MANAGEMENT AGREEMENT

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# MANAGEMENT AGREEMENT

## RECITALS

**WHEREAS, the Chitimacha Tribe of Louisiana, entered into the Bingo Management Agreement (Appendix "A") with GL Bingo, Inc. and GL Development Corporation dated November 9, 1989, approved by the Secretary of the Interior on June 6, 1991, for the management, operation, and maintenance of bingo and related Class II gaming at the Chitimacha Bayouland Bingo Facility on the Chitimacha Reservation, in Charenton, Louisiana; and**

**WHEREAS, GL Bingo, Inc. and GL Development Corporation agreed to terminate its rights under the Bingo Management Agreement and allow Royal Associates Management, Inc. all privileges and rights related to the Bingo Management Agreement in consideration of the recitals, terms and conditions of the Agreement (Appendix"B") made and entered into on the 14th day of June, 1993, by and between GL Bingo Inc., GL Development Corporation, and Royal Associates Management, Inc.; and**

**WHEREAS, the Chitimacha Tribe of Louisiana, GL Bingo, Inc. and GL Development Corporation agreed to terminate the Bingo Management Agreement**



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voluntarily in consideration of the recitals, terms, and conditions of the Management Agreement Termination and General Release (Appendix "C" ) dated on the 14th day of June, 1993, made by and between the Chitimacha Tribe of Louisiana, GL Bingo Inc. and GL Development; and

WHEREAS, the Tribe and Royal Associates Management, Inc. agreed to enter into a new management agreement setting forth the terms under which Royal shall operate and manage Class II gaming and such Class III gaming at the Chitimacha Bayouland Bingo Facility in accordance with the Indian Gaming Regulatory Act, Title XII - Gaming Ordinance, of the Chitimacha Comprehensive Codes of Justice, and the Tribal/State Compact between the Chitimacha Tribe of Louisiana and the State of Louisiana, which management agreement was submitted to the National Indian Gaming Commission for review and approval; and

WHEREAS, pending the review and approval of the new management agreement by the National Indian Gaming commission, the Tribe has opened and operated its Class II and Class III gaming facility under Tribal management and control; and

WHEREAS, the Tribe and Royal Associates Management, Inc. have now agreed to revise the terms and conditions of the new management agreement in certain



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material ways and, therefore, have agreed to withdraw that management agreement from consideration and review of the National Indian Gaming Commission and to enter into and submit a replacement management agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Chitimacha Tribe of Louisiana and Royal Associates Management, Inc. agree as follows:

SECTION 1. DEFINITIONS

(A) "Act" shall mean the Indian Gaming Regulatory Act, Stat.2467, 25 USC 2701, et seq.

(B) "Compact" shall mean the Tribal/State Compact for the Conduct of Class III Gaming Between the Chitimacha Tribe of Louisiana and the State of Louisiana executed on February 15, 1993.

(C) "Existing Facility" shall mean the Tribal gaming facility formerly known as Chitimacha Bayouland Bingo as described in Appendix "D".

(D) "Expansion" shall mean the Tribal gaming facility formerly known as Chitimacha Bayouland Bingo expanded beyond the Existing Facility.

(E) "Facility" shall mean any room or rooms in which Class II or Class III gaming is conducted on the Reservation pursuant to the Compact, including contiguous patron food, beverage and service facilities.



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(F) "GAAP" shall mean "Generally Accepted Accounting Principles" as promulgated by the American Institute of Certified Public Accountants.

(G) "Gaming Operations" shall mean all business operations directly connected with the conduct of Class II and Class III gaming at the Facility.

(H) "Gaming Related Operating Expense" shall mean all operating expenses directly attributable or allocable to Gaming Operations in accordance with GAAP.

(I) "Gross Gaming Revenues" shall mean all revenues directly derived frm the conduct of Gaming Operations.

(J) "Gross Receipts"

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(K) "Net Gaming Profits"

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(L) "Net Operating Profits"

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(M) "Operating Expenses" shall mean :

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(N) "Ordinance" shall mean Title XII-Gaming Ordinance, of the Chitimacha Comprehensive Codes of Justice.

(O) "Royal" shall mean Royal Associates Management, Inc.

(P) "Tribal Council" shall mean the Chitimacha Tribal Council, the duly elected governing body of the Chitimacha Tribe of Louisiana as authorized by Article V, Section 1 of the Tribal Constitution and By-Laws.

