JAN 12 2000

THIRD AMENDMENT TO MANAGEMENT AGREEMENT BETWEEN THE PRAIRIE BAND POTAWATOMI INDIAN NATION AND HARRAH'S KANSAS CASINO CORPPORATION

The Management Agreement entered into on January 29, 1997, by and between the PRAIRIE BAND POTAWATOMI INDIAN NATION, a federally recognized Indian tribe, (hereafter, the "Tribe") and HARRAH'S KANSAS CASINO CORPORATION, a Nevada corporation, (hereafter, the "Manager") and amended on January 30, 1997 and October 31, 1997, is amended in accordance with Section 9.25 of the Management Agreement on this 11th day of January 2000.

1. Recitals

1.1 The Tribe and the Manager executed a Management Agreement on January 29, 1997; and

1.2 For good and valuable consideration, the Tribe and the Manager amended the provisions of the Management Agreement dated January 29, 1997, on January 30, 1997, and again on October 31, 1997; and

1.3 For good and valuable consideration, it is the parties' desire to delete from the scope of the Management Agreement all Class II Gaming.

1.4 All terms defined under the Management Agreement not amended in this Amendment shall retain their meanings as set forth in the Management Agreement.

1.5 In furtherance of the objective of this Amendment, the Management Agreement is amended as follows:

One:

The Recitals found in the Management Agreement at 1.2, 1.4, 1.6 and 1.8 are hereby amended to delete only the references to Class II Gaming.

Two:

Article 2 is amended as follows:

The definition of **"Bingo"** is amended by deleting it in its entirety.

definition of **"Business"** is amended by deleting it and replacing it with the following:

"Business" shall mean the commercial activities conducted at the Facility, including Class III Gaming, Hotel, and any other lawful commercial activity allowed in the Facility including, but not limited to, food and beverage service, and the sale of alcohol, gifts and souvenirs; provided that the Facility may include a separate tribal business for the sale of gifts and crafts and tobacco and tobacco related products, which the Tribe may elect to operate, rent free, in an area and size (approximately 1,000 square feet at the Facility) to be mutually agreed upon between the Manager and the Tribal Council.

"Gaming" shall mean any and all activities defined Class III Gaming.

The definition of **"Net Revenues (Bingo)** is amended by deleting it in its entirety.

"Net Revenues (Gaming)" shall mean Gross Gaming Revenue (Win), of the Business from Class III gaming less all gaming related Operating Expenses, excluding the Management Fee and less the retail value of any Promotional Allowances, and less the following revenues actually received by the Business and included in Gross Gaming Revenues:

(i) any gratuities or service charges added to a customer's bill;

(ii) any credits or refunds made to customers, guests or patrons;

(iii) any sums and credits received by the Business for lost or damaged merchandise;

(iv) any sales taxes, excise taxes, gross receipt taxes, admission taxes, entertainment taxes, tourist taxes or charges received from patrons and passed on to a governmental or quasi governmental entity;

(v) any proceeds from the sale or other disposition. of furnishings and equipment or other capital assets;

(vi) any fire and extended coverage insurance proceeds other than for business interruption;

(vii) any condemnation awards other than for temporary condemnation;

(viii) any proceeds of financing or refinancing; and

(ix) any interest on bank account(s).

It is intended that this provision be consistent with 25 U.S.C. § 2703 (9).

"Net Revenues (Other)" shall mean all Gross Revenues of the Business from all other sources in support of Class III Gaming not included in "Net Revenues (Gaming)" such as food and beverage, entertainment, and retail, less all Operating Expenses, excluding the Management Fee and less the retail value of Promotional Allowances, if any, and less the following revenues actually received by the Business and included in Gross Revenues:

(i) any gratuities or service charges added to a customer's bill;

(ii) any credits or refunds made to customers, guests or patrons;

(iii) any sums and credits received by the Business for lost or damaged merchandise;

(iv) any sales taxes, excise taxes, gross receipt taxes, admission taxes, entertainment taxes, tourist taxes or charges received from patrons and passed on to a governmental or quasi governmental entity,

(v) any proceeds from the sale or other disposition of furnishings and equipment or other capital assets;

(vi) any fire and extended coverage insurance proceeds other than for business interruption;

(vii) any condemnation awards other than for temporary condemnation;

(viii) any proceeds of financing or refinancing; and

(ix) any interest on bank account(s).

It is intended that this provision be consistent with 25 U.S.C. § 2703 (9).

The calculation of Net Revenues (Other) shall not include Gross Revenues (Hotel) or any Operating Expense directly related to the operation of the Hotel.

"Property" shall mean that parcel of land within the boundaries of the Reservation selected by the Tribe as suitable for development of the Facility and operation of the Business which meets the requirements of the United States of
America as eligible for use for Class III Gaming, as legally described on Exhibit J hereto.

"Total Net Revenues" shall mean the sum of "Net Revenues (Gaming) and Net Revenues (Other) and is also referred to herein as "Net Revenues".

Three:

b4

Article 3.14 is amended as follows:

3.14 Exclusive Rights of Manager .

Four:

Article 4. is amended by deleting 4.1 and 4.4.3 and replacing it with the following:

4. Business and Affairs in Connection with the Business.

4.1 Manager's Authority and Responsibility . Manager shall conduct and direct all business and affairs in connection with the day-to-day operation, management and maintenance of the Business and the Facility. It is the parties' intention that the Business be open 24 hours daily, seven days a week; however, the Manager shall have the responsibility for establishing the operating days and hours of the Business, subject to the Tribal Council's authority to close the Class III part of the Facility for an extraordinary cultural, religious or other similar reason not to exceed 24 hours in the aggregate per year. Manager is hereby granted the necessary power and authority to act, through the General Manager, in order to fulfill all of its responsibilities under this Agreement. Nothing herein grants or is intended to grant Manager a titled interest to the Facility or to the Business. Manager hereby accepts such retention and engagement. The Tribe shall have the sole proprietary interest in and ultimate responsibility for the conduct of all Gaming conducted by the Business, subject to the rights and responsibilities of Manager under this Agreement.

4.4.3 **Other Business Purposes**. Manager shall have the option to use the Facility for other purposes included in the Business and reasonably incidental to Class III Gaming, provided the Management Committee mutually agrees. For any purpose other than Gaming, Manager shall obtain all approvals necessary under applicable law. The decor items for sale as well as employee dress codes and policies related to the space reserved in the Facility for tribal gift, craft, and tobacco sales shall be approved by the Management Committee.

Five:

Article 6 is amended by deleting 6.1 and 6.5 and replacing it with the following:

6.1 Management Fee. Subject to the provisions of Section 6.4, on or before the twenty-first (21st) day of each calendar month after the calendar month in which the Commencement Date occurs, Manager is authorized by the Tribe to pay itself from the Business Bank Account(s) the

following, based on the Net Revenues in the prior calendar month as to Sections 6.1.1 and Gross Revenues for the prior calendar month as to Section 6.1.2:

6.1.1 **Class III Gaming Management Fees:**

b4

6.1.2 **Hotel Management Fee:**

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Notwithstanding the foregoing, the total of (i) Management Fees paid to Manager related to Class III gaming and (ii) any other money paid to Manager for services directly related to Class III gaming, which is not an Operating Expense, b4

b4 **6.5 Minimum Guaranteed Monthly Payment.** If Class III gaming at the Business includes Machine Gaming (Slot Machine), the Manager shall pay the Tribe per month (the "Minimum Guaranteed Monthly Payment"), beginning on the Commencement Date and continuing for the remainder of the Term. If Manager continues management of the Business when Class III gaming at the Business does not include Machine Gaming (Slot Machine), the Minimum Guaranteed Monthly Payment shall be per month during such period of time that the scope of legally permitted gaming is reduced. Partial months shall be prorated based on the scope of gaming permitted during such partial month. If Manager continues management of the Business when no Class III gaming is legally permitted, the Minimum Guaranteed Monthly Payment during such period shall be per month. Partial months shall be prorated based on the scope of gaming permitted during such partial month. The Minimum Guaranteed Monthly Payment shall be payable to the Tribe in arrears on the twenty-first (21st) day of each calendar month following the month in which the Commencement Date occurs, which payment shall have priority over the Management Fee and retirement of development and construction costs. If the Commencement Date is a date other than the first day of a calendar month, the first payment will be prorated from the Commencement Date to the end of the month. Minimum Guaranteed Monthly Payments shall be charged against the Tribe's distribution of Total Net Revenues for each month provided, however, where the Total Net Revenues in a given month are less than the Minimum Guaranteed Monthly Payment, Manager shall pay the funds necessary to compensate for the deficiency from its own funds, but to the extent the amount distributed to the Tribe in succeeding months exceeds the Minimum Guaranteed Monthly Payment, Manager shall be reimbursed in accordance with the schedule of disbursements set forth in Section 6.4. No Minimum Guaranteed Monthly Payment shall be owed for any full calendar month(s) during which Class III Gaming is suspended or terminated at the Facility pursuant to Section 4.4, or during any time which the Manager is not in control of the Business, and the obligation to make Minimum Guaranteed Monthly Payments shall cease upon termination of this Agreement, unless the Agreement is terminated by the Tribe for a Material Breach by the Manager. The Manager shall pay a percentage of the Minimum Guaranteed Monthly Payment for any partial calendar month during which Class III Gaming is either suspended or terminated equal to the percentage of such calendar

month during which Class III Gaming are conducted. Except as provided in the preceding sentence of this Section 6.5, Manager's obligation to pay the Tribe the Minimum Guaranteed Monthly Payment is unconditional, and shall not be affected by the actual level of funds generated by the Business.

In all other respects, the Management Agreement and the First Amendment and Second Amendment shall remain in full force and effect.

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

PRAIRIE BAND POTAWATOMI INDIAN NATION

By: Mamie Rupnicki
Mamie Rupnicki
Chairwoman

James M. Potter
NOTARY PUBLIC
STATE OF KANSAS
MY APPT EXPIRES 9-26-2000

James M. Potter
NOTARY

HARRAH'S KANSAS CASINO CORPORATION

By: Patrick Browne
Patrick Browne
Vice President, General Manager

NATIONAL INDIAN GAMING COMMISSION

By: Montie R Deer FEB - 8 2000
Montie Deer
Chairman

Second Amendment to Management Agreement
Dated as of January 29, 1997,
Between Prairie Band of Potawatomi Indians
and Harrah's Kansas Casino Corporation DEC 11 1997

This Second Amendment to the Management Agreement by and between the Prairie Band of Potawatomi Indians and Harrah's Kansas Casino Corporation dated as of January 29, 1997, and amended January 30, 1997, is made and entered into as of the 31 day of Oct, 1997.

Recitals

WHEREAS, the parties hereto executed a Management Agreement dated as of January 29, 1997; and

WHEREAS, for good and valuable consideration, the parties amended the provisions of the Management Agreement dated January 29, 1997, on January 30, 1997; and

WHEREAS, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree to further amend the provisions of the Management Agreement dated January 29, 1997, as follows:

One:

Article 2 is amended as follows:

The definition of "Business Employee" is amended by deleting it and replacing it with the following:

> **"Business Employee"** shall mean the generic reference to any employee who is assigned to work at the Facility.

The following definition of "Core Employees" is inserted in Article 2 after the definition of "Constitution:"

> **"Core Employees"** shall have the definition set forth at Section 4.6.3.

The definition of "Manager Employees" is amended by deleting it and replacing it with the following:

> **"Manager Employees"** shall mean those employees of the Manager who are working at the Facility.

The definition of "Tribal Employees" shall be deleted in its entirety.

Two:

Article 4.6.1 is amended by deleting it and replacing it with the following:

4.6.1 Manager's Responsibility. Manager shall have, subject to the terms of this Agreement and consistent with the Business' Personnel Policies described in 4.6.2, the exclusive responsibility and authority to direct the selection, hiring, control and discharge of all Business Employees performing regular services for the Business in connection with the maintenance, operation, and management of the Business and the Facility; and the sole responsibility for determining whether a prospective employee is qualified and the appropriate level of compensation to be paid. All Business Employees shall be Manager Employees.

Three:

Article 4.6.3 is amended by deleting it and replacing it with the following:

4.6.3 Manager Employees. The selection of the General Manager, Director of Finance and Administration, Director of Casino Operations, and Director of Human Resources of the Business shall be subject to consultation between Manager and the Tribe. Manager and the Tribe expect that initially, in addition to these persons, there will be a core group of other Business Employees filling the positions set forth at Exhibit C (collectively, the "Core Employees"), who may be recruited, because of their experience, from other gaming operations. The salaries and benefits of these Business Employees shall be subject to approval by the Management Committee, and shall be an Operating Expense of the Business. The Business shall be liable for only such salary and benefits as accrue during the time such Manager Employees are assigned to and working for the Business. Nothing contained herein is intended to limit Manager's right to reasonably consolidate or eliminate any of these positions, or, subject to Section 4.6.9 and subject to the approval of the Management Committee, to increase the number of Core Employees.

Four:

Article 4.6.4 is amended by deleting it and replacing it with the following:

4.6.4 Business Employees. The terms of employment of all Business Employees shall be structured as though all labor, employment, and unemployment insurance laws applicable in Kansas which would apply to Business Employees if they were not working on an Indian reservation. The Tribe agrees to take no action to impede, supersede or impair such treatment. All employees must be licensed by

the Tribal Gaming Commission as required by the Compact and applicable tribal and federal law.

Five:

Article 4.6.6 is amended by deleting it and replacing it with the following:

4.6.6 No Manager Wages or Salaries. Except as otherwise provided with respect to Manager Employees described in Section 4.6.3, Business Employees described in Section 4.6.4, and Off-Site Employees described in Section 4.6.5, neither Manager nor Manager's Affiliates nor any of their officers, directors, shareholders, or employees shall be compensated by wages from or contract payments by the Business for their efforts or for any work which they perform under this Agreement, other than loan repayments, reimbursement pursuant to the Security and Reimbursement Agreement and the Management Fee to be paid to Manager under Section 6.1. Nothing in this subsection shall restrict the ability of an employee of the Business to purchase or hold stock in Manager, or Manager's Affiliates where (i) such stock is publicly held, and (ii) such employee acquires, on a cumulative basis, less than five percent (5%) of the outstanding stock in the corporation.

Six:

Article 4.6.8 is amended by deleting it and replacing it with the following:

4.6.8 Employee Background Checks. A background investigation shall be conducted in compliance with all Legal Requirements on each applicant for employment as soon as reasonably practicable.

No individual whose prior activities, criminal record, if any, or reputation, habits and associations are known to pose a threat to the public interest, the effective regulation of Gaming, or to the gaming licenses of Manager or any of its Affiliates, or to create or enhance the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of Gaming, shall knowingly be employed by Manager, the Business or any business operating on the Property.

The procedural aspects of the Tribal Gaming Commission's licensing of gaming employees shall be formulated in consultation with the Manager and shall satisfy all regulatory requirements independently applicable to the Manager, the Business and the Tribe. The Manager shall meet with the Tribal Gaming Commission as needed to resolve any practical problems related to the processing of these license applications. Any cost associated with obtaining such background investigations shall constitute an Operating Expense, provided, however, the costs of background investigations relating

limits shall not be less than $2,000,000 each accident for bodily injury by accident or $2,000,000 each employee for bodily injury by disease.

Workers' compensation insurance equal to the statutory requirements of Kansas (which shall be carried by Manager for all Business Employees and shall be paid for by the Business and treated as an Operating Expense); and

In all other respects, the Management Agreement and the First Amendment shall remain in full force and effect.

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

PRAIRIE BAND OF POTAWATOMI INDIANS

By: Mamie Rupnicki

Name: Mamie Rupnicki

Title: Chairwoman

HARRAH'S KANSAS CASINO CORPORATION

By:

Name: Division President
J. CARLOS TOLOSA

Title: Sr. Vice President

Approved pursuant to 25 U.S.C. § 2711 and
Approved pursuant to 25 U.S.C. § 81

NATIONAL INDIAN GAMING COMMISSION

By: Tadd M. Johnson

Name:

Title: Chairman

FEB -6 [illegible]

First Amendment to Management Agreement dated January 29, 1997, between the Prairie Band of Potawatomi Indians and Harrah's Kansas Casino Corporation

This First Amendment to the Management Agreement by and between the Prairie Band of Potawatomi Indians and Harrah's Kansas Casino Corporation dated January 29, 1997, is made and entered into this 30th day of JANUARY, 1997.

