U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2006.

OR

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM _____ TO _____.

Commission File No. 1-32583

FULL HOUSE RESORTS, INC.

(Exact name of small business issuer as specified in its charter)

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

(702) 221-7800
(Registrant's telephone number)

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 ☐

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

APPLICABLE ONLY TO CORPORATE ISSUERS

As of March 31, 2006, Registrant had 10,340,380 shares of its $.0001 par value common stock outstanding.

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

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FULL HOUSE RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	MARCH 31, 2006 (unaudited)	DECEMBER 31, 2005
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,544,368	$ 3,275,270
Other	340,670	118,810
	2,885,038	3,394,080
Notes receivable, tribal governments	4,745,099	4,268,529
Land held for development	3,988,832	3,858,832
Contract rights, net of accumulated amortization	5,124,274	5,087,752
Deposits and other assets	201,186	199,074
	$16,944,429	$ 16,938,267
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 125,726	$ 130,580
Accrued expenses	192,798	369,268
Income tax payable	238,269	321,112
	556,793	820,960
Note payable to co-venturer, including accrued interest	2,664,527	2,619,773
Deferred income tax liability	104,336	124,807
Other long-term liabilities	272,137	272,137
	3,041,000	3,016,717
Non-controlling interest in consolidated joint venture	2,057,283	2,098,628
Stockholders' equity:		
Cumulative preferred stock, par value $.0001, 5,000,000 shares authorized; 700,000 shares issued and outstanding; aggregate liquidation preference of $4,987,500 and $4,935,000 including undeclared dividends in arrears of $2,887,500 and $2,835,000	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	(6,141,640)	(6,429,031)
	11,289,354	11,001,962
	$16,944,429	$ 16,938,267

See notes to condensed consolidated financial statements.

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

	THREE MONTHS ENDED MARCH 31,	
	2006	2005
Equity in net income of unconsolidated joint venture	$ 977,564	$ 857,337
Operating costs and expenses		
Project development costs	110,422	277,789
General and administrative	595,721	427,716
Depreciation and amortization	18,219	25,770
	724,362	731,275
Unrealized gains on valuation of notes receivable	227,192	5,168
Arbitration award, net	—	848,393
Income from operations	480,394	979,623
Other income (expense)		
Interest and other income	28,255	10,499
Interest expense	(44,754)	(31,952)
Income before non-controlling interest and income taxes	463,895	958,170
Non-controlling interest in net loss of consolidated joint venture	41,345	—
Income before income taxes	505,240	958,289
Income taxes	(217,848)	(344,241)
Net income	287,392	613,929
Less undeclared dividends on cumulative preferred stock	(52,500)	(52,500)
Net income applicable to common shares	$ 234,892	$ 561,429
Net income per common share		
Basic and diluted	$ 0.02	$ 0.05
Weighted average number of common shares outstanding		
Basic	10,340,380	10,340,380
Diluted	11,040,928	10,915,380

See notes to condensed consolidated financial statements.

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

	THREE MONTHS ENDED MARCH 31,	
	2006	2005
Net cash used in operating activities	$ (27,408)	$ (203,738)
Cash flows from investing activities:		
Advances to tribal governments	(409,139)	(408,697)
Repayments by co-venturer	37,215	—
Deposits	(276,304)	—
Acquisition of contract rights and other assets	(52,266)	(200,000)
Net cash used in investing activities	(703,494)	(608,697)
Net decrease in cash and cash equivalents	(730,902)	(812,435)
Cash and cash equivalents, beginning of period	3,275,270	2,466,365
Cash and cash equivalents, end of period	$ 2,544,368	$ 1,653,930

See notes to condensed consolidated financial statements.

FULL HOUSE RESORTS, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

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

These unaudited interim condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2005, from which the balance sheet information as of December 31, 2005, was derived. Certain minor reclassifications to previously reported balances have been made to conform to the current period presentation. The results of operations for the period ended March 31, 2006, are not necessarily indicative of the results to be expected for the year ending December 31, 2006.

2. CHANGE IN ACCOUNTING FOR STOCK-BASED COMPENSATION

The Company was required to adopt the Financial Accounting Standards Board's Statement of Financial Accounting Standard (SFAS) No. 123R,*Share-Based Payment* (SFAS 123R), to account for its stock-based compensation beginning January 1, 2006, and elected the modified prospective method of transition. However, the adoption of SFAS 123R did not have any effect on the Company's results of operations for the current quarter.

3. INVESTMENT IN UNCONSOLIDATED JOINT VENTURE

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

Summary information for GED's operations for the three months ended March 31, is as follows:

	2006	2005
Management fee revenues	$ 2,079,940	$ 1,903,917
Net income	1,955,128	1,781,938

4. NOTES RECEIVABLE, TRIBAL GOVERNMENTS

Full House has advanced funds directly to tribes to fund tribal operations and for development expenses related to potential projects. The repayment of these notes is contingent upon the development of the projects, and ultimately, the successful operation of the facilities. The Company's agreements with the tribes provide for the reimbursement of these advances plus applicable interest either from the proceeds of any outside financing of the development, the actual operation itself or in the event that the Company does not complete the development, from the revenues of the tribal gaming operation following completion of development activities undertaken by others.

As of March 31, 2006 and December 31, 2005, Full House has notes receivable from various tribal governments valued respectively, as follows:

	March 31, 2006	December 31, 2005
Estimated fair value of notes receivable:		
Michigan tribe	$ 4,386,605	$ 4,038,427
Other	358,494	230,102
	$ 4,745,099	$ 4,268,529
Contractual (face) value of notes		
Michigan tribe	$ 8,484,477	$ 8,243,344
Other	502,642	334,635
	$ 8,987,119	$ 8,577,979

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.

5. CONTINGENCY

Litigation involving environmental issues in Michigan has been filed to prevent the Secretary of the Interior from taking the site for the Michigan project into trust, which in the event of an unfavorable outcome, might prevent or delay the completion of the Michigan project and realization of a portion of the Company's investment therein. The legal challenge is pending in federal district court in Washington, D.C. As a result, a draft environmental impact statement (EIS) has been prepared. The Company anticipates the issuance of a formal acceptance of the EIS in the second quarter of 2006. Prior to the land being taken into trust by the Bureau of Indian Affairs for this project, the court must approve the EIS as well.

6. SUBSEQUENT EVENT

On April 6, 2006, the Company signed an agreement under which it will acquire for $25.5 million (subject to upward adjustment if the operation exceeds certain financial targets during the 12 months prior to closing) all of the outstanding shares of Stockman's Casino, Inc., which owns and operates Stockman's Casino and Holiday Inn Express in Fallon, Nevada. The closing of the transaction is expected to occur later this year and is also subject to the receipt of all regulatory approvals and availability of adequate acquisition financing, which may include debt, equity or a combination thereof.

Item 2. Management's Discussion and Analysis or Plan of Operation.

Overview

Full House Resorts, Inc., a Delaware corporation, develops, manages and/or invests in gaming related opportunities. We continue to actively investigate, on our own and with partners, new business opportunities including commercial and tribal gaming operations. We seek to expand through acquiring, managing, or developing casinos in profitable markets. Currently, we are 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. Midway Slots has 1,581 gaming devices, a 450-seat buffet, a 50-seat diner, a gourmet steak house and an entertainment lounge area.

We also have 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 stage. The planned casino resort is expected to have more than 2,000 gaming devices.

In addition, we have 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. We also have development and management agreements with the Northern Cheyenne Tribe of Montana 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.

In April 2006, we entered into a stock purchase agreement to acquire all of the outstanding shares of Stockman's Casino, Inc. We expect the closing of the transaction to occur later this year, subject to the receipt of all regulatory approvals and conditioned upon financing. Stockman's Casino, Inc. owns and operates Stockman's Casino and Holiday Inn Express in Fallon, Nevada, located about one hour east of Reno. 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 coffee shop. The Holiday Inn Express has 98 guest rooms, indoor and outdoor swimming pools, a sauna, fitness club, meeting room and business center.

Critical Accounting Estimates and Policies

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 most significant accounting estimates inherent in the preparation of our financial statements include estimates associated with management's evaluation of the fair value and recoverability of our investments in development projects, including unconsolidated and consolidated joint ventures, advances to tribal governments and intangible contract rights. Various assumptions and other factors underlie the determination of these significant estimates. The process of determining significant estimates is fact specific and takes into account factors such as historical experience, current and expected economic

conditions and the legal and regulatory environment. We regularly evaluate these estimates and assumptions, particularly in areas, if any, that we consider critical accounting estimates, 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 the projects, we evaluate the likelihood that the projects will be completed and then evaluate the prospective market dynamics and how the proposed facilities should compete 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.