(Q) "Tribal Taxes" shall mean taxes or any other form of non-discretionary, required payment to the Tribe in its governmental capacity.

(R) "Tribe" shall mean the Chitimacha Tribe of Louisiana.



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## SECTION 2. GOVERNMENTAL AUTHORITY

**All gaming performed under the authority of this Agreement shall be conducted in accordance with the Act, the Ordinance and the Compact.**

## SECTION 3. ENGAGEMENT OF MANAGER

**(A) The Tribe hereby retains Royal to manage, operate, and maintain the tribal gaming Facility currently known as the Cypress Bayou Casino located on the Chitimacha Indian Reservation in Charenton, Louisiana. Royal shall have the exclusive right to conduct authorized Class II and Class III gaming on the Reservation, including both gaming which is authorized at the time this Agreement is executed, and gaming which is subsequently authorized in accordance with the Governmental Authorities described in Section 2 of this Agreement, together with food service, liquor and other beverage services and a gift and souvenir shop to be established at the Facility.**

**(B) The Tribe may use the Facility for tribal, noncommercial purposes that do not conflict, interfere with, or impose costs on the gaming operation.**

**(C) The parties may in the future agree that Royal may also develop, conduct and manage other revenue producing activities in the Facility by an appropriate instrument in writing amending this Agreement.**



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SECTION 5. ASSIGNMENT OF RESPONSIBILITIES

(A) Royal shall operate, manage, and maintain the gaming operation and Facility in full and strict compliance with the Governmental Authorities described in Section 2, and this Agreement, all as currently or hereafter written, amended or modified. The parties understand that the gaming operation shall be conducted in a manner that adequately protects the public health and safety and the environment; shall be free of criminal or dishonest activity; and shall be conducted to result in the effective and honest accounting of all revenues. Except as otherwise provided in this Agreement, Royal shall have complete responsibility for operation and maintenance of the gaming Facility.

(B) Royal shall have the following management responsibilities pursuant to this Agreement and as generally described in Section 5(A) of this Agreement, and in accordance with the regulations and controls established by the Governmental Authorities described in Section 2 of this Agreement which shall include, but not be limited to, and

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(1) maintaining and improving the Facility;

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(3) establishing operating days and hours;

(4) hiring, firing, training, promoting, and administration of all



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personnel, personnel programs, and policies;

(5) maintenance of adequate accounting and internal control procedures in order to assure verifiable, efficient, reliable, and honest gaming activity;

(6) preparing the operation's financial statements and records;

(7) the independent certified public accountant selected by the Tribe and engaged pursuant to 25 CFR 571.12 of the regulations promulgated pursuant to the Act;

(8) staffing, supervision, and maintenance of adequate security and surveillance personnel and procedures in order to assure verifiable, efficient, reliable, and honest gaming activity;

(9) promulgation and execution of promotional, advertising, and marketing programs in order to generate interest and encourage the enlargement of business without the use of deceptive or misleading practices;

(10) paying bills and expenses;

(11) establishing and administering employment practices;

(12) obtaining and maintaining insurance coverage, including coverage of public liability and property loss or damage;

(13) complying with all applicable provisions of the Internal Revenue Code;

(14) paying the cost of any increased public safety services;

(15) the payment of all expenses incurred to bear the costs of regulation of the gaming activity at the Facility, as follows:

(a) the Chitimacha Gaming Commission pursuant to Section 516 of the Ordinance;

(b) the State of Louisiana pursuant to Sections 11 and 12 of the Compact;

(c) expenses of the Chitimacha Tribal Police relating to services rendered to the gaming enterprise;

(d) the National Indian Gaming Commission pursuant to 25 USC 2717; and

(e) expenses incurred to assure compliance with the National Environmental Policy Act.

(16) deduction of depreciation shall also be an operating expense;

(17) such other management and operational activities as necessary to fulfill its responsibilities pursuant to this Agreement.

