulatory authorities license, investigate, and determine the suitability of any person who has a material relationship with us. Persons having material relationships include officers, directors, employees, and security holders.

Once obtained, licenses, permits, and approvals must be renewed from time to time and generally are not transferable. Regulatory authorities may at any time revoke, suspend, condition, limit, or restrict a license for reasonable cause. License holders may be fined and in some jurisdictions and under certain circumstances gaming operation revenues can be forfeited. We may be unable to obtain any licenses, permits, or approvals, or if obtained, they may not be renewed or may be revoked in the future. In addition, a rejection or termination of a license, permit, or approval in one jurisdiction may have a negative effect in other jurisdictions. Some jurisdictions require gaming operators licensed in that state to receive their permission before conducting gaming in other jurisdictions.

The political and regulatory environment for gaming is dynamic and rapidly changing. The laws, regulations, and procedures dealing with gaming are subject to the interpretation of the regulatory authorities and may be amended. Any changes in such laws, regulations, or their interpretations could have a negative effect on our operations and future development of gaming opportunities. Certain specific provisions applicable to us are described below.

**Delaware Regulatory Matters.** As the owner of at least 10% of the management company operating video lottery machine in Delaware, we are subject to approval under the Delaware Video Lottery Code in order for our Delaware joint venture to maintain its license to manage the video lottery location of Midway Slots at Harrington Raceway. That law authorized the ownership and operation of video lottery machines, as defined in the law and commonly known as slot machines, by the State Lottery Office through certain licensed agents, including our Delaware joint venture.

The lottery director has discretion to adopt such rules and regulations as the lottery director deems necessary or desirable for the efficient and economical operation and administration of the system, including:

- type and number of games permitted,
- pricing of games,
- numbers and sizes of prizes,
- manner of payment,
- value of bills, coins or tokens needed to play,
- requirements for licensing agents and service providers,

- standards for advertising, marketing and promotional materials used by licensed agents,
- procedures for accounting and reporting,
- registration, kind, type, number and location of video lottery (slot) machines on a licensed agent's premises,
- security arrangements for the video lottery system, and
- reporting and auditing of financial information of licensed agents.

There are continuing licensure requirements for all officers, directors, key employees and persons who own directly or indirectly 10% or more of a licensed agent, which licensure requirements shall include the satisfaction of such security, fitness and background standards as the lottery director may deem necessary relating to competence, honesty and integrity, such that a person's reputation, habits and associations do not pose a threat to the public interest of the State or to the reputation of or effective regulation and control of the video lottery; it being specifically understood that any person convicted of any felony, a crime involving gambling, or a crime of moral turpitude within 10 years prior to applying for a license or at any time thereafter shall be deemed unfit.

The lottery director may revoke or suspend the license of a licensed agent for "cause." "Cause" is broadly defined and could potentially include falsifying any application for license or report required by the rules and regulations, the failure to report any information required by the rules and regulations, the material violation of any rules and regulations promulgated by the lottery director or any conduct by the licensee which undermines the public confidence in the video lottery system or serves the interest of organized gambling or crime and criminals in any manner. A license may be revoked for an unintentional violation of any federal, state or local law, rule or regulation provided that the violation is not cured within a reasonable time as determined by the lottery director. A hearing officer's decision revoking or suspending the license shall be appealable to the Delaware Superior Court under the provisions of the Administrative Procedures Act. All existing or new officers, directors, key employees and owners of a licensed agent are subject to background investigation. Failure to satisfy the background investigation may constitute cause for suspension or revocation of the license.

The license of our Delaware joint venture may also be revoked or suspended in the event that we do not maintain our approval to own at least 10% of the joint venture. The same standard of "Cause" defined above applies to our approval. Currently, our officers have filed the required application forms and have been found suitable by the Delaware State Police, which is empowered to conduct the security, fitness and background checks required by the lottery director.

**Indian Gaming.** Gaming on Indian Lands (lands over which Indian tribes have jurisdiction and which meet the definition of Indian Lands under the Indian Gaming Regulatory Act of 1988, which we refer to as the Regulatory Act, is regulated by federal, state and tribal governments. The regulatory environment regarding Indian gaming is always changing. Changes in federal, state or tribal law or regulations may limit or otherwise affect Indian gaming or may be applied retroactively and could then have a negative effect on our operations.

The terms and conditions of management contracts or other agreements, and the operation of casinos on Indian Land, are subject to the Regulatory Act, which is implemented by the NIGC. The contracts also are subject to the provisions of statutes relating to contracts with Indian tribes, which are supervised by the Secretary of the U.S. Department of the Interior. The Regulatory Act is interpreted by the Secretary of the Interior and the NIGC and may be clarified or amended by the judiciary or legislature. Under the Regulatory Act, the NIGC has the power to:

- inspect and examine certain Indian gaming facilities;
- perform background checks on persons associated with Indian gaming;
- inspect, copy and audit all records of Indian gaming facilities;
- hold hearings, issue subpoenas, take depositions, and adopt regulations; and
- penalize violators of the Regulatory Act.

Penalties for violations of the Regulatory Act include fines, and possible temporary or permanent closing of gaming facilities. The Department of Justice may also impose federal criminal sanctions for illegal gaming on Indian Lands and for theft from Indian gaming facilities.

The Regulatory Act also requires that the NIGC review tribal gaming ordinances. Such ordinances are approved only if they meet certain requirements relating to:

- ownership;
- security;
- personnel background;
- record keeping and auditing of the tribe's gaming enterprises;
- use of the revenues from gaming; and
- protection of the environment and the public health and safety.

The Regulatory Act also regulates Indian gaming and management contracts. The NIGC must approve management contracts and collateral agreements, including agreements like promissory notes, loan agreements and security agreements. A management contract can be approved only after determining that the contract provides for:

- adequate accounting procedures and verifiable financial reports, copies of which must be furnished to the tribe;
- tribal access to the daily operations of the gaming enterprise, including the right to verify daily gross revenues and income;
- minimum guaranteed payments to the tribe, which must have priority over the retirement of development and construction costs;
- a ceiling on the repayment of such development and construction costs; and
- a contract term not exceeding five years and a management fee not exceeding 30% of profits and a determination by the Chairman of the NIGC that the fee is reasonable considering the circumstances; provided that the NIGC may approve up to a seven year term and a management fee not to exceed 40% of net revenues if the NIGC is satisfied that the capital investment required or the income projections for the particular gaming activity justify the larger profit allocation and longer term.

Under the Regulatory Act, we must provide the NIGC with background information, including financial statements and gaming experience, on:

- each person with management responsibility for a management contract;
- each of our directors; and
- the ten persons who have the greatest direct or indirect financial interest in a management contract to which we are a party.

The NIGC will not approve a management company and may void an existing management contract if a director, key employee or an interested person of the management company:

- is an elected member of the Indian tribal government that owns the facility being managed;
- has been or is convicted of a felony or misdemeanor gaming offense;
- has knowingly and willfully provided materially false information to the NIGC or a tribe;
- has refused to respond to questions from the NIGC;
- is a person whose prior history, reputation and associations pose a threat to the public interest or to effective gaming regulation and control, or create or enhance the chance of unsuitable, unfair or illegal activities in gaming or the business and financial arrangements incidental thereto; or

- has tried to influence any decision or process of tribal government relating to gaming.

Contracts may also be voided if:

- the management company has materially breached the terms of the management contract, or the tribe's gaming ordinance; or
- a trustee, exercising the skill and diligence to which a trustee is commonly held, would not approve such management contract.

The Regulatory Act divides games that may be played on Indian Land into three categories. Class I Gaming includes traditional Indian games and private social games and is not regulated under the Regulatory Act. Class II Gaming includes bingo, pull tabs, lotto, punch boards, tip jars, instant bingo, and other games similar to bingo, if those games are played at a location where bingo is played. Class III Gaming includes all other commercial forms of gaming, such as video casino games (e.g., video slots, video blackjack); so-called "table games" (e.g., blackjack, craps, roulette); and other commercial gaming (e.g., sports betting and pari-mutuel wagering).

Class II Gaming is allowed on Indian Land if performed according to a tribal ordinance which has been approved by the NIGC and if the state in which the Indian Land is located allows such gaming for any purpose. Class II Gaming also must comply with several other requirements, including a requirement that key management officials and employees be licensed by the tribe.

Class III Gaming is permitted on Indian Land if the same conditions that apply to Class II Gaming are met and if the gaming is performed according to the terms of a written agreement between the tribe and the host state. The Regulatory Act requires states to negotiate in good faith with Indian tribes that seek to enter into tribal-state compacts, and gives Indian tribes the right to get a federal court order to force negotiations.

The negotiation and adoption of tribal-state compacts is vulnerable to legal and political changes that may affect our future revenues and securities prices. Accordingly, we cannot predict:

- which additional states, if any, will approve casino gaming on Indian Land;
- the timing of any such approval;
- the types of gaming permitted by each tribal-state compact;
- any limits on the number of gaming machines allowed per facility; or
- whether states will attempt to renegotiate or take other steps that may affect existing compacts.

Under the Regulatory Act, Indian tribal governments have primary regulatory authority over gaming on Indian Land within the tribe's jurisdiction unless a tribal-state compact has delegated this authority. Therefore, persons engaged in gaming activities, including Full House, are subject to the provisions of tribal ordinances and regulations on gaming.

Tribal-State Compacts have been litigated in several states, including Michigan. In addition, many bills have been introduced in Congress that would amend the Regulatory Act. If the Regulatory Act were amended, the governmental structure and requirements by which Indian tribes may perform gaming could be significantly changed, which could have an impact on our future operations and development of tribal gaming opportunities.

**Costs and effects of compliance with Environmental Laws**

In order to have land taken into trust or otherwise be approved for use by an Indian tribe for gaming purposes by the BIA, as a federal agency, the NIGC is required to comply with the NEPA. Likewise, in order for the NIGC to approve a management contract for us to manage an Indian gaming casino as required by the Indian

Gaming Regulatory Act, the NIGC, as a federal agency, is required to comply with NEPA. For these purposes NEPA requires a federal agency to consider the effect on the human, physical and natural environment of a development project as part of its approval process. Compliance with NEPA begins with the conducting of an environmental assessment, which considers the factors identified in NEPA, as implemented by the Council on Environmental Quality, and determines whether the development will cause a significant impact on the environment. If not, the federal agency may issue a finding of no significant impact. If the federal agency determines the development project may cause a significant impact on the environment, it will conduct a further study resulting in an environmental impact statement, which considers all impacts on the environment and what can be done to mitigate those impacts. Since this constitutes action by a federal agency, any of these determinations can be the subject of litigation as was commenced by Citizens Exposing the Truth About Casinos, which we have reported.

As reported, an environmental impact statement is being prepared by the BIA reviewing the impacts caused by the proposed Nottawaseppi Huron Band of Potawatomi casino project. This effort is conducted by environmental engineers and those in related fields whose services are compensated by the proponent of the project. In this case, pursuant to our agreement with the Huron Potawatomi, we are advancing these costs subject to the tribe's agreement to reimburse these and other costs related to the development project from the proceeds of the casino once open. We anticipate that the environmental impact statement will be finalized and issued by the BIA sometime in the first half of 2006.

During 2005, we also funded the conducting and preparation of environmental assessments related to the casino development project for the Nambe Pueblo and for the Northern Cheyenne tribe. The environmental assessment related to the Nambe Pueblo is on behalf of the NIGC in conjunction with its required approval of the management agreement between us and the Pueblo. The environmental assessment related to the Northern Cheyenne tribe is on behalf of the BIA in conjunction with its approval of the land chosen by the tribe for its casino site for use for gaming. We anticipate both environmental assessments to be completed during 2006. As stated above, the result of an environmental assessment can be a determination of a finding of no significant impact or the requirement that an environmental impact statement be prepared. While we are unable to predict the determination to be made by each agency, to date we have no reason to believe that there are significant impacts to the environment caused by either of these development projects.

**COMPETITION**

The gaming industry is highly competitive. Gaming activities include traditional land-based casinos; river boat and dockside gaming, casino gaming on Indian land, state-sponsored lotteries, video poker in restaurants, bars and hotels, pari-mutuel betting on horse racing, dog racing and jai alai, sports bookmaking, card rooms, and casinos at racetracks. The Indian-owned casinos that we are developing and plan to manage compete with all these forms of gaming, and will compete with any new forms of gaming that may be legalized in additional jurisdictions, as well as with other types of entertainment.

In Michigan, there are three gaming facilities operating in Detroit and numerous other Indian casinos. The closest competitor to our location is approximately 100 miles away in Detroit and offers approximately 2,500 gaming devices and 100 table games. We do not believe that these gaming facilities in Detroit will have a material adverse impact on the proposed Michigan project. In addition, the BIA recently took land into trust for the benefit of the Pokagon Band of Potawatomi Indians casino project in the New Buffalo, Michigan area, approximately 100 miles south of the Huron location. This project is not expected to open until late 2007. The impact of this competing casino cannot be estimated at this time.

Midway Slots is one of three facilities currently operating in Delaware. In addition, Maryland elected a governor supporting some type of gaming legalization. Our facility draws a significant number of customers from Maryland and we believe that competitive gaming in Maryland would have a negative impact on our facility. The magnitude would depend on both the form of gaming that is authorized, and the locations of competing facilities. After three consecutive legislative sessions at which a bill to approve some form of slot machine gambling had been introduced and defeated, there is no certainty about gaming's future in Maryland.

In 2004, the Pennsylvania legislature approved gaming to be held at racetracks, selected stand-alone facilities and selected resort hotel sites. The Pennsylvania Gaming Control Board has just completed accepting license applications from operators to be used in a competitive bidding process and from gaming equipment suppliers. Midway Slots is the furthest South of the three racetrack slot operations in Delaware. A material portion of the market does not include residents of Pennsylvania.

Additionally, we are in constant competition with other companies in the industry to acquire other legal gaming sites and for opportunities to manage casinos on Indian land. Many of our competitors are larger in terms of potential resources and personnel. Competition in the gaming industry could adversely affect our ability to attract customers and thus, adversely affect future operating results. In addition, further expansion of gaming into new jurisdictions could also adversely affect our business by diverting customers from our managed casinos to competitors in those jurisdictions.

**FACTORS THAT MAY AFFECT OUR FUTURE PERFORMANCE**

In addition to factors discussed elsewhere in this Form 10-KSB, the following are important factors that could cause actual results or events to differ materially from those contained in any forward-looking statement made by or on behalf of Full House.

**The gaming industry is highly regulated**. Gaming facility ownership, management and operation is subject to many federal, state, provincial, tribal and/or local laws, regulations, and ordinances which are administered by particular regulatory agency or agencies in each jurisdiction. These laws, regulations and ordinances are different in each jurisdiction but generally deal with the responsibility, financial stability and character of the owners and managers of gaming operations and persons financially interested or involved in gaming operations. Change in these laws, regulations or ordinances could adversely affect our future performance.

**We will need additional capital to pursue gaming opportunities** We believe we have enough revenue to finance present operations. However, we will need substantial additional funding to pursue gaming opportunities in Michigan, New Mexico, Montana and elsewhere, which may not be available at acceptable terms. If we obtain such financing, any additional equity financings may be dilutive to shareholders, and any debt financing may involve additional restrictions. An inability to raise such funds when needed might require us to delay, scale back or eliminate some of our planned expansion and development goals, and might require us to cease operations entirely.

**We have numerous competitors**. The gaming industry is highly competitive. Gaming activities include traditional land-based casinos; river boat and dockside gaming; casino gaming on Indian land; state-sponsored lotteries and video poker in restaurants, bars and hotels; pari-mutuel betting on horse racing, dog racing and jai alai; sports bookmaking; and card rooms. The Indian-owned casinos that we are trying to develop and operate compete with all these forms of gaming, and any new forms of gaming that may be legalized in additional jurisdictions, as well as with other types of entertainment.

**Our management contracts are of limited duration** We are prohibited by law from having an ownership interest in any casino we manage for Indian tribes. Management contracts with Indian tribes may not be longer than seven years. Our management contract for Midway Slots, which is currently our sole source of income, ends in August 2011. If a management contract is not renewed we will lose the revenues from such contract which would have a negative effect on our results of operations.

**Our management contracts are subject to governmental or regulatory modification** The NIGC has the power to require modifications to Indian management contracts under some circumstances or to void such contracts or secondary agreements including loan agreements if we fail to obtain the required approvals or to comply with the necessary laws and regulations. While we believe that our management contracts meet the applicable requirements, NIGC has the right to review each contract and has the authority to reduce the term of a management contract or the management fee or otherwise require modification of the contract. Such changes would have a negative effect on our profitability.

**We have limited recourses against tribal assets**. Development of our gaming opportunities will require us to make substantial loans to tribes for the construction, development, equipment and operations. Our only recourse for collection of indebtedness from a tribe or money damages for breach or wrongful termination of a management contract is from revenues, if any, from prospective casino operations.

**We have a limited base of operations**. Our principal operations currently consist of the management of one facility, Midway Slots. This, combined with the potentially significant investment associated with any new managed facilities may cause our operating results to fluctuate significantly. Additionally, delays in the opening or non-opening of any future casinos could also significantly affect our profitability. Future growth in revenues and profits will depend on our ability to increase the number of our managed casinos and facilities or develop new business opportunities. We may be unable to successfully develop or manage any additional casinos or facilities.

**Development of new casinos is subject to many risks, some of which we may not be able to control** The opening of our proposed facilities will depend on, among other things, the completion of construction, hiring and training of sufficient personnel and obtaining all regulatory licenses, permits, allocations and authorizations. The number of the approvals needed to construct and open new facilities is extensive, and the failure to obtain such approvals could prevent or delay the completion of construction or opening of all or part of such facilities or otherwise affect the design and features of the proposed casinos.

Even if approvals and financing are obtained, major construction projects entail significant risks, including a shortages of materials or skilled labor, unforeseen engineering, environmental and/or geological problems, work stoppages, weather interference, unanticipated cost increases and non-availability of construction equipment. Obtaining any of the requisite licenses, permits, allocations and authorizations from regulatory authorities could increase the total cost, delay or prevent the construction or opening of any of these planned casino developments or otherwise affect their design. In addition, once developed, we may not be able to manage these casinos on a profitable basis or to attract a sufficient number of guests, gaming customers and other visitors to make the various operations profitable independently.

**EMPLOYEES**

As of March 1, 2006, we had eight full time employees, three of whom are executive officers and an additional two are senior management. Our Delaware joint venture has approximately 478 full time employees, and management believes that its relationship with its employees is good. None of our employees are currently represented by a labor union, although such representation could occur in the future.

2. Description of Property.

Our Michigan joint venture owns an eighty-acre parcel of land outside Battle Creek, Michigan which is intended to be a future gaming development site for the Michigan project.

Full House Resorts owns a twelve-acre parcel in McKinley county, New Mexico which is intended to be a future gaming development site for the Manuelito project.

3. Legal Proceedings.

None

4. Submission of Matters to a Vote of Security Holders.

No matters were submitted to a vote of our security holders during the fourth quarter.

**PART II**

5. Market for Common Equity, Related Stockholder Matters and Small Business Issuer Purchases of Equity Securities.

**(a) Market Information**

Our common stock was listed by The Nasdaq SmallCap Market under the symbol FHRI until April 17, 2001. Thereafter, the stock began trading on the OTC Bulletin Board. On July 28, 2005, our stock began trading on the American Stock Exchange under the symbol FLL. Set forth below are the high and low sales prices of the common stock as reported on the OTC Bulletin Board and the American Stock Exchange for the periods indicated:

| | High | Low |
|---|---|---|
| Year Ended December 31, 2005 | | |
| First Quarter | $4.25 | $0.50 |
| Second Quarter | 4.10 | 2.63 |
| Third Quarter | 4.99 | 3.40 |
| Fourth Quarter | 4.19 | 2.55 |
| Year Ended December 31, 2004 | | |
| First Quarter | $1.00 | $0.62 |
| Second Quarter | 0.97 | 0.75 |
| Third Quarter | 1.10 | 0.70 |
| Fourth Quarter | 0.92 | 0.56 |

The OTC Bulletin quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions. On March 31, 2006, the last sale price of the Common Stock as reported by the American Stock Exchange was $3.25.

**(b) Holders**

As of December 31, 2005, we had approximately 142 holders of record of our common stock. We believe that there are over 800 beneficial owners.

**(c) Dividends**

We have never paid dividends on our common stock or preferred stock. Holders of common stock are entitled to receive such dividends as may be declared by the board of directors out of funds legally available.

Holders of our Series 1992-1 Preferred Stock are entitled to receive dividends, when, as and if declared by the board of directors out of funds legally available in the annual amount of $.30 per share, payable in arrears semi-annually on the 15th day of December and June, in each year. Dividends on the Series 1992-1 Preferred Stock commenced accruing on July 1, 1992 and are cumulative. We have not declared or paid the accrued dividends on our preferred stock which were payable since issuance, totaling $2,835,000 and, accordingly, are in default in regard thereto.

Since we are in default in declaring, setting apart for payment and paying dividends on the preferred stock, we are restricted from paying any dividend or making any other distribution or redeeming any stock ranking junior to the preferred stock.

We intend to retain future earnings, if any, to provide funds for the operation of our business, retirement of our debt and payment of preferred stock dividends and, accordingly, do not anticipate paying any cash dividends on our common stock in the near future.

**(d) Securities authorized for issuance under equity compensation plans**

**EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information as of December 31, 2005 with respect to compensation plans (including individual compensation arrangements) which were approved by our stockholders and under which our equity securities are authorized for issuance.

**Equity Compensation Plan Information**

| Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans |
|---|---|---|
| 575,000 | $ 2.88 | None |

6. Management's Discussion and Analysis or Plan of Operation.

**Forward Looking Statements**

This Annual Report on Form 10-KSB 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 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-KSB, 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.

In addition to the risks discussed in Item 1 "Factors That May Affect Our Future Performance", various other 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 factors:

- our growth strategies;
- our development and potential acquisition of new facilities;
- risks related to development and construction activities;
- anticipated trends in the gaming industries;
- patron demographics;
- general market and economic conditions;
- access to capital, including our ability to finance future business requirements;
- the availability of adequate levels of insurance;
- changes in federal, state, and local laws and regulations, including environmental and gaming license legislation and regulations;
- regulatory approvals;
- competitive environment;
- 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 risk factors 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 its business or the extent to which any factor, or combination of factors, may cause actual results to differ significantly from those forecast in any forward-looking statements.

**Overview**

Our revenues during 2005 and 2004 were derived solely from our Delaware joint venture, as we have been unable to proceed with development of our Michigan project until an environmental impact study is completed, and certain litigation is resolved in our favor. With new management in place as of March 2004, we refocused our efforts to identify additional development and management opportunities. During 2005, we entered into agreements with the Nambe Pueblo of New Mexico and the Northern Cheyenne tribe of Montana to develop and manage gaming casinos for each. Each agreement is subject to approval by the National Indian Gaming Commission and the project site must approved for gaming by appropriate officials in the Department of the Interior. The proposed site for the Nambe Pueblo project is land adjacent to the Pueblo and is considered suitable for gaming pursuant to the Regulatory Act. The proposed site for the Northern Cheyenne project is on land which must be approved by the Secretary of the Interior in conjunction with the Governor of Montana pursuant to a process set forth in the Regulatory Act .. While we may not be able to obtain all of the required approvals, we have no reason to believe that each of the management agreements will not be approved or that there will be any objection to the Nambe site. However, legislative bills were introduced into committee in both the Senate and House of Representatives which, if passed into law in their current form, would impact the ability of the Northern Cheyenne tribe to use its chosen site for gaming. We cannot predict the precise effect as both bills remain in committee and are subject to change. In fact neither bill may be passed by Congress or signed into law by the President.

In addition, during 2005, we were chosen by the Manuelito Chapter of the Navajo Nation as its designated gaming developer and manager. We have also been in discussions with other Chapters of the Navajo Nation concerning development and management of gaming casinos. Several determinations must be made by the Tribal Council of the Navajo Nation before gaming can be developed on tribal lands, including whether the Nation or individual Chapters will conduct gaming, where gaming casinos will be located and which management contractors may be approved.

**Critical Accounting Estimates and Policies**

As discussed below and in notes 2 and 3 to our consolidated financial statements, effective for 2005, we retroactively changed our accounting for advances made to the tribes. The estimated fair value of such advances is now accounted for as in-substance structured notes in accordance with the guidance contained in Emerging Issues Task Force (EITF) Issue No. 96-12, *Recognition of Interest Income and Balance Sheet Classification of Structured Notes*).

Although our financial statements necessarily make use of certain accounting estimates by management, we believe that, except as discussed below, no matters that are the subject of such estimates are so highly uncertain or susceptible to change as to present a significant risk of a material impact on our financial condition or operating performance.

The significant accounting estimates inherent in the preparation of our financial statements include estimates associated with management's fair value estimates related to notes receivable from tribal governments, and the related evaluation of the recoverability of our investments in contract rights. Various assumptions, principally affecting the probability of completing our various projects under development and getting them open for business, and other factors underlie the determination of these significant estimates. The process of determining significant estimates is fact and project specific and takes into account factors such as historical experience and current and expected legal, regulatory and economic conditions. We regularly evaluate these estimates and assumptions, particularly in areas, if any, where changes in such estimates and assumptions could have a material impact on our results of operations, financial position and, generally to a lesser extent, cash flows. Where recoverability of these assets is contingent upon the successful development and management of a project, we evaluate the likelihood that the project will be completed and then evaluate the prospective market dynamics and

how the proposed facilities should compete in that setting in order to forecast future cash flows necessary to recover the recorded value of the assets. In most cases, we engage independent experts to prepare market and/or feasibility studies to assist in the preparation of forecasted cash flows. Our conclusions are reviewed as warranted by changing conditions.

**Accounting for long-term assets related to Indian casino projects**

We evaluate the financial opportunity of each potential service arrangement before entering into an agreement to provide financial support for the development of an Indian casino project. This process includes (1) determining the financial feasibility of the project assuming the project is built, (2) assessing the likelihood that the project will receive the necessary regulatory approvals and funding for construction and operations to commence, and (3) estimating the expected timing of the various elements of the project including commencement of operations. When we enter into a service or lending arrangement, management has concluded that the probable future economic benefit is sufficient to compensate us for our efforts in relation to the perceived financial risks. No asset, including notes receivable or contract rights, related to an Indian casino project is recorded on our books unless it is considered probable that the project will be built and result in an economic benefit sufficient for us to recover the asset.

In initially determining the financial feasibility of the project, we analyze the proposed facilities and their location in relation to market conditions, including customer demographics and existing and proposed competition for the project. Typically, independent consultants are also hired to prepare market and financial feasibility reports. These reports are updated periodically as conditions change.

We also consider the status of the regulatory approval process including whether:

(1) the BIA recognizes the tribe,

(2) the tribe has the right to acquire land to be used as a casino site,

(3) the Department of the Interior has put the land into trust as a casino site,

(4) the tribe has a gaming compact with the state government,

(5) the National Indian Gaming Commission has approved a proposed management agreement, and

(6) other legal or political obstacles exist or are likely to occur.

The development phase of each relationship commences with the signing of the respective agreements and continues until the casinos open for business. Thereafter, the management phase of the relationship, governed by the management contract, continues for a period of up to seven years. We make advances to the tribes, primarily to fund certain portions of the projects, which bear no interest or below market interest until operations commence. Repayment of the advances and accrued interest is only required if the casino is successfully opened and distributable profits are available from the casino operations. Under the management contract, we typically earn a management fee calculated as a percentage of the net operating income of the gaming facility. In addition, repayment of the loans and the manager's fees are subordinated to certain other financial obligations of the respective operations. Generally, the order of priority of payments from the casinos' cash flows is as follows:

- a certain minimum monthly priority payment to the tribe
- repayment of various senior debt associated with construction and equipping of the casino with interest accrued thereon
- repayment of various debt with interest accrued thereon due to us
- management fee to us
- other obligations, and
- the remaining funds distributed to the tribe.

**Notes receivable.** We have historically accounted for our notes and advances receivable from and management contracts with the tribes as separate assets. Under the contractual terms, the notes do not become due and payable unless and until the projects are completed and operational. However, if our development activity is terminated prior to completion, we generally retain the right to collect in the event of completion by another developer. Because the stated rate of the notes receivable alone is not commensurate with the risk inherent in these projects (at least prior to commencement of operations), the estimated fair value of the notes receivable is generally

less than the amount advanced. At the date of each advance, the difference between the estimated fair value of the note receivable and the actual amount advanced is recorded as either an intangible asset, contract rights, or expensed as period costs of retaining such rights if the rights were acquired in a separate unbundled transaction.

Subsequent to its effective initial recording at estimated fair value, the note receivable portion of the advance is adjusted to its current estimated fair value at each balance sheet date using typical market discount rates for prospective Indian casino operations, as affected by project-specific circumstances such as estimated probabilities affecting the expected opening date and changes in the status of regulatory approvals which include whether (1) the Bureau of Indian Affairs recognizes the tribe, (2) the tribe has the right to acquire land to be used as a casino site, (3) the Department of the Interior has put the land into trust as a casino site, (3) the tribe has a gaming compact with the state government, (4) the National Indian Gaming Commission has approved a proposed management agreement, and (5) other legal or political obstacles exist or are likely to occur. The notes receivable are not adjusted to an estimated fair value that exceeds the face value of the note plus accrued interest, if any. No interest income is recognized during the development period, but changes in estimated fair value of the notes receivable are recorded as unrealized gains or losses in our statement of operations.

Upon opening of the casino, the difference, if any, between the then recorded estimated fair value of the notes receivable, subject to any appropriate impairment adjustments impairment pursuant to Statement of Financial Accounting Standards No. 114 *"Accounting by Creditors for Impairment of a Loan,"* and the amount contractually due under the notes would be amortized into income using the effective interest method over the remaining term of the note.

**Contract rights.** Intangible assets related to the acquisition of the management contracts are periodically evaluated for impairment based on the estimated cash flows from the management contract on an undiscounted basis and amortized using the straight-line method over the lesser of seven years or contractual lives of the agreements, typically beginning upon commencement of casino operations. In the event the carrying value of the intangible assets were to exceed the undiscounted cash flow, the difference between the estimated fair value and carrying value of the assets would be charged to operations.

**Summary of assets related to Indian casino projects.** Assets associated with Indian casino projects at December 31, 2005 and 2004 totaled $13,345,113 and $11,910,596, respectively. Of such amounts $12,915,011 and $11,885,596 related to a management agreement with the Michigan tribe for the development and operation of a casino resort near Battle Creek, Michigan. Before the issuance of our 2004 10KSB, we learned that the United States Supreme Court had upheld the validity of tribal-state gaming compact with the State of Michigan, which resulted in a reduction of our estimated time table for opening the casino from 4 to 3 years. There have been no other significant subsequent developments. To recap the current status of the project:

(1) the tribe is federally recognized,

(2) adequate land for the proposed casino resort has not been placed in trust pending the outcome of item 5 below,

(3) the tribe has a valid gaming compact with the State of Michigan,

(4) the National Indian Gaming Commission has not yet approved the management contract, and

(5) the Bureau of Indian affairs is expected to issue a final environmental impact statement during the first half of 2006.

Selected key assumptions used to estimate the fair value of the notes receivable at December 31, 2005 and 2004 include (1) the estimated number of years until the casino opens (three at both dates), (2) discount rate (22.5% at both dates), and (3) the face amount of the notes of $8,577,979 and $6,516,337, respectively. It is estimated that the stated interest rate (prime plus 5%) during the loan repayment term will be commensurate with the inherent risk at that time.

Factors that we consider in arriving at a discount rate include (1) discount rates typically used by gaming industry investors and appraisers to value individual casino properties outside of Nevada and (2) discount rates produced by the widely accepted Capital Asset Pricing Model, or CAPM, using the following key assumptions:

- S&P 500, 10 and 15-year average benchmark investment returns (medium-term horizon risk premiums);
- Risk-free investment return equal to the 10-year average for 90-day Treasury Bills;

- Investment beta factor equal to the unleveraged five-year average for the hotel and gaming industry; and
- Project specific adjustments based on typical size premiums for “micro-cap” and “low-cap” companies using 10 and 15-year averages.

Management believes that, under the circumstances, essentially three critical dates and events impact the project specific discount rate adjustment when using CAPM: (1) the date that management completes its feasibility assessment and decides to invest in the opportunity; (2) the date when construction financing has been obtained after all legal obstacles have been removed; and (3) the date that operations commence.

At December 31, 2005, the sensitivity of changes in the assumptions related to the Michigan project are illustrated by the following increases (decreases) in the estimated fair value of the note receivable:

| | | |
|---|---|---|
| • | Discount rate increases to 25% | $ (237,491) |
| • | Discount rate decreases to 20% | 257,696 |
| • | Forecasted opening date delayed one year | (741,751) |
| • | Forecasted opening date accelerated one year | 908,647 |

Amortization of gaming and contract rights is, or is expected to be provided on a straight-line basis over the contractual lives of the assets. The contractual lives may include, or not begin until after a development period and/or the term of the subsequent management agreement. Because the development period may vary based on evolving events, the estimated contractual lives may require revision in future periods. Accordingly, we have extended the amortization period in 2004 and 2005 to reflect the revised anticipated opening date for the Michigan casino. These gaming and contract rights are held by Full House and are to be assigned to the appropriate operating subsidiary when the related project is operational and, therefore, they are not part of the calculation of the minority interests in the subsidiaries.

In accordance with FIN 46(R), *Consolidation of Variable Interest Entities* (FIN 46(R)), we evaluated our joint ventures in a prior year including our 50% ownership interest in our Michigan venture. Due to our current financing arrangement, we believe we are exposed to the majority of risk of economic loss from its activities. In addition, we believe that it is a variable interest entity as defined in FIN 46(R) and accordingly, we concluded that it should be consolidated into our financial statements. We adopted FIN 46(R) in 2004, without retroactive restatement to our 2003 financial statements, as permitted under FIN 46(R). Since the Michigan venture was previously carried on the equity method of accounting, there was no cumulative effect of an accounting change.

**Recent Accounting Pronouncements**

In December 2004, the Financial Accounting Standards Board, or FASB, issued Statement of Financial Accounting Standards No. 123 (Revised 2004),*Share-Based Payment*, or SFAS 123R. SFAS 123R requires that compensation cost related to share-based employee compensation transactions be recognized in the financial statements. The provisions of SFAS 123R are to be effective for us beginning January 1 2006. Since all employee options outstanding at December 31, 2005, are fully vested, there will be no effect of applying the new standard on future periods with respect to such options currently outstanding. We cannot predict the effect, if any, of the new standard on the accounting for future option grants, none of which have been approved to date.

In May 2005, the FASB issued SFAS No. 154,*Accounting Changes and Error Corrections, a Replacement of APB Opinion No. 20, Accounting Changes, and SFAS No. 3, Reporting Accounting Changes in Interim Financial Statements*. SFAS No. 154 changes the requirement for the accounting for and reporting of a change in accounting principles, is effective in the fiscal year beginning after December 15, 2005, but may be adopted early under certain circumstances. We do not presently expect to enter into any accounting changes in the foreseeable future that would be affected by adopting SFAS No. 154 when it becomes effective.

**Results of Operations**

**Year Ended December 31, 2005 Compared to Year Ended December 31, 2004 (as restated)**

**Equity in Net Income of Unconsolidated Joint Venture.** Our share of income from the Delaware joint venture was $3,700,916 in 2005, an increase of $114,756, or 3% compared to 2004. The increase is due to an expansion of the facilities, the addition of 140 gaming machines and extended operating hours in the second quarter of 2005. This was partially offset by an increase to the estimated management fee rebate of $33,632 in the first quarter of 2005. Rebate provisions call for the Delaware joint venture to repay 50% of management fees received in excess of $7,000,000. The estimated rebate is accrued throughout the fiscal year.

**Project Development Costs.** Project development costs increased by $457,069, or 59% over the prior year, due mainly to increased professional fees associated with the environmental impact study for the Michigan development as required by the court in which the litigation relating to taking the land into trust is pending. The increase in environmental impact study-related costs is the result of engaging legal counsel and other professionals for environmental litigation issues.

**General and Administrative Expenses.** General and administrative expenses increased by $689,715, or 42%, from 2004 partially due to an increase of $355,142 in payroll related to new development projects and additional staff. We have added executive staff in an effort to plan and program our projects so that development and construction can be expedited once the required approvals are obtained. The remaining increase is largely attributable to director's fees of $130,000, increased business travel of $99,763, American Stock Exchange listing fees of $50,000 and other overhead costs resulting from researching and identifying new business opportunities.

**Depreciation and Amortization.** Depreciation and amortization decreased by $25,296 primarily due to the $16,650 reduction in amortization expense as a result of a prospective increase in the estimated used to amortize Michigan gaming contract. The remaining difference was due to the disposal of the California gaming rights.

**Unrealized Gain on Notes Receivable** Unrealized gains on notes receivable are determined based upon the estimated fair value of our notes receivable related to Indian casino projects, as discussed in more detail in "Critical Accounting Estimates and Policies" above. The decrease in unrealized gains of $398,859, or 76%, from 2004 is primarily due to favorable court rulings related to the Michigan project in 2004 that caused us to revise the estimated timetable for opening the project from four years to three years.

**Arbitration Award, Net**. The arbitration award is the reimbursement and damages resulting from a favorable arbitration ruling regarding terminated development and management agreements entered into in 1995 and 1997 in connection with the now terminated project in California. The settlement income of $1,050,898 was partially offset by the write-off of the related remaining net gaming rights of $103,287 and advances of $25,000 related to the terminated California project.

**Interest and Other Income.** The increase of $50,763, or 514%, is due to investing cash at a higher interest rate than in the prior year.

**Interest expense.** The increase of $40,122, or 37%, is due to the increase in prime rate during 2005 compared to 2004 which affects our variable-rate note payable.

**Income Taxes.** The effective tax rate reflects Delaware state taxes on joint venture earnings determined on a separate return basis, combined with the statutory federal income tax adjusted for non-deductible expenses. Tax returns for 2001, 2002 and 2003 were amended in 2005 to adjust contract rights amortization and to properly characterize the 2003 tax loss on the sale of Mississippi property, resulting in a tax refund in 2005.

**Non-controlling Interest in Loss of Consolidated Joint Venture.** RAM Entertainment, LLC, a privately held investment company, has a 50% non-controlling interest in our Michigan consolidated Michigan joint venture. The joint venture's losses are the result of funding development costs associated with the Michigan project. Since RAM did not fund any expenses of the joint venture prior to 2005, there was no non-controlling interest in the consolidated investee's losses reported in the comparable prior year.

**LIQUIDITY AND CAPITAL RESOURCES**

Our operating cash flows are closely related to our income from our Delaware joint venture. Cash flow from operations in 2005 increased $1,308,188, or 123%, over 2004 due mainly to the arbitration award related to our now terminated project in California. At December 31, 2005, we had cash on deposit of $3,275,270. Cash used in investing activities increased $1,023,218, or 190%, from 2004 due to the increased advances to tribal governments. Developers of Indian gaming projects are typically expected to advance funds on behalf of tribes during the development process and before the gaming venture is approved and operational. Investing activities also included the purchase of land and gaming rights related to the Manuelito Chapter of the Navajo tribe. There were no financing activities in either period.

The Delaware joint venture is currently our sole source of recurring income and significant positive cash flow. Distributions are governed by the terms of the applicable joint venture agreement. The fifteen year contract, which expires in the year 2011, provides that net cash flow (after certain deductions) is to be distributed monthly to us and our joint venture partner. Our continuing cash flow is dependent on the operating performance of this joint venture, and its ability to make monthly distributions.

Our future cash requirements will be primarily to fund the balance of development expenses for the Michigan, Nambe, Northern Cheyenne and other projects, and general and administrative expenses. 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. A decrease in our cash receipts or the lack of available funding sources would limit our development. Additional projects are considered based on their forecasted profitability, development period and ability to secure the funding necessary to complete the development, among other considerations. As part of our agreements for tribal developments, we typically fund costs associated with projects which may include legal, civil engineering, environmental, design, training, land acquisition and other related advances while assisting the tribes in securing financing for the construction of the project. A majority of these costs are advances to the tribes and are reimbursable to us, as documented in our management and development agreements, as part of the financing of the project's development. While each project is unique, we forecast these costs when determining the feasibility of each opportunity. Such agreements to finance costs associated with the development and furtherance of projects are typical in this industry and have become expected of Indian gaming developers.

Our funding of the Michigan project and our liquidity are affected by an agreement with RAM Entertainment, the owner of a 50% interest in our Michigan joint venture, in exchange for funding a portion of the development costs. RAM advanced $2,381,260 to us, which is partially convertible into a capital contribution to the Michigan joint venture upon federal approval of the land into trust application and federal approval of the management agreement with the Michigan tribe. As of December 31, 2005, these contingencies had not occurred and we and RAM agreed to, among other items, extend the maturity date of the note payable to RAM to July 1, 2007, with interest continuing to accrue without requiring payment or penalty. As part of that agreement, RAM subordinated its security interest in the collateral to our other borrowings up to $3,000,000 subject to certain terms, and committed to fund a portion of Michigan development expenditures, previously absorbed and expensed by us, of up to $800,000, retroactive to January 1, 2005. As of March 16, 2006, RAM has paid $800,000 towards these Michigan development expenditures.

If RAM were to exercise its conversion option, $2.0 million would be converted to a capital contribution to the Michigan joint venture, and the balance of approximately $381,260, plus any unpaid interest would remain as debt. As stipulated in our agreements, development costs would be initially financed by RAM if not financed by another source. We may pursue financing sources to buy out RAM's position, but as of December, 31, 2005, no acceptable financing sources have been identified. If the proposed casino is constructed, the forecasted revenues indicate that the underlying project will generate sufficient excess operating cash flow to repay or refinance the project development costs incurred by us on behalf of the Michigan tribe. Although we expect the primary remaining legal obstacle, the environmental impact study, to be favorably resolved by the end of 2006, this may not occur this year or at all.

In February 2005, we were named as the developer and manager of a gaming project to be developed by the Manuelito Chapter of Navajo Indians in New Mexico. In order to pursue this opportunity, we entered into an agreement with NADACS, Inc., a New Mexico company, to pursue the project. Pursuant to the agreement, we paid NADACS $200,000 as partial payment for the right to pursue development and management agreements for future Navajo gaming facilities. This project is subject to the consent of the Navajo Nation and compliance with its yet to be created gaming commission rules and regulations, and approval by the NIGC. As part of the agreements, we have committed to finance certain costs associated with the development and furtherance of this project. Our agreements with the tribe provide for the reimbursement of these advances either from the proceeds of the financing of the development, the actual operation itself or, in the event that we do not complete the development, from the revenues of the tribal gaming operation undertaken by others.

In May 2005, we entered into development and management agreements with the Northern Cheyenne tribe of Montana for a proposed casino to be built approximately 28 miles north of Sheridan, Wyoming. The Montana tribe currently operates the Charging Horse casino in Lame Deer, Montana, consisting of 125 gaming devices, a 300 seat bingo hall and restaurant. As part of the agreements, we have committed to finance costs associated with the development and furtherance of this project up to $17,000,000. Our agreements with the tribe provide for the reimbursement of these advances either from the proceeds of the financing of the development, the actual operation itself or, in the event that we do not complete the development, from the revenues of the tribal gaming operation undertaken by others.

In June 2005, we signed gaming development and management agreements with the Nambe Pueblo of New Mexico to develop a 50,000 square foot facility including gaming, restaurants, entertainment and other amenities as part of the tribe's multi-phased master plan of economic development. The agreements have been submitted to the National Indian Gaming Commission for required approval. As part of the development agreement, we advanced $194,076 and have committed to finance costs associated with the development and furtherance of this project up to $40,000,000. Our agreements with the tribe provide for the reimbursement of these advances either from the proceeds of the financing of the development, the actual operation itself or, in the event that we do not complete the development, from the revenues of the tribal gaming operation undertaken by others. Our agreement provides for us to be the primary obligor on any third party financing obtained for the gaming project and only the gaming revenues of the tribe would be obligated to the repayment of development costs, whether due to us or to a third party.

As part of the termination of our Hard Rock licensing rights in Biloxi, Mississippi, we agreed to provide consulting services to Hard Rock if and when the Biloxi facility opens, entitling us to annually receive the greater of $100,000 or 10% of licensing fees for the two year consulting period. However, due to the devastation caused by Hurricane Katrina, which caused severe damage to the Hard Rock Casino in Biloxi, the opening of the facility, which was originally scheduled for the third quarter of 2005, has been delayed indefinitely.

As of December 31, 2005, we had cumulative undeclared and unpaid dividends in the amount of $2,835,500 on the 700,000 outstanding shares of our 1992-1 Preferred Stock. Such dividends are cumulative whether or not declared, and are currently in arrears. We do not plan to declare dividends until there is sufficient cash flow from operations. However, we are evaluating other alternatives to settle the dividends in arrears.

On April 6, 2006, Full House Resorts signed a Stock Purchase Agreement under which Full House will acquire all of the outstanding shares of Stockman's Casino, Inc. for $25.5 million. Stockman's Casino, Inc. owns and operates Stockman's Casino and Holiday Inn Express in Fallon, Nevada. An adjustment to the purchase price could occur if the operation exceeds certain financial targets during the 12 months prior to closing. The closing of the transaction is expected to occur later this year and is subject to the receipt of all regulatory approvals. Full House intends to finance the transaction with a combination of cash, debt, and equity.

**Contractual Obligations.** The following table summarizes our contractual obligations as of December 31, 2005:

| | | Payments Due by Period | | | |
|---|---|---|---|---|---|
| | Total | Less than 1 year | 1 to 3 years | 3 to 5 years | Thereafter |
| Long-term debt | $2,381,260 | $ — | $2,381,260 | $ — | $ — |
| Operating leases | 54,297 | 43,115 | 11,182 | — | — |
| Total | $2,435,557 | $ 43,115 | $2,392,442 | $ — | $ — |

In addition, holders of our preferred stock have the right to $.30 per share cumulative dividends which now total $2,835,000. Through December 31, 2005, no dividends have been declared or paid.

Through our management or development agreements, we have agreed to arrange financing for Michigan and Montana tribes on a best efforts basis and have agreed to obtain financing on behalf of the Nambe tribe in New Mexico. The amounts to be financed may change based on the individual project's planned size and costs and currently Michigan requires approximately $140,000,000 and Montana requires approximately $17,000,000. We are to provide $40,000,000 for the Nambe project.

**Quantitative and Qualitative Disclosures about Market Risk**. Market risk is the risk of loss from changes in market rates or prices, such as interest rates and commodity prices. We are exposed to market risk in the form of changes in interest rates and the potential impact such changes may have on our variable rate debt. We have not invested in derivative based financial instruments.

At December 31, 2005, our total outstanding long-term debt of $2.4 million is subject to variable interest rates, which averaged 6.19% during the current year. Our variable rate debt is based on the prime lending rate and therefore, our interest rates on this variable rate debt will change as the prime rate changes. Based on our outstanding variable rate debt at December 31, 2005, a hypothetical 1% change in rates would result in an increase in annual interest expense of approximately $24,000. At this time, we do not anticipate that either inflation or interest rate variations will have a material impact on our future operations.

7. **Financial Statements**.

The following financial statements are filed as part of this Report:

- Reports of Independent Registered Accounting Firm;
- Consolidated Balance Sheets as of December 31, 2005 and 2004;
- Consolidated Statements of Operations for the years ended December 31, 2005 and 2004;
- Consolidated Statements of Stockholders' Equity for the years ended December 31, 2005 and 2004;
- Consolidated Statements of Cash Flows for the years ended December 31, 2005 and 2004;
- Notes to Consolidated Financial Statements.

8. **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**.

None.

8A. **Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures –** Our chief executive and financial officers, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Section 13a-15 of the Securities Exchange Act of 1934) have concluded that as of December 31, 2005, our disclosure controls and procedures were effective and designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act is accumulated and communicated to them to allow timely decisions regarding required disclosures.

**Changes in Internal Control Over Financial Reporting –** During the fourth quarter of 2005, we re-evaluated and changed our accounting methodology surrounding our contractual relationships with

Indian tribes, including the implementation of internal control procedures supporting the new accounting methodology. These changes were made prior to filing our Annual Report on Form 10-KSB for 2005. There have been no other changes to our internal control over financial reporting since the implementation of the new accounting methodology that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

8B. **Other Information.**

None.