Long-term assets related to Indian casino projects

We account for the estimated fair value of advances made to tribes 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*.

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 determining the financial feasibility of the project assuming the project is built, assessing the likelihood that the project will receive the necessary regulatory approvals and funding for construction and operations to commence, and 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 reviewed by management and updated periodically as conditions change.

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

- the Bureau of Indian Affairs recognizes the tribe,
- the tribe has the right to acquire land to be used as a casino site,
- the Department of the Interior has put the land into trust as a casino site,
- the tribe has a gaming compact with the state government,
- the National Indian Gaming Commission has approved a proposed management agreement, and
- 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, recorded as notes receivable, primarily to fund certain portions of the projects, which may bear no interest or are at below market interest until operations commence. Repayment of the

notes receivable 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 account for our notes 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 the six factors regarding the status of the regulatory approval process described above. The notes receivable are not adjusted to an estimated fair value that exceeds the face value of the note plus accrued interest, if any. Due to the uncertainties surrounding the projects, no interest income is recognized during the development period. However, changes in the 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 long-term assets related to Indian casino projects. Long-term assets associated with Indian casino projects at March 31, 2006 and December 31, 2005 totaled $13,858,205 and $13,345,113, respectively, consisting of notes receivable, contract rights, net of accumulated amortization, and land held for future development. Of such amounts $12,983,383 and $12,915,011 relate to the Michigan project, for which we have a management agreement with the Michigan tribe for the development and operation of a casino resort near Battle Creek, Michigan. To recap the current status of the Michigan project:

- the Michigan tribe is federally recognized,
- adequate land for the proposed casino resort has not been placed in trust pending the outcome of the environmental impact statement,
- the Michigan tribe has a valid gaming compact with the State of Michigan,
- the National Indian Gaming Commission has not yet approved the management contract, and
- the Bureau of Indian Affairs is expected to issue a final environmental impact statement during the first half of 2006.

At March 31, 2006, the sensitivity of changes in the key assumptions (discussed in greater detail below) 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% $ (237,062)
- Discount rate decreases to 20% 255,921
- Forecasted opening date delayed one year (805,703)
- Forecasted opening date accelerated one year 986,986

Selected key assumptions and information used to estimate the fair value of the notes receivable for all projects at March 31, 2006 and December 31, 2005 is as follows:

	March 31, 2006	December 31, 2005
Aggregate face amount of the notes receivable	8,987,119	$8,577,979
Estimated years until opening of casino:		
Michigan	2.75	3.00
New Mexico	1.75	2.00
Montana	1.75	2.00
Discount rate	22.5%	22.5%

It is estimated that the stated interest rates during the loan repayment term will be commensurate with the inherent risk at that time.

Factors that the Company considers in arriving at a discount rate include discount rates typically used by gaming industry investors and appraisers to value individual casino properties outside of Nevada

and discount rates produced by the widely accepted Capital Asset Pricing Model (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 / gaming industry; and
- Plus 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 there are essentially three critical dates and events that 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.

Amortization of gaming and contract rights is 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. These rights will be assigned to the appropriate operating subsidiary when the related project is operational and, therefore, they are not included in the calculation of the non-controlling interest in our Michigan subsidiary.

Due to our current financing arrangement for the Michigan development through our 50% ownership interest in Gaming Entertainment (Michigan), LLC, we believe we are exposed to the majority of risk of economic loss from the entity's activities. Therefore, in accordance with FIN 46(R), *Consolidation of Variable Interest Entities*, we consider this venture to be a variable interest entity that requires consolidation into our financial statements. Accordingly, we adopted FIN 46(R) in 2004, without retroactive restatement to our 2003 financial statements, as permitted under FIN 46(R), by consolidating the 50% in-substance joint venture. Since this venture was previously carried on the equity method of accounting, there was no cumulative effect of an accounting change.

Recent Accounting Pronouncements:

In 2005, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No 155,*Accounting for Certain Hybrid Instruments* amending the guidance in SFAS 133, *Accounting for Derivative Instruments and Hedging Activities*, and No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*. SFAS 155 allows financial instruments that have embedded derivatives to be accounted for as a whole (eliminating the need to bifurcate the derivative from its host) if the holder elects to account for the whole instrument on a fair value basis. SFAS 155 will be effective for financial instruments acquired or issued during our fiscal year that begins after September 15, 2006. We presently do not expect SFAS 155 to be applicable to any instruments likely to be acquired or issued by us.

Results of Operations

Three Months Ended March 31, 2006, Compared to Three Months Ended March 31, 2005

Equity in Net Income of Unconsolidated Joint Venture. Our share of income from the Delaware joint venture increased $120,227, or 14% for the three months ended March 31, 2006, compared to the same three-month period in 2005. The increase is due primarily to an expansion of the Midway Slots and Simulcast facilities including the addition of 140 gaming machines and extended operating hours, all of which occurred in the second quarter of 2005.

Project Development Costs. Project development costs decreased $167,367 for the three months ended March 31, 2005, compared to the same time period in the prior year because the majority of the costs related to an environmental impact study for the Michigan project were incurred during 2005.

General and Administrative Expenses. General and administrative expenses for the three months ended March 31, 2006, increased by $168,005 over the same period last year, due primarily to an increase of $115,767 in payroll and employee related costs in connection with new development projects. The remaining increase is attributable to increased business travel, American Stock Exchange fees and investor relations activities.

Unrealized Gains 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 increase in unrealized gains of $222,024 over the same period last year is due to our Indian casino projects continuing to progress towards their anticipated opening dates.

Arbitration Award, Net. The arbitration award is the cost 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 $848,393 is net of the write-off of related net gaming rights and advances and collection costs.

Non-controlling Interest in Income of Consolidated Joint Venture. RAM Entertainment, LLC, (RAM), a privately held investment company, has a 50% non-controlling interest in our consolidated joint venture, GEM. GEM's loss consists of Michigan development costs offset by unrealized gains in the note receivable related to the Michigan project.

Liquidity and Capital Resources

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.

Cash provided from operations for the three months ended March 31, 2006, increased $176,330 from the same time period in 2005, primarily due to increased distributions associated with earnings from our Delaware joint venture. Cash used in investing activities increased $94,797 from the same three months period of last year primarily due to deposits paid as part of our casino acquisition plans.

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 advanced 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.

Indian casino projects

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 March 31, 2006, 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.

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 privately held 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 National Indian Gaming Commission.

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, on a best efforts basis, to arrange the financing for the 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 regulatory 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.

Other

On April 6, 2006, we signed an agreement under which it will acquire for $25.5 million (subject to upward adjustment if the operation exceeds certain financial targets during the 12 months prior to closing) all of the outstanding shares of Stockman's Casino, Inc., which owns and operates Stockman's Casino and Holiday Inn Express in Fallon, Nevada. The closing of the transaction is expected to occur later this year and is also subject to the receipt of all regulatory approvals and availability of adequate acquisition financing, which may include debt, equity or a combination thereof.

As of March 31, 2006, we had cumulative undeclared and unpaid dividends in the amount of $2,887,500 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.

As part of the termination of our Hard Rock licensing rights in Biloxi, Mississippi, in November 2002, 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.

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.

Our total outstanding variable rate debt of approximately $2.4 million at March 31, 2006, is subject to variable interest rates, which averaged 7.4% during the current quarter. The applicable interest rate is based on the prime lending rate and therefore, the interest rate will fluctuate as the prime lending rate changes. Based on our outstanding variable rate debt at March 31, 2006, a hypothetical 100 basis point (1%) change in rates would result in an annual interest expense change 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.

Safe Harbor Provision

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

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

Item 3. 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 March 31, 2006, 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. Management believes that there have been no changes in our internal control during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We have a management agreement with the Michigan tribe for the development and operation of a casino upon federal approval of the land into trust application and federal approval of the management agreement with the Michigan tribe. A legal challenge preventing the land from being taken into trust is pending in Federal District Court in Washington, D.C. The ruling of the United States District Court for the District of Columbia in the case of *CETAC vs. Norton* entered on April 23, 2004, required a reassessment of the environmental analysis of the Michigan project. A draft environmental impact statement has been prepared and the Bureau of Indian Affairs (BIA), as the lead agency for these purposes, held a public hearing to consider comments to the draft on August 24 in the Battle Creek, Michigan area. The period for public comment closed on October 4, 2005. 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. We anticipate the issuance of a record of decision, or formal acceptance of the EIS in the second quarter of 2006. Prior to the land being taken into trust by the BIA for this project, the Court must approve the EIS as well. While there can be no guarantee of the timing of any of these rulings, we anticipate approval by the court by the end of 2006.