(C) The responsibilities of the Tribe for the functions described in Section 5 (B), pursuant to the provisions of this Agreement and in accordance with the regulations and controls established by the Governmental Authorities described in Section 2 of this Agreement, shall include, but not be limited to, the following:

(1) the establishment and appointment of the Chitimacha Gaming



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Commission with the timely promulgation of the required regulations which shall govern the functions associated with the operation and management of the gaming Facility in accordance with the provisions and requirements of the Ordinance. The Chitimacha Gaming Commission shall have the primary responsibility for the on-site regulation, control, security and primary administrative enforcement authority of the gaming Facility and operation;

(2) providing for fire protection and law enforcement services through the Tribal departments and in cooperation with parish, state, and federal agencies;

(3) Supplying the National Indian Gaming Commission with all information necessary for said Commission to comply with the regulations of said Commission issued pursuant to the National Environmental Policy Act;

(4) Selecting an independent certified public accountant to prepare financial statements in conformity with 25 CFR 571.12.

SECTION 6. PERSONNEL

(A) Subject to the provisions of Section 6(D), Royal shall have the authority and responsibility to hire, train, direct, control and discharge all personnel employed at the Facility, and shall employ security personnel to oversee the safety and security



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of the Facility, its guests and employees, and the monies derived from the enterprise, all as provided in this Section.

(B) Compensation for the services of all such personnel shall be determined by Royal provided that such compensation is within the annual budget approved by the Tribe pursuant to Section 8 and provided that Royal shall not pay performance bonuses in excess of the amounts in the approved budget.

(C) Royal's authority over personnel shall be subject to the following provisions:

(1) The parties understand that the facility shall be operated pursuant to the Ordinance and Royal agrees to comply with the Ordinance, subject to the terms of Section 32 herein. Royal may not employ or utilize any person or entity required to be licensed or approved by the Chitimacha Gaming Commission unless and until said person or entity has received the required license or approval.

(2) Royal shall give the Chitimacha Gaming Commission twenty-one (21) days notice (or such other period of notice as may be required under the Ordinance of any proposed hiring of primary management officials and key employees for the facility. Pursuant to the Ordinance, the Chitimacha Gaming Commission shall conduct, or arrange for, a background investigation of such proposed employees and consider the

applications of such proposed employees to be licensed by it. If the Chitimacha Gaming Commission issues a temporary license to any such proposed primary management official or key employee, such person may be employed temporarily by Royal pending the outcome of the background investigation and the Chitimacha Gaming Commission's ultimate disposition of the person's application for a tribal gaming license. The cost of the investigation shall be a charge against the gaming operations.

(3) Royal shall give a first preference in filling all vacancies at the facility to qualified tribal members and a second preference to other qualified Indians. Royal shall provide on-the-job training for Indians accepted for employment.

SECTION 7. ACCOUNTING

(A) Royal shall allow for, and maintain, all required accounting systems, procedures, internal controls, and records of the operation adopted pursuant to the provisions of this Agreement, and subject to the regulations and controls established by the Governmental Authorities described in Section 2 of this Agreement, shall include, but not be limited to, the following:

(1) internal accounting controls and accounting cash control management procedures required by the Chitimacha Gaming



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Commission which shall be developed in association with a certified public accounting firm experienced in the gaming industry in order to safeguard monies, receipts, and other assets from skimming, money laundering, embezzlement, and other criminal activities;

(2) the preparation and submission of monthly financial statements in accordance with generally accepted accounting principals;

(2A) revenues and expenses derived from gaming activities shall be reported separately from those revenues and expenses derived from non-gaming activities;

(3) the conduct of an annual audit of the Facility operations by an Independent Certified Accountant, in accordance with the auditing and accounting standards for audits of casinos of the American Institute of Certified Public Accountants;

(4) the calculation of the annual fee for Class II gaming required under the Act;

(5) the calculation and payment of the management fees;

(6) the appropriate allocation of Operating Expenses;

(7) a surveillance log recording all surveillance activities and a security log recording the employee assignments of the Chitimacha Gaming Commission or security department shall be maintained in the monitoring room of the Facility, which shall be available for inspection by the State



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of Louisiana;

(8) a closed circuit television system maintained in the Facility and operating in accordance with the procedures required by the Chitimacha Gaming Commission;

(9) a cashier's cage maintained in the Facility and operation in accordance with the procedures required by the Chitimacha Gaming Commission;

(10) minimum requirements for supervisory staffing for each table and gaming pit operated in the Facility shall be maintained in accordance with the procedures required by the Chitimacha Gaming Commission;

(11) unfettered access by the Chitimacha Gaming Commission to the daily operations of all gaming activities of the Facility and who shall have the absolute right to verify the daily gross revenues and income made from the facility;

(12) all calculating and accounting matters relating to this Management Agreement shall be conducted according to GAAP.