**PART III**

9. **Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act**

The information required by this Item will be set forth under the captions "Proposal No. 1. Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the definitive Proxy Statement for our 2006 Annual Meeting of Stockholders (our "Proxy Statement") to be filed with the Securities and Exchange Commission on or about April 29, 2006 and is incorporated herein by this reference.

10. **Executive Compensation**.

The information required by this Item will be set forth under the caption "Executive Compensation" in our Proxy Statement and is incorporated herein by this reference.

11. **Security Ownership of Certain Beneficial Owners and Management**.

The information required by this Item will be set forth under the captions "Proposal No. 1. Election of Directors — Security Ownership of Certain Beneficial Owners and Management" and "Executive Compensation — Equity Compensation Plan Information" in our Proxy Statement and is incorporated herein by this reference.

12. **Certain Relationships and Related Transactions**.

The information required by this Item will be set forth under the caption "Certain Transactions" in our Proxy Statement and is incorporated herein by this reference.

13. **Exhibits**.

| | |
|---|---|
| 2.5 | Assignment and Sale Agreement dated March 30, 2001 by and among GTECH Corporation, Dreamport, Inc., GTECH Gaming Subsidiary 2 Corporation, Full House Resorts, Inc., and Full House Subsidiary, Inc. (Incorporated by reference to Full House's Current Report on Form 8-K as filed with the Securities and Exchange Commission on April 12, 2001) |
| 2.6 | Stock Purchase Agreement, dated April 6, 2006, between Full House Resorts, Inc. and the James R. Peters Family Trust. (Incorporated by reference to Exhibit 2.1 to Full House's Current Report on Form 8-K as filed with the Securities and Exchange Commission on April 10, 2006) |
| 3.1 | Certificate of Incorporation. as amended to date * |
| 3.2 | Certificate of Designation of Series 1992-1 Preferred Stock of Full House Resorts, Inc. * |

| | |
|---|---|
| 3.3 | Bylaws of Full House Resorts Inc. (As amended by Resolutions dated July 28, 1995, September 29, 1995, and November 24, 1997) * |
| 10.50 | Agreement dated as of November 18, 1996 by and among Green Acres Casino Management Company, GTECH Corporation, Gaming Entertainment (Michigan) LLC and Full House (Incorporated by reference to Full House's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1996) |
| 10.51 | Amended and Restated Class III Management Agreement dated November 18, 1996 between Nottawaseppi Huron Band of Potawatomi and Gaming Entertainment (Michigan) LLC (Incorporated by reference to Full House's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1996) |
| 10.56 | Investor Agreement by and between Full House Resorts, Inc. and RAM Entertainment, LLC, dated February 15, 2002 (Incorporated by reference to Full House's Quarterly Report on Form 10-QSB for the quarter ended March 31, 2002) |
| 10.57 | Management Agreement by and between Gaming Entertainment (Delaware), LLC and Harrington Raceway, Inc. dated January 31,1996 (Incorporated by reference to Full House's Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002) |
| 10.58 | Amendment to Management Agreement by and between Gaming Entertainment (Delaware), LLC and Harrington Raceway, Inc. dated March 18, 1998 (Incorporated by reference to Full House's Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002) |
| 10.59 | Amendment to Management Agreement by and between Gaming Entertainment (Delaware), LLC and Harrington Raceway, Inc. dated July 1, 1999 (Incorporated by reference to Full House's Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002) |
| 10.60 | Amendment to Management Agreement by and between Gaming Entertainment (Delaware), LLC and Harrington Raceway, Inc. dated February 4, 2002 (Incorporated by reference to Full House's Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002) |
| 10.61 | Forbearance Agreement dated December 29, 2004 entered into between Full House and RAM Entertainment, LLC (Incorporated by reference to Full House's Current Report on Form 8-K as filed with the Securities and Exchange Commission on January 3, 2005) |
| 10.62 | Amendment to Investor Agreement by and between Full House Resorts, Inc. and RAM Entertainment, LLC, dated May 31, 2005 * |
| 10.63 | Economic Development Agreement between Full House Resorts, Inc. and Northern Cheyenne Tribe dated May 24, 2005 * |
| 10.64 | Development Agreement by and among Pueblo of Nambé, Nambé Pueblo Gaming Enterprise Board and Gaming Entertainment (Santa Fe), LLC dated as of September 20, 2005 * |
| 10.65 | Security and Reimbursement Agreement by and among the Nambé Pueblo Gaming Enterprise Board, Gaming Entertainment (Santa Fe), LLC and the Pueblo of Nambé dated as of September 20, 2005 * |

| | |
|---|---|
| 10.66 | Revised Class III Gaming Management Agreement by and among, Pueblo of Nambe, Nambe Pueblo Gaming Enterprise Board and Gaming Entertainment (Sants Fe), LLC, dated as of December 10, 2005* |
| 10.67 | Class III Gaming Management Agreement between the Northern Cheyenne Tribe and Gaming Entertainment (Montana), LLC dated January 20, 2006 * |
| 14 | Code of Ethics for CEO and Senior Financial Officers (Incorporated by reference to Full House's Annual Report on Form 10-KSB for the year ended December 31, 2003) |
| 21 | List of Subsidiaries of Full House Resorts, Inc. * |
| 23.2 | Consent of Piercy Bowler Taylor & Kern, Certified Public Accountants and Business Advisors a Professional Corporation * |
| 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 and financial officers pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 * |

* Filed herewith.
\+ Executive compensation plan or arrangement

14. **Principal Accountants' Fees and Services**.

The information required by this Item will be set forth under the caption "Independent Public Accountants" in our Proxy Statement and is incorporated herein by this reference.

**SIGNATURES**

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

FULL HOUSE RESORTS, INC.

Date: April 14, 2006

By: /s/ ANDRE M. HILLIOU
Andre M. Hilliou, Chief Executive Officer

In accordance with the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| Name and Capacity | Date |
|---|---|
| /s/ J. MICHAEL PAULSON<br>J. Michael Paulson, Chairman of the Board | April 14, 2006 |
| /s/ ANDRE M. HILLIOU<br>Andre M. Hilliou, Chief Executive Officer and Director<br>(Principal Executive Officer) | April 14, 2006 |
| /s/ LEE A. IACOCCA<br>Lee A. Iacocca, Director | April 14, 2006 |
| /s/ WILLIAM P. MCCOMAS<br>William P. McComas, Director | April 14, 2006 |
| /s/ CARL G. BRAUNLICH<br>Carl G. Braunlich, Director | April 14, 2006 |
| /s/ MARK J. MILLER<br>Mark J. Miller, Director | April 14, 2006 |
| /s/ JAMES MEIER<br>James Meier, Chief Financial Officer<br>(Principal Financial and Accounting Officer) | April 14, 2006 |

## REPORT OF INDEPENDENT REGISTERED ACCOUNTING FIRM

Board of Directors
Full House Resorts, Inc.
Las Vegas, NV:

We have audited the accompanying consolidated balance sheets of Full House Resorts, Inc. and Subsidiaries (the "Company") as of December 31, 2005 and 2004, and the related consolidated statements of operations, deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Full House Resorts, Inc. and Subsidiaries as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

/s/ Piercy Bowler Taylor & Kern

Piercy, Bowler, Taylor & Kern,
Certified Public Accountants and Business Advisors
a Professional Corporation
Las Vegas, Nevada

March 21, 2006, except for Notes 2 and 3, to which the date is April 12, 2006

**FULL HOUSE RESORTS, INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**
**DECEMBER 31, 2005 AND 2004**

| | 2005 | 2004 (Restated) |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 3,275,270 | $ 2,466,365 |
| Other | 118,810 | 54,684 |
| Income tax receivable | — | 120,754 |
| | 3,394,080 | 2,641,803 |
| Investment in unconsolidated joint venture | — | 152,043 |
| Notes receivable, tribal governments | 4,268,529 | 3,123,950 |
| Contract rights, net of accumulated amortization of $542,299 and $551,858 | 5,087,752 | 4,927,814 |
| Land held for development | 3,988,832 | 3,858,832 |
| Deferred income tax asset | — | 64,257 |
| Deposits and other assets | 199,074 | 231,706 |
| | $ 16,938,267 | $ 15,000,405 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 130,580 | $ 371,144 |
| Accrued expenses | 369,268 | 64,858 |
| Income tax payable | 321,112 | — |
| | 820,960 | 436,002 |
| Note payable to co-venturer, including accrued interest of $238,513 and $91,103 | 2,619,773 | 2,472,363 |
| Deferred income tax liability | 124,807 | — |
| Other long-term liabilities | 272,137 | — |
| | 3,016,717 | 2,472,363 |
| Non-controlling interest in consolidated joint venture | 2,098,628 | 1,929,416 |
| Stockholders' equity: | | |
| Cumulative preferred stock, par value $.0001, 5,000,000 shares authorized; 700,000 shares issued and outstanding; aggregate liquidation preference of $4,935,000 and $4,725,000, including dividends in arrears of $2,835,000 and $2,625,000 | 70 | 70 |
| Common stock, par value $.0001, 25,000,000 shares authorized; 10,340,380 shares issued and outstanding | 1,034 | 1,034 |
| Additional paid-in capital | 17,429,889 | 17,429,889 |
| Deficit | (6,429,031) | (7,268,369) |
| | 11,001,962 | 10,162,624 |
| | $ 16,938,267 | $ 15,000,405 |

See notes to consolidated financial statements.

**FULL HOUSE RESORTS, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS**
**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

| | 2005 | 2004 (Restated) |
|---|---|---|
| **Equity in net income of unconsolidated joint venture** | $ 3,700,916 | $ 3,586,160 |
| **Operating costs and expenses** | | |
| Project development costs | 1,234,571 | 777,502 |
| General and administrative | 2,342,260 | 1,652,545 |
| Depreciation and amortization | 76,960 | 102,256 |
| | 3,653,791 | 2,532,303 |
| Unrealized gain on notes receivable | 119,274 | 518,133 |
| Arbitration award, net | 922,611 | — |
| **Income from operations** | 1,089,010 | 1,571,990 |
| **Other income (expense)** | | |
| Interest and other income | 60,631 | 9,868 |
| Interest expense | (147,411) | (107,289) |
| **Income before non-controlling interest in loss of consolidated joint venture and income taxes** | 1,002,230 | 1,474,569 |
| Non-controlling interest in loss of consolidated joint venture | 630,788 | — |
| **Income before income taxes** | 1,633,018 | 1,474,569 |
| Income taxes | (793,680) | (697,555) |
| **Net income** | 839,338 | 777,014 |
| Less current year's undeclared dividends on cumulative preferred stock | (210,000) | (210,000) |
| **Net income applicable to common shares** | $ 629,338 | $ 567,014 |
| **Net income per common share, Basic and Diluted** | $ 0.06 | $ 0.05 |
| **Weighted average number of common shares outstanding** | | |
| Basic | 10,340,380 | 10,340,380 |
| Diluted | 11,040,380 | 11,040,380 |

**CONSOLIDATED STATEMENTS OF DEFICIT**
**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

| | 2005 | 2004 (Restated) |
|---|---|---|
| Deficit, January 1, as previously reported | $ (7,268,369) | $ (8,657,932) |
| Adjustment | — | 612,549 |
| As adjusted | (7,268,369) | (8,045,383) |
| Net income | 839,338 | 777,014 |
| **Deficit, December 31** | $ (6,429,031) | $ (7,268,369) |

See notes to consolidated financial statements.

**FULL HOUSE RESORTS, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

| | 2005 | 2004 (Restated) |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Net income | $ 839,338 | $ 777,014 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 7,030 | 5,681 |
| Amortization of gaming rights | 69,930 | 96,575 |
| Deferred income taxes | 189,064 | 434,638 |
| Equity in net income of unconsolidated joint venture | (3,700,917) | (3,586,160) |
| Distributions from unconsolidated joint venture | 3,863,117 | 3,551,192 |
| Loss on disposition of California contract rights and note receivable | 128,287 | — |
| Unrealized gain on notes receivable, tribal governments | (119,274) | (518,133) |
| Increases in operating (assets) and liabilities: | | |
| Other assets | (2,611) | (30,021) |
| Accounts payable and accrued expenses | 483,393 | 450,215 |
| Income taxes payable | 441,866 | (120,754) |
| Non-controlling interest in unconsolidated venture | 169,212 | — |
| Net cash provided by operating activities | 2,368,435 | 1,060,247 |
| **Cash flows from investing activities:** | | |
| Advances to tribal governments, excluding $878,183 and $547,489 expensed | (1,050,305) | (529,186) |
| Purchases of other assets | (8,855) | (7,126) |
| Advances to co-venturer | (37,215) | — |
| Purchase of contract rights | (333,155) | — |
| Purchase of land held for development | (130,000) | — |
| Net cash used in investing activities | (1,559,530) | (536,312) |
| **Net increase in cash and cash equivalents** | 808,905 | 523,935 |
| Cash and cash equivalents, beginning of year | 2,466,365 | 1,942,430 |
| **Cash and cash equivalents, end of year** | $ 3,275,270 | $ 2,466,365 |

See notes to consolidated financial statements.

1. ORGANIZATION, NATURE AND HISTORY OF OPERATIONS

Full House Resorts, Inc., a Delaware corporation, develops, manages and/or invests in gaming related opportunities. The Company continues to actively investigate, individually and with partners, new business opportunities including commercial and tribal gaming operations. The Company seeks to expand through acquiring, managing, or developing casinos in profitable markets. Currently, Full House Resorts is a 50% investor in Gaming Entertainment (Delaware), LLC, a joint venture with Harrington Raceway, Inc., which manages Midway Slots and Simulcast at the Delaware State Fairgrounds in Harrington, Delaware. As of December 31, 2005, Midway Slots has 1,581 gaming devices, a 350-seat buffet, a 50-seat diner, a gourmet steak house and an entertainment lounge area. Full House also has a management agreement with the Nottawaseppi Huron Band of Potawatomi Indians, referred to herein as the Michigan tribe, for the development and management of a casino/resort in the Battle Creek, Michigan area, which is currently in the pre-development state. The planned casino / resort is expected to have more than 2,000 gaming devices.

In addition, the Company has entered into development and gaming management agreements with the Nambé Pueblo tribe of New Mexico for the development of a coordinated entertainment venue centered on a 50,000 square foot casino to be built approximately 15 miles north of Santa Fe, New Mexico (New Mexico tribe). The Company also has development and management agreements with the Northern Cheyenne Nation of Montana (Montana tribe) for the development and management of a 25,000 square foot gaming facility to be built approximately 28 miles north of Sheridan, Wyoming. The management agreements are subject to approval by the National Indian Gaming Commission (NIGC).

**History and status of the Michigan project.** The management contract with the Michigan tribe was originally negotiated in 1996. The Company, through Gaming Entertainment (Michigan), LLC, a 50%-owned subsidiary (GEM) is to finance, develop and manage the gaming operations on reservation lands to be acquired near Battle Creek, Michigan. The former owner of the contract rights will be paid a royalty fee in lieu of its original 15% ownership interest.

The Michigan tribe achieved final federal recognition as a tribe in April 1996, and obtained a Gaming Compact with Michigan early in 1997, which was ratified by the Michigan Legislature in 1998. A lawsuit was filed in 1999 that challenged the constitutionality of the approval process. On July 30, 2004, the Michigan Supreme Court ruled that the compacts were valid. Subsequent appeal to the United States Supreme Court was denied.

In December 1999, the management agreements, along with the required licensing applications were submitted to the NIGC. We met with the NIGC several times to review suggested revisions to the management agreements and, working with the Michigan tribe, have incorporated all the appropriate changes.

A parcel of land for the gaming enterprise was selected and the United States Department of Interior was petitioned during 2002 to take the land into trust for the benefit of the Michigan tribe. On August 30, 2002, a complaint was filed in United States District Court, seeking to prevent this land from being taken into trust. The parties filed their initial briefs and oral arguments were held on August 28, 2003. The U.S. District Court ruled that a previously completed environmental assessment regarding the proposed project was inadequate. As a result, the Company has contracted with a consulting firm to perform a comprehensive environmental impact study. The construction of the proposed project will not commence until the results of the environmental impact study are evaluated and approved by the U.S. District Court and construction financing has been secured. A Draft Environmental Impact Statement (DEIS) was issued in August 2005 and a second public hearing occurred to receive comment on the DEIS. Based upon that public comment, the consulting firm, on behalf of the BIA, is drafting a final Environmental Impact Statement (EIS) which is expected to be issued in the first half of 2006. The BIA will then issue a Record of Decision (ROD) as the final agency action. This will allow the Company to present the EIS before the District Court and seek to remove the injunction. If successful in court, the BIA will be free to take the land into trust for its intended purpose.

In February 2002, we entered into an agreement with RAM Entertainment, LLC, (RAM) a privately held investment company, whereby RAM was admitted as a 50% member in GEM and Gaming Entertainment (California), LLC, (GEC) in exchange for providing a portion of the necessary funding for the development of the projects. Accordingly, RAM loaned Full House $2,381,260. RAM has the right, and we expect that $2,000,000 of the loan will be converted into a capital contribution to GEM once the Michigan management contract receives regulatory approval, and the gaming site is taken into trust for the Michigan tribe (collectively referred to as the "Investor Contingencies"). The Company and RAM have agreed to, among other items, extend the maturity date of the note payable and accrued interest to July 1, 2007. As part of that agreement, RAM subordinated its security interest to up to $3,000,000 of other Company borrowings subject to certain terms, and RAM has committed to fund up to $800,000 of Michigan development expenditures. As of March 15, 2006, RAM has fully funded this commitment.

**History and status of the California project.** In 1995, GEC entered into a series of agreements with the Torres Martinez Band of Desert Cahuilla Indians, (California tribe) for economic development and gaming management near Palm Springs, California. In August 2001, the California tribe rejected the existing agreements and terminated Full House's services. As a result, the Company pursued reimbursement from the California tribe for expenses and damages and other relief of approximately $1.1 million. A favorable arbitration award was issued on February 16, 2005, which upheld the 1995 development agreement. In December 2005, the Company received a cash settlement from the tribe of $1,050,897 for relinquishment of its rights under the development agreement, and the parties issued mutual releases in satisfaction of all claims. The settlement resulted in income of $922,611, net of previously capitalized costs of $128,287.

2. RESTATEMENT

Subsequent to the issuance of the 2004 consolidated financial statements, the Company re-evaluated its accounting methodology surrounding its advances to and contractual relationships with Indian tribes. As is becoming the dominant practice in the industry, management has determined to retroactively account for the advances to Indian tribes as in-substance structured notes pursuant to Emerging Issues Task Force (EITF) Issue No. 96-12, *Recognition of Interest Income and Balance Sheet Classification of Structured Notes*, and give separate accounting recognition to the contractual notes receivable and the related contract rights when advances are made pursuant to the agreements. Historically, the Company recorded its advances to Indian tribes as development expenses or notes receivable, carried at cost, subject to allowances for doubtful collectibility, and deferred recognition of interest income due to the contingent repayment terms of the notes. As a result, the accompanying consolidated financial statements for 2004 have been restated to give retroactive effect to the accounting method described in Note 3 below.

A summary of the significant effects of the restatement is as follows:

| | As of December 31, 2004: | |
|---|---|---|
| | As Previously Reported | As Restated |
| | (In thousands, except per share data) | |
| **Consolidated balance sheet:** | | |
| Notes receivable, to tribal governments | $ 1,737 | $ 3,124 |
| Deferred income tax asset | 459 | 64 |
| Total assets | 13,931 | 15,000 |
| Total stockholder's equity | 9,093 | 10,163 |

| | For the Year Ended December 31, 2004: | |
|---|---|---|
| | As Previously Reported | As Restated |
| | (In thousands, except per share data) | |
| **Consolidated statement of income:** | | |
| Project development costs | $ 1,067 | $ 778 |
| Unrealized gain on notes receivable | — | 518 |
| Income taxes | (347) | (698) |
| Net income | 320 | 777 |
| Net income applicable to common shares | 110 | 567 |
| Net income per share, basic and diluted | 0.01 | 0.05 |

The restatement also resulted in an increase in previously reported retained earnings as of January 1, 2004 of $612,549.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of presentation** - The consolidated financial statements include the accounts of Full House Resorts, Inc. ("Full House" or the "Company") and all of its subsidiaries, including its 50%-owned subsidiary, Gaming Entertainment (Delaware), LLC (GED). Due to Full House's current financing arrangements for the Michigan development, Full House is exposed to the majority of risk related to the activities of GEM. Consequently, GEM is considered to be a variable interest entity as defined in Financial Accounting Standards Board (FASB) Interpretation No. 46R, *Consolidation of Variable Interest Entities* (FIN 46(R)) and therefore, GEM is consolidated into the Company's financial statements as of December 31, 2005 and 2004, in accordance with the provisions of FIN 46R. All material inter-company accounts and transactions have been eliminated.

**Cash equivalents** - Cash in excess of daily requirements is invested in highly liquid short-term investments with maturities of three months or less when purchased. Such investments are stated at cost, which approximates market, and are deemed to be cash equivalents for purposes of the consolidated financial statements.

**Concentrations of credit risk** - Full House's financial instruments that are exposed to concentrations of credit risk (or market risk) consist primarily of long term notes receivable, tribal advances. A portion of Full House's cash equivalents are in high quality securities placed with major banks and financial institutions. Management does not believe that there is significant risk of loss associated with such investments. Advances to tribal governments are primarily related to the Michigan development and represent advances made to the tribe to fund its operations. This amount is repayable from the operations of the gaming facility and, although there can be no assurance that a facility will be opened, management does not believe that there is significant risk of loss associated with such investment, but considers its assessment of such risk in its fair value estimates. However, the maximum loss that could be sustained if such advances prove to be uncollectible is limited to the recorded amount of the receivable and the related contract rights, less any impairment or other allowances that may be provided. The Company defers the recognition of interest revenue accrued on tribal advances due to the uncertainty of collectibility inherent in their terms.

**Investment in unconsolidated joint venture** – The Company accounts for its investment in GED using the equity method of accounting (Note 4). Under the equity method, original investments are recorded at cost and adjusted by Full House's share of net income and distributions of the venture.

**Fair value of financial instruments** - The carrying value of Full House's cash and cash equivalents and accounts payable, approximates fair value because of the short maturity of those instruments. As discussed above, substantially all of the Company's receivables are carried at estimated fair value. The estimated fair values of Full House's debt approximate their recorded values at December 31, 2005, based on the current rates offered to Full House for loans of the same remaining maturities.

**Accounting for long-term assets related to Indian casino projects -** The Company evaluates the financial opportunity of each potential service arrangement before entering into an agreement to provide financial support for the development of an Indian casino project. The Company accounts for its notes receivable from and management contracts with the tribes as separate assets.

The estimated fair value of the advances (notes receivable, tribal governments) made to the tribes are accounted for as in-substance structured notes in accordance with the guidance contained in EITF 96-12, *Recognition of Interest Income and Balance Sheet Classification of Structured Notes.* Under their terms, the notes do not become due and payable unless and until the projects are completed and operational. However, in the event the Company's development activity is terminated prior to completion, the Company generally retains the right to collect in the event of completion by another developer. Because the stated rate of the notes receivable alone is not commensurate with the risk inherent in these projects (at least prior to commencement of operations), the estimated fair value of the notes receivable is generally less than the amount advanced. At the date of each advance, the difference between the estimated fair value of the note receivable and the actual amount advanced is recorded as an intangible asset, management contract rights, or expensed as period costs of retaining such rights if the rights were acquired in a separate unbundled transaction.

Subsequent to its initial recording at estimated fair value, the note receivable portion of the advance is adjusted to its current estimated fair value at each balance sheet date using typical market discount rates for prospective Indian casino operations, as affected by project-specific circumstances, primarily probabilities affecting the expected opening date as affected by the status of regulatory approvals. The notes receivable are not adjusted to a fair value estimate that exceeds the face value of the note plus accrued interest, if any. No interest income is recognized during the development period, but changes in estimated fair value of the notes receivable are recorded as unrealized gains or losses in the Company's statement of operations.

Upon opening of the casino, any difference between the then estimated fair value of the notes receivable and the amount contractually due under the notes will be amortized into income using the effective interest method over the remaining term of the note. Such notes would then be evaluated for impairment pursuant to Statement of Financial Accounting Standards No. 114 *"Accounting by Creditors for Impairment of a Loan."*

Intangible assets related to the acquisition of the management contracts (contract rights) are periodically evaluated for impairment based on the estimated cash flows from the management contract on an undiscounted basis. In the event the carrying value of the intangible assets were to exceed the undiscounted cash flow, the difference between the estimated fair value and carrying value of the assets is charged to operations. The Company expects to amortize the contract rights using the straight-line method over seven years, or the term of the related management contract, whichever is shorter, typically beginning upon commencement of casino operations.

**Awards of stock-based compensation** - Presently, the Company measures stock-based employee and directors compensation cost (Note 12) using the intrinsic value based method of accounting prescribed by Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees.* Since no options were granted in the year presented, and all options that are outstanding as of December 31, 2005 are fully vested, there is no pro form presentation necessary to demonstrate the effect of applying the fair value recognition provisions of SFAS No. 123 on historical reported results of operations for 2005 and 2004.

In December 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 123 (Revised 2004),*Share-Based Payment* ("SFAS 123R"). SFAS 123R

requires that compensation cost related to share-based employee compensation transactions be recognized in the financial statements. The provisions of SFAS 123R are to be effective for us beginning January 1 2006. Since all employee options outstanding at December 31, 2005, are fully vested, there will be no effect of applying the new standard on future periods with respect to such options currently outstanding. Management cannot predict the effect, if any, of the new standard on the accounting for future option grants, none of which have been approved to date.

**Legal defense costs.** - The Company does not accrue for estimated future legal and related defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

**Earnings per common share** - Basic earnings per share (EPS) is computed based upon the weighted average number of common shares outstanding during the year. Diluted EPS is ordinarily computed based upon the weighted average number of common and common equivalent shares if their effect upon exercise would have been dilutive using the treasury stock method.

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates that affect reported amounts. Accordingly, actual results could differ from those estimates. Significant estimates used by Full House include evaluation of the recoverability of its investment in an unconsolidated joint venture, fair value and impairment estimates relative to notes receivable related to Indian casino projects and related contract rights, any of which could change materially in the next twelve months based on evolving developments and events.

**Reclassifications** – In addition to the effects of the restatement discussed in Note 2, certain minor reclassifications in prior year balances have been made to conform to the current year presentation, which had no effect on reported net income.

4. INVESTMENT IN UNCONSOLIDATED JOINT VENTURES

The investment in unconsolidated joint venture on the balance sheet is comprised of the Company's 50% ownership interest in GED, a joint venture between the Company and Harrington Raceway Inc., carried on the equity method of accounting.

The following is a summary of condensed financial information for GED as of and for the years ended December 31, 2005 and 2004:

CONDENSED BALANCE SHEET INFORMATION

| | 2005 | 2004 |
|---|---|---|
| Total assets | $ 699,886 | $ 613,169 |
| Total liabilities | 720,200 | 379,448 |
| Members' capital (deficiency) | (20,314) | 233,721 |

CONDENSED STATEMENT OF INCOME INFORMATION

| | 2005 | 2004 |
|---|---|---|
| Revenues | $ 21,623,810 | $ 20,917,324 |
| Income from operations | 7,469,096 | 7,172,320 |
| Net income | 7,469,096 | 7,172,320 |

Full House Resorts' earnings from GED have been reduced by $33,632 due to a rebate payment timing difference in 2005. GED is treated as a partnership for income tax purposes and consequently, recognizes no federal or state income tax provision.

5. NOTES RECEIVABLE, TRIBAL GOVERNMENTS

As of December 31, 2005 and 2004, Full House has made advances to tribal governments totaling $8,577,979 and $6,541,337 as follows:

| | 2005 | 2004 |
|---|---|---|
| Contractual (stated) amount | | |
| Michigan tribe | $ 8,243,344 | $ 6,516,337 |
| Other | 334,635 | 25,000 |
| | $ 8,577,979 | $ 6,541,337 |
| Estimated fair value of notes receivable related to Indian casino projects | | |
| Michigan tribe | $ 4,038,427 | $ 3,098,950 |
| Other | 230,102 | 25,000 |
| | $ 4,268,529 | $ 3,123,950 |

Certain portions of the advances to or on behalf of the tribal governments are in dispute, which has been considered in management's fair value estimates.

6. CONTRACT RIGHTS

Contract rights are comprised of the following as of December 31, 2005:

| | Cost | Accumulated Amortization | Net |
|---|---|---|---|
| Michigan project, initial cost | $ 4,155,213 | $ — | $ 4,155,213 |
| Michigan project, additional | 1,141,683 | (542,299) | 599,384 |
| Other projects | 333,155 | — | 333,155 |
| | $ 5,630,051 | $ (542,299) | $ 5,087,752 |

The initial cost of the Michigan contract rights were the result of a 1995 merger agreement whereby LAI (then owned 100% by a current director in the Company, Lee A. Iacocca) and Omega Properties, Inc. (then owned 30% by another director, William P. McComas) merged into a wholly-owned subsidiary of Full House. Pursuant to the merger, the Company issued a $375,000 promissory note and 1,750,000 shares of common stock in return for contract rights primarily related to the Michigan project. An independent valuation consultant was retained to assist in the valuation of the merger and the contributed rights. The initial contract rights relate to the management of the Michigan project and amortization will commence once operations commence, at which time the rights will be contributed to GEM.

In 2001, the Company acquired the remaining 50% interest in three joint venture projects for $1,800,000. $1,141,683 was allocated to the Michigan project with the balance relating to a project in Oregon (written off in 2002) and the California project, which was part of the cost of the arbitration settlement in 2005.

The additional contract rights acquired in 2001 relating to the Michigan project represent the Company's acquisition of control of the development processes. Therefore, amortization of the acquired additional contract rights commenced in 2001. The amortization period was previously estimated to be nine years which reflected a two-year expected development period prior to the seven-year management contract, but due to legal delays, the estimate was extended to ten years in 2005. Revisions were accounted for as changes in estimate, which does not require retroactive restatement of prior financial statements.

7. LAND HELD FOR DEVELOPMENT

As of December 31, 2005 and 2004, land held for development consists of:

| | 2005 | 2004 |
|---|---|---|
| Michigan project | $ 3,858,832 | $ 3,858,832 |
| Other projects | 130,000 | — |
| | $ 3,988,832 | $ 3,858,832 |

The Company has agreed to effectively sell the land to the respective tribes once the United States Department of the Interior approves its placement into trust as a casino site. The in-substance sales price of the Michigan land is to equal the Company's cost plus, in effect, an agreed appreciation factor intended to compensate the Company for its carrying cost totaling $894,087 and $473,315 through December 31, 2005 and 2004, respectively.

8. STOCKHOLDERS' EQUITY

Full House's preferred stock has a $.30 per share cumulative dividend rate, and has a liquidation preference equal to $3.00 per share plus all unpaid dividends. Since Full House is in default in declaring payment of dividends on the preferred stock, it is restricted from paying any dividend, making any other distribution, or redeeming any stock ranking junior to the preferred stock. The stockholders' right to the $.30 per share cumulative dividends on the preferred stock commenced in 1992, and totaled $2,835,000 and $2,625,000 at December 31, 2005 and 2004, respectively. Through the date of issuance of this report, no dividends have been declared or paid.

9. INCOME TAX PROVISION

Tax returns for the 2001, 2002, and 2003 years were amended to adjust contract rights amortization and to properly characterize the 2003 tax loss on the sale of Mississippi property. The income tax provision recognized in the consolidated financial statements consists of the following:

| | 2005 | 2004 |
|---|---|---|
| Current: | | |
| Federal | $306,555 | $ 18,598 |
| State | 298,060 | 244,319 |
| Total current | 604,615 | 262,917 |
| Deferred: | | |
| Federal | 167,164 | 371,841 |
| State | 21,901 | 62,797 |
| Total deferred | 189,065 | 434,638 |
| Total Provision | $793,680 | $697,555 |

A reconciliation of the income tax provision with amounts determined by applying the statutory U.S. Federal income tax rate of 34% to consolidated income before income taxes is as follows:

| | 2005 | 2004 |
|---|---|---|
| Tax provision at U.S. statutory rate | $555,226 | $501,353 |
| State taxes, net of federal benefit | 218,629 | 224,070 |
| Other | 19,825 | (27,868) |
| Total | $793,680 | $697,555 |

Full House's deferred tax items as of December 31, are as follows:

| | 2005 | 2004 |
|---|---|---|
| Deferred tax assets: | | |
| Net operating loss carry-forward | $ — | $ 263,199 |
| Tax credit carryforwards | — | 37,480 |
| Deferred compensation and other expenses | 106,313 | 115,868 |
| Total deferred tax assets | 106,313 | 416,547 |
| Deferred tax liabilities: | | |
| Income related to Indian casino projects | (226,916) | (349,231) |
| Depreciation | (4,204) | (3,059) |
| Total deferred tax liabilities | (231,120) | (352,290) |
| Net | $(124,807) | $ 64,257 |

10. SUPPLEMENTAL STATEMENT OF CASH FLOWS INFORMATION

Cash payments for interest were immaterial.

Cash payments for income taxes paid were $162,749 and $314,392, for 2005 and 2004, respectively.

11. COMMITMENTS

The Company leases office space under a non-cancellable operating lease expiring on March 31, 2007. The future minimum lease obligation is $43,115 for 2006, and $11,182 for 2007. Rent expense was $48,247 and $50,801 for 2005 and 2004, respectively.

Through our management or development agreements, we have agreed to arrange financing for Michigan and Montana tribes on a best efforts basis and have agreed to obtain financing on behalf of the Nambe tribe in New Mexico. The amounts to be financed may change based on the individual project's planned size and costs. Currently, Michigan requires approximately $140,000,000 and Montana requires approximately $16,000,000. In addition, the Company is to provide $50,000,000 for the Nambe project.

12. STOCK-BASED COMPENSATION PLANS

At December 31, 2005, Full House had three stock-based compensation plans that are described below. The ability to issue option grants under these plans expired on June 30, 2002.

A summary of the status of Full House's stock option plans as of December 31, 2005 and 2004, and changes during the years then ended is presented below:

| | 2005 | | 2004 | |
|---|---|---|---|---|
| | OPTIONS | WEIGHTED-AVERAGE EXERCISE PRICE | OPTIONS | WEIGHTED- AVERAGE EXERCISE PRICE |
| Outstanding at beginning of year | 575,000 | $ 2.88 | 725,000 | $ 2.75 |
| Granted | — | — | — | — |
| Exercised | — | — | — | — |
| Forfeited | — | — | 150,000 | 2.25 |
| Outstanding at end of year | 575,000 | 2.88 | 575,000 | 2.88 |
| Exercisable at year-end | 575,000 | 2.88 | 575,000 | 2.88 |

As of December 31, 2005, the 575,000 options outstanding and exercisable have exercise prices ranging between $2.25 and $3.69, and a weighted average remaining contractual life of 1.3 years.

13. SUBSEQUENT EVENT

On April 6, 2006, Full House Resorts signed a Stock Purchase Agreement under which Full House will acquire all of the outstanding shares of Stockman's Casino, Inc. for $25.5 million. Stockman's Casino, Inc. owns and operates Stockman's Casino and Holiday Inn Express in Fallon, Nevada. An adjustment to the purchase price could occur if the operation exceeds certain financial targets during the 12 months prior to closing. The closing of the transaction is expected to occur later this year and is subject to the receipt of all regulatory approvals and acquisition financing. Full House intends to finance the transaction with a combination of cash, debt, and equity.

**EXHIBIT INDEX**

| EXHIBIT | DESCRIPTION |
|---|---|
| 3.1 | Certificate of Incorporation of Hour Corp. as amended to date |
| 3.2 | Certificate of Designation of Series 1992-1 Preferred Stock of Full House Resorts, Inc. |
| 3.3 | Bylaws of Full House Resorts Inc. (As amended by Resolutions dated July 28, 1995, September 29, 1995, and November 24, 1997) |
| 10.62 | Amendment to Investor Agreement by and between Full House Resorts, Inc. and RAM Entertainment, LLC, dated May 15, 2005 |
| 10.63 | Economic Development Agreement between Full House Resorts, Inc. and Northern Cheyenne Tribe dated May 24, 2005 |
| 10.64 | Development Agreement by and among Pueblo of Nambé, Nambé Pueblo Gaming Enterprise Board, and Gaming Entertainment (Santa Fe), LLC dated as of September 20, 2005 |
| 10.65 | Security and Reimbursement Agreement by and among the Nambé Pueblo Gaming Enterprise Board, Gaming Entertainment (Santa Fe), LLC, and the Pueblo of Nambé dated as of September 20, 2005 |
| 10.66 | Revised Class III Gaming Management Agreement by and among, Pueblo of Nambe, Nambe Pueblo Gaming Enterprise Board and Gaming Entertainment (Sants Fe), LLC, dated as of December 10, 2005 |
| 10.67 | Class III Gaming Management Agreement between the Northern Cheyenne Tribe and Gaming Entertainment (Montana), LLC dated January 20, 2006 |
| 21 | List of Subsidiaries of Full House Resorts, Inc. |
| 23.2 | Consent of Piercy Bowler Taylor and Kern |
| 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 and financial officers pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |

**EXHIBIT 3.1**

**CERTIFICATE OF INCORPORATION**

FIRST: The name of the corporation is Hour Corp (hereinafter called the "Corporation")

SECOND: The address of the Corporation's registered office in the State of Delaware is 1013 Centre Road, City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is Corporation Service Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of stock which the Corporation shall have the authority to issue is Ten Million {10,000,000). The par value of each of such shares is One One Thousandth of a Dollar ($.001). All such shares are of one class and are shares of common stock.

FIFTH: The name and mailing address of the incorporator are as follows:

Generation Capital Associates

617 West End Avenue

New York, NY 10024

SIXTH: The Corporation is to have perpetual existence.

SEVENTH: Election of Directors need not be by written ballot unless the By-Laws of the Corporation shall so provide.

EIGHTH: The Board of Directors shall have power without the assent or vote of the stockholders to adopt, amend, or repeal the By-Laws of the Corporation.

NINTH: The Board of Directors shall have the power to amend, alter, change, or repeal any provisions contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon the stockholders herein are granted subject to this reservation.

I, THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this Certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly, have hereunto set my hand this 15th day of December, 1986.

Frank E. Hart, General Partner
Generation Capital Associates

**CERTIFICATE OF AMENDMENT**
**OF**
**CERTIFICATE OF INCORPORATION**
**OF**
**HOUR CORP.**

HOUR CORP., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of said corporation at a meeting duly convened and held, adopted the following resolution:

RESOLVED: That the Certificate of Incorporation of the Corporation be amended by changing Article FOURTH and adding thereto a new Article TENTH which shall read in its entirety as follows

FOURTH: The total number of shares of stock which this corporation is authorized to issue is Five Hundred Fifty Million (550,000,000) shares of the par value of $.0001 each, amounting to Fifty Five Thousand Dollars ($55,000.00)

TENTH: No director shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law (i) for breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law or (iv) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

SECOND: That the said amendment has been consented to and authorized by the holders of a majority of the issued and outstanding stock entitled to vote by written consent given in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Section 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said corporation has caused this Certificate to be signed by Donald C. Holmes, its President, and attested by Louis Zauderer, its Secretary, this lst day of May A.D. 1987.

Attested by: _____ _____

Secretary President

**CERTIFICATE OF AMENDMENT**
**OF**
**CERTIFICATE OF INCORPORATION**
**OF**
**HOUR CORP.**

HOUR CORP, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of said corporation, at a meeting duly convened and held, adopted the following resolution:

RESOLVED that the Board of Directors hereby declares it advisable and in the best interest of the Company that Article FIRST of the Certificate of Incorporation be amended to read as follows:

FIRST. The name of this corporation shall be:

D.H.Z. CAPITAL CORP.

SECOND: That the said amendment has been consented to and authorized by the holders of a majority of the issued and outstanding stock entitled to vote by written consent given in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 242 and 228 of the General Corporation. Law of the State of Delaware.

IN WITNESS WHEREOF, said corporation has caused this Certificate to be signed by DONALD C. HOLMES

its President, and attested by LOUIS ZAUDERER

its Secretary, this FIRST day of JUNE A.D. 1987.

_____
President

_____
Attested by: Secretary

**CERTIFICATE OF AMENDMENT**
**OF**
**CERTIFICATE OF INCORPORATION**
**OF**
**D.H.Z. CAPITAL CORP.**

D.H.Z. Capital Corp. (the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware

DOES HEREBY CERTIFY:

FIRST: The Corporation was originally incorporated under the name Hour Corp. The Corporation changed its name to D.H.Z. Capital Corp. on June 1, 1987.

SECOND: That at a meeting of the Board of Directors of the Corporation, resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and authorizing a written consent of the stockholders of said corporation to be executed for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this Corporation be amended by changing the Article FIRST to read in its entirety as set forth below:

FIRST: The name of the Corporation is "Full House Resorts, Inc."

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the Article FOURTH and adding a second paragraph to such Article so that, as amended, said Article shall be and read as follows:

FOURTH: The total number of shares that the Corporation may issue is 30,000,000, of which 25,000,000 shall be shares of Common Stock, $.0001 par value, and 5,000,000 shall be shares of Preferred Stock, $.0001 par value.

Each share of Common Stock, $.0001 par value, of the Corporation, whether issued or unissued (the "Pre-Split Common Stock") shall become, effective as of the close of business on September , 1992 (on which date a Certificate of Amendment was filed with the Secretary of State of Delaware with respect to this Article Fourth), and thereafter continue to be, one-two hundredth of a share of Common Stock of this Corporation, $.0001 par value (the "Post-Split Common Stock"), provided that the shares of Pre-Split Common Stock issued in the name of any holder as of such time shall be converted only into a whole number of shares at the rate of one share for each two-hundred shares theretofore issued and any fractional shares thus resulting shall be treated in the manner specified below. Each holder of record of issued and outstanding shares of this Corporation's Pre-Split Common Stock,

at the close of business on said date, shall be entitled to receive, upon surrender of his or her stock certificate or certificates, a new certificate representing the number of shares of Post-Split Common Stock of which he or she is the owner after giving effect to the provisions of this Article Fourth. Each Stockholder who has an aggregate number of shares of Pre-Split Common Stock registered in his or her name as of the Effective Date so that he or she would otherwise, after giving effect to all such shares so registered, be entitled to receive a fraction of a share of the Post-Split Common Stock as a result of the reverse stock split will have such fractional share rounded up to the nearest whole share number of Post-Split Common Stock at no additional cost.

THIRD: This Amendment provides for a change from 99,930,000 authorized and issued shares of Common Stock, $.0001 par value, and 450,070,000 authorized and unissued shares of Common Stock, $.0001 par value, to 499,650 authorized and issued shares of Common Stock, $.0001 par value, and 24,500,350 authorized and unissued shares of Common Stock, $.0001 par value, and 5,000,000 shares of authorized and unissued Preferred Stock $.0001 par value. The terms of such change are as follows: Upon the close of business on the date of filing of this Certificate of Amendment with the Secretary of State (the "Effective Date"), each share of the Corporation's Pre-Split Common Stock whether issued or unissued will automatically, without any action on the part of the holder thereof, be reclassified pursuant to a reverse split on a one for two hundred share basis, so that each share of Pre-Split Common Stock immediately prior to the filing of this Certificate of Amendment shall be converted into one-two hundredth of a share of the Corporation's Pre-Split Common Stock (for the purposes of this Paragraph Third, the "Post-Split Common Stock") without any action by the holder thereof. Stockholders who, as of the Effective Date, own a number of shares of Pre-Split Common Stock such that as a result of the reverse stock split, would be entitled to a fraction of a share of the Post-Split Common Stock, will have such fractional share rounded up to the nearest whole share number of Post-Split Common Stock at no additional cost. All Pre-Split Common Stock will be cancelled with no rights other than the right to receive Post-Split Common Stock. Each holder of record of issued and outstanding shares of Pre-Split Common Stock at the close of business on the Effective Date shall be entitled to receive, upon surrender of his or her stock certificate(s), a new certificate representing the number of shares Post-Split Common Stock of which he or she is the owner after giving effect to the provisions of Article Second of this Certificate of Amendment. The relative preferences, powers, rights, qualifications, limitations and restrictions in respect of the Post-Split Common Stock are unchanged from that of the Pre-Split Common Stock.

FOURTH: That thereafter, pursuant to resolution of its Board of Directors, a written consent of the stockholders of said corporation was duly authorized and properly consented to in accordance with Section 228 of the General Corporation law of the state of Delaware such written consent was signed by the holders of outstanding stock constituting the necessary number of shares as required by statute to be voted in favor of the amendment and written notice has been given to those stockholders who have not consented in writing.

FIFTH: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Corporation has caused this certificate to be signed by Donald C. Holmes, its President, and Louis Zauderer, its Secretary, this 7th day of August, 1992.

Donald C. Holmes, President

ATTEST:
Attested by: Secretary

**EXHIBIT 3.2**

**CERTIFICATE OF DESIGNATION**

**OF**

**SERIES 1992-1 PREFERRED STOCK**

**OF**

**FULL HOUSE RESORTS, INC.**

**Pursuant to Section 151 of the General Corporation Law**

**of the State Delaware**

FULL HOUSE RESORTS, INC., a Delaware corporation ("Corporation"), hereby certifies that pursuant to the authority contained in Articles Fourth of its Amended Certificate of Incorporation, and in accordance with the provisions of Section 151 of the General Corporation Law of the State of Delaware, its Board of Directors on November 6, 1992 adopted the following resolution creating a series of the 9.0001 par value Preferred Stock designated as Series 1992-1 Preferred Stock.

RESOLVED, that a series of the class of authorized $.0001 par value Preferred Stock of the Corporation hereby is created, and that the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

**1. Designated and Amount**. The shares of such series shall be designated as "1992-1 Preferred Stock" (the "1992-1 Preferred Stock") and the number of shares constituting such series shall be 1,500,000.

**2. Dividends and Distributions**. The holders of Series 1992-1 Preferred Stock shall be entitled to receive dividends, when, as and if declared by the Board of Director out of funds legally available for the purpose, in the annual amount of $.30 per share, payable in arrears semi-annually on the fifteenth day of December and June, in each year, unless such day is a non-business day, in which event on the next business day, commencing on the 1st such day after the issuance of the 1992-1 Preferred Stock, to holders of record on such dates, not exceeding 30 days preceding the payment date thereof, as may be determined by the Board of Directors in advance of the payment of each particular dividend. Dividends shall be payable in cash.

Dividends shall begin to accrue and be cumulative from July 1, 1992. Accrued but unpaid dividends shall not bear interest. Dividends paid on the 1992-1 Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro-rata on share-by-share basis among all such shares at the time outstanding.

**3. Voting Rights**. The holders of 1992-1 Preferred Stock shall have the following voting rights:

(a) Except as provided in Paragraph (c), each share of 1992-1 Preferred Stock shall entitle the holder thereof to one vote on all matters submitted to a vote of the Corporation's stockholders;

(b) except as otherwise provided herein or by law, the holders of 1992-1 Preferred Stock and the holders of Common Stock shall vote together as one class on all matters submitted to a vote of the Corporation's stockholders;

(c) the consent of the holders of at least a majority of the outstanding shares of the 1992-1 Preferred Stock, voting separately as a single class, in person or by proxy, either in writing without a meeting or at a special or annual meeting of Stockholders called for the purpose, shall be necessary to amend the Certificate of Incorporation, including the provisions of the Certificate of Designation of Series 1992-1 Preferred Stock which embodies this resolution, in any manner which materially alters the relative rights and preferences of the 1992-1 Preferred Stock so as to adversely affect holders thereof.

**4. Certain Restrictions**. Whenever semi-annual dividends payable on the 1992-1 Preferred Stock as provided in Section 2 are in arrears, and thereafter and until dividends, including all accrued dividends, on shares of the 1992-1 Preferred Stock outstanding shall have been paid in full or declared and set apart for payment, the Corporation shall not (a) pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the 1992-1 Preferred Stock, (b) without the affirmative vote or consent of the holders of at least sixty seven percent (67%) of the 1992-1 Preferred Stock at the time outstanding voting separately as a single class, redeem any shares of the 1992-1 Preferred Stock unless it shall simultaneously redeem all the shares of the 1992-1 Preferred Stock then outstanding, or (c) purchase or otherwise acquire for consideration with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors shall determine in good faith will result in fair and equitable treatment among the respective series or classes of outstanding capital stock.

