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ORIGINAL

CLASS II AND CLASS III

CASINO GAMING MANAGEMENT CONTRACT

BETWEEN

THE CONFEDERATED TRIBES OF THE CHEHALIS INDIAN RESERVATION

AND

EXCELSIOR CASINO MANAGEMENT GROUP, INC

MAY 16, 1993

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CLASS II AND CLASS III CASINO GAMING MANAGEMENT CONTRACT

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MANAGEMENT CONTRACT (hereinafter referred to as the "Contract") entered into this 16th day of May, 1993 by and between THE CONFEDERATED TRIBES OF THE CHEHALIS INDIAN RESERVATION, a federally recognized Indian Tribe (hereinafter referred to as the "Tribe") and EXCELSIOR CASINO MANAGEMENT GROUP, INC., a Washington corporation (hereinafter referred to as the "Manager").

WHEREAS, the Tribe has entered into a Class III Gaming Compact with the State of Washington (hereinafter referred to as the "Compact"), which Compact was formally approved by the Secretary of the Interior on February 22, 1993; and

WHEREAS, after reviewing its options for the operation of a Class II Gaming Facility and a Class III Gaming Facility as authorized by the Compact (hereinafter collectively referred to as the "Casino"), the Tribe has determined to enter into a management contract to insure proper management and control of the Casino and the maximization of profit; and

WHEREAS, the Tribe has engaged in an extensive search for a qualified manager, having interviewed many candidates and reviewed and investigated the qualifications of a number of such candidates; and

WHEREAS, the Tribe has determined that Manager is well qualified for the role of manager of the Casino and the parties desire to enter in to this Contract;

NOW THEREFORE, for and in consideration of the mutual promises contained herein, the payments required hereby and other good and valuable consideration, the parties hereto hereby agree as follows:

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1) Subject to the terms and conditions set forth herein, the Tribe hereby contracts with the Manager to serve as the manager of its Casino and related areas and activities,

2) Subject to the terms and conditions set forth herein, the Manager hereby contracts with the Tribe to serve as the manager of the Casino and related areas and activities as set forth in paragraph 1 above..

3) The Casino shall be located within the boundaries of the Tribe's Reservation and / or located in a manner consistent with the requirements of the Compact on a site designated by the Tribe.

4) This Contract and all gaming subject to the terms hereof shall be conducted in strict conformance with the Indian Gaming Regulatory Act, 25 USC §2701 et seq (hereinafter referred to as "IGRA"), the Tribe's Gaming Ordinance(s), as amended from time to time (hereinafter referred to as the "Ordinance"), all Rules and Regulations adopted by the Tribe from time to time, and the Compact (hereinafter collectively referred to as the "Laws"). The Manager shall consult with and provide advice to the Tribe concerning the provisions of the Ordinance and the Rules and Regulations.

5) The terms of the Compact are incorporated herein and made a part hereof by reference.

6) Unless approved as set forth below,

Casino opens to the general public for revenue producing Class III

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gaming activities approved under the Compact (hereinafter referred to as the "Opening Date").

7) Notwithstanding any other provision of this Agreement to the contrary, as a result of the limited scope of Class III gaming permitted under the Compact, including the number of gaming stations and maximum size of class III gaming wagers permitted by the Compact and ;

and subject to the approval of the Chairman of the National Indian Gaming Commission (hereinafter referred to as the "Chairman" and the "Commission", respectively),

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8) Notwithstanding anything herein to the contrary, in the event that through no fault of the Manager, the operation of the Casino shall be suspended by force majeure and / or acts of God for a period of at least 10 consecutive days, then the Contract term shall be extended beyond the termination date by an equal number of days as shall have been lost to the operation of the Casino.

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. For any such events of less than 10 days duration, the number of days for such events shall not cumulate. Thus, if five (5) separate events of two (2) days duration each occurred, they would not be deemed to be subject to the extension provisions herein.