Recitals

WHEREAS, the parties hereto executed a Management Agreement dated January 29, 1997; and

WHEREAS, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree to amend the provisions of the Management Agreement dated January 29, 1997, as follows:

One:

Article 3.4 is amended by deleting it and replacing it with the following:

3.4 Creation and Operation of Management Committee. The Tribe and the Manager agree to create a Management Committee for the Business that shall, for the Term of this Agreement, consist of two (2) persons representing the Tribe and two (2) persons representing the Manager. The Management Committee shall remain active during the entire Term of this Agreement. Up to per month may be contributed by the Business as an Operating Expense to the Tribe to defray actual expenses it may incur related to its representation on the Management Committee. Any additional salary or expenses for such persons shall be paid by the Tribe. One office at the Facility shall be provided for such two persons. Within thirty (30) days following the date of this Agreement, each party shall give the Tribal Council and each other notice of the individuals the parties wish to have appointed to the Management Committee. The Management Committee shall have, at a minimum, the obligations, rights and powers described in this Agreement. In order to be effective, any action of the Management Committee must be the result of the unanimous decision of all four (4) members of the Management Committee. In the event unanimity cannot be reached between the members of the Management Committee, the Manager may submit the issue to the Tribal Council. If no mutual agreement is reached between the Manager and the Tribal Council, either the Manager or the Tribal Council may seek resolution of the matter pursuant to the dispute resolution procedure provided in Section 17.

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This Amendment may be executed in more than one counterpart, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

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

PRAIRIE BAND OF POTAWATOMI INDIANS

By: _____

Its: _____

HARRAH'S KANSAS CASINO CORPORATION

By: _____
Philip G. Satre

Its: President

Approved pursuant to 25 U.S.C. § 2711 and
Approved pursuant to 25 U.S.C. § 81

NATIONAL INDIAN GAMING COMMISSION

By: _____ per delegation from
Harold Monteau, Chairman

First Amendment to Management Agreement dated January 29, 1997, between the Prairie Band of Potawatomi Indians and Harrah's Kansas Casino Corporation

This First Amendment to the Management Agreement by and between the Prairie Band of Potawatomi Indians and Harrah's Kansas Casino Corporation dated January 29, 1997, is made and entered into this 30 day of January, 1997.

Recitals

WHEREAS, the parties hereto executed a Management Agreement dated January 29, 1997; and

WHEREAS, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree to amend the provisions of the Management Agreement dated January 29, 1997, as follows:

One:

Article 3.4 is amended by deleting it and replacing it with the following:

RECEIVED NATIONAL INDIAN GAMING COMMISSION 97 JAN 31 AM 10:

3.4 Creation and Operation of Management Committee. The Tribe and the Manager agree to create a Management Committee for the Business that shall, for the Term of this Agreement, consist of two (2) persons representing the Tribe and two (2) persons representing the Manager. The Management Committee shall remain active during the entire Term of this Agreement. Up to per month may be contributed by the Business as an Operating Expense to the Tribe to defray actual expenses it may incur related to its representation on the Management Committee. Any additional salary or expenses for such persons shall be paid by the Tribe. One office at the Facility shall be provided for such two persons. Within thirty (30) days following the date of this Agreement, each party shall give the Tribal Council and each other notice of the individuals the parties wish to have appointed to the Management Committee. The Management Committee shall have, at a minimum, the obligations, rights and powers described in this Agreement. In order to be effective, any action of the Management Committee must be the result of the unanimous decision of all four (4) members of the Management Committee. In the event unanimity cannot be reached between the members of the Management Committee, the Manager may submit the issue to the Tribal Council. If no mutual agreement is reached between the Manager and the Tribal Council, either the Manager or the Tribal Council may seek resolution of the matter pursuant to the dispute resolution procedure provided in Section 17.

This Amendment may be executed in more than one counterpart, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

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

PRAIRIE BAND OF POTAWATOMI INDIANS

By: _____

Its: _____

HARRAH'S KANSAS CASINO CORPORATION

By: _____
Phillip G. Satre

Its: President

Approved pursuant to 25 U.S.C. § 2711 and
Approved pursuant to 25 U.S.C. § 81

NATIONAL INDIAN GAMING COMMISSION

By: _____
Harold Monteau, Chairman

JAN 30 1997

MANAGEMENT AGREEMENT

BETWEEN THE

PRAIRIE BAND OF POTAWATOMI INDIANS

AND

HARRAH'S KANSAS CASINO CORPORATION

Dated as of Jan. 29, **1997**

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MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT has been entered into as of Jan. 29, 1997, by and between the PRAIRIE BAND OF POTAWATOMI INDIANS (hereinafter the "Tribe") and its permitted successors and assigns, and HARRAH'S KANSAS CASINO CORPORATION, a Nevada corporation, and its permitted successors and assigns ("Manager") for the operation of a gaming facility in the state of Kansas.

1. Recitals.

1.1 The Tribe is a federally recognized Indian tribe and governed by a tribal council pursuant to the Constitution and Bylaws of the Prairie Band of Potawatomi Indians approved by the Secretary of the Interior. The Tribe is recognized as eligible by the Secretary of the Interior for the special programs provided by the United States to Indian tribes and is recognized as possessing and exercising powers of self-government. The Tribe is the beneficial owner of and possesses and exercises sovereign governmental powers over the Prairie Band Potawatomi Reservation (the "Reservation"), located within the State of Kansas.

1.2 With the assistance of Manager, the Tribe intends to develop and construct on property that is within the boundaries of the Reservation, as the Reservation is recognized by the Secretary of the Interior on the Effective Date of this Agreement, held by the United States of America in trust for the benefit of the Tribe, (the "Property") and is eligible to be used for a Class II and Class III Gaming, a facility suitable for conducting such Gaming (the "Facility") pursuant to the Tribe's recognized powers of self-government, and its Constitution, statutes and ordinances.

1.3 The Tribe desires to use the Property to improve the economic conditions of its members, to enable it to serve the social, economic, educational and health needs of its members, to increase its revenues and to enhance the Tribe's economic self sufficiency and self determination.

1.4 The Tribe has or will establish an Enterprise, as hereinafter defined, to conduct Class II and Class III Gaming as hereinafter defined on the Property. Said Enterprise is or will be a political subdivision of the Tribe. This Agreement sets forth the manner in which certain rights and obligations of the Tribe regarding responsibility for Gaming activities as described in this Agreement may be transferred and assigned by the Tribe to the Enterprise.

1.5 Manager has agreed to certain terms and has represented to the Tribe that it has the managerial and financial capacity to provide or to secure financing for the funds necessary to develop and construct the Business, as defined herein, and to commence and operate the Business on the Property.

1.6 The Tribe is seeking technical experience and expertise for the operation of the Business and instruction for members of the Tribe in the operation of its Class II and Class III

gaming activities. Manager is willing, and has represented to the Tribe that it is able, to provide such experience, expertise and instruction.

1.7 The Tribe desires to grant Manager the exclusive right and obligation to develop, manage, operate and maintain the Facility and the Business as described in this Agreement and to train Tribal members and others in the operation and maintenance of the Facility and the Business during the term of this Agreement. Manager wishes to perform these functions for the Tribe.

1.8 This Agreement is entered into pursuant to the Indian Gaming Regulatory Act of 1988, PL 100 497, 25 U.S.C. § 2701 et seq. (the "IGRA") as that statute may be amended. All Class II and Class III Gaming conducted at the Facility will at all times comply with the IGRA, applicable tribal and federal law, and the Compact.

2. Definitions. As they are used in this Agreement, the terms listed below shall have the meaning assigned to them in this Section:

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

"Bank" shall mean the financial institution selected by Manager and approved by the Tribal Council to provide the funding necessary to design, construct, and equip the Facility, and provide start-up capital for the Business.

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

"Bingo" shall have the definition set out in IGRA at 25 U.S.C. §2703 7(A)(i).

"Board of Directors" or **"Directors"** or **"Boards"** shall mean the persons appointed by the Prairie Band Potawatomi Tribal Council to sit on the Business Board of the Enterprise.

"Brand Marketing Contribution" shall mean the payments described in Section 4.7.2.

"Business" shall mean the commercial activities conducted at the Facility, including Class II and Class III Gaming, Hotel, and any other lawful commercial activity allowed in the Facility including, but not limited to, food and beverage service, and the sale of alcohol, gifts and souvenirs; provided that the Facility may include a separate tribal business for the sale of gifts and crafts and tobacco and tobacco related products, which the Tribe may elect to operate, rent free, in an area and size (approximately 1,000 square feet at the Facility) to be mutually agreed upon between the Manager and the Tribal Council.

"Business Bank Accounts" shall mean those accounts described in Section 4.19.1.

"Business Employee" shall mean all Manager Employees and Tribal Employees who are assigned to work at the Facility.

"Business Employee Policies" shall mean those employee policies described in Section 4.6.2.

"Capital Budget" shall mean the capital budget described in Section 4.12.

"Capital Replacement(s)" shall mean any alteration or rebuilding or renovation of the Facility, and any replacement of Furnishings and Equipment, the cost of which is capitalized and depreciated, rather than being expensed, applying Generally Accepted Accounting Principles, as described in Section 4.12.

"Capital Replacement Reserve" shall mean the reserve described in Section 4.14, into which periodic contributions are paid pursuant to Section 4.15.

"Centralized Services" shall mean those services related to the development, construction and management of the Facility and Business which are approved by the Management Committee and which may be purchased from or provided by Manager or its Affiliates in Memphis, Tennessee, or at locations other than the Facility.

"Class II Gaming" shall mean Class II Gaming as defined in the IGRA.

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

"Collateral Agreements" shall mean any agreements defined to be collateral agreements by the phrase found at 25 USC §2711 (a)(3) and regulations issued thereto at 25 C.F.R. § 502.5.

"Commencement Date" shall mean the first date that the Facility is complete, open to the public and that Gaming is conducted in the Facility pursuant to the terms of this Agreement.

"Compact" shall mean the Gaming Compact between the Prairie Band of Potawatomi Indians and the State of Kansas, approved pursuant to the IGRA on July 6, 1995; as the same may, from time to time, be amended, or such other compact that may be substituted therefor.

"Compensation" shall mean the direct salaries and wages paid to, or accrued for the benefit of, any Business Employee, including incentive compensation, together with all fringe benefits payable to or accrued for the benefit of such executive or other employee, including employer's contribution under F.I.CA., unemployment compensation or other employment taxes, pension fund contributions, workers' compensation, group life, accident and health insurance premiums and costs, and profit sharing, severance, retirement, disability, relocation, housing and other similar benefits.

"Completion Date" shall mean the date upon which Manager receives:

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

(ii) certification from Manager (or the division, department or designee of Manager having responsibility to assure compliance with any operational standards) stating that the 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 Facility is to be constructed, permitting the use and operation of all portions of the Facility in accordance with this Agreement, and

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

"Confidential Information" shall mean the information described in Section 9.23.1.

"Constitution" shall mean the Constitution and Bylaws of the Prairie Band of Potawatomi Indians as approved by the Tribe and approved by the Secretary of the Interior.

"Development Agreement" shall mean that certain agreement, of even date herewith, by and between Harrah's and the Tribe, providing the terms under which Manager and the Tribe will work exclusively together to develop the Facility and Business, and setting forth the manner in which Manager and the Tribe will arrange to finance and develop the Facility, including without limitation, design, construction and furnishing and equipping same.

"Depository Account" shall mean the bank account described in Section 4.19.2.

"Disbursement Account" shall mean the bank account described in Section 4.19.3.

"Emergency Condition" shall have the meaning set forth in Section 4.13.

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

(i) The 1996 General Session of the Kansas State Legislature shall adjourn having neither passed legislation which authorizes Machine Gaming (Slot Machine) in the metropolitan area of Topeka, Kansas, nor authorized a popular vote of the state on the

question of whether such Machine Gaming can be authorized, or if such popular vote is authorized, same fails to achieve the votes necessary to legalize Machine Gaming (Slot Machine) in the state of Kansas.

(ii) Manager shall have satisfied itself that the offering of Machine Gaming (Slot Machine) as part of the scope of the Business complies with all Legal Requirements.

(iii) written approval of this Agreement and the Development Agreement is granted by the Chairman of the NIGC,

(iv) written approval of the Loan Agreement, the Security and Reimbursement Agreement, and the Note, is granted by the Chairman of the NIGC and/or the BIA, if required;

(v) written confirmation that the Tribe, the State (to the extent required by the Compact), and the NIGC, have approved background investigations of Manager;

(vi) Manager has received a certified copy of the Tribe's Gaming Ordinance and the Tribal resolutions adopted by the Tribe in accordance with the Tribe's governing documents authorizing the execution of this Agreement, the Loan Agreement, Note, Security and Reimbursement Agreement and the Development Agreement all in a form and substance satisfactory to Manager;

(vii) Manager has satisfied itself as to the proper ownership, control of, and suitable access, as well as the availability of all needed utilities to the Property and its suitability for construction and operation of the Facility, and that all of the Legal Requirements and other requirements for lawful conduct and operation of the Business in accordance with this Agreement have been met and satisfied;

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

(ix) receipt by Manager of all applicable licenses for or related to development, construction or management of the Facility and the Business to the satisfaction of Manager;

(x) receipt by Manager of the Tribe's approval of the Plans and Specifications for the Facility;

(xi) Manager has satisfied itself that the Tribal Gaming Ordinance and any other ordinances adopted by the Tribe relative to any of the documents referenced in this Agreement do not have a material adverse effect on Manager's ability to operate the

Facility and the Business under this Agreement and to maintain any licenses or certifications issued pursuant to such ordinances; and

(xii) If the Tribe has established the Enterprise and wishes to transfer and assign this Agreement to the Enterprise prior to the Effective Date, Manager has satisfied itself that the Enterprise is duly established and existing and authorized to perform its functions contemplated by this Agreement, has irrevocably waived its sovereign immunity and agreed to be amenable to arbitration and lawsuits as contemplated by this Agreement, and that the Tribe and the Enterprise have otherwise satisfied the conditions for such a transfer and assignment as set forth in Section 9.21 of this Agreement.

(xiii) There shall have occurred no Material Adverse Change.

The Tribe agrees to cooperate and to use its best efforts to satisfy all of the above conditions at the earliest possible date. Harrah's agrees to memorialize the satisfaction of each of (vii), (viii) and (xi), as well as the Effective Date, in writings signed by Harrah's and delivered to the Tribe and to the Chairman of the NIGC.

"Enterprise" shall mean the Prairie Band of Potawatomi Gaming Enterprise, an instrumentality created, or to be created, by the Tribe to, subject to the terms of this Agreement and the Development Agreement, conduct, operate, and manage Class II and Class III Gaming and all related and support activities including, but not limited to, food and beverage services, alcoholic beverages, retail cigarette sales, hotel management and parking, on behalf of the Tribe, as established in the Enterprise Charter for the Enterprise adopted by the Tribe.

"Enterprise Charter" shall mean the duly enacted and approved charter establishing the Enterprise as a tribal subdivision authorized by the Tribal Council to conduct and oversee the Tribe's Gaming activities..

"Facility" shall mean all buildings, structures, and improvements, including the Hotel, located on the Property and all fixtures, Furnishings and Equipment attached to, forming a part of, or necessary for the operation of the Business.

"Fiscal Year" shall mean the calendar year.

"Furnishings and Equipment" shall mean all furniture, furnishings and equipment required for the operation of the Business in accordance with the standards set forth in this Agreement, including, without limitation:

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

(ii) table games, keno equipment and other gaming equipment;

(iii) office furnishings and equipment;

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

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

"Gaming" shall mean any and all activities defined as Class II and Class III Gaming.

"General Manager" shall mean the person employed by Manager to direct the operation of the Business.

"GAAP" shall mean Generally Accepted Accounting Principles.

"Gross Gaming Revenue (Win)" shall mean the net win from gaming activities which is the difference between gaming wins and losses before deducting costs and expenses.

"Gross Revenues" shall mean all revenues of any nature derived directly or indirectly from the Business including, without limitation, Gross Gaming Revenue (Win), Gross Revenues (Hotel), food and beverage sales and other rental or other receipts from lessees, sublessees, licensees and concessionaires (but not the gross receipts of such lessees, sublessees, licensees or concessionaires, provided that such lessees, sublessees, and licensees and concessionaires are not subsidiaries or affiliates of Manager), and revenue recorded for Promotional Allowances, but excluding any taxes the Tribe is allowed to assess pursuant to Section 8.2.