**5. Redemption at Option of the Corporation**. The Corporation shall have the right to redeem shares of the 1992-1 Preferred Stock pursuant to the following provisions:

(a) Subject to the restrictions in Section 4, the Corporation shall have the right, at its sole option and election, to redeem the shares of the 1992-1 Preferred Stock, in whole or in part, at any time and from time to time, on or before December 31, 1994 at the redemption price of $3.25 per share through December 31, 1993, and thereafter at the redemption price of $3.375 per share through December 31, 1994, plus an amount equal to all unpaid dividends thereon, including accrued dividends, whether or not declared, to the redemption rate;

(b) if less than all or the 1992-1 Preferred Stock at the time outstanding is to be redeemed, the shares so to be redeemed shall be selected by lot, pro-rata or in such other manner as the Board of Directors may determine to be fair and proper;

(c) notice of any redemption of the 1992-1 Preferred Stock shall be mailed at least 30, but not more than 60, days prior to the date fixed for redemption to each Holder of 1992-1 Preferred Stock to be redeemed, at such holder's address as it appears on the books of the Corporation. In order to facilitate the redemption of the 1992-1 Preferred Stock, the Board of Directors may fix a record date for the determination of holders of 1992-1 Preferred Stock to be redeemed, or may cause the transfer books of the Corporation to be closed for the transfer of the 1992-1 Preferred Stock, not more than 60 days prior to the date fixed for such redemption;

(d) upon the redemption date specified in the notice given pursuant to Paragraph (c), the Corporation shall pay by certified or cashier's check payable to the holders of the shares of the 1992-1 Preferred Stock the funds necessary for such redemption, mailed by certified or registered mail to the holders' address as it appears on the books of the Corporation;

(e) upon the payment of funds pursuant to Paragraph (d) in respect of shares of the 1992-1 Preferred Stock called for redemption, notwithstanding that any certificates for such shares shall not have been surrendered for cancellation, the shares represented thereby shall no longer be deemed outstanding, the rights to receive dividends thereon shall cease to accrue from and after the date of redemption designated in the notice of redemption and all rights of the holders of the shares of the 1992-1 Preferred Stock called for redemption shall cease and terminate, excepting only the right to receive the redemption price therefor and the right to convert such shares into shares of Common Stock until the close of business on the 3rd business day preceding the redemption date, as provided in Section 8.

**6. Reacquired Shares**. Any shares of the 1992-1 Preferred Stock redeemed or purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of $.0001 par value Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors.

**7. Liquidation, Dissolution or Winding Up**. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (a) to the holders of the Corporation's $.0001 par value Common Stock or any Preferred Stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series 1992-1 Preferred Stock unless, prior thereto, the holders of the 1992-1 Preferred Stock shall have received $3.00 per share, plus an amount equal to unpaid dividends thereon, including accrued dividends, whether or not declared, to the date of such payment.

**8. Conversion**. Each share of the 1992-1 Preferred Stock may be converted into shares of $.0001 par value Common Stock of the Corporation on the following terms and conditions:

(a) Subject to the provisions for adjustment hereinafter set forth, each share of the 1992-1 Preferred Stock shall be convertible at any time at the option of the holder thereof, in the manner hereinafter set forth, into one fully paid and nonassessable share of Common Stock of the Corporation;

(b) the number of shares of Common Stock into which each share of the 1992-1 Preferred Stock is convertible shall be adjusted from time to time as follows:

(i) In case the Corporation shall at any time or from time to time declare or pay any dividend on its Common Stock payable in its Common Stock or effect a subdivision of the outstanding shares of its Common Stock into a greater number of shares of Common Stock (by reclassification or otherwise than by payment of a dividend in its Common Stock), then, and in each such case, the number of shares of Common Stock into which each share of the 1992-1 Preferred Stock is convertible shall be adjusted so that the holder of each share thereof shall be entitled to receive, upon the conversion thereof, the number of shares of Common Stock determined by multiplying (a) the number of shares of Common Stock into which such share was convertible immediately prior to the occurrence of such event by (a) a fraction, the numerator of which is the sum of (i) the number of shares of Common Stock into which such a share was convertible immediately prior to occurrence of such event plus (ii) the number of shares of Common Stock which such holder would have been entitled to receive in connection with the occurrence of such event had such share been converted immediately prior thereto, and the denominator of which is the number of shares in Common Stock determined in accordance with clause (i) above. An adjustment made pursuant to this subparagraph (b) (i) shall become effective (A) in the case of any such dividend, immediately after the close or business on the record date for the determination of holders of Common Stock entitled to receive such dividend, or (B) in the case of any such subdivision, at the close of business on the day immediately prior to the day upon which such corporate action becomes effective;

(ii) In case the Corporation at any time or from time to time shall combine or consolidate the outstanding shares of its Common Stock into a lesser number of shares of Common Stock, by reclassification or otherwise, then, and in each such case, the number of shares of Common Stock into which each share of the 1992-1 Preferred Stock is convertible shall be adjusted so that the holder of each share thereor shall be entitled to receive, upon the conversion thereof, the number of shares of Common Stock determined by multiplying (a) the number of shares of Common Stock into which such share was convertible immediately prior to the occurrence of such event by (b) a fraction, the numerator of which is the number of Shares which the holder would have owned after giving effect to such event had such share been converted immediately prior to the occurrence of

such event and the denominator of which is the number of Common Shares into which such share was convertible immediately prior to the occurrence of such event. An adjustment made pursuant to this subparagraph (b) (ii) shall become effective at the close of business on the day immediately prior to the day upon which such corporate action becomes effective;

(iii) In case the Corporation at any time or from time to time shall issue rights or warrants to all holders of shares of its Common Stock entitling them to subscribe for or purchase shares of its Common Stock (or securities convertible into its Common Stock) at a price per share (or having a conversion price per share) less than the Current Market Price (as defined in paragraph (c) below) per share of Common Stock on the record date fixed for the determination of shareholders entitled to receive such right or warrant, then, and in each such case (unless the holders of shares of the 1992-1 Preferred Stock shall be permitted to subscribe for or purchase shares of Common Stock on the same basis as though such shares of the 1992-1 Preferred Stock had been converted into shares of Common Stock immediately prior to the close of business on such record data), the number of shares of Common Stock into which each share of the 1992- Preferred Stock is convertible shall be adjusted so that the holder of each share thereof shall be entitled to receive, upon the conversion thereof, the number of shares of Common Stock determined by multiplying (a) the number of shares of Common Stock into which such share was convertible immediately prior to such event by (b) a fraction, the numerator of which shall be the sum of (I) the number of shares of Common Stock outstanding on such record date plus (II) the number or additional shares of Common Stock offered for subscription or purchase, and the denominator of which shall be the sum of (I) the number of shares of Common Stock outstanding on such record date plus (II) the number of shares of Common Stock which the aggregate consideration receivable by the Corporation for the total number of shares of Common Stock so offered would purchase at such Current Market Price on such record date. For purposes of this subparagraph (b) (iii), the aggregate consideration receivable by the Corporation in connection with the issuance of rights or warrants to subscribe for or purchase securities convertible into Common Stock shall be deemed to be equal to the sum of the aggregate offering price of such securities plus the minimum aggregate amount, if any, payable upon conversion of such securities into shares of Common Stock. An adjustment made pursuant to this subparagraph (b) (iii) shall be made upon the issuance of any such rights or warrants and shall be effective retroactively immediately after the close of business on the record date fixed for the determination of shareholders entitled to receive such rights or warrants.

(iv) In case the Corporation at any time or from time to time shall declare, order, pay or make a dividend or other distribution (including, without limitation, any distribution of other or additional stock or other securities or property or rights or warrants to subscribe for securities of the Corporation or any of its subsidiaries by way of dividend or spin-off, reclassification, recapitalization or similar corporate rearrangement) on its Common Stock, other than a dividend payable in cash or shares of the Corporation’s Common Stock or rights or

warrants to subscribe for shares of the Corporation's Common Stock, then, and in each such case (unless the holders of shares of the 1992-1 Preferred Stock shall receive any such dividend or other distribution on the same basis as though such shares of the 1992-1 Preferred Stock had been converted into shares of Common Stock immediately prior to the close of business on the record date for the determination of holders of Common Stock entitled to receive such dividend or other distribution), the number of shares of Common Stock into which each share of the 1992-1 Preferred Stock is convertible shall be adjusted so that the holder of each share thereof shall be entitled to receive, upon the conversion thereof, the number of shares of Common Stock determined by multiplying (a) the number of shares of Common Stock into which such share was convertible immediately prior to the close of business on the record date fixed for the determination of holders of Common Stock entitled to receive such dividend or distribution by (b) a fraction, the numerator of which shall be the Current Market Price (as defined in Paragraph (o) below per share of Common Stock on the record date fixed for the determination or holders of Common Stock entitled to receive such dividend or distribution, and the denominator of which shall be such Current Market Price per share of Common Stock less the fair value of such dividend or distribution (as determined in good faith by the Board of Directors of the Corporation, a certified resolution with respect to which shall be filed with each transfer agent for the 1992-1 Preferred Stock) payable in respect of one share of Common Stock. An adjustment made pursuant to this subparagraph (b) (iv) shall be made upon the opening of business on the next business day following the date on which any such dividend or distribution is made and shall be effective retroactively immediately after the close of business on the record date fixed for the determination of holders of Common Stock entitled to receive such dividend or distribution;

(c) The term "Current Market Price" shall mean, as applied to any class of stock on any date, the average of the daily "Closing Prices" (as hereinafter defined) for the 20 consecutive "Trading Days" (as hereinafter defined) immediately prior to the date in question; provided, however, that in the event that the Current Market price per share of Common Stock is determined during a period following the announcement by the Corporation of a dividend or distribution on its Common Stock payable in shares of its Common Stock or securities convertible into shares of its Common Stock, and prior to the expiration of twenty Trading Days after the ex-dividend date for such dividend or distribution, then, and in each such case the Current Market Price shall be appropriately adjusted to reflect the Current Market Price per Common Stock equivalent. The term "Closing Price" on any day shall mean the last sales price, regular way, per share of such stock on such day, or, if no such sale takes place on such day, the closing bid price, regular way, as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Exchange or, if shares of such stock are not listed or admitted to Trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the shares of such stock are listed or admitted to trading or, if the shares of such stock are not listed or admitted to trading on any national securities exchange, the high bid price in the

over-the-counter market, as reported by the National Association of Securities Dealers, Inc.'s Automated Quotation System ("NASDAQ"). The term "Trading Day" shall mean a day on which the securities exchange or NASDAQ on which shares of such stock are listed or admitted to trading is open for the transaction of business.

(d) If any adjustment in the number of shares of Common Stock into which each share of the 1992-1 Preferred Stock may be converted required pursuant to this Section 8 would result in an increase or decrease of less than 1% in the number of shares of Common Stock into which each share of the 1992-1 Preferred Stock is then convertible, the amount of any such adjustment shall be carried forward and adjustment with respect thereto shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate at least 1% of the number of shares of Common Stock into which each share of the 1992-1 Preferred Stock is then convertible. All calculations under this paragraph (d) shall be made to the nearest one-hundredth of a share;

(e) The holder of any shares of the 1992-1 Preferred Stock may exercise his option to convert such shares into shares of Common Stock by surrendering for such purpose to the Corporation, at its principal office or at such other office or agency maintained by the Corporation for that purpose, a certificate or certificates representing the shares of 1992-1 Preferred Stock to be converted accompanied by a written notice stating that such holder elects to convert all or a specified whole number of such shares in accordance with the provisions or this Section 8 and specifying the name or names in which such holder wishes the certificate or certificates for shares of Common stock to be issued. In case such notice shall specify a name or names other than that of such holder, such notice, shall be accompanied by payment of all transfer taxes payable upon the issuance of shares of Common Stock in such name or names. As promptly as practicable, and in any event within five business days after the surrender of such certificates and the receipt of such notice relating thereto and, if applicable, payment of all transfer taxes, the Corporation shall deliver or cause to be delivered (i) certificates representing the number of validly issued, fully paid and nonassessable shares of Common Stock of the Corporation to which the holder of the 1992-1 Preferred Stock so converted shall be entitled and (ii) if less than the full number of shares of the 1992-1 Preferred Stock evidenced by the surrendered certificate or certificates are being converted, a new certificate or certificates, of like tenor, for the number of shares evidenced by such surrendered certificate or certificates less the number of shares converted. Such conversions shall be deemed to have been made at the close of business on the day or giving of such notice and of such surrender of the certificate or certificates representing the shares of the 1992-1 Preferred Stock to be converted so that the rights of the holder thereof shall cease except for the right to receive Common Stock at the Corporation in accordance herewith, and the converting holder shall be treated for all purposes as having become the record holder of such Common Stock of the Corporation at such time;

(f) Shares of the 1992-1 Preferred Stock may not be converted after the close of business on the third business day preceding the date fixed for redemption of such shares pursuant to Section 5;

(g) Upon conversion of any shares of the 1992-1 Preferred Stock, the holder thereof shall not be entitled to receive any accumulated, accrued or unpaid dividends in respect of the shares so converted, provided that such holder shall be entitled to receive any dividends on such shares of the 1992-1 Preferred Stock declared prior to such conversion if such holder held such shares on the record date fixed for the determination of holders of the 1992-1 Preferred Stock entitled to receive payment of such dividend;

(h) In connection with the conversion of any shares of the 1992-1 Preferred Stock, no fractions of shares of Common Stock shall be issued, but the Corporation shall pay a cash adjustment in respect of such fractional interest in an amount equal to the market value of such fractional interest. In such event, the market value of a share of Common Stock of the Corporation shall be the Closing Price (as defined in paragraph (c)) of such shares on the last business day on which such shares were traded immediately preceding the date upon which such shares of 1992-1 Preferred Stock are deemed to have been converted; and

(i) The Corporation shall at all times reserve and keep available out of its authorized Common Stock the full number of shares of Common Stock of the Corporation issuable upon the conversion of all outstanding shares of the 1992-1 Preferred Stock.

**9. Adjustments for Consolidation, Merger, etc**. In case the corporation, (a) shall consolidate with or merge into any other person and shall not be the continuing or surviving corporation of such consolidation or merger, (b) shall permit any other person to consolidate with or merge into the Corporation and the Corporation shall be the continuing or surviving person, but, in connection with such consolidation or merger, the Common Stock shall be changed into or exchanged for stock or other securities of any other person or cash or any other property, (c) shall transfer all or substantially all of its properties or its assets to any other person, or (d) shall effect a capital reorganization or reclassification of the Common Stock (other than a capital reorganization or reclassification resulting in the issue of additional shares of Common Stock for which adjustment is provided in Section 8), then, and in each such case, proper provision shall be made so that each share of 1992-1 Preferred Stock then outstanding shall be converted into, or exchanged for, one share of preferred stock (the "Substitute Preferred Stock") of the "Acquiring Corporation" (as hereinafter defined) entitling the holder thereof to all of the rights, powers, privileges and preferences with respect to the Acquiring Corporation to which the holder of a share of 1992-1 Preferred Stock is entitled with respect to the Corporation, and being subject with respect to the Acquiring Corporation to the qualifications, limitations and restrictions to which a share of 1992-1 Preferred Stock is subject with respect to the corporation, except that in lieu of and notwithstanding the provisions for conversion at the option of the holders of 1992-1 Preferred Stock set forth in Section 8, each share of Substitute Preferred Stock shall be convertible at any time, at the option at the holder thereof, into the number of shares of "Voting Common Stock" (as hereinafter defined) of the Acquiring Corporation or, if the Acquiring Corporation shall not meet the requirements of the proviso hereto, its "Parent" (as hereinafter defined), subject to adjustments (subsequent to consummation of such transaction) as nearly equivalent as possible to the adjustments provided for in Section 8 and this Section 9, determined by multiplying the number of shares of Common Stock into which each share of the 1992-1 Preferred Stock was convertible immediately prior to consummation of such transaction

by a fraction, the numerator of which is the "Acquisition Price"‘ (as hereinafter defined) and the denominator of which is the lesser of (A) the Current Market Price (as defined in Paragraph (c) of Section 8) per share of the Voting Common Stock of the Acquiring Corporation or its Parent, as the case may be, on the date of such consummation and (B) the Current Market Price (as defined in Paragraph (c) of Section 8) per share of the Voting Common Stock of the Acquiring Corporation or its Parent, as the case may be, on the date of such conversion; provided, however, that without the affirmative vote or consent of the holders of at least 67% of the outstanding shares of the 1992-1 Preferred Stock, the Corporation shall not effect any of the transactions described in clauses (a) through (d) of this Section 9. Notwithstanding anything contained herein to the contrary, the Corporation will not effect any of the transactions described in clauses (a) through {d) of this Section 9 unless, prior to the consummation thereof, each corporation, including this Corporation, which may be required to deliver any stock, securities, cash or other property to the holders of shares of the 1992-1 Preferred Stock shall assume, by written instrument delivered to each transfer agent of the 1992-1 Preferred Stock, the obligation to deliver to such holder such shares of stock, securities, cash or other property to which, in accordance with the foregoing provisions, such holder may be entitled and each such corporation shall have furnished to each such transfer agent an opinion of counsel for such corporation, stating that such assumption agreement is legal, valid and binding upon such corporation.

For purposes of this Section 9, the term "Voting Common Stock" with respect to any corporation shall mean the common stock of such corporation ordinarily entitled to elect a majority of the directors constituting the full board of directors of such corporation; the term "Acquiring Corporation" shall mean the continuing or surviving corporation of a consolidation or merger with the Corporation (if other than the Corporation), the transferee of all or substantially all or the properties and assets of this Corporation, the corporation consolidating with or merging into the Corporation in a consolidation or merger in which the Corporation is the continuing or surviving person, but in connection with which the Common Stock of the Corporation is changed into or exchanged for the stock or other securities of any other person or cash or any other property, or, in case of a capital reorganization or reclassification, the Corporation; the term "Parent" shall mean, as to any Acquiring Corporation, any corporation which (i) controls the Acquiring Corporation directly or indirectly through one or more intermediaries, (ii) is required to include the Acquiring Corporation in the consolidated financial statements contained in such Parent's Annual Reports on Form 10-K and (iii) is not itself included in the consolidated financial statements of any other person (other than its consolidated subsidiaries); and the term "Acquisition Price" shall mean, as applied to the common stock, the greatest of whichever of the following are applicable: (1) the Current Market Price (as defined in Paragraph (c) of Section 8) per share of Common Stock on the date on which any transaction to which this Section 9 applies is consummated; (2) if a purchase, tender or exchange offer is made by the Acquiring Corporation (or by any of its Affiliates) to the holders of the Common Stock and such offer is accepted by the holders of more than 50% of the outstanding shares of common stock, the greater of (x) the price determined in accordance with the provisions of the foregoing clause (1) of this definition and (y) the Current Market Price {as defined in Paragraph (c) of Section 8) per share of Common Stock on the date of acceptance of such offer by the holders or more than 50% of the outstanding shares of Common Stock; and (3) the highest price (in cash or fair market value of securities or other property) paid for a share of Common Stock of which the Acquiring Person is the Beneficial Owner and acquired by the holder thereof during the one year immediately preceding the stock acquisition date or in the transaction in which such acquiring person became an acquiring person.

**10. Reports as to Adjustments**. Whenever the number of shares of Common Stock into which the shares of the 1992-1 Preferred Stock are convertible is adjusted as provided in Section 8, the Corporation shall (a) promptly compute such adjustment and furnish to each transfer agent for the 1992-1 Preferred Stock a certificate, signed by a principal financial officer of the Corporation, setting forth the number of shares or Common Stock into which each share of the 1992-1 Preferred Stock is convertible as a result of such adjustment, a brief statement of the facts requiring such adjustment and the computation thereof and when such adjustment will become effective and (b) promptly mail to the holders of record of the outstanding shares of the 1992-1 Preferred. Stock a notice stating that the number of shares into which the shares of 1992-1 Preferred Stock are convertible has been adjusted and setting forth the new number of shares into which each share of the 1992-1 Preferred Stock is convertible as a result of such adjustment and when such adjustment will become effective.

**11. Notices of Corporate Action**. In the event of:

(a) any taking by the Corporation of a record of the holders of its Common Stock for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a dividend payable solely in cash or shares of Common Stock) or other distribution, or any right or warrant to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right;

(b) any capital reorganization, reclassification or recapitalization of the Corporation (other than a subdivision or combination of the outstanding shares of its Common Stock), any consolidation or merger involving the corporation and any other person (other than a consolidation or merger with a wholly-owned subsidiary of the corporation, provided that the Corporation is the surviving or the continuing corporation and no change occurs in the Common Stock), or any transfer of all or substantially all the assets of the Corporation to any other person; or

(c) any voluntary or involuntary dissolution, liquidation or winding up of the corporation;

then, and in each such case, the Corporation shall cause to be mailed to each transfer agent for the shares of the 1992-1 Preferred Stock and to the holders of record of the outstanding shares of the 1992-1 Preferred Stock, at least 20 days (or 10 days in case of any event specified in clause (a) above) prior to the applicable record or effective date hereinafter specified, a notice stating (i) the date or expected date on which any such record is to be taken for the purpose of such dividend, distribution or right and the amount and character of such dividend, distribution or right or (ii) the date or expected date on which any such reorganization, reclassification, recapitalization, consolidation, merger, transfer, dissolution, liquidation or winding up is to take place and the time, if any such time is to be fixed, as of which the holders of record of Common Stock shall be entitled to exchange their shares of Common Stock for the securities or other property deliverable upon such reorganization, reclassification, recapitalization, consolidation,

merger, transfer, dissolution, liquidation or winding up. Such notice shall also state whether such transaction will result in any adjustment in the number of shares of Common Stock into which shares of the 1992-1 Preferred Stock are convertible and, if so, shall state the new number of shares of Common Stock into which each share of the 1992-1 Preferred Stock shall be convertible upon such adjustment and when such adjustment will become effective. The failure to give any notice required by this Section 10, or any defect therein, shall not affect the legality or validity of any such action requiring such notice.

IN WITNESS WHEREOF, Full House Resorts, Inc. has caused this Certificate of Designation of Series 1992-1 Preferred Stock to be duly executed by its President and attested to by its Secretary this _____ day of _____, ____.

FULL HOUSE RESORTS, INC.

By: _____
Donald C. Holmes, President

Attest:

_____
Louis Zauderer, Secretary

**EXHIBIT 3.3**

**By-Laws**

**of**

**FULL HOUSE RESORTS, INC.**

**(As amended by Resolutions dated July 28, 1995, September 29, 1995,**

**and November 24, 1997)**

ARTICLE I

STOCKHOLDERS MEETINGS

Section 1. Annual Meeting. A meeting of stockholders shall be held annually for the election of directors and the transaction of any other business that may come before the meeting. The time and place of the meeting shall be as determined by the Board and designated in the Notice of Meeting.

Section 2. Special Meetings. Special meetings of the stockholders may be called for any purpose at any time by the Board or at the request in writing of stockholders owning at least forty percent (40%) of the total number of outstanding shares of any class of capital stock of the Corporation.

Section 3. Notice of Meetings. Notice of the place, date and time of each annual and special meeting of stockholders and, in the case of a special meeting, the purposes thereof, shall be given personally or by first class prepaid mail to each stockholder entitled to vote at such meeting, not less than ten (10) and not more than fifty (50) days before the date of such meeting. If mailed, such notice shall be directed to each stockholder at his address as it appears on the stock records of the Corporation, unless he shall have filed with the Secretary of the Corporation a written request that notices to him be mailed to some other address, in which case it shall be directed to him at such other address. Notice of any meeting of stockholders need not be given to any stockholder who shall attend such meeting in person or by proxy and shall not, at the beginning of such meeting, object to the transaction of any business before the meeting because the meeting is not lawfully called or convened, or who shall, either before or after the meeting, submit a signed waiver of notice, in person or by proxy. Unless the Board shall fix after an adjournment a new record date for an adjourned meeting, notice of such adjourned meeting need not be given if the time and place to which the meeting shall be adjourned is announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 4. Place of Meetings. Meetings of the stockholders may be held at such place, within or without the State of Delaware, as the Board or the officer or other authority calling the same shall specify in the notice of such meeting or in a duly executed waiver of notice thereof.

Section 5. Quorum. At all meetings of the stockholders, the holders of forty percent (40%) of the issued and outstanding shares of capital stock of the Corporation (of all classes) entitled to vote shall be present in person or by proxy to constitute a quorum for the transaction of any business. In the absence of a quorum, the holders of a majority of the shares present in person or by proxy and entitled to vote, or, if no stockholder entitled to vote is present, then the President or in his absence any other officer of the Corporation, may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting as originally called.

Section 6. Organization. At each meeting of the stockholders, the Chairman, or in his absence or inability to act the President, or in the absence of both of them any person chosen by a majority of those stockholders present, shall act as chairman of the meeting. The Secretary, or in his absence or inability to act any person appointed by the chairman of the meeting, shall act as secretary of the meeting and keep the minutes thereof

Section 7. Order of Business. The order of business at all meetings of the stockholders shall be determined by the chairman of the meeting.

Section 8. Voting. Except as otherwise provided by statute or the Certificate of Incorporation, each holder of record of shares of stock of the Corporation having voting power shall be entitled at each meeting of the stockholders to one vote for every share of stock standing in his name on the record of stockholders of the Corporation on the date fixed for the determination of the stockholders who shall be entitled to notice of and to vote at such meeting. Each stockholder entitled to vote at any meeting may authorize another person or persons to act for him by a proxy signed by such stockholder or his attorney in fact and delivered to the secretary of the meeting at or prior to the time designated in the order of business for so delivering such proxies. No proxy shall be valid after the expiration of three (3) years from the date thereof, unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the stockholder executing it, except in those cases in which it is designated as irrevocable and an irrevocable proxy is permitted by law. Except as otherwise provided by statute, these By-Laws or the Certificate of Incorporation, any corporate action to be taken by a vote of the stockholders shall be authorized by a majority of the total votes cast by the holders of shares present in person or represented by proxy and entitled to vote on such action. Unless required by statute or determined by the chairman of the meeting to be advisable, the vote on any question need not be by written ballot. On a vote by written ballot, each ballot shall be signed by the stockholder voting, or by his proxy, and shall state the number of shares voted.

Section 9. List of Stockholders. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in his name. The list shall be produced and kept at the meeting to resolve any questions relating to the voting rights of any stockholder.

Section 10. Inspectors. The Board may, in advance of any meeting of stockholders, appoint one or more inspectors to act at such meeting or any adjournment thereof. If the inspectors shall not be so appointed or if any of them shall fail to appear or act, the chairman of the meeting may, and on request of any stockholder entitled to vote thereat shall, appoint inspectors. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. The inspectors shall determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum and the validity and effect of proxies, and shall receive votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the chairman of the meeting or any stockholder entitled to vote thereat, the inspectors shall make a report in writing of any challenge, request or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall as inspector of an election of directors. Inspectors need not be stockholders.

Section 11. Action Without Meeting. Any action required or permitted to be taken at any meeting of the stockholders (including the annual meeting) may, to the extent permitted by applicable law, be taken without a meeting with the written consent of the holders of record of that number of outstanding shares of the Corporation which is then required to authorize such action, provided that such written consent shall be filed with the minutes of proceedings of the stockholders, and provided further that written notice of such action shall be given as required by law to all nonconsenting stockholders.

## ARTICLE II

## BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed by the Board. The Board may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not by statute or the Certificate of Incorporation required to be exercised or done by the stockholders.

Section 2. Number, Qualifications, Election and Term of Office. The Board shall consist of five (5) directors. The number of directors shall be determined by amendment of these By-Laws. All directors shall be of full age. Directors need not be stockholders. The directors shall be elected at the annual meeting of stockholders or, if action by the stockholders without a meeting is permitted by applicable law, the directors may be elected by consent of the holders of that number which would be sufficient to elect the directors at the annual meeting. Each director shall hold office until the next annual meeting of stockholders and until his successor shall have been duly elected and qualified, or until his death, resignation or removal.

Section 3. Place of Meetings. Meetings of the Board may be held at such place, within or without the State of Delaware, as the Board may from time to time determine or as shall be specified in the notice or waiver of notice of such meeting. Any or all directors may

participate in any meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

Section 4. First Meeting. The Board shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon as practicable after each annual meeting of stockholders, on the same day and at the same place where such annual meeting shall be held. Notice of such meeting need not be given.

Section 5. Regular Meetings. Regular meetings of the Board shall be held at such time and place as the Board may from time to time determine. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day. Notice of regular meetings of the Board need not be given except as otherwise required by statute or these By-Laws.

Section 6. Special Meetings. Special meetings of the Board may be called by the Chairman, the President or a majority of the directors.

Section 7. Notice of Meetings. Notice of each special meeting (and of each regular meeting for which notice shall be required) shall be given by the Secretary as hereinafter provided in this Section 7, in which notice shall be stated the time and the place (within or without the State of Delaware) of the meeting. Notice of each meeting shall be delivered to each director either personally or by telephone, telegraph, cable or wireless, at least twenty-four (24) hours before the time at which such meeting is to be held or by first class mail, postage prepaid, addressed to him at his residence, or usual place of business, at least three days before the day on which such meeting is to be held. Notice of any such meeting need not be given to any director who shall, either before or after the meeting, submit a signed waiver of notice or who shall attend such meeting without protesting, prior to or at its commencement, the lack of notice to him. Except as otherwise specifically required by statute or the Certificate of Incorporation or these By-Laws, a notice or waiver of notice of any regular or special meeting need not state the purposes of such meeting.

Section 8. Quorum and Manner of Acting. A majority of the entire Board shall be present in person at any meeting of the Board in order to constitute a quorum for the transaction of business at such meeting and, except as otherwise expressly required by statute, the Certificate of Incorporation or these By-Laws, the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board. In the absence of a quorum at any meeting of the Board, a majority of the directors present thereat, or if no director be present the Secretary, may adjourn such meeting to another time and place, or such meeting, unless it be the first meeting of the Board, need not be held. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. Except as provided in Article III of these By-Laws, the directors shall act only as a Board and the individual directors shall have no power as such.

Section 9. Organization. At each meeting of the Board, the Chairman or, in his absence or inability to act the President, or in the absence of both of them any director chosen by a

majority of the directors present, shall act as chairman of the meeting and preside thereat. The Secretary or, in his absence or inability to act, any person appointed by the chairman of the meeting, shall act as secretary of the meeting and keep the minutes thereof.

Section 10. Resignations. Any director of the Corporation may resign at any time by giving written notice of his resignation to the Chairman or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 11. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office, unless sooner removed, until the next annual election and until their successors are duly elected and qualified. If there are no directors in office, then an election of directors may be held in the manner provided in these By-Laws. When one or more directors shall resign from the Board, effective at a future date, a majority of directors then in office, including those who have so resigned, shall have the power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

Section 12. Removal of Directors. Except as otherwise provided in the Certificate of Incorporation or in these By-Laws, any director may be removed, either with or without cause, at any time, by the affirmative vote of the holders of record of at least two thirds (2/3) of the total number of shares of stock of the Corporation issued and outstanding, taken at a special meeting of the stockholders called and held for the purpose, or by the affirmative vote of two thirds of the directors then in office, and the vacancy in the Board caused by any such removal may be filled by the remaining directors or, if removal shall have been effected by vote of the stockholders, by the stockholders.

Section 13. Compensation. The Board shall have authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity, provided no such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 14. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all members of the Board consent thereto in writing, such writing or writings shall be filed with the minutes of proceedings of the Board.

## ARTICLE III

## EXECUTIVE AND OTHER COMMITTEES

Section 1. Executive and Other Committees. The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at

any meeting of the committee; provided, however, that in the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any member of any committee, or any alternate or substitute member of any committee, may participate in any meeting of such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at the meeting. Any such committee, to the extent provided in the resolutions creating the same shall have and may exercise the powers of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it, but no such committee shall have the power or authority to: amend the Certificate of Incorporation, adopt an agreement of merger or consolidation, recommend to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommend to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amend the By-Laws of the Corporation; and, unless the resolution creating the same so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Each committee shall keep written minutes of its proceedings and shall report such minutes to the Board when required. All such proceedings shall be subject to alteration or revision by the Board; provided, however, that third parties shall not be prejudiced by such revision or alteration.

Section 2. General. A majority of any committee may determine its action and fix the time and place of its meetings, and the manner of giving notice, if any, of regular meetings thereof, unless the Board shall otherwise provide. Notice of each special meeting of any committee shall be given to each member of the committee in the manner provided for in Article II, Section 7. Unless the Board shall otherwise provide, any action required or permitted to be taken at any meeting of any committee may be taken without a meeting if all of the members of any such committee consent thereto in writing, such writing or writings shall be filed with the minutes of proceedings of such committee. The Board shall have the power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the Board from appointing one or more committees consisting in whole or in part of persons who are not directors of the Corporation; provided, however, that no such committee shall have or may exercise any authority of the Board.

## ARTICLE IV

## OFFICERS

Section 1. Number and Qualifications. The officers of the Corporation may include the Chairman of the Board if a Chairman shall be elected and shall include the President, one or more Vice Presidents (one of whom may be designated Executive Vice President), the Treasurer and the Secretary. Any two or more offices may be held by the same person, but the same person shall not be both President and Secretary. Such officers shall be elected from time to time by the Board, each to hold office until the meeting of the Board following the next annual meeting of the stockholders, or until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall have resigned, or have been removed, as herein provided in these By-Laws, but no such election shall of itself create contract rights in any such officer. The Board may from time to time elect, or the President may appoint,

such other officers (including one or more Assistant Vice Presidents, Assistant Secretaries and Assistant Treasurers), and such agents, as may be necessary or desirable for the business of the Corporation. Such other officers and agents shall have such duties and shall hold their offices for such terms as may be prescribed by the electing or appointing authority.

Section 2. Resignations. Any officer of the Corporation may resign at any time by giving written notice of his resignation to the Board, the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3. Removal. Any officer or agent of the Corporation may be removed, either with or without cause, at any time, by the vote of the majority of the entire Board at any meeting of the Board or, except in the case of an officer or agent elected or appointed by the Board, by the Chairman or the President. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed.

Section 4. Vacancies. A vacancy in any office, whether arising from death, resignation, removal or any other cause, may he filled for the unexpired portion of the term of the office which shall be vacant, in the manner prescribed in these By-Laws for the regular election to such office.

Section 5. The Chairman. If a Chairman shall be elected, the Chairman shall be the chief executive officer of the Corporation and shall have supervision and direction over the President and all other officers, agents and employees of the Corporation. He shall preside, if present, at each meeting of the Board and stockholders and shall be an ex-officio member of all committees of the Board. He shall perform all duties incident to the office of Chairman and chief executive officer and such other duties as from time to time may be assigned to him by the Board or these By-Laws. If no Chairman shall be elected, the President shall have the privileges and responsibilities set forth in this Section 5.

Section 6. The President. The President shall be the chief operating and administrative officer of the Corporation and shall have general and active management of the day-to-day business of the Corporation and general and active supervision and direction over the other officers, agents and employees of the Corporation and shall see that their duties are properly performed, subject, however, to the control of the Chairman. The President shall be an ax-officio member of all committees of the Board, and shall perform all duties incident to the office of President and chief operating and administrative officer and such other duties as from time to time may be assigned to him by the Board or the Chairman, or by these By-Laws.

Section 7. Vice Presidents. Each Vice President shall have such powers and perform all such duties as from time to time may be assigned to him by the Board or the President.

Section 8. The Treasurer. The Treasurer shall:

(a) have charge and custody of, and be responsible for, all the funds and securities of the Corporation;

(b) keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and have control of all books of account of the Corporation;

(c) cause all moneys and other valuables to be deposited to the credit of the Corporation in such depositaries as may be designated by the Board;

(d) receive, and give receipts for, moneys due and payable to the Corporation from any source whatsoever;

(e) disburse the funds of the Corporation and supervise the investment of its funds as ordered or authorized by the Board;

(f) render to the President (and the Board whenever the Board may require) an account of the financial condition of the Corporation; and

(g) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board or the President.

Section 9. The Secretary. The Secretary shall:

(a) keep or cause to be kept in one or more books provided for the purpose, the minutes of all meetings of the Board, the committees of the Board and the stockholders;

(b) see that all notices are duly given in accordance with the provisions of these By-Laws and as required by law;

(c) be custodian of the records and the seal of the Corporation and affix and attest the seal to all stock certificates of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal;

(d) see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and

(e) in general, perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board or the President.

(f) Officers' Bonds or Other Security. If required by the Board, any officer of the Corporation shall give a bond or other security for the faithful performance of his duties, in such amount and with such sureties as the Board may require.

Section 10. Compensation. The compensation of the officers of the Corporation for their services as such officers shall be fixed from time to time by the Board; provided, however, that the Board may delegate to the President the power to fix the compensation of officers and agents appointed by the President. An officer of the Corporation shall not be prevented from receiving compensation by reason of the fact that he is also a director of the Corporation.

ARTICLE V

INDEMNIFICATION

The Corporation shall indemnify and shall advance expenses on behalf of its officers and directors to the fullest extent permitted by law in existence either now or hereafter.

ARTICLE VI

CONTRACTS, CHECKS, BANK ACCOUNTS, ETC.

Section 1. Execution of Contracts. Except as otherwise required by statute, the Certificate of Incorporation or these By-Laws, any contract or other instrument may be executed and delivered in the name and on behalf of the Corporation by such officer or officers (including any assistant officer) of the Corporation as the Board may from time to time direct. Such authority may be general or confined to specific instances as the Board may determine.

Section 2. Loans. No officer shall effect loans or advances for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual, or on account of such loans make, execute or deliver any promissory note, bond or other evidence of indebtedness of the Corporation, or mortgage, pledge, hypothecate or transfer otherwise than in the ordinary course of business of the Corporation any securities or other property of the Corporation, except when authorized by the Board.

Section 3. Checks Drafts, Etc. All checks, drafts, bills of exchange and other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, shall be signed in the name and on behalf of the Corporation by such persons as shall from time to time be authorized by the Board.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositaries as the Board may from time to time designate or as may be designated by any officer or officers of the Corporation to whom such power of designation may from time to time be delegated by the Board. For the purpose of deposit and for the purpose of collection for the account of the Corporation, checks, drafts and other orders for the payment of money which are payable to the order of the Corporation may be endorsed, assigned and delivered by any officer or agent of the Corporation, or in such other manner as the Board may determine by resolution.

Section 5. General and Special Financial Accounts. The Board may from time to time authorize the opening and keeping of general and special accounts with such banks, trust companies or other depositories, and with such brokerage firms and other financial institutions, as the Board may designate or as may be designated by any officer or officers of the Corporation to whom such power of designation may from time to time be delegated by the Board. The Board may make such special rules an d regulations with respect to such accounts, not inconsistent with the provisions of these By-Laws, as it may deem expedient.

Section 6. Proxies. The President, or any agent that the President may from time to time appoint, may, in the name and on behalf of the Corporation cast the votes which the Corporation may be entitled to cast at meetings of the holders of the stock or other securities of other corporations, or consent in writing, in the name of the Corporation as such holder, to any

action by other corporations, and, in the case of an agent appointed by the President, may instruct the agent so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such written waivers, proxies or other instruments as may be deemed necessary or proper in the premises.

## ARTICLE VII

## SHARES, ETC.

Section 1. Stock Certificates. Each holder of stock of the Corporation shall be entitled to have a certificate, in such form as shall be approved by the Board, certifying the number of shares of stock of the Corporation owned by him. The certificates representing shares of stock shall be signed in the name of the Corporation by the President and by the Secretary and sealed with account of the alleged loss, theft, or destruction of any such certificate, or the issuance of a new certificate. Anything herein to the contrary notwithstanding, the Board, in its absolute discretion, may refuse to issue any such new certificate, except pursuant to legal proceedings under the laws of the State of Delaware.

Section 2. Books of Account and Record of Stockholders. The books and records of the Corporation may be kept at such places within or without the State of Delaware as the Board of Directors may from time to time determine. The stock record books and the blank stock certificate books shall be kept by the Secretary or by any other officer or agent designated by the Board of Directors.

Section 3. Transfers of Shares. Transfers of shares of stock of the Corporation shall be made on the stock records of the Corporation only on authorization by the registered holder thereof, or by his attorney “hereunto authorized by power of attorney duly executed and filed with the Secretary or with a transfer agent or transfer clerk, and on surrender of the certificate or certificates for such shares properly endorsed or accompanied by a duly executed stock transfer power and the payment of all taxes thereon. Except as otherwise provided by law, the Corporation shall be entitled to recognize the exclusive right of a person in whose name any share or shares stand on the record of stockholders as the owner of such share or shares for all purposes, including, without limitation, the rights to receive dividends or other distributions, and to vote as such owner, and the Corporation may hold any such stockholder of record liable for calls and assessments and the Corporation shall not be bound to recognize any equitable or legal claim to or interest in any such share or shares on the part of any other person whether or not it shall have express or other notice thereof Whenever any transfers of shares shall be made for collateral security and not absolutely, and both the transferor and transferee request the Corporation to do so, such fact shall be stated in the entry of transfer.

Section 4. Regulations. The Board may make such additional rules and regulations, not inconsistent with these By-laws, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Corporation. It may appoint, or authorize any officer or officers to appoint, one or more transfer agents, transfer clerks or registrars, and may require all certificates for shares of stock to bear the signature or signatures of any of them.

Section 5. Lost, Destroyed or Mutilated Certificates. The holder of any certificate representing shares of stock of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of such certificate, and the Corporation may issue a new certificate in the place of any certificate theretofore issued by it which the owner thereof shall allege to have been lost, stolen or destroyed or which shall have been mutilated, and the Board may, in its discretion, require such owner or his legal representatives to give to the Corporation a bond in such sum, limited or unlimited, and in such form and with such surety or sureties as the Board in its absolute discretion shall determine, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft, or destruction of any such certificate, or the issuance of a new certificate. Anything herein to the contrary notwithstanding, the Board, in its absolute discretion, may refuse to issue any such new certificate, except pursuant to legal proceedings under the laws of the State of Delaware.

Section 6. Fixing of Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion, exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at any meeting of stockholders shall be the close of business on the date next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board is necessary, shall be the day on which the first written consent is expressed, and (3) the record date for determining stockholders for any other purpose shall be the close of business on the day on which the Board adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

## ARTICLE VIII

## OFFICES

The Corporation may also have an office or offices other than its registered office at such place or places, either within or without the State of Delaware, as the Board shall from time to time determine or the business of the Corporation may require.

## ARTICLE IX

## FISCAL YEAR

The fiscal year of the corporation shall be Determined by the Board.

## ARTICLE X

## SEAL

The Board shall provide a corporate seal, which shall be in the form of two concentric circles and bear the name of the Corporation, the year of incorporation and the words “Corporate Seal-Delaware”.

## ARTICLE XI

## AMENDMENTS

These By-Laws may be amended or repealed or new by-laws may be adopted at any annual or special meeting of the stockholders by a majority of the total votes of the stockholders present in person or represented by proxy and entitled to vote on such action, provided, however, that the notice of such meeting shall have been given as provided in these By-Laws. These By-Laws may also be amended or repealed or new by-laws may be adopted by the Board at any meeting thereof; provided, that notice of such meeting shall have been given as provided in these By-Laws; and provided further, however, that the by-laws adopted by the Board may be amended or repealed by the stockholders as hereinabove provided.

**Exhibit 10.62**

**AMENDMENT TO INVESTOR AGREEMENT**

This Agreement is made this 31st day of May, 2005 by and between FULL HOUSE RESORTS, INC. located at 4670 So. Fort Apache Road, Suite 190, Las Vegas, Nevada 89147 (hereinafter "FHRI") and RAM ENTERTAINMENT, LLC with an address c/o Mark Knobel, 165 W. Liberty Street, Suite 210, Reno, Nevada 89501 (hereinafter "RAM") and Gaming Entertainment (Michigan) LLC (hereinafter "GEM").

RECITALS

A. On or about February 15 2002, FHRI and RAM entered into an Investor Agreement (as amended to date, the "Investor Agreement"), which provides, among other things, that RAM will invest in certain projects of FHRI, including the development and management of a Native American gaming facility for Nottawaseppi Huron Band of Potawatomi Indians in Michigan (the Development Project" and the "Tribe") subject to certain terms and conditions and that RAM will be a member of GEM.

B. Pursuant to the Investor Agreement, RAM loaned FHRI the sum of $2,381,280.00 (the "Loan") and RAM has advanced the funds to GEM to acquire certain real estate to be utilized in the Development Project.

C. The Investor Agreement was amended by the parties on February 15, 2003 which provided, among other things, for the extension of the Note.

D. The Loan is evidenced by a secured Promissory Note, dated February 15, 2002, which Promissory Note was replaced by a Secured Promissory Note, dated February 15, 2003 (the "Note"), in the principal sum of $2,381,280.00 executed by FHRI in favor of RAM.

E. The Note is secured by (i) that certain Third Party Security Agreement, of even date therewith, by FHRI, as borrower, and RAM, as the secured party, thereunder ("Security Agreement"). The Note and Security Agreement, together with all other documents and instruments executed and delivered in connection with the Loan, as collectively referred to herein as the "Loan Documents".

F. Pursuant to the terms of the Note and the Investor Agreement, the Loan is convertible, in part, to a capital contribution in Gaming Entertainment (Michigan), LLC ("GEM") upon the occurrence of two Investor Contingencies, as defined in the Investor Agreement.

G. Neither Investor Contingency has yet occurred.

H. Due to the delays in the Development Project, RAM has agreed to extend the maturity of the Note, which became due on November 15, 2004.

I. FHRI and RAM have entered into an Amended Operating Agreement which governs GEM ("Operating Agreement").

J. As of December 10, 2004, FHRI and RAM entered into a certain Forbearance Agreement, by which the parties agreed to forbear from exercising any rights or remedies under the Investor Agreement and Loan Documents for a defined period of time.

K. FHRI and RAM now desire to amend the Investor Agreement, Operating Agreement as Loan Documents in accordance with the terms of this Amendment.

NOW, THEREFORE, for and in consideration of the mutual promises and obligations made herein and other good and valuable consideration the adequacy of which is admitted, the parties intending to be bound agree as follows:

1. GENERAL PROVISIONS.

A. The Recitals are incorporated herein by reference and are and shall be deemed to be a part of this Agreement as if fully set forth herein.

B. The terms and conditions of the Investor Agreement, the Note and the Loan Documents be and hereby are amended and modified by the terms of this Agreement. To the extent that the terms of this Agreement are different from or inconsistent with the terms of the agreements and documents being amended and modified by this Agreement, the terms of this Agreement shall control and supersede such other inconsistent or different terms.

C. To the extent that the terms of the Investor Agreement, the Note and the Loan Documents are not amended or modified by this Agreement, such terms shall remain in full force and effect.

D. Any term not specifically defined herein shall be defined and have the meaning provided in the Investor Agreement.

E. The parties will amend the Promissory Note, Loan Document and Operating Agreement consistent with this Agreement.

2. FINANCING RESPONSIBILITIES.

A. Notwithstanding any provisions of the Investment Agreement to the contrary (including without limitation Sections 5.1 and 5.2 the parties agree that commencing on January 1, 2005 and continuing until the occurrence of the Investor Contingencies, or the earlier conversion of a portion of the Initial Loan by RAM into a capital contribution in GEM, RAM shall pay one-half of the costs of the Development Project to a maximum of Eight Hundred Thousand Dollars ($800,000) in accordance with an approved budget and approved invoices or payment statements. FHRI shall submit invoices or payment statements approved for payment to RAM and, upon receipt, RAM shall forward to FHRI a sum equal to one-half of such invoices or payment statements.

B. The parties agree FHRI will provide a detailed accounting of all funds expended by FHRI on behalf of GEM and whether the expense has been approved by the Tribe for repayment.