Item 3. Defaults upon Senior Securities

As of March 31, 2006, we had cumulative undeclared and unpaid dividends in the amount of $2,887,500 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. The preferred stock’s class ranks prior to the Company’s common stock with regard to dividend and liquidation rights.

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Item 6. Exhibits

10.68	Development Agreement by and between the Northern Cheyenne Tribe and Full House Resorts, Inc. dated May 24, 2005.
10.69	Security and Reimbursement Agreement by and between the Northern Cheyenne Tribe and Full House Resorts, Inc. dated August 23, 2005.
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

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SIGNATURES

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

FULL HOUSE RESORTS, INC.

Date: May 19, 2006

By: /s/ JAMES MEIER
James Meier
Chief Financial Officer
(on behalf of the Registrant and as principal financial officer)

EXHIBIT 10.68

DEVELOPMENT AGREEMENT

BETWEEN THE

NORTHERN CHEYENNE TRIBE AND

FULL HOUSE RESORTS, INC.

DEVELOPMENT AGREEMENT

This Development Agreement is made as of this 24 day of May, 2005 by and between the NORTHERN CHEYENNE TRIBE, A FEDERALLY RECOGNIZED INDIAN TRIBE, ("TRIBE"), located at P.O. Box 128 Lame Deer, Montana 59043 and. FULL HOUSE RESORTS, INC., a Delaware Corporation ("FHRI"), 4670 So. Fort Apache Road, Suite 190, Las Vegas, Nevada 89147.

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 federal law, including the TRIBE'S recognized powers of self-government, and the Constitution, 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. FHRI has agreed to assist TRIBE in acquiring additional Tribal Lands, if needed, and in financing and developing the Gaming Facility.

E. TRIBE is negotiating a Management Agreement with FHRI whereby FHRI, subject to receipt of regulatory approvals, will manage the Gaming Facility (the "Management Agreement").

F. FHRI and TRIBE 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.

G. TRIBE has selected FHRI to assist TRIBE 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.

H. TRIBE and FHRI intend that their relationship with regard to this Development Agreement shall be exclusive.

I. TRIBE and FHRI 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.

J. FHRI has agreed to certain terms and has represented to TRIBE that FHRI 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, and for other development rights as described herein.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises herein contained, the receipt and sufficiency of which are expressly acknowledged TRIBE and FHRI 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 FHRI, 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 FHRI and includes Gaming Entertainment (Montana) LLC.

"AGREEMENT" shall mean this Development Agreement.

"ARCHITECT" shall have the meaning described in Section 5.1.

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

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

"CLASS Ill GAMING" shall mean Class Ill 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 III 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 FHRI 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 FHRI 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 FHRI may determine to be appropriate, verifying construction and furnishing of the Gaming Facility in compliance with all Legal Requirements.

"CONSTITUTION" shall mean the Constitution of the TRIBE. In the absence of a Constitution, "Constitution" shall mean the Tribal Jaws, ordinances, regulations, customs and traditions for the organization, control and operation of Tribal functions.

"CONTRACT DOCUMENTS" shall have the meaning described in Section 6.3.

"DESIGN AGREEMENT" shall have the meaning described in Section 5.1.

"DESIGN PACKAGES" shall have the meaning described in Section 5.1.

"DEVELOPMENT AGREEMENT" shall mean that certain agreement, of even date herewith, by and between FHRI and TRIBE, providing the terms under which FHRI and TRIBE will work exclusively together to develop certain Commercial and Gaming Development, and FHRI will advance certain specified loans to TRIBE and will cause to be financed and develop the Facility, including without limitation, design, construction, furnishing and equipping same.

“DESIGN PACKAGES” shall have the meaning described in Section 5.1.

“DEVELOPMENT BUDGET” shall have the meaning described in Section 5.2.

“EFFECTIVE DATE” shall mean the date five days following the date on which a II of the following listed conditions are satisfied:

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

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

(vii) 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 FHRI as required by the NIGC or the BIA;

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

(ix) FHRI 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 I aw 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, valid and enforceable in accordance with their terms;

(x) FHRI 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;

(xi) for purposes of Class Ill 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);

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

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

(xiv) receipt by FHRI of TRIBE's approval of the Plans and Specifications of the Gaming Facility.

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

"ENTERPRISE" shall mean the enterprise of TRIBE created to engage in Class II and Class III 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:

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

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

(xvii) office furniture and equipment;

(xviii) 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

(xix) 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.

"FHRI" shall mean Full House Resorts, Inc. or its affiliates.

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

"GAMING FACILITY" shall mean the buildings, structures and improvements located on the Tribe's Tongue River Reservoir Lands and all Furniture, Fixtures and Equipment attached thereto, forming a part of, or necessary for the operation of the Enterprise.

"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.

"INTERIM PROMISSORY NOTE" shall have the meaning described for one or more promissory notes to be executed by TRIBE in favor of FHRI pursuant to this Agreement, the Management Agreement which shall include but not be limited to signing advance, tribal consultant advances, monthly advances, equity advances, land advances and any other funds advanced to or on behalf of TRIBE.

"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, and tribal laws, ordinances, rules, regulations, permits, licenses and certificates, in any way applicable to TRIBE, FHRI, 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 agreed upon by the parties to provide the funding necessary to design, construct, and equip the Facility, and provide start-up capital for the Enterprise.

"LOAN" shall mean the loan to TRIBE to be made pursuant to the Loan Agreement.

"LOAN AGREEMENT" shall mean the loan agreement in a principal amount of up to $16,000,000, to be entered into between TRIBE and FHRI, or between TRIBE and the Lender, but in any event FHRJ will cause to be loaned 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 being negotiated by TRIBE and FHRI pursuant to which FHRI will manage the Enterprise.

"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.

"NOTE" shall mean the promissory note to be executed by TRIBE pursuant to the Loan Agreement, which shall evidence a loan to TRIBE, in an amount up to $16,000,000, from either the Lender and/or FHRI.

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

“PROJECT” shall mean the planning, construction, and development of the temporary and permanent Gaming Facility.

“SECURITY AND REIMBURSEMENT AGREEMENT” shall mean that agreement to be entered into between FHRI and TRIBE which shall set out the security interest of FHRI and reimbursement obligation of TRIBE relating to the Loan and the Interim Promissory Note.

“STATE” shall refer to the State of Montana.

“TRIBE” shall mean the Northern Cheyenne Tribe.

“TEMPORARY GAMING FACILITY” shall mean a class II and/or class III gaming facility which, if deemed feasible by FHRI and TRIBE in the manner described in this Agreement, may be constructed on an accelerated basis concurrently with the construction of the permanent Gaming Facility with a goal of opening within the first 90 to 120 days after the Effective Date. If the parties agree that it is economically feasible, said facility may also offer Class II gaming.

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

“TRIBAL CONSULTANTS” shall mean in this Agreement as described in Article 9, section 9.1, (iii) the Administrative Assistant to the Council and Tribal Consulting Attorney.

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

“TRANSITION LOAN” shall have the meaning described in Section 9.3.

“TRIBAL DISTRIBUTIONS” shall have the meaning described in Section 9.2(u).

“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 TRIBE and FHRI in entering into and performing this Agreement is to provide a legally enforceable procedure and agreement pursuant to which FHRI will make certain loans to TRIBE for the planning, negotiation of necessary agreements for, design and construction 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 will not be used as the site for the Gaming Facility, it is understood that additional land will be necessary because it is land locked and it is understood that acquisition of additional land may be necessary as a site for the Gaming Facility. Thus, in that event, as soon as reasonably possible after the date of this Agreement, FHRI shall recommend one or more sites to be acquired for the Tribal Gaming Facility (and the Temporary Gaming Facility, if it is determined to be feasible); and shall furnish the Tribal Council with a site including advice as to the suitability of each site for the Gaming Facility. It is expressly understood that TRIBE and FHRI shall investigate the acquisition of sites contiguous to existing tribal trust land.

Section 3.2 PURCHASE AGREEMENT. Upon approval of acquisition of a site by the mutual agreement of FHRI and the Tribal Council, FHRI shall negotiate a purchase contract or option agreement for purchase of the site by FHRI or its designee or nominee. Upon approval of the form of Purchase or Option Agreement proposed by FHRI by the Tribal Council, FHRI 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 FHRI to the United States to be held in trust for the benefit of TRIBE prior to or 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 FHRI shall be a part of the Transition Loan and shall be repaid to FHRI from the first proceeds of the Loan to the extent proceeds from the Loan are available for this purpose.