## SECTION 8. BUDGET REPORTS AND REGULAR BUSINESS MEETINGS

(A) Royal shall prepare and submit to the Tribal Council and the Chitimacha Gaming Commission, verifiable monthly financial reports developed in accordance with generally accepted accounting principals by the 10th day each month identifying the



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financial activity of the Facility for the previous month;

(B) Royal shall meet at least once each month (or more often if requested to do so by the Tribal Council) with the Tribal Council or its designees to review all aspects of its management of the Facility.

(C) Royal shall prepare and submit to the Tribal Council at least thirty days prior to September 30 of each year a detailed operating budget for the next fiscal year for approval by the Tribal Council, which approval shall be in consultation with the Chitimacha Gaming Commission and shall not be unreasonably withheld. This submission shall include a sufficient description of each item of Operating Expense to permit its understanding and an informed review by the Tribal Council. Once the Tribal Council approves an operating budget, it shall be reviewed by the Tribal Council on a quarterly basis and Royal shall not expend more than the amount allowed for any item in the approved budget without written approval of the Tribal Council.

(D) Royal shall prepare and submit to the Tribal Council, separate proposed budgets for the construction of the Expansion at least sixty (60) days before construction begins. These budgets shall be as detailed as those required under Section 8(C). No construction shall take place until the Tribal Council grants approval of the construction. The Tribal Council, in its discretion, may retain an independent expert to review the proposed construction budgets.

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SECTION 9. ACCESS

The Chitimacha Gaming Commission shall have unfettered access to the Facility and it's records, which shall include the absolute right to verify the daily gross revenues and income made from the Facility.

SECTION 10. DISTRIBUTIONS AND PAYMENTS TO THE TRIBE

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(E) The Tribe and Royal agree that gaming machines must be obtained on terms that are reasonable; comply with all applicable laws including, but not limited to, laws regarding ownership of gaming equipment and are approved by the Chitimacha Gaming Commission.



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SECTION 12. INSURANCE

Royal shall obtain and maintain insurance coverage of the following types in at least the amounts set forth below through separate policies exclusively devoted to the gaming activity conducted hereunder:

Property hazard insurance:

Comprehensive general liability insurance:

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Non-owned vehicle liability insurance:

Workmen's compensation:

Liability umbrella coverage:

Employee theft insurance:

Business interruption insurance:

The Tribe shall be named as an additional insured party on all policies. The policy shall provide that the insurer shall not assert the Tribe's immunity from suit for claims within the policy limits.

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In the event the premises are substantially destroyed and both parties decide not to rebuild them, the insurance proceeds

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SECTION 13. TERM

b4 This Agreement shall remain in effect . from the first day of operation of gaming pursuant hereto, the date of which the Tribal Council shall give notice contemporaneous with said first day of operations. The term of this Agreement

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SECTION 14. COMPENSATION

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## SECTION 15. TERMINATION

**This Agreement may be terminated:**

**(A) upon the mutual written consent and approval of both parties;**

**(B) by Royal, on one-hundred eighty (180) days written notice to the Tribal Council if in its opinion the gaming operation is no longer financially feasible; provided that if Royal terminates the Agreement pursuant to this Section, any Note executed by the Tribe in favor of Royal under Section 11 shall be canceled and shall be of no force and effect from and after the effective date of termination; or**

**(C) by either party's giving notice of its intent to terminate this Agreement because of a material breach of its terms by the other party. Any notice to terminate shall give the other party specific notice of the breach and not less than thirty (30) days in which to cure the breach. During the period specified in the notice to terminate, either party may submit the matter to arbitration under the procedures specified in Section 16.**

**(D) upon the loss by Royal of its license to manage the gaming operation or upon the disqualification of Royal for any reason whatsoever preventing it from performing its management responsibilities hereunder.**

## SECTION 16. DISPUTE RESOLUTION PROCEDURES

**(A) Disputes between Royal, as Manager, and customers.**

**(1) It is the intent of the parties that all customer disputes be resolved**



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fairly, justly, equitably and expediently.

(2) Royal shall adopt customer dispute resolution procedures which shall implement the above described intent and which shall be submitted in advance of adoption for approval by the Chitimacha Gaming Commission.