3. PROMISSORY NOTE.

A. The parties agree RAM hereby extends the maturity date of the Note to July 1, 2007, provided that (i) RAM reserves the right to further extend the maturity of the Note; (ii) the Note will convert in accordance with the Investor Agreement

upon the occurrence of both Investor Contingencies and (iii) RAM reserves the right to convert the Note in accordance with the Investor Agreement at any time prior to the occurrence of one or both of the Investor Contingencies. If FHRI prepays the Note then interest on the principal balance shall cease to accrue but the unpaid interest shall remain payable and RAM shall not forfeit its interest in GEM.

B. The parties agree interest on the Note has accrued since March 2004 and will continue to accrue without payment or penalty. Interest is to be paid to RAM as part of the Tribal Loan, if the Note is converted. Otherwise interest will be added to the principal amount and paid in conjunction with the payment of the principal.

4. MISCELLANEOUS TERMS.

A. Notwithstanding Section 2.3 of the Investor Agreement, the parties agree that any distributions from GEM and all profits will be shared equally by RAM and FHRI.

B. Notwithstanding Sections 5.1 and 5.2, the parties agree that after the Investment Contingencies occur or are waived, the parties will be equally responsible for the cost and expenses of the Development Project if financing cannot be obtained.

C. Notwithstanding Section 5.4 of the Investor Agreement, the parties agree that RAM shall not be entitled to receive 22.5% of the profits of GEM which would otherwise be allocable to Full House.

D. Notwithstanding Section 5.6 of the Investor Agreement, the parties agree that FHRI shall not be liable for fifty percent (50%) of any unpaid and outstanding principal balance due to RAM under the Temporary Loan excluding the Note.

E. RAM agrees that it will subordinate its security interest in the collateral to other borrowings by FHRI in an amount not to exceed a total of Three Million Dollars ($3,000,000.00), provided (i) such subordination does not affect or modify the maturity date of or RAM's rights under the Note; (ii) any default by FHRI under the debt to which RAM's security interest is subordinated shall constitute a default under the Security Agreement between FHRI and RAM; (iii) if annual revenues received by FHRI from its management of Midway Slots and Simulcast at Harrington Racetrack in Delaware fall below Two Million Dollars ($2,000,000.00) shall constitute an event of default under the Security Agreement between FHRI and RAM; (iv) customary lender covenants are to be included in any modification of the Security Agreement between FHRI and RAM, including without limitation, that FHRI shall provide to RAM quarterly financial statements and that FHRI will allow no other encumbrances on the collateral without RAM's specific approval.

F. RAM agrees that it will consider subordinating or replacing its security interest to other borrowings by FHRI provided that RAM's interest remains adequately secured in RAM's sole opinion.

G. Notwithstanding Sections 2.2 and 2.5 of the Investor Agreement, the parties agree that all references to RAM forfeiting its interest in GEM shall be deleted.

H. This Agreement shall be governed by the laws of the State of Nevada. The parties agree to amend the Investor Agreement to be governed by the laws of the State of Nevada.

In witness whereof the parties set their hands the date first set forth above.

FULL HOUSE RESORTS, INC.

By: /s/ Barth Aaron
Printed Name: Barth F. Aaron
Title: Secretary

RAM ENTERTAINMENT, LLC

By: /s/ Robert A. Mathewson
Printed Name: Robert A. Mathewson
Title: Principal

GAMING ENTERTAINMENT (MICHIGAN) LLC

By Full House Resorts, Inc., Managing Member

By: /s/ Barth Aaron
Printed Name: Barth F. Aaron
Title: Secretary

**EXHIBIT 10.63**

**ECONOMIC DEVELOPMENT AGREEMENT**

This Agreement is made this 24 day of May 2005 by and between FULL HOUSE RESORTS, INC., located at 4670 So. Fort Apache Ro d, Suite 190, Las Vegas, Nevada 89147 (hereinafter "FHRI") and NORTHERN CHEYENNE TRIBE located at P.O. Box 128, Lame Deer, Montana 59043 (hereinafter "Tribe")

WHEREAS, the Tribe desires to pursue economic development for the purpose of enhancing the Tribe's economic self-sufficiency and self-determination; and

WHEREAS, the Tribe seeks the financial, development and operational expertise to pursue these economic development opportunities, and

WHEREAS, FHRI desires to assist the Tribe in enhancing the Tribe's economic self-sufficiency and self-determination; and

WHEREAS, FHRI has access to the financial, development and operational expertise to pursue these economic development opportunities, and

WHEREAS, the Tribe and FHRI desire to join together to pursue certain economic development projects in accordance with the terms of this Agreement;

NOW, THEREFORE, for and in consideration of the mutual promises and obligations made herein and other good and valuable consideration the adequacy of which is admitted, the parties agree as follows:

1. The statements of the Preamble are incorporated herein by reference.

2. The Tribe hereby retains FHRI as its exclusive consultant for economic development. Consultants currently working with the Tribe report to FHRI, and their compensation will determined by FHRI.

3. FHRI agrees to provide the financing, development, construction and management of any mutually agreed upon economic development opportunity or project presented to it by the Tribe, provided that (a) FHRI determines that such a venture or project has economic viability; and (b) sufficient financial, personnel, technological and physical resources are available to make the venture or project economically viable.

4. The compensation or other remuneration to paid to FHRI for the financing, development, construction and/or management of any for-profit economic development project, and the obligations and involvement of FHRI in such project, shall subject to the same terms and compensation as agreed upon in the Gaming Management Agreement - 30% of net revenue for seven years unless the term is unsatisfactory to the NIGC. Non-profit development projects wilt include a 10% development fee and/or a 5% financing fee to FHRI, which will be included in the project financing.

5. In the event that the Tribe and FHRI do not agree on the feasibility of one or more economic development opportunities, nothing in this Agreement shall prohibit the Tribe from pursuing such development opportunity without the involvement of FHRI, provided that the Tribe has made a good faith effort to present the opportunity to FHRI and FHRI has had a good faith opportunity to investigate and analyze the opportunity to determine whether it can be economically viable. The Tribe may continue to pursue development opportunities and projects from which FHRI has terminated its involvement in paragraph 8.

6. This Agreement shall become effective on the date it is signed. Notwithstanding any other provision hereof, this Agreement shall terminate when the term of the last project that FHRI participates in expires. Notwithstanding this provision, in the event this Agreement is terminated, FHRI shall have the option to terminate any agreement entered into pursuant to this Agreement for the financing, development, construction and/or management and operation of an economic development project.

7. Nothing in this Agreement shall otherwise relate to gaming as defined in 25 U.S.C. §§2701 et seq., the Indian Gaming Regulatory Act and this Agreement shall not be subject to approval by the NIGC pursuant to that Act.

8. In the performance of this Agreement and any specific agreement relating to specific economic development projects entered into pursuant to this Agreement, FHRI may use, retain and hire any and all employees, agents, consultants, contractors, subcontractors, vendors and suppliers which it deems necessary or appropriate subject to the approval of the Tribe, which approval shall not be unreasonably withheld. In the event the Tribe withholds approval of any employee, agent, consultant, contractor, subcontractor, vendor or supplier, FHRI may terminate its involvement in the specific economic development project in which said person or entity was deemed necessary or appropriate, without further liability of FHRI.

9. Prior to entering into any specific agreement for a specific economic development project pursuant to this Agreement, the Tribe and FHRI shall agree upon a development, construction and/or operational budget, as appropriate for the project. In the event that the actual costs shall exceed the budgeted amount by five percent (5%) or the actual revenues or income is less than ninety-five percent (95%) of the budgeted amount, FHRI may terminate the specific agreement, provided that FHRI and the Tribe have conferred in an attempt to revise the project in such a way as to either (1) revise the budget satisfactory to both parties or (2) revise the project to return to the original budget or (3) any combination of (1) and (2).

10. For ease of reference and consistency only, the following provisions of the Class III Gaming Management Agreement Between The Northern Cheyenne Tribe and Gaming Entertainment (Montana), LLC, or its successors or assigns, and any amendments thereof shall be incorporated by reference herein and be made a part of this Agreement:

A. Article - Trade names, Trade marks and Service Marks.

B. Article 9 - General Provisions.

C. Article 10 - Warranties.

D. Article 11 - Termination, in conjunction with paragraph 6 above and to the extent that provisions relating solely to gaming shall not be incorporating in this Agreement.

E. Article 13 - Consents and Approvals.

F. Article 16 - No Present Lien, Lease or Joint Venture.

G. Article 17 - Dispute Resolution.

H. Article 18 - Entire Agreement

I. Article 19 - Government Savings Clause.

In witness whereof the parties set their hands the date first set forth above.

| | |
|---|---|
| FULL HOUSE RESORTS, INC | NORTHERN CHEYENNE TRIBE |
| By: /s/ Greg Violette | By: _____ |
| Printed Name: Greg Violette | Printed Name: |

**EXHIBIT 10.64**

# DEVELOPMENT AGREEMENT

**BY AND AMONG**

**PUEBLO OF NAMBÉ,**

**NAMBÉ PUEBLO GAMING ENTERPRISE BOARD**

**AND**

**GAMING ENTERTAINMENT (SANTA FE), LLC**

**DATED AS OF SEPTEMBER 20, 2005**

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**DEVELOPMENT AGREEMENT**

This Development Agreement (this "Agreement") has been entered into as of the 20th day of September, 2005, by and among the NAMBÉ PUEBLO GAMING ENTERPRISE BOARD (the "Board"), GAMING ENTERTAINMENT (SANTA FE), LLC, a Nevada limited liability company established and operated by Full House Resorts, Inc., a Delaware corporation, ("Manager") (jointly and severally the "Parties" or "Party") and the PUEBLO OF NAMBÉ (the "Tribe") for the limited purposes stated in the Preamble and Sections 1.1 ("Effective Date"), 3.1, 11.2, 13.3, and Article 9, Article 14 and Article 16.

**RECITALS**

A. TRIBE is a federally recognized Indian tribe recognized as eligible by the Secretary of the Interior for the special programs and services provided by the United States to Indians because of their status as Indians and is recognized as possessing powers of self-government.

B. The U.S. holds land in trust for the benefit of TRIBE, pursuant to the TRIBE'S recognized powers of self-government, and the laws, customs, traditions, statutes and ordinances of TRIBE.

C. TRIBE possesses sovereign governmental powers over the Tribal Lands and desires to utilize the Tribal Lands to improve the economic conditions of TRIBE's members.

D. TRIBE has established the Board as a duly constituted instrumentality of the TRIBE with all appropriate power and authority.

E. TRIBE has delegated to the Board all proprietary but not governmental powers and rights of the Pueblo over the development, construction, operation, promotion, maintenance and financing of the Gaming Facility

F. MANAGER has agreed to assist the Board in financing and developing the Gaming Facility.

G. The Board and the TRIBE have entered into a Management Agreement with MANAGER whereby MANAGER, subject to receipt of regulatory approvals, will manage the Gaming Facility (the "Management Agreement").

H. MANAGER and Board desire to take all steps reasonably possible prior to the receipt of the regulatory approvals (i) to obtain a preliminary commitment for financing of the Gaming Facility, (ii) to select and develop the site for the Gaming Facility, (iii) to design the Gaming Facility, and (iv) to enter into contracts to construct and equip the Gaming Facility so that the Gaming Facility can be opened to the public as soon as possible after the receipt of all regulatory approvals.

I. TRIBE and the Board has selected MANAGER to assist the Board to obtain financing for the gaming developments, and to furnish technical experience and expertise for the development and design of the developments, and for contracting for the construction, furnishing and equipping of the Gaming Facility.

J. TRIBE, the Board and MANAGER intend that their relationship with regard to this Development Agreement shall be exclusive.

K. The Board and MANAGER desire to enter into an agreement whereby the preliminary Gaming Facility design and development work (but not the Gaming Facility construction or operation) may proceed prior to receipt of regulatory approvals.

L. MANAGER has agreed to certain terms and has represented to TRIBE and the Board that MANAGER has the capabilities to provide professional management, funds and financing necessary to develop and construct the Gaming Facility, as defined herein, and to commence the operation of the Enterprise as outlined in this Agreement as consideration for the exclusive right to develop and manage the Gaming Facility pursuant to the Management Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises herein contained, the receipt and sufficiency of which are expressly acknowledged the Board and MANAGER hereby agree as follows:

## ARTICLE 1

## DEFINITIONS AND OBJECTIVES

**SECTION 1.1 DEFINITIONS.**

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Management Agreement. In addition to other terms which are defined elsewhere in this Agreement, the following terms, for purposes of this Agreement, shall have the meanings set forth in this Section:

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

"AGREEMENT" shall mean this Development Agreement.

"ARCHITECT" shall mean the person or firm retained pursuant to Section 5.1 who shall be an individual or company duly licensed as an Architect and/or Engineer familiar with the design of gaming facilities.

"BIA" shall mean the Bureau of Indian Affairs under the Department of the Interior of the United States of America.

"BOARD" shall mean the Nambé Pueblo Gaming Enterprise Board, having the authority by Tribal Council to oversee gaming development and operation.

"CLASS II GAMING" shall mean Class 11 gaming as defined in the IGRA.

"CLASS III GAMING" shall mean Class III Gaming as defined in the IGRA.

"COMMENCEMENT DATE" shall mean the first date that the Gaming Facility is complete, open to the public and that Gaming is conducted in the Gaming Facility pursuant to the terms of the Management Agreement.

"COMMERCIAL DEVELOPMENT" shall mean Tribal economic development projects that are non-gaming in nature.

"COMPACT" shall mean Tribal-State Compact which TRIBE has executed or intends to negotiate and execute with the State for the conduct of Class Ill Gaming, and approved pursuant to the IGRA; as the same may, from time to time, be amended, or such other compact that may be substituted therefore.

"COMPLETION DATE" shall mean the date upon which MANAGER receives:

(i) an architect's certificate from the Architect chosen pursuant to this Agreement as having responsibility for the design and supervision of construction, equipping and furnishing of the Gaming Facility certifying that the Gaming Facility has been fully constructed substantially in accordance with the Plans and Specifications;

(ii) certification from MANAGER or its designee, having responsibility to assure compliance with any operational standards stating that the Gaming Facility, as completed, is in substantial compliance with any such standards;

(iii) a permanent or temporary certificate of occupancy, if required, from any government authority or authorities pursuant to whose jurisdiction the Gaming Facility is to be constructed, permitting the use and operation of all portions of the Gaming Facility in accordance with this Agreement; and

(iv) certificates of such professional designers, inspectors or consultants or opinions of counsel, as MANAGER may determine to be appropriate, verifying construction and furnishing of the Gaming Facility in compliance with all Legal Requirements.

"CONTRACT DOCUMENTS" shall mean any and all construction management agreements and/or construction contracts or contracts, including drawings and schedules, with well-qualified construction manager(s), contractor(s) and/or construction manager(s) properly licensed in the State.

"DESIGN AGREEMENT" shall mean an agreement between the Board and the Architect and/or Engineer providing the scope of design work for the Gaming Facility project. This Design Agreement should also include, at a minimum, site design, building design, and interior design, as well as plans for expansion and any other future phased additions or amenities, payment, termination clauses, reporting procedures to the Board, Project schedules, and Design Packages.

"DESIGN PACKAGES" shall mean design layouts for each portion of the Enterprise including drawings, sketches, models, and/or other visual designs.

"DEVELOPMENT AGREEMENT" shall mean this agreement by and between MANAGER and the Board, providing the terms under which MANAGER and Board will work exclusively together in matters relating to gaming development, and MANAGER will advance certain specified funds to the Project and will cause to be financed and develop the Gaming Facility, including without limitation, design, construction, furnishing and equipping same.

"DEVELOPMENT BUDGET" shall mean the proposed budgets for designing, constructing, furnishing and equipping the Gaming Facility, including the Temporary Gaming Facility, if any, and related costs which may be identified prior to the commencement of design by the Architect.

"EFFECTIVE DATE" shall mean the date five days following the date on which all of the following listed conditions are satisfied:

(i) written approval of the Management Agreement is granted by the Chairperson of the NIGC;

(ii) written approval, as required by law, of the Note, the Loan Agreement, and the Security and Reimbursement Agreement is granted by the Chairperson of the NIGC and/or the BIA; if required

(iii) written approval of a Tribal Gaming Ordinance ("Gaming Ordinance") and of any other ordinances adopted by TRIBE relative to any of the documents referenced in the Management Agreement in form and substance satisfactory to MANAGER as required by the NIGC or the BIA;

(iv) written confirmation, if required, that TRIBE, the State, and the NIGC, have approved background investigations of MANAGER and any related parties subject to background investigations;

(v) MANAGER has received a certified copy of the ratifying Tribal resolution and Ordinance adopted in accordance with TRIBE's governing documents reciting that it is the governing law of TRIBE, that this Agreement, the Management Agreement, Loan Agreement, Note, Security and Reimbursement Agreement and the exhibited documents attached thereto are the legal and binding obligations of TRIBE and/or the Board, as appropriate, and are valid and enforceable in accordance with their terms;

(vi) MANAGER has satisfied itself as to the proper ownership and control of the Tribal Lands and its suitability for construction and operation of the contemplated Gaming Facility, and that all of the Legal Requirements and other requirements for lawful conduct and operation of the Enterprise in accordance with the Management Agreement have been met and satisfied;

(vii) for purposes of Class III Gaming, the Compact has been signed by the Secretary of the Interior and published in the Federal Register as provided in 25 U.S.C. Section 2710(d)(8)(D);

(viii) the satisfactory completion of all necessary and applicable feasibility studies required for the development, construction and operation of the Gaming Facility;

(ix) receipt by MANAGER of all applicable licenses for or related to the development, construction and operation of the Gaming Facility; and

(x) receipt by MANAGER of Board's approval of the Plans and Specifications of the Gaming Facility.

TRIBE and Board agree to cooperate and use their best efforts to satisfy all of the above conditions at the earliest possible date. MANAGER agrees to memorialize the satisfaction of each of (vi) and (viii), as well as the Effective Date, in writings signed by MANAGER and delivered to TRIBE, the Board and to the Chairperson of the NIGC.

"ENTERPRISE" shall mean the enterprise of TRIBE, under the authority of the Board, created to engage in Class II and Class Ill Gaming at the Gaming Facility, and which shall include any other lawful commercial activity allowed in the Gaming Facility including, but not limited to the operation of a hotel, RV Park, retail stores, restaurants, entertainment facilities, or the sale of fuel, food, beverages, alcohol, tobacco, gifts, and souvenirs.

"FIXTURES AND EQUIPMENT" shall mean all furniture, fixtures and equipment (excepting "Operating Equipment" as hereinafter defined) required for the operation of the Enterprise in accordance with the standards set forth in this Agreement, including, without limitation:

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

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

(iii) office furniture and equipment;

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

(v) all other furnishing and equipment hereafter located and installed in or about the Gaming Facility which are used in the operation of the Enterprise in accordance with the standards set forth in this Agreement.

"GAMING" shall mean any and all activities defined as Class II and Class III Gaming pursuant to IGRA.

"GAMING FACILITY" shall mean the buildings, structures and improvements located on the Tribal Lands and all Furniture, Fixtures and Equipment attached thereto, forming a part of, or necessary for the operation of the Enterprise, within that portion of Tribal Lands authorized for gaming..

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

"LEGAL REQUIREMENTS" shall mean any and all present and future judicial, administrative, and tribal rulings or decisions, and any and all present and future federal, state, local, and tribal laws, ordinances, rules, regulations, permits, licenses and certificates, in any way applicable to TRIBE, the Board, MANAGER, the Tribal Lands, the Gaming Facility, and the Enterprise, including without limitation, the IGRA, the Compact, and Tribal Gaming Ordinance.

"LENDER" shall mean the financial institution to provide to Manager the funding necessary to design, construct, and equip the Facility, and provide start-up capital for the Enterprise.

"LOAN" shall mean the loan to the MANAGER to be made pursuant to a certain Loan Agreement.

"LOAN AGREEMENT" shall mean the loan agreement in a principal amount of up to $40,000,000, to be entered into between Lender and MANAGER, but in any event MANAGER will cause to be provided to the Enterprise the above proceeds which are to be used exclusively for Gaming Developments, the design construction, furnishing and equipping of the Gaming Facility and/or providing start-up and working capital for the Enterprise.

"MANAGEMENT AGREEMENT" shall mean the agreement between TRIBE, the Board and MANAGER as approved by the NIGC, pursuant to which MANAGER will manage the Enterprise.

"MANAGER" shall mean Gaming Entertainment (Santa Fe), LLC, or its affiliates.

"NATIONAL INDIAN GAMING COMMISSION" ("NIGC") is the commission established pursuant to 25 U.S.C. Section 2704.

"NET REVENUES" shall have the meaning set forth in the Management Agreement.

"PLANS AND SPECIFICATIONS" shall mean the final Plans and Specifications approved for the Gaming Facility as described in this Agreement.

"PROJECT" shall have the mean the planning, construction, and development of the temporary, if any, and permanent Gaming Facility.

"SECURITY AND REIMBURSEMENT AGREEMENT" shall mean that agreement to be entered into between MANAGER and the Board which shall set out the security interest of MANAGER and reimbursement obligation of the Board relating to the Loan.

"STATE" shall refer to the State of New Mexico.

"TRIBE" shall mean the Pueblo of Nambé.

"TERM" shall mean the term of this Agreement as described in Article 8.

"TRIBAL CONSULTANTS" shall include but not be limited to (i) those persons or entities as described in Article 9, section 9.1, and (ii) the Tribal Consulting Attorney.

"TRIBAL COUNCIL" shall mean the duly elected governing body of TRIBE.

"TRIBAL DISTRIBUTIONS" shall mean gaming revenues distributed by the Enterprise to the Tribe whereby such revenues are converted to Tribal assets.

"TRIBAL LANDS" means all lands presently and in the future held in trust for the TRIBE and all lands within the confines of the Tribe's reservation and to such lands as may thereafter be added thereto.

## ARTICLE 2

## INDEPENDENT AGREEMENT

**SECTION 2.1 INDEPENDENT AGREEMENT.**

The objective of the Board and MANAGER in entering into and performing this Agreement is to provide a legally enforceable procedure and agreement pursuant to which MANAGER will make certain funds available to the Board for the development of the Gaming Facility prior to the approval of the Management Agreement by the NIGC and the obtaining of any other necessary approvals so that the Project can commence operations as soon as possible; and set forth the rights and obligations of the parties if approval of the Management Agreement by the NIGC does not occur or if the Project is unable to be developed for any other reason. This is intended to be a legally enforceable agreement, independent of the Management Agreement, which shall enter into effect when executed and delivered by the parties, and be enforceable between the parties regardless of whether or not this Agreement or the Management Agreement is approved by the Chairperson of the NIGC.

## ARTICLE 3

## SITE ACQUISITION

**SECTION 3.1 SELECTION OF TRIBAL LANDS.**

In the event that the existing Tribal Trust Land cannot be used as the site for the Gaming Facility, the TRIBE, the Board and the MANAGER agree to select an appropriate site for the Gaming Facility. No party's consent will be unreasonably withheld. In the event that an appropriate site cannot be selected and no gaming facility can be developed, this Agreement and the Management Agreement shall terminate. The site selection shall be deemed appropriate for gaming purposes only if it complies with 25 U.S.C. § 2719(a).

**SECTION 3.2 PURCHASE AGREEMENT.**

Upon approval of acquisition of an alternate site, which is not existing Tribal Lands, by the mutual agreement of MANAGER, the Board and the Tribal Council, MANAGER shall negotiate a purchase contract or option agreement for purchase of the site by MANAGER or its designee or nominee. Upon approval of the form of Purchase or Option Agreement proposed by MANAGER by the Tribal Council, MANAGER or its designee or nominee shall enter into the Purchase or Option Agreement with the seller of the site. It is mutually agreed that the site shall be transferred by MANAGER to the United States to be held in trust for the benefit of TRIBE upon approval of a Tribal-State Compact. The actual closing of the real estate agreement and the transfer of title to the United States to be held in trust for the benefit of TRIBE may occur following the Effective Date, or at a time as may be necessary to secure approval by appropriate officials or agencies of the Management Agreement, the Compact and the approval of the Secretary of the Interior to take the site into trust for the benefit of TRIBE for gaming purposes. All amounts so advanced by MANAGER shall be a part of the Loan and shall be repaid to MANAGER from the first proceeds of the Loan to the extent proceeds from the Loan are available for this purpose and shall be subject to the Security and Reimbursement Agreement.

**SECTION 3.3 TRANSFER OF TRIBAL LANDS TO TRIBE.**

On or immediately following the Effective Date, or at such time as may be necessary to secure approval by appropriate officials or agencies, of the Management Agreement or the Compact and the approval of the Secretary of the Interior to take the land into trust for the benefit of TRIBE for gaming purposes, MANAGER or its designee or nominee shall transfer title to the United States to be held in trust by the United States for the benefit of TRIBE for gaming purposes. Any amounts required to be paid to effect such transfer shall be paid by MANAGER and shall be a part of the development cost of the Enterprise and repaid to MANAGER from the first proceeds of the Loan.

**SECTION 3.4 CONFIDENTIALITY.**

The parties agree on a reasonable efforts basis to keep the intended use of each site confidential until the Purchase Agreement has been executed and delivered by all parties to the Purchase Agreement.

## ARTICLE 4

## FEASIBILITY STUDIES

**SECTION 4.1 FEASIBILITY STUDY.**

As soon as reasonably possible after the signing of this Agreement by both parties, MANAGER shall perform a feasibility study to explore the design, cost, size and projected economic benefit of the Gaming Facility within the scope of the Enterprise. A copy of the feasibility study shall be furnished by MANAGER to the Board and Tribal Council. All actual costs incurred by MANAGER to perform or cause the feasibility study to be performed shall be included as part of the development cost of the Enterprise and repaid to MANAGER as a Transition Loan or from the first proceeds of the Loan to the extent available for this purpose.

**SECTION 4.2 FEASIBILITY DETERMINATION.**

After said feasibility study has been furnished to the Board, the Board and MANAGER shall jointly determine the size and scope of the Gaming Facility and whether or not to include a Temporary Gaming Facility within the Enterprise. Inclusion of a Temporary Gaming Facility within the Enterprise shall be dependent upon an agreement between MANAGER and the Board with respect to such additional matters as may need to be addressed in order to fully provide for said Temporary Gaming Facility. Construction and operation of the Temporary Gaming Facility shall in no way limit the full term of the Management Agreement for the Gaming Facility. The terms, conditions and provisions of this Section 4.2 shall control and take precedence over any contrary terms, conditions and provisions contained in this Agreement.

## ARTICLE 5
## DESIGN PHASE

**SECTION 5.1 EMPLOYMENT OF ARCHITECT.**

MANAGER and the Board shall enter into a Design Agreement with a duly licensed Architect and/or Engineer familiar with the design of gaming facilities. The Board and MANAGER shall work closely with Architect to consult, supervise, direct, control and administer duties, activities and functions of the Architect and to efficiently carry out covenants and obligations under this Agreement. The parties understand that market, compact, governmental or other conditions may change and it may be necessary to expand or decrease the scope of the project before construction is commenced. In this and any case, the Board retains the right to review and approve major design elements of the Enterprise.

**SECTION 5.2 DESIGN AND CONSTRUCTION BUDGETS.**

MANAGER, with the assistance and input of the Architect, shall submit to the Board, proposed budgets (collectively the "Development Budget") for designing, constructing, furnishing and equipping the Gaming Facility, including the Temporary Gaming Facility, if any, and related costs which may be identified, prior to the commencement of design by the Architect. The Development Budget shall reflect planned phasing, if any. MANAGER may, after notice to and approval by the Board, revise the aggregate Development Budget from time-to-time, as necessary or appropriate to reflect any unpredicted changes, variables or events or to include additional and unanticipated Project costs. MANAGER may, after notice to and approval by the Board, reallocate part or all of the amount budgeted with respect to any line item to another line item and to make such other modifications to the Development budget as MANAGER deems necessary or appropriate, provided that: (i) the cumulative modifications of the Development Budget for all Design Packages shall not, without MANAGER's prior approval and the Board's prior approval, exceed the approved aggregate Development Budget, and (ii) such modifications do not otherwise conflict with the terms of this Agreement. Development Budget adjustments which otherwise vary from the terms of the Agreement shall, in addition to requiring MANAGER's approval require the approval of the Board. The Board acknowledges that the Development Budget is intended only to be a reasonable estimate of Project costs.

**SECTION 5.3 CONCEPT DESIGN AND ENGINEERING.**

MANAGER, shall prepare for the review and approval of the Board, a statement of requirements for the Gaming Facility, and the Temporary Gaming Facility, if any, including, but not limited to, planned phasing, if any, a program of preliminary objectives, schedule requirements, design criteria, including assumptions regarding HVAC demands, space requirements and relationships, special equipment and site requirements.

**SECTION 5.4 PARTY RESPONSIBILITIES FOR DESIGN PHASE.**

MANAGER shall prepare, for the review and approval of the Board, a preliminary evaluation of the proposed Project for use by the Architect. The preliminary evaluation should include, at the minimum, a feasibility study, planned phasing, if any, schedule, Development Budget requirements, and alternative approaches to Project design and construction.

(i) MANAGER and the Board shall review and approve final schematic design documents prepared by the Architect.

(ii) MANAGER shall submit to the Board, for its review and approval, finalized versions of the design development documents, including Development Budgets .that may or may not include planned phasing budgets, as prepared by the Architect and agreed to by MANAGER.

(iii) MANAGER and the Board shall review and approve construction documents consisting of preliminary drawings and specifications setting forth the general requirements for Project construction.

(iv) MANAGER shall be responsible for obtaining copies of all construction documents and all notices of Design Budget adjustments and shall forward such copies to the Board to keep it informed of the progress of work and the projected costs of the Project.

(v) MANAGER shall be responsible for obtaining detailed Plans and Specifications for each segment of the Project and shall forward such copies to the Board for approval prior to release of such documents to prospective bidders for bidding and prior to commencement of construction of such portions."

**SECTION 5.5 RESERVED.**

**SECTION 5.6 RESERVED.**

**SECTION 5.7 RESERVED.**

**SECTION 5.8 COMPLIANCE WITH CONSTRUCTION STANDARDS, ENVIRONMENTAL LAWS AND REGULATIONS.**

The Gaming Facility shall be designed and constructed so as to adequately protect the environment and the public health and safety. The design, construction and maintenance of the Gaming Facility shall, except to the extent a particular requirement or requirements may be

waived in writing by the Board, with the approval of the Tribal Council if required, meet or exceed all reasonable minimum standards pertaining to TRIBE and State building codes, fire codes and safety and traffic requirements (but excluding planning, zoning and property use laws, ordinances, regulations and requirements), which would be imposed on the Enterprise by existing State or Federal statutes or regulations or codes which would be applicable if the Gaming Facility were located outside of the jurisdictional boundaries of TRIBE, even though those requirements may not apply within TRIBE's jurisdictional boundaries. To the extent that TRIBE may adopt more stringent requirements, those requirements shall govern. Nothing in this subsection shall grant to the State or any political subdivision thereof any jurisdiction (including but not limited to, jurisdiction regarding zoning or property use) over the Enterprise or its development, management and operation.

**SECTION 5.9 ADVANCE OF FUNDS FOR DESIGN WORK.**

Notwithstanding any lack of approval of the Management Agreement or this Agreement by the NIGC, MANAGER shall advance such funds as are reasonably necessary to proceed with site and facility planning, architectural renderings and plans, including payments to the Architect pursuant to the Design Agreement, engineering and environmental services, working drawings and construction contract bidding documents, and the advances shall be repaid to MANAGER from the first draws under the Loan to the extent proceeds of the Loan are available for this purpose. After the Effective Date, the Architect shall be compensated for services rendered in accordance with the Design Agreement out of Loan proceeds, subject to and in accordance with the terms, conditions and provisions of the Loan Agreement.

## ARTICLE 6

## CONSTRUCTION PHASE

**SECTION 6.1 SELECTION OF CONTRACTOR OR CONSTRUCTION MANAGER.**

MANAGER shall, in consultation with the Architect, initiate a pre-bid selection process in order to pre-qualify prospective general contractors and/or construction managers in connection with the construction of the Gaming Facility. MANAGER shall submit the list of pre-qualified general contractors and/or construction managers to the Board, together with MANAGER's recommendations, for its review, comment and approval. Special consideration shall be given in the selection of contractors and/or construction managers to companies located in the State and companies with a proven history of effective employment of Native American and local subcontractors. The parties will work together to strive for maximum possible use of qualified Native American contractors and subcontractors.

**SECTION 6.2 VENDOR PREFERENCES.**

In entering contracts for the supply of goods and services for the Enterprise, including the selection of contractors and/or construction managers, subcontractors and suppliers, MANAGER shall give preference to qualified Indians who reside on or near the Tribal Lands, who are able to provide services at competitive prices and have demonstrated skills and abilities to perform tasks

to be undertaken in an acceptable manner, in MANAGER's opinion, and can meet the reasonable bidding requirements of MANAGER. MANAGER shall provide written notice to the Board in advance of all such contracting, subcontracting and construction opportunities.

**SECTION 6.3 PROPOSAL REVIEW.**

Subsequent to the pre-qualification of prospective contractors and/or construction managers, MANAGER shall conduct a review of responsive proposals for the construction of the Project, and MANAGER shall negotiate and propose to the Board a construction management agreement and/or construction contract or contracts (collectively "Contract Documents") with a well-qualified construction manager, contractor contractors and/or contractors subject to the approval of the Board. The successful contractor, contractors and/or construction manager shall be properly licensed in the State; and shall be capable of furnishing a payment and performance bond satisfactory to MANAGER and Board to cover the construction for which the contractor, contractors and/or construction manager may be retained.

**SECTION 6.4 CONTRACTS.**

The Board shall enter into the Contract with the parties selected and approved in the form negotiated by MANAGER and approved by the Board. The Contract Documents shall provide that they may be canceled by either party if the Effective Date has not occurred by a specified fixed calendar date. The selected contractor, construction manager and/or other contracting parties shall be compensated solely from the Loan proceeds subject to, and in accordance with the terms, conditions and provisions of the Contract Documents and the Loan Agreement.

**SECTION 6.5 CONTRACT DOCUMENT PROVISIONS.**

The Contract Documents shall (i) require the successful construction manager or general contractor and all contractors to be responsible for providing all materials, equipment and labor necessary to construct and equip the Project as necessary, including site development; (ii) shall include appropriate provisions assuring nonpayment of State gross receipts or sales and use tax for goods and materials in the Project (to the extent said exemption is available for the Project); and (iii) require said construction manager or general contractor and all contractors to construct the Project in accordance with the Plans and Specifications, including any changes or modifications thereto approved by the Board. The Contract Documents will provide for insurance conforming to the applicable insurance requirements of the Management Agreement, appropriate lien waivers, and for construction schedules by which milestones, progress payments and late penalties, if any, may be calculated.

**SECTION 6.6 CONSTRUCTION ADMINISTRATION.**

It is intended that the Contract Documents shall provide that MANAGER shall be responsible for all construction administration during the construction phase of the Project. MANAGER shall act as the Board's designated representative and shall have full power and complete authority to act on behalf of the Board in connection with the Contract Documents. MANAGER shall have control and charge of any persons performing work on the Project site, and shall interpret and decide on matters concerning the performance of any requirements of the Contract Documents. MANAGER shall have the authority to reject work which does not

conform to the Contract Documents. MANAGER may conduct inspections to determine the date or dates of substantial completion and the Completion Date. MANAGER shall observe and evaluate or authorize the observation and evaluation of Project work performed, review or authorize review of applications for payment and review or authorize review and certification of the amounts due the contractors and/or construction manager and make payment thereof.

**SECTION 6.7 CONSTRUCTION COMMENCEMENT AND COMPLETION.**

The Contract Documents shall contain such provisions for the protection of the Board and MANAGER as the Board and MANAGER shall deem appropriate; shall provide that the construction of the Project shall commence on the Effective Date following and subject to the granting of all approvals necessary to commence construction; and shall also provide that any contractor shall exert its best efforts to complete construction within such time as the Board and MANAGER agree following the commencement of construction. All contractors shall warrant their respective portions of the work to be performed to be free of defects for at least one year after the Completion Date.

## ARTICLE 7

## FURNITURE, FIXTURES AND EQUIPMENT

**SECTION 7.1 SELECTION OF FURNITURE, FIXTURES AND EQUIPMENT.**

MANAGER shall select and propose to the Board vendors for purchase by the Board of equipment, furniture and fixtures required to operate the Enterprise. Alternatively, MANAGER may arrange for the procurement of equipment, furniture and fixtures on lease terms as may be approved by the Board. Any commitments for the procurement of equipment, furniture and furnishing shall, however, become binding on the Board only upon the Effective Date.

## ARTICLE 8

## TERM

**SECTION 8.1 TERM.**

This Agreement shall enter into and remain in full force and effect from the date of execution hereof for a period ending when the obligations of the parties pursuant to Article 9 of this Agreement have expired or until all obligations owed to MANAGER by the Board pursuant to this Agreement, the Management Agreement and the Security and Reimbursement Agreement have been satisfied in full, whichever is later; provided, however, that nothing herein shall prohibit MANAGER and the Board from agreeing in a separate writing that the obligations of this Agreement shall be subsumed into any one or all of the other agreements between the parties immediately upon the Effective Date thereof and that, at such time as the obligations hereof are so subsumed, this Agreement shall, except to the extent contrary to the express terms hereof, automatically terminate.

## ARTICLE 9

## ADVANCES BY MANAGER

**SECTION 9.1 ADVANCES BY MANAGER.**

MANAGER will advance the following funds to the Board or the TRIBE as appropriate.

(i) SIGNING ADVANCE. MANAGER will advance TRIBE the sum of $250,000.00 upon the funding of the project pursuant to the Management Agreement.

(ii) BOARD OPERATING ADVANCES. Beginning 30 days after the execution of this Agreement and the Management Agreement until the Commencement Date, MANAGER will advance to the BOARD $5,000.00 per month. The parties agree that there may also be legal expenses of the Enterprise which may occur. In that event, upon the approval of both MANAGER and BOARD, which approval shall not be unreasonably withheld, the parties agree to increase the monthly advances to cover those costs. The signing advance and the monthly advances to BOARD shall not include the Tribal Consultants fees.

(iii) TRIBAL CONSULTANTS. With approval by MANAGER, which shall not be unreasonably withheld, at the request of the BOARD, MANAGER shall pay the costs of the Tribal Consultants.

(iv) LIMITATION ON ADVANCES. Advances by the MANAGER shall not exceed those provided in the Development Agreement Budget which is attached hereto, and as it may be amended.

**SECTION 9.2 LOAN COMMITMENT.**

MANAGER shall be responsible for arranging for a development loan to finance the development of the Gaming Facility. MANAGER will provide to the Board a preliminary conditional Letter of Commitment to fund the facility in the sum not to exceed $40,000,000 contingent upon compliance with all applicable federal, tribal and state laws. Thereafter, MANAGER shall provide a firm financing commitment acceptable to the Board, to finance the acquisition of the Tribal Lands, if necessary and to pay for all costs of design, development, construction and opening of the Gaming Facility, including but not limited to all planning, professional fees, land acquisition costs, development, infrastructure improvements, construction and pre-opening costs, fees and expenses (the “Loan”) on the following terms:

(i) The principal of the Loan shall be for an amount up to $40 million.

(ii) The Loan shall be repayable solely out of revenues of the Gaming Facility, as provided in the Management Agreement, and shall be a limited recourse obligation of the Board, with no recourse to other tribal assets, including the Tribal Lands and the tangible assets of the Gaming Facility, or to revenues received by TRIBE after distribution from the Enterprise (“Tribal Distributions”) or to assets purchased with Tribal Distributions, provided that TRIBE shall waive sovereign immunity with respect to the Loan only to the extent provided in subsection (iv) of this Section.

(iii) the Board shall covenant not to encumber any of the assets of the Gaming Facility without MANAGER's prior written consent. However, the Board shall have the right to grant subordinate security interests in Gaming Facility revenues, as well as first priority security interests in any Gaming Facility assets other than personal property purchased with the proceeds of the Loan, but only if such security interests are granted to secure loans made to and for the benefit of the Gaming Facility and MANAGER has been given at least thirty (30) days prior opportunity by the Board to make such loans on similar financial terms. For purposes of this Agreement the assets of the Facility, as defined by Generally Accepted Accounting Principles (GAAP) shall not include the TRIBE's share of the distributable proceeds of the facility after they are transferred to TRIBE's general account.

(iv) TRIBE and the Board shall consent to arbitration, jurisdiction in state and federal court, and to State law as the law governing the Loan Agreement as provided for and limited by Article 14 of this Agreement.

(v) The Loan may be made directly by the Lender to Manager, provided that the Loan is totally non-recourse to TRIBE and otherwise conforms with the terms set forth in this Section 9.2 The Board shall enter into the Security and Reimbursement Agreement and any similar agreement which grants a first security interest in the proceeds of the Enterprise to the Lender and/or Manager until the Loan is repaid in full with interest.

(vi) TRIBE and the BOARD will grant a limited waiver of sovereign immunity with respect to the Loan to the extent set forth in Article 14 and upon execution of this Development Agreement the BOARD shall enter into an enforceable reimbursement agreement with MANAGER secured by a first security interest in Gaming Facility revenues (the "Security and Reimbursement Agreement") to secure repayment of the Loan.

(vii) It shall be a condition of the loan commitment that a management agreement between TRIBE, the BOARD and MANAGER in substantially the form of the Management Agreement, be approved by the Chairman of the NIGC.

**SECTION 9.3 TRANSITION ADVANCES.**

MANAGER may make such advances for the purposes and as set forth in Section 9.1 and Section 9.4 (each a "Transition Advance") to the Board, which Transition Advances shall be repaid to Manager in the first instance from the Loan proceeds and shall be secured by the Security and Reimbursement Agreement. Each advance of funds by MANAGER as part of any Transition Advance shall be recorded in accordance with GAAP. No less frequently than quarterly, Manager shall provide to the Board an accounting of all Transition Advances. In the event that the Board disputes any Transition Advance or its amount, the Board shall notify the MANAGER within twenty (20) days after receipt of such accounting or the accounting will be deemed accurate. In the event that the Board disputes any Transition Advance, the parties shall meet and confer in good faith to resolve the dispute. In the event the dispute cannot be resolved, it shall be subject to the dispute resolution procedures of Article 14.

**SECTION 9.4 ADVANCES ON LOAN.**

MANAGER will provide the following funds to the Board as Transition Advances in accordance with a budget to be approved by the Board, which approval shall not be unreasonably withheld:

(i) GAMING FACILITY SITE ACQUISITION FUNDS. For funding one or more Purchase Agreements, pursuant to Section 3.2.

(ii) SITE PLANNING AND DESIGN DEVELOPMENT. MANAGER shall advance the funding for the work described in Articles 4, 5, and 6 of this Agreement performed prior to the Effective Date as provided in those Articles, including without limitation, land survey, civil engineering, architect, drafting and site work fees and expenses..

(iii) BOARD ADVANCES. Amounts advanced to the Board as a stipend, for professional, administrative and related fees and expenses and other approved advances to or on behalf of the Board.

**SECTION 9.5 BUDGET.**

The parties understand and agree that any budget is an estimate based on the good faith, knowledge and experience of the persons preparing the budget, that unexpected facts and circumstances may occur and that plans and projections may change. The parties agree that they will meet periodically to review and revise any budget based upon new circumstance and that they will act in good faith and will not withhold approval of any new or revised budget unreasonably. Any new or revised budget will replace and supersede any prior budget.

(i) The Initial Development Agreement Budget is attached as Attachment 1.

(ii) The Board shall designate officials who may approve amounts to be paid to or on behalf of the Board in accordance with the Development Agreement Budget and this Article 9.

(iii) A new or revised Development Agreement Budget requires the approval of both the Manager and the Board.

**SECTION 9.6 REPAYMENT.**

(a) It is intended that repayment to MANAGER of the Advances under this Development Agreement shall come first from the proceeds of the Loan as an initial advance of Loan proceeds. In the event that the MANAGER is not repaid in full from the Loan then and only then shall the MANAGER be entitled to repayment from the gaming revenues in accordance with this Agreement.

(b) In the event that the TRIBE, whether in conjunction with the BOARD or otherwise, does not pursue gaming and that no gaming facility is developed and opened to the public by the TRIBE, no repayment of Advances under this Development Agreement shall be made to the MANAGER.

(c) In the event that (i) the advances are not repaid from the Loan proceeds and (ii) the TRIBE, whether in conjunction with the BOARD or otherwise, pursues development of a gaming facility, MANAGER shall be entitled to repayment of all Advances made under this Agreement from and only from the revenues of such gaming venture in accordance with this Agreement.

(d) In the event that MANAGER is not repaid in full for the Advances made under this Agreement from the initial Loan advance, then and only then shall MANAGER be entitled to receive interest on the unpaid balance of all Advances made under this Agreement at the rate equal to the prime rate as published in the Wall Street Journal plus two percent adjusted monthly on the first day of each month until paid in full.

**SECTION 9.7 CESSATION OF PAYMENTS.**

In the event the Management Agreement is not approved by the Chairman of the NIGC or land is not taken into trust or an agreed site is not approved for gaming within two (2) years of the date of this Agreement, MANAGER, at its sole discretion, may terminate the payments being made under this Agreement until said approvals have been obtained.

## ARTICLE 10

## EXCLUSIVITY

**SECTION 10.1 EXCLUSIVITY REGARDING GAMING FACILITY.**

During the term of this Agreement, MANAGER shall have an exclusive relationship with the Board and TRIBE regarding the development of the Gaming Facility.

**SECTION 10.2 EXCLUSIVITY.**

TRIBE and the Board shall deal exclusively with MANAGER for gaming development on existing or future Tribal Lands for a period beginning on the date of execution of this Agreement and ending upon termination of the Management Agreement. Nothing contained herein shall be deemed to restrict MANAGER's gaming development activities related to commercial or Indian gaming beyond 50 miles from the Tribal Lands of the Tribe.

## ARTICLE 11

## REPRESENTATIONS, WARRANTIES, AND COVENANTS

**SECTION 11.1 REPRESENTATIONS AND WARRANTIES OF THE BOARD**

The Board represents and warrants to MANAGER as follows:

(i) The Board's execution, delivery and performance of this Agreement, the Management Agreement and all other instruments and agreements executed in connection with this Agreement have been properly authorized by the Board and do not require further approval.

(ii) This Development Agreement, the Management Agreement and all other instruments and agreements executed in connection with this Agreement have been properly executed, and once approved in accordance with Legal Requirements constitute the Board's legal, valid and binding obligations, enforceable against the Board in accordance with their terms.

(iii) That with regards to the Development Agreement, the Management Agreement and all other instruments and agreements executed in connection with this Agreement, that the Board shall not act or fail to act in any way whatsoever, directly or indirectly, to cause these Agreements to be amended, modified, canceled, or terminated, except pursuant to its express terms, or to cause MANAGER to be unable to perform its obligations or to develop the project as required or contemplated by these Agreements shall take all action necessary to ensure that these Agreements shall remain in full force and effect at all times.

(iv) The Board shall enter the Security and Reimbursement Agreement to secure repayment of the Loan and the Transition Advances.

(v) That this Agreement, the Management Agreement, the Loan Agreement, the Note, the Security and Reimbursement Agreement, and each other contract contemplated by this Agreement shall be specifically enforceable in accordance with their respective terms.

(vi) That in its performance of this Agreement, the Board shall comply with all Legal Requirements.

**SECTION 11.2 COVENANTS BY THE TRIBE.**

The TRIBE covenants and agrees as follows:

(i) RESERVED

(ii) That during the term of this Development Agreement and the Management Agreement, TRIBE shall not unnecessarily or in bad faith enact any law impairing the obligations of contracts entered into in furtherance of the financing, development, construction, operation and promotion of gaming on Tribal Lands. Neither the Tribal Council nor any committee, agency, board or other official body, and no officer or official of TRIBE shall, by exercise of the police power or otherwise, act unnecessarily or in bad faith to modify, amend, or in any manner impair the obligations of contracts entered into by the Board or the Tribal Council or other parties in furtherance of the financing, development, construction, operation, or promotion of gaming on Tribal Lands without the written consent of the non-tribal parties to such contracts. TRIBE warrants that any changes in Tribal law and any exercise of its police power in these areas shall be a good faith effort to ensure that gaming is conducted in a manner that adequately protects the environment, the public health and safety and the integrity of the Enterprise and to insure compliance with applicable law or to perform an essential governmental function of TRIBE. Any such action or attempted action taken in violation of this warranty shall be void ab initio.