Section 3.3 LAND COSTS. FHRI will advance to TRIBE up an amount to be agreed upon to acquire land for the gaming facility in the event that additional land not already in trust is required for the project development.

Section 3.4 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, FHRI 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 FHRI and shall be a part of the development cost of the Enterprise and repaid to FHRI from the first proceeds of the Loan.

Section 3.5 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, FHRI 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 FHRI to the Tribal Council. All actual costs incurred by FHRI 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 FHRI 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 Tribal Council, the Tribal Council and FHRI shall jointly determine the size and scope of the Gaming Facility and whether or not to include the Temporary Gaming Facility within the Enterprise. Inclusion of the Temporary Gaming Facility within the Enterprise shall be dependent upon an agreement between FHRI and TRIBE 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. FHRI and the Tribal Council shall contract with an Architect and/or Engineer for the Enterprise. Thereafter the Tribal Council shall, with the assistance and concurrence of FHRI, negotiate and enter into a contract in the name of TRIBE, with this Architect and/or Engineer, provided that such company or individual is a duly licensed Architect and/or Engineer (the “Architect”) familiar with the design of gaming facilities. This Agreement shall be for the purpose of performing certain services in connection with the design and construction of the Gaming Facility (and the Temporary Gaming Facility and/or the Bingo and Entertainment Hall, if included) including site development. TRIBE’s agreement with the Architect shall be in the form of a contract (the “Design Agreement”) approved by FHRI and the Tribal Council. The scope of the project contemplated by this Agreement (the “Project”) including the Gaming Facility (and the Temporary Facility, if included), shall be stated

and established in the Design Agreement, and shall be subject to the mutual approval of the parties. The Design Agreement shall also provide for and establish appropriate design packages ("Design Packages"), each including portions of the Enterprise. The Design Agreement shall allow FHRI the right and responsibility to supervise, direct, control and administer the duties, activities and functions of the Architect and to efficiently carry out its covenants and obligations under this Agreement; but the Design Agreement shall provide that the Architect will consult closely with TRIBE and TRIBE consultants, and that major design elements shall be subject to approval by the Tribal Council. It is contemplated the scope of the Project will be substantially as described on Exhibit A, subject to such changes as may be necessary or appropriate taking into account competitive conditions, financing and other circumstances. 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.

Section 5.2 DESIGN AND CONSTRUCTION BUDGETS. FHRI, with the assistance and input of the Architect, shall submit to the Tribal Council, 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. FHRI may, after notice to and approval by the Tribal Council, 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. FHRI may, at its sole discretion after notice to and approval by the Tribal Council, 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 FHRI deems necessary or appropriate, provided that: (i) the cumulative modifications of the Development Budget for all Design Packages shall not, without FHRI's prior approval and the Tribal Council's prior approval, exceed the approved aggregate Development Budget, and (ii) such modifications do not otherwise conflict with the terms of this Agreement shall. Development Budget adjustments which otherwise vary from the terms of the Agreement shall, in addition to requiring FHRI's approval require the approval of the Tribal Council. TRIBE acknowledges that the Development Budget is intended only to be a reasonable estimate of Project costs.

Section 5.3 CONCEPT DESIGN AND ENGINEERING. FHRI, shall prepare for the review and approval of the Tribal Council, 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 PRELIMINARY PROGRAM EVALUATION. FHRI shall prepare, for the review and approval of the Tribal Council, a preliminary evaluation of the proposed Project including, but not limited to a feasibility study, planned phasing, if any, schedule, Development Budget requirements, and alternative approaches to Project design and construction. Based upon the agreed-upon schedule, Development Budget

requirements and design, the Architect shall prepare schematic design documents consisting of drawings and other documents illustrating the scale and relationship of the Gaming Facility, the Temporary Gaming Facility, if any, and any other Enterprise components, as well as a preliminary estimate of Enterprise costs based upon the proposed area, size and scope of the Enterprise.

Section 5.5 DESIGN DEVELOPMENT. Upon final approval of the schematic design documents by the Tribal Council and FHRI, the Architect shall prepare design development documents consisting of drawings and other documents to fix and describe the size and character of the Project as to architectural, structural, mechanical and electrical systems, materials and such other elements and/or Design Packages as may be appropriate. Further, the Architect shall advise FHRI with respect to, and update, any Development Budget estimates. FHRI shall submit to the Tribal Council for its review and approval, finalized versions of the design development documents prepared by the Architect and agreed to by FHRI.

Section 5.6 CONSTRUCTION DOCUMENTS. Based upon the approved design development documents and any further adjustments in the scope and quality of the Project or in the Development Budget, the Architect shall prepare for approval by FHRI and the Tribal Council, construction documents consisting of preliminary drawings and specifications setting forth the general requirements for construction of the Project. The Architect shall proceed with completion of detailed plans and specifications (the "Plans and Specifications") as they relate to construction or portions of the Gaming Facility in the order such portions are to be completed or in the order required for sequential completion, and shall proceed with completion for all Plans and Specifications as soon as reasonably possible given construction scheduling and the intended progress of Project work. The Architect shall advise the Tribal Council of any adjustments to previous Development Budget estimates. Copies of all construction documents and all notices of Design Budget adjustments shall be forwarded to the Tribal Council to keep it informed of the progress of the work and the projected costs of the Project.

Section 5.7 PLANS AND SPECIFICATIONS. As portions of the detailed Plans and Specifications are completed for segments of the Project, the Architect shall be required to submit duplicate copies of those portions of the Plans and Specifications to FHRI and to the Tribal Council (for approval prior to release of such documents to prospective bidders for bidding and prior to commencement of construction of such portions).

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 Tribal Council, meet or exceed all reasonable minimum standards pertaining to TRIBE and State building codes, fire codes and safety and traffic 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 jurisdiction 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, FHRI 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 FHRI as a Transition Loan or 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. FHRI 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. FHRI shall submit the list of pre-qualified general contractors and/or construction managers to the Tribal Council, together with FHRI'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, FHRI shall give preference to qualified members of the Northern Cheyenne Tribe, and other qualified Indian Tribes who reside on or near the Tribal Lands, who are able to provide services at competitive prices and have the skills and abilities to perform tasks to be undertaken in an acceptable manner, in FHRI's opinion, and can meet the reasonable bidding requirements of FHRI. FHRI shall provide written notice to TRIBE 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, FHRI shall conduct a review of

responsive proposals for the construction of the Project, and FHRI shall negotiate and propose to the Tribal Council a construction management agreement and/or construction contract or contracts (collectively "Contract Documents") with a well-qualified construction manager, contractor, and/or contractors subject to the approval of the Tribal Council. 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 FHRI and Tribal Council to cover the construction for which the contractor, contractors and/or construction manager may be retained.

Section 6.4 CONTRACTS. The TRIBE shall enter into the Contract with the parties selected and approved in the form negotiated by FHRI and approved by the Tribal Council. 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 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 Tribal Council. 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. Nothing in this section shall prohibit TRIBE from entering into a contract pursuant to which TRIBE agrees to procure the necessary construction materials for the project.

Section 6.6 CONSTRUCTION ADMINISTRATION. It is intended that the Contract Documents shall provide that FHRI shall be responsible for all construction administration during the construction phase of the Project. FHRI shall act as TRIBE's designated representative and shall have full power and complete authority to act on behalf of TRIBE in connection with the Contract Documents. FHRI 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. FHRI shall have the authority to reject work which does not conform to the Contract Documents. FHRI may conduct inspections to determine the date or dates of substantial completion and the Completion Date. FHRI shall observe and evaluate or authorize the observation and evaluation of Project work performed, review or authorize review of applications for payment for submission to TRIBE and review or authorize review and certification of the amounts due the contractors and/or construction manager.