(3) The customer dispute resolution procedures shall comply with Section 511(G) of the Ordinance and shall, at a minimum provide:

(a) Whenever Royal refuses payment of alleged winnings to a customer, Royal and the customer are unable to resolve the dispute to the satisfaction of the customer and the dispute involves:

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(1) Royal shall immediately notify the Chitimacha Gaming Commission; or

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(2) Royal shall inform the customer of his right to request that the Chitimacha Gaming Commission conduct an investigation. The Chitimacha Gaming Commission, through an inspector, shall conduct whatever investigation it deems necessary and shall determine whether payment should be made.

(b) The Chitimacha Gaming Commission inspector shall mail written notice by certified mail, return receipt requested, to Royal and the customer of his decision resolving the dispute within thirty



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(30) days after the date that the Chitimacha Gaming Commission first receives notification from Royal or a request to conduct an investigation from the customer.

(1) The decision of the inspector is effective on the date it is received by the aggrieved party as reflected on the return receipt.

(2) Within thirty (30) days after the date of receipt of the written decision of the inspector, the aggrieved party may file a petition with the Chitimacha Gaming Commission requesting a review of the decision. The Chitimacha Gaming Commission may set a hearing on the matter, or may make a decision based solely upon the inspector's decision and other documentation provided to it by the customer and Royal. The Chitimacha Gaming Commission shall then issue a written decision and mail it to the parties by registered mail or certified mail, return receipt requested.

(c) The liability of Royal in any dispute under this Section shall be limited to the amount of the alleged winnings and a customer shall not be entitled to an award of special or punitive damages, or damages for mental distress.



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(d) The decision of the Chitimacha Gaming Commission shall be subject to judicial review only as provided in the Compact.

(B) Disputes between Royal and the Tribe

(1) Either party may submit any dispute arising under the terms of this Agreement, including the Notes executed pursuant to Section 11 to arbitration under this Section, including a claim that a party has breached this Agreement and the Agreement should be terminated. Arbitration shall take place under the procedures set forth in this Section:

(a) Unless the parties agree upon the appointment of a single arbitrator, a panel of arbitrators consisting of three (3) members shall be appointed. One (1) member shall be appointed by the Tribe and one (1) member shall be appointed by Royal within ten (10) working days' time following the giving of notice submitting a dispute to arbitration. The third member shall be selected by

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(b)

Meetings of the arbitrators may be in person or, in appropriate circumstances, by telephone. All decisions of any arbitration panel shall be by majority vote of the panel, shall be in writing, and, together with any dissenting opinions, shall be delivered to both parties.

(c) The arbitrator or arbitration panel shall have power to administer oaths to witnesses, to take evidence under oath, and, by majority vote, to issue subpoenas to compel the attendance of members of the Tribe or employees of Royal or for the production of books, records, documents and other relevant evidence by either party. The Tribe and Royal agree to comply with such subpoenas.

(d) The arbitrator or arbitration panel shall hold hearings in the proceeding before it and shall give reasonable advance notice to the Tribe and Royal by registered mail not less than five (5) days before any hearing. Unless otherwise agreed by the Tribe and Royal, all hearings shall be held at the Tribal Offices on the Chitimacha Indian Reservation. Appearance at a hearing waives such notice. The arbitrator or arbitration panel may hear and determine the controversy only upon evidence produced before it and may determine the controversy notwithstanding the failure of



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either the Tribe or Royal duly notified to appear. The Tribe and Royal is each entitled to be heard at all hearings, to present evidence material to the matter subject to arbitration, to cross-examine witnesses appearing at the hearing, and to be represented by counsel at its own expense.

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

(2) The decision of the arbitrator or arbitration panel shall be presumed to be valid, and may be vacated only by the United States District Court for the Western District of Louisiana on one of the following grounds:

(a) the decision is not supported by substantial evidence;

(b) the decision was procured by corruption, fraud or undue means;

(c) there was evident partiality or corruption by the arbitrator, arbitration panel or by any member;

(d) the arbitrator, arbitration panel or any member was guilty



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of misconduct in refusing to hear the question, or in refusing to hear evidence pertinent and material to the question, or any other clear misbehavior by which the rights of either party have been substantially prejudiced;

(e) the arbitrator or arbitration panel or any member exceeded it authority under the terms of this Agreement; or

(f) the arbitrator or arbitration panel's decision is contrary to law.

(3) This Agreement does not constitute and shall not be construed as a waiver of sovereign immunity by the Tribe except to permit arbitration and judicial review under the procedures set forth in this Section. Notwithstanding any other provision, no tribal property or assets of any kind, other than future tribal receipts from gaming operations on the Reservation, shall be subject to this provision.