(iii) That TRIBE will waive sovereign immunity on the limited basis described in Article 14 strictly to allow enforcement of this Agreement, the Management Agreement and related agreements by the MANAGER and solely to allow any monetary obligation to be paid from current and future revenues of the Enterprise;

(iv) That this Agreement, the Management Agreement, the Loan Agreement, the Note, the Security and Reimbursement Agreement, and each other contract contemplated by this Agreement shall be specifically enforceable in accordance with their respective terms.

**SECTION 11.3 REPRESENTATIONS AND WARRANTIES OF MANAGER**

MANAGER represents and warrants to the Board as follows:

(i) MANAGER has the financial contacts, business acumen, experience and capability to make or secure all advances and loans described in this Development Agreement.

(ii) MANAGER's execution, delivery and performance of this Agreement and all other instruments and agreements executed in connection with this Agreement have been properly authorized by MANAGER and do not require further approval.

(iii) This Agreement has been properly executed, and once approved in accordance with Legal Requirements, constitutes MANAGER's legal, valid and binding obligations are enforceable against MANAGER in accordance with its terms.

(iv) There are no actions, suits or proceedings pending or threatened against or affecting MANAGER before any court or governmental agency that would in any material way affect MANAGER's ability to perform this Agreement.

(v) That MANAGER shall not act in any way whatsoever, directly or indirectly, to cause this Agreement to be amended, modified, canceled, or terminated, except pursuant to its terms, and shall take all actions necessary to ensure that this Agreement shall remain in full force and effect at all times.

**SECTION 11.4 COVENANTS BY THE MANAGER.**

MANAGER covenants and agrees that in its performance of this Agreement, it will comply with all Legal Requirements.

## ARTICLE 12

## EVENTS OF DEFAULT

**SECTION 12.1 EVENTS OF DEFAULT BY THE BOARD.**

MANAGER shall not be obligated to provide the Board or the TRIBE any monies, provide the Loan commitment or make any advance or otherwise perform its obligations under this Agreement pursuant to this Agreement if an Event of Default, as defined below, has occurred or if any of the representations and warranties made by the Board or covenants by the TRIBE in this Agreement would not be true if made on the date such payment or advance would otherwise be made. In addition, MANAGER shall not be obligated to make any advance to the

Board pursuant to this Agreement unless and until MANAGER receives the duly authorized and executed versions of this Agreement, the Management Agreement and the Security and Reimbursement Agreement. Each of the following shall be an "Event of Default":

(i) Any event of default referred to in the Management Agreement, the Security and Reimbursement Agreement and each other contract contemplated by this Agreement;

(ii) the Board shall breach any of its obligations under this Agreement.

(iii) Any representation or warranty that the Board has made under this Agreement or any other Related Agreement shall prove to have been untrue when made.

(iv) Any Covenant that the TRIBE has made under this Agreement or any other Related Agreement shall prove to have been untrue when made.

(v) the Board violates the provisions of Article 10 of the Agreement.

(vi) the Board commits any material breach of the Management Agreement or the Security and Reimbursement Agreement.

PROVIDED THAT any breach continues for twenty (20) days after MANAGER gives written notice thereof to the BOARD and/or TRIBE as appropriate.

If any Event of Default described above occurs and has not been cured within the twenty day period provided, MANAGER's commitments under this Agreement shall automatically terminate and all of the Board's other obligations to MANAGER under this Agreement, the Security and Reimbursement Agreement and the Management Agreement shall immediately become due and payable and upon written notice to the Board, MANAGER may declare MANAGER's commitment to make advances under this Agreement terminated and/or declare the principal balance of each Transition Advance and any accrued interest to be immediately due, and

MANAGER may exercise any other rights and remedies available to MANAGER by law or agreement. MANAGER shall set off all sums owing by the Board to MANAGER against all credits the Board may have with, and any claims the Board may have against MANAGER at any time after the Event of Default occurs.

**SECTION 12.2 EVENTS OF DEFAULT BY MANAGER.**

The Board shall not be obligated to perform its obligations under this Agreement pursuant to this Agreement if an Event of Default, as defined below, has occurred or if any of the representations and warranties made by MANAGER in this Agreement would not be true if made on the date such performance would otherwise be due. Each of the following shall be an "Event of Default".

(i) MANAGER shall fail to make advances required by this Agreement, and such failure shall continue for twenty (20) days after the Board gives MANAGER written notice thereof;

(ii) MANAGER shall breach any of MANAGER's obligations under this Agreement and such breach shall continue for twenty (20) days after the Board gives MANAGER written notice thereof.

(iii) Any representation or warranty that MANAGER has made under this Agreement or any other Related Agreement shall prove to have been untrue when made.

(iv) MANAGER violates the provisions of Article 11 of this Agreement.

(v) MANAGER shall be in material breach under the Management Agreement.

(vi) MANAGER has filed for relief under Title 11 of the United States Code or has suffered the filing of an involuntary petition under Title 11 which is not dismissed within one (1) year after filing;

(vii) MANAGER has a receiver appointed to take possession of all or substantially all of MANAGER's property, which appointment is not promptly dismissed or vacated; or

(viii) MANAGER has suffered an assignment for the benefit of creditors, which assignment is not promptly dismissed or vacated.

If any Event of Default described in clause (iv) above occurs, the Board 's commitments under this Agreement shall automatically terminate. If any other Event of Default occurs, the Board may, upon written notice to MANAGER, exercise any other rights and remedies available to the Board by law or agreement. The Board has the right to set off all sums owing by MANAGER to the Board against all credits MANAGER may have with, and any claims MANAGER may have against, the Board at any time after an Event of Default occurs.

## ARTICLE 13
## TERMINATION

**SECTION 13.1 VOLUNTARY TERMINATION.**

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

**SECTION 13.2 TERMINATION FOR CAUSE.**

Either party may terminate this Agreement if the other party commits or allows to be committed any material breach of this Agreement. A material breach of this Agreement means a failure of either party to perform any material duty or obligation on its part for any twenty (20) consecutive days after notice. Neither party may terminate this Agreement on grounds of material breach (not including any Event of Default) unless it has provided written notice to the other party of its intention to terminate this Agreement and the defaulting party thereafter fails to cure or take steps to substantially cure the default within thirty (30) days following receipt of such notice. The notice shall describe in detail the nature of the breach and the section of this Agreement alleged to have been violated. During the periods specified in the notice to terminate,

either party may submit the matter to arbitration under Article 14 of this Agreement. The discontinuance or correction of a material breach shall constitute a cure thereof. In the event of any termination for cause, regardless of fault, MANAGER shall retain the right to repayment of unpaid principal and any interest on all monies loaned by it to the Board whether pursuant to this Agreement or otherwise.

**SECTION 13.3 TERMINATION FOR VIOLATION OF ARTICLE 10.**

If MANAGER terminates this Agreement because of a violation of Article 10, the BOARD, in addition to its obligations to MANAGER under the Security and Reimbursement Agreement, agrees to repay MANAGER for all amounts advanced by MANAGER as Transition Advances or under the Management Agreement or any other Related Agreement and TRIBE agrees that its obligation to repay such amounts shall be subject to Section 14.1 regarding the limited waiver of sovereign immunity by TRIBE, other provisions of Article 14, and the Security and Reimbursement Agreement pursuant to Section 11.2.

**SECTION 13.4 INVOLUNTARY TERMINATION DUE TO CHANGES IN LEGAL REQUIREMENTS.**

It is the understanding and the intention of the parties that the development, construction and operation of the Enterprise shall conform to and comply with all Legal Requirements. If during the term of this Agreement, the Enterprise or any material aspect of the Gaming contemplated by the parties pursuant to this Agreement is determined by the Congress of the United States, the United States Department of the Interior, the NIGC or the final judgment of a court of competent jurisdiction to be unlawful, the obligations of the parties hereto shall cease, and this Agreement shall be of no further force and effect; provided that:

(i) Any money provided as a Transition Advance shall be repaid to MANAGER immediately from the BOARD's share of undistributed proceeds of the Gaming Enterprise.

(ii) The Board shall retain its interest in the title (and any lease) to the Enterprise's assets, including all fixtures, supplies and equipment, subject to the rights of MANAGER under the Security and Reimbursement Agreement and subject to any requirements of any financing agreements.

**SECTION 13.5 BOARD'S RIGHT TO TERMINATE AGREEMENT.**

Board may terminate this Agreement by written notice effective upon receipt if:

(i) The Board has reason to believe that the performance by it or MANAGER of any obligation imposed under this Agreement may reasonably be expected to result in the breach of any Legal Requirement and the parties have been unable to agree upon a waiver of such performance within twenty (20) days of written notice given by the Board.

(ii) MANAGER's failure to make any payment to the Board when due within the time specified in this Agreement after MANAGER has received twenty 20 days written notice of its failure to pay.

## ARTICLE 14

## DISPUTE RESOLUTION

**SECTION 14.1 GENERAL.**

The parties agree that binding arbitration pursuant to this Article 14 shall be the remedy for all disputes, controversies and claims arising out of this Development Agreement, Management Agreement, Loan Agreement, the Security and Reimbursement Agreement, any documents or agreements references by any of these documents, any agreements collateral thereto, or any notice of termination thereof, including without limitation, any dispute, controversy or claim arising out of any of these agreements. The parties intend that such arbitration shall provide final and binding resolution of any dispute, controversy or claim, and that action in any other forum shall be brought only if necessary to compel arbitration, or to enforce an arbitration award or order.

(i) Each party agrees that it will use its best efforts to negotiate an amicable resolution of any dispute between MANAGER and the Board arising from this Agreement. If the Board and MANAGER are unable to negotiate an amicable resolution of a dispute within 14 days from the date of notice of the dispute pursuant to the notice section of this Agreement, or such other period as the parties mutually agree in writing, either party may refer the matter to arbitration as provided herein.

(ii) The Board's election to terminate this Agreement is, however, final and conclusive and not subject to dispute resolution between the parties, but only if the NIGC makes a final determination that MANAGER is not suitable to hold a license. The parties recognize that minor revisions of contracts before the NIGC is routine, and an NIGC notice requesting revisions in the Agreement shall not be grounds for termination by the Board unless MANAGER refuses to make the change necessary to obtain NIGC approval.

**SECTION 14.2 ARBITRATION**

**14.2.1 INITIATION OF ARBITRATION AND SELECTION OF ARBITRATORS**. Arbitration shall be initiated by written notice by one party to the other pursuant to the notice section of this Agreement, and the Commercial Arbitration Rules of the American Arbitration Association shall thereafter apply. The arbitrators shall have the power to grant equitable and injunctive relief and specific performance as provided in this Agreement. If necessary, orders to compel arbitration or enforce an arbitration award may be sought before the United States District Court for the District in the State where the Gaming Facility is or is to be located and any federal court having appellate jurisdiction over said court. If the United States District Court finds that it lacks jurisdiction, TRIBE and the Board consent to be sued in a Court of competent jurisdiction. The arbitrator shall be a licensed attorney, knowledgeable in federal Indian law and selected pursuant to the Commercial Arbitration Rules of the American Arbitration Association.

(i) CHOICE OF LAW. In determining any matter the Arbitrator shall apply the terms of this Development Agreement, without adding to, modifying or changing the terms in any respect, and shall apply federal and applicable State law.

(ii) PLACE OF HEARING. All arbitration hearings shall be held at a place designated by the arbitrator in the county seat of the county within which the Gaming Facility is or is to be located.

(iii) CONFIDENTIALITY. The parties and the arbitrator shall maintain strict confidentiality with respect to arbitration.

**SECTION 14.3 LIMITED WAIVER OF SOVEREIGN IMMUNITY.**

TRIBE and the BOARD expressly and irrevocably waive their immunity from suit as provided for and limited by this Section. This waiver is limited to TRIBE's and BOARD's consent to all arbitration proceedings, and actions to compel arbitration and to enforce any awards or orders issuing from such arbitration proceedings which are sought solely in United States District Court and any federal court having appellate jurisdiction over said court, provided that if the United States District Court finds that it lacks jurisdiction, TRIBE and the Board consent to be sued in a Court of competent jurisdiction. The arbitrators shall not have the power to award punitive damages.

(i) TIME PERIOD. The waiver granted herein shall commence as of the Date of this Agreement and shall continue for one year following expiration, termination or cancellation of this Agreement, or termination of the Enterprise whichever is earlier, but shall remain effective for the duration of any arbitration, litigation or dispute resolution proceedings then pending, all appeals therefrom, and except as limited by this Section, to the full satisfaction of any awards or judgments which may issue from such proceedings, provided that an action to collect such judgments has been filed within two years of the date of the final judgment.

(ii) RECIPIENT OF WAIVER. This limited waiver is granted only to Full House Resorts, Inc., Gaming Entertainment (Santa Fe), LLC and any of their successors and the Lender.

(iii) LIMITATIONS OF ACTIONS. This limited waiver is specifically limited to the following actions and judicial remedies:

(a) DAMAGES. No arbitrator or court shall have the authority or jurisdiction to order execution against any assets or revenues of the TRIBE or to award any punitive damages against the Board..

(b) CONSENTS AND APPROVALS. The enforcement of a determination by an arbitrator that BOARD's consent or approval has been unreasonably withheld contrary to the terms of this Agreement.

(c) INJUNCTIVE RELIEF AND SPECIFIC PERFORMANCE. The enforcement of a determination by an arbitrator that prohibits TRIBE or the BOARD from taking any action that would prevent MANAGER from operating the Enterprise pursuant to the terms of this Agreement, or that requires the TRIBE or the BOARD to specifically perform any obligation under this Agreement (other than an obligation to pay money which is protected by Subsection (g) below.

(d) ACTION TO COMPEL ARBITRATION. An action to compel or enforce arbitration or arbitration awards or orders pursuant to this Section.

(e) SERVICE OF PROCESS. In any litigation or arbitration service of process on TRIBE or the Board shall be effective if made by certified mail return receipt requested to the Governor of TRIBE or the Chairperson of the Board at the Address set for in Article 15.4.

(f) ENFORCEMENT. If enforcement of a judicial order or arbitration award becomes necessary by reason of failure of one or both parties to voluntarily comply, the parties agree that the matter may be resolved by entry of judgment on the award and enforcement as described herein; provided however, that in no instance shall any enforcement of any kind whatsoever be allowed against any assets of TRIBE other than the limited assets of TRIBE specified in subjection (g) below.

(g) LIMITATION UPON ENFORCEMENT. Damages awarded against the Board or the Enterprise shall be satisfied solely from the distributable share of Net Revenues of TRIBE or the Board from the Enterprise and the Net Revenues of any future gaming business of any kind which is operated by or for TRIBE or the Board, whether or not operated under this Agreement, provided, however, that this limited waiver of sovereign immunity shall terminate with respect to the collection of any Net Revenues transferred from the accounts of any of these businesses to TRIBE or TRIBE's bank account in the normal course of business. In no instance shall any enforcement of any kind whatsoever be allowed against any assets of TRIBE other than those specified in this subsection.

## ARTICLE 15

## GENERAL

**SECTION 15.1 NATURE OF AGREEMENT.**

This Agreement is not intended as a Management Agreement and shall not be construed as a "management agreement" within the meaning of the IGRA.

**SECTION 15.2 MANAGER'S INTEREST IN THE GAMING FACILITY.**

Nothing contained herein grants or is intended (i) to grant MANAGER a titled interest to the Gaming Facility, or (ii) in any way to impair TRIBE's and the Board's sole proprietary interest in the Enterprise.

**SECTION 15.3 SITUS OF THE AGREEMENT.**

This Agreement shall be deemed entered into in the State of New Mexico.

**SECTION 15.4 NOTICE.**

Any notice required to be given pursuant to this Agreement shall be delivered to the appropriate party by Certified Return Receipt Requested, addressed as follows:

| | |
|---|---|
| If to TRIBE: | The Nambé Pueblo Tribe of Indians<br>Rt. 1 Box 117-BB,<br>Nambé Pueblo, NM 87506<br>Telephone: (505) 455-2036<br>Fax: (505) 455-2038 |
| If to the Board: | Pueblo of Nambé Gaming Enterprise Board<br>The Nambé Pueblo Tribe of Indians<br>Rt. 1 Box 117-BB,<br>Nambé Pueblo, NM 87506<br>Telephone: (505) 455-2036<br>Fax: (505) 455-2038 |
| If to Manager: | Gaming Entertainment (Santa Fe) LLC<br>c/o Full House Resorts, Inc.<br>4670 South Fort Apache Road<br>Suite 190<br>Las Vegas, Nevada 89147 |

or to such other different address(es) as MANAGER, the Board or TRIBE may specify in writing. Any such notice shall be deemed given two days following deposit in the United States mail or upon actual delivery, whichever occurs first.

**SECTION 15.5 RELATIONSHIP.**

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

**SECTION 15.6 FURTHER ACTIONS.**

The Board and MANAGER agree to execute all contracts, agreements and documents and to take all actions necessary to comply with the provisions of this Agreement and the intent hereof.

**SECTION 15.7 WAIVERS.**

No failure or delay by MANAGER or Board to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy consequent upon the breach thereof, shall constitute a waiver of any such breach or any subsequent breach of such covenant, agreement, term or condition. No covenant, agreement, term, or condition of this Agreement and no breach thereof shall affect or alter this Agreement, but each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

**SECTION 15.8 CAPTIONS.**

The captions of each article, section and subsection contained in this Agreement are for ease of reference only and shall not affect the interpretational meaning of this Agreement.

**SECTION 15.9 THIRD PARTY BENEFICIARY.**

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

**SECTION 15.10 SURVIVAL OF COVENANTS.**

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

**SECTION 15.11 ESTOPPEL CERTIFICATE.**

MANAGER and the Board agree to furnish to the other party, from time to time upon request, an estoppel certificate in such reasonable form as the requesting party may request stating whether there have been any defaults under this Agreement known to the party furnishing the estoppel certificate.

**SECTION 15.12 PERIODS OF TIME.**

Whenever any determination is to be made or action is to be taken on a date specified in this Agreement, if such date shall fall on a Saturday, Sunday or legal holiday under the laws of TRIBE or the State of New Mexico, then in such event said date shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

**SECTION 15.13 GOVERNMENTAL SAVINGS CLAUSE.**

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

**SECTION 15.14 SUCCESSORS AND ASSIGNS.**

The benefits and obligations of this Agreement shall inure to and be binding upon the parties hereto and their respective successors and assigns, provided that any such assignee agrees to be bound by the terms and conditions of this Agreement. The acquisition of MANAGER by a third party shall not constitute an assignment of this Agreement by MANAGER subject to the approval of THE BOARD, which approval shall not be unreasonably withheld. The BOARD shall, without the consent of MANAGER, but subject to approval by the Secretary of the Interior or the Chairperson of the NIGC or his authorized representative, if required, have the right to assign this Agreement and the assets of the Enterprise to an instrumentality of the TRIBE or to a corporation wholly owned by TRIBE organized to conduct the business of the Project and Enterprise for TRIBE that assumes all obligations herein. Any assignment by the BOARD shall not prejudice the rights of MANAGER under this Agreement. No assignment authorized hereunder shall be effective until all necessary governmental approvals have been obtained.

**SECTION 15.15 SEVERABILITY.**

If any provision, or any portion of any provision, of this Agreement is found to be invalid or unenforceable, such unenforceable provision, or unenforceable portion of such provision, shall be deemed severed from the remainder of this Agreement. If any provision, or any portion of any provision, of this Agreement is deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law. If, however, any material part of a party's rights under this Agreement or the Management Agreement shall be declared invalid or unenforceable (specifically including MANAGER right to receive its management fees or the Board's right to receive payments from MANAGER) the party whose rights have been declared invalid or unenforceable shall have the option to terminate this Agreement upon thirty (30) days' written notice to the other party, without liability on the part of the terminating party, but MANAGER shall retain the right to repayment of unpaid principal and interest on all Transition Advances or pursuant to the Loan Agreement.

**SECTION 15.16 ENTIRE AGREEMENT.**

This Agreement (together with the Security and Reimbursement Agreement and Management Agreement) sets forth the entire agreement between the parties hereto with respect to the subject matter hereof. All agreements, covenants, representations, and warranties, express or implied, oral or written, of the parties with respect to the subject matter hereof are contained herein. No other agreements, covenants, representations, or warranties, express or implied, oral or written have been made by any party to the other with respect to the subject matter of this Agreement. All prior and contemporaneous conversations, discussions, negotiations, possible and alleged agreements and representations, covenants and warranties with respect to the subject matter hereof, are waived, merged herein and superseded hereby. Each party affirmatively represents that no promises have been made to that party which are not contained in this Agreement, the Management Agreement, and the Security and Reimbursement Agreement. This Agreement shall not be supplemented, amended or modified by any course of dealing, course of performance or uses of trade and may only be amended or modified by a written instrument duly executed by officers of both parties.

**ARTICLE 16**

**TRIBAL RESOLUTION**

**SECTION 16.1 TRIBAL RESOLUTION.**

The Tribal Council has given the Board authority to enter into this Agreement, the Management Agreement and all other instruments and agreements executed in connection with this Agreement.

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

NAMBÉ PUEBLO GAMING ENTERPRISE BOARD

By: /s/ Brenda McKenna

Printed Name: Brenda McKenna
Title: Chairperson

GAMING ENTERTAINMENT (SANTA FE) LLC

By: Full House Resorts, Inc., Manager

By: /s/ Barth F. Aaron

Printed Name: Barth F. Aaron
Title: Secretary

For the limited purposes of stated in the Preamble and Sections 1.1 ("Effective Date"), 3.1, 11.2, 13.3, and Article 9, Article 14 and Article 16.

PUEBLO OF NAMBÉ

By: /s/ Tom F. Talache, Jr.

Printed Name: Tom F. Talache, Jr.
Governor

**NAMBÉ DEVELOPMENT BUDGET**
**PRE-PROJECT FUNDING**

| | | |
|---|---|---|
| Land Acquisition Options | $ | 250,000.00 |
| Civil Engineering | $ | 250,000.00 |
| Design Fees | $ | 50,000.00 |
| Environmental Analysis | $ | 250,000.00 |
| Board Legal Fees | $ | 200,000.00 |
| Board Stipend | $ | 120,000.00 |
| Board Training | $ | 20,000.00 |
| Financing Fee | $ | 100,000.00 |
| Contingency | $ | 210,000.00 |
| Total | $ | 1,450,000.00 |

Notes:

1) Land Acquisition Options is to pay for the option to acquire the frontage parcels
2) Civil Engineering is based on estimate from Red Mountain Environmental Analysis includes EIS based on estimate from Red Mountain
3) Board Stipend is at $5,000 per month
4) Board Training includes G2E and related travel and training Although proposal from Stifel Nicolaus does not require up front financing costs, other proposals will have that requirement
5) This Budget contains rough estimates only and is subject to change and amendment. This budget should only be used in conjunction with the Development Agreement and understanding of entire project and status of development.

**EXHIBIT 10.65**

**SECURITY AND REIMBURSEMENT AGREEMENT**
(securing repayment under a Development Agreement)

THIS AGREEMENT is made and entered into as of the 20th day of September, 2005 by and among the NAMBÉ PUEBLO GAMING ENTERPRISE BOARD and its permitted successors and assigns (the "Board"), located at Rt. 1 Box 117-BB, Nambé Pueblo, New Mexico 87506 and GAMING ENTERTAINMENT (SANTA FE), LLC, a Nevada limited liability company established and operated by Full House Resorts, Inc., a Delaware corporation, with offices at 4670 So. Fort Apache Road, Suite 190, Las Vegas, Nevada 89147 ("FHRI"), and the PUEBLO OF NAMBÉ, a federally recognized Native American Tribe (the "Tribe") for the limited purposes of Section 26.

**RECITALS**

A. The pueblo of Nambé (the "Tribe") is a federally recognized Indian tribe and possesses sovereign governmental powers over the tribal lands, which are held in trust by the united states of America for the benefit of the pueblo.

B. The tribe desires to build a gaming facility on the tribal lands (the "gaming facility").

C. The tribe has established the board as a duly constituted instrumentality of the tribe with all appropriate power and authority.

D. The tribe has assigned to the board its authority over the development and conduct of gaming on the property.

E. The board intends to finance construction of the gaming facility with up to $40,000,000 of debt to be incurred by FHRI and subject to only limited recourse against the revenues of the gaming enterprise (the "lender financing").

F. FHRI will incur the debt on behalf of the board pursuant to the development agreement. FHRI requires that the board commit to secure the repayment of the funds advanced by FHRI, designated transitional advances, by issuing a security interest in favor of FHRI in all of the current and future revenues of the gaming enterprise to be developed and constructed whether from the proceeds of the transitional advances or otherwise and whether in conjunction with FHRI or otherwise.

G. The obligations of the board to make any payments under this agreement are limited to the same extent as the obligations of the board are limited under the development agreement. Recourse under this agreement is limited to the collateral and the proceeds, if any, realized by FHRI upon the disposition thereof, and the board shall not be obligated to apply any other assets or revenues to the payment or performance of its obligations hereunder.

H. FHRI requires as a condition to the issuance of the transitional advances and providing the items and obligations of FHRI in the development agreement of the parties, among other things: (i) that the board agree to reimburse, indemnify and repay any and all amounts advanced and paid by FHRI in accordance with this agreement and the development agreement and (ii) that the board agrees, that all amounts due and owing under this agreement will be evidenced by the development agreement, this agreement and the documents and

I. Instruments referred to in either agreement, provided however, that any indemnification, reimbursement or payment by the board shall be limited to the collateral.

J. FHRI and the board have signed an agreement providing for the management of a gaming enterprise (the "enterprise") at the gaming facility by FHRI (the "management agreement") and FHRI and the board have signed an agreement regarding development, financing and construction of the gaming facility (the "development agreement"). All capitalized terms in this security and reimbursement agreement not otherwise defined herein shall have the definitions set forth in the management agreement or development agreement, respectively.

K. FHRI and the board wish, by the execution hereof, to set forth their agreements in regard to advancing of funds by FHRI to the board.

**SECURITY AGREEMENT FOR ADVANCES**

NOW THEREFORE, in consideration of TEN DOLLARS ($10.00), the advancing of funds to the Board by FHRI, and other good valuable consideration, the receipt and sufficiency of which is acknowledged, the Board and FHRI hereby agree as follows:

1. SECURITY ("COLLATERAL"). As security for the full and punctual payment and performance of Board 's obligations under this Agreement, Board irrevocably grants, pledges and assigns, subject to the terms of this Agreement, a continuing lien on and security interest in, the distributable share of Total Net Revenues of Board or the Tribe from the Enterprise, the distributable share of Total Net Revenues from any other Tribal gaming business of the kind contemplated and the distributable share of Total Net Revenues of any future gaming business of any kind which is operated by or for the Tribe, whether or not operated under an Agreement with FHRI, provided, however, that these funds shall cease to be collateral for this Agreement when they are transferred from the accounts of any of these Businesses to the Tribe's general operating bank account in the normal course of business. In no instance shall any enforcement of any kind whatsoever be allowed against any assets of Tribe other than those specified in this subsection.

2. RESERVED.

3. RESERVED.

4. OBLIGATIONS ABSOLUTE. The obligations of the Board to FHRI are unconditional, irrevocable and continuing until paid and performed in full, and shall be paid and performed in strict accordance with the terms of this Agreement under all circumstances, including without limitation, the following:

(i) Any lack of validity or enforceability of any Development Agreement of the parties or Transitional Advance;

(ii) The existence of any claim, set-off, defense or other right that the Board may have at any time against FHRI, or any affiliate of FHRI, or against Lender or any other lender participating in the Lender Financing (or any persons or entities for whom any such party may be acting), or against any other person or entity, whether in connection with this Agreement, the transactions contemplated herein or any unrelated transaction;

(iii) Any other circumstance or happening whatsoever.

5. RESERVED.

6. REPRESENTATIONS AND WARRANTIES. The Board represents and warrants to FHRI as follows:

(i) The Tribe is a federally recognized Indian tribe recognized as eligible by the Secretary of the Interior for the special programs and services provided by the United States to Indians because of their status as Indians and is recognized as possessing powers of self-government.

(ii) The Board is a duly constituted instrumentality of the Tribe with authority delegated by the Tribe to develop and operate a Gaming Enterprise.

(iii) The Board has all requisite power and authority to execute, deliver and perform this Agreement.

7. TRANSFER OF COLLATERAL. Except as allowed pursuant to the Development Agreement, no Collateral shall be sold, transferred, assigned, pledged, made subject to any other security interest, or otherwise disposed of or encumbered (each, a "Transfer") without the express prior written consent of FHRI. Any Transfer in violation of this Agreement shall be null and void, ab initio.

8. EVENTS OF DEFAULT. An "Event of Default" shall exist if any of the following shall have occurred:

(i) The Board shall fail to comply with any of the covenants or agreements made by it in this Agreement and such failure shall not be remediable, or if remediable, such failure shall have continued unremedied for twenty (20) days after written notice thereof has been given to the Board by FHRI.

(ii) Any representation or warranty made by the Board in this Agreement shall fail to have been correct or shall have been misleading in any material respect on the date made or as of the time recited; or

(iii) The Board shall have defaulted in any of its obligations with respect to: (1) the Development Agreement or (2) any agreement entered into with respect to the Gaming Facility by and between the Tribe, the Board and FHRI or affiliate of FHRI.

9. REMEDIES. If an Event of Default shall occur, all amounts advanced by, or on behalf of, FHRI, together with interest thereon from the date of such advance at the applicable rate allowed by the Development Agreement or the Transitional Advance provisions, shall be payable by the Board, on demand, and shall be secured by the Collateral.

10. RECEIPT OF SALES PROCEEDS. Upon any sale of the Collateral by FHRI (whether by virtue of the power of sale herein granted, pursuant to judicial process or otherwise), the receipt of FHRI or the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold, and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over FHRI or such officer or be answerable in any way for the misapplication or non-application thereof.

11. APPLICATION OF COLLATERAL. All proceeds of any Collateral now or at any time hereafter received or retained by FHRI pursuant to this Agreement (including without limitation, any proceeds from the sale of the Collateral, and all distributions, dividends and other payments received by FHRI in respect of the Collateral) shall be applied: (i) first, to the payment of accrued and unpaid interest; (ii) second, to the payment of the principal amount owned; and (iii) third, to the Board or otherwise as directed by a court of competent jurisdiction.

12. WAIVERS; MODIFICATIONS.

(i) No failure or delay on the part of FHRI to insist on strict performance in exercising any privilege, right or remedy shall operate as a waiver thereof or a waiver of any term, provision or condition hereof, nor shall any single or partial exercise of any privilege, right or remedy preclude any other or further exercise thereof or the exercise of any other privilege, right or remedy.

(ii) A waiver in one or more instances of any of the terms, covenants, conditions or provisions hereof shall apply to the particular instance or instances and at the particular time or times only, and no such waiver shall be deemed a continuing waiver, but all of the terms, covenants, conditions and other provisions of this Agreement shall survive and continue to remain in full force and effect; and no waiver shall be effective unless in writing, dated and signed by FHRI.

(iii) No change, amendment, modification, cancellation or discharge hereof, shall be valid unless in writing, dated and signed by the party against whom such change, amendment, modification, cancellation or discharge is sought to be charged.

13. REMEDIES CUMULATIVE. All rights and remedies afforded to the parties hereto by reason of this Agreement are separate and cumulative remedies, and shall be in addition to all other rights and remedies in favor of such parties existing at law or in equity or otherwise. No one of such remedies, whether or not exercised by any such party, shall be deemed to exclude, limit or prejudice the exercise of any other legal or equitable remedy or remedies available to such parties so long as same fall within the scope of those provided in the Management Agreement and/or the Development Agreement between the Board and FHRI.

14. NOTICES. All notices, demands, requests, and other communications required or permitted hereunder shall be in writing and shall be deemed to have been given: (i) when presented personally; or (ii) one (1) business day after delivery to a commercial overnight courier

service; or (iii) three (3) business days after mailing with the United States Postal service, postage prepaid, certified mail, return receipt requested; in each case addressed or delivered, in the case of personal presentation, to the respective party, as the case may be, at the following address, or such other address any party may from time to time designate by written notice to the others as herein required.

| | |
|---|---|
| If to FHRI: | Gaming Entertainment (Santa Fe) LLC<br>c/o Full House Resorts, Inc.<br>4670 So. Fort Apache Road, Suite 190<br>Las Vegas, Nevada 89147 |
| If to the Board: | Pueblo of Nambé Gaming Enterprise Board<br>The Nambé Pueblo Tribe of Indians<br>Rt. 1 Box 117-BB<br>Nambé Pueblo, NM 87506<br>Telephone: (505) 455-2038 |

15. SUCCESSORS AND ASSIGNS. The benefits and obligations of this Agreement shall inure to and be binding upon the parties hereto and their respective successors and permitted assigns. The Board's consent shall not be required for FHRI to assign any of its rights, interests or obligations to any parent, subsidiary or affiliate of FHRI or their successor corporations, provided that any such assignee agrees to be bound by the terms and conditions of this Agreement. The acquisition of FHRI or a parent company by a third party shall not constitute an assignment of this Agreement by FHRI and this Agreement shall remain in full force and effect between the Board and FHRI. This Agreement may be assigned by FHRI, subject to approval by the Board, which approval shall not be unreasonably withheld. The Board shall, without the consent of FHRI have the right to assign this Agreement and the assets of the Enterprise to another instrumentality of the Tribe or to a corporation wholly owned by the Tribe organized to conduct the business of the Enterprise for the Tribe that assumes all obligations herein. Any assignment by the Board shall not prejudice the rights of FHRI under this Agreement. No assignment authorized hereunder shall be effective until all necessary government approvals have been obtained.

16. FHRI NOT BOUND. Nothing herein shall be construed to make FHRI liable as a partner of the Board, FHRI, by virtue of this Agreement, shall not have any of the duties, obligations or liabilities of a partner of the Board.

17. SEVERABILITY. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Agreement invalid or unenforceable. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, but the balance of this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been included.

18. FURTHER ASSURANCES. The Board shall, at any time and from time to time after the execution and delivery of this Agreement, within ten (10) days after request by FHRI, execute, acknowledge and deliver such further conveyances, assignments, agreements and instruments of further assurance and other documents and do such further acts and things as FHRI may reasonably request and are reasonably necessary in order to: (i) carry into effect the purposes of this Agreement following the acquisition thereof, or (ii) extend the lien of this Agreement to secure all amounts due and payable by the Board under this Agreement; (iii) further assure and confirm unto FHRI its rights, privileges and remedies under this Agreement and under the Loan Documents.

19. FILING FINANCING STATEMENTS. The Board also authorizes FHRI to file financing statements without its signature, if lawful. If FHRI shall file any financing statement without the signature of the Board, FHRI shall deliver a copy of such financing statement to the Board immediately after the filing thereof.

20. RELEASE. The lien on and security interest in all of the Collateral shall automatically be released and terminated and no longer be of force and effect upon absolute and unconditional release or satisfaction of the Transitional Advances.

21. GOVERNING LAW; INTEGRATION. This Agreement shall be governed by and construed enforced in accordance with the laws of the State of New Mexico without regard to the conflicts or choice of laws rules of New Mexico, except to the extent provided by any mandatory provisions of applicable law.

22. BUSINESS DAY EXTENSION. In the event any time period or any date provided in this Agreement ends or falls on a day other than a business day, then such time period shall be deemed to end and such date shall be deemed to fall on the next succeeding business day with the same force and effect as if made on such other day. “Business day” shall mean each Monday through and including Friday excluding only days upon which banks are authorized to be closed for business in the State of New Mexico.

23. DISPUTE RESOLUTION.

23.1. GENERAL. THE PARTIES AGREE THAT BINDING ARBITRATION PURSUANT TO THIS SECTION 23 SHALL BE THE REMEDY FOR ALL DISPUTES, CONTROVERSIES AND CLAIMS ARISING OUT OF THIS AGREEMENT, THE DEVELOPMENT AGREEMENT, ANY DOCUMENTS OR AGREEMENTS REFERENCED BY ANY OF THESE DOCUMENTS, ANY AGREEMENTS COLLATERAL THERETO, OR ANY NOTICE OF TERMINATION THEREOF, INCLUDING WITHOUT LIMITATION, ANY DISPUTE, CONTROVERSY OR CLAIM ARISING OUT OF ANY OF THESE AGREEMENTS. THE PARTIES INTEND THAT SUCH ARBITRATION SHALL PROVIDE FINAL AND BINDING RESOLUTION OF ANY DISPUTE, AND THAT ACTION IN ANY OTHER FORUM SHALL BE BROUGHT ONLY IF NECESSARY TO COMPEL ARBITRATION, OR TO ENFORCE AN ARBITRATION AWARD OR ORDER.

(i) Each party agrees that it will use its best efforts to negotiate an amicable resolution of any dispute between FHRI and the Board arising from this

Agreement. If the Board and FHRI are unable to negotiate an amicable resolution of a dispute within 14 days from the date of notice of the dispute pursuant to the notice section of the Development Agreement, or such other period as the parties mutually agree in writing, either party may refer the matter to arbitration as provided for in this Section.

(ii) The Board's election to terminate this Agreement is, however, final and conclusive and not subject to dispute resolution between the parties, but only if the NIGC makes a final determination that FHRI is not suitable to hold a license. The parties recognize that minor revisions of contracts before the NIGC is routine, and NIGC notice requesting revisions in the Management Agreement shall not be grounds for termination by the Board unless FHRI refuses to make the changes necessary to obtain NIGC approval.

23.2. ARBITRATION.

23.2.01. INITIATION OF ARBITRATION AND SELECTION OF ARBITRATORS. Arbitration shall be initiated by written notice by one party to the other pursuant to the notice section of the Development Agreement, and the Commercial Arbitration Rules of the American Arbitration Association shall thereafter apply. The arbitrators shall have the power to grant equitable and injunctive relief and specific performance as provided in this Agreement. If necessary, orders to compel arbitration or enforce an arbitration award may be sought before the United States District Court for the District in which the gaming facility is or is to be located and any federal court having appellate jurisdiction over said court. If the United States District Court for said District finds that it lacks jurisdiction, The Board consents to be sued in a court of competent jurisdiction. The arbitrator shall be a licensed attorney knowledgeable in federal Indian law and selected pursuant to the Commercial Arbitration Rules of the American Arbitration Association.

(i) CHOICE OF LAW. In determining any matter the Arbitrator(s) shall apply the terms of this Agreement, without adding to, modifying or changing the terms in any respect, and shall apply New Mexico law.

(ii) PLACE OF HEARING. All arbitration hearings shall be held at a place designated by the -arbitrator(s) in the county seat of the county in which the gaming facility is or is to be located.

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

24. LIMITED WAIVER OF SOVEREIGN IMMUNITY. The Board expressly and irrevocably waives its immunity from suit as provided for and limited by this Section. This waiver is limited to the Board's consent to all arbitration proceedings, and actions to compel arbitration and to enforce any awards or orders issuing from such arbitration proceedings which are sought solely in United States District Court and any federal court having appellate jurisdiction over said court, provided that if the United States District Court finds that it lacks

jurisdiction, the Board consents to such actions in a court of competent jurisdiction. This consent to State Court jurisdiction shall only apply if FHRI exercises reasonable efforts to argue for the jurisdiction of the federal court over said matter. The arbitrators shall not have the power to award punitive damages.

(i) TIME PERIOD. The waiver granted herein shall commence as of the Effective Date of this Agreement and shall continue for one year following the later of (i) expiration, termination or cancellation of this Agreement, or (ii) termination of the Enterprise and shall remain effective for the duration of any arbitration, litigation or dispute resolution proceedings then pending, all appeals therefrom, and except as limited by this Section through the satisfaction of any awards or judgments which may issue from such proceedings, provided that an action to collect such judgment has been filed within two years of the date of the final judgment.

(ii) RECIPIENT OF WAIVER. This limited waiver is granted only to FHRI, and not to any other individual or entity.

(iii) LIMITATIONS OF ACTIONS. This limited waiver is specifically limited to the following actions and judicial remedies:

(a) DAMAGES. The enforcement of an arbitrator's award of money damages provided that the waiver does not extend beyond the assets specified in Subsection (g) of this Section. No arbitrator or court shall have any authority or jurisdiction to order execution against any assets or revenues of the Tribe except as provide in this Subsection (g) of this Section or to award any punitive damages against the Board or the Tribe.

(b) CONSENTS AND APPROVALS. The enforcement of a determination by an arbitrator that the Board's consent or approval has been unreasonably withheld contrary to the terms of this Agreement.

(c) INJUNCTIVE RELIEF AND SPECIFIC PERFORMANCE. The enforcement of a determination by an arbitrator that prohibits the Board from taking any action that would prevent FHRI from operating the Business pursuant to the terms of this Agreement, or that requires the Board to specifically perform any obligation under this Agreement (other than an obligation to pay money which is protected by the Limitation Upon Enforcement Provisions of this Section.)

(d) ACTION TO COMPEL ARBITRATION. An action to compel or enforce arbitration or arbitration awards or orders pursuant to this Section.

(e) SERVICE OF PROCESS. In any litigation or arbitration service of process against the Board shall be effective if made by certified mail return receipt requested to the Chairperson of the Board at the Address set for in the Notices Section of the Development Agreement. In any litigation or arbitration service of process against the Tribe shall be effective if made by certified mail return receipt requested to the Governor of the Tribe at the Address set forth in the Notices Section of the Development Agreement.

(f) ENFORCEMENT. If enforcement of a judicial order or arbitration award becomes necessary by reason of failure of one or both parties to voluntarily comply, the parties agree that the matter may be resolved by entry of judgment on the award and enforcement as described herein; provided however, that in no instance shall any enforcement of any kind whatsoever be allowed against any assets of the Tribe other than the limited assets of the Board specified in Subsection (g) of this Section.

(g) LIMITATION UPON ENFORCEMENT. Damages awarded against the Board or the Enterprise shall be satisfied solely from the distributable share of Total Net Revenues of the Board from the Enterprise, the distributable share of the Total Net Revenues of any other tribal gaming business of the kind contemplated and the distributable share of the Net Revenues of any future gaming business of any kind which is operated by or for the Tribe; whether or not operated under an Agreement with FHRI, provided, however, that this limited waiver of sovereign immunity shall terminate with respect to the collection of any Net Revenues transferred from the accounts of the Business to the Tribe's general operating bank account in the normal course of business. In no instance shall any enforcement of any kind whatsoever be allowed against any assets of the Tribe other than those specified in this subsection.

25. GOVERNMENT SAVINGS CLAUSE. The parties understand and agree that this agreement does not require NIGC approval but may be submitted to the NIGC for review. If any provision of this Agreement contravenes any provision of the Indian Gaming Regulatory Act, 25 U.S.C. §2701 et seq. ("IGRA"), such provision shall be deemed to be modified or deleted herefrom to the extent necessary to comply with IGRA; provided that such modification and deletion shall not materially change the respective rights, remedies or obligations of the Board or FHRI under this Agreement and the Development Agreement. Each of the parties agrees to execute, deliver and, if necessary, record any and all additional instruments, certifications, amendments, modifications and other documents as may be required in order to effectuate, complete, perfect, continue or preserve the respective rights, obligations, liens and interests of the parties hereto to the fullest extent permitted by law; provided, that any such additional instrument, certification, amendment, modification or other document shall not materially change the respective rights, remedies or obligations of the Board or FHRI under this Agreement or any other agreement or document related hereto.

26. TRIBAL CONSENT. In the event that the Pueblo of Nambé pursues the development, management and/or operation of a gaming facility by or through an entity or subsidiary other than the Board and without the consent of FHRI, which other entity has not accepted the obligations of the Board contained in this Agreement and the Development Agreement, the Tribe recognizes the right of FHRI to be repaid for the funds advanced to the Tribe and/or the Board pursuant to the Development Agreement as secured by the terms of this Agreement. Consequently, in the event that a gaming facility is operated or managed by or on behalf of the Tribe by an entity or subsidiary other than the Board or by a third party other than FHRI, the Tribe agrees to be bound to the same extent as the Board to the provisions of this Agreement. FOR PURPOSES OF THIS SECTION AND ONLY SHOULD THIS SECTION BECOME EFFECTIVE, THE TRIBE SPECIFICALLY AGREES TO THE LIMITED WAIVER OF SOVEREIGN IMMUNITY CONTAINED IN SECTION 24 AND ONLY TO THE LIMITED EXTENT OF ARBITRATION AND ENFORCEMENT AS SET FORTH IN SECTION 24 AND WITH THE SPECIFIC LIMITATION ON COLLECTION RIGHTS OF PARAGRAPH 24(G).

[Signatures on following page]

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

NAMBÉ PUEBLO GAMING ENTERPRISE BOARD

By: /s/ Brenda McKenna
Brenda McKenna
Chairperson

GAMING ENTERTAINMENT (SANTA FE) LLC

By: Full House Resorts, Inc., Manager

By: /s/ Barth F. Aaron
Printed Name: Barth F. Aaron
Title: Secretary

For the limited purposes of stated in Article 26.

PUEBLO OF NAMBÉ

By: /s/ Tom F. Talache, Jr.
Tom F. Talache, Jr.
Governor

**EXHIBIT 10.66**

**REVISED**

**CLASS III GAMING**

**MANAGEMENT AGREEMENT**

**BY AND AMONG**

**PUEBLO OF NAMBÉ**

**NAMBÉ PUEBLO GAMING ENTERPRISE BOARD**

**AND**

**GAMING ENTERTAINMENT (SANTE FE), LLC**

**DECEMBER 10, 2005**

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**CLASS III GAMING MANAGEMENT AGREEMENT**

THIS GAMING MANAGEMENT AGREEMENT (this "Agreement") has been entered into as of the 10th day of December, 2005, by and among the NAMBE PUEBLO GAMING ENTERPRISE BOARD (the "Board"), GAMING ENTERTAINMENT (SANTA FE), LLC, a Delaware limited liability company established and operated by hull House Resorts, Inc., a Delaware corporation, ("Manager") (jointly and severally the "Parties" or "Party") and the PUEBLO OF NAMBE (the "Tribe") for the limited purposes stated in Sections 3A, 5, 7.3, 8.2, 9.5, 9.16, 9.18, 13.1 and 17.

1. Recitals.

1.1 The Tribe and Manager intend that the Manager shall provide funds to permit the Board (i) to construct a Gaming Facility (as that term is herein defined) suitable for conducting Gaming on Indian lands in the State of New Mexico pursuant to the Tribe's recognized powers of self- government and the statutes, codes, ordinances and resolutions of the Tribe, as well as (ii) for other purposes.

1.2 The Tribe has Property (as herein defined) held in trust by the United States of America for the benefit of the Tribe. The Tribe desires to establish an Enterprise (as herein defined) to conduct Gaming on the Property to serve the social, economic, educational and health needs of the Tribe, to increase Tribe's revenues and to enhance the Tribal economic self-sufficiency and self-determination. This Agreement sets forth the manner in which the Enterprise will be established and managed in a Gaming Facility.

1.3 The Tribe has established the Board, an instrumentality of the Tribe, to which the Tribe has assigned its authority over the development and conduct of gaming on the Property.

1.4 The Board is seeking financial assistance and expertise for the construction of the Enterprise and technical experience and expertise for the management and operation of the Enterprise and instruction for members of the Tribe in the operation of the Enterprise. The Manager is willing and able to provide such assistance, experience, expertise and instruction.

1.5 The Board wants to grant the Manager the exclusive right and obligation to develop, manage, operate and maintain the Enterprise and to train Tribal members and others in the operation and maintenance of the Enterprise during the term of this Agreement, in accordance with the provisions of this Agreement. The Manager wishes to perform these functions exclusively for the Tribe as limited in Section 3.3 below.

1.6 This Agreement will be submitted to the NIGC for approval pursuant to IGRA.

2. Definitions. As they are used in this Agreement, the terms listed below shall have the meaning assigned to them in this Section 2:

2.1 BIA. “BIA” is the Bureau of Indian Affairs of the Department of the Interior of the United States of America.Budgets. “Budgets” shall mean the Operating Budget and the Capital Expense Budget for the Gaming Facility.