Section 6.7 CONSTRUCTION COMMENCEMENT AND COMPLETION. The Contract Documents shall contain such provisions for the protection of TRIBE and FHRI as TRIBE and FHRI 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 TRIBE and FHRI 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. FHRI shall select and propose to the Tribal Council vendors for purchase by TRIBE of equipment, furniture and fixtures required to operate the Enterprise. Alternatively, FHRI may arrange for the procurement of equipment, furniture and fixtures on lease terms as may be approved by the Tribal Council. Any commitments for the procurement of equipment, furniture and furnishing shall, however, become binding on TRIBE 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 FHRI by TRIBE pursuant to this Agreement, the Management Agreement and any Interim Promissory Note have been satisfied in full, whichever is later; provided, however, that nothing herein shall prohibit FHRI and TRIBE 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 FHRI

Section 9.1 OPERATING ADVANCES BY FHRI TO TRIBE. FHRI will advance the following funds to TRIBE. Beginning immediately after the execution of this Agreement until the Commencement Date, FHRI will advance TRIBE $3,000.00 per month. The parties agree that there may also be certain unanticipated and unexpected legal expenses of the Enterprise which may occur, In that event, upon the approval of both FHRI and TRIBE, 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 TRIBE shall include the Tribal Consultants' fees.

Section 9.2 LOAN COMMITMENT. FHRI shall be responsible for arranging for a development loan to TRIBE to finance the development of the Gaming Facility. Within ninety (90) days following the Effective Date, FHRI will provide to TRIBE a preliminary conditional Letter of Commitment to fund the facility in the sum not to exceed $16,000,000 contingent upon compliance with all applicable federal, tribal and state laws. Within one hundred twenty (120) days following the Effective Date, FHRI shall provide a firm financing commitment acceptable to TRIBE, to finance the acquisition of the Tribal Lands 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 terms to TRIBE as follows:

(i) The principal of the Loan shall be for an amount up to $16,000,000.00

(ii) The Loan shall be repayable solely out of revenues of the Gaming Facility, as provided in the Management Contact, and shall be a limited recourse obligation of TRIBE, 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 provide limited waive immunity with respect to the Loan only to the extent provided in subsection (vii) of this Section as to future net revenues of Tongue River Reservoir gaming facility.

(iii) TRIBE shall covenant not to encumber any of the assets of the Gaming Facility without FHRI's prior written consent. However, TRIBE 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 purchases 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 FHRI has been given at least thirty (30) days prior opportunity by TRIBE to make such loans on similar financial terms. For purposes of this Agreement the assets of the Facility, as defined by Generally Accepted Accounting Principals shall not include TRIBE's share of the distributable proceeds of the facility after they are transferred to TRIBE's general account.

(iv) The Loan shall not be assignable by either FHRI or TRIBE without the reasonable written consent of the non-assigning party. This restriction on assignment shall not be construed to impede a sale of FHRI to a third party.

(v) TRIBE 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.

(vi) The Loan may be made directly by the Lender to TRIBE, provided that the Loan is totally non-recourse to TRIBE and otherwise conforms with the terms set forth in this Section 9.2.

(vii) TRIBE will waive sovereign immunity with respect to the Loan to the extent set forth in Article 14: (a) if FHRI makes the Loan directly to TRIBE, (b) if a Lender makes the Loan and FHRI subsequently becomes the holder of the Loan, and (c) to reimburse FHRI if FHRI's guarantee of the Loan is called due to a payment default by TRIBE; and upon execution of the Loan Agreement shall enter into an enforceable reimbursement agreement with FHRI secured by a first security interest in Gaming Facility revenues (the "Security and Reimbursement Agreement") to secure repayment of the Loan (a) if FHRI makes the Loan directly to TRIBE, (b) if a Lender makes the Loan and FHRI subsequently becomes the holder of the Loan through assignment or otherwise, to the extent of FHRI's holding or participation in the Loan, and (c) to reimburse FHRI if FHRI's guarantee of the Loan is called due to a payment default by TRIBE. The Security and Reimbursement Agreement shall be in the form attached hereto as Exhibit B.

(viii) It shall be a condition of the loan commitment that a management agreement between TRIBE and FHRI in substantially the form of the draft Management Agreement and this Development Agreement, be approved by the Chairman of the NIGC.

Section 9.3 TRANSITION LOANS. FHRI shall make loans for the purposes and as set forth in Section 9.1 and Section 9.4 (each a "Transition Loan") to TRIBE, upon the terms set forth in the form of the promissory note attached hereto (the "Interim Promissory Note"). Each advance of funds to TRIBE by FHRI as part of any Transition Loan shall be evidenced by the Interim Promissory Note, duly authorized and executed by TRIBE, setting forth the applicable terms of this Agreement. Payments under the Interim Promissory Note shall be repayable as unsecured, limited recourse, with an interest rate of a per annum variable rate no greater than the prime rate published in the Wall Street Journal plus one percent (1%), but no to exceed FHRI's cost to borrow funds, bearing obligations of TRIBE payable solely out of Gaming Facility revenues, as provided in the Management Contract, in twelve (12) equal monthly payments commencing on the 15th day of the month after the month in which the Commencement Date occurs.

Section 9.4 ADVANCES ON LOAN. FHRI will provide the following funds to TRIBE as advances on the Loan to be repaid with an interest rate of a per annum variable rate no greater than the prime rate published in the Wall Street Journal plus one percent (1%), but no to exceed FHRI's cost to borrow funds:

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

(ii) SITE PLANNING AND DESIGN DEVELOPMENT. FHRI 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) TRIBAL ADVANCES. Amounts advanced to the Tribe as a stipend, for professional, administrative and related fees and expenses and other approved advances to the Tribe

Section 9.5 CESSATION OF PAYMENTS. In the event a Tribal-State compact is not entered into or 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) and 1/4 years of the date of this Agreement, FHRI, at its sole discretion, may terminate the payments being made under this Agreement until said compact has been completed.

Section 9.6 APPROVAL OF PAYMENTS. Except for amounts specifically set forth herein as Loan Advances, FHRI shall submit for approval by the Tribe of any contract, arrangement, stipend, fee or expense which is an advance under the Loan. The Tribe shall approve as reimbursable such contract, arrangement, stipend, fee or expense on a form provided for that purpose.

ARTICLE 10
EXCLUSIVITY

Section 10.1 EXCLUSIVITY REGARDING GAMING FACILITY. During the term of this Agreement, FHRI shall have an exclusive relationship with TRIBE regarding the development of the Gaming Facility on the Tongue River Reservoir Lands.

Section 10.2 EXCLUSIVITY. TRIBE shall deal exclusively with FHRI for commercial and gaming development as set forth in Exhibit A on the Tongue River Reservoir Lands for a period beginning on the date of execution of this Agreement and ending upon termination of the Management Contract. Nothing contained herein shall be deemed to restrict FHRI’s gaming development activities related to commercial or Indian gaming.

ARTICLE 11
REPRESENTATIONS, WARRANTIES, AND COVENANTS

Section 11.1 REPRESENTATIONS AND WARRANTIES OF TRIBE. TRIBE represents and warrants to FHRI as follows:

(i) TRIBE execution, delivery and performance of this Agreement, the Management Agreement, and Interim Promissory Note, and a II other instruments and agreements executed in connection with this Agreement have been properly authorized by TRIBE and do not require further approval.

(ii) This Development Agreement, the Management Agreement, and Interim Promissory Note 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 TRIBE's legal, valid and binding obligations, enforceable against TRIBE in accordance with their terms.

(iii) That with regards to the Development Agreement, the Management Agreement, the Interim Promissory Note, and all other instruments and agreements executed in connection with this Agreement, that TRIBE 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 FHRI 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.

Section 11.2 COVENANTS. The TRIBE covenants and agrees as follows:

(i) That promptly after the execution of this Agreement TRIBE will take all steps necessary to negotiate a Tribal-State Compact with the State of Montana and adopt and obtain approval by the Chairman of the NIGC a gaming ordinance and that will meet the requirements of IGRA and the applicable regulations under IGRA and be consistent with the provisions of this Agreement, the Management Agreement, the Interim Promissory Note, and all other instruments and agreements executed in connection with this Agreement and not adversely affect the rights of FHRI hereunder and thereunder. When adopting the Gaming Ordinance, TRIBE will give FHRI the opportunity to review and comment on the drafts thereof. Pursuant to the Gaming Ordinance, TRIBE will promptly establish a Tribal Regulatory Authority.

(ii) TRIBE agrees to enter into the Loan Agreement, and execute the Note and to take and perform such other actions as may be necessary to carry out the purposes of this Agreement, the Management Agreement, the Interim Promissory Note, and all other instruments executed in connection with this Agreement and the Related Agreements in accordance with the terms of the Compact, the legal requirements pertaining to the Tribal Lands, and factual particulars for development, construction and operation of the Gaming Facility for Class II & III Gaming.

(iii) 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 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.