9) Even though the operation of the Casino is suspended and / or extended as provided in paragraph 8 above,

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10) Notwithstanding any other provision herein to the contrary, upon approval of this Contract by the Chairman, the terms of this Contract shall be binding upon the parties hereto and the Manager shall commence within 5 business days of the approval of the Chairman the pre-opening activities contemplated hereby, including without limitation, the planning for and construction of the Casino and the hiring and training of employees for the Casino.

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The said pre-opening activities of the Manager shall not be or be deemed to be a part of the term of the Contract set forth above.

11) Notwithstanding anything herein to the contrary, immediately upon the Tribe and the Manager signing the Contract, and during the period between the signing and the approval by the Chairman, the Tribe, with the assistance of the Manager acting as a consultant, shall commence the following activities:

a) Selection of the architect and engineering firms for the project (subject to review and approval by the Tribe).

b) Site evaluation and selection.

c) Preliminary Design.

d) Hearings, if required, and plan review, if required, by the Tribal Gaming Agency and any other Tribal committees or bodies deemed necessary by the Tribe.

e) Final design and specifications. The quality of the materials set forth in the specifications and used in the construction of the Casino shall be of good to excellent quality and grade.

f) Contractor and subcontractor selections, subject to Indian Preference and approval by the Tribe.

g) All construction shall conform to the Uniform Building Code.

h) If, as and when this Contract is approved by the Chairman, the Manager shall be primarily

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responsible for the performance of the matters set forth in paragraph 11 (a) to 11 (g).

12) Notwithstanding anything herein to the contrary, in the event that the Manager shall fail to perform the duties set forth in paragraph 11 in a timely manner, then upon approval of the Contract, as set forth below, the Contract may be terminated by the Tribe.

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Contract, then the Tribe shall be entitled to terminate the Contract.

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21) Attached hereto and incorporated herein as Exhibit B is a chart of the management structure with respect to the Tribe and the Manager concerning the operation of the Casino pursuant to this Contract and the Laws. This Exhibit B does not relate to the relationships among the Business Committee, the Tribal Gaming Agency and the General Council.

22) During the term of the Contract, the Manager shall be responsible for planning, constructing, managing, improving, maintaining, operating, the security for and accounting for the gaming operation(s) located within the Casino and the Casino.

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23) With respect to the management of the shops and concessions located within the Casino,

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28) The design of and budget for the construction of the Casino, and the selection of contractors and subcontractors shall be arrived at in consultation between the parties hereto, provided, however, that the Tribe shall have the ultimate authority to approve said design, budget and contractors and subcontractors.

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. All change orders during construction shall be signed by the Manager, the Tribe, the architect and the general contractor before such change order shall be deemed approved.

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30) All employment during the construction phase of the Casino project shall comply with Chehalis Tribal and Indian Preference.

31) Unless the Compact is subsequently amended, the Class III gaming operation in the Casino, when constructed and open to the public, shall be in operation for an average of eighty (80) hours per week per annum. The exact schedule shall be determined by the Manager in consultation with and subject to the approval of the Tribe.

32) The Class II gaming operation in the Casino and all other non-Class III activities, excluding the sale of alcoholic beverages, may be open up to 24 hours per day, seven days per week as determined by the Manager in consultation with the Tribe. The hours of late night operation shall be consistent with the public welfare and safety of the Tribal Community.

33) The Casino schedule may be altered from time to time to meet seasonal or other needs.

34) The Manager shall be solely responsible for the hiring, training, evaluating, promoting and firing of employees, subject to the following conditions:

a) All employees required by the Compact shall be certified by the State of Washington and all employees shall be licensed by the Tribe prior to employment.

b) All employees shall continue to be licensed by the Tribe and, for those required under the Compact, certified by the State of Washington during the term of their employment. Loss of

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license or certification shall be grounds for immediate termination.

c) Subject to the review and approval of the Business Committee, Manager shall develop a program of Chehalis Tribal member and Indian Preference hiring for members of the Tribe and other Indians from federally recognized tribes and shall implement that program for both hiring and promotion.

d) The Manager shall immediately present a plan to the Tribe as part of the first year Business Plan described below setting forth a program for accomplishing the actions under paragraph 34 (c) above and for training qualified members of the Tribe in upper management roles during the term of this Contract, commencing as soon after signing the Contract as is practicable, but in any event, not later than one year from the Opening Date.