"Gross Revenues (Hotel)" shall mean all revenues and income of any nature derived directly or indirectly from the Hotel or from the use or operation thereof, whether on or off the site, including total room sales, room service, if any, laundry, telephone, telegraph and telex revenues, other income, rental or other payments from lessees, sublessees, licensees and concessionaires (but not the gross receipts of such lessees, sublessees, licensees or concessionaires) and the proceeds of business interruption, use, occupancy or similar insurance.

"Harrah's Brand Standards" shall mean the operating, service, and technology standards currently established by Harrah's as found in the document referenced in Exhibit A and as the same may be amended or modified from time to time by Harrah's.

"Harrah's System" shall mean a collective term for the casino services provided to the public by Manager or Manager's affiliates, or their successors or assigns, through management or license of facilities under the name Harrah's®.

"Harrah's Services" shall mean those services as defined in Section 4.7.

"Hotel" shall mean the hotel built on the Property as part of the Facility and Business.

"House Bank" shall mean the amount of cash, chips, tokens, and plaques that Manager from time to time determines necessary to have at the Facility daily to meet its cash needs.

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

"Internal Control Systems" shall mean the systems described in Section 4.18.

"Legal Requirements" shall mean any and all present and future judicial, administrative, and tribal rulings or decisions, and any and all present and future federal, state, local, and tribal laws, ordinances, rules, regulations, permits, licenses and certificates, in any way applicable to the Tribe, Manager, the Property, the Facility, and the Business, including without limitation, the IGRA, the Compact, and the Tribal Gaming Ordinance.

"Loan Agreement" shall mean the loan agreement in a principal amount to be mutually agreed upon between Manager and the Tribal Council of up to to be entered into between the Tribe and Manager or one of its Affiliates, or between the Tribe and the Bank and guaranteed by Manager or one of its Affiliates, the proceeds of which are to be used exclusively for the development, design, construction, furnishing and equipping of the Facility, repaying any outstanding debts to Manager, and/or providing start-up and operating capital for the Business.

"Machine Gaming (Slot Machine)" shall mean Class III Gaming utilizing coin, token, or bill operated gaming equipment of chance unaffected by player skill that is electric, electronic or mechanical which activates a reel (or video simulated reel) spin by either a handle or push button, in which the software or mechanism of the device determines the presence or lack of a winning combination or payout, and which has the capability of paying winning wagers through automatic return of either coins or tokens; or with any other machine or device which is reasonably determined to be equivalent thereto based on evolving technological standards.

"Management Committee" shall mean the decision making body created pursuant to Section 3.4 of this Agreement.

"Manager" shall mean Harrah's Kansas Casino Corporation.

"Manager Employees" shall mean those employees of the Manager who are working at the Facility and are not Tribal Employees.

"Manager Proprietary Information" shall mean the information described in Section 9.23.2.

"Manager's Representatives" shall mean the persons designated by Manager to sit on the Management Committee.

"Management Agreement" shall mean this Agreement and may be referred to herein as the "Agreement."

"Management Fee" shall mean the management fees described in Section 6.1.

"Managing Officer" shall mean such person who Manager designates to serve as a liaison between Manager and the Tribe and to serve on the Management Committee.

"Material Adverse Change" shall mean any occurrence, event, or happening which shall have the effect of limiting either the scope of the Business or the economic viability of the Business to such a degree that the Business, as defined by the parties hereto, has substantially less or no economic viability. Examples of events which could be a Material Adverse Change include, but are not limited to, a court finding which has the effect of denying the Tribe the right to offer Machine Gaming (Slot Machine) or the legalization of Machine Gaming (Slot Machine) in Topeka, Kansas.

"Material Breach" shall mean such material breach as described in Section 11.3.

"Member of the Tribal Government" shall have the meaning described in Section 10.6.

"Minimum Balance" shall mean the amount described in Section 4.19.1.

"Minimum Guaranteed Monthly Payment" shall mean that payment due the Tribe each month commencing in the month after the Commencement Date occurs in accordance with 25 U.S.C. 2711 (b)(3) and Section 6.5 hereof.

"Monthly Distribution Payment" shall have the meaning set forth in Section 6.4.

"National Indian Gaming Commission ("NIGC")" shall mean the commission established pursuant to 25 U.S.C. § 2704.

"Net Revenues" shall mean the sum of "Net Revenues (Gaming)" and "Net Revenues (Other)."

"Net Revenues (Bingo)" shall mean Gross Gaming Revenue (Win) of the Business from Bingo less all Bingo gaming related Operating Expenses, excluding the Management Fee and less the retail value of any Promotional Allowances, and less the following revenues actually received by the Business and included in Gross Gaming Revenues from Bingo:

(i) any gratuities or service charges added to a customer's bill;

(ii) any credits or refunds made to customers, guests or patrons;

(iii) any sums and credits received by the Business for lost or damaged merchandise;

(iv) any sales taxes, excise taxes, gross receipt taxes, admission taxes, entertainment taxes, tourist taxes or charges received from patrons and passed on to a governmental or quasi governmental entity;

(v) any proceeds from the sale or other disposition of furnishings and equipment or other capital assets;

(vi) any fire and extended coverage insurance proceeds other than for business interruption;

(vii) any condemnation awards other than for temporary condemnation;

(viii) any proceeds of financing or refinancing; and

(ix) any interest on bank account(s).

It is intended that this provision be consistent with 25 U.S.C. § 2703 (9).

"Net Revenues (Gaming)" shall mean Gross Gaming Revenue (Win), of the Business from Class II, excluding Bingo, or Class III gaming less all gaming related Operating Expenses, excluding the Management Fee and less the retail value of any Promotional Allowances, and less the following revenues actually received by the Business and included in Gross Gaming Revenues:

(i) any gratuities or service charges added to a customer's bill;

(ii) any credits or refunds made to customers, guests or patrons;

(iii) any sums and credits received by the Business for lost or damaged merchandise;

(iv) any sales taxes, excise taxes, gross receipt taxes, admission taxes, entertainment taxes, tourist taxes or charges received from patrons and passed on to a governmental or quasi governmental entity;

(v) any proceeds from the sale or other disposition of furnishings and equipment or other capital assets;

(vi) any fire and extended coverage insurance proceeds other than for business interruption;

(vii) any condemnation awards other than for temporary condemnation;

(viii) any proceeds of financing or refinancing; and

(ix) any interest on bank account(s).

It is intended that this provision be consistent with 25 U.S.C. § 2703 (9).

"Net Revenues (Other)" shall mean all Gross Revenues of the Business from all other sources in support of Class II or Class III Gaming not included in either "Net Revenues (Gaming)" or "Net Revenues (Bingo)," such as food and beverage, entertainment, and retail, less all Operating Expenses, excluding the Management Fee and less the retail value of Promotional Allowances, if any, and less the following revenues actually received by the Business and included in Gross Revenues:

(i) any gratuities or service charges added to a customer's bill;

(ii) any credits or refunds made to customers, guests or patrons;

(iii) any sums and credits received by the Business for lost or damaged merchandise;

(iv) any sales taxes, excise taxes, gross receipt taxes, admission taxes, entertainment taxes, tourist taxes or charges received from patrons and passed on to a governmental or quasi governmental entity,

(v) any proceeds from the sale or other disposition of furnishings and equipment or other capital assets;

(vi) any fire and extended coverage insurance proceeds other than for business interruption;

(vii) any condemnation awards other than for temporary condemnation;

(viii) any proceeds of financing or refinancing; and

(ix) any interest on bank account(s).

It is intended that this provision be consistent with 25 U.S.C. § 2703 (9).

The calculation of Net Revenues (Other) shall not include Gross Revenues (Hotel) or any Operating Expense directly related to the operation of the Hotel.

"Note" shall mean the promissory note to be executed by the Tribe pursuant to the Loan Agreement, which shall evidence a loan to the Tribe, in an amount, to be mutually agreed upon between the Manager and the Tribal Council, up to from either the Bank or Manager.

"Off-Site Employees" shall mean such employees of Manager or Manager's Affiliates who are not located at the Facility but who are used by Manager to provide services to the Business as described in Section 4.6.5.

"Operating Budget and Annual Plan" shall mean the operating budget and plan described in Section 4.11.

"Operating Expenses" shall mean all expenses of the operation of the Business, pursuant to GAAP, including but not limited to the following:

(i) the payment of (i) salaries, wages, and benefit programs for Business Employees; (ii) salaries, wages, and benefit programs for Off Site Employees to the extent approved by the Management Committee as described in Section 4.6.5; and (iii) the cost of Centralized Services to the extent approved by the Management Committee;

(ii) Operating Supplies for the Business;

(iii) utilities;

(iv) repairs and maintenance of the Facility (excluding Capital Replacements);

(v) interest on the Note;

(vi) interest on installment contract purchases or other interest charges on debt approved by the Management Committee;

(vii) insurance and bonding;

(viii) advertising and marketing, including busing and transportation of patrons to the Facility;

(ix) accounting, legal and other professional fees;

(x) security costs;

(xi) reasonable travel expenses for officers and employees of the Business, Manager or its Affiliates, to the extent approved by the Management Committee, to inspect and oversee the Business, subject to the budget agreed upon by the Management Committee;

(xii) lease payments for Furnishings and Equipment to the extent approved by the Management Committee;

(xiii) trash removal;

(xiv) costs of goods sold;

(xv) other expenses designated as Operating Expenses in accordance with the accounting standards as referred to in Section 4.21.3;

(xvi) expenses specifically designated as Operating Expenses in this Agreement;

(xvii) depreciation and amortization of the Facility based on an assumed 40 year life, and depreciation and amortization of all other assets in accordance with GAAP;

(xviii) recruiting and training expenses;

(xix) fees due to the NIGC under the IGRA;

(xx) any required payments to the State or local governments made by or on behalf of the Business or the Tribe pursuant to the Compact;

(xxi) any budgeted charitable contributions by the Business which are approved by the Management Committee; and

(xxii) Pre-opening expenses shall be capitalized and treated as an expense during the first year after opening.

"Operating Supplies" shall mean food and beverages (alcoholic and nonalcoholic) and other consumable items used in the operation of a casino, such as playing cards, tokens, chips, plaques, dice, fuel, soap, cleaning materials, matches, paper goods, stationery and all other similar items.

"Plans and Specifications" shall mean the final Plans and Specifications approved for the Facility as described in the Development Agreement;

"Pre-Opening Budget" shall have the meaning described in Section 4.9.

"Pre-Opening Expenses" shall have the meaning described in Section 4.9.

"Promotional Allowances" shall mean the retail value of complimentary food, beverages, merchandise, and tokens for gaming, provided to patrons as promotional items.

"Property" shall mean that parcel of land within the boundaries of the Reservation selected by the Tribe as suitable for development of the Facility and operation of the Business which meets the requirements of the United States of America as eligible for use for Class II and/or Class III Gaming, as legally described on Exhibit J hereto.

"Relative" shall have the meaning described in Section 10.6.

"Reservation" shall have the meaning described in Section 1.1.

"Security and Reimbursement Agreement" shall mean that agreement to be entered into between Manager and/or one of its parents and the Tribe which shall set out the security interest of Manager and reimbursement obligation of the Tribe relating to the Loan.

"State" shall refer to the state of Kansas.

"System Marks" shall mean the marks of Harrah's described in Section 7.2.

"System Fees" shall mean those fees from time to time established for Harrah's Services, as described in Section 4.7.1.

"Term" shall mean the term of this Agreement as described in Section 3.2.

"Total Net Revenues" shall mean the sum of Net Revenues and Net Revenues (Bingo).

"Tribal Council" (**"Prairie Band Council"**) shall mean the duly elected governing legislative body of the Tribe described pursuant to the Constitution.

"Tribal Employees" shall mean those Business Employees who are working at the Facility who are not Manager Employees, as described in Section 4.6.4.

"Tribal Gaming Commission" shall mean the Prairie Band of Potawatomi Indians Gaming Commission created pursuant to the Tribal Gaming Ordinance to regulate the Class II and Class III Gaming of the Tribe in accordance with the Compact, the IGRA and the Tribal Gaming Ordinance.

"Tribal Gaming Ordinance" shall mean the ordinance and any amendments thereto enacted by the Tribe, which authorizes and regulates Class II and Class III Gaming on the Reservation subject to the governmental power of the Tribe, as the same may be amended from time to time.

"Tribal Resolution" shall have the meaning described in Section 3.10.

3. Covenants. In consideration of the mutual covenants contained in this Agreement, the parties agree and covenant as follows:

3.1 Engagement of Manager. The Tribe hereby retains and engages Manager as the exclusive contract manager of the Business pursuant to the terms and conditions of this Agreement, and Manager hereby accepts such retention and engagement, subject to receipt of all necessary regulatory approvals.

3.2 Term. The term of this Agreement shall begin on the Effective Date and continue for a period of five (5) years after the Commencement Date.

3.3 Status of Property. The Tribe represents and covenants that the Property is currently and will remain throughout the Term as land held in trust by the United States of America for the benefit of the Tribe, eligible as a location upon which Class II and Class III Gaming can occur. The Tribe covenants, during the term hereof, that Manager shall and may peaceably have complete access to and presence in the Facility in accordance with the terms of this Agreement, free from molestation, eviction and disturbance by the Tribe or by any other person or entity provided, however, that such right of access to and presence in the Facility shall cease upon the termination of this Agreement pursuant to its terms.

3.4 Creation and Operation of Management Committee. The Tribe and the Manager agree to create a Management Committee for the Business that shall, for the Term of this Agreement, consist of two (2) persons representing the Tribe and two (2) persons representing the Manager. The Management Committee shall remain active during the entire Term of this Agreement. Up to per month may be contributed by the Business as an Operating Expense to the Tribe to defray actual expenses it may incur related to its representation on the Management Committee. Any additional salary or expenses for such persons shall be paid by the Tribe. One office at the Facility shall be provided for such two persons. Within thirty (30) days following the date of this Agreement, each party shall give the Tribal Council and each other notice of the individuals the parties wish to have appointed to the Management Committee. The Management Committee shall have, at a minimum, the obligations, rights and powers described in this Agreement. In order to be effective, any action of the Management Committee must be the result of mutual agreement of a majority of the Management Committee members. In the event mutual agreement cannot be reached between the members of the Management Committee, the Manager may submit the issue to the Tribal Council. If no mutual agreement is reached between the Manager and the Tribal Council, either the Manager or the Tribal Council may seek resolution of the matter pursuant to the dispute resolution procedure provided in Section 17.

3.5 Manager Compliance with Law, Licenses. Manager covenants that it will at all times comply with all Legal Requirements, including the Tribal Gaming Ordinance, the IGRA, the Compact, Kansas statutes, to the extent applicable, and any licenses issued under any of the foregoing. The Tribe shall not unreasonably withhold, delay, withdraw, qualify or condition such licenses as the Tribe or its political subdivisions are authorized to grant.

3.6 Amendments to Tribal Gaming Ordinance. The Tribe covenants that any amendment made to the Tribal Gaming Ordinance will be a legitimate 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 ensure compliance with the Legal Requirements. If the Tribe adopts any amendment to the Tribal Gaming Ordinance or any other ordinance or resolution that is not designed to fulfill one of these purposes and Manager can demonstrate that such amendment materially and adversely affects Manager's rights under this Agreement, the Loan Agreement, the Note, the Security and Reimbursement Agreement, the Development Agreement or any Collateral Agreement, Manager may request an equitable adjustment in its Management Fee or other appropriate monetary redress. If the Tribal Council denies this request, Manager may exercise the dispute resolution procedures of Section 17; provided, however, that any such adjustment to this Management Agreement is approved by the National Indian Gaming Commission, where such approval is required.

3.7 Compliance with Compact. The parties shall at all times comply with the provisions of the Compact.

3.8 Fire and Safety. Manager shall ensure that the Facility shall be constructed, maintained and operated in compliance with the current versions of:

a. The Uniform Building Code,
b. The Uniform Mechanical Code,
c. The Uniform Plumbing Code
d. The Uniform Fire Code,
e. The National Electric Code,
f. The Americans With Disabilities Act,
g. Public health standards for food and beverage handling in accordance with United States Public Health Service requirements and
h. Any other applicable building code and standards.

Nothing in this Section shall grant any jurisdiction to the state of Kansas or any political subdivision thereof over the Property or the Facility. The Tribe shall be responsible for arranging fire protection and police services for the Facility.