(iv) That TRIBE will waive sovereign immunity on the limited basis described in Article 14 with respect to the Loan (a) if FHRI makes the Loan directly to TRIBE, (b) if a Lender makes the Loan and FHRI subsequently becomes the holder of the Loan through assignment or otherwise, to the extent of FHRI's holding or participation in the Loan, and (c) to reimburse FHRI if FHRI's guarantee of the Loan is called due to a payment default by TRIBE; and upon the Effective Date shall enter the Security and Reimbursement Agreement to secure repayment of the Loan (a) if FHRI makes the Loan directly to TRIBE, (b) if a Lender makes the Loan and FHRI subsequently becomes the holder of the Loan though assignment or otherwise, to the extent of FHRI's holding or participation in the Loan, (c) to reimburse FHRI if FHRI's guarantee of the Loan is called due to a payment default by TRIBE;

(v) That TRIBE will waive sovereign immunity on the limited basis described in Article 14 and enter into the Security and Reimbursement Agreement to secure repayment of any amounts owing to FHRI or its Affiliates pursuant to Section 13.3.

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

(vii) That in its performance of this Agreement, TRIBE shall comply with all Legal Requirements.

Section 11.3 REPRESENTATIONS AND WARRANTIES OF FHRI. FHRI represents and warrants to TRIBE as follows:

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

(ii) FHRI'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 FHRI and do not require further approval.

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

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

(v) That FHRI 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. FHRI 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 TRIBE. FHRI shall not be obligated to loan TRIBE any monies, provide the Loan commitment or make any advance on the Loan 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 TRIBE in this Agreement would not be true if made on the date such fee payment or loan advance would otherwise be made. In addition, FHRI shall not be obligated to make any loan advance to TRIBE pursuant to this Agreement unless and until FHRI receives the duly authorized and executed versions of the Security and Reimbursement Agreement, and the Interim Promissory Note. Each of the following shall be an "Event of Default":

(i) TRIBE shall fail to pay when due the Interim Promissory Note or any other indebtedness to FHRI that TRIBE owes or has guaranteed and such failure shall continue for twenty (20) days after FHRI has given TRIBE written notice of this Breach;

(ii) Any event referred to in any Interim Promissory Note that permits FHRI to declare the Interim Promissory Note due and payable shall occur;

(iii) TRIBE shall breach any of it's obligations under this Agreement and such breach is not substantially cured twenty (20) days after FHRI gives TRIBE written notice thereof.

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

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

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

If any Event of Default described in above occurs, FHRI's commitments under this Agreement shall automatically terminate and any outstanding Interim Promissory Note and all of TRIBE's other obligations to FHRI under this Agreement and the Management Agreement shall immediately become due and payable and upon written notice to TRIBE, declare FHRI commitment to make advances under this Agreement terminated and/or declare the principal balance of each Interim Promissory Note and any accrued interest to be immediately due, and FHRI may exercise any other rights and remedies available to FHRI by law or agreement. FHRI has the right to set off all sums owing by TRIBE to FHRI against all credits TRIBE may have with, and any claims TRIBE may have against FHRI at any time after the Event of Default occurs.

Section 12.2 EVENTS OF DEFAULT BY FHRI. TRIBE 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 FHRI 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) FHRI shall fail to make advances required by this Agreement, and such failure shall continue for twenty (20) days after TRIBE gives FHRI written notice thereof;

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

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

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

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

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

(viii) FHRI 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, TRIBE's commitments under this Agreement shall automatically terminate. If any other Event of Default occurs, TRIBE may, upon written notice to FHRI, exercise any other rights and remedies available to TRIBE by law or agreement. TRIBE has the right to set off all sums owing by FHRI to TRIBE against all credits FHRI may have with, and any claims FHRI may have against, TRIBE 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 he 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, FHRI shall retain the right to repayment of unpaid principal and any interest on all monies loaned by it to TRIBE whether pursuant to this Agreement or otherwise.

Section 13.3 TERMINATION IF TRIBE VIOLATES ARTICLE 10. If FHRI terminates this Agreement because of a violation by TRIBE of Article 10, TRIBE, in addition to its obligations to FHRI under the Interim Promissory Notes, agrees to repay FHRI for all amounts advanced by FHRI to TRIBE, or for TRIBE, pursuant to Article 9 of this Agreement, the Management Agreement or any other Related Agreement, that pursuant to this Agreement and TRIBE agrees that its obligation to repay such amounts shall be subject to Section 14.1 regarding arbitration related to waiver of sovereign immunity by TRIBE, other provisions of Article 14, and a 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 loaned to TRIBE by or guaranteed by FHRI shall be repaid to FHRI immediately from Tribe share of undistributed proceeds of the gaming Enterprise.

(ii) TRIBE 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 FHRI under the Security and Reimbursement Agreement and subject to any requirements of any financing agreements.

Section 13.5 REPAIR AND REPLACEMENT OF DAMAGED GAMING FACILITY. If the Gaming Facility is damaged, destroyed or condemned so that continued development and construction of Gaming cannot be or can no longer be continued at the Gaming Facility, the Gaming Facility shall be reconstructed if the insurance or condemnation proceeds are sufficient to restore or replace the Gaming Facility to a condition at least comparable to that before the casualty occurred. If FHRI elects to reconstruct the Gaming Facility and if the insurance proceeds or condemnation awards are insufficient to reconstruct the Gaming Facility to such condition, FHRI may, in its sole discretion, offer to loan such additional funds as are necessary to reconstruct the Gaming Facility to such condition and such funds shall, with the prior consent of the Tribal Council and NIGC, as appropriate, constitute a loan to the Enterprise, secured by the revenues from the Business and repayable upon such terms as may be agreed upon by the Tribal Council and FHRI. Any loan provided for herein shall not be subject to the ceiling set forth in this Development Agreement. TRIBE may also, in its sole discretion provide from tribal funds or borrow from a third party such funds as are necessary to rebuild the Gaming Facility. In such event, these funds shall be treated as a tribal loan to the Enterprise and shall be repaid under such terms and conditions as the Tribal Council and FHRI may agree upon. If the insurance proceeds are not sufficient and are not used to repair the Gaming Facility, and neither TRIBE nor FHRI wishes to provide the additional funds necessary to re-build and re-open the Gaming Facility, TRIBE and FHRI shall jointly adjust and settle any and all claims for such insurance proceeds or condemnation awards, and such proceeds or award shall be applied first, to the amounts due under the Note or Security and Reimbursement Agreement (including principal and interest); second, to any other loans; third, to any fees or costs owed to FHRI pursuant to the Management Agreement; fourth, any surplus shall be distributed to TRIBE.

Section 13.6 TRIBE'S RIGHT TO TERMINATE AGREEMENT. TRIBE may terminate this Agreement by written notice effective upon receipt if:

(i) Any Federal or State authority objects to the performance by FHRI of any obligation imposed on it under this Agreement and FHRI has not cured the circumstance, if it is within its control to cure, giving rise to the objection to performance within one hundred twenty (120) days. TRIBE's ability to terminate this Agreement pursuant to this provision shall be tolled during any contest by FHRI of any such objection to its performance.

(ii) TRIBE has reason to believe that the performance by it or FHRI 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 TRIBE.

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

ARTICLE 14
DISPUTE RESOLUTION

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, the Note, 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 FHRI and TRIBE arising from this Agreement. If TRIBE 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 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 TRIBE'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 an NIGC notice requesting revisions in the Agreement shall not be grounds for termination by TRIBE unless FHRI refuses to make the change necessary to obtain NIGC approval.

Section 14.2 ARBITRATION

(14.2.1.1) 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 oft he 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 consents to be sued in a Court of competent jurisdiction. The arbitrators shall be licensed attorneys, knowledgeable in federal Indian law and selected pursuant to the Commercial Arbitration Rules of the American Arbitration Association.

(specifically including FHRI right to receive its management fees or TRIBE's right to receive payments for loans from FHRI) 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 oft he terminating party, but FHRI shall retain the right to repayment of unpaid principal and interest on all monies loaned to it by TRIBE whether pursuant to this Agreement or otherwise.

Section 14.3 ENTIRE AGREEMENT. This Agreement (together with the Exhibits 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 Exhibits, and stipulates that no evidence of any promises not contained in this Agreement, the Management Agreement, and the Exhibits, shall be admitted into evidence on their behalf. 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 15
INDEMNIFICATION

Section 15.1 TRIBAL INDEMNITY. TRIBE hereby agrees to indemnify and will hold FHRI harmless from and against any and a II claims, demands, liabilities, actions, damages, costs, charges and expenses (including attorney fees) as a consequence, direct or indirect of TRIBE's actions, conduct, or failure to act, including the actions, inactions or conduct or failure to act of any Tribal Council Member, Executive, Employee, Officer, Member, agent or representative.