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e) In addition to the above, any Chehalis Tribal member who requests financial assistance with respect to the payment of the fees necessary for State certification for employment at the Casino shall receive a loan of said fees from the Manager. Said loan shall be repaid to the Manager

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from the salary of the Tribal member employee over a period not to exceed 6 months.

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35) Manager shall maintain the books and records of the Casino and all related activities, including, without limitation, the books and records relating to the gaming operation. Such books and records shall be maintained and kept within the Casino and shall be open to review by the Business Committee of the Tribe and the Tribal Gaming Agency and according to the Compact during normal business hours.

36) The books and records kept by the Manager shall be maintained according to generally accepted accounting principles applicable in the gaming industry.

37) The Manager shall provide for and supervise all accounting systems associated with the Casino, Class II and Class III gaming. Such accounting systems shall be consistent with the highest standards maintained in the gaming industry from time to time and shall include the following:

a) Substantial internal accounting controls;

b) Permit and require the preparation of financial statements and profit and loss statements in accordance with generally accepted accounting principles;

c) Be fully susceptible to audit;

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d) Allow for the calculation of all fees required by this Contract, the Compact, IGRA and the regulations of the Commission; and

e) Provide for the ability to allocate common costs and expenses of operations and / or services between any and all parties using a facility subject to the terms of this Contract.

38) The Business Committee of the Tribe and the Tribal Gaming Agency shall have full access to all books, records and information maintained by or available to the Manager with respect to or arising out of the Casino operation or other related matters (including without limitation the restaurants and shops at the Casino). In furtherance thereof and not in limitation thereof, this right shall include the right to verify daily gross revenues and income from the gaming operation.

39) Manager has prepared a projection for the initial investment, construction and pre-operation of the Casino. The Manager hereby represents that, as of the date of execution of the Contract, the construction proposal for the Casino made to the Tribe is capable of being constructed and opened for the cost set forth in the projections and Pro Forma. The Manager has also prepared a fully annotated Pro Forma for the first year of gaming operation of the Casino, which includes financial projections, marketing and staffing targets and management training programs (hereinafter referred to as the "Business Plan") (See Exhibit C attached hereto and made a part hereof. Part of the Business Plan has been submitted as part of Exhibit A and are reincorporated

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herein as Exhibit C.) The Manager shall provide to the Business Committee within 30 days of the date of execution of the Contract, the management training programs of Exhibit C, which shall then be attached hereto and made a part hereof. Failure to provide the said information shall entitle the Tribe to terminate the Contract.) Each year, sixty (60) days before the anniversary date of the Opening Date, the Manager shall prepare and submit to the Business Committee a Business Plan for the next year of operation of the Casino reviewing performance under the old Business Plan and proposing anticipated expenses and income and projected net profits for distribution. In the event that the Manager shall fail to timely submit the new Business Plan,

40) The Tribe has reviewed the Business Plan for the first year of operation and hereby approves the same. The categories set forth in the Business Plan as expenses to be deducted from gross income are hereby approved. Such expenses, unless related specifically to the start up costs of the Casino or otherwise noted below shall automatically be included within each years Business Plan and the inclusion of such category, but not the amount of such category shall automatically be deemed approved.

41) Notwithstanding anything herein to the contrary, Manager shall be authorized

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42) Upon receipt of the Business Plan, the Tribe shall have 45 days in which to approve or disapprove of the Business Plan in whole or in part. The approval or disapproval of the Tribe shall be provided to the Manager in writing.

43) Until the new Business Plan is approved, the Casino shall be operated under the old Business Plan. Even if operated under the old Business Plan, the Tribe and the Manager shall be entitled to take distributions of net profit, except that, after sixty days of operation during any fiscal year without approval of a new Business Plan,

44) The approval of the Business Plan shall mean that the Business Plan is adopted for the year in question. Manager shall then report monthly to the Business Committee by the 10th day of each month concerning the status of the income and expenditures projected therein and the likelihood of meeting the projections contained therein.