3.9 Compliance with the National Environmental Policy Act. With the assistance of Manager, the Tribe shall supply the NIGC and any other federal agency requiring said information with all information necessary for that agency to comply with the provisions of the National Environmental Policy Act (NEPA).

3.10 Satisfaction of Effective Date Requirements. Manager and the Tribe each agree to cooperate and to use their best efforts to satisfy all of the conditions of the Effective Date at the earliest possible date. The Tribal Council shall adopt a resolution (the Tribal Resolution") reciting that it is the governing law of the Tribe that the Management Agreement, Loan Agreement, Note, Security and Reimbursement Agreement, Development Agreement and the

exhibited documents attached thereto are the legal and binding obligations of the Tribe, valid and enforceable in accordance with their terms. Manager agrees to memorialize the satisfaction of each of the following requirements as well as the Effective Date in writings signed by Manager and delivered to the Tribe and to the Chairman of the NIGC: (i) Manager has satisfied itself as to the proper ownership and control of the Property and its suitability for construction and operation of the Facility and that all of the Legal Requirements and other requirements for lawful conduct and operation of the Enterprise in accordance with this Agreement have been met and satisfied; and (ii) the satisfactory completion of all necessary and applicable feasibility studies required for the development, construction and operation of the Facility and the Business, and (iii) the Tribal Gaming Commission has issued all required licenses and approvals.

3.11 Commencement Date. Manager shall memorialize the Commencement Date in a writing signed by Manager and delivered to the Tribal Council, the Tribal Gaming Commission, and to the Chairman of the NIGC.

3.12 Exclusivity of Manager. Subject to Sections 3.13 and 3.14, Manager covenants that it will not own, operate, manage or otherwise engage in, from the date of the Tribal Council's approval of this Agreement until its expiration or termination, any gaming business located in the state of Kansas operating any game or games that are the same as those made available to the public at any gaming facility of the Tribe, or after the Commencement Date, the Facility.

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3.14 Exclusive Rights of Manager.

4. Business and Affairs in Connection with the Business.

4.1 Manager's Authority and Responsibility. Manager shall conduct and direct all business and affairs in connection with the day-to-day operation, management and maintenance of the Business and the Facility. It is the parties' intention that the Business be open 24 hours daily, seven days a week; however, the Manager shall have the responsibility for establishing the operating days and hours of the Business, subject to the Tribal Council's authority to close the Class II and Class III part of the Facility for an extraordinary cultural, religious or other similar reason not to exceed 24 hours in the aggregate per year. Manager is hereby granted the necessary power and authority to act, through the General Manager, in order to fulfill all of its responsibilities under this Agreement. Nothing herein grants or is intended to grant Manager a titled interest to the Facility or to the Business. Manager hereby accepts such retention and

engagement. The Tribe shall have the sole proprietary interest in and ultimate responsibility for the conduct of all Gaming conducted by the Business, subject to the rights and responsibilities of Manager under this Agreement.

4.2 Duties of Manager. In managing, operating, maintaining and repairing the Business and the Facility, under this Agreement, Manager's duties shall include, without limitation, the following:

4.2.1 Physical Duties. Manager shall use reasonable measures for the orderly physical administration, management, and operation of the Business and the Facility, including without limitation cleaning, painting, decorating, plumbing, carpeting, grounds care and such other maintenance and repair work as is reasonably necessary.

4.2.2 Compliance. Manager shall comply with all duly enacted statutes, regulations and ordinances of the Tribe and all other applicable laws.

4.2.3 Required Filings. Manager shall comply with all applicable provisions of the Internal Revenue Code including, but not limited to, the prompt filing of any cash transaction reports and W-2G reports that may be required by the Internal Revenue Service of the United States or under the Compact.

4.2.4 Contracts in Tribe's Name Doing Business as the Business and at Arm's Length. Contracts for the operations of the Business shall be entered into in the name of the Tribe doing business as the Business, and signed by the General Manager, provided, however, that said General Manager shall have no authority to waive or impair the sovereign immunity of the Tribe or the Business or to obligate or encumber any funds or property of the Tribe except as provided for in the Business' properly approved Operating Budget and Annual Plan or Pre-Operating Budget. Any contract requiring an expenditure in any year in excess of shall be approved by the Management Committee; and any contract requiring an expenditure in any year in excess of shall be approved by the Tribal Council. No contracts, of any amount, for the supply of goods or services to the Business shall be entered into with an Affiliate of the Manager unless that affiliation is disclosed to and approved by the Management Committee, and the contract terms are no less favorable for the Business than could be obtained from a nonaffiliated contractor. The cost of any such contract(s) shall be an Operating Expense. Notwithstanding anything to the contrary contained herein, contracts for the supply of any goods or services paid for entirely by Manager may be provided by an Affiliate of the Manager, provided that payments on such contracts shall not constitute Operating Expenses and shall be the sole responsibility of Manager, and the Management Committee shall be notified of any such contracts. Nothing contained in this Section 4.2.4 shall be deemed to be or constitute a waiver of the Tribe's sovereign immunity.

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4.2.5 Business Operating Standards. Manager shall operate the Business in a proper, efficient and competitive manner in accordance with operating standards which are consistent with the operating standards of the casino resort industry generally and at a minimum comply with the Harrah's Brand Standards, a description of which is attached hereto as Exhibit A, as revised from time to time by Harrah's Entertainment, Inc. or an Affiliate; or any Tribal standards which are higher and have been provided in writing to Manager at least one hundred twenty (120) days prior to the date they are intended to be implemented, for review and comment by Manager. The Tribal Council or other Tribal authority proposing implementation of the Tribal standards shall provide Manager an opportunity to present its comments in writing and verbally within a reasonable time after Manager has received a draft of the proposed standards. Said operating standards shall at all times comply with the requirements of the Tribe's Gaming Ordinance, the Compact and applicable law. Notwithstanding any of the foregoing, any standard presented by the Tribe which has either monetary or operational consequences must be mutually agreed upon by the Manager and the Tribal Council.

4.3 Security. Manager shall provide for appropriate security for the operation of the Business. All aspects of the Facility security shall be the responsibility of Manager. Any security officer shall be licensed by the Tribal Gaming Commission and bonded and insured in an amount which the Management Committee determines to be commensurate with his or her enforcement duties and obligations. The cost of any charge for security and increased public safety services will be an Operating Expense.

4.4 Damage, Condemnation or Impossibility of Operating the Business. If, during the term of this Agreement, the Facility is damaged or destroyed by fire, war, or other casualty, or by an Act of God, or is taken by condemnation or sold under the threat of condemnation, or if Gaming on the Property is prohibited as a result of a decision of a court of competent jurisdiction or by operation of any applicable legislation, Manager shall have the following options:

4.4.1 Recommencement of Operations. If Gaming on the Property is prohibited by Legal Requirements, Manager shall have the option to continue its interest in this Agreement and to commence or recommence the operation of Gaming at the Facility if, at some point during the Term of this Agreement, such commencement or recommencement shall be legally and commercially feasible in the sole judgment of Manager. Nothing in this Agreement shall impair the Tribe's right to commence or recommence and manage Gaming at the Facility if the Manager determines that it does not desire to do so. In this event, the Tribe shall not for the period that the Tribe is the manager of the Facility, owe the Manager the management fee provided for in this Agreement, but the Tribe shall continue to make payments on the Note, and shall pay the Manager for any debts owed the Manager by the Tribe for monies loaned or services provided before the shutdown.

4.4.2 Repair or Replacement. If the Facility is damaged, destroyed or condemned so that Gaming can no longer be conducted at the Facility, the Facility shall be reconstructed if the insurance or condemnation proceeds are sufficient to restore or replace the Facility to a condition at least comparable to that before the casualty occurred. If Manager elects to reconstruct the Facility and if the insurance proceeds or condemnation awards are insufficient to reconstruct the Facility to such condition, Manager may, in its sole discretion, offer to loan such additional funds as are necessary to reconstruct the Facility to such condition and such funds shall, with the prior approval of the Tribal Council and the BIA or NIGC, as appropriate, constitute a loan to the Tribe, secured by the Total Net Revenues and the Gross Revenues (Hotel) of the Business and repayable upon such terms as may be agreed upon by the Tribe and Manager. Any loan provided for herein shall not be subject to the ceiling set forth in the Development Agreement. The 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 Facility. In such event, these funds shall be treated as a tribal loan to the Business and shall be repaid under such terms and conditions as the Tribal Council and the Manager may agree upon. Repayment of interest on any such loan shall be treated as an Operating Expense of the Enterprise. If the insurance proceeds are not sufficient and are not used to repair the Facility, and neither the Manager nor the Tribe wishes to provide the additional funds necessary to re-build and reopen the facility, the Tribe and Manager 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 repayment of outstanding balance under the Note or Security and Reimbursement Agreement (including principal and interest); second, to repayment of any other loans directly related to the Business; third, to the payment of any undistributed Total Net Revenues and Gross Revenues (Hotel) pursuant to Section 6 of this Agreement; and fourth, any surplus shall be distributed to the Tribe.

4.4.3 Other Business Purposes. Manager shall have the option to use the Facility for other purposes included in the Business and reasonably incidental to Class II and Class III Gaming, provided the Management Committee mutually agrees. For any purpose other than Gaming, Manager shall obtain all approvals necessary under applicable law. The decor items for sale as well as employee dress codes and policies related to the space reserved in the Facility for tribal gift, craft, and tobacco sales shall be approved by the Management Committee.

4.4.4 Termination of Gaming. Manager shall have the option at any time within a sixty (60) day period following the cessation of Class III Gaming on the Property to notify the Tribal Council in writing that it is terminating operations under this Agreement, in which case Manager shall retain any rights Manager may have to undistributed Total Net Revenues and Gross Revenues (Hotel) pursuant to Section 6 of this Agreement for payments owed prior to such cessation of Gaming and rights to repayment of amounts owed to it under any loan agreements. If Manager does not elect to terminate this Agreement, it may take whatever action may be necessary to reduce expenses during such termination of Gaming.

4.4.5 Tolling of the Agreement. If, after a period of cessation of Gaming on the Property the recommencement of Gaming is possible, and if Manager has not terminated this Agreement under the provisions of Section 4.4.4, the period of such cessation shall not be deemed to have been part of the term of this Agreement; and the date of expiration of the term of this Agreement shall be extended by the number of days of such Tribal management or cessation period. Any reasonable payments agreed upon by the Management Committee or, if Manager is unable to participate on Management Committee, the Enterprise, made to any third party to eliminate rights acquired in the Property, the Facility or the Business during the period of cessation or to eliminate or cure the problems which caused the cessation of Gaming shall constitute Operating Expenses of the Business.

4.5 Alcoholic Beverages and Tobacco Sales. During the term of this Agreement alcoholic beverages may be served at the Facility if permissible in accordance with tribal, federal and other applicable law. The parties acknowledge that no enabling Tribal legislation for the sale of alcoholic beverages is now in force, and that such legislation would be necessary in order to serve alcoholic beverages at the Facility. If such legislation is subsequently enacted, and if other requisite approvals are obtained, the Tribal Council and Manager may mutually agree to include service of such beverages within the Business. The sale of tobacco products at the Facility shall be limited to the gift shop and vending machines to be placed in the Facility at locations approved by the Manager. The proceeds of all such sales shall be the property of the Tribe and shall be excluded from Gross Revenues of the Business. Additionally, the Tribe will be provided with about 1,000 sq. ft. in which to operate a Tribal-owned, Tribal-managed tobacco sales and gift shop, the proceeds of which shall belong solely to the Tribe. The hours of operation of such outlet and the type of articles to be offered for sale shall be determined by the Management Committee or its designee, subject to and in accordance with the Tribal Law including the Tribe's licensing requirements, if any.

4.6 Employees.

4.6.1 Manager's Responsibility. Manager shall have, subject to the terms of this Agreement and consistent with the Business' Personnel Policies described in 4.6.2, the exclusive responsibility and authority to direct the selection, hiring, control and discharge of all employees performing regular services for the Business in connection with the maintenance, operation, and management of the Business and the Facility, and the sole responsibility for determining whether a prospective employee is qualified and the appropriate level of compensation to be paid.

4.6.2 Business Employee Policies. Manager shall prepare a draft of personnel policies and procedures (the "Business Employee Policies"), including a job classification system with salary levels and scales, which policies and procedures shall be subject to approval by the Management Committee. The Business Employee Policies shall include a grievance procedure in order to establish fair and uniform standards for the employees

of the Business, which will include procedures for the resolution of disputes between Manager and Business Employees as set forth in Exhibit B attached hereto. Any revisions to the Business Employee Policies shall not be effective unless they are approved in the same manner as the original Business Employee Policies. All such actions shall comply with applicable Tribal law.

4.6.3 Manager Employees. The selection of the General Manager, Director of Finance and Administration, Director of Casino Operations, and Director of Human Resources of the Business shall be subject to consultation between Manager and the Tribe. Manager and the Tribe expect that initially, in addition to these persons, there will be a core group of other employees on the payroll of the Manager working for the Business, filling the positions set forth at Exhibit C (collectively, the "Manager Employees"). The salaries and benefits of these Manager Employees shall be subject to approval by the Management Committee, and shall be an Operating Expense of the Business. The Business shall be liable for only such salary and benefits as accrue during the time such Manager Employees are assigned to and working for the Business. Nothing contained herein is intended to limit Manager's right to reasonably consolidate or eliminate any of these positions, or, subject to Section 4.6.9 and subject to the approval of the Management Committee, to increase the number of Manager Employees. All such employees must be licensed by the Tribal Gaming Commission as required by the Compact and applicable tribal and federal law.

4.6.4 Tribal Employees. The terms of employment of all Business Employees shall be structured as though all labor, employment, and unemployment insurance laws applicable in Kansas which would apply to Manager Employees if they were not working on an Indian reservation would also apply to Tribal Employees. The Tribe agrees to take no action to impede, supersede or impair such treatment. All employees must be licensed by the Tribal Gaming Commission as required by the Compact and applicable tribal and federal law.

4.6.5 Off-Site Employees. Subject to approval of the Management Committee, Manager shall also have the right to use employees of Manager and Manager's Affiliates not located at the Facility to provide services to the Business ("Off-Site Employees"), provided that all such employees are licensed by the Tribal Gaming Commission if and as required by the Compact and Tribal and Federal law. All expenses, costs (including, but not limited to, salaries and benefits, but excluding pension, retirement, severance or similar benefits), which are related to such Off-Site Employees shall be subject to the Operating Budget and Annual Plan, and shall be treated as Pre-Opening Expenses or Operating Expenses as appropriate.

4.6.6 No Manager Wages or Salaries. Except as otherwise provided with respect to Manager Employees described in Section 4.6.3 and Off-Site Employees described in Section 4.6.5, neither Manager nor Manager's Affiliates nor any of their officers, directors, shareholders, or employees shall be compensated by wages from or

contract payments by the Business for their efforts or for any work which they perform under this Agreement, other than loan repayments, reimbursement pursuant to the Security and Reimbursement Agreement and the Management Fee to be paid to Manager under Section 6.1. Nothing in this subsection shall restrict the ability of an employee of the Business to purchase or hold stock in Manager, or Manager's Affiliates where (i) such stock is publicly held, and (ii) such employee acquires, on a cumulative basis, less than five percent (5%) of the outstanding stock in the corporation.

4.6.7 Tribal Regulatory (Costs). The operations of the Tribal Gaming Commission shall, after the Commencement Date, be funded from the Operating Budget and Annual Plan as an Operating Expense of the Business in an amount which reflects the reasonable cost to the Tribal Gaming Commission of regulating the Business, up to a maximum of of Gross Gaming Revenues, but in no event less than per year. Subject to the minimum and maximum amounts described above, payments of 1/4 of the Commission's annual approved budget shall be payable to the Tribe's bank account specified by the Tribal Council in a notice to Manager pursuant to Section 9.2 on January 21st, April 21st, July 21st and October 21st of each calendar year. Such payments shall not be combined with any other payments to the Tribe.

4.6.8 Employee Background Checks. A background investigation shall be conducted in compliance with all Legal Requirements on each applicant for employment as soon as reasonably practicable.

No individual whose prior activities, criminal record, if any, or reputation, habits and associations are known to pose a threat to the public interest, the effective regulation of Gaming, or to the gaming licenses of Manager or any of its Affiliates, or to create or enhance the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of Gaming, shall knowingly be employed by Manager, the Business or any business operating on the Property.