Section 15.2 FHRI INDEMNITY. FHRI hereby agrees to indemnify and will hold TRIBE harmless from and against any and all claims, demands, liabilities, actions, damages, costs, charges and expenses (including attorney fees) as a consequence, direct or indirect of FHRI's actions, conduct, or failure to act, including the actions, inactions or conduct or failure to act of any Director, Officer, Employee, agent or representative.

ARTICLE 16
TRIBAL RESOLUTION

Section 16.1 TRIBAL RESOLUTION. TRIBE Tribal Council has given the Tribal President authority to enter into this Agreement, the Management Agreement, the Interim Promissory Note 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.

TRIBE

By: /s/ Eugene Little Coyote
Printed Name: Eugene Little Coyote
Tribal President

FULL HOUSE RESORTS, INC.

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

EXHIBIT A
SCOPE OF PROJECT

The project will be on the Tongue River Reservoir lands and is anticipated to be of the following scope:

- Approximately 20,000 to 25,000 square feet of building
- Approximately 300 electronic gaming devices
- Area for the conduct of live poker games
- A restaurant
- An RV park

Future expansion may include”

- Hotel
- Additional food and beverage outlets
- Expanded gaming area

EXHIBIT 10.69

SECURITY AND REIMBURSEMENT AGREEMENT

THIS AGREEMENT is made and entered into as of the 23 day of August, 2005, by and among the NORTHERN CHEYENNE TRIBE, A FEDERALLY RECOGNIZED INDIAN TRIBE, ("TRIBE"), located at P.O. Box 128 Lame Deer, Montana 59043, and Full House Resorts, Inc., a Delaware corporation, with offices at 4670 So: Fort Apache Road, Suite 190, Las Vegas, Nevada 89147 ("FHRI"), referred to herein as "Guarantors".

RECITALS

(A) TRIBE is a federally recognized Indian tribe and possesses sovereign governmental powers over the Tribal Lands, and is held in trust by the United States of America for the benefit of the TRIBE.

(B) TRIBE desires to build a gaming facility on the Tribal Lands (the "Gaming Facility").

(C) TRIBE intends to finance construction of the Gaming Facility with up to $16,000,000 of debt (the "Lender Financing").

(D) FHRI will assist the Tribe in obtaining the Lender Financing (the "Commitment"). As part of this lending the Lender may require, among other things, that Guarantors guaranty to the holders of the Lender Financing certain matters, including the complete and unconditional guaranty of the payment of the Lender. Financing. Such guaranty is referred to as the "Guaranty".

(E) The obligations of TRIBE to make any payments under this Agreement are limited to the same extent as the obligations of TRIBE are limited under the agreements and documents evidencing the Lender Financing (the "Loan Documents"). Recourse under this Agreement is limited to the Collateral and the proceeds, if any, realized by the Guarantors upon the disposition thereof, and TRIBE shall not be obligated to apply any other assets or revenues to the payment or performance of its obligations hereunder.

(F) Guarantors require, (a) as a condition to the issuance of the Guaranty and (b) as a condition to arranging Lender Financing which may not be subject to the Guaranty and providing the items and obligations of FHRI in the Development Agreement of the parties, among other things: (i) that TRIBE agree to reimburse, indemnify and hold harmless from and against all amounts Guarantor may be called on to pay under the Guaranty; (ii) that TRIBE agree to reimburse, indemnify and repay any and all amounts advanced and paid by FHRI in accordance with this Agreement, the Development Agreement and the Loan Agreement and (ii) that TRIBE agrees, that all amounts due and owing under this Agreement will be evidenced by the agreements, instruments and documents evidencing the Lender Financing.

(G) FHRI and TRIBE is negotiating an agreement providing for the management of a gaming enterprise (the "Enterprise") at the Gaming Facility by FHRI. All capitalized terms in this Security and Reimbursement Agreement not otherwise defined herein shall have the definitions set forth in the Development Agreement or draft Management Agreement, respectively.

(H) Guarantors have required, as a condition to the execution by them of the Development Agreement, that TRIBE execute this Security and Reimbursement Agreement to secure repayment to the Guarantors of certain loans and advances to and on behalf of TRIBE to be made pursuant to the Development Agreement.

(I) Guarantors and TRIBE wish, by the execution hereof, to set forth their agreements in regard to the Guaranty and advancing of funds by FHRI to TRIBE AGREEMENT

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

1. SECURITY (“COLLATERAL”).

1. As security for the full and punctual payment and performance of TRIBE’s obligations under the Management Agreement, TRIBE 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 TRIBE from the Enterprise on the Tongue River Reservoir Lands, and the distributable share of Total Net Revenues of any other Tribal gaming business of the kind contemplated on the Tongue River Reservoir Lands, and managed for the Tribe by FRHI or any of its related entities, provided, however, that (1) the Collateral shall not include any revenue, income or any other assets of the Charging Horse Casino and (2) these funds shall cease to be collateral for this Agreement when they are 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.

2. As security for the full and punctual payment and performance of TRIBE’s obligations under the Development Agreement, TRIBE 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 TRIBE from the Enterprise and the distributable share of Total Net Revenues any other Tribal gaming business of the kind contemplated on the Tongue River Reservoir Lands, provided, however, that (1) the Collateral shall not include any revenue, income or any other assets of the Charging Horse Casino and (2) these funds shall cease to be collateral for this Agreement when they are 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 kinds whatsoever be allowed against any assets of Tribe other than those specified in the subsection.

2. NOTICE OF GUARANTY PAYMENTS. Guarantors shall notify TRIBE of each payment made under the Guaranty (each, a “Guaranty Payment,” and collectively, the “Guaranty Payments”) in the manner provided in Section 14 of this Agreement.

3. INDEMNITY BY TRIBE - GUARANTY. With respect to the Loan Documents, TRIBE indemnifies Guarantors and holds Guarantors harmless from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including without limitation all Guaranty Payments, costs of legal contests, and all attorneys' fees and allocated costs of internal counsel) that Guarantors, may incur or be subject to as a consequence, direct or indirect, of the issuance, performance, or contest of the Guaranty.

4. OBLIGATIONS ABSOLUTE. The obligations of TRIBE to Guarantors 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, unless Class II or Class III gaming in the facility is substantially prohibited, under all circumstances, including without limitation, the following:

(i) Any lack of validity or enforceability of any Guaranty;

(ii) The existence of any claim, set-off, defense or other right that TRIBE may have at any time against any Guarantor, or any affiliate of any Guarantor, 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. RIGHTS OF GUARANTORS. The Guarantors, may, at any time and from time to time, without consent of or notice to TRIBE, and without incurring responsibility to TRIBE, and without impairing or releasing the obligations of TRIBE hereunder:

(i) Exercise or refrain from exercising any rights against TRIBE, the collateral (or any other collateral or guaranty which may otherwise secure the repayment of liabilities of the Guarantors under the Guaranty) or otherwise act or refrain from acting (or consent to any such action or inaction); and

(ii) Apply any sums by whomsoever paid, or howsoever realized, to any liability or liabilities of TRIBE hereunder (or under any other agreements, instruments or documents which may hereafter be acquired to secure repayment of the liabilities of the Guarantors under the Guaranty), regardless of what liabilities or liabilities of TRIBE remain unpaid so long as such payments are consistent with the priority of payments set forth in the Development Agreement and/or the Management Agreement.

6. REPRESENTATIONS AND WARRANTIES. TRIBE represents and warrants to Guarantors as follows:

(i) 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) TRIBE has all requisite power and authority to execute, deliver and perform this Agreement.

7. TRANSFER OF COLLATERAL. Except as to any Lender Financing, and except as allowed pursuant to the Loan Agreement and 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 Guarantors. 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) TRIBE 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 substantially unremedied for twenty (20) days after written notice thereof has been given to TRIBE by any Guarantor.

(ii) Any representation or warranty made by TRIBE 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) TRIBE shall have defaulted and failed to cure after written notice in any of its obligations with respect to: (1) the Loan documents and maturity of the debt evidenced thereby shall have been accelerated; (2) the Development Agreement or (3) any agreement entered into with respect to the Gaming Facility by and between TRIBE and any Guarantor or affiliate of any Guarantor.