45) Disapproval of the Business Plan shall require the Manager either to (i) rework and resubmit the items disapproved or (ii) meet with the Business Committee for the purpose of obtaining approval of such disapproved budgetary item.

46) In the event the parties meet as set forth above and fail to reach agreement, then the budgetary item(s) shall be submitted immediately to the alternative dispute resolution procedure set

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forth below in paragraph 88 and the decision shall be binding on all parties.

47) The Manager shall prepare quarterly financial statements and reports concerning the operation of the Casino, Class II and Class III gaming within 30 days of the end of the quarter. Said quarterly reports shall be provided to the Tribe as soon as prepared.

48) Annually, not later than February 1 in each year, the Manager shall submit to an independent audit of the operations of the Casino by an independent certified public accounting firm of the Tribe's choice,

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49) The Manager and the Casino shall be subject to unannounced audit procedures by an independent certified public accounting firm of the Tribe's choice,

50) In the event that any independent audit shall determine that the financial information supplied to the Tribe from the various accountings required of the Manager

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51) Security / police services shall be divided into the operation of the Tribal Police, security personnel and surveillance personal.

a) The Tribal Police, a branch of the Tribal Government, shall be responsible for all arrest

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situations in conjunction with other law enforcement officers where appropriate.

b) The Manager shall be solely responsible for the hiring, training and supervision of the security personnel. Security personnel shall be responsible for the security of the money and chips and perform such other duties as the Manager shall require. The parties acknowledge, however, that, should the Tribe so choose, at any time, the Tribe may add a Tribal security person to the security teams in the Casino.

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c) One-half the surveillance staff shall be responsible to and hired by the Tribal Gaming Agency in cooperation with the Manager. The other half of the surveillance staff shall be hired by the Manager. Each surveillance shift shall contain individuals responsible to the Tribe and individuals responsible to the Manager.

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52) The Tribe shall hire two additional law enforcement officers to work in and around the Casino. Whenever possible, one of the officers shall be on site at the Casino at all times.

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53) The Tribe shall make all arrangements, if any, for emergency and fire protection to be supplied to the Casino. Payment for such services shall first come from the Community Contribution under the Compact.

54) the Manager shall obtain fire, property damage and general liability insurance for the Casino in amounts consistent with the replacement cost of the Casino as it relates to fire and property loss and consistent with liability insurance requirements in the industry.

55) Should the Tribe and the Manager mutually agree and the cost be economically feasible, the parties shall obtain Compact insurance to insure against the loss of the right to maintain Class III gaming as a result of statute or case law in an amount to compensate the Tribe and Manager for such loss, including debt

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repayment.

56) The Business Plan contains advertising and marketing budget line items. The Manager shall submit the advertising and marketing plan in writing to the Business Committee within 30 days from the date of execution of the Contract for review and approval by the Tribe. Said plans shall then be attached hereto and made a part hereof as Exhibit D as the Manager's advertising and marketing plan for the first year of operation. The Manager shall adhere to the budget for such Plan,

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Manager shall immediately commence implementation of such plans. In the event that this Contract shall not be approved by the Chairman,

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57) Each year after the first, the Manager shall submit to the Tribe an advertising and marketing plan and budget for the next year of operation. The advertising and marketing plan and budget shall be subject to the submission and approval / disapproval and

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58) All bills and expenses set forth in the Business Plan shall be paid from the proceeds of the operation of the Casino.

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59) Any bill or expense not contained within the Business Plan set forth above and incurred without the prior written consent of the Business Committee shall be

60) All employment practices and the administering thereof shall be the responsibility of the Manager. In carrying out the provisions of this paragraph 60, the Manager shall be bound by the Laws.

61) To the extent required of a party hereto, each party hereto shall be responsible for his/her/its obligations under the Internal Revenue Code and Manager shall be deemed to be an independent contractor for tax withholding purposes. All 940, 941 and tip reporting and employee tax payments and all payments required, if any, for state and local taxes and payments shall be paid in a timely manner.