The procedural aspects of the Tribal Gaming Commission's licensing of gaming employees shall be formulated in consultation with the Manager and shall satisfy all regulatory requirements independently applicable to the Manager, the Business and the Tribe. The Manager shall meet with the Tribal Gaming Commission as needed to resolve any practical problems related to the processing of these license applications. Any cost associated with obtaining such background investigations shall constitute an Operating Expense, provided, however, the costs of background investigations relating to Manager, its Affiliates and the shareholders, officers, directors or Manager Employees referenced in 4.6.3 shall be borne solely by Manager, shall be non-refundable, and shall not be treated as part of the Loan or as Operating Expenses of the Business.

4.6.9 Indian Preference, Recruiting and Training. In order to maximize benefits of the Business to the Tribe, Manager shall, during the term of this Agreement, to the extent permitted by applicable law, including but not limited to the Indian Civil Rights Act, 25 U.S.C. §1301 et. seq., and excluding the initial placement of persons into the job categories listed at Exhibit C, give preference in recruiting, training and employment to qualified persons who are members of the Tribe, spouses or children of members of the Tribe, or other persons designated by duly enacted Tribal preference laws, in all job categories of the Business, including senior manager. Manager shall:

(i) conduct job fairs and skills assessment meetings for Tribal members and their families;

(ii) abide by any duly enacted Tribal preference laws; and

(iii) in consultation with and subject to the approval of the Management Committee, develop a management training program for Business Employees who are Tribal members or other Business Employees selected by the Management Committee. This program shall be structured to provide appropriate training for those participating to assume jobs of ever expanding responsibility.

4.6.10 Removal of Employees. Manager will act in accordance with the Business Employee Policies with respect to the discharge, demotion or discipline of any Business Employee.

4.7 Harrah's Marketing.

4.7.1 Marketing Services and Fees Therefor. The Manager and/or its Affiliates will provide the marketing services described in Section 4.7.2, as the program may from time to time provide, and may provide the additional marketing services described in Section 4.7.3 ("Harrah's Services") in exchange for payment by the Business as Operating Expenses of the fees described in this Section 4.7("System Fees").

Funds collected as System Fees shall, upon payment, become the sole property of Manager and Manager's Affiliates, as the case may be, may be commingled with Manager's and Manager's Affiliates' other funds, and shall not be segregated or subjected to any trust, fiduciary or other limitation, and the Tribe shall have no claim against Manager or Manager's Affiliates whatsoever to require any particular application thereof.

4.7.2 Brand Marketing Contribution. Commencing as of the Commencement Date and continuing during the Term of this Agreement, the Business shall pay to Manager monthly, of Gross Revenues (the "Brand Marketing Contribution") for the services described in this Section 4.7.2. The Management Fee shall be reduced in an amount equal to the Brand Marketing

Contribution, and in the event that the Brand Marketing Contribution for any month exceeds the Management Fee, such excess shall not be due and payable. Further, the Brand Marketing Contribution shall not be considered an Operating Expense for the purpose of calculating the Management Fee. The Brand Marketing Contribution may be used by Manager and Manager's Affiliates for advertising services and materials; special promotions (which may target particular casinos); public relations, including without limitation, guest utilization and satisfaction surveys and general or specific market research; 800 number telephone technology and services, exclusive of the charges for calls directly related to the Business; data base/direct marketing, and overhead incurred in the administration of the foregoing (other than costs of maintaining Manager's Affiliates' principal offices at 1023 Cherry Road, Memphis, Tennessee), including without limitation, compensation, travel expense and costs of goods and services consumed in marketing program administration; provided, however, that the Brand Marketing Contribution payable will be expended in its entirety by Manager and/or Manager's Affiliates in connection with such activities, although Manager shall have no obligation to make such expenditures in connection with or for the benefit of the Business.

4.7.3 Optional Marketing Services. The Tribe acknowledges that Manager and Manager's Affiliates may provide services in addition to those which are encompassed by this Agreement. The Management Committee will consider in good faith any bids/proposals presented to it by Manager or any of Manager's Affiliates to provide any such additional services to the Business. Such proposals shall be reviewed by the Management Committee which shall have the final authority to accept or reject such proposals, it being understood, however, that this Section shall in no event be construed to require the Management Committee to accept any such bid/proposal.

The System Fees charged the Business for any Harrah's Services provided under this Section 4.7.3 will be similar to and use a like pricing methodology as charged for those services to all casinos owned or managed by Manager or Manager's Affiliates or licensed to operate under Harrah's System Marks, provided that, owing to the different characteristics of certain casinos (for example, casinos having hotel rooms versus casinos not having such rooms; river boat casinos versus land based casinos) certain System Fees may not apply to all casinos. Increases, decreases, additions or deletions in charges for Harrah's Services provided under this Section 4.7.3 may be made from time to time provided such changes are made on a system wide basis for casinos having characteristics similar to the Business. If Manager or Manager's Affiliates extend other services to casinos, on a system-wide basis and if a uniform charge or charges for such services shall be applicable to other Harrah's casinos, then such other services shall also be offered to the Business pursuant to this Section 4.7.3 at a charge no greater than that applicable to other casinos managed by Manager or Manager's Affiliates.

4.7.4 Marketing and Advertising. In addition to the services described in Sections 4.7.2 and 4.7.3, the Manager shall have responsibility to advertise and promote the Business and may do so in coordination with the sales and marketing programs of Manager and other Harrah's Casinos. The costs of such activities shall be an Operating Expense of the Business, the budget for which shall be included in the Operating Budget

and Annual Plan. Manager may participate in sales and promotional campaigns and activities involving complimentary rooms, food, beverage, shows, chips and tokens. Manager, in marketing and advertising the Facility, shall, pursuant to Article 4.6.5, have the right to use marketing and advertising services of employees of Manager and its parent and affiliated companies not located at the Facility. In all marketing related exclusively to the Business and on all Business correspondence the Business's logo shall appear.

4.8 Centralized Services Cost. The cost of Centralized Services utilized by the Business will be an Operating Expense of the Business and shall be subject to the Operating Budget and Annual Plan as approved by the Tribal Council.

4.9 Pre-Opening. Six (6) months prior to the scheduled Commencement Date, Manager shall commence implementation of a pre-opening program which shall include all activities necessary to financially and operationally prepare the Facility for opening. To implement the pre-opening program, Manager shall prepare a comprehensive pre-opening budget, which shall be submitted to the Management Committee for review and comments and to the Tribal Council for their approval no later than seven (7) months prior to the scheduled Commencement Date ("Pre-Opening Budget"). The Pre-Opening Budget sets forth expenses which Manager anticipates to be necessary or desirable in order to prepare the Facility for the Commencement Date, including without limitation, cash for disbursements, Furnishings and Equipment and Operating Supplies, hiring, training, relocation and temporary lodging of employees, advertising and promotion, office overhead and office space (whether on or off the Property), and travel and business entertainment (including opening celebrations and ceremonies) ("Pre-Opening Expenses"). The Tribe recognizes that the Pre-Opening Budget has been prepared well in advance of the Commencement Date and is intended only to be a reasonable estimate, subject to variation due to a number of factors, some of which will be outside of Manager's control (e.g. the time of completion, inflationary factors and varying conditions for the goods and services required). The Tribe agrees that the Pre-Opening Budget may be modified from time to time in accordance with the procedure established in Section 4.11 of this Agreement for adjustments to the Operating Budget and Annual Plan.

4.10 Kansas Vendor Preference. It shall be the policy of the Business, subject to reasonable business judgment, to prefer Kansas-based suppliers for the provision of goods and services to the Business.

4.11 Operating Budget and Annual Plan. Manager shall, prior to the scheduled Commencement Date, submit to the Tribal Council for approval, a proposed Operating Budget and Annual Plan for the Business for the remainder of the then current Fiscal Year. Thereafter, Manager shall, not less than sixty (60) days prior to the commencement of each full or partial Fiscal Year, prepare and submit to the Tribal Council for approval, a proposed Operating Budget and Annual Plan for the ensuing full or partial Fiscal Year, as the case may be. The Operating Budget and Annual Plan shall include a projected income statement, balance sheet, and projection of cash flow for the Business, with detailed justifications explaining the

assumptions used therein and included with the Operating Budget and Annual Plan shall be a schedule of repairs and maintenance (other than Capital Replacements), a business and marketing plan for the Fiscal Year, and the Minimum Balance which must remain in the Business Bank Accounts and the House Bank as of the end of each month during the Fiscal Year to assure sufficient monies for operating capital purposes, the House Bank and other expenditures authorized under the Operating Budget and Annual Plan. Adoption of the final Operating Budget and Annual Plan for each Fiscal Year shall be subject to the mutual agreement of the Manager and the Tribal Council.

The Operating Budget and Annual Plan for the Business will comprise the following:

(a) a statement of the estimated income and expenses for the coming Fiscal Year, including estimates as to Gross Revenues and Operating Expenses for such Fiscal Year, including estimates of the anticipated results of the operation during each month of the subject Fiscal Year;

(b) either as part of the statement of the estimated income and expenses referred to in the preceding clause (a), or separately, budgets (and timetables and requirements of Manager) for:

(i) repairs and maintenance;

(ii) Capital Replacements;

(iii) Furnishings and Equipment;

(iv) advertising and business promotion programs for the Business;

(v) the estimated cost of Promotional Allowances; and

(vi) any other items requested by the Management Committee or the Council; and

(c) a business and marketing plan for the subject Fiscal Year.

Manager shall meet with the Tribal Council to discuss the proposed Operating Budget and Annual Plan, and the Tribal Council's ratification shall be deemed given unless a specific written objection thereto is delivered by the Tribal Council to Manager within thirty (30) days after Manager has met with the Tribal Council to discuss the proposed Operating Budget and Annual Plan. If the Tribal Council for any reason declines to meet with Manager to discuss a proposed Operating Budget and Annual Plan, the Tribal Council shall be deemed to have ratified the proposed Operating Budget and Annual Plan unless a specific written objection is delivered to the Manager within fifteen (15) days after the date the proposed Operating Budget and Annual Plan is submitted to

the Tribal Council. To be effective, any notice which disapproves a proposed Operating Budget and Annual Plan must contain specific objections in reasonable detail to individual line items.

If the initial proposed Operating Budget and Annual Plan contains disputed budget item(s), the Tribal Council and the Manager agree to cooperate with each other in good faith to resolve the disputed or objectionable proposed item(s). In the event the Tribal Council and the Manager are not able to reach mutual agreement concerning any disputed or objectionable item(s) within a period of fifteen (15) days after the date the Tribal Council provides written notice of its objection to Manager, either the Tribal Council or Manager shall be entitled to submit the dispute to arbitration in accordance with Section 17.1.1. If the Tribal Council and the Manager are unable to resolve the disputed or objectionable item(s) prior to the commencement of the applicable Fiscal Year, the undisputed portions of the proposed Operating Budget and Annual Plan shall be deemed to be adopted and approved and the corresponding line item(s) contained in the Operating Budget and Annual Plan for the preceding fiscal year shall be adjusted as set forth herein and shall be substituted in lieu of the disputed item(s) in the proposed Operating Budget and Annual Plan. Those line items which are in dispute shall be determined by increasing the preceding fiscal year's actual expense for the corresponding line items by an amount determined by Manager which does not exceed the increase in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, U.S. City Average, all items (1982-1984 = 100) from the beginning to the end of the Fiscal Year prior to the Fiscal Year with respect to which the adjustment to the line item(s) is being calculated or in any successor or replacement index thereto. The resulting Operating Budget and Annual Plan obtained in accordance with the preceding sentence shall be deemed to be the Operating Budget and Annual Plan in effect until such time as Manager and the Tribal Council have resolved the items objected to.

4.11.1 Adjustments to Operating Budget and Annual Plan. Manager may revise the Operating Budget and Annual Plan from time to time, as necessary, to reflect any unpredicted significant changes, variables or events or to include significant, additional, unanticipated items of expense. Manager may, after notice to the Management Committee, reallocate part or all of the amount budgeted with respect to any line item to another line item and make such other modifications to the Operating Budget and Annual Plan as Manager deems necessary, provided that the total adjustments to the Operating Budget and Annual Plan shall not exceed

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of the aggregate approved Operating Budget and Annual Plan without prior approval of the Tribal Council. Manager shall submit a revision of the Operating Budget and Annual Plan to the Management Committee for review on a quarterly basis. In addition, in the event actual Gross Revenues for any month are greater than those provided for in the Operating Budget and Annual Plan, the amounts approved in the Operating Budget and Annual Plan for guest services, food and beverage, telephone, utilities, marketing and the repair and maintenance of the Facility for that month shall

be automatically deemed to be increased to an amount that bears the same relationship (ratio) to the amounts budgeted for such items as actual Gross Revenues for such month bears to the projected Gross Revenues for such month. The Tribe acknowledges that the Operating Budget and Annual Plan is intended only to be a reasonable estimate of the Business's revenues and expenses for the ensuing Fiscal Year. Manager shall not be deemed to have made any guarantee concerning projected results contained in the Operating Budget and Annual Plan.

4.12 Capital Budgets. Manager shall, not less than sixty (60) days prior to the commencement of each Fiscal Year, or partial Fiscal Year, submit to the Tribal Council, for approval, a recommended capital budget (the "Capital Budget") describing the present value, estimated useful life and estimated replacement or new acquisition costs for the ensuing full or partial year, as the case may be, for the physical plant, furnishings, equipment, and ordinary capital replacement items, all of which are defined to be any items, the cost of which is capitalized and depreciated, rather than expensed, using GAAP ("Capital Replacements") as shall be required to operate the Business in accordance with sound business practices. Manager is authorized to make such Capital Replacements and acquisitions which have been approved in the Capital Budget in an aggregate sum equal to or less than the sum of the Capital Replacement Reserve for the Fiscal Year; but expenditures for any amounts in excess of the Capital Replacement Reserve for the Fiscal Year shall, subject to the Emergency Conditions provisions of Section 4.13, be subject to approval of the Tribal Council in its sole discretion. The Tribal Council and Manager shall meet to discuss the proposed Capital Budget and the Tribal Council shall be required to make specific written objections to a proposed Capital Budget in the same manner and within the same time periods specified in Section 4.11 with respect to an Operating Budget and Annual Plan. The Tribal Council shall not unreasonably withhold or delay its approval. Adoption of the final Capital Budget for each Fiscal Year shall be subject to the mutual agreement of the Manager and the Tribal Council. Unless the Tribal Council and Manager otherwise agree, Manager shall be responsible for the design and installation of Capital Replacements, subject to the Tribal Council's right to inspect and acceptance of the design and installation of same.

4.13 Capital Replacements. The Tribe, acting through the Business shall effect and expend such amounts for any Capital Replacements as shall be required, in the course of the operation of the Business, to maintain, at a minimum, the Business in compliance with any Legal Requirements and to comply with Manager's recommended programs for renovation, modernization and improvement intended to keep the Business competitive in its market, to maintain any Harrah's Brand Standards or to correct any condition of an emergency nature, including without limitation, maintenance, replacements or repairs which are required to be effected by the Business, which in Manager's discretion requires immediate action to preserve and protect the Facility, assure its continued operation, and/or protect the comfort, health, safety and/or welfare of the Facility's guests or employees (an "Emergency Condition"); provided, however, that the Manager shall send immediate notice of its intent to make such expenditure with an explanation of the reasons for its decision to both the Management Committee and the Tribal Council; and provided further that the Manager shall not expend any funds in an amount

greater than the aggregate of the periodic required contributions to the Capital Replacement Reserve described in Section 4.14 except in the event of an emergency without approval of the Management Committee; and provided that without the prior approval of Tribal Council the Tribe shall be under no obligation to fund Capital Replacements in an amount greater than the periodic contribution to that reserve. Manager is authorized to take all steps and to make all expenditures from the Disbursement Account, described at Section 4.19.3 (in the case of non-capitalized repairs and maintenance), or Capital Replacement Reserve, described at Section 4.14, (in the case of expenditures for Capital Replacements) as it deems necessary to repair and correct any Emergency Condition, regardless whether such provisions have been made in the Capital Budget or the Operating Budget and Annual Plan for any such expenditures; or the cost thereof may be advanced by Manager and reimbursed from future Gross Revenues. Design and installation of Capital Replacements shall be effected in a time period and subject to such conditions as the Management Committee may establish to minimize interference with or disruption of ongoing operations.