(C) Disputes between Royal and Gaming Operation Employees

(1) Royal shall promulgate an employee manual which shall detail the procedures for the resolution of disputes between it and its gaming operation employees.

(2) The procedures required herein shall be subject to the approval of the Chitimacha Gaming Commission.

(3) No gaming operation employee shall be disciplined by Royal in any



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way as a penalty for that employee having properly cooperated with the Chitimacha Gaming Commission.

SECTION 17. ASSIGNMENTS

(A) This Agreement shall not be assigned by either party without the prior written consent of the other party, nor shall Royal, without the prior written consent of the Tribal Council, subcontract with a third party where the third party has any responsibility for the gaming operation or access to any Gross Receipts of the gaming operation. No such assignment or subcontract shall be valid until approved by the National Indian Gaming Commission. If an assignment or subcontract is so approved, this Agreement shall inure to the benefit of and be binding on the assignees or subcontractor.

SECTION 18. PARTIES IN INTEREST

Royal represents that all its stock is now owned by Thomas R. Odisho,

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Royal agrees that any transfer of a controlling interest in its stock shall be considered an assignment of this contract and must be approved by the Tribe and the National Indian Gaming Commission.

Appendix "F" to this Agreement is a list of all parties in interest to this Agreement, including:

(A) the name, address, and other additional pertinent background information



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on each person or entity (including individuals comprising such entity) having a direct financial interest in, or management responsibility for, such contract, and, in the case of a corporation, those individuals who serve on the board of directors of such corporation and each of its stockholders who hold (directly or indirectly) ten percent (10%) or more of its issued and outstanding stock;

(B) a description of any previous experience that each person listed pursuant to Section 19(A) has had with other gaming contracts with Indian tribes or with the gaming industry generally, including specifically the name and address of any licensing or regulatory agency with which such person has had a contract relating to gaming; and

(C) a complete financial statement of each person listed pursuant to Section 19(A).

The list in Appendix "G" shall be updated by Royal as required pursuant to the regulations promulgated by the Chitimacha Gaming Commission. All changes shall be deemed incorporated to Appendix "G" by reference.

## SECTION 18 A. OWNERSHIP INTERESTS

No ownership interest in Royal shall be assigned, transferred, hypothecated or pledged in any way without prior approval of the Chitimacha Gaming Commission in accordance with the procedures for same promulgated by the Chitimacha Gaming Commission.



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## SECTION 19. EFFECTIVE DATE OF AGREEMENT

**This Agreement shall not be effective unless and until it is approved by the Chairman of the National Indian Gaming Commission, date of signature of the parties notwithstanding.**

## SECTION 20. AMENDMENT

**The provisions of this Agreement may be modified at any time by written agreement signed by both the parties and approved by the National Indian Gaming Commission.**

## SECTION 21. WAIVER

**Any of the terms or conditions of this Agreement may be waived with the approval of the National Indian Gaming Commission at any time by the party entitled to the benefit thereof, but no such waiver shall affect or impair the right of the waiving party to require observance, performance or satisfaction either of that term or condition as it applied on a subsequent occasion or of any other term or condition of this Agreement.**

## SECTION 22. INDEMNIFICATION

**Royal shall indemnify and hold harmless the Tribe regarding all claims and liabilities arising from the operation of the gaming facility, including but not limited to**



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claims by creditors of the gaming facility and claims regarding injury or death allegedly arising from the operation of the gaming Facility.

## SECTION 23. ENCUMBRANCES

The Tribe specifically warrants and represents that it shall not directly encumber assets, Gross Receipts or Net Operating Profits of the Facility without Royal's prior written consent. Nothing in this Agreement authorizes either party to encumber any real property owned by the Tribe.

## SECTION 24. FACILITY OWNERSHIP

It is expressly understood that the Tribe shall own the Facility, including but not limited to the related video or other gaming machines, inventory, equipment, supplies and working capital.

## SECTION 25. NOTICES

Any notice under this agreement shall be in writing, and any written notice or other document shall be deemed to have been duly given on the date of personal service on the parties or service by telecopier at the addresses or telecopier numbers set forth below or at the most recent address or telecopier number specified by the addressee through written notice under this provision.