2.2 Capital Expenses. “Capital Expenses” shall mean the cost of construction, alteration or rebuilding of the Gaming Facility and any furniture, trade fixtures and equipment and other tangible or intangible property of the Gaming Facility, the costs of which are required by GAAP to be capitalized and depreciated.

2.3 Capital Expense Budget. “Capital Expense Budget” shall mean the budget for Capital Expenses adopted in accordance with Section 4.9.

2.4 Capital Reserve Fund. “Capital Reserve Fund” shall mean the reserve fund established in accordance with Section 4.13.6 to pay Capital Expenses.

2.5 Chairman. “Chairman” shall mean the Chairman from time to time of the NIGC.

2.6 Class III Gaming. “Class HI Gaming” shall mean Class III Gaming as defined in IGRA.

2.7 Collateral. “Collateral” shall mean (a) The Tribe’s share of future Net Revenues, before distribution pursuant to Section 6 of this Agreement, from the Enterprise and/or Gaming Facility, or other future undistributed Net Revenues from the Enterprise and/or the Gaming Facility arising or generated after the termination of this Agreement; and (b) Undistributed gaming and related Net Revenues from the Enterprise and/or Gaming Facility arising or generated after the date that the matter in dispute is referred to arbitration.

2.8 Commencement Date. “Commencement Date” shall mean the first date that the Gaming Facility is substantially complete, open to the public and that Gaming is conducted in the Gaming Facility pursuant to the terms of this Agreement. The Manager shall memorialize the Commencement Date in a writing signed by the Manager and delivered to the Tribe and the Area Director, Area Office, BIA.

2.9 Compact. “Compact” shall mean a ‘Tribal-State Compact between the Tribe and the State of New Mexico regarding Class Ill Gaming, as the same may, from time to time, be amended.

2.10 Development and Construction Costs. “Development and Construction Costs” shall mean the sum of all costs incurred in developing, designing and constructing the Gaming Facility and other Improvements, including, without limitation, any costs related to obtaining any Government Agency approvals, architect and engineering services, legal services and other professional services.

2.11 Effective Date. The “Effective Date” shall mean the date of written approval by the Chairman of (i) this Agreement, as executed by the Parties, (ii) any other documents collateral thereto that require approval by the Chairman or the BIA, as the case may be and (iii) a Tribal Gaming Ordinance, whichever occurs latest.

2.12 Enterprise. The “Enterprise” is any commercial enterprise of the Tribe operated through the Board authorized to conduct Gaming and any other activity to be conducted in or related to the Gaming Facility that is authorized by IGRA and operated and managed by Manager in accordance with the terms and conditions of this Agreement to engage in (a) Gaming under IGRA; and (b) Automatic Teller Machines (“ATM”) or other authorized electronic funds transfer (EFT) systems, the sale of food, beverages (including alcoholic beverages), gifts and souvenirs and the sale of tobacco conducted within the Gaming Facility. Enterprise shall also mean any entertainment, hospitality or related commercial enterprise operated by the Manager on behalf of the Tribe through the Board. The Tribe shall have the sole proprietary interest in and responsibility for the conduct of all Gaming conducted by the Enterprise, subject to the rights and responsibilities of the Manager under this Agreement.

2.13 Enterprise Employee. “Enterprise Employees” shall mean those employees working at the Gaming Facility who are not employees of Manager.

2.14 Enterprise Employee Policies. “Enterprise Employee Policies” shall have the meaning given to it in Subsection 4.6.2.

2.15 Financial Institution. “Financial Institution” shall mean a financial institution or a trustee for a financial institution or such other third party source selected by Manager to provide the necessary funding to pay all Project Costs.

2.16 Furniture and Equipment. “Furniture and Equipment” shall mean all furniture, furnishings and equipment required in the operation of the Enterprise in accordance with the Plans and Specifications.

2.17 Gaming. “Gaming” shall mean any and all activities defined as Class III Gaming under IGRA.

2.18 Gaming Commission. “Gaming Commission” shall mean the body created pursuant to the Tribal Gaming Ordinance to regulate Gaming in accordance with the Compact, IGRA and the Tribal Gaming Ordinance.

2.19 Gaming Facility. “Gaming Facility” shall mean the buildings, improvements, and fixtures, hereafter constructed on the Property pursuant to this Management Agreement within which the Enterprise will be housed. Title to the Property shall be held by the United States of America in trust for the Tribe.

2.20 GAAP. “GAAP” shall mean United States generally accepted accounting principles consistently applied.

2.21 General Manager. “General Manager” shall mean the person employed by Manager and licensed by the Gaming Commission to direct the operation of the Gaming Facility.

2.22 General Contractor. “General Contractor” shall mean the contractor or contractors selected by the Manager to construct the Gaming Facility and any additions or improvements thereto in accordance with the Plans and Specifications.

2.23 Gross Gaming Revenue (Win). “Gross Gaming Revenue (Win)” shall mean the net win from gaming activities which is the difference between gaming wins and losses before deducting costs and expenses determined in accordance with GAAP.

2.24 Gross Revenues. “Gross Revenues” shall mean all revenues of any nature derived directly or indirectly from the Enterprise including, without limitation, Gross Gaming Revenue (Win), food and beverage sales, and other rental or other receipts from lessees, sublessees, licensees or concessionaires (but not the gross receipts of such lessees, sublessees, licensees or concessionaires, provided that such lessees, sublessees, licensees or concessionaires are not subsidiaries or affiliates of the Tribe or the Manager), revenue recorded for Promotional Allowances, business interruption insurance proceeds, Gaming condemnation awards, proceeds from litigation and other claims against third parties.

2.25 Hard Count. “Hard Count” shall mean the count of the coin or tokens in a drop bucket (slots).

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

2.27 Improvements. “Improvements” shall mean the improvements constructed and to be constructed (including but not limited to the Gaming Facility) or installed on the Property and on adjacent areas for the benefit of the Property, including without limitation, the Facility access ways and roadways, parking areas, drainage improvements, utility lines, and landscaping, all of which will be constructed in accordance with the Plans and Specifications approved by the Board.

2.28 Legal Requirements. “Legal Requirements” shall mean singularly and collectively all applicable laws and regulations including without limitation the Tribal Gaming Ordinance, IGRA, the Compact, and applicable Tribal, federal and state statutes and ordinances.

2.29 Loan. “Loan” shall mean the loan or loans made by a Financial Institution to the Manager to finance the cost of the Gaming Facility and the Furniture and Equipment, to provide Working Capital and to fund Start-up Expenses, as provided in Section 3, and to fund such other costs as are specified in this Agreement to be part of the Loan.

2.30 Loan Agreement. “Loan Agreement” shall mean the loan agreement(s), as the same may be amended, and any substitutions therefore, with respect to the Loan, to be executed by the Manager and a Financial institution.

2.31 Loan Documents. “Loan Documents” shall mean the Loan Agreement, promissory note(s) evidencing the Loan, the security agreement securing the Loan and such other documents as may be executed from time to time with respect to the Loan and any amendments thereto and substitutions therefore.

2.32 Loan Payments. “Loan Payments” shall mean the principal and other payments due under the Loan Documents.

2.33 Management Fee. “Management Fee” shall mean the management fee as provided in Section 6.6.

2.34 NIGC. “NIGC” shall mean the National Indian Gaming Commission established pursuant to 25 U.S.C. § 2704, or any amendment to that Section.

2.35 Net Revenues. “Net Revenues” shall mean Gross Revenues from the Enterprise less (i) amounts paid out as, or paid-for, prizes and (ii) total Operating Expenses, excluding the Management Fee.

2.36 Operating Budget. “Operating Budget” shall mean the budget for Operating Expenses adopted in accordance with Section 4.9.

2.37 Operating Expenses. “Operating Expenses” shall mean all normal and necessary costs and expenses in the operation of the Enterprise as determined in accordance with GAAP including without limitation: (1) interest expense; (2) depreciation and amortization; (3) salaries, wages, and benefits for the employees of the Enterprise (other than the General Manager); (4) materials and supplies; (5) utilities; (6) repairs and maintenance; (7) accounting fees; (8) interest on installment contract purchases; (9) insurance and bonding; (10) advertising and marketing, including busing and transportation of patrons; (11) Promotional Allowances; (12) legal and professional fees; (13) fees, costs, dues and contributions associated with membership and participation in trade associations; (14) fire, safety and security costs; (15) reasonable travel expenses for officers and employees of the Enterprise or Manager; (16) trash removal; (17) costs of goods and services sold; (18) recruiting and training expenses; (19) fees due to the NIGC under IGRA or the State of New Mexico pursuant to the Compact; (20) lease payments for personal property; and (21) other costs and expenses determined in accordance with GAAP. Operating Expenses shall not include: (1) distributions to the Tribe; and (2) principal payments on debt.

2.38 Plans and Specifications. “Plans and Specifications” shall mean the plans and specifications specified in Section 3.1.5 herein and shall generally refer to the drawings (graphic and pictorial portions showing the design, location and dimensions, including plans, schedules and diagrams) and specifications (written requirements for materials, equipment, systems, standards and workmanship and performance of related services) for the Project.

2.39 Project. “Project” shall mean the Property, the Improvements and the Enterprise.

2.40 Project Costs. “Project Costs” shall mean all costs necessary to develop and open the Project, including Development and Construction Costs, Furniture and Equipment, Working Capital, start-up and pre-opening costs, the Tribal Advance and development fees to the Manager.

2.41 Promotional Allowances. “Promotional Allowances” shall mean the retail value of complimentary food and beverage, merchandise, entertainment and tokens for gaming, provided to patrons as promotional items.

2.42 Property. “Property” shall mean the parcel of land on which the Gaming Facility will be located that is contiguous to the Pueblo of Nambé Grant, as shown on the plat which is Attachment A to this Agreement.

2.43 Recoupment Payment. “Recoupment Payment” shall mean the repayment from the Tribe’s share of Net Revenues of either (a) any advance made by the Manager to the Tribe of the Minimum Guaranteed Monthly Payment as contemplated in Section 6.3 and (b) any portion of the Management Fee which is not paid to the Manager as provided in Section 6.6.

2.44 Reserve Funds. “Reserve Funds” shall mean the Capital Reserve Fund and such additional reserve funds as the parties, by mutual consent, may agree to create.

2.45 Scholarship Fund. “Scholarship Fund” shall mean the contribution made by Manager to a scholarship fund of the Tribe in accordance with. Section 3.8.

2.46 Soft Count. “Soft Count” shall mean the count of the contents in a drop box or currency acceptor.

2.47 Term. “Term” shall mean the term of this Agreement as specified in Section 3.2.

2.48 Tribal Advance. “Tribal Advance” shall mean the total amount of Two Hundred and Fifty Thousand Dollars ($250,000) to be paid to the Tribe in accordance with Section 6.10 of this Agreement.

2.49 Tribal Council. “Tribal Council” shall mean the Tribal Council selected according to the traditional laws of the Tribe.

2.50 Tribal Gaming Ordinance. The “Tribal Gaming Ordinance” is the ordinance and any amendments thereto to be enacted by the Tribe, which authorizes and regulates Gaming on Indian lands within the jurisdiction of the Tribe.

2.51 Tribe's Share of Net Revenues. The "Tribe's Share of Net Revenues" shall mean 100% of the Net Revenues less the monthly (i) Management Fee and (ii) repayment of the Loan.

2.52 Working Capital. "Working Capital" consists of the funds required to "fill" slot machines and bankroll the cage for jackpot, chip and token redemption and other liquid assets as needed for the operation of the Enterprise.

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

3.1 Engagement of Manager. The Board hereby exclusively retains and engages Manager as an independent contractor for the Term, and Manager accepts such engagement under which the Manager shall do the following:

3.1.1 Development and Construction Costs. The Manager shall have the responsibility to supervise, through an architect selected by the Manager with the approval of the Board (the "Architect"), the design and completion of all construction, development, improvements and related activities undertaken pursuant to the terms and conditions of the contracts) with the General Contractor and will require the General Contractor and its subcontractors to furnish appropriate payment and performance bonds for work at the Gaming Facility. The Manager agrees to provide all funds necessary for the Development and Construction Costs, including payments to the Architect and General Contractor.

3.1.2 Equipment Costs. The Manager shall purchase on behalf of the Enterprise the necessary Furniture and Equipment, with the approval of the Board, which Furniture and Equipment shall be owned by the Tribe. The Manager agrees to provide a minimum of One Million Dollars ($1,000,000) for the purchase of such Furniture and Equipment. The Manager may, upon securing lease financing, lease all or a portion of such Furniture and Equipment, subject to the Board approving the terms of the lease, provided that the Manager shall have no financial interest in the leasing entity.

3.1.3 Working Capital. The Manager agrees to provide the amount of Working Capital stipulated in the Budget on or before the Commencement Date. The Manager shall be responsible for providing any needed additional working capital.

3.1.4 Start-Up and Pre-Opening Expenses. Prior to the Commencement Date, the Manager agrees to provide the funds necessary for start-up and pre-opening expenses

3.1.5 Plans and Specifications: Cost Overruns. The Manager and the Board shall agree to Plans and Specifications for the Gaming Facility, defining all activities, materials and services necessary for the Property, the Gaming Facility and the Enterprise. If there are costs overruns for any activity, material or service previously agreed to that are required for the Project, the Manager shall borrow an additional amount equivalent to such overruns to achieve the goals of this Agreement up to the amount set forth in Section 3.1.6 herein.

3.1.6 Project Costs. The Manager and the Board agree that Projects Costs shall be advanced by the Manager for the Project in accordance with the terms and conditions herein not to exceed Forty Million Dollars ($40000,000).

3.1.7 Loan. The Manager shall borrow from a Financial Institution all funds required in Sections 3.1.1, 3.1.2, 3.1.3, 3.1.4, 3.1.5, and 3.1.6, to be repaid in accordance with Section 6.4 of this Agreement. Advances under said Sections shall be made only upon adequate documentation that an obligation has been incurred and such obligation is currently due and owing and after review by the Manager and by the Board. Any amounts provided by the Manager for the purposes of this Section 3.1 shall be deemed advanced pursuant to, payable under, and shall accrue interest as set forth in the Loan Agreement and the promissory note or notes evidencing the Loan. The interest rate on the Loan shall be equal to the Manager's cost of funds from a Financial Institution which shall be based on prevailing interest rates. Any funds advanced under this Section 3.1 shall only be repayable as provided in Section 6.4 and from the Collateral and shall not otherwise be an obligation of the Tribe. The Loan shall be secured by a first lien on the Collateral. The Board and the Manger agree to execute any and all documents required by the Financial Institution in order for Manager to receive the Loan.

3.1.8 Managing the Enterprise. The Board retains the Manager to manage the Enterprise and train Tribal members and others in the management of the Enterprise in accordance with the terms of this Agreement. The Manager hereby accepts such retention and engagement. Nothing contained herein grants or is intended to grant Manager a titled interest to the Gaming Facility or to the Enterprise.

3.1.9 Anti-Kickback Provision. Other than receiving the proceeds of the Loan, Manager shall be prohibited from accepting payment of any kind from any Financial Institution providing financing for the Enterprise or any commercial activity related to the Enterprise. Manager's acceptance of such a payment shall be grounds for immediate termination of this Agreement.

3.1.10 Manager's Business with the Enterprise. Notwithstanding the provisions of Section 3.1.9, Manager or its affiliated entities may conduct business with the Enterprise and receive payment or compensation for the provision of goods or services to the Enterprise other than as Manager where (i) the terms of any agreement for the provision of goods or services are more favorable than available from third party vendors in the open market and (ii) the Manager fully and completely discloses its involvement with the vendor and the payment and (iii) the transaction is approved by the Board.

3.2 Term. The Term of this Agreement shall begin on the Effective Date and continue for a period of seven (7) years after the Commencement Date, except as provided in Section 4.5.

3.3 Exclusivity of Operations. During the Term neither the Manager nor the Board will establish nor operate any other Gaming within fifty (50) miles of the Property without the express written consent of the other Party.

3.4 Parties' Compliance With Law; Licenses. Except as provided in Sections 3.4.1 and 4.4, the Manager, Tribe and the Board will at all times comply with all Legal Requirements. All Gaming covered by this Agreement shall be conducted in accordance with all Legal Requirements. Manager shall take no action or engage in any activity that would cause the Tribe or the Board to be in violation of any Legal Requirements, and the Tribe and the Board shall take no action or engage in any activity that (i) would cause Manager or the members of Manager to be in violation of any Legal Requirements or (ii) could result in the revocation of any gaming license held by Manager or the members of Manager.

3.4.1 Conflicting Legal Requirements. The Manager shall not be obligated to comply with any statutes, regulations or ordinances of the Tribe if to do so would cause the Manager to violate any applicable federal or state law.

3.4.2 Licenses. The Manager, Manager's executive officers and all other persons required by applicable law shall seek a license to operate the Enterprise pursuant to the Tribal Gaming Ordinance. The Gaming Commission shall act upon all such license applications promptly and may not arbitrarily or capriciously deny any license sought under this Subsection 3.4.2.

3.4.3 Indian Civil Rights Act. The Tribe shall take no action that violates the Indian Civil Rights Act (25 U.S.C. § 1301-1303) or the Tribe's Law and Order Code.

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

3.4.5 Compliance With the National Environmental Policy Act. The Board shall supply the NIGC with all information requested by the NIGC to comply with any regulations of the NIGC issued pursuant to the National Environmental Policy Act (N EPA).

3.5 Management Fee. The Board agrees that Manager is entitled to receive the Management Fee as provided in Section 6.6 within thirty (30) days of the end of each month for which the Management Fee applies.

3.6 Fire and Safety. The Gaming Facility shall be constructed and maintained in compliance with the standard uniform Building Officials and Code Administrators ("BOCA") code concerning fire and safety, provided that nothing in this Agreement shall grant any jurisdiction to any state government or any political subdivision thereof over the Property or the Gaming Facility.

3.6.1 Fire Protection. The Manager shall have the responsibility to provide the Gaming Facility with adequate fire protection services and equipment, including sprinklers. The Board shall have the responsibility for obtaining cooperative agreements under which the BIA,

and/or local municipalities with volunteer fire departments, shall agree to provide firefighting services in the event of a fire at the Gaming Facility. The costs of fire protection under this Section 3.6.1 shall be an Operating Expense.

3.6.2 Public Safety Services. The Manager shall provide appropriate security and public safety services for the operation of the Enterprise. All aspects of the Gaming Facility security shall be the responsibility of the Manager. The cost of any charge for security and increased public safety services, including police protection and emergency medical services, shall be an Operating Expense.

3.7 Uniform Commercial Code. The parties agree that Articles I, II, 11A, II , IV, V, VI, VII and IX of the Uniform Commercial Code, as adopted by the State of New Mexico, shall govern this Agreement and all activities and contracts involving the Enterprise. All filings for perfection pursuant to Article IX shall be done with the Secretary of State for the State of New Mexico unless the Tribe shall establish an Office to receive such filings. Nothing in this Section 3.7 shall constitute a waiver of Tribal sovereign immunity, or constitute consent of the Tribe to the regulatory, adjudicatory or other jurisdiction of the State of New Mexico.

3.8 Scholarship Fund. The Manager agrees to contribute to a Scholarship Fund established by the Tribe for the educational benefit of the members of the Tribe as defined and determined by the Tribal Council two percent (2%) of the Management Fee up to a maximum of $20,000 per year. If requested by the Tribe, Manager agrees to assist the Tribal Council in establishing such a fund and the terms and conditions for its operation.

4. Business Affairs in Connection with Enterprise.

4.1.1 Manager's Authority and Responsibility. All business and affairs in connection with the day-to-day operation, management, maintenance and improvement of the Gaming Facility, including the establishment of operating days and hours, consistent with the Tribal Gaming Ordinance, shall be the responsibility of the Manager. The Manager is hereby granted the necessary power and authority to act, through the General Manager, in order to fulfill its responsibilities under this Agreement. The General Manager shall be a person selected by the Manager, subject to the approval of the Board, which approval shall not be unreasonably withheld.

4.1.2 Board's Authority and Responsibility. Oversight of the Enterprise, including approval of budgets, loans and contracts shall be the responsibility of the Board. In order for the Board to fulfill its responsibilities under this Agreement, the Board shall have the authority to inspect the books and records of the Enterprise as provided in Section 4.15.2 and to be provided with reports as specified in this Agreement.

4.2 Duties of the Manager. In managing, operating, maintaining, improving and repairing the Gaming Facility, the cost of which shall be either an Operating Expense or Capital Expense, the Manager's duties shall include, without limitation, the following:

4.2.1 Management. The Manager shall use reasonable measures for the orderly administration, management, and operation of the Enterprise including without limitation cleaning, painting, decorating, plumbing, carpeting, grounds care and such other maintenance and repair and improvement work as is reasonably necessary.

4.2.2 Contracts in Enterprise's Name and at Arm's Length; Limitations on Authority to Enter Contracts. Contracts for the operations of the Enterprise shall be entered into in the name of the Enterprise and be signed by the General Manager. Except in the event of an emergency, any contract requiring an expenditure in any year in excess of Twenty-Five Thousand Dollars ($25,000) or for more than one year, the expenditure of which is not provided for in the annual Budgets approved by the Board, shall require the approval of the Board. No contracts for the supply of goods or services to the Enterprise shall be entered into with parties affiliated with the Manager or its officers or directors unless the affiliation is disclosed to the Board, and the contract terms are determined by the Board to be no less favorable for the Enterprise than could be obtained from a non-affiliated contractor. Notwithstanding anything to the contrary contained herein, contracts for the supply of any goods or services paid for entirely by the Manager may be provided by parties affiliated with the Manager or Its officers or directors, provided that payments on such contracts shall not constitute Operating Expenses and shall be the sole responsibility of the Manager.

4.2.3 Culturally Sensitive Material. The Manager agrees that the choices involving the Enterprise and Gaming Facility including but not limited to' the employees' uniforms, interior design, promotions and marketing shall be culturally appropriate and shall in no way denigrate Indian history or culture by the use of stereotyped images, symbols and language. If, at any time, the Manager is notified by the Board or the Tribe that any such activity is not culturally appropriate, the Manager shall have no more than ten working (10) days to cease such activity.

4.3 Damage to Gaming Facility.

4.3.1 Damage by Fire War, Casualty, Act of God. The Manager agrees to carry sufficient insurance to rebuild the Gaming Facility and shall reconstruct the Gaming Facility to a condition at least comparable to that before the casualty or partial condemnation occurred, if, during the Term, the Gaming Facility is damaged or destroyed by fire, war, Act of God or other casualty. The insurance proceeds shall be applied to that reconstruction, which shall be completed as soon as possible. If the insurance proceeds are insufficient to reconstruct the Gaming Facility to such condition where Gaming can once again be conducted, the Manager may supply such additional funds as are necessary to reconstruct the Gaming Facility to such condition and such funds shall, with the prior consent of the Board, constitute a loan to the Tribe, secured by the revenues from the Enterprise and the Collateral and repayable under the terms of the Loan Agreement unless other terms are agreed upon by the Board and the Manager.

4.3.2 Total condemnation. In the event that the Enterprise or the Property is condemned in total by a governmental agency with the lawful authority to carry out such an action, the proceeds from any such condemnation award shall be applied (i) to retire any amounts due under the Loan Agreement, and (ii) to pay the Parties in accordance with Section 6 of this Agreement. The Parties shall retain all money previously paid under Section 6 of this Agreement.

4.4 Manager's Obligation: Suspension of Manager's Duties. The Manager's obligations under this Agreement are conditioned on (i) NIGC approval of this Agreement and (ii) the timely issuance of all required approvals for the construction of the Gaming Facility. If during the Term, Gaming on the Property is: (i) legally prohibited or (ii) rendered economically unfeasible as a result of the Board's default under this Agreement or the adoption of a Tribal Ordinance or other Tribal law, the Manager may suspend its duties under this Agreement.

4.5 Tolling of the Agreement. If, after a period of cessation of Gaming on the Property because of damage, destruction or condemnation or because Gaming on the Property is: (i) legally prohibited or (ii) rendered economically unfeasible as a result of the Tribe's default under this Agreement or the adoption of a Tribal Ordinance or other Tribal law, the recommencement of Gaming shall be legally and commercially feasible in the sole judgment of the Manager, and if the Manager has not terminated this Agreement, the period of such cessation shall not be deemed to have been part of the Term and the date of expiration of the Term shall be extended by the number of days of such cessation period; provided that the extension shall not exceed twelve months.

4.6 Employees.

4.6.1 Manager's Responsibility. Manager shall have, subject to licensing by the Gaming Commission and the terms of this Agreement, the exclusive responsibility and authority to hire, direct, select, control, train, promote and discharge all employees, including security personnel, performing regular services for the Enterprise in connection with the maintenance, operation, and management of the Enterprise and the Gaming Facility and any activity upon the Property; and the sole responsibility for determining whether a prospective employee is qualified and the appropriate level of compensation to be paid. Manager will make all reasonable efforts to hire members of the Tribe into management positions for the Enterprise. Such efforts will include without limitation hiring qualified members of the Tribe in the management positions for the Enterprise.

4.6.2 Enterprise Employee Policies. The Manager shall prepare a draft of personnel policies and procedures (the "Enterprise Employee Policies"), including a job classification system with salary levels and scales, which policies and procedures the Manager shall submit to the Board for its approval. The Enterprise Employee Policies shall include a grievance procedure in order to establish fair and uniform standards for the employees of the Tribe engaged in. the Enterprise. The grievance procedure shall be administered by a Grievance Committee comprised of the General Manager, a person appointed by the Board and a third member agreed on by the Manager and the Board. Any revisions to the Enterprise Employee Policies shall not be effective unless they are approved in the same manner as the original Enterprise Employee Policies. All such actions shall comply with applicable Tribal Law.

4.6.3 Manager's Employees. The Manager shall employ the person holding the position of General Manager.

4.6.4 Enterprise Employees. All employees other than the General Manager will be employees of the Enterprise.

4.6.5 No Manager Wages or Salaries. Except for the Management Fee, neither the Manager nor any of its officers, directors or shareholders shall be compensated by wages from or contract payments other than the Management Fee by the Enterprise for their efforts or for any work which they perform under this Agreement. Nothing in this subsection shall restrict the ability of an employee of the Enterprise to purchase or hold stock in the Manager, its parents, subsidiaries or affiliates where (i) such stock is publicly held, and (ii) such employee acquires, on a cumulative basis, less than five percent (5%) of the outstanding stock in the corporation, provided that no elected member of the Tribal Council shall be permitted to have any financial interest in Manager. The Manager is prohibited from hiring consultants to perform Manager's responsibilities, unless paid for by the Manager.

4.6.6 Access of Gaming Commission and Appointed Agents. The Gaming Commission or their appointed agents shall have the full access to inspect all aspects of the Enterprise, including the daily operations of the Enterprise, and to verify daily Gross Revenues and all income of the Enterprise, at any time without notice.

4.6.7 Employee Background Checks. A background investigation shall be conducted in compliance with all Legal Requirements, to the extent applicable, on each applicant for employment as soon as reasonably practicable. No individual whose prior activities, criminal record, if any, or reputation, habits and associations are known to pose a threat to the public interest, the effective regulation of Gaming, or to the gaming licenses of the Manager or any of its affiliates, or to create or enhance the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of Gaming, shall be employed by the Manager or the Board. The background investigation procedures employed shall be formulated in consultation between the Board and the Manager and shall satisfy all regulatory requirements independently applicable to the Manager. Any cost associated with obtaining such background investigations shall constitute an Operating Expense, provided, however, the costs of background investigations relating to shareholders, officers, directors or employees of the Manager shall not constitute an Operating Expense, but shall be paid by the Manager.

4.6.8 Indian Preference in Employment. In order to maximize benefits of the Enterprise to the Tribe, the Manager shall, during the term of this Agreement, to the extent permitted by applicable law, give preference in recruiting, training and employment to qualified members of the Tribe and their spouses and children in all job categories of the Enterprise, including management positions. The Manager shall provide training programs for Tribal members and their spouses and children. Such training programs shall be available to assist Tribal members in obtaining necessary skills and qualifications relating to all job categories. Final determination of the qualifications of Tribal members and all other persons for employment shall be made by Manager, subject to licensing by the Gaming Commission.

4.6.8 Removal of Employees. The General Manager will act in accordance with the Enterprise Employee Policies with respect to the discharge, demotion or discipline of any Enterprise Employee.

4.7 Marketing and Advertising. Manager shall have the responsibility for setting the advertising budget and placing advertising and promoting the Enterprise and may do so in coordination with the sales and marketing programs of Manager for other gaming establishments managed by Manager or its affiliates, the budget for which shall be included in the annual budget approved by the Board as described in Section 4.9. Manager may participate in sales and promotional campaigns and activities involving complimentary rooms, food, beverage, shows, chips and tokens.

4.8 Pre-Opening. Six (6) months prior to the scheduled Commencement Date, Manager shall commence implementation of a pre-opening program which shall include all activities necessary to financially and operationally prepare the Gaming Facility for opening. To implement the pre-opening program, Manager shall prepare a comprehensive pre-opening budget which shall be submitted to the Board for its approval sixty (60) days after the Effective Date ("Pre-Opening Budget"). All costs and expenses of the pre-opening program shall be paid from the operating account(s) opened by Manager in the name of the Enterprise upon which only Enterprise's designees shall be authorized to draw.

4.9 Operating and Budgets.

4.9.1 Approval of Budgets. Manager shall, at least thirty (30) days prior to the scheduled Commencement Date, submit to the Board, for its approval, a proposed Operating Budget and Capital Expense Budget for the remainder of the current fiscal year. Thereafter, Manager shall, not less than thirty (30) days prior to the commencement of each full or partial fiscal year, submit to the Board, for its approval, proposed Budgets for the ensuing full or partial fiscal year, as the case may be. Manager shall meet with the Board to discuss the proposed Budgets and the Board's approval of the Budgets shall not be unreasonably withheld.

4.9.2 Budget Revisions. Manager may submit to the Board revisions in the Budgets from time to time, as necessary, to reflect any unpredicted significant changes, variables or events or to include significant, additional, unanticipated items of expense. Manager may with approval of the Board reallocate part or all of the amount budgeted with respect to any line item to another line item and to make such other modifications to the Budgets as Manager deems necessary.

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

Tribe so long as the prices and/or rates are competitive. “Qualified” shall mean a member of the Tribe, a Member’s spouse or children, or a business entity certified by the Tribe to be controlled by members of the Tribe, who or which is able to provide goods and/or services at competitive prices and/or rates, has demonstrated skills and abilities to perform the tasks to be undertaken in an acceptable manner, in the Manager’s opinion, and can meet the reasonable bonding requirements of the Manager.

4.11 Litigation. If the Enterprise, the Board, the Manager, or any employee of the Enterprise, the Board or the Manager is sued by any person who is not a party to this Agreement or is alleged by any such person to have engaged in unlawful or discriminatory acts in connection with the operation of the Enterprise, the Board or the Manager, as appropriate, shall defend such action. Except where there is a determination that the Manager acted outside of its authority or committed an act of misconduct other than in the operation of the Enterprise, any cost of such litigation shall constitute an Operating Expense, or, if incurred prior to the-Commencement Date, shall be a start-up expense. Nothing in this Section 4.11 shall be construed to waive or limit the Tribe’s sovereign immunity.

4.12 Internal Control Systems. The Manager shall install systems for monitoring the Enterprise (the “Internal Control Systems”) prior to the Commencement Date as required by 25 C.F.R. §542.3 of the NIGC Minimum Internal Control Standards (“MICS”) after review and approval by the Board. The Internal Control Systems shall comply with all Legal Requirements. The Manager shall submit the Internal Control Systems to the Gaming Commission, the Tribal Council and any other governmental agency required to approve such systems prior to its implementation. Any significant changes to the Internal Control Systems shall be subject to review and approval by the Board, Gaming Commission and the Tribal Council prior to implementation. The Gaming Commission shall have the right, at any time, to inspect and review the Internal Control Systems and to retain an auditor to (i) review the adequacy of the Internal Control Systems and (ii) perform internal audit functions at a minimum to meet the requirements of 25 C.F.R. §542.14 of the NIGC MICS.

The Manager shall install and maintain a closed circuit television system to be used for monitoring all cash handling activities of the Enterprise at a minimum to meet all Legal Requirements. The Gaming Commission shall have full access to the closed circuit television system for use in monitoring the cash handling activities of the Enterprise.

4.13 Banking and Bank Accounts.

4.13.1 Bank Accounts. The Board and Manager shall agree upon a bank or banks for the deposit and maintenance of funds and shall establish such bank accounts insured by the FDIC as they deem appropriate and necessary in the course of business and as consistent with this Agreement.

4.13.2 Daily Deposits to Depository Account. he Manager with the Board’s approval shall establish for the benefit of the Enterprise in the Enterprise’s name a Depository

Account or such other account as required by the Financial Institution. The Manager shall collect all Gross Revenues and other proceeds connected with or arising from the operation of the Enterprise, the sale of all products, food and beverage, and all other activities of the Enterprise and deposit the related cash daily into the Depository Account at least once during each 24-hour period except where deposit cannot be made during a 24 hour period because (1) it is a Bank holiday, (2) an Act of God prevents the deposit of proceeds in the place designated for deposit, (3) bonded transportation service is not available, or (4) it is not cost effective to do so in which case the deposit shall be made on the next business day. All money received by the Enterprise on each day that it is open must be counted at the close of operations for that day or at least once during each 24-hour period except to the extent that slot machine drop for that day is insufficient to warrant daily drops and count. The Parties agree to obtain a bonded transportation service to effect the safe transportation of the daily receipts to the bank, which expense shall constitute an Operating Expense.

4.13.3 Disbursement Account. The Manager with the Board's approval shall establish for the benefit of the Enterprise in the Enterprise's name one or more disbursement accounts or such other accounts as required by the Financial Institution (collectively, the "Disbursement Accounts") for making all payments for Operating Expenses, Capital Expenses, debt service, the Management Fee and disbursements to the Tribe from the Disbursement Accounts.

4.13.4 No Cash Disbursements. The Manager shall not make any cash disbursements from the bank accounts. The Manager shall not make any cash disbursements to itself from any Enterprise fund or account for any reason. Except as provided in Section 4.13.5, any other payments or disbursements by the Manager shall be made by check drawn against an Operating Account.

4.13.5 Minimum Casino Bank Roll. Manager shall establish and maintain sufficient cash operating funds in the Enterprise vault and cage or other readily accessible funds to meet the daily operating needs of the Enterprise. The size of these funds shall be determined with due regard to the Operating Budget. The amounts included in such funds shall only be used for the payment of cash prizes or miscellaneous small expenditures of the Enterprise, treated as a current asset and accounted for in accordance with GAAP.

4.13.6 Capital Reserve Fund. The Manager shall establish and maintain for the benefit of and in the name of the Enterprise a Capital Reserve Fund to pay Capital Expenses in accordance with the Capital Expense Budget. To the extent that Net Revenues are available after payment of the Management Fee, the Manager shall deposit monthly in the Capital Reserve Fund an amount equal to two percent (2%) of the Net Revenues, provided that without the consent of the Board the Capital Reserve Fund balance shall not exceed One Million Dollars ($1,000,000). Any interest earned on the Capital Reserve Fund shall be added to the Capital Reserve Fund, subject to the One Million Dollar ($1,000,000) cap, and otherwise distributed to the Tribe on a monthly basis.

4.13.6 Investments. The Manager may invest any of the funds in the Reserve Funds in bank accounts, treasury bills or other instruments guaranteed or insured by the United States with a term not to exceed three months unless the Manager and Board agree otherwise. All bank accounts shall be insured by the FDIC or other mutually agreed upon commercial insurance or shall be adequately collateralized by the financial institution.

4.14 Insurance. The Manager, on behalf of the Board, shall obtain and maintain, or cause its agents to obtain and maintain, with responsible insurance carriers licensed to do business in the State of New Mexico, insurance satisfactory to the Board covering the Property and the Enterprise, and naming the Tribe, the Enterprise, the Manager, its parent and other affiliates as insured parties, as follows.

4.14.1 Builder's "All Risk" Insurance. During the course of any new construction or substantial remodeling, builder's risk insurance on an all risk" basis (including collapse) on a non-reporting form for full replacement value covering the interest of the Tribe and the Board in all work incorporated in the Gaming Facility, all materials and equipment on or about the Gaming Facility, and any new construction or substantial remodeling of the Gaming Facility. All materials and equipment in any off-site storage location intended for permanent use in the Gaming Facility, or incident to the construction thereof, shall be insured on an "all risk" basis as soon as the same have been acquired for the Enterprise.

4.14.2 Commercial General Liability Insurance. Commercial general liability insurance in an amount sufficient to comply with the Compact and not less than Two Million ($2,000,000) Dollars per person and Five Million ($5,000,000) Dollars per occurrence for all activities on, about or in connection with the Gaming Facility. The commercial general liability insurance shall include premises liability, contractor's protective liability on the operations of all subcontractors, completed operations and blanket contractual liability. The automobile liability insurance shall cover owned, non-owned and hired vehicles. Insurance coverage for bodily injury and property damage shall meet legal requirements, specifically Section 8 of the Compact.

4.14.3 "All Risk" Loss Insurance. Upon completion of the construction of the Gaming Facility, "all risk" insurance on the Gaming Facility against loss by fire, lightning, earthquake, extended coverage perils, collapse, water damage, vandalism, malicious mischief and all other risks and contingencies, in an amount equal to the actual replacement costs thereof, without deduction for physical depreciation, with coverage for demolition and increased costs of construction, and providing coverage in an "agreed amount" or without provision for co-insurance.

4.14.4 Worker's Compensation and Employees Liability. Worker's Compensation and Employer's Liability Insurance as required by the Compact in respect of any work or other operations on, about or in connection with the Enterprise, provided that nothing in the Agreement shall grant any jurisdiction over the Enterprise or its employees to the State of New Mexico or any political subdivision thereof.

4.14.5 Business Interruption Insurance. Business interruption insurance in an amount to cover the projected Operating Expenses and Loan Payments for not less than twelve (12) months or such greater amounts as to which the Manager and Board may agree.

4.14.6 Other Insurance. Such other insurance with respect to the Enterprise and in such amounts as the Parties from time to time may reasonably agree upon against such other insurable hazards which at the time are commonly insured against in respect of businesses and property similar to the Enterprise.

4.14.7 Manager as Additional Loss Payee Insured. The insurance policies required under Subsections 4.14.1, 4.14.3, 4.14.5 and 4.14.6 above all have a standard noncontributory endorsement naming Manager as an additional loss payee. The insurance required under Subsection 4.14.2 above shall name the Manager as an additional insured. All insurance required hereunder shall contain a provision requiring at least thirty (30) days' prior written notice to the Manager and the Board before any cancellation, material changes or reduction shall be effective. Any deductibles must be approved by Manager and the Board.

4.14.8 Defense of Sovereign Immunity Limited. Each policy as to which the Tribe or the Board is named as an insured shall provide that the insurer shall not plead or assert the defense of sovereign immunity within the policy limits. The Tribe and the Board shall not be liable beyond those limits.

4.14.9 Cost of Premiums. The cost of premiums for all insurance obtained pursuant to this Section 4.14 and of Section 4.3 shall be a start-up expense or Operating Expense, as appropriate.

4.15 Accounting and Books of Account.

4.15.1 Operating Statements. The Manager shall prepare and provide monthly financial reports and operating statements and an annual report to the Tribal Council, the Board, the Gaming Commission and to such other government agency as the Compact or applicable law may require. The annual report shall include a written summary and report for the previous year and shall be due by April 1 of each year. The Operating Statements shall comply with all legal Requirements and shall include an income statement, statement of cash flows (statement of changes in financial position) and balance sheet for the Enterprise. Such statements shall include the Operating Budget and Capital Budget projections (the Annual Plan) as comparative statements, and, after the first full year of operation, shall include comparative statements from the comparable period for the prior year of all revenues, and all other amounts collected and received and all deductions and disbursements made there from in connection with the Enterprise. All such statements shall be prepared in accordance with GAAP consistently applied.

4.15.2 Article for Newsletter. The Manager shall cooperate with the Board to prepare an article for the Pueblo Newsletter at least quarterly. The article shall provide information as necessary to keep the Pueblo community informed on the dealings of the Enterprise and upcoming events.

4.15.3 Books of Account. The Manager shall maintain full and accurate books of account and records at the Property. The Gaming Commission, the Board and any Tribal government official authorized by law to have such access, shall have immediate access to the daily operations of the Enterprise, including the books and records, and shall have the unlimited right to inspect, examine, and copy all such books and supporting business records, and the right to verify the daily Gross Revenues and income from the Enterprise and shall have access to any other gaming related information the Tribe deems appropriate. Such rights may be exercised through a duly authorized agent, employee, attorney, or independent accountant authorized in writing to act on behalf of the Gaming Commission, the Board or the authorized Tribal government agency.

4.15.4 Accounting Standards. Manager shall establish and maintain satisfactory accounting systems and procedures which comply with all applicable Legal Requirements. Such accounting systems and procedures, at a minimum, shall (i) include an adequate system of internal accounting controls; (ii) permit the preparation of financial statements in accordance with GAAP; (iii) be susceptible to audit; (iv) permit the calculation and payment of the Management Fee; (v) allow the Enterprise, the Tribe and the NIGC to calculate the annual fee under 25 C.F.R. § 514.1; and (vi) provide for any appropriate allocation of Operating Expenses or overhead expenses among the Tribe, the Enterprise, the Manager and any other user of shared facilities and services. The Manager shall follow the fiscal accounting periods used by the Tribe in its normal course of business.

4.15.5 Annual Audit. An independent certified public accounting firm, which is registered with the Public Company Accounting Oversight Board, shall be selected by the Board for the purpose of performing an annual audit of the books and records of the Enterprise. Said audit shall meet all Legal Requirements and shall, unless otherwise authorized by Tribal Council resolution, be separate and distinct from any audit required by the Single Audit Act of 1984, 31 U.S.C. §7501 et seq. The Gaming Commission, the NIGC and any other legally authorized government agency shall also have the right to perform special audits of the Enterprise on any aspect of the Enterprise and its operations at any time without restrictions. Copies of such audits shall be provided by the Tribe to the Board and all applicable federal and state agencies, as may be required by law or the Compact, and may be sued by the Manager for reporting purposes under federal and state securities laws, if required. The fees for the services of the independent auditor shall be an Operating Expense.

5. Lien. The Tribe specifically warrants and represents to the Manager that during the Term the Tribe shall not act in any way whatsoever, either directly or indirectly, to cause any party to become an encumbrancer or lien holder of the Property or the Enterprise, or to allow any party to obtain any interest in this Agreement without the prior written consent of the Manager, and where applicable, the consent of the United States. The Manager specifically warrants and represents to

the Board that during the Term the Manager shall not act in any way, directly or indirectly, to cause any party to become an encumbrancer or lien holder of the Property or the Enterprise, or to obtain any interest in this Agreement without the prior written consent of the Tribe, and, where applicable, the consent of the United States. The Board and the Manager shall keep the Enterprise and Property free and clear of all enforceable mechanics' and other enforceable liens resulting from the construction of the Gaming Facility and all other enforceable liens which may attach to the Enterprise or the Property, which shall at all times remain the property of the United States in trust for the Tribe. If any such lien is claimed or filed, it shall be the duty of the Party responsible for the lien to discharge the lien within thirty (30) days after having been given written notice of such claim, either by payment to the claimant, by the posting of a bond or the payment into the court placing the lien on the Enterprise or the Property of the amount necessary to relieve and discharge the Property from such claim, or in any other manner which will result in the discharge of such claim. Notwithstanding the foregoing, purchase money security interests in personal property may be granted with the prior written consent of the Tribe and, when necessary, the l United States Department of Interior and/or the NIGC as appropriate. Nothing in this Section shall be construed as a waiver of tribal sovereign immunity or consent to jurisdiction in state court.

6. Calculation and Distribution of Funds.

6.1 Calculation of Revenues and Payment of Operating Expenses. On or before the twentieth (20) day after the end of each calendar month of operations during the Term, the Manager shall calculate and report to the Tribe the Gross Revenues, Operating Expenses and Net Revenues for such month and the year to date. From the Cross Revenues, Manager shall pay all Operating Expenses and distributions of Net Revenues.

6.2 Distribution of Net Revenues. After the payment of Operating Expenses, Net Revenues shall be distributed in the following order of priority set out herein.

6.3 Minimum Guaranteed Monthly Payment. On or before the twentieth (20th) day of each calendar month following the first full calendar month after the Commencement Date, Manager shall pay the Tribe a minimum guaranteed monthly payment in the amount of Fifty Thousand Dollars ($50,000) (the "Minimum Guaranteed Monthly Payment"), and such payment shall have priority over the retirement of any Development and Con Costs. The Minimum Guaranteed Monthly Payments shall be charged against the Tribe's Share of Net Revenues and, if there are insufficient Net Revenues in a given month to make the distribution, Manager shall advance the funds necessary to compensate for the deficiency and shall be reimbursed by the Tribe in the next succeeding month or months as a Recoupment Payment. No Minimum Guaranteed Monthly Payment shall be owed for any months during which Gaming is suspended or terminated at the Gaming Facility pursuant to Sections 4.3 or 4.4 and shall be prorated based on the number of days that Gaming is conducted during that month, and the obligation shall cease upon termination of this Agreement for any reason.

6.4 Repayment of Loan. Until paid in full, the Manager shall be entitled to an amount sufficient to repay principal and accrued interest due on the Loan. The principal and interest

amounts due under this Section 6 shall be paid in monthly payments of principal and interest recalculated on a monthly basis so as to amortize the then- outstanding principal amount due under the Loan over the remaining Term.

6.5 Recoupment Payments. Next, until paid in full, the Manager shall be entitled to any Recoupment Payment that may be owed.

6.6 Management Fee. Next, to pay the Manager a management fee in an amount equal to thirty percent (30%) of the Net Revenues of the Enterprise; provided that if there are insufficient funds in any month to pay the Management Fee in full, because the Tribe's Share of Net Revenues is insufficient to pay the principal and interest due under Section 6.4 (and therefore, the principal and interest is paid from funds that would have otherwise paid the Management Fee), then the shortfall shall be paid to the Manager in the next succeeding month or months as a Recoupment Payment.

6.7 Capital Reserve Fund. Next, to fund the Capital Reserve Fund in accordance with Section 4.13.6.

6.8 Tribal Disbursements. Finally, any amount remaining shall be distributed to the Tribe. The Net Revenues paid to the Tribe pursuant to this Section 6 shall be payable to a Tribal bank account specified by the Tribe.

6.9 Operative Dates. For purposes of this Section 6, the first year of operations shall begin on the Commencement Date and continue until the first day of the month following the first anniversary of the Commencement Date, and each subsequent year of operations shall be the 12-month period following the end of the previous year. Notwithstanding the foregoing, except as provided in Section 4.5, the Term shall not extend beyond seven years (7) after the Commencement Date.

6.10 Tribal Advance. The Tribe shall be paid the Tribal Advance on the first day of the month following the date on which financing for the Project is issued.

6.11 Development Fee. The Manager shall be paid a development fee in the amount of $250,000 payable in 10 equal monthly installments of $25,000 commencing on the first day of the month following the date on which financing for the Project is issued.

6.12 Year-end Adjustment. Within thirty (30) days after the receipt of the audit for each fiscal year of the Enterprise, Manager shall determine in consultation with the Board the correct amount of the Management Fee for such fiscal year based on thirty percent (30%) of the Net Revenues for such year and either remit to the Tribe or deduct from the next distribution to the Tribe the amount of the over or underpayment of the Management Fee.

7. Trade Names, Trade Marks and Service Marks

7.1 Enterprise Name. The Enterprise shall be operated under such business name as the Parties may agree (the "Enterprise Name").

7.2 Trade Names Trade Marks and Service Marks Prior to the Commencement Date, the Parties shall determine the other trade names, trade marks and service marks to be used by the Enterprise (the "Marks") and from time to time during the term hereof, Manager agrees to erect and install, in accordance with local codes and regulations, all signs Manager deems necessary in, on or about the Gaming Facility, including, but not limited to, signs bearing the Marks. The costs of purchasing, leasing, transporting, constructing, maintaining and installing the required signs and systems shall be accounted for in accordance with GAAP.