4.14 Capital Replacement Reserve. Manager shall establish a Capital Replacement Reserve on the books of account of the Business, and the periodic contributions of cash required by Section 4.15 shall be deposited by the Manager into an account (the Capital Replacement Reserve") established in the Business's name at a bank designated by the Management Committee in accordance with Section 4.19.1 of this Agreement. All amounts in the Capital Replacement Reserve shall be invested in interest bearing investments in accordance with the Business Investment Policy set forth in Exhibit D to this Agreement to the extent that availability of funds, when required, is not thereby impaired. Interest earned on amounts deposited in the Capital Replacement Reserve shall be credited to the Capital Replacement Reserve and shall be available for payment of expenditures for Capital Replacements to the Facility. Manager shall draw on the Capital Replacement Reserve for Capital Replacements to purchase those items included in the Capital Budget approved by the Tribal Council or such emergency additions, repairs or replacements as shall be required to correct an Emergency Condition or to comply with the Harrah's Brand Standards.

4.15 Periodic Contributions to Capital Replacement Reserve. In accordance with Section 6.4 of this Agreement, Manager shall, to the extent funds are generated and available therefor, make monthly deposits into the Capital Replacement Reserve in amounts equivalent to an annual rate of of Gross Revenues during the first two years of the Term of this Agreement after the Commencement Date and equivalent to an annual rate of of Gross Revenues during the remainder of the Term or in such higher amounts as the Manager and the Management Committee shall deem appropriate. The cash amounts required to be so deposited shall be calculated and deposited into the Capital Replacement Reserve, in arrears, no later than the twenty-first (21st) day of the month immediately following the month with respect to which a deposit is made. If any adjustment of Gross Revenues is made as a result of an audit or for other accounting reasons, a corresponding adjustment in the Capital Replacement Reserve deposit shall be made. In addition, all proceeds from the sale of capital items no longer needed for the operation of the Business, and the proceeds of any insurance

received in reimbursement for any items previously paid for from the Capital Replacement Reserve, shall be deposited into the Capital Replacement Reserve upon receipt.

4.16 Use and Allocation of Capital Replacement Reserve. Any expenditures for Capital Replacements which have been budgeted and previously approved may be paid from the Capital Replacement Reserve without further approval from the Tribal Council or the Management Committee. Any amounts remaining in the Capital Replacement Reserve at the close of any Fiscal Year shall be carried forward and retained in the Capital Replacement Reserve until fully used. If amounts in the Capital Replacement Reserve at the end of any Fiscal Year plus the anticipated contributions to the Capital Replacement Reserve for the next ensuing Fiscal Year are not sufficient to pay for Capital Replacements authorized by the Capital Budget for such ensuing Fiscal Year, then additional funds in the amount of the projected deficiency, may, if the Tribal Council concurs, be advanced by the Manager and reimbursed by the Business from future Gross Revenues.

4.17 Contracting. In entering contracts for the supply of goods and services for the Business, Manager shall give preference to qualified members of the Tribe, their spouses and children, and qualified business entities certified by the Tribe to be owned and operated by members of the Tribe, or to such other businesses as duly enacted tribal contracting preference laws shall require.

"Qualified" shall mean a person, or a business entity certified by the Tribe to be eligible for this preference, who or which is able to provide services at competitive prices, has demonstrated skills and abilities to perform the tasks to be undertaken in an acceptable manner, in the Management Committee's opinion, and can meet the reasonable bonding requirements of the Business. Manager shall provide written notice to the Tribal Council and the Management Committee in advance of all such contracting, subcontracting and construction opportunities. Preference shall also be given to qualified businesses located in the state of Kansas.

4.18 Internal Control Systems. Manager shall recommend for installation systems for monitoring of all funds (the "Internal Control Systems"), which systems shall comply with all Legal Requirements including, but not limited to, those contained in the Tribal Gaming Ordinance, Tribal Gaming Commission Regulations, the Compact and the IGRA, and shall submit the same for approval to the Management Committee and the Tribal Gaming Commission and any other government agency required to approve the same in advance of implementation, which approval shall not be unreasonably withheld. The Tribal Council and the Tribal Gaming Commission shall retain the right to review all Internal Control Systems and any changes instituted to the Internal Control Systems of the Business at any time. The Tribal Council and the Tribal Gaming Commission shall have the right to retain an auditor to review the adequacy of the Internal Control Systems prior to the Commencement Date. The cost of such review shall be a Pre-Opening Expense. Any significant changes in such systems after the Commencement Date also shall be subject to review and approval by the aforementioned Tribal and other government Authority. The Tribal Gaming Commission and Manager and any other

government agency authorized to do so by the Compact or applicable law shall have the right and duty to maintain and police the Internal Control Systems in order to prevent any loss of proceeds from the Business. The Tribal Gaming Commission and any other legally authorized government agency shall have the right to inspect and oversee the Internal Control System at all times. The Business shall incorporate a closed circuit television system to be used for monitoring the cash handling activities of the Business sufficient to meet all Legal Requirements.

4.19 Banking and Bank Accounts.

4.19.1 Business Bank Accounts. The Manager shall recommend, and present to the Tribal Council for its approval, a bank or banks for the deposit and maintenance of funds and shall establish in such bank or banks accounts as Manager deems appropriate and necessary in the course of business and as consistent with this Agreement ("Business Bank Accounts") unless otherwise agreed to by the Tribal Council, the Manager shall give preference to banks located in the State of Kansas. The sum of money agreed to by the Management Committee to be maintained in the Business Bank Account(s) to serve as operating capital for Business operations, shall include all sums needed for the House Bank, and all sums needed to accrue for payment of expenses not paid on a monthly basis (the "Minimum Balance"). Attached hereto as Exhibit E is the form of Irrevocable Banking Instructions to be executed by the Tribal Council with regard to each Business Bank Account and to be in effect during the Term of this Agreement.

4.19.2 Daily Deposits to Depository Account. Manager shall establish for the benefit of the Tribe in the Business's name a Depository Account. Manager shall collect all Gross Revenues (and other proceeds connected with or arising from the operation of the Business, the sale of all products, food and beverage, and all other activities of the Business) and deposit the funds daily into the Depository Account at least once during each 24-hour period during normal banking business days. Manager agrees to obtain a bonded transportation service to effect the safe transportation of the daily receipts to the bank, which expense shall constitute an Operating Expense. Said transportation company and its bonding levels shall be approved in advance by the Management Committee.

4.19.3 Disbursement Account. Manager shall establish for the benefit of the Tribe in the Business's name a Disbursement Account. Manager shall, consistent with and pursuant to the approved annual Operating Budget and Annual Plan, have responsibility and authority for making all payments for Operating Expenses, debt service, Management Fees, and disbursements to the Tribe from the Disbursement Account.

4.19.4 No Cash Disbursements. Manager shall not make any cash disbursements from the Business Bank Accounts except for cash orders needed in the ordinary course of the operation of the Business, the payment of cash prizes in amounts

less than Internal Revenue Service reporting requirements for the Business; and, except for cash prizes in such amounts, any and all payments or disbursements by the Manager shall be made by check, automated clearing house (ACH), inter-bank transfer, or wire transfer drawn against a Business Bank Account.

4.19.5 Transfers Between Accounts. Manager has the authority to transfer funds from and between the Business Bank Accounts and to the Disbursement Account in order to pay Operating Expenses and to pay debt service pursuant to the Loan Agreement and Note, the Security and Reimbursement Agreement, and the Development Agreement, to invest funds in accordance with the Business Investment Policy, to reimburse Manager for loans or advances made pursuant to the Development Agreement or this Agreement, and to pay fees payable to Manager and distributions to the Tribe pursuant to this Agreement.

4.20 Insurance. The Business shall have the financial responsibility for all insurance purchased by the Business. Manager, on behalf of the Business and the Tribe, shall arrange for, place, and take any action necessary to keep in force, or cause its agents to take such action necessary to keep in force, with responsible insurance carriers licensed to do business in Kansas, insurance satisfactory to Manager and the Tribal Council covering the Facility and the operations of the Business, naming the Tribe, the Business, Manager, and Manager's Affiliates as insured parties, for the coverages and in at least for the limits which are set forth in Exhibit F.

4.21 Accounting and Books of Account.

4.21.1 Statements. Manager shall prepare and provide to the Management Committee and the Tribal Council and the Tribal Gaming Commission and such other parties as the Tribal Council or applicable law may require on a monthly, quarterly, and annual basis, operating statements. The operating statements shall comply with all Legal Requirements and shall include an income statement, statement of cash flows, and balance sheet for the Business. Such statements shall include the Operating Budget and Annual Plan and Capital Budget projections as comparative statements, and which, after the first full year of operation, will include comparative statements from the comparable period for the prior year of all revenues, and all other amounts collected and received, and all deductions and disbursements made therefrom in connection with the Business.

4.21.2 Books of Account. Manager shall maintain full and accurate books of account at an office in the Facility and at such other location as may be determined by Manager. The Tribal Council and the Tribal Gaming Commission and any government official authorized by law to have such access shall have access to the daily operations of the Business and shall have the unlimited right to inspect, examine, and copy all such books and supporting business records. Such rights may be exercised through a duly authorized agent, employee, attorney, or independent accountant acting on behalf of the Tribe, the Tribal Gaming Commission or the authorized government

agency provided, however, that the authority of said individual is first presented in writing to the Manager.

4.21.3 Accounting Standards. Manager shall maintain the books and records reflecting the operations of the Business in accordance with the accounting practices of Manager in conformity with Generally Accepted Accounting Principles consistently applied and shall adopt and follow the fiscal accounting periods utilized by Manager in its normal course of business (i.e., a month, quarter and year prepared in accordance with the Business Fiscal Year) unless otherwise required by applicable law. The accounting systems and procedures shall comply with Legal Requirements and, at a minimum:

(i) include an adequate system of internal accounting controls;

(ii) permit the preparation of financial statements in accordance with generally accepted accounting principles;

(iii) be susceptible to audit as required by Tribal law, the Compact, the IGRA and other applicable law;

(iv) permit the calculation and payment of the Management Fee described in Section 6; and

(v) provide for the allocation of operating expenses or overhead expenses among the Business and any other user of shared facilities and services. To the extent permitted by the Accounting Standards, these allocations shall be by the mutual agreement of the parties through the Management Committee.

(vi) provide for the allocation of operating expenses or overhead expenses among the Tribe, the Tribal gaming operation, the contractor, and any other user of shared facilities and services.

(vii) permit the calculation of the fee payable to the NIGC pursuant to 25 C.F.R. §514.1.

4.21.4 Annual Audit. An independent certified public accounting firm with proven experience auditing casino gaming businesses selected by the Tribe shall perform an annual audit of the books and records of the Business and of all contracts for supplies, services or concessions reflecting Operating Expenses. Said audit shall meet all legal requirements of the Compact, the IGRA and other applicable law. Such audit shall, unless otherwise authorized by the Tribal Council resolution, be separate and distinct from any audit required by the Single Audit Act of 1984, 31 USC §750. et seq. The Tribal Council, the Tribal Gaming Commission, and the NIGC and any other legally

authorized government agency, shall also have the right to perform special audits of the Business on any aspect of the Business at any time without restriction. The costs incurred for such audits shall constitute an Operating Expense. Such audits shall be provided by the Tribal Council to all applicable federal and state agencies, as required by law, and may be used by Manager for reporting purposes under federal and state securities laws, if required.

4.22 **Retail Stores and Concessions**. With respect to the operation of the shops and concessions located within the Facility, the Management Committee shall review and approve in advance in writing the specific type or types of shops or concessions proposed by Manager to be authorized for inclusion in the Facility.

4.23 **Entertainment Approvals**. In the event that Manager shall determine to provide entertainment and/or sporting events to the public as part of a special promotional event at the Facility, the same will be subject to approval by the Management Committee.

5. **Liens**. Subject to the exceptions hereinafter stated in Section 5.1, the Tribe specifically warrants and represents to Manager that during the term of this Agreement the Tribe shall not act in any way whatsoever, either directly or indirectly, to cause any person or entity to become an encumbrancer or lienholder of the Property or the Facility, other than Manager or Bank or to allow any person or entity to obtain any interest in this Agreement without the prior written consent of Manager, and, where applicable, consent from the United States. Manager specifically warrants and represents to the Tribe that during the term of this Agreement Manager shall not act in any way, directly or indirectly, to cause any person or entity to become an encumbrancer or lienholder of the Property or the Facility, or to obtain any interest in this Agreement without the prior written consent of the Tribal Council, and, where applicable, the United States. The Tribe and Manager shall keep the Facility and Property free and clear of all enforceable mechanics' and other enforceable liens resulting from the construction of the Facility and all other enforceable liens which may attach to the Facility or the Property, which shall at all times remain the property of the United States in trust for the Tribe. If any such lien is claimed or filed, it shall be the duty of the Tribe to take immediate legal action to contest the claim or lien or to otherwise discharge the lien within thirty (30) days after having been given written notice of such claim, either by payment to the claimant of the amount necessary to relieve and discharge the Property from such claim, or in any other manner which will result in the discharge or stay of such claim, and Manager is authorized to act in behalf of the Tribe to discharge any liens if the Tribe fails to take appropriate action towards that goal within that thirty (30) day period.

5.1 **Exceptions**. The Tribe shall have the right to grant subordinated security interests in the Total Net Revenues subject to a subordination agreement in a form and substance satisfactory to Manager and Bank which protects Manager's first lien pursuant to the Security and Reimbursement Agreement.

6. Management Fee, Reimbursements, Disbursements, and Other Payments by Manager.

6.1 Management Fee. Subject to the provisions of Section 6.4, on or before the twenty-first (21st) day of each calendar month after the calendar month in which the Commencement Date occurs, Manager is authorized by the Tribe to pay itself from the Business Bank Account(s) the following, based on the Net Revenues in the prior calendar month as to Sections 6.1.1 and 6.1.2 and Gross Revenues for the prior calendar month as to Section 6.1.3:

6.1.1 **Class II (excluding Bingo) and Class III Gaming Management Fees:**

a fee equal to of Net Revenues.

6.1.2 **Bingo Management Fees:**

a fee equal to of Net Revenues (Bingo).

6.1.3 **Hotel Management Fee:**

a fee equal to of Gross Revenues (Hotel).

Notwithstanding the foregoing, the total of (i) Management Fees paid to Manager related to Class II and Class III gaming and (ii) any other money paid to Manager for services directly related to Class II and Class III gaming, which is not an Operting Expense, shall not exceed of Net Revenues (Gaming) and Net Revenues (Bingo).

6.2 Disbursements. As and when received by Manager, Gross Revenues shall be deposited in the Depository Account created pursuant to Section 4.19.2 of this Agreement. There shall, in turn, be disbursed by Manager, on a monthly basis, for and on behalf of the Tribe, funds from the Business Bank Account(s) to pay, to the extent available, Operating Expenses and required-deposits into the Capital Replacement Reserve.

Manager will reserve funds in the Business in amounts equal to the Minimum Balance, and Manager may increase the Minimum Balance in Manager's sole discretion, at any time during the first year following the Commencement Date to reflect unanticipated operating capital needs revealed by actual Business operations. Additionally, Manager may, at its option, with the approval of the Tribal Council advance any monies needed to cover any operating cash shortfall and shall be allowed to be reimbursed same in accordance with Section 9.12.

6.3 Adjustment to Bank Account. After the disbursements pursuant to Section 6.2, and establishment of any additional reserves for future disbursements as Manager and the Management Committee deem necessary, taking into account anticipated cash flow and Operating Costs of the Business, any excess funds remaining in the Business Bank Account(s) over the Minimum Balance, the Capital Replacement Reserve, and such additional reserves approved by

the Management Committee, shall be disbursed monthly in accordance with Section 6.4.

6.4 **Payment of Fees and Tribal Disbursement**. Within twenty-one (21) days after the end of each calendar month of operations after the month in which the Commencement Date occurs, Manager shall calculate Gross Revenues, Operating Expenses, and Total Net Revenues of the Business for the previous month's operations and the year's operations to date. Such calculations shall be presented in writing to the Management Committee and the Tribal Council. Such Total Net Revenues shall be disbursed from the Business Bank Account(s) to the extent available to pay the scheduled items to the extent due and payable and earned in the following order of priority:

(i) the Minimum Guaranteed Monthly Payment described in Section 6.5;

(ii) the reimbursement of amounts advanced or paid by Manager; and

(iii) Current principal and any other payments due on the Loan (and if payments are due quarterly, a reserve equal to of the scheduled quarterly payment shall be deposited in any Business Bank Account for such payment, and may be invested in accordance with the Business Investment Policies pending payment);

(iv) Capital Replacement Reserve contributions as described in Section 4.15;

(v) the Management Fee.