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| Name | | Address |
|---|---|---|
| Royal Associates Management, Inc. | | 2398 E. Camelback Road<br>Suite 900 |
| Attn: | Thomas R. Odisho<br>President | Phoenix, Arizona 85016<br>(602) 468-8900 |
| Tribe: | | |
| Chitimacha Tribe of Louisiana | | Post Office Box 661 |
| Attn: | Ralph Darden<br>Chairman | Charenton, Louisiana 70523<br>(318) 923-7791 |

## SECTION 26. SEVERABILITY

If any provisions of this Agreement is held by an arbitrator or arbitration panel or by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect and shall in no way be impaired or invalidated.

## SECTION 27. GOVERNING LAW

The rights and obligations of the parties and the interpretation and performance of this Agreement shall be governed by the law of the Chitimacha Indian Tribe and by applicable federal laws and regulations.



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**SECTION 28. PAYMENTS TO MEMBERS OF THE GOVERNMENT OF THE TRIBE PROHIBITED**

**No payments have been made nor shall be made to any elected member of the government of the Tribe or any relative of any elected member of the government of the Tribe for the purpose of obtaining or maintaining this Agreement or for any privilege for Royal.**

**SECTION 29. NO PARTY IN INTEREST A MEMBER OF THE GOVERNMENT OF THE TRIBE**

**No party in interest to this Agreement is or shall be a member of the Chitimacha Tribal Council or a member of the immediate family of a Chitimacha Tribal Council Member.**

**SECTION 30. NO EMPLOYEE A MEMBER OF THE GOVERNMENT OF THE TRIBE**

**No member of the Chitimacha Tribal Council or the Chitimacha Gaming Commission having, or a relative in the immediate household of a member of the Chitimacha Tribal Council or the Chitimacha Gaming Commission, shall be an employee of Royal or of the gaming operation.**



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## SECTION 31. COMPLIANCE WITH TRIBAL CODES

Royal shall conduct its operations in accordance with tribal codes now or hereafter in effect regulating or controlling gambling operations, the environment or public health and safety. The Tribe will not alter, amend or repeal its codes relating to gambling operations in such a way as to have a materially adverse effect on Royal or on the gaming operation. The Tribe will impose no tribal taxes either on Royal or on the gaming operation during the term of this agreement so long as the Facility is managed by Royal, but the Tribe may impose taxes on sales of food, beverages, gifts, souvenirs and other non-gaming items. The Tribe agrees with Royal that there are no tribal taxes due to the Tribe from GL Bingo, Inc., that Royal would be responsible for or assume.

## SECTION 32. NONINTERFERENCE WITH THE TRIBE

Royal will not interfere with or attempt to influence the internal affairs or the governmental decisions of the Tribe; provided, however, that Royal shall be entitled to meet with the Tribal Chairman, Council and any other governmental bodies of the Tribe in connection with the conduct of its activities under this Agreement.

## SECTION 33. TOLLING OF AGREEMENT

The term of this Agreement shall be tolled if both Class II and Class III gaming operations contemplated hereby become unlawful. The term of this Agreement shall



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resume if either Class II or Class III gaming operations again become lawful within a seven (7) year period thereafter.

## SECTION 34. FEDERAL APPROVAL

This Agreement is subject to approval under federal law. The parties shall take all steps necessary to secure such approval and to comply with federal law.

## SECTION 35. TRIBAL APPROVAL

Whenever in this Agreement the approval of the Tribe is required, such approval shall be expressed by a written resolution adopted by the Chitimacha Tribal Council.

## SECTION 36. ENTIRE AGREEMENT

This document constitutes the entire agreement between the parties, all prior oral or written agreements being merged herein, and supersedes all prior representations. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties relating to the subject matter of this Agreement that are not fully expressed herein. The management agreement between the Tribe and GL Bingo, Inc. of November 9, 1989, is recognized and acknowledged by the parties to be terminated and of no further force and effect upon approval of this agreement by the National Indian Gaming Commission. The parties further recognize and acknowledge that, at that time, the construction note



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described in the November 9, 1989 agreement between the Tribe and GL has been canceled and has no further force or effect.

Executed this 3rd day of June, 1994.

ROYAL ASSOCIATES MANAGEMENT, INC.

By: Thomas R. Odisho

Thomas R. Odisho, President

CHITIMACHA TRIBE OF LOUISIANA

By: Ralph C. Darden

Ralph C. Darden, Chairman

7/29/94

Anthony J. Hope
Chairman NIGC



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