7.3 Manager's Marks. The Tribe and the Board agree to recognize the exclusive right of ownership of Manager or its parents to all of Manager's service marks, trademarks, copyrights, trade names, patents or other similar rights or registrations now or hereafter held or applied for in connection therewith (collectively, the "Manager's Marks"). The Tribe and the Board hereby disclaim any right or interest therein, regardless of any legal protection afforded thereto. The Tribe and the Board acknowledge that all of Manager's Marks might not be used in connection with the Enterprise, and Manager shall have sole discretion to determine which of Manager's Marks shall be so used. The Tribe and the Board covenant that in the event of termination, cancellation or expiration of this Agreement, whether as a result of a default by Manager or otherwise, the Tribe and the Board shall not hold themselves out as, or continue operation of the Enterprise as a Manager's casino nor will it utilize any of Manager's Marks or any variant thereof in the operation of the Facility. The Tribe and the Board agree that Manager or its parent or their respective representative may, at any time thereafter, enter the Gaming Facility and may remove all signs, furniture, printed material, emblems, slogans or other distinguishing characteristics which are now or hereafter may be connected or identified with Manager such that a reasonable person may be confused or believe that Manager is still involved with the Enterprise or which carry any Manager's Mark. The Tribe and the Board shall not use the Manager's or its parent's name, or any variation thereof, directly or indirectly, in connection with (a) a private placement or public sale of security or other comparable means of financing or (b) press releases and other public communications, without the prior written approval of Manager or its parent. Manager shall provide the Board with a list of all Manager's Marks used at or in connection with the Enterprise. No Manager's Marks shall be used without prior Board approval. This Section 7.3 shall not apply to marks developed or used exclusively at the Tribe's Enterprise.

7.4 Litigation Involving Manager's Marks. The Enterprise and Manager hereby agree that in the event the Enterprise and/or Manager is (are) the subject of any litigation or action brought by anyone seeking to restrain the use, for or with respect to the Enterprise or the Manager of any Manager's Mark used by Manager for or in connection with the Enterprise, any such litigation or action shall be defended entirely at the expense of Manager, notwithstanding that Manager may not be named as a party thereto.

8. Taxes.

8.1 State and Local Taxes. The Parties agree that the State of New Mexico and its local governments have no authority to impose any possessory interest, property, or sales tax on any Party to this Agreement or upon the Enterprise, and that the Parties and the Enterprise shall take all reasonable steps to resist such a tax. The reasonable costs of such action and the compensation of legal counsel shall be an Operating Expense of the Enterprise. Any tax paid and determined lawful by a court of competent jurisdiction shall constitute an Operating Expense of the Enterprise. This Section 8.1 shall in no manner be construed to imply that any Party to this Agreement or the Enterprise is liable for any such tax. Notwithstanding the foregoing, the Parties acknowledge that the Tribe has a Gross Receipts Tax Sharing Agreement with the State of New Mexico, and therefore, the Parties shall require all contractors and subcontractors to report all construction project receipts in the "Nambé Pueblo" line of the New Mexico Gross Receipts Tax reporting forms.

8.2 Tribal Taxes. The Tribe agrees that neither it nor any agent, agency, affiliate or representative of the Tribe will impose any taxes, fees, assessments, or other charges of any nature whatsoever on payments of any debt service to Manager or to any lender furnishing financing for the Property, the Gaming Facility or for the Enterprise, or on the Enterprise, the Gaming Facility, Furniture and Equipment, the revenues there from or on the Management Fee. The Tribe further agrees that neither it nor any agent, agency, affiliate or representative will impose any taxes, fees, assessments or other charges of any nature whatsoever on the salaries or benefits, or dividends paid to, any of the Manager's stockholders, officers, directors, or employees, any of the employees of the Enterprise, or any provider of goods, materials, or services to the Enterprise. If, contrary to this Section 8.2, any taxes, fees or assessments are levied by the Tribe, such taxes, fees and assessments shall be paid solely from the Tribe's Share of Net Revenues.

9. General Provisions.

9.1 Governing Law. This Agreement shall be interpreted in accordance with the laws of the State of New Mexico it being understood by the Parties that this clause in no way constitutes any submission by the Tribe to the jurisdiction of the State of New Mexico; and the Parties further expressly recognize and agree that in addition to the provisions of Section 3.4, this Agreement shall be subject to all Legal Requirements as well as approval by the Chairman of the NIGC where required by IGRA. The arbitration provisions of this Agreement shall be governed by the Federal Arbitration Act, 9 U.S.C. §1, et seq.

9.2 Notice. Any notice required to be given pursuant to this Agreement shall be delivered to the appropriate Party by Certified Mail Return Receipt requested, addressed as follows:

If to the Board:

Pueblo of Nambé Gaming Enterprise Board
The Nambé Pueblo Tribe of Indians
Rt. 1 Box 117-BB,
Nambé Pueblo, NM 87506
Telephone: (505) 455-2036
Fax: (505) 455-2038

If to Manager:

Gaming Entertainment (Santa Fe) LLC
c/o Full House Resorts, Inc.
4670 South Fort Apache Road
Suite 190
Las Vegas, Nevada 89147

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

9.3 Authority to Execute and Perform Agreement. The Tribe, the _Board and Manager represent and warrant to each other that they each have full power and authority to execute this Agreement and to be bound by and perform the terms hereof. On request, each Party shall furnish the other evidence of such authority.

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

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

9.6 Defenses. Except for disputes between the Board and Manager, the Board and Manager shall agree upon the bringing and/or defending and/or settling any claim or legal action brought against the Enterprise, the Manager or the Board, individually, jointly or severally in connection with the operation of the Enterprise, including the retention and supervision of legal counsel, accountants and other such professionals. All liabilities, costs, and expenses, including attorneys' fees and disbursements, incurred in defending and/or settling any such claim or legal action which are not covered by insurance shall be an Operating Expense.

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

9.8 Captions. The captions for each Article and Section are intended for convenience only.

9.9 Interest. Any amount payable to Manager or the Tribe by the other which has not been paid when due shall accrue interest at the same rate as calculated under this Section. Unless otherwise agreed by the Parties, such rate shall be a fluctuating rate equivalent to one percent (1%) over the prime interest rate as published in the Wall Street Journal, adjusted monthly, with the monthly rate established according to the rate published on the third Tuesday of the preceding calendar month.

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

9.11 Brokerage. Manager and the Board each hereby agrees to indemnify and hold the other harmless from and against any and all claims, loss, liability, damage or expenses (including reasonable attorneys' fees) suffered or incurred by the other Party as a result of a claim brought by a person or entity engaged or claiming to be engaged as a finder, broker or agent by the indemnifying Party.

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

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

9.14 Periods of Time. Whenever any determination is to be made or action to be taken on a date specified in this Agreement, if such date shall fall on a Saturday, Sunday or legal holiday under the applicable laws, then in such event said date shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

9.15 Preparation of Agreement. This Agreement shall not be construed more strongly against either Party regardless of who is responsible for its preparation.

9.16 Successors, Assigns and Subcontract. The benefits and obligations of this Agreement shall inure to and be binding upon the Parties hereto and their respective successors and assigns. The consent of the Tribe and/or the Board shall not be required for Manager to assign or subcontract any of its rights interests or obligations as Manager hereunder to any parent, subsidiary or affiliate of Manager, or its successor corporation, provided that any such assignee or

subcontractor agrees to be bound by the terms and conditions of this Agreement and shall be subject to background investigation and approval by the NIGC and licensure by the Gaming Commission. The Manager may collaterally assign its interest in the Net Revenues to a Financial Institution in connection with the Loan. The acquisition of Manager or its parent company by a party other than the parent, subsidiary, or affiliate of Manager, or its successor corporation, shall not constitute an assignment of this Agreement by Manager and this Agreement shall remain in full force and effect between the Board and Manager, subject only to NIGC completion of its background investigation and approval of the purchaser and licensure by the Gaming Commission. Other than as stated above, this Agreement may not be assigned or subcontracted by the Manager, without the approval by the Board, and the Chairman of the NIGC or his authorized representative after a complete background investigation of the proposed assignee. The Tribe shall, without the consent of the Manager but subject to approval by the Chairman of the NIGC or his authorized representative, have the right to assign this Agreement and the assets of the Enterprise to an instrumentality of the Tribe or to a corporation wholly owned by the Tribe organized to conduct the business of the Enterprise for the Tribe that assumes all obligations herein. Any assignment by the Tribe shall not prejudice the rights of the Manager under this Agreement. No assignment authorized hereunder shall be effective until all necessary government approvals have been obtained.

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

9.18 Confidential and Proprietary Information.

9.18.1 Confidential Information. The Parties agree that any information received concerning the other Parties during the performance of this Agreement, regarding the Parties' organization, financial matters, marketing plans, or other information of a proprietary nature, will be treated by the Parties in full confidence and except as required to allow Manager, the Board and the Tribe to perform their respective covenants and obligations hereunder, will not be revealed to any other persons, firms or organizations except in the course of legal proceedings including arbitration as permitted by the court, arbitrator or arbitration panel. The reasonable costs of resisting such legal action shall be an Operating Expense. This provision shall survive the termination of this Agreement for a period of three (3) years.

9.18.2 Proprietary Information of Manager. The Tribe and the Board agree that Manager has the sole and exclusive right, title and ownership to (i) certain proprietary information, techniques and methods of operating gaming businesses; (ii) certain proprietary information, techniques and methods of designing games used in gaming businesses; (iii) certain proprietary information, techniques and methods of training employees in the gaming business; and (iv) certain proprietary business plans, projections and marketing, advertising and promotion plans, strategies, and systems, all of which have been developed and/or acquired over many years through the expenditure of time, money and effort and which Manager and its affiliates maintain as confidential arid as a trade secret(s) (collectively, the "Confidential and Proprietary

Information"). If ii is not clear from the context of business operations, marketing or other similar strategy, technique or method of conducting business, Confidential and Proprietary Information shall be identified or marked as such.

The Tribe and the Board further agree to maintain the confidentiality of such Confidential and Proprietary Information and upon the termination of this Agreement, return same to Manager, including but not limited to, documents, notes, memoranda, lists, computer programs and any summaries of such Confidential and Proprietary Information.

9.19 Patron Dispute Resolution. The Manager shall submit all patron disputes concerning play to the Gaming Commission pursuant to the Tribal Gaming Ordinance, and the regulations promulgated there under.

9.20 Claims Involving Authority. Etc. The Manager, the Tribe and the Board each hereby agree to indemnify and hold the others harmless from and against any and all claims, loss, liability, damage or expenses (including reasonable attorneys' fees) suffered or incurred by the other as a result of a claim brought by a person or entity claiming that the indemnifying party has no authority, power or right to enter into this Agreement.

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

10. Warranties.

10.1 Warranties. The Manager and the Board each warrant and represent that they shall not act in any way whatsoever, directly or indirectly, to cause this Agreement to be amended, modified, canceled or terminated, except pursuant to Section 11. The Manager and the Board warrant and represent that they shall take all actions necessary to ensure that this Agreement shall remain in full force and effect at all times.

10.2 Interference in Tribal Affairs. The Manager agrees not to interfere in or attempt to influence the internal affairs or governmental decisions of the Tribal government by offering cash or employment incentives, by making written or oral threats to the personal or financial status of any person, or by any other action, except for actions in the normal course of business of the Manager that only affect the activities of the Enterprise.

10.3 Prohibition of Payments to Members of Tribal Government. Manager represents and warrants that no payments have been or will be made to any member of the T i! government, any Tribal official, any relative of a member of Tribal government or Tribal official, or any Tribal government employee for the purpose of obtaining any special privilege, gain, advantage or consideration.

10.4 Definitions. As used in this Section 10, the term "member of the Tribal government" means any member of the Tribal Council, the Gaming Commission, the Board or any independent board or body created to oversee any aspect of Gaming and any Tribal court official; the term "relative" means an individual residing in the same household who is related as a spouse, father, mother, son or daughter.

11. Grounds for Termination.

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

11.2 Termination for Cause.

11.2.1 Material Breach. Either Party may terminate this Agreement if the other Party commits or allows to be committed any material breach of this Agreement. A material breach of this Agreement means a failure of either Party to perform any material duty or obligation on its part for ten (10) consecutive days after receiving written notice of breach from the other Party. Neither Party may terminate this Agreement on grounds of material breach unless it has provided written notice to the other Party of its intention to terminate this Agreement and within ten (10) days following receipt of such notice the defaulting Party fails (a) to cure the default or (b) to commence curing the default and thereafter diligently to proceed to cure the default. Discontinuance or correction of a material breach shall constitute a cure thereof.

11.2.2 Manager's License Withdrawn. The Board may also terminate this Agreement where the Manager has had its license withdrawn because the Manager, or a director or officer of the Manager, has been convicted of a criminal felony or misdemeanor offense directly related to the performance of the Manager's duties hereunder; provided, however the Board may not terminate this Agreement based on a director or officer's conviction where the Manager terminates such individual immediately after receiving notice of the conviction. Any such director or officer charged with a criminal felony or misdemeanor offense directly related to the performance of Manager's duties shall have no role in the management of the Enterprise until such time as such person is cleared of the charge or charges.

11.2.3 Election to Pursue Damages, Specific Performance. An election to pursue damages or to pursue specific performance of this Agreement or other equitable remedies while this Agreement remains in effect shall not preclude the injured Party from providing notice of termination pursuant to this Section 11.2.

11.3 Involuntary Termination Due to Changes in Legal Requirements. It is the understanding and intention of the Parties that the establishment and operation of the Enterprise conforms to and complies with all Legal Requirements. If during the term of this Agreement, a final judgment of a court of competent jurisdiction determines Gaming at the Enterprise is unlawful, and all appeals from such judgment have been exhausted, the obligations of the Parties hereto shall cease and this Agreement shall be of no further force and effect except as to (a)

accrued liabilities, (b) to the provisions of Section 12.2 and Section 17 and (c) to Manager's rights under the Loan Documents; provided that (i) the Manager and the Tribe shall retain all money previously paid to them pursuant to Section 6 of this Agreement; (ii) funds of the Enterprise in any account shall be paid and distributed as provided in Section 6 of this Agreement; (iii) any money loaned by or guaranteed by the Manager or its affiliates to the Tribe shall be repaid to the Manager; and (iv) the Tribe through the Board shall retain its interest in the title (and any lease) to all Enterprise fixtures, supplies and equipment, subject to any requirements of financing arrangements.

11.4 Consequences of Manager's Breach. In the event of the termination of this Agreement by the Tribe for cause under Section 11.2, the Manager shall not, prospectively from the date of termination, have the right to its Management Fee from the Enterprise, but such termination shall not affect the Manager's rights under Section 12, the Loan Documents or any other agreements entered pursuant hereto.

11.5 Consequences of Tribe's Breach. In the event of termination of this Agreement by the Manager for cause under Section 11.2, the Manager shall not be required to perform any further services under this Agreement and the Board shall indemnify and hold the Manager harmless against all liabilities of any nature whatsoever relating to the Enterprise arising after the date of termination, but only insofar as these liabilities result from acts within the control of the Tribe or its agents. Any indemnification shall be made solely from Tribe's Share of Net Revenues.

11.6 Notice Provision. Except where the Tribal Gaming Ordinance, the Compact, or any other applicable law or regulation provide for immediate action or action in less than 30 days time, the Board or the Gaming Commission shall provide the Manager notice of any alleged violation of the Tribal Gaming Ordinance and thirty (30) days opportunity to cure before the Gaming Commission may take any action based on such alleged violation.

12. Conclusion of the Management Term. Upon the conclusion of the Term, or the termination of this Agreement under other of its provisions, in addition to other rights under this Agreement, the Manager shall have the following rights:

12.1 Transition. If termination occurs at any time other than upon the conclusion of its Term or revocation of the Manager's gaming license, Manager shall be entitled to a reasonable period of not less than thirty (30) days to transition management of the Enterprise to the Board or its designee during which period the Manager shall be entitled to pay an amount equal to its Management Fee as if the termination had not occurred, provided that the personnel of Manager so required continue to be licensed or found suitable by the Gaming Commission.

12.2 Undistributed Net Revenues. If the Enterprise has Net Revenues (irrespective of whether such Net Revenues are known or unknown upon the expiration of the Term or the sooner termination of this Agreement) which have not been distributed under Section 6 of this Agreement, the Manager shall receive at such time as such Net Revenues can be distributed that portion of such Net Revenues that it would have received had such Net Revenues been distributed during the Term.

13. Consents and Approvals

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

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

14. Disclosures.

14.1 Shareholders and Directors. Manager shall provide to the Board and the NIGC on the date that this Agreement is submitted to the NIGC a list of all persons and entities identified in 25 C.F.R. §§ 537.1(a) and 537.1(c)(1) and the information required under 25 C.F.R. § 537.1(b)(I)(i).

14.2 Warranties.: The Manager further warrants and represents as follows(i) no person or entity has any beneficial ownership interest in the Manager other than as shall be identified pursuant to Section 14.1; (ii) no officer, director or owner of five percent (5%) or more of the stock of the Manager has been arrested, indicted for, convicted of, or pleaded nolo contenders to any felony or any gaming offense, or had any association with individuals or entities known to be connected with organized crime; and (iii) no person or entity disclosed pursuant to Section 14.1 of this Agreement, including any officers and directors of the Manager, has been arrested, indicted for, convicted of, or pleaded nolo contenders to any felony or any gaming offense, or had any association with individuals or entities known to be connected with organized crime.

14.3 Criminal and Credit Investigation. The Manager agrees that all of its members and its members' shareholders (owning five percent (5%) or more of the outstanding stock), directors and officers (whether or not involved in the Enterprise), shall:

(a) consent to background investigations to be conducted by the Tribe, the State of New Mexico, the Federal Bureau of Investigation (the "FBI") or any other law enforcement authority to the extent required by the IGRA or any Compact.

(b) be subject to licensing requirements in accordance with Tribal Law and this Agreement,

(c) consent to a background, criminal and credit investigation to be conducted by or for the MCC, if required,

(d) consent to a financial and credit investigation to be conducted by a credit reporting or investigation agency at the request of the Tribe,

(e) cooperate fully with such investigations, and

(f) disclose any information requested by the Tribe which would facilitate the background and financial investigation.

Any materially false or deceptive disclosures or failure to cooperate fully with such investigations by an employee of the Manager or an employee of the Tribe shall result in the immediate dismissal of such employee. The results of any such investigation may be disclosed by the Tribe to federal officials as required by law.

14.4 Disclosure Amendments. The Manager agrees that whenever there is any proposed change with respect to the persons or entities with a financial interest in, or management responsibility for, this Agreement, it shall notify the NIGC and the Board of such change no later than ten days after it becomes aware of such change as required by 25 C.F.R. § 537.2. The Manager further agrees to notify the NIGC and the Board of any change with respect to the warranties and representations contained on Section 14(ii) or (iii) of this Agreement no later than ten days after it becomes aware of such change. All of the warranties and agreements contained in this Section 14 shall apply to any person or entity who would be disclosed pursuant to this Section 14 as a result of such changes.

14.5 Breach of Manager Warranties and Agreements. The material breach of any warranty or agreement of the Manager contained in this Section 14 shall be grounds for immediate termination of this Agreement; provided that (a) if a breach of the warranty contained in clause (ii) of Section 14.2 is discovered, and such breach was not disclosed by any background check conducted by the FBI as part of the NIGC or other federal approval of this Agreement, or was discovered by the FBI investigation but all officers and directors of the Manager sign sworn affidavits that they had no knowledge of such breach, then the Manager shall have thirty (30) days after notice from the Board to terminate the interest of the offending person or entity and, if such termination takes place, this Agreement shall remain in full force and effect; and (b) if a breach relates to a failure to update changes in financial position or additional gaming related activities, then the Manager shaft have thirty (30) days after notice from the Board to cure such default prior to termination.

15. Recordation. If applicable, at the option of Manager or the Board, any security agreement related to the Loan Agreement may be recorded in any public records. Where such recordation is

desired in any relevant recording office maintained by the Tribe, and/or in the public records of the BIA, the Board will accomplish such recordation upon the request of the Manager. Manager shall promptly reimburse the Tribe for all expense, including attorney fees, incurred as a result of such request. No such recordation shall waive the Tribe's sovereign immunity.

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

17. Dispute Resolution.

17.1 Mediation. It is agreed that if a dispute arises concerning the matters set forth in this Agreement and the dispute cannot be resolved by the Parties, the Party making the claim of non-compliance shall deliver to the other Party a written notice thereof, specifying in detail the nature of the actions or failures to act that are alleged to be contrary to the terms of this Agreement. If after fifteen (15) days following receipt of the notice of claim the matter remains unresolved, the Parties shall submit the dispute to a professional mediator. The mediation shall be conducted under the voluntary Commercial Mediation Rules of the American Arbitration Association. The Parties shall bear their own costs and shall share costs charged by the mediator.

17.2 Arbitration. In the event that mediation does not result in resolution of the dispute, the Party making the claim of non-compliance can, by written notice to the other Party, invoke arbitration as to the dispute. Arbitration shall be conducted in New Mexico under the Commercial Arbitration Rules of the American Arbitration Association, and the Parties further agree that that the arbitrator(s) shall be attorneys) who are licensed in good standing of the State Bar of New Mexico or the bar of another state, and shall have experience in Indian affairs and commercial law. The decision of the arbitrator(s) shall be final_ All parties shall bear their own costs of arbitration and attorneys fees. Unless otherwise agreed by the Tribe and the Manager, all hearings shall be held at the Tribal Offices on the Pueblo of Nambe.

17.3 Decision of Arbitration Panel. 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 District of New Mexico only 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; (0 111 is 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.

17.4 Limited Waiver of Sovereign Immunity. The Tribe or the Board waives its sovereign immunity only to the extent of allowing arbitration and judicial review and enforcement under the procedures set forth in this Section 17. This Agreement does not constitute and shall not be construed as a waiver of sovereign immunity by the Tribe or the Board except to permit arbitration and judicial review and enforcement under the procedures set forth in this Section 17.

17.5 Enterprise Revenues Subject to Claim. Notwithstanding this or any other provision, the only Tribal income, assets and property which shall be subject to any claim or award under this Agreement are (a) any undistributed or future income, revenues or proceeds from the Enterprise and/or Gaming Facility, including without limitation such revenues arising or generated after the termination of this Agreement, and (b) Gaming and related revenues from the Enterprise and/or Gaming Facility arising or generated after the date that the matter in dispute is referred to arbitration.

17.6 Survival of Section 17. This Section 17 shall survive the termination of this Agreement.

17.7 Limitation of Effect of Section 17. The mediation and arbitration provisions of this Section 17 shall not apply to licensing determinations of the Gaming Commission nor to ordinances or other governmental actions of the Tribal Council.

18. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties hereto with respect to the subject matter hereof and supersedes all other prior agreements and understandings, written or oral, between the Parties.

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

20. Execution. This Agreement is being executed in four counterparts, two to be retained by each Party. Each of the four originals is equally valid. This Agreement shall be binding upon both Parties when properly executed and approved by the Chairman of the MCC.

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

PUEBLO OF NAMBÉ

By: /s/ Tom F. Talache, Jr.
Name: Tom F. Talache, Jr.
Title: Governor

NAMBÉ PUEBLO GAMING ENTERPRISE BOARD

By: /s/ Brenda G. McKenna
Name: Brenda G. McKenna
Title: Chairman
Dated:

GAMING ENTERTAINMENT (SANTA FE) LLC

By: FULL HOUSE RESORTS, INC.
MANAGING MEMBER

By: /s/ Barth F. Aaron
Name: Barth F. Aaron
Title: Secretary
Dated: 06 Feb 2006

NATIONAL INDIAN GAMING COMMISSION

By: _____

**EXHIBIT 10.67**

# CLASS III GAMING
# MANAGEMENT AGREEMENT
# BETWEEN
# THE NORTHERN CHEYENNE TRIBE
# AND
# GAMING ENTERTAINMENT (MONTANA), LLC
# DATED
# JANUARY 20, 2006

**CLASS III GAMING MANAGEMENT AGREEMENT**

THIS GAMING MANAGEMENT AGREEMENT (this "Agreement") has been entered into as of the 20th day of January, 2006, by the NORTHERN CHEYENNE TRIBE (the "Tribe") and GAMING ENTERTAINMENT (MONTANA), LLC, a Delaware limited liability company, (the "Manager").

1. Recitals.

1.1 The Tribe and Manager intend that the Manager shall provide funds to permit the Tribe (i) to renovate and expand its Gaming Facility (as that term is herein defined) in Lame Deer, Montana pursuant to the Tribe's recognized powers of self- government and the statutes, codes, ordinances and resolutions of the Tribe, as well as (ii) for other purposes.

1.2 The Tribe has Property (as herein defined) held in trust by the United States of America for the benefit of the Tribe. The Tribe has established an Enterprise (as herein defined) to conduct Gaming on the Property to serve the social, economic, educational and health needs of the Tribe, to increase Tribe's revenues and to enhance the Tribe's economic self-sufficiency and self-determination.

1.3 The Tribe is seeking financial assistance and expertise for the renovation and expansion of the Enterprise and technical experience and expertise for the management and operation of the Enterprise and instruction for members of the Tribe in the operation of the Enterprise. The Manager is willing and able to provide such assistance, experience, expertise and instruction.

1.4 The Tribe grants the Manager the exclusive right and obligation to renovate, develop, manage, operate and maintain the Enterprise and to train tribal members and others in the operation and maintenance of the Enterprise during the term of this Agreement, in accordance with the provisions of this Agreement. The Manager wishes to perform these functions exclusively for the Tribe as limited in Section 3.3 below.

1.5 This Agreement will be submitted to the NIGC for approval pursuant to the IGRA. Both parties warrant and represent that each will use its best efforts in good faith to obtain approval of this Agreement by the NIGC and all other governmental authorities.

2. Definitions. As they are used in this Agreement, the terms listed below shall have the meaning assigned to them in this Section 2:

2.1 BIA. "BIA" is the Bureau of Indian Affairs of the Department of the Interior of the United States of America.

2.2 Budgets. "Budgets" shall mean the Operating Budget and the Capital Expense Budget for the Gaming Facility.

2.3 Capital Expenses. "Capital Expenses" shall mean the cost of construction, alteration or rebuilding of the Gaming Facility and any furniture, trade fixtures and equipment and other tangible or intangible property of the Gaming Facility, the costs of which are required by GAAP to be capitalized and depreciated.

2.4 Capital Expense Budget. “Capital Expense Budget” shall mean the budget for Capital Expenses adopted in accordance with Section 4.9.

2.5 Capital Reserve Fund. “Capital Reserve Fund” shall mean the reserve fund established in accordance with Section 4.13.6 to pay Capital Expenses.

2.6 Chairman. “Chairman” shall mean the Chairman from time to time of the NIGC.

2.7 Class III Gaming. “Class III Gaming” shall mean Class III Gaming as defined in IGRA.

2.8 Collateral. “Collateral” shall mean (a) the Tribe’s share of future Net Revenues, before distribution pursuant to Section 6 of this Agreement, from the Enterprise and/or Gaming Facility, or other future undistributed Net Revenues arising or generated after the termination of this Agreement; and (b) undistributed gaming and related Net Revenues from the Enterprise and/or Gaming Facility arising or generated after the date that the matter in dispute is referred to arbitration.

2.9 Commencement Date. “Commencement Date” shall mean the first date that the renovated Gaming Facility is substantially complete, open to the public and that Gaming is conducted in the Gaming Facility pursuant to the terms of this Agreement. The Manager shall memorialize the Commencement Date in a writing signed by the Manager and delivered to the Tribe and the Area Director, Rocky Mountain Region, BIA.

2.10 Compact. “Compact” shall mean a Tribal-State Compact between the Tribe and the State of Montana regarding Class III Gaming, as the same may, from time to time, be amended.

2.11 Development and Construction Costs. “Development and Construction Costs” shall mean the sum of all costs incurred in developing, designing and renovating the Gaming Facility and other Improvements, including, without limitation, any costs related to obtaining any government agency approvals, architect and engineering services, and other professional services.

2.12 Effective Date. The “Effective Date” shall mean the date of written approval by the Chairman of (i) this Agreement, as executed by the Parties, (ii) any other documents collateral thereto that require approval by the Chairman or the BIA, as the case may be, whichever occurs latest.

2.13 Enterprise. The “Enterprise” is any commercial enterprise of the Tribe authorized to conduct Gaming and any other lawful commercial activity to be conducted in or related to the Gaming Facility that is operated and managed by Manager in accordance with the terms and conditions of this Agreement to engage in (a) Gaming under the IGRA; and (b) Automatic Teller Machines (“ATM”) or other authorized electronic funds transfer (EFT)

systems, the sale of food, beverages (including alcoholic beverages), gifts, sundries, souvenirs and related items and the sale of tobacco. Enterprise shall also mean any entertainment, hospitality or related commercial enterprise operated by the Manager on behalf of the Tribe. The Tribe shall have the sole proprietary interest in and responsibility for the conduct of all Gaming conducted by the Enterprise, subject to the rights and responsibilities of the Manager under this Agreement.

2.14 Enterprise Employees. "Enterprise Employees" shall mean those employees working at the Gaming Facility who are not employees of Manager.

2.15 Enterprise Employee Policies. "Enterprise Employee Policies" shall have the meaning given to it in Subsection 4.6.2.

2.16 Financial Institution. "Financial Institution" shall mean a financial institution or a trustee for a financial institution or such other third party source, as may be approved by the Tribe.

2.17 Furniture and Equipment. "Furniture and Equipment" shall mean all furniture, furnishings and equipment required in the operation of the Enterprise in accordance with the Plans and Specifications.

2.18 Gaming. "Gaming" shall mean any and all activities defined as Class III Gaming under IGRA.

2.19 Gaming Commission. "Gaming Commission" shall mean the body created pursuant to the Tribal Gaming Ordinance to regulate Gaming in accordance with the Compact, IGRA and the Tribal Gaming Ordinance.

2.20 Gaming Facility. "Gaming Facility" shall mean the buildings, improvements, and fixtures within which the Enterprise will be housed. Title to the Property shall be held by the United States of America in trust for the Tribe.

2.21 GAAP. "GAAP" shall mean United States generally accepted accounting principles consistently applied.

2.22 General Manager. "General Manager" shall mean the person employed by Manager and licensed to direct the operation of the Gaming Facility.

2.23 General Contractor. "General Contractor" shall mean the contractor or contractors selected by the Manager to renovate the Gaming Facility and any additions or improvements thereto in accordance with the Plans and Specifications.

2.24 Gross Gaming Revenue (Win). "Gross Gaming Revenue (Win)" shall mean the net win from gaming activities which is the difference between gaming wins and losses before deducting costs and expenses determined in accordance with GAAP.

2.25 Gross Revenues. "Gross Revenues" shall mean all revenues of any nature derived directly or indirectly from the Enterprise including, without limitation, Gross Gaming

Revenue (Win), food and beverage sales, and other rental or other receipts from lessees, sublessees, licensees or concessionaires (but not the gross receipts of such lessees, sublessees, licensees or concessionaires, provided that such lessees, sublessees, licensees or concessionaires are not subsidiaries or affiliates of the Tribe or the Manager), revenue recorded for Promotional Allowances, business interruption insurance proceeds, Gaming condemnation awards, proceeds from litigation and other claims against third parties.

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

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

2.28 Improvements. "Improvements" shall mean the improvements constructed and to be constructed (including but not limited to the Gaming Facility) or installed on the Property and on adjacent areas for the benefit of the Property, including without limitation, the Facility access ways and roadways, parking areas, drainage improvements, utility lines, and landscaping, all of which will be constructed in accordance with the Plans and Specifications approved by the Tribe.

2.29 Legal Requirements. "Legal Requirements" shall mean singularly and collectively all applicable laws and regulations including without limitation the Tribal Gaming Ordinance, IGRA, the Compact, and applicable tribal, federal and state statutes and ordinances.

2.30 Loan. "Loan" shall mean the loan or loans made or arranged by the Manager to finance the cost of the renovations to the Gaming Facility and the Furniture and Equipment, to provide Working Capital and to fund Start-up Expenses, as provided in Section 3, and to fund such other costs as are specified in this Agreement to be part of the Loan.

2.31 Loan Agreement. "Loan Agreement" shall mean the loan agreement(s), as the same may be amended, and any substitutions therefore, with respect to the Loan, to be executed by the Manager and a Financial Institution.

2.32 Loan Documents. "Loan Documents" shall mean the Loan Agreement, promissory note(s) evidencing the Loan, the security agreement securing the Loan and such other documents as may be executed from time to time with respect to the Loan and any amendments thereto and substitutions therefore.

2.33 Loan Payments. "Loan Payments" shall mean the principal and other payments due under the Loan Documents.

2.34 Management Fee. "Management Fee" shall mean the management fee as provided in Section 6.6.

2.35 NIGC. "NIGC" shall mean the National Indian Gaming Commission established pursuant to 25 U.S.C. § 2704, or any amendment to that Section.

2.36 Net Revenues. “Net Revenues” shall mean Gross Revenues from the Enterprise less (i) amounts paid out as, or paid-for, prizes and (ii) total Operating Expenses, excluding the Management Fee.

2.37 Operating Budget. “Operating Budget” shall mean the budget for Operating Expenses adopted in accordance with Section 4.9.

2.38 Operating Expenses. “Operating Expenses” shall mean all normal and necessary costs and expenses in the operation of the Enterprise as determined in accordance with GAAP including without limitation: (1) interest expense; (2) depreciation and amortization; (3) salaries, wages, and benefits for the employees of the Enterprise (other than the General Manager); (4) materials and supplies; (5) utilities; (6) repairs and maintenance; (7) accounting fees; (8) interest on installment contract purchases; (9) insurance and bonding; (10) advertising and marketing, including busing and transportation of patrons; (11) Promotional Allowances; (12) legal and professional fees; (13) fees, costs, dues and contributions associated with membership and participation in trade associations; (14) fire, safety and security costs; (15) reasonable travel expenses for officers and employees of the Enterprise or Manager; (16) trash removal; (17) costs of goods and services sold; (18) recruiting and training expenses; (19) fees due to the NIGC under IGRA or the State of Montana pursuant to the Compact; (20) lease payments for personal property; and (21) other costs and expenses determined in accordance with GAAP. Operating Expenses shall not include: (1) distributions to the Tribe; and (2) principal payments on debt.

2.39 Plans and Specifications. “Plans and Specifications” shall mean the plans and specifications specified in Section 3.1.5 herein and shall generally refer to the drawings (graphic and pictorial portions showing the design, location and dimensions, including plans, schedules and diagrams) and specifications (written requirements for materials, equipment, systems, standards and workmanship and performance of related services) for the Project.

2.40 Project. “Project” shall mean the Property, the Improvements and the Enterprise.

2.41 Project Costs. “Project Costs” shall mean all costs necessary to develop and open the Project, including Development and Construction Costs, Furniture and Equipment, Working Capital, start-up and pre-opening costs.

2.42 Promotional Allowance. “Promotional Allowances” shall mean the retail value of complimentary food and beverage, merchandise, entertainment and tokens for gaming, provided to patrons as promotional items.

2.43 Property. “Property shall mean the parcel of land on which the Gaming Facility will be located.

2.44 Recoupment Payment. “Recoupment Payment” shall mean the repayment from the Tribe’s share of Net Revenues of either (a) any advance made by the Manager to the Tribe of the Minimum Guaranteed Monthly Payment as contemplated in Section 6.3 and (b) any portion of the Management Fee which is not paid to the Manager as provided in Section 6.6.

2.45 Reserve Funds. “Reserve Funds” shall mean the Capital Reserve Fund and such additional reserve funds as the parties, by mutual consent, may agree to create.

2.46 Soft Count. “Soft Count” shall mean the count of the contents in a drop box or currency acceptor other than coin or tokens.

2.47 Term. “Term” shall mean the term of this Agreement as specified in Section 3.2.

2.48 Tribal Council. “Tribal Council” shall mean the Tribal Council selected according to the laws of the Tribe.

2.49 Tribal Gaming Ordinance. The “Tribal Gaming Ordinance” is the ordinance and any amendments thereto to be enacted by the Tribe, which authorizes and regulates Gaming on Indian lands within the jurisdiction of the Tribe.

2.50 Tribe’s Share of Net Revenues. The “Tribe’s Share of Net Revenues” shall mean 100% of the Net Revenues less the Management Fee paid to Manager as provided in Section 6.6 herein.

2.51 Working Capital. “Working Capital” consists of the funds required to “fill” slot machines and bankroll the cage for jackpot, chip and token redemption.

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

3.1 Engagement of Manager. The Tribe hereby exclusively retains and engages Manager as an independent contractor for the Term, and Manager accepts such engagement under which the Manager shall do the following:

3.1.1 Development and Construction Costs. The Manager shall have the responsibility to supervise, through an architect selected by the Manager with the approval of the Tribe (the “Architect”), the design and completion of all construction, development, improvements and related activities undertaken pursuant to the terms and conditions of the contracts) with the General Contractor and will require the General Contractor and its subcontractors to furnish appropriate payment and performance bonds for work at the Gaming Facility. The Manager agrees to provide all funds necessary for the Development and Construction Costs, including payments to the Architect and General Contractor in accordance with an approved Budget.

3.1.2 Equipment Costs. The Manager shall purchase on behalf of the Enterprise the necessary Furniture and Equipment, with the approval of the Tribe, which Furniture and Equipment shall be owned by the Tribe. The Manager may, upon securing lease financing, lease all or a portion of such Furniture and Equipment, subject to the Tribe approving the terms of the lease, provided that the Manager shall have no financial interest in the leasing entity.

3.1.3 Working Capital. The Manager agrees to provide the amount of Working Capital stipulated in the Budget on or before the Commencement Date. The Manager shall be responsible for providing any needed additional working capital.

3.1.4 Start-Up and Pre-Opening Expenses. Prior to the Commencement Date, the Manager agrees to provide the funds necessary for start-up and pre-opening expenses in accordance with approved Budgets.

3.1.5 Plans and Specifications: Cost Overruns. The Manager and the Tribe shall agree to Plans and Specifications for the Gaming Facility, defining all activities, materials and services necessary for the Property, the Gaming Facility and the Enterprise. If there are costs overruns for any activity, material or service previously agreed to that are required for the Project, the Manager shall advance to the Tribe an additional amount equivalent to such overruns as agreed in Section 2 of the Loan Agreement to achieve the goals of this Agreement up to the amount set forth in Section 3.1.6 herein.

3.1.6 Project Costs. Manager and the Tribe agree that Projects Costs shall be advanced for the Project in accordance with the terms and conditions herein not to exceed Seventeen Million Dollars ($17,000,000).

3.1.7 Loan Advances. The Manager shall provide or cause to be provided all funds required in Sections 3.1.1, 3.1.2, 3.1.3, 3.1.4, 3.1.5, 3.1.6 and 6.13 as loan advances, to be repaid in accordance with the Loan Agreement. Advances under said Sections shall be made only upon adequate documentation that an obligation has been incurred and such obligation is currently due and owing and after review by the Manager and by the Tribe. Any amounts provided by the Manager for the purposes of this Section 3.1 shall be deemed advanced pursuant to, payable under, and shall accrue interest as set forth in the Loan Agreement and the promissory note or notes evidencing the Loan. The interest rate on the Loan shall be agreed upon by the Tribe and the Manager, and shall be equal to the Manager's cost of funds from a Financial Institution which shall be based on prevailing interest rates subject to the provisions of Section 3.2 of the Loan Agreement. Any funds advanced under this Section 3.1 shall only be repayable as provided in Section 6.4 and from the Collateral and shall not otherwise be an obligation of the Tribe. The Loan shall be secured by a first lien on the Collateral.

3.1.8 Managing the Enterprise. The Tribe retains the Manager to manage the Enterprise and train tribal members and others in the management of the Enterprise in accordance with the terms of this Agreement. The Manager hereby accepts such retention and engagement. Nothing contained herein grants or is intended to grant Manager a titled interest to the Gaming Facility or to the Enterprise.

3.2 Term. The Term of this Agreement shall begin on the Effective Date and continue for a period of seven (7) years after the Commencement Date, except as provided in Section 4.5.

3.3 Exclusivity of Operations. During the Term neither the Manager nor the Tribe will establish nor operate any other Gaming within fifty (50) miles of the Property without the express written consent of the other Party.

3.4 Parties' Compliance With Law; Licenses. Except as provided in Sections 3.4.1 and 4.4, the Manager, Tribe and the Tribe will at all times comply with all Legal Requirements. All Gaming covered by this Agreement shall be conducted in accordance with all Legal Requirements. Manager shall take no action or engage in any activity that would cause the Tribe to be in violation of any Legal Requirements, and the Tribe shall take no action or engage in any activity that (i) would cause Manager or the members of Manager to be in violation of any Legal Requirements or (ii) could result in the revocation of any gaming license held by Manager or the members of Manager.

3.4.1 Conflicting Legal Requirements. The Manager shall not be obligated to comply with any statutes, regulations or ordinances of the Tribe if to do so would cause the Manager to violate any applicable federal or state law.

3.5 Licenses. The Manager, Manager's executive officers and all other persons required by applicable law shall seek a license to operate the Enterprise pursuant to the Tribal Gaming Ordinance. The Tribal Gaming Commission shall act upon all such license applications promptly and may not arbitrarily or capriciously deny any license sought under this Subsection 3.4.2.

3.5.1 Indian Civil Rights Act. The Tribe shall take no action that violates the Indian Civil Rights Act (25 U.S.C. § 1301-1303) or the Tribe's Constitution.

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

3.5.3 Compliance With the National Environmental Policy Act. The Tribe shall supply the NIGC with all information requested by the NIGC to comply with any regulations of the NIGC issued pursuant to the National Environmental Policy Act (NEPA).

3.6 Management Fee. The Tribe agrees to pay the Manager the Management Fee as provided in Section 6.6 within thirty (30) days of the end of each month for which the Management Fee applies.

3.7 Fire and Safety. The Gaming Facility shall be constructed and maintained in compliance with the standard uniform Building Officials and Code Administrators ("BOCA") code concerning fire and safety, provided that nothing in this Agreement shall grant any jurisdiction to any state government or any political subdivision thereof over the Property or the Gaming Facility

3.7.1 Fire Protection. The Manager shall have the responsibility to provide the Gaming Facility with adequate fire protection services and equipment, including sprinklers. The Tribe shall have the responsibility for obtaining cooperative agreements under which the BIA, and/or local municipalities with volunteer fire departments, shall agree to provide firefighting services in the event of a fire at the facility. The costs of fire protection under this Section 3.6.1 shall be an Operating Expense.

3.7.2 Public Safety Services. The Manager shall provide appropriate security and public safety services for the operation of the Enterprise. All aspects of the Gaming Facility security shall be the responsibility of the Manager. The cost of any charge for security and increased public safety services, including police protection and emergency medical services, shall be an Operating Expense.

3.8 Uniform Commercial Code. The parties agree that Articles I, II, IIA, III, IV, V, VI, VII and IX of the Uniform Commercial Code, as adopted by the State of Montana, shall govern this Agreement and all activities and contracts involving the Enterprise. All filings for perfection pursuant to Article IX shall be done with the Secretary of State for the State of Montana or other appropriate filing office designated by the State of Montana unless the Tribe shall establish an office to receive such filings. Nothing in this Section 3.7 shall constitute a waiver of tribal sovereign immunity, or constitute consent of the Tribe to the regulatory, adjudicatory or other jurisdiction of the State of Montana.

4. Business Affairs in Connection with Enterprise.

4.1 Manager's Authority and Responsibility. All business and affairs in connection with the day-to-day operation, management, maintenance and improvement of the Gaming Facility, including the establishment of operating days and hours, consistent with the Tribal Gaming Ordinance, shall be the responsibility of the Manager. The Manager is hereby granted the necessary power and authority to act, through the General Manager, in order to fulfill its responsibilities under this Agreement. The General Manager shall be a person selected by the Manager, subject to the approval of the Tribe, which approval shall not be unreasonably withheld.

4.2 Duties of the Manager. In managing, operating, maintaining, improving and repairing the Gaming Facility, the cost of which shall be either an Operating Expense or Capital Expense, the Manager's duties shall include, without limitation, the following:

4.2.1 Management. The Manager shall use reasonable measures for the orderly administration, management, and operation of the Enterprise including without limitation cleaning, painting, decorating, plumbing, carpeting, grounds care and such other maintenance and repair and improvement work as is reasonably necessary.

4.2.2 Contracts in Enterprise's Name and at Arm's Length. Contracts for the operations of the Enterprise shall be entered into in the name of the Enterprise and be signed by the General Manager. Except in the event of an emergency, any contract requiring an expenditure in any year in excess of One Hundred Thousand Dollars ($100,000) shall be approved by the Tribe. No contracts for the supply of goods or services to the Enterprise shall be entered into with parties affiliated with the Manager or its officers or directors unless the affiliation is disclosed to the Tribe, and the contract tel ins are determined by the Tribe to be no less favorable for the Enterprise than could be obtained from a non-affiliated contractor. Notwithstanding anything to the contrary contained herein, contracts for the supply of any goods or services paid for entirely by the Manager may be provided by parties affiliated with the Manager or its officers or directors, provided that payments on such contracts shall not constitute Operating Expenses and shall be the sole responsibility of the Manager.

4.2.3 Culturally Sensitive Material. The Manager agrees that the choices involving the Enterprise and Gaming Facility including but not limited to' the employees' uniforms, interior design, promotions and marketing shall be culturally appropriate and shall in no way denigrate Indian history or culture by the use of stereotyped images, symbols and language. If, at any time, the Manager is notified by the Tribe or the Tribe that any such activity is not culturally appropriate, the Manager shall have no more than ten working (10) days to cease such activity.

4.3 Damage, by fire, war casualty, Act of God, Condemnation.

4.3.1 If, during the Term, the Gaming Facility is damaged or destroyed by fire, war, Act of God or other casualty or if the Property or Gaming Facility is partially condemned, the Manager agrees to carry sufficient insurance to rebuild the Gaming Facility and shall reconstruct the Gaming Facility to a condition at least comparable to that before the casualty or partial condemnation occurred. The insurance or condemnation proceeds shall be applied to that reconstruction, which shall be completed as soon as possible. If the insurance or condemnation proceeds are insufficient to reconstruct the Gaming Facility to such condition where Gaming can once again be conducted, the Manager may, but is not obligated to, supply such additional funds as are necessary to reconstruct the Gaming Facility to such condition and such funds shall, with the prior consent of the Tribe, constitute a loan to the Tribe, secured by the revenues from the Enterprise and the Collateral and repayable under the terms of the Loan Agreement unless other terms are agreed upon by the Tribe and the Manager. The cost of insurance premiums shall be an Operating Expense.

4.3.2 Total condemnation. In the event that the Enterprise or the Property is condemned in total by a governmental agency with the lawful authority to carry out such an action, the proceeds from any such condemnation award shall be applied (i) to retire any amounts due under the Loan Agreement, and (ii) to pay the Parties in accordance with Section 6 of this Agreement. The Parties shall retain all money previously paid under Section 6 of this Agreement.

4.4 Manager's Obligation: Suspension of Manager's Duties. The Manager's obligations under this Agreement are conditioned on (i) NIGC approval of this Agreement and (ii) the timely issuance of all required approvals for the construction of the Gaming Facility. If during the Term, Gaming on the Property is: (i) legally prohibited or (ii) rendered economically unfeasible as a result of the Tribe's default under this Agreement or the adoption of a Tribal Ordinance or other Tribal law, the Manager may suspend its duties under this Agreement.

4.5 Tolling of the Agreement. If, after a period of cessation of Gaming on the Property because of damage, destruction or condemnation or because Gaming on the Property is: (i) legally prohibited or (ii) rendered economically unfeasible as a result of the Tribe's default under this Agreement or the adoption of a Tribal Ordinance or other Tribal law, the recommencement of Gaming shall be legally and commercially feasible in the sole judgment of the Manager, and if the Manager has not terminated this Agreement, the period of such cessation shall not be deemed to have been part of the Term and the date of expiration of the Term shall be extended by the number of days of such cessation period.