62) The parties hereto believe that the provisions of the National Environmental Policy Act ("NEPA") and the Commission's regulations related thereto do not apply to the circumstances of the creation and operation of the Casino. In the event, however, that at a later date, there shall be required any compliance with

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NEPA, such compliance shall be accomplished by Manager

63) Notwithstanding anything herein to the contrary, the cost of NEPA compliance, if any, shall be approved in writing by the Tribe prior to any commitment of performance.

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72) This Contract shall be terminated for any of the following reasons:

a) Dishonesty or theft by the Manager, excluding the actions of non-key employees, pitbosses and below, (The Manager shall provide a list of the key employees for this purpose, subject to the approval of the Tribe);

b) Failure of the Manager to be or remain certified by the State of Washington or any other agency, including an agency of the Federal Government, as required by IGRA or the Compact;

c) Repeated violations of the Compact by the Manager, unless such violations were approved in advance in writing by the Tribe;

d) Gross negligence of the Manager in the operation of the Casino; or

e) Insolvency or the filing of a petition in Bankruptcy, whether Chapter 7 or 11, provided that if such filing is involuntary, then the Manager shall have 60 days to obtain the termination of the Bankruptcy action.

73) The Contract may, in the sole discretion of the Tribe, be terminated in the event that:

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74) The parties hereto hereby agree that the following individuals are deemed to be key owners and operators of the Manager. Ownership and control of the Manager shall not change without the prior written consent of the Tribe, which consent shall not be unreasonably withheld. Any change without such consent shall cause this Contract to terminate.

a) Bruce Einhorn

b) Paul Brody

75) In the event that this Contract shall terminate for any reason prior to the last day of the term of this Contract, then the parties hereto hereby agree that any new manager for the Casino or the Tribe, if it shall assume management responsibility, shall

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continue to repay the Capital loans according to their terms until repaid in full.

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79) The Tribe shall have the right of final approval concerning the selection of the on-site shift and operations managers of the Casino operations. The Tribe shall interview said managers in advance and, before Manager shall commit to hire any such individual shall receive the written approval of the Tribe.

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81) This Contract shall not be assigned without the prior written consent of the Tribe. Any such assignment without consent shall cause the Contract to automatically terminate.

82) The Manager shall only enter into subcontracts with respect to the operations of the Casino or its construction which, taking all matters into consideration, are the best contracts available for the services and which do not benefit the Manager, its officers, directors and / or shareholders.

83) The Bank or Banks in which the monies from the Casino shall be deposited shall be selected by the Tribe. The Tribe shall be entitled to negotiate any concessions and / or interest arrangements with said Bank(s) and such concessions and / or arrangements shall not be included within the revenues subject to the terms of this Contract. All monies from the Casino shall be deposited in interest bearing accounts.

84) Notwithstanding any other provision of this Contract to the contrary, this Contract shall not be effective until approved by the Chairman of the Commission pursuant to IGRA and the Commission's regulations.

85) In the event that a dispute arises between the Manager and a customer of the Casino, the shift manager shall first seek to informally resolve the matter. In the event the shift manager is unsuccessful, then the matter shall be referred to the Tribal Gaming Agency representative at the Casino, who may assist the shift manager in obtaining a resolution. Any dispute that cannot be informally resolved, including issues of liability, shall be referred to the Tribal Court of the Tribe, pursuant to all

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applicable Tribal Ordinances. (The Tribe shall be promptly notified of all such disputes which go to court.)

86) In the event that a dispute shall arise between the Manager and an employee of the Casino, then the employee shall be required to pursue and exhaust all grievance procedures adopted by the Manager and / or the Tribe. After completion of the grievance procedures, to the extent available, jurisdiction for a resolution of the dispute shall reside in the Tribal Court of the Tribe pursuant to all applicable Tribal Ordinances.