9. REMEDIES. If an Event of Default shall occur, and if the Guarantors, or any of them, shall have purchased the Lender Financing under one or more of the Guaranties, the Guarantors, shall have, in addition to its other rights, all rights of the Lender under the Loan Documents. All amounts advanced by, or on behalf of, the Guarantors, in exercising rights under this Agreement (including but not limited to legal expenses and disbursements incurred in connection therewith, and fees and costs of preparing for and consummating any sale of the Collateral), together with interest thereon from the date of such advance at the applicable rate allowed by the Loan Documents, shall be payable by TRIBE, on demand, and shall be secured by the Collateral.

10. RECEIPT OF SALES PROCEEDS. Upon any sale of the Collateral by the Guarantors (whether by virtue of the power of sale herein granted, pursuant to judicial process or otherwise), the receipt of the Guarantors 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 the Guarantors 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 the Guarantors pursuant to this Agreement (including without limitation, any proceeds from the sale of the Collateral, and all distributions, dividends

and other payments received by the Guarantors in respect of the Collateral) shall be applied: (i) first, to the payment of any costs incurred in the enforcement of or exercise of rights under this Agreement; (ii) second, to the payment of accrued and unpaid interest; (iii) third, to the payment of the principal amount owned; and (iv) fourth, to TRIBE or otherwise as directed by a court of competent jurisdiction. If obligations of TRIBE are due and unpaid under more than one Guaranty, Guarantors may apply such proceeds to the unsatisfied Guaranty in such order as they may, in their sole discretion, determine.

12. WAIVERS; MODIFICATIONS.

(i) No failure or delay on the part of the Guarantors 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 waive, 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 the Guarantors.

(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 TRIBE and Guarantors.

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) two (2) business days after delivery to a commercial overnight courier service; or (iii) four 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 the Guarantors:	Full House Resorts, Inc. 4670 So. Fort Apache Road, Suite 190 Las Vegas, Nevada 89147
With simultaneous copies to:	Barth F. Aaron, Esq. Full House Resorts, Inc. 4670 So. Fort Apache Road, Suite 190 Las Vegas, Nevada 89147
If to TRIBE: Office of the President Northern Cheyenne Tribe P.O. Box 128 Lame Deer, Montana 59043 Attn.: Eugene Little Coyote, President	Chairperson, Gaming Commission Northern Cheyenne Tribe P.O. Box 128 Lame Deer, Montana 59043
With simultaneous copies to:	Michael D. Mason, Esq. 1817 NE 49th Ave. Portland, Oregon 97213

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. TRIBE's consent shall not be required for Guarantors to assign any of their rights, interests or obligations as Guarantors hereunder to any parent, subsidiary or affiliate of Guarantors or their successor corporations, provided that the Secretary of the Interior approves and that any such assignee agrees to be bound by the terms and conditions of this Agreement. The acquisition of the Guarantors or their parent company by a third party shall not constitute an assignment of this Agreement by Guarantors and this Agreement shall remain in full force and effect between TRIBE and Guarantors. This Agreement may be assigned by the Guarantors, subject to approval by TRIBE, which approval shall not be unreasonably withheld, and by the Secretary of the Interior or his authorized representative after a complete background investigation of the proposed assignee. TRIBE shall, without the consent of the Guarantors have the right to assign this Agreement and the assets of the Enterprise to an instrumentality of TRIBE or to a corporation wholly owned by TRIBE organized to conduct the business of the Enterprise for TRIBE that assumes all obligations herein. Any assignment by TRIBE shall not prejudice the rights of the Guarantors under this Agreement. No assignment authorized hereunder shall be effective until all necessary government approvals have been obtained.

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

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. TRIBE shall, at any time and from time to time after the execution and delivery of this Agreement, within twenty (20) days after request by the Guarantors, 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 the Guarantors 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 TRIBE under this Agreement; (iii) further assure and confirm unto the Guarantors their rights, privileges and remedies under this Agreement and under the Loan Documents.

TRIBE also authorizes the Guarantors to file financing statements without their signatures, if lawful. If Guarantors shall file any financing statement without the signature of TRIBE, Guarantors shall deliver a copy of such financing statement to the affected party after the filing thereof.

19. 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 Guaranty and payment in full of any un-reimbursed loss or cost whatsoever incurred by Guarantors pursuant thereto.

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

21. 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 Montana.

22. INDEMNIFICATION. TRIBE shall indemnify and hold the Guarantors harmless from and against any and all defenses, losses, expenses, liabilities and claims arising from any breach by TRIBE of its respective obligations hereunder. TRIBE shall also reimburse the Guarantors for all costs and expenses (including fees of outside or internal counsel) incurred by or on behalf of the Guarantors in enforcing TRIBE’s obligations under this Agreement.

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, Management Agreement, the Note, Loan Agreement,

any other Security and Reimbursement 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 TRIBE arising from this Agreement: If TRIBE 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) TRIBE'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 an NIGC notice requesting revisions in the Agreement shall not be grounds for termination by TRIBE unless FHRI refuses to make the changes necessary to obtain NIGC approval.

23.2. ARBITRATION

23.3. 23.2.1 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 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 out having appellate jurisdiction over said court. If the United States District Court for said District finds that it lacks jurisdiction, TRIBE consents to be sued in a court of competent jurisdiction. The arbitrators shall be licensed attorneys 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 Montana 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. ENFORCEMENT OF ARBITRATION. TRIBE agrees to waive its immunity from suit as provided for and limited by this Section applying only to net revenues of the Tongue River Reservoir Lands gaming facility. This waiver is limited to TRIBE'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 consents to such actions in a court of competent jurisdiction. 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 TRIBE.

(b) CONSENTS AND APPROVALS. The enforcement of a determination by an arbitrator that TRIBE'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 from taking any action that would prevent FHRI from operating the Business pursuant to the terms of this Agreement, or that requires TRIBE 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 TRIBE shall be effective if made by certified mail return receipt requested to the President of the Tribe, and copied to Tribal Gaming Commission chair at the Address set for 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. Without in any way limiting or expanding the provisions of this Section, TRIBE expressly authorizes any governmental authorities which may lawfully exercise the right and duty to take any action authorized or ordered by any court to whom a waiver is granted pursuant to this Section, including without limitation, entering the Tribal Lands and Gaming Facility for the Purpose of executing against any property subject to a security interest or otherwise giving effect to any judgment properly entered pursuant to this Section; 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 Subsection (g) of this Section. This provision in no way limits the authority of the Northern Cheyenne Tribal Court.

(g) LIMITATION. Upon Enforcement, Damages awarded against TRIBE or the Enterprise shall be satisfied solely from the distributable share of Total Net Revenues of TRIBE from the Enterprise, the distributable share of the Total Net Revenues of any other TRIBE gaming business of the kind contemplated on the Tongue River Reservoir Lands, 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 TRIBE or TRIBE's bank account in the normal course of business. In no instance shall any enforcement of any kind whatsoever be allowed gains *any* assets of TRIBE other than those specified in this subsection.

25. GOVERNMENT SAVINGS CLAUSE. The parties hereto acknowledge and agree that this Agreement is a "collateral agreement" to the Management Agreement and the Development Agreement within the meaning of 25 U.S.C. 2710, and, together with the Management Agreement and the Development Agreement and any other collateral agreements thereto, is subject to the provisions of the Indian Gaming Regulatory Act, 25 U.S.C. 2710 et seq. ("IGRA"). It is the intention of the parties that this Agreement, the Management Agreement, the Development Agreement and any other collateral agreements comply with all restrictions and limitations of IGRA. Consequently, if any provision of this Agreement contravenes any provision of 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 TRIBE or the Guarantors under this Agreement, the Management Agreement and the Development Agreement or any other collateral 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 by the United States Department of the Interior, B.I.A., 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 TRIBE or the Guarantors under this Agreement or any other agreement or document related hereto.

[Signatures on following page]

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

TRIBE

By: /s/ Eugene Little Coyote
Printed Name: Eugene Little Coyote
Tribal President

FULL HOUSE RESORTS, INC.

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

Exhibit 31.1

CERTIFICATION

I, Andre M. Hilliou, certify that:

1. I have reviewed this quarterly report on Form 10 - QSB 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 affect 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 control 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 or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Dated: May 19, 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 quarterly report on Form 10 - QSB 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 affect 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 control 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 or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Dated: May 19, 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 Quarterly Report on Form 10-QSB of Full House Resorts, Inc. for the period ended March 31, 2006 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: May 19, 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 Quarterly Report on Form 10-QSB of Full House Resorts, Inc. for the period ended March 31, 2006 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: May 19, 2006

By: /s/ JAMES MEIER
James Meier
Chief Financial Officer