All remaining Total Net Revenues (the "Monthly Distribution Payment") shall be distributed to the Tribe at the same time the Management Fee is paid.

6.5 **Minimum Guaranteed Monthly Payment**. If Class III gaming at the Business includes Machine Gaming (Slot Machine), the Manager shall pay the Tribe (the "Minimum Guaranteed Monthly Payment"), beginning on the Commencement Date and continuing for the remainder of the Term. If Manager continues management of the Business when Class III gaming at the Business does not include Machine Gaming (Slot Machine), the Minimum Guaranteed Monthly Payment shall be per month during such period of time that the scope of legally permitted gaming is reduced. Partial months shall be prorated based on the scope of gaming permitted during such partial month. If Manager continues management of the Business when no Class III gaming is legally permitted, the Minimum Guaranteed Monthly Payment during such period shall be per month. Partial months shall be prorated based on the scope of gaming permitted during such partial month. The Minimum Guaranteed Monthly Payment shall be payable to the Tribe in arrears on the twenty-first (21st) day of each calendar month following the month in which the Commencement Date occurs, which payment shall have priority over the Management Fee and retirement of development and construction costs. If the Commencement Date is a date other than the first day of a calendar month, the first

payment will be prorated from the Commencement Date to the end of the month. Minimum Guaranteed Monthly Payments shall be charged against the Tribe's distribution of Total Net Revenues for each month provided, however, where the Total Net Revenues in a given month are less than the Minimum Guaranteed Monthly Payment, Manager shall pay the funds necessary to compensate for the deficiency from its own funds, but to the extent the amount distributed to the Tribe in succeeding months exceeds the Minimum Guaranteed Monthly Payment, Manager shall be reimbursed in accordance with the schedule of disbursements set forth in Section 6.4. No Minimum Guaranteed Monthly Payment shall be owed for any full calendar month(s) during which Class III and Class II Gaming is suspended or terminated at the Facility pursuant to Section 4.4, or during any time which the Manager is not in control of the Business, and the obligation to make Minimum Guaranteed Monthly Payments shall cease upon termination of this Agreement, unless the Agreement is terminated by the Tribe for a Material Breach by the Manager. The Manager shall pay a percentage of the Minimum Guaranteed Monthly Payment for any partial calendar month during which Class II and Class III Gaming are either suspended or terminated equal to the percentage of such calendar month during which Class II and Class III Gaming are conducted. Except as provided in the preceding sentence of this Section 6.5, Manager's obligation to pay the Tribe the Minimum Guaranteed Monthly Payment is unconditional, and shall not be affected by the actual level of funds generated by the Business.

6.6 Payment of Revenues to Tribe. The revenues from all sources of the Business paid to the Tribe pursuant to this Section 6 shall be payable to the Tribe's bank account specified by the Tribal Council in a notice to Manager pursuant to Section 9.2.

7. Trade Names, Trade Marks and Service Marks.

7.1 Business Name. The Business shall be operated under the business name of Manager followed by a reference to a location name which readily identifies the Facility to the public along with a reference to the Tribe or such other name as the Manager and the Tribal Council may agree (the "Business Name").

7.2 System Marks. Prior to the Commencement Date and from time to time during the Term hereof, Manager shall oversee, with the approval of the Management Committee, the erection and installation, in accordance with applicable codes and regulations, of all signs Manager deems necessary in, on or about the Facility, including, but not limited to, signs bearing the System Marks as part of the Business Name. The costs of purchasing, leasing, transporting, constructing, maintaining and installing the required signs and Systems Marks shall be part of the-start-up or Capital Replacement, or Operating Cost whichever is applicable.

The Tribe agrees to recognize the exclusive right of ownership of Harrah's Operating Company, Inc., a Delaware corporation, to all Harrah's service marks, trademarks, copyrights, trade names, patents or other similar rights or registrations now or hereafter held or applied for in connection therewith (collectively, the "System Marks"). The Tribe hereby disclaims any right or interest therein, regardless of any legal protection afforded thereto. Provided however, that the Manager acknowledges that its Management Fee is being paid, in part, for the

Business's use of the Harrah's name and Systems Marks. The Tribe acknowledges that all of System Marks might not be used in connection with the Business, and Manager, with the prior written consent of Harrah's Operating Company, Inc., shall have sole discretion to determine which System Marks shall be so used. The Tribe covenants that in the event of termination, cancellation or expiration of this Agreement, whether as a result of a default by Manager or otherwise, the Tribe shall not hold itself out as, or continue operation of the Business as a Harrah's casino nor will it utilize any of System Marks or any variant thereof in the name or operation of the Business. The Tribe agrees that Manager or Harrah's Operating Company, Inc. or their respective representative may, at any time thereafter, enter the Facility and may remove all signs, furnishings, printed material, emblems, slogans or other distinguishing characteristics which are now or hereafter may be connected or identified with Manager or which carry any Harrah's Mark provided that if said items were purchased with Business funds, and the termination is as a result of a default by Manager or is at the end of the five (5) year Term of this Agreement, Manager will replace significant items referencing Harrah's Marks up to a total expenditure of The Tribe shall not use the name Harrah's, or any variation thereof, directly or indirectly, in connection with a private placement or public sale of securities or other comparable means of financing or press releases and other public communications related to the financial performance of the Business other than those directed exclusively to the Tribal membership, without the prior written approval of Manager, which consent shall not be unreasonably withheld or delayed.

7.3 Litigation Involving System Marks. Tribe and Manager agree that, in the event Tribe and/or Manager is or are the subject of any litigation or action brought by any party seeking to restrain the use by Tribe or Manager, or either of them, of any System Mark used by Manager for or on or in connection with the Facility or Business, any such litigation or action shall be defended entirely by and at the expense of Manager, notwithstanding that Manager may not be named as a party thereto. The Tribe shall not have the right to bring suit against any user of any of the System Marks. In all cases, the conduct of any suit, whether brought by Manager or instituted against Tribe and/or Manager shall be under the absolute control of counsel to be nominated and retained by Manager, notwithstanding that Manager may not be a party to such suit. Manager agrees and covenants to defend and hold Tribe harmless from and to indemnify Tribe against any judgments or awards of any court or administrative agency of competent jurisdiction, whether such awards be in the form of damages, costs or otherwise, imposed against the Tribe and arising from the use by Manager of any System Marks or similar rights or registrations for or on or in connection with the Facility or Business in accordance with the terms of this Agreement.

8. Taxes.

8.1 State and Local Taxes. If the state of Kansas or any local government attempts to impose any tax including any possessory interest tax upon any party to this Agreement or upon a transaction entered into by the parties to this Agreement or upon the Business, the Facility or the Property, the Tribal Council and the Manager, by mutual agreement, in the name of the appropriate party or parties in interest, may, upon unanimous vote, resist such attempt

through legal action. The costs of such action and the compensation of legal counsel shall be an Operating Expense of the Business. Any such tax shall constitute an Operating Expense of the Business. This Section shall in no manner be construed to imply that any party to this Agreement or the Business is liable for any such tax. Notwithstanding the foregoing, either party may, on its own account, contest any such attempt to impose a tax, but the cost of same shall be an Operating Expense only upon the mutual agreement of the Tribe and the Manager.

8.2 Tribal Taxes. The Tribe agrees that neither it nor any agent, agency, affiliate or representative of the Tribe will impose any taxes, fees, assessments, or other charges of any nature whatsoever on, payments of any debt service to Manager or any of its Affiliates or to any lender furnishing financing for the Facility or for the Business, or on the Business, the Facility, the revenues therefrom or on the Management Fees as described in Section 6. of this Agreement; and the Tribe further agrees that neither it nor any agent, agency, affiliate or representative will impose any taxes, fees, assessments or other charges of any nature whatsoever on the salaries or benefits, or dividends paid to, any of Manager's stockholders, officers, directors, or employees; or any provider of goods, materials, or services to the Business. Manager retains the right, pursuant to Section 17 of this Agreement, to terminate this Agreement and all accompanying agreements if this provision is violated and to seek compensation from the Tribe for such action.

Nothing in this Section 8.2 shall be construed to prohibit the Tribe from charging vendors a reasonable business license fee and gaming license fees reflecting the reasonable regulatory costs incurred in such gaming licensing, and/or taxing the sale of goods or services by the Business in amounts equivalent to any state taxes that are or would otherwise be applicable but for the Tribe's status as an Indian tribe; provided that no such tax shall be applied to any goods or services supplied as Promotional Allowances.

8.2.1. Termination by Manager. Should Manager terminate this Agreement pursuant to this Section 8, Manager shall retain the right to: (a) repayment of money lent to the Tribe by Manager or Manager's Affiliates and money lent to the Tribe and guaranteed by the Manager and/or Manager's Affiliates to the extent Manager and/or Manager's Affiliates are required to pay pursuant to such guarantee; and (b) reimbursement of any monies which may become due and payable under the terms of the Security and Reimbursement Agreement. Except as otherwise provided herein, if, contrary to the agreement in Section 8.2, any such taxes, fees, assessments, or other charges are nevertheless levied by the Tribe, they shall constitute Operating Expenses of the Business.

8.3 Compliance with Internal Revenue Code. Manager shall comply with all applicable provisions of the Internal Revenue Code.

9. General Provisions.

9.1 Situs of the Contracts. This Agreement, as well as all contracts entered into between the Tribe and any person or any entity providing services to the Business, shall be deemed entered into on the Prairie Band of Potawatomi Indian Reservation, and shall be subject to all Legal Requirements of the Tribe and federal law as well as approval by the Secretary of the Interior where required by 25 U.S.C. § 81 or by the Chairman of the NIGC where required by the IGRA.

9.2 Notice. Any notice required to be given pursuant to this Agreement shall be delivered to the appropriate party by Federal Express or by Certified Mail Return Receipt Requested, addressed as follows:

If to the Tribe:
Prairie Band of Potawatomi Indians
14880 K Road
Mayetta, KS
Attn: Tribal Chairperson

Copies to:
Morisset, Schlosser, Ayer & Jozwiak
1815 H St., N.W. Suite 750
Washington, D.C. 20006
Attn: M. Frances Ayer and Patricia A. Marks

If to Manager:
Harrah's Kansas Casino Corporation
1023 Cherry Road
Memphis, TN 38117
Attn: Corporate Secretary

Copies to:
William L. Buffalo, Esq.
1023 Cherry Road
Memphis, TN 38117

or to such other different address(es) as Manager or the Tribal Council may specify in writing using the notice procedure called for in this Section 9.2. Any such notice shall be deemed given two days following deposit in the United States mail or upon actual delivery, whichever first occurs.

9.3 Authority to Execute and Perform Agreement. The Tribe and Manager represent and warrant to each other that they each have full power and authority to execute this Agreement and to be bound by and perform the terms hereof. On request, each party shall furnish the other evidence of such authority.

9.4 Relationship. Neither the Manager and the Tribe nor the Manager and the Business shall be construed as joint venturers or partners of each other by reason of this Agreement and neither shall have the power to bind or obligate the other except as set forth in this Agreement.

9.5 Manager's Contractual Authority. Manager is authorized to make, enter into and perform in the name of and for the account of the Tribe, doing business in the name of the Business, such contracts deemed necessary by Manager to perform its obligations under this Agreement, provided such contracts comply with the terms and conditions of this Agreement, including but not limited to, Section 4.2.4, and provided such contracts do not obligate the Business to pay sums not approved in the Operating Budget and Annual Plan or the Capital Budget.

9.6 Further Actions. The Tribe and Manager agree to execute all contracts, agreements and documents and to take all actions necessary to comply with the provisions of this Agreement and the intent hereof.

9.7 Defense. Manager shall notify the Tribal Council within two (2) business days of any legal action brought by a third party arising out of the operation of the Business. Except for disputes between the Tribe and Manager, claims relating to the Tribe's status as a federally recognized Indian Tribe or the trust status of the Property, or issues within claims directly or indirectly related to the foregoing, Manager shall bring and/or defend and/or settle any claim or legal action brought against Manager, the Business, or the Tribe, individually, jointly or severally, or any Business Employee, in connection with the operation of the Business. Subject to the Tribe's approval of legal counsel, Manager shall retain and supervise legal counsel, accountants and such other professionals, consultants and specialists as Manager deems appropriate to defend any such claim or cause of action. All liabilities, costs and expenses, including reasonable attorneys' fees and disbursements incurred in defending and/or settling any such claim or legal action which are not covered by insurance, shall be an Operating Expense, or, if incurred prior to the Commencement Date, shall be a start-up expense. Nothing contained herein is a grant to Manager of the right to waive the Tribe's or the Business's sovereign immunity. That right is strictly reserved to the Tribal Council. Any settlement of a third party claim or cause of action out of Business assets in excess of shall require approval of the Management Committee.

9.8 Waivers. No failure or delay by Manager or the Tribe to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy consequent upon the breach thereof, shall constitute a waiver of any such breach or any subsequent breach of such covenant, agreement, term or condition. No covenant, agreement, term, or condition of this Agreement and no breach thereof shall be waived, altered or modified except by written instrument. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

9.9 Captions. The captions for each Section and Subsection are intended for convenience only.

9.10 Severability. If any of the terms and provisions hereof shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any of the other terms or provisions hereof. If, however, any material part of a party's rights under this Agreement shall be declared invalid or unenforceable, (specifically including Manager's right to receive its Management Fees) the party whose rights have been declared invalid or unenforceable shall have the option to terminate this Agreement upon thirty (30) days written notice to the other party, without liability on the part of the terminating party.

9.11 Interest. Except for any advances by Manager to the Tribe of all or any part of the Minimum Guaranteed Monthly Payment which shall bear no interest or as otherwise provided in the Development Agreement or any other legally binding agreement between the Tribe and the Manager, any amounts advanced by Manager or the Tribe related to the operation of the Business shall accrue interest at same rate as the Note and shall be treated according to GAAP.

9.12 Recoupment and Reimbursement. The continued operation of the Business and the capacity of the Manager to perform its obligations hereunder are dependent on the ability of the Business to generate cash flows sufficient to pay its Operating Expenses. The responsibility for providing operating capital for the Business lies with the Tribe. Manager may at its option advance funds or contribute property, on behalf of the Tribe, to satisfy obligations of the Tribe in connection with the Business and this Agreement. Manager shall keep appropriate records to document all reimbursable expenses paid by Manager, which records shall be made available for inspection by the Tribal Council, the Management Committee or the Tribal Gaming Commission or its agents upon request. The Tribe agrees to reimburse Manager with interest from future Total Net Revenues for money paid or property contributed by Manager to satisfy obligations of the Tribe in connection with the Business and this Agreement. Interest shall be calculated at the rate set forth in Section 9.11 from the date the advance or contribution was made to the date reimbursement is paid. Manager's sole source of such reimbursement shall be from undistributed and future Total Net Revenues and Gross Revenues (Hotel). Except as specifically provided for in Section 6.5 of this Agreement, nothing contained herein creates any obligation on the part of Manager or any of its Affiliates or the Tribe to advance, lend, or provide any funds to the Tribe or to the Business, as the case may be, to cover any cash flow shortfall of the Business.

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9.12.1 Agreed Ceiling for Repayment of Development and Construction Costs. The agreed ceiling for the repayment of development and construction costs for the Business shall be the actual Budget as defined in the Development Agreement or , whichever is less, which ceiling may be modified up to an additional or of the Budget, whichever is less by the mutual consent of the parties.

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

9.14 Brokerage. Manager and the Tribe represent and warrant to each other that neither has sought the services of a broker, finder or agent in this transaction, and neither has employed, nor authorized, any other person to act in such capacity. Manager and the Tribe each hereby agrees to indemnify and hold the other harmless from and against any and all claims, loss, liability, damage or expenses (including reasonable attorneys' fees) suffered or incurred by the other party as a result of a claim brought by a person or entity engaged or claiming to be engaged as a finder, broker or agent by the indemnifying party.