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88) In the event of a dispute between the Manager and the Tribe concerning the Contract, its interpretation or the activities of the Manager under the Contract and / or with respect to the operation of the Casino, which dispute does not involve the termination of the Contract, then the following dispute resolution procedures shall apply:

a) Either party shall immediately notify the other party of the dispute in writing;

b) Within five (5) business days of receipt of the notice of a dispute, the parties shall meet and seek to resolve the dispute informally;

c) If the parties cannot informally resolve the dispute, then either party shall either:

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(1) submit the dispute within 10 business days to a third party the parties shall mutually agree upon to mediate the dispute, or

(2) at the mutual election of the parties, follow the alternative dispute resolution procedures set forth in the Compact.

89) In the event that the parties are unable to resolve the dispute through mediation, then either party shall be entitled to commence an action in the Tribal Court, exhaust all appeals in Tribal Court, and then appeal to the Federal District Court for the Western District of Washington at Seattle.

90) In the event that the Tribe shall terminate this Contract before the end of its term, and the Manager shall feel aggrieved, then the Manager shall be entitled to utilize the dispute resolution procedures set forth above in paragraphs 88 and 89.

91) In the event that a dispute arises between the Manager and the Tribal Gaming Agency, which dispute cannot be resolved informally, then such dispute shall be submitted to the Tribal Court and after exhaustion of all remedies in the Tribal Court, then a right of appeal shall exist to the Federal District Court for the Western District of Washington at Seattle.

92) In any litigation brought in either Tribal Court or Federal Court,

93) The parties acknowledge that there are certain issues remaining to be negotiated by the Tribe with respect to the

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Compact, including without limitation, the rules and regulations and manner of play of certain permitted games under the Compact. Unless otherwise agreed to by the Tribe, the Tribe shall negotiate the same, but the Manager shall provide information to the Tribe and / or assist the Tribe in such negotiations. In the event that the Tribe shall so elect, the Manager shall become a part of the negotiating team.

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to as "Machines") in the Casino,

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Manager further agrees that Bruce Einhorn and Paul Brody shall spend all time required to insure that the Casino shall be constructed and opened in the shortest time possible and that said individuals shall provide their full attention to the Tribe's Casino until the operation thereof shall be considered smooth, efficient and profitable by both Manager and the Tribe.

99) Manager shall use its best efforts to assist the Tribe in further economic and social development on, near or adjacent to the Reservation, including, without limitation, the introduction of the Tribe to lenders available to Manager and technical assistance.

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101) Notices shall be given to the Tribe at: Confederated Tribes of the Chehalis Indian Reservation, deliverable to the Tribal Center on the Reservation or such other location or address as the Tribe shall designate.

Copy to:

Harold Chesnin
MATHEWS GARLINGTON-MATHEWS & CHESNIN
401 Second Avenue South, Suite 500
Seattle, Washington 98104

102) Notices shall be given to the Manager at:

Excelsior Casino Management Group, Inc.
c/o Paul Brody and Company PC
452 Jackson Street
Willimantic, Connecticut 06226

or such other location or address as the Manager shall designate.

103) At the time that the Manager opens or utilizes an office at either the Casino or on the Reservation, notice shall be given at the said office.

104) By executing this Contract, the Manager hereby represents that its Board of Directors have specifically authorized the signing of this Contract by Corporate Resolution and the officers signing below are fully authorized to sign on behalf of the Manager.

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MATHEWS GARLINGTON-MATHEWS & CHESNIN 500 Court in the Square · 401 Second Avenue South · Seattle, WA 98104 Telephone (206) 621-7557

105) By signing below, the Tribe hereby represents that the Business Committee has passed a Resolution authorizing signing the Contract.

106) This Contract represents the entire agreement of the parties hereto and shall not be modified, except in writing, signed by the parties hereto.

107) This agreement shall be construed in all respects in accordance with the laws of the Tribe and federal law effecting Indian Tribes.

Dated this 16th day of May, 1993.

CONFEDERATED TRIBES OF THE CHEHALIS INDIAN RESERVATION

BY: _____
MAGDALENA MEDINA
Chairperson

EXCELSIOR CASINO MANAGEMENT GROUP, INC.

BY: _____
BRUCE EINHORN
President

APPROVED:

_____

Chairman, National Indian Gaming Commission

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