4.6 Employees.

4.6.1 Manager's Responsibility. Manager shall have, subject to licensing by the Gaming Commission and the terms of this Agreement, the exclusive responsibility and authority to hire, direct, select, control and discharge all employees, including security personnel,

performing regular services for the Enterprise in connection with the maintenance, operation, and management of the Enterprise and the Gaming Facility and any activity upon the Property; and the sole responsibility for determining whether a prospective employee is qualified and the appropriate level of compensation to be paid. Manager will make all reasonable efforts to hire members of the Tribe into management positions for the Enterprise. Such efforts will include without limitation hiring qualified members of the Tribe in the management positions for the Enterprise.

4.6.2 Enterprise Employee Policies. The Manager shall prepare a draft of personnel policies and procedures (the "Enterprise Employee Policies"), including a job classification system with salary levels and scales, which policies and procedures the Manager shall submit to the Tribe for its approval. The Enterprise Employee Policies shall include a grievance procedure in order to establish fair and uniform standards for the employees of the Tribe engaged in the Enterprise. The grievance procedure shall be administered by a Grievance Committee comprised of the General Manager, a person appointed by the Tribe and a third member agreed on by the Manager and the Tribe. Any revisions to the Enterprise Employee Policies shall not be effective unless they are approved in the same manner as the original Enterprise Employee Policies. All such actions shall comply with applicable Tribal Law.

4.6.3 Manager's Employees. The Manager shall employ the person holding the position of General Manager.

4.6.4 Enterprise Employees. All other employees of the Enterprise will be employees of the Enterprise.

4.6.5 No Manager Wages or Salaries. Except for the Management Fee, neither the Manager nor any of its officers, directors or shareholders shall be compensated by wages from or contract payments other than the Management Fee by the Enterprise for their efforts or for any work which they perform under this Agreement. Nothing in this Subsection shall restrict the ability of an employee of the Enterprise to purchase or hold stock in the Manager, its parents, subsidiaries or affiliates where (i) such stock is publicly held, and (ii) such employee acquires, on a cumulative basis, less than five percent (5%) of the outstanding stock in the corporation, provided that no elected member of the Tribal Council shall be permitted to have any financial interest in Manager. The Manager is prohibited from hiring consultants to perform Manager's responsibilities, unless paid for by the Manager.

4.6.6 Access of Gaming Commission and Appointed Agents. The Gaming Commission or their appointed agents shall have the full access to inspect all aspects of the Enterprise, including the daily operations of the Enterprise, and to verify daily Gross Revenues and all income of the Enterprise, at any time without notice.

4.6.7 Employee Background Checks. A background investigation shall be conducted in compliance with all Legal Requirements, to the extent applicable, on each applicant for employment as soon as reasonably practicable. No individual whose prior activities, criminal record, if any, or reputation, habits and associations are known to pose a threat to the public interest, the effective regulation of Gaming, or to the gaming licenses of the Manager or any of its affiliates, or to create or enhance the dangers of unsuitable, unfair or illegal practices

and methods and activities in the conduct of Gaming, shall be employed by the Manager or the Tribe. The background investigation procedures employed shall be formulated in consultation between the Tribe and the Manager and shall satisfy all regulatory requirements independently applicable to the Manager. Any cost associated with obtaining such background investigations shall constitute an Operating Expense, provided, however, the costs of background investigations relating to shareholders, officers, directors or employees of the Manager shall not constitute an Operating Expense, but shall be paid by the Manager.

4.6.8 Indian Preference in Employment. In order to maximize benefits of the Enterprise to the Tribe, the Manager shall, during the term of this Agreement, to the extent permitted by applicable law, give preference in recruiting, training and employment to qualified members of the Tribe and their spouses and children in all job categories of the Enterprise, including management positions. The Manager shall provide training programs for tribal members and their spouses and children. Such training programs shall be available to assist tribal members in obtaining necessary skills and qualifications relating to all job categories. Final determination of the qualifications of tribal members and all other persons for employment shall be made by Manager, subject to licensing by the Gaming Commission.

4.6.9 Removal of Employees. The General Manager will act in accordance with the Enterprise Employee Policies with respect to the discharge, demotion or discipline of any Enterprise Employee.

4.7 Marketing and Advertising. Manager shall have the responsibility for setting the advertising budget and placing advertising and promoting the Enterprise and may do so in coordination with the sales and marketing programs of Manager for other gaming establishments managed by Manager or its affiliates, the budget for which shall be included in the annual budget approved by the Tribe as described in Section 4.9. Manager may participate in sales and promotional campaigns and activities involving complimentary rooms, food, beverage, shows, chips and tokens.

4.8 Pre-Opening. Six. (6) months prior to the scheduled Commencement Date, Manager shall commence implementation of a pre-opening program which shall include all activities necessary to financially and operationally prepare the Gaming Facility for opening. To implement the pre-opening program, Manager shall prepare a comprehensive pre-opening budget which shall be submitted to the Tribe for its approval sixty (60) days after the Effective Date ("Pre-Opening Budget"). All costs and expenses of the pre-opening program shall be paid from the operating account(s) opened by Manager in the name of the Enterprise upon which only Enterprise's designees shall be authorized to draw.

4.9 Operating and Capital Budgets.

4.9.1 Approval of Budget. Manager shall, at least thirty (30) days prior to the scheduled Commencement Date, submit to the Tribe, for its approval, a proposed Operating Budget and Capital Expense Budget for the remainder of the current fiscal year. Thereafter, Manager shall, not less than thirty (30) days prior to the commencement of each full or partial fiscal year, submit to the Tribe, for its approval, proposed Budgets for the ensuing full or partial fiscal year, as the case may be. Manager shall meet with the Tribe to discuss the proposed Budgets and the Tribe's approval of the Budgets shall not be unreasonably withheld.

4.9.2 Budget Revisions. Manager may submit to the Tribe revisions in the Budgets from time to time, as necessary, to reflect any unpredicted significant changes, variables or events or to include significant, additional, unanticipated items of expense. Manager may with approval of the Tribe reallocate part or all of the amount budgeted with respect to any line item to another line item and to make such other modifications to the Budgets as Manager deems necessary.

4.10 Contracting. In entering contracts for the supply of goods and services for the Enterprise, the Manager shall give preference to qualified members of the Tribe, their spouses and children, and qualified business entities certified by the Tribe to be controlled by members of the Tribe so long as the prices and/or rates are competitive. "Qualified" shall mean a member of the Tribe, a Member's spouse or children, or a business entity certified by the Tribe to be controlled by members of the Tribe, who or which is able to provide goods and/or services at competitive prices and/or rates, has demonstrated skills and abilities to perform the tasks to be undertaken in an acceptable manner, in the Manager's opinion, and can meet the reasonable bonding requirements of the Manager.

4.11 Litigation. If the Enterprise, the Tribe, the Manager, or any employee of the Manager is sued by any person who is not a party to this Agreement or is alleged by any such person to have engaged in unlawful or discriminatory acts in connection with the operation of the Enterprise, the Tribe or the Manager, as appropriate, shall defend such action. Any cost of such litigation shall constitute an Operating Expense, or, if incurred prior to the-Commencement Date, shall be a start-up expense. Nothing in this Section 4.11 shall be construed to waive or limit the Tribe's sovereign immunity.

4.12 Internal Control Systems. The Manager shall install systems for monitoring the Enterprise (the "Internal Control Systems") prior to the Commencement Date as required by 25 C.F.R. § 542.3 of the NIGC Minimum Internal Control Standards ("MICS"). The Internal Control Systems shall comply with all Legal Requirements. The Manager shall submit the Internal Control Systems to the Gaming Commission, the Tribal Council and any other governmental agency required to approve such systems prior to its implementation. Any significant changes to the Internal Control Systems shall be subject to review and approval by the Gaming Commission and the Tribal Council prior to implementation. The Gaming Commission shall have the right, at any time, to inspect and review the Internal Control Systems and to retain an auditor to (i) review the adequacy of the Internal Control Systems and (ii) perform internal audit functions at a minimum to meet the requirements of 25 C.F.R. § 542.14 of the NIGC MICS.

The Manager shall install and maintain a closed circuit television system to be used. for monitoring all cash handling activities of the Enterprise at a minimum to meet all Legal Requirements. The Gaming Commission shall have full access to the closed circuit television system for use in monitoring the cash handling activities of the Enterprise.

4.13 Banking and Bank Accounts.

4.13.1 Bank Accounts. The Tribe and Manager shall agree upon a bank or banks for the deposit and maintenance of funds and shall establish such bank accounts insured by the FDIC as they deem appropriate and necessary in the course of business and as consistent with this Agreement.

4.13.2 Daily Deposits to Depository Account. The Manager with the Tribe's approval shall establish for the benefit of the Enterprise in the Enterprise's name a Depository Account. The Manager shall collect all Gross Revenues and other proceeds connected with or arising from the operation of the Enterprise, the sale of all products, food and beverage, and all other activities of the Enterprise and deposit the related cash daily into the Depository Account at least once during each 24-hour period except where deposit cannot be made during a 24 hour period because (1) it is a Bank holiday, (2) an Act of God prevents the deposit of proceeds in the place designated for deposit, (3) bonded transportation service is not available, or (4) it is not cost effective to do so in which case the deposit shall be made on the next business day. All money received by the Enterprise on each day that it is open must be counted at the close of operations for that day or at least once during each 24-hour period except to the extent that slot machine drop for that day is insufficient to warrant daily drops and count. The Parties agree to obtain a bonded transportation service to effect the safe transportation of the daily receipts to the bank, which expense shall constitute an Operating Expense.

4.13.3 Disbursement Account. The Manager with the Tribe's approval shall establish for the benefit of the Enterprise in the Enterprise's name one or more disbursement accounts (collectively, the "Disbursement Accounts") for making all payments for Operating Expenses, Capital Expenses, debt service, the Management Fee and disbursements to the Tribe from the Disbursement Accounts.

4.13.4 No Cash Disbursements. The Manager shall not make any cash disbursements from the bank accounts. The Manager shall not make any cash disbursements to itself from any Enterprise fund or account for any reason. Except as provided in Section 4.13.5, any other payments or disbursements by the Manager shall be made by check drawn against a Disbursement Account.

4.13.5 Minimum Casino Bank Roll. Manager shall establish and maintain sufficient cash operating funds in the Enterprise vault and cage or other readily accessible funds to meet the daily operating needs of the Enterprise. The size of these funds shall be determined with due regard to the Operating Budget. The amounts included in such funds shall only be used for the payment of cash prizes or miscellaneous small expenditures of the Enterprise, treated as a current asset and accounted for in accordance with GAAP.

4.13.6 Capital Reserve Fund. The Manager shall establish and maintain for the benefit of and in the name of the Enterprise a Capital Reserve Fund to pay Capital Expenses in accordance with the Capital Expense Budget To the extent that Net Revenues are available after payment of the Management Fee, the Manager shall deposit monthly in the Capital Reserve Fund an amount equal to two percent (2%) of the Net Revenues, provided that without the consent of the Tribe the Capital Reserve Fund balance shall not exceed One Million

Dollars ($1,000,000). Any interest earned on the Capital Reserve Fund shall be added to the Capital Reserve Fund, subject to the One Million Dollar ($1,000,000) cap, and otherwise distributed to the Tribe on a monthly basis.

4.13.7 Investments. The Manager may invest any of the funds in the Reserve Funds in bank accounts, treasury bills or other instruments guaranteed or insured by the United States with a term not to exceed three months unless the Manager and Tribe agree otherwise. All bank accounts shall be insured by the FDIC or other mutually agreed upon commercial insurance or shall be adequately collateralized by the financial institution.

4.14 Insurance. The Manager, on behalf of the Tribe, shall obtain and maintain, or cause its agents to obtain and maintain, with responsible insurance carriers licensed to do business in the State of Montana, insurance satisfactory to the Tribe covering the Property and the Enterprise, and naming the Tribe, naming the Enterprise, the Manager, its parent and other affiliates as insured parties, as follows.

4.14.1 During the course of any new construction or substantial remodeling, builder's risk insurance on an "all risk" basis (including collapse) on a non-reporting form for full replacement value covering the interest of the Tribe in all work incorporated in the Gaming Facility, all materials and equipment on or about the Gaming Facility, and any new construction or substantial remodeling of the Gaming Facility. All materials and equipment in any off-site storage location intended for permanent use in the Gaming Facility, or incident to the construction thereof, shall be insured on an all risk" basis as soon as the same have been acquired for the Enterprise.

4.14.2 Commercial general liability insurance in an amount sufficient to comply with the Compact and not less than Two Million ($2,000,000) Dollars per person and Five Million ($5,000,000) Dollars per occurrence for all activities on, about or in connection with the Gaming Facility. The commercial general liability insurance shall include premises liability, contractor's protective liability on the operations of all subcontractors, completed operations and blanket contractual liability. The automobile liability insurance shall cover owned, non-owned and hired vehicles.

4.14.3 Upon completion of the construction of the Gaming Facility, "all risk" insurance on the Gaming Facility against loss by fire, lightning, earthquake, extended coverage perils, collapse, water damage, vandalism, malicious mischief and all other risks and contingencies, in an amount equal to the actual replacement costs thereof, without deduction for physical depreciation, with coverage for demolition and increased costs of construction, and providing coverage in an "agreed amount" or without provision for co-insurance.

4.14.4 Worker's Compensation and Employer's Liability Insurance as required by the Compact in respect of any work or other operations on, about or in connection with the Enterprise, provided that nothing the Agreement shall grant any jurisdiction over the Enterprise or its employees to the State of Montana or any political subdivision thereof.

4.14.5 Business interruption insurance in an amount to cover the projected Operating Expenses and Loan Payments for not less than twelve (12) months or such greater amounts as to which the Manager and Tribe may agree.

4.14.6 Such other insurance with respect to the Enterprise and in such amounts as the Parties from time to time may reasonably agree upon against such other insurable hazards which at the time are commonly insured against in respect of businesses and property similar to the Enterprise.

4.14.7 The insurance policies required under Subsections 4.14.1, 4.14.3, 4.14.5 and 4.14.6 above all have a standard noncontributory endorsement naming Manager as an additional loss payee. The insurance required under Subsection 4.14.2 above shall name the Manager as an additional insured. All insurance required hereunder shall contain a provision requiring at least thirty (30) days' prior written notice to the Manager and the Tribe before any cancellation, material changes or reduction shall be effective. Any deductibles must be approved by Manager and the Tribe.

4.14.8 Each policy as to which the Tribe is named as an insured shall provide that the insurer shall not plead or assert the defense of sovereign immunity within the policy limits. The Tribe shall not be liable beyond those limits.

4.14.9 The cost of premiums for all insurance obtained pursuant to this Section 4.14 shall be a start-up expense or Operating Expense, as appropriate.

4.15 Accounting and Books of Account.

4.15.1 Operating Statements. The Manager shall prepare and provide monthly financial reports and operating statements to the Tribal Council, the Tribe, the Gaming Commission and to such other government agency as the Compact or applicable law may require. The Operating Statements shall comply with all Legal Requirements and shall include an income statement, statement of cash flows (statement of changes in financial position) and balance sheet for the Enterprise. Such statements shall include the Operating Budget and Capital Budget projections (the Annual Plan) as comparative statements, and, after the first full year of operation, shall include comparative statements from the comparable period for the prior year of all revenues, and all other amounts collected and received and all deductions and disbursements made there from in connection with the Enterprise. All such statements shall be prepared in accordance with GAAP consistently applied.

4.15.2 Books of Account. The Manager shall maintain full and accurate books of account and records at the Property. The Gaming Commission, and any tribal government official authorized by law to have such access, shall have immediate access to the daily operations of the Enterprise, including the books and records, and shall have the unlimited right to inspect, examine, and copy all such books and supporting business records, and the right to verify the daily Gross Revenues and income from the Enterprise and shall have access to any other gaming related information the Tribe deems appropriate. Such rights may be exercised through a duly authorized agent, employee, attorney, or independent accountant duly authorized in writing to act on behalf of the Gaming Commission or the authorized tribal government agency.

4.15.3 Accounting Standards. Manager shall establish and maintain satisfactory accounting systems and procedures which comply with all applicable Legal Requirements. Such accounting systems and procedures, at a minimum, shall (i) include an adequate system of internal accounting controls; (ii) permit the preparation of financial statements in accordance with GAAP; (ii) be susceptible to audit; (iv) permit the calculation and payment of the Management Fee; (v) allow the Enterprise, the Tribe and the NIGC to calculate the annual fee under 25 C.F.R. § 514.1; and (vi) provide for any appropriate allocation of Operating Expenses or overhead expenses among the Tribe, the Enterprise, the Manager and any other user of shared facilities and services. The Manager shall follow the fiscal accounting periods used by the Tribe in its normal course of business.

4.15.4 Annual Audit. An independent certified public accounting firm, which is registered with the Public Company Accounting Oversight Board, shall be selected by the Tribal Council and approved by the Gaming Commission for the purpose of performing an annual audit of the books and records of the Enterprise. Said audit shall meet all Legal Requirements and shall, unless otherwise authorized by Tribal Council resolution, be separate and distinct from any audit required by the Single Audit Act of 1984, 31 U.S.C. § 1750 et seq. The Gaming Commission, the NIGC and any other legally authorized government agency shall also have the right to perform special audits of the Enterprise on any aspect of the Enterprise and its operations at any time without restrictions. Copies of such audits shall be provided by the Tribe to all applicable federal and state agencies, as may be required by law or the Compact, and may be used by the Manager for reporting purposes under federal and state securities laws, if required. The fees for the services of the independent auditor shall be an Operating Expense.

5. Liens. The Tribe specifically warrants and represents to the Manager that during the Term the Tribe shall not act in any way whatsoever, either directly or indirectly, to cause any party to become an encumbrancer or lien holder of the Property or the Enterprise, or to allow any party to obtain any interest in this Agreement without the prior written consent of the Manager, and where applicable, the consent of the United States. The Manager specifically warrants and represents to the Tribe that during the Term the Manager shall not act in any way, directly or indirectly, to cause any party to become an encumbrancer or hen holder of the Property or the Enterprise, or to obtain any interest in this Agreement without the prior written consent of the Tribe, and, where applicable, the consent of the United States. The Tribe and the Manager shall keep the Enterprise and Property free and clear of all enforceable mechanics' and other enforceable liens resulting from the construction of the Gaming Facility and all other enforceable liens which may attach to the Enterprise or the Property, which shall at all times remain the property of the United States in trust for the Tribe. If any such lien is claimed or filed, it shall be the duty of the Party responsible for the lien to discharge the lien within thirty (30) days after having been given written notice of such claim, either by payment to the claimant, by the posting of a bond or the payment into the court placing the lien on the Enterprise or the Property of the amount necessary to relieve and discharge the Property from such claim, or in any other manner which will result in the discharge of such claim. Notwithstanding the foregoing, purchase money security interests in personal property may be granted with the prior written consent of the Tribe and, when necessary, the BIA, United States Department of Interior and/or the NIGC as appropriate. Nothing in this Section 5 shall be construed as a waiver of tribal sovereign immunity or consent to jurisdiction in state court.

6. Calculation and Distribution of Funds.

6.1 Calculation of Revenues and Payment of Operating Expenses. On or before the twentieth (20) day after the end of each calendar month of operations during the Term, the Manager shall calculate and report to the Tribe the Gross Revenues, Operating Expenses and Net Revenues for such month and the year to date. From the Gross Revenues, Manager shall pay all Operating Expenses.

6.2 Distribution of Net Revenues. After the payment of Operating Expenses, Net Revenues shall be distributed the following order of priority set out herein.

6.3 Minimum Guaranteed Monthly Payment. On or before the twentieth (20th) day of each calendar month following the first full calendar month after the Commencement Date, Manager shall pay the Tribe a minimum guaranteed monthly payment (the "Minimum Guaranteed Monthly Payment"), and such payment shall have priority over the retirement of any Development and Construction Costs. The Minimum Guaranteed Monthly Payment shall be in the amount of Fifteen Thousand Dollars ($15,000) during the first twelve months after the Commencement Date and shall increase by $1,000 per month on each anniversary of the Commencement Date, so that the Minimum Guaranteed Monthly Payment shall be $16,000 in the second year, $17,000 in the third year and increasing annually to $22,000 in the seventh and last year of this Management Agreement. The Minimum Guaranteed Monthly Payments shall be charged against the Tribe's Share of Net Revenues and, if there are insufficient Net Revenues in a given month to make the distribution, Manager shall advance the funds necessary to compensate for the deficiency and shall be reimbursed by the Tribe in the next succeeding month or months as a Recoupment Payment. No Minimum Guaranteed Monthly Payment shall be owed for any months during which Gaming is suspended or terminated at the Gaming Facility pursuant to Sections 4.3 or 4.4 and shall be prorated based on the number of days that Gaming is conducted during that month, and the obligation shall cease upon termination of this Agreement for any reason.

6.4 Repayment of Loan. Until paid in full, the Manager shall be entitled to an amount sufficient to repay principal and accrued interest due on the Loan. The principal and interest amounts due under this Section 6 shall be paid in monthly payments of principal and interest recalculated on a monthly basis so as to amortize the then-outstanding principal amount due under the Loan over the remaining Term.

6.5 Recoupment Payments. Next, until paid in full, the Manager shall be entitled to any Recoupment Payment that may be owed.

6.6 Management Fee. Next, to pay the Manager a management fee in an amount equal to thirty percent (30%) of the Net Revenues of the Enterprise; provided that if there are insufficient funds in any month to pay the Management Fee in full, because the Net Revenues are insufficient to pay the principal and accrued interest due under Section 6.4 (and therefore, the principal and accrued interest is paid from funds that would have otherwise paid the Management Fee), then the shortfall shall be paid to the Manager in the next succeeding month or months as a Recoupment Payment.

6.7 Capital Reserve Fund. Next, to fund the Capital Reserve Fund in accordance with Section 4.13.6.

6.8 Tribal Disbursements. Finally, any amount remaining shall be distributed to the Tribe. The Net Revenues paid to the Tribe pursuant to this Section 6 shall be payable to a Tribal bank account specified by the Tribe.

6.9 Operative Dates. For purposes of this Section 6, the first year of operations shall begin on the Commencement Date and continue until the first day of the month following the first anniversary of the Commencement Date, and each subsequent year of operations shall be the 12-month period following the end of the previous year. Notwithstanding the foregoing, except as provided in Section 4.5, the Tern shall not extend beyond seven years (7) after the Commencement Date.

6.10 Year-end Adjustment. Within thirty (30) days after the receipt of the audit for each fiscal year of the Enterprise, Manager shall determine in consultation with the Tribe the correct amount of the Management Fee for such fiscal year based on thirty percent (30%) of the Net Revenues for such year and either remit to the Tribe or deduct from the next distribution to the Tribe the amount of the over or underpayment of the Management Fee.

7. Trade Names, Trade Marks and Service Marks.

7.1 Enterprise Name. The Enterprise shall be operated under such business name as the Parties may agree (the "Enterprise Name").

7.2 Trade Names, Trade Marks and Service Marks. Prior to the Commencement Date, the Parties shall determine the other trade names, trade marks and service marks to be used by the Enterprise (the "Marks") and from time to time during the term. hereof, Manager agrees to erect and install, in accordance with local codes and regulations, all signs Manager deems necessary in, on or about the Gaming Facility, including, but not limited to, signs bearing the Marks. The costs of purchasing, leasing, transporting, constructing, maintaining and installing the required signs and systems shall be accounted for in accordance with GAAP.

7.3 Manager's Marks. The Tribe agrees to recognize the exclusive right of ownership of Manager or its parents to all of Manager's service marks, trademarks, copyrights, trade names, patents or other similar rights or registrations now or hereafter held or applied for in connection therewith (collectively, the "Manager's Marks"). The Tribe hereby disclaims any right or interest therein, regardless of any legal protection afforded thereto. The Tribe acknowledges that all of Manager's Marks might not be used in connection with the Enterprise, and Manager shall have sole discretion to determine which of Manager's Marks shall be so used. The Tribe covenants that in the event of termination, cancellation or expiration of this Agreement, whether as a result of a default by Manager or otherwise, the Tribe shall not hold itself out as, or continue operation of the Enterprise as a Manager's casino nor will it utilize any of Manager's Marks or any variant thereof in the operation of the Facility. The Tribe agrees that Manager or its parent or their respective representative may, at any time thereafter, enter the

Gaming Facility and may remove all signs, furniture, printed material, emblems, slogans or other distinguishing characteristics which are now or hereafter may be connected or identified with Manager or which carry any Manager's Mark. The Tribe shall not use the Manager's or its parent's name, or any variation thereof, directly or indirectly, in connection with (a) a private placement or public sale of security or other comparable Cleans of financing or (b) press releases and other public communications, without the prior written approval of Manager or its parent. Manager shall provide the Tribe with a list of all Manager's Marks used at or in connection with the Enterprise.

7.4 Litigation Involving Manager's Marks. The Enterprise and Manager hereby agree that in the event the Enterprise and/or Manager is (are) the subject of any litigation or action brought by anyone seeking to restrain the use, for or with respect to the Enterprise or the Manager of any Manager's Mark used by Manager for or in connection with the Enterprise, any such litigation or action shall be defended entirely at the expense of Manager, notwithstanding that Manager may not be named as a party thereto, provided however, that Manager in its sole discretion may waive, settle or otherwise resolve such litigation or action without litigation or at any time during litigation.

8. Taxes.

8.1 State and Local Taxes. The Parties agree that the State of Montana and its local governments have no authority to impose any possessory interest, property, or sales tax on any Party to this Agreement or upon the Enterprise, and that the Parties and the Enterprise shall take all reasonable steps to resist such a tax. The reasonable costs of such action and the compensation of legal counsel shall be an Operating Expense of the Enterprise. Any tax paid and determined lawful by a court of competent jurisdiction shall constitute an Operating Expense of the Enterprise. This Section 8.1 shall in no manner be construed to imply that any Party to this Agreement or the Enterprise is liable for any such tax.

8.2 Tribal Taxes. The Tribe agrees that neither it nor any agent, agency, affiliate or representative of the Tribe will impose any taxes, fees, assessments, or other charges of any nature whatsoever on payments of any debt service to Manager or to any lender furnishing financing for the Property, the Gaming Facility or for the Enterprise, or on the Enterprise, the Gaming Facility, Furniture and Equipment, the revenues there from or on the Management Fee. The Tribe further agrees that neither it nor any agent, agency, affiliate or representative will impose any taxes, fees, assessments or other charges of any nature whatsoever on the salaries or benefits, or dividends paid to, any of the Manager's stockholders, officers, directors, or employees, any of the employees of the Enterprise, or any provider of goods, materials, or services to the Enterprise. If, contrary to this Section 8.2, any taxes, fees or assessments are levied by the Tribe, such taxes, fees and assessments shall be paid solely from the Tribe's Share of Net Revenues.

9. General Provisions

9.1 Governing Law. This Agreement shall be interpreted in accordance with the laws of the State of Montana it being understood by the Parties that this clause in no way constitutes any submission by the Tribe to the jurisdiction of the State of Montana; and the

Parties further expressly recognize and agree that except as provided in Section 3.4 this Agreement shall be subject to all Legal Requirements as well as approval by the Chairman of the NIGC where required by IGRA. The arbitration provisions of this Agreement shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1, et seq.

9.2 Notice. Any notice required to be given pursuant to this Agreement shall be delivered to the appropriate Party by Certified. Mail Return Receipt requested, addressed as follows:

If to the Tribe: Northern Cheyenne Tribe
ATTN: Eugene Little Coyote, President P.O. Box 128
Lame Deer, Montana 59043

If to Manager: Gaming Entertainment (Montana), LLC c/o Full House Resorts, Inc.
4670 South Fort Apache Road
Suite 190
Las Vegas, Nevada 89147

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

9.3 Authority to Execute and Perform Agreement. The Tribe and Manager represent and warrant to each other that they each have full power and authority to execute this Agreement and to be bound by and perform the terms hereof. On request, each Party shall furnish the other evidence of such authority. The Tribe shall take such action as is required under tribal law to lawfully waiver its sovereign immunity from suit as provided in Section 17, which action shall be evidenced in a tribal document and attached hereto and made a part of this Agreement. The Tribe further represents and warrants that the person(s) executing this Agreement on behalf of the Tribe has all due authority to execute this Agreement as a binding obligation of the Tribe pursuant to authority granted by due action and approval of the governing body of the Tribe, the tribal membership and any other approval required by law, statute, ordinance, custom or tradition.

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

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

9.6 Defenses. Except for disputes between the Tribe and Manager, the Tribe and Manager shall agree upon the bringing and/or defending and/or settling any claim or legal action brought against the Enterprise, the Manager or the Tribe, individually, jointly or severally in connection with the operation of the Enterprise, including the retention and supervision of legal counsel, accountants and other such professionals. All liabilities, costs, and expenses, including attorneys' fees and disbursements, incurred in defending and/or settling any such claim or legal action which are not covered by insurance shall be an Operating Expense.

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

9.8 Captions. The captions for each Article and Section are intended for convenience only.

9.9 Interest. Any amount payable to Manager or the Tribe by the other which has not been paid when due shall accrue interest at the same rate as calculated under this Section. Unless otherwise agreed by the Parties, such rate shall be a fluctuating rate equivalent to one percent (1%) over the prime interest rate as published in the Wall Street Journal, adjusted monthly, with the monthly rate established according to the rate published on the third Tuesday of the preceding calendar month.

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

9.11 Brokerage. Manager and the Tribe each hereby agrees to indemnify and hold the other harmless from and against any and all claims, loss, liability, damage or expenses (including reasonable attorneys' fees) suffered or incurred by the other Party as a result of a claim brought by a person or entity engaged or claiming to be engaged as a finder, broker or agent by the indemnifying Party.

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

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

9.14 Periods of Time. Whenever any determination is to be made or action to be taken on a date specified in this Agreement, if such date shall fall on a Saturday, Sunday or legal holiday under the applicable laws, then in such event said date shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

9.15 Preparation of Agreement. This Agreement shall not be construed more strongly against either Party regardless of who is responsible for its preparation.

9.16 Successors, Assigns and Subcontracting. The benefits and obligations of this Agreement shall inure to and be binding upon the Parties hereto and their respective successors and assigns. The Tribe's consent shall not be required for Manager to assign or subcontract any of its rights interests or obligations as Manager hereunder to any parent, subsidiary or affiliate of Manager, or its successor corporation, provided that any such assignee or subcontractor agrees to be bound by the terms and conditions of this Agreement and shall be subject to licensure by the Gaming Commission. The Manager may collaterally assign its interest in the Net Revenues to a Financial Institution in connection with the Loan. The acquisition of Manager or its parent company by a party other than the parent, subsidiary, or affiliate of Manager, or its successor corporation, shall not constitute an assignment of this Agreement by Manager and this Agreement shall remain in full force and effect between the Tribe and Manager, subject only to NIGC completion of its background investigation and licensure of the purchaser and licensure by the Gaming Commission. Other than as stated above, this Agreement may not be assigned or subcontracted by the Manager, without the approval by the Tribe, and the Chairman of the NIGC or his authorized representative after a complete background investigation and licensure of the proposed assignee. The Tribe shall, without the consent of the Manager but subject to approval by the Chairman of the NIGC or his authorized representative if required, have the right to assign this Agreement and the assets of the Enterprise to an instrumentality of the Tribe or to a corporation wholly owned by the Tribe organized to conduct the business of the Enterprise for the Tribe that assumes all obligations herein. Any assignment by the Tribe shall not prejudice the rights of the Manager under this Agreement. No assignment authorized hereunder shall be effective until all necessary government approvals have been obtained.

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

9.18 Confidential and Proprietary Information.

9.18.1 Confidential Information. Both Parties agree that any information received concerning the other Party during the performance of this Agreement, regarding the Parties' organization, financial matters, marketing plans, or other information of a proprietary nature, will be treated by both Parties in full confidence and except as required to allow Manager and the Tribe to perform their respective covenants and obligations hereunder, will not be revealed to any other persons, firms or organizations except in the course of legal proceedings including arbitration as permitted by the court, arbitrator or arbitration panel_ The reasonable costs of resisting such legal action shall be an Operating Expense. This provision shall survive the termination of this Agreement for a period of three (3) years.

9.18.2 Proprietary Information of Manager. The Tribe agrees that Manager has the sole and exclusive right, title and ownership to (i) certain proprietary information, techniques and methods of operating gaming businesses; (ii) certain proprietary information, techniques and methods of designing games used in gaming businesses; (ii) certain proprietary information, techniques and methods of training employees in the gaming business;

and (iv) certain proprietary business plans, projections and marketing, advertising and promotion plans, strategies, and systems, all of which have been developed and/or acquired over many years through the expenditure of time, money and effort and which Manager and its affiliates maintain as confidential and as a trade secret(s) (collectively, the "Confidential and Proprietary Information"). If it is not clear from the context of business operations, marketing or other similar strategy, technique or method of conducting business, Confidential and Proprietary Information shall be identified or marked as such.

The Tribe further agrees to maintain the confidentiality of such Confidential and Proprietary information and upon the termination of this Agreement, return same to Manager, including but not limited to, documents, notes, memoranda, lists, computer programs and any summaries of such Confidential and Proprietary Information.

9.19 Patron Dispute Resolution. Manager shall submit all patron disputes concerning play to the Gaming Commission pursuant to the Tribal Gaming Ordinance, and the regulations promulgated there under.

9.20 Claims Involving Authority. Etc. Manager and the Tribe each hereby agrees to indemnify and hold the other harmless from and against any and all claims, loss, liability, damage or expenses (including reasonable attorneys' fees) suffered or incurred by the other Party as a result of a claim brought by a person or entity claiming that the indemnifying Party has no authority, power or right to enter into this Agreement.

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

10. Warranties.

10.1 Warranties. The Manager and the Tribe each warrant and represent that they shall not act in any way whatsoever, directly or indirectly, to cause this Agreement to be amended, modified, canceled or terminated, except pursuant to Section 11. The Manager and the Tribe warrant and represent that they shall take all actions necessary to ensure that this Agreement shall remain in full force and effect at all times.

10.2 Interference in Tribal Affairs. The Manager agrees not to interfere in or attempt to influence the internal affairs or governmental decisions of the Tribal government by offering cash or employment incentives, by making written or oral threats to the personal or financial status of any person, or by any other action, except for actions in the normal course of business of the Manager that only affect the activities of the Enterprise.

10.3 Prohibition of Payments to Members of Tribal Government. Manager represents and warrants that no payments have been or will be made to any member of the tribal government, any tribal official, any relative of a member of tribal government or tribal official, or any tribal government employee for the purpose of obtaining any special privilege, gain, advantage or consideration.

10.4 Definitions. As used in this Section 10, the term "member of the tribal government" means any member of the Tribal Council, the Gaming Commission or any independent board or body created to oversee any aspect of Gaming and any tribal court official; the term "relative" means an individual residing in the same household who is related as a spouse, father, mother, son or daughter.

11. Grounds for Termination.

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

11.2 Termination for Cause.

11.2.1 Either Party may terminate this Agreement if the other Party commits or allows to be committed any material breach of this Agreement. A material breach of this Agreement means a failure of either Party to perform any material duty or obligation on its part for ten (10) consecutive days after receiving written notice of breach from the other Party. Neither Party may terminate this Agreement on grounds of material breach unless it has provided written notice to the other Party of its intention to terminate this Agreement and within ten (10) days following receipt of such notice the defaulting Party fails (a) to cure the default or (b) to commence curing the default and thereafter diligently to proceed to cure the default. Discontinuance or correction of a material breach shall constitute a cure thereof.

11.2.2 The Tribe may also terminate this Agreement where the Manager has had its license withdrawn because the Manager, or a director or officer of the Manager, has been convicted of a criminal felony or misdemeanor offense directly related to the performance of the Manager's duties hereunder; provided, however the Tribe may not terminate this Agreement based on a director or officer's conviction where the Manager terminates such individual immediately after receiving notice of the conviction. Any such director or officer charged with a criminal felony or misdemeanor offense directly related to the performance of Manager's duties shall have no role in the management of the Enterprise until such time as such person is cleared of the charge or charges.

11.2.3 An election to pursue damages or to pursue specific performance of this Agreement or other equitable remedies while this Agreement remains in effect shall not preclude the injured Party from providing notice of termination pursuant to this Section 11.2.

11.3 Involuntary Termination Due to Changes in Legal Requirements. It is the understanding and intention of the Parties that the establishment and operation of the Enterprise conforms to and complies with all Legal Requirements. If during the term of this Agreement, a final judgment of a court of competent jurisdiction determines Gaming at the Enterprise is unlawful, and all appeals from such judgment have been exhausted, the obligations of the Parties hereto shall cease and this Agreement shall be of no further force and effect except as to (a) accrued liabilities, (b) to the provisions of Section 12.2 and Section 17 and (c) to Manager's rights under the Loan Documents; provided that (i) the Manager and the Tribe shall retain all money previously paid to them pursuant to Section 6 of this Agreement; (ii) funds of the Enterprise in any account shall be paid and distributed as provided in Section 6 of this Agreement; (ii) any money loaned by or guaranteed by the Manager or its affiliates to the Tribe shall be repaid to the Manager; and (iv) the Tribe shall retain its interest in the title (and any lease) to all Enterprise fixtures, supplies and equipment, subject to any requirements of financing arrangements.

11.4 Consequences of Manager's Breach. In the event of the termination of this Agreement by the Tribe for cause under Section 11.2, the Manager shall not, prospectively from the date of termination, have the right to its Management Fee from the Enterprise, but such termination shall not affect the Manager's rights under Section 12, the Loan Documents or any other agreements entered pursuant hereto.

11.5 Consequences of Tribe's Breach. In the event of termination of this Agreement by the Manager for cause under Section 11.2, the Manager shall not be required to perform any further services under this Agreement and the Tribe shall indemnify and hold the Manager harmless against all liabilities of any nature whatsoever relating to the Enterprise arising after the date of termination, but only insofar as these liabilities result from acts within the control of the Tribe or its agents. Any indemnification shall be shall be made solely from Tribe's Share of Net Revenues.

11.6 Notice Provision. Except where the Tribal Gaming Ordinance, the Compact, or any other applicable law or regulation provide for immediate action or action in less than 30 days time, the Tribe or the Gaming Commission shall provide the Manager notice of any alleged violation of the Tribal Gaming Ordinance and thirty (30) days opportunity to cure before the Gaming Commission may take any action based on such alleged violation.

12. Conclusion of the Management Term. Upon the conclusion of the Term, or the termination of this Agreement under other of its provisions, in addition to other rights under this Agreement, the Manager shall have the following rights:

12.1 Transition. If termination occurs at any time other than upon the conclusion of its Term or due to revocation of the Manager's gaming license, Manager shall be entitled to a reasonable period of not less than thirty (30) days to transition management of the Enterprise to the Tribe or its designee during which period the Manager shall be entitled to pay an amount equal to its Management Fee as if the termination had not occurred.

12.2 Undistributed Net Revenues. If the Enterprise has Net Revenues (irrespective of whether such Net Revenues are known or unknown upon the expiration of the

Term or the sooner termination of this Agreement) which have not been distributed under Section 6 of this Agreement, the Manager shall receive at such time as such Net Revenues can be distributed that portion of such Net Revenues that it would have received had such Net Revenues been distributed during the Term.

12.3 Rights under IGRA. The Manager shall have the rights to continue as Manager as set forth in Section 2710(d)(2)(D)(ii) of IGRA even if there is less than one (i) year remaining on the Term of this Agreement.

13. Consents and Approvals.

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

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

14. Disclosures.

14.1 Shareholders and Directors. Manager shall provide to the Tribe and the NIGC on the date that this Agreement is submitted to the NIGC a list of all persons and entities identified in 25 C.F.R. §t3 537.1(a) and 537.1(c)(1) and the information required under 25 C.F.R. § 537.1(b)(1)(i).

14.2 Warranties. The Manager further warrants and represents as follows: (i) no person or entity has any beneficial ownership interest in the Manager other than as shall be identified pursuant to Section 14. 1; (ii) no officer, director or owner of five percent (5%) or more of the stock of the Manager has been arrested, indicted for, convicted of, or pleaded nolo contenders to any felony or any gaming offense, or had any association with individuals or entities known to be connected with organized crime; and (ii) no person or entity disclosed pursuant to Section 14.1 of this Agreement, including any officers and directors of the Manager, has been arrested, indicted for, convicted of, or pleaded nolo contenders to any felony or any gaming offense, or had any association with individuals or entities known to be connected with organized crime.

14.3 Criminal and Credit Investigation. The Manager agrees that all of its members and its members' shareholders (owning five percent (5%) or more of the outstanding stock), directors and officers (whether or not involved in the Enterprise), shall:

(a) consent to background investigations to be conducted by the Tribe, the State of Montana, the Federal Bureau of Investigation (the "FBI") or any other law enforcement authority to the extent required by the IGRA or any Compact.

(b) be subject to licensing requirements in accordance with tribal law and this Agreement,

(c) consent to a background, criminal and credit investigation to be conducted by or for the NIGC, if required,

(d) consent to a financial and credit investigation to be conducted by a credit reporting or investigation agency at the request of the Tribe,

(e) cooperate fully with such investigations, and

(f) disclose any information requested by the Tribe which would facilitate the background and financial investigation.

Any materially false or deceptive disclosures or failure to cooperate fully with such investigations by an employee of the Manager or an employee of the Tribe shall result in the immediate dismissal of such employee. The results of any such investigation may be disclosed by the Tribe to federal officials as required by law.

14.4 Disclosure Amendments. The Manager agrees that whenever there is any proposed change with respect to the persons or entities with a financial interest in, or management responsibility for, this Agreement, it shall notify the NIGC and the Tribe of such change no later than ten days after it becomes aware of such change as required by 25 C.F.R. § 537.2. The Manager further agrees to notify the NIGC and the Tribe of any change with respect to the warranties and representations contained on Section 14(ii) or (ii) of this Agreement no later than ten days after it becomes aware of such change. All of the warranties and agreements contained in this Section 14 shall apply to any person or entity who would be disclosed pursuant to this Section 14 as a result of such changes.

14.5 Breach of Manager Warranties and Agreements. The material breach of any warranty or agreement of the Manager contained in this Section 14 shall be grounds for termination of this Agreement; provided that (a) if a breach of the warranty contained in clause of Section 14.2 is discovered. and such breach was not disclosed by background check conducted by the FBI as part of the NIGC or other federal approval of this Agreement, or was discovered by the FBI investigation, then the Manager shall have thirty (30) days after notice from the Tribe to terminate the interest of the offending person or entity and, if such termination takes place, this Agreement shall remain in full force and effect; and (b) if a breach relates to a failure to update changes in financial position or additional gaming related activities, then the Manager shaft have thirty (30) days after notice from the Tribe to cure such default prior to termination.

15. Recordation. If applicable, at the option of Manager or the Tribe, any security agreement related to the Loan Agreement may be recorded in any public records. Where such recordation is desired in any relevant recording office maintained by the Tribe, and/or in the

public records of the BIA, the Tribe will accomplish such recordation upon the request of the Manager. Manager shall promptly reimburse the Tribe for all expense, including attorney fees, incurred as a result of such request. No such recordation shall waive the Tribe's sovereign immunity.

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

17. Dispute Resolution.

17.1 Arbitration. In the event that the Parties cannot resolve a dispute arising under this Agreement, the Loan Documents or the Security Agreement, the Party making the claim of non-compliance can, by written notice to the other Party, invoke arbitration as to the dispute. Arbitration shall be conducted in Montana under the Commercial

Arbitration Rules of the American Arbitration Association, and the Parties further agree that that the arbitrator(s) shall be attorney(s) who are licensed in good standing of the State Bar of Montana or the bar of another state, and shall have experience in commercial law and gaming law. The decision of the arbitrator(s) shall be final. All parties shall bear their own costs of arbitration and attorneys fees.

17.2 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 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.

17.3 The Tribe waives its sovereign immunity only to the extent of allowing arbitration and judicial review and enforcement under the procedures set forth in this Section 17. This Agreement does not constitute and shall not be construed as a waiver of sovereign immunity by the Tribe or the Tribe except to permit arbitration and judicial review and enforcement under the procedures set forth in this Section 17.

17.4 Notwithstanding this or any other provision, the only `Tribal income, assets and property which shall be subject to any claim or award under this Agreement are (a) any undistributed or future income, revenues or proceeds from the Enterprise and/or Gaming Facility, including without limitation such revenues arising or generated after the termination of this Agreement, and (b) Gaming and related revenues from the Enterprise and/or Gaming Facility arising or generated after the date that the matter in dispute is referred to arbitration.

17.5 This Section 17 shall survive the termination of this Agreement.

17.6 Limitation of Effect of Section 17. The arbitration provisions of this Section 17 shall not apply to licensing determinations of the Gaming Commission nor to ordinances or other governmental actions of the Tribal Council.

18. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties hereto with respect to the subject matter hereof and supersedes all other prior agreements and understandings, written or oral, between the Parties.

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

20. Execution. This Agreement is being executed in four counterparts, two to be retained by each Party. Each of the four originals is equally valid. This Agreement shall be binding upon both Parties when properly executed and approved by the Chairman of the NIGC.

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

SIGNATURES FOLLOW HEREAFTER

NORTHERN CHEYENNE TRIBE

By: /s/ Eugene Little Coyote
Name: Eugene Little Coyote
Title: President

GAMING ENTERTAINMENT
(MONTANA), LLC

By: Full House Resorts, Inc., Managing Member

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

NATIONAL INDIAN GAMING COMMISSION

By: _____
Name:
Title:

**EXHIBIT 21**

**LIST OF SUBSIDIARIES OF FULL HOUSE RESORTS, INC.**

| NAME OF SUBSIDIARY | JURISDICTION OF INCORPORATION |
|---|---|
| Manuelito LLC | Nevada |
| Full House Subsidiary, Inc. | Delaware |
| Full House Subsidiary of Nevada, Inc. | Nevada |
| Gaming Entertainment (Delaware), LLC* | Delaware |
| Gaming Entertainment (Michigan), LLC* | Delaware |
| Gaming Entertainment (California), LLC* | Delaware |
| Gaming Entertainment (Santa Fe) LLC | Nevada |
| Gaming Entertainment (New Mexico) LLC | Nevada |
| Gaming Entertainment (Oklahoma) LLC | Nevada |
| Gaming Entertainment (Montana) LLC | Nevada |

* 50% owned

**EXHIBIT 23.2**

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors and
Full House Resorts, Inc.
Las Vegas, Nevada

We consent to the incorporation by reference in the registration statement of Full House Resorts, Inc. on Form S-8 (File No. 333-29299) of our report dated March 21, 2006, except for notes 2 and 3, to which the date is April 12, 2006, on our audit of the consolidated financial statements of Full House Resorts, Inc. and Subsidiaries as of and for the years ended December 31, 2005 and 2004.

/s/ Piercy Bowler Taylor & Kern

Piercy, Bowler Taylor & Kern,
Certified Public Accountants & Business Advisors
a Professional Corporation
Las Vegas, Nevada

April 12, 2006

**Exhibit 31.1**

**CERTIFICATION**

I, Andre M. Hilliou, certify that:

1. I have reviewed this annual report on Form 10 - KSB 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)) 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) 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

    c) 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: April 14, 2006

By: /s/ ANDRE M. HILLIOU
Andre M. Hilliou
Chief Executive Officer

**Exhibit 31.2**

**CERTIFICATION**

I, James Meier, certify that:

1. I have reviewed this annual report on Form 10 - KSB 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)) 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. 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

    c. 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: April 14, 2006

By: /s/ JAMES MEIER .
James Meier
Chief Financial Officer

**Exhibit 32.1**

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

In connection with the Annual Report on Form 10-KSB of Full House Resorts, Inc. for the year ended December 31, 2005 as filed with the Securities and Exchange Commission (the "Report'), I, Andre M. Hilliou, Chief Executive 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: April 14, 2006

By: /s/ ANDRE M. HILLIOU .
Andre M. Hilliou
Chief Executive Officer

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

In connection with the Annual Report on Form 10-KSB of Full House Resorts, Inc. for the year ended December 31, 2005 as filed with the Securities and Exchange Commission (the "Report") I, James Meier, Chief Financial 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: April 14, 2006

By: /s/ JAMES MEIER .
James Meier
Chief Financial Officer