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

9.16 Estoppel Certificate. Manager and the Tribal Council agree to furnish to the other party, from time to time upon request, an estoppel certificate in such reasonable form as the requesting party may request stating whether there have been any defaults under this Agreement known to the party furnishing the estoppel certificate and such other information relating to the Business as may be reasonably requested.

9.17 Periods of Time. Whenever any determination is to be made or action is to be taken on a date specified in this Agreement, if such date shall fall on a Saturday, Sunday or legal holiday under the laws of the Tribe or the state of Kansas, then in such event said date shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

9.18 Exhibits. All exhibits attached hereto are incorporated herein by reference and made a part hereof as if fully rewritten or reproduced herein.

9.19 Successors, Assigns, and Subcontracting. The benefits and obligations of this Agreement shall inure to and be binding upon the parties hereto and their respective successors and assigns. The Tribe's consent shall not be required for Manager to assign any of its rights (but not its financial obligations) under this Agreement and the Development Agreement to any parent, subsidiary, or affiliate of Harrah's Entertainment, Inc., or its successor corporation, provided that if federal regulations require it, the Secretary of the Interior or the Chairman of the NIGC approves, and that any such assignee agrees to be bound by the terms and conditions of this Agreement. The acquisition of Manager or its parent company by a third party shall not constitute an assignment of this Agreement by Manager.

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9.20 Buy-Out Option. If Manager is acquired by a third party, or at any time or more after the Commencement Date, the Tribe shall have the right, after the Commencement Date, to buy out the remaining term of the Management Agreement (the

"Buy-Out Option").

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9.21 Permitted Assignment. Other than as stated above, this Agreement may not be assigned or its nongaming obligations subcontracted by Manager, without prior written approval by the Tribal Council, which approval shall be in the sole discretion of the Tribal Council, and the approval of the Chairman of the NIGC or his authorized representative after a complete background investigation of the proposed assignee. The Tribe shall, without the consent of Manager but subject to approval by the Secretary of the Interior or the Chairman of the NIGC or his authorized representative, where required, have the right to assign this Agreement and the assets of the Business to an instrumentality of the Tribe or to a corporation wholly-owned by the Tribe organized solely to conduct the business of the Business for the Tribe that assumes all obligations herein, but which cannot incur any debt without Manager's approval. Any such transfer and assignment of this Agreement by the Tribe to a wholly-owned corporation or instrumentality of the Tribe shall not prejudice the rights of Manager under this Agreement, shall only be made after giving thirty (30) days prior written notice to Manager, and shall be subject to the following conditions:

(i) such corporation or instrumentality has been duly established by the Tribal Council acting pursuant to the Constitution and has received all necessary governmental approvals;

(ii) such corporation or instrumentality has agreed to assume and be bound by all obligations of the Tribe set forth in this Agreement, the Development Agreement, and the Loan Agreement, the Note and the Security and Reimbursement Agreement;

(iii) such corporation or instrumentality has irrevocably waived its sovereign immunity and consented to be sued and to submit to arbitration to the same extent as the Tribe has done so pursuant to this Agreement;

(iv) the Tribe has agreed to continue to be bound by all obligations of the Tribe set forth in this Agreement, the Development Agreement, and the Loan Agreement, the

Note and the Security and Reimbursement Agreement if such corporation or instrumentality is terminated or liquidated or ceases to exist or be functional or is for any reason unable to perform such obligations; it being understood and agreed that in any such event, all rights and obligations assigned to such corporation or instrumentality shall automatically revert to the Tribe, and the irrevocable waiver of sovereign immunity of the Tribe set forth in this Agreement shall continue in full force and effect with respect to the Tribe without further action by the Tribe;

(v) such corporation instrumentality and the Tribe have complied with all Legal Requirements and received all governmental approvals necessary to complete such transfer and assignment;

(vi) all officers, directors, and employees of the corporation or instrumentality shall have been duly licensed by the Gaming Commission; and

(vii) Manager has received written evidence to its reasonable satisfaction that the conditions set forth in (i) through (vi) above have been satisfied.

Upon fulfillment of all the foregoing conditions, the Tribe, the corporation or instrumentality and Manager shall execute and deliver a Deed of Assignment and any such amendments of this Agreement, the Development Agreement, and the Loan Agreement, the Note and the Security and Reimbursement Agreement, as the Manager may reasonably request to reflect such assignment. After such assignment, all payments to be made to the Tribe pursuant to this Agreement shall be made to such corporation or instrumentality, and such corporation or instrumentality shall be deemed to be the owner of the Business, the Facility, and all assets of the Business, subject to the rights of the Manager pursuant to this Agreement and the Development Agreement, and the lenders and guarantors pursuant to the Loan Agreement, the Note and the Security and Reimbursement Agreement.

9.22 Time is of the Essence. Time is of the essence in the performance of this Agreement.

9.23 Confidential and Proprietary Information.

9.23.1 Confidential Information. Both parties agree that any information received concerning the other party during the performance of this Agreement, regarding the parties' organization, financial matters, marketing plans, or other information of a proprietary nature (the "Confidential Information"), will be treated by both parties in full confidence and except as required to allow Manager and the Tribe to perform their respective covenants and obligations hereunder, or in response to legal process or appropriate and necessary inquiry of a government agency having jurisdiction over the Tribe's gaming operation, will not be revealed to any other persons, firms or organizations. This provision shall survive the termination of this Agreement for a period of two (2) years.

The obligations not to use or disclose the Confidential Information shall not apply to Confidential Information which (a) has been made previously available to the public by the Tribe or Manager or Manager's Affiliates or becomes generally available to the public, unless the Confidential Information being made available to the public results in a breach of this Agreement; (b) prior to disclosure to the Tribe or Manager or Manager's Affiliates, was already rightfully in any such person's possession; or (c) is obtained by the Tribe or Manager or Manager's Affiliates from a third party who is lawfully in possession of such Confidential Information, and not in violation of any contractual, legal or fiduciary obligation to the Tribe or Manager or Manager's Affiliates, with respect to such Confidential Information and who does not require the Tribe or Manager or Manager's Affiliates to refrain from disclosing such Confidential Information to others.

9.23.2 Manager's Proprietary Information. The Tribe agrees that Manager has the sole and exclusive right, title and ownership to:

(i) certain proprietary information, techniques and methods of operating gaming businesses;

(ii) certain proprietary information, techniques and methods of designing games used in gaming businesses;

(iii) certain proprietary information, techniques and methods of training employees in the gaming business; and

(iv) certain proprietary business plans, projections and marketing, advertising, promotion, and technology plans, strategies, and systems, including, but not limited to, the items listed at Exhibit G, all of which have been developed and/or acquired over many years through the expenditure of time, money and effort and which Manager and its Affiliates maintain as confidential and as a trade secret(s) (collectively items (i) - (iv), the "Manager Proprietary Information").

The Tribe further agrees to maintain the confidentiality of such Manager Proprietary Information, and upon the termination of this Agreement, return same to Manager, including but not limited to, documents, notes, memoranda, lists, computer programs and any summaries of such Manager Proprietary Information, upon Manager's written request for the return of such Manager Proprietary Information. Manager Proprietary Information specifically excludes any information or document otherwise falling within (i)-(iv) above, if the same was prepared, designed or created for the use and benefit of the Business. Prior to the installation of any information technology system at the Business, Manager will advise the Management Committee in writing whether the same falls into the category of Manager Proprietary Information. Manager has, over time, identified systems that it considers integral to the management of casinos

and same shall be incorporated into the Business in accordance with the Harrah's Brand Standards.

9.24 Patron Dispute Resolution. Manager shall submit all patron disputes concerning play to the Tribal Gaming Commission pursuant to the Tribal Gaming Ordinance and the Compact.

9.25 Modification. Any change to or modification of this Agreement must be in writing signed by both parties hereto and shall be effective only upon approval by the Chairman of the NIGC, the date of signature of the parties notwithstanding.

9.26 Employment Solicitation Restriction Upon Termination. It is anticipated that the job categories listed at Exhibit "C" ("Covered Employees") will be recruited by Manager from the ongoing operations of Manager or other gaming operations. In addition, during the Term of this Agreement, such positions might likewise be filled. If this Agreement is terminated at any time other than at the end of the Term, then the Tribe agrees not to employ any Covered Employee for a period of twelve (12) months after the termination or expiration of this Agreement without Manager's prior written approval. Furthermore, the Tribe hereby agrees not to solicit the employment of any Covered Employee at any time during the Term of this Agreement without Manager's prior written approval. This restriction shall not apply if Manager's termination is based on Manager's unilateral decision or Manager's material breach, and the Tribe has committed no breach.

10. Warranties.

10.1 Contract Conditional Upon Provision of Finances. A key element of this Agreement is the representation by Manager that Manager has the present access to the financial resources necessary to carry out development and operation of the Enterprise and Manager's representation that its parent company, Harrah's Operating Company, Inc., a Delaware corporation that is a subsidiary of Harrah's Entertainment, Inc., a publicly traded Delaware corporation, will provide or secure all of the financing required to develop and operate the Business pursuant to the terms of this Agreement and the Development Agreement.

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10.2 Noninterference in Tribal Affairs. Manager agrees not to interfere in or attempt to wrongfully influence the internal affairs or government decisions of the Tribal government by offering cash incentives, by making written or oral threats to the personal or financial status of any person, or by any other action, except for actions in the normal course of business of Manager that relate to the Business. For the purposes of this Section 10.2, if any such undue

interference in Tribal affairs is alleged by the Tribal government in writing and the NIGC, an arbitrator, or a court of competent jurisdiction finds that Manager has unduly interfered with the internal affairs of the Tribal government and has not taken sufficient action to cure and prevent such interference, that finding of interference shall constitute a material breach by the Manager and shall be grounds for termination of the Agreement. Manager shall be entitled to immediate written notice and a complete copy of any such complaint to the NIGC.

10.3 Prohibition of Payments to Members of the Tribal Government. Manager represents and warrants that no payments have been or will be made by Manager or Manager's Affiliates, to any Member of the Tribal government, any Tribal official, any relative of a member of Tribal government or Tribal official, or any Tribal government employee for the purpose of obtaining any special privilege, gain, advantage or consideration.

10.4 Prohibition of Hiring Members of the Tribal Government. No Member of the Tribal Government, Tribal official, or employee of the Tribal government may be employed at the Business without a written waiver of this Section 10.4 by the Tribe. For this purpose, the Tribal Council will identify all such persons to Manager in a writing and take reasonable steps to keep the list current; Manager shall not be held responsible if any person not on such written list is employed.

10.5 Prohibition of Financial Interest in Business. No Member of the Tribal Government or Relative of a Member of the Tribal Government shall have a direct or indirect financial interest in the Business greater than the interest of any other member of the Tribe; provided, however, nothing in this subsection shall restrict the ability of a Tribal member to purchase or hold stock in Manager, or Manager's Affiliates where (i) such stock is publicly held, and (ii) the Tribal member acquires less than 5% of the outstanding stock in the corporation, provided that if a Tribal member shall acquire more than 5% such person shall comply with all applicable law.

10.6 Definitions. As used in this Section 10, "Member of the Tribal Government" means any member of the Tribal Council, the Tribal Gaming Commission, the Management Committee or any independent board or body created to oversee any aspect of Gaming and any Prairie Band of Potawatomi Indians Tribal court official.

10.7 No Pre-Existing Contracts. The Tribe warrants that there are no valid, pre-existing contractual obligations between it and any other person or entity which would interfere with the Tribe's entry into this Agreement or impede the ability of the Tribe to grant the rights and commit to the obligations contained in this Agreement.

10.8 Indemnity.

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11. Grounds for Termination.

11.1 Voluntary Termination and Termination for Cause. This Agreement may be terminated pursuant to the provisions of Sections 4.4.4, 10.2, 11.2, 11.3, 11.4, 11.5 and 11.6.

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

11.3 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, and shall include, but not be limited to, those events identified as a Material Breach in Sections 3.6 and 14.5 of this Agreement and those events identified as an Event of Default in Article 12 of the Development Agreement. Neither party may terminate this Agreement on grounds of Material Breach unless it has provided written notice to the other party of its intention to declare a default and to terminate this Agreement and the defaulting party thereafter fails to cure or take steps to substantially cure the default within sixty (60) days following receipt of such notice. During the period specified in the notice to terminate, either party may submit the matter to arbitration under the dispute resolution provisions of this Agreement at Section 17. The discontinuance or correction of a Material Breach shall constitute a cure thereof.

The Tribe may also terminate this Agreement immediately where Manager has had its license withdrawn because Manager, or a director or officer of Manager, has been convicted of a criminal felony or misdemeanor offense in the performance of Manager duties hereunder; provided, however, the Tribe may not terminate this Agreement based on a director or officer's conviction where Manager terminates such individual within ten (10) days after receiving notice of the conviction.

In the event of any termination for cause, regardless of fault, the parties shall retain all money previously paid to them pursuant to Section 6 of this Agreement; and the Tribe shall retain title to all Business and Facility fixtures, improvements, supplies, equipment, funds and accounts, subject to the rights of Manager under the Security and Reimbursement Agreement and to the rights of Manager to any accrued and unpaid Total Net Revenues and Gross Revenues (Hotel) due under Section 6 of this Agreement. Manager shall continue to have the right to repayment of unpaid principal and interest and other amounts due to Manager or outstanding and guaranteed by Manager and/or Manager's Affiliates (if Manager is called on to pay under such guarantee) under the Note, Loan Agreement and/or Security and Reimbursement Agreement and

advances made by Manager and interest thereon as contemplated by Section 9.12, and any other agreements entered into pursuant hereto.

An election to pursue damages or to pursue specific performance of this Agreement or other equitable remedies while this Agreement remains in effect pursuant to the provisions of Sections 11.7 or 11.8 shall not preclude the injured party from providing notice of termination pursuant to this Section 11.3. Neither shall termination preclude a claim for damages.

11.4 Involuntary Termination Due to Changes in Legal Requirements. It is the understanding and intention of the parties that the establishment and operation of the Business shall conform to and comply with all Legal Requirements. If during the term of this Agreement, the Business 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 Department of the Interior of the United States of America, 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) Manager shall have the rights described in Section 4.4 of this Agreement;

(ii) Subject to the provisions of Section 11.4(iii) and (iv), Manager and the Tribe shall retain all money previously paid to them pursuant to Section 6 of this Agreement;

(iii) funds of the Business in any Business Bank Account shall be paid and distributed as provided in Section 6 of this Agreement;

(iv) any money loaned to the Tribe by or guaranteed by Manager or Manager's Affiliates (to the extent Manager or its Affiliates have paid same under such guarantee or have become the holder of the Note, whether before or after the guarantee has been called) or owed to Manager or its Affiliates pursuant to the Security and Reimbursement Agreement shall be repaid to Manager or its Affiliates in accordance with the terms of the Agreement; and

(v) the Tribe shall retain its interest in the title (and any lease) to all Business assets, including all fixtures, supplies and equipment, subject to the rights of Manager under the Security and Reimbursement Agreement and subject to any requirements of financing arrangements.

11.5 Manager's Right to Terminate Agreement. Manager may terminate this Agreement by written notice effective upon receipt if any of the following shall have occurred:

(i) Any Tribal, State or Federal authority whose approval is required fails to approve this Agreement or otherwise objects to the performance by Manager of any obligation imposed on it under this Agreement.

(ii) Manager has been notified by any regulatory agency that the performance by it of any obligation imposed by this Agreement will jeopardize the retention of any license, or approvals granted thereunder, held by Manager or any of its Affiliates in any other jurisdiction, and the Tribe refuses to allow Manager to immediately rectify any such complaint.

(iii) Manager has reason to believe that the performance by it or the Tribe 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 waiver of such performance within ten (10) days written notice by Manager.

(iv) Through its own actions, the Tribe fails to make any payment to Manager when due within the time specified in this Agreement and a grace period of ten (10) days.

(v) After twelve months from the Commencement Date, Manager reasonably believes that the Business is not economically viable, provided that such termination shall be subject to an orderly transition of management not to exceed ninety (90) days.

(vi) This Agreement otherwise allows or mandates that termination.

(vii) There shall have occurred a Material Adverse Change.

11.6 Tribe's Right to Terminate Agreement. The Tribe may terminate this Agreement by written notice effective upon receipt if:

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

(ii) Tribe has reason to believe that the performance by it or Manager of any obligation imposed under this Agreement may reasonably be expected to result in the breach of any Legal Requirement and the parties have been unable to agree upon waiver of such performance within ten (10) days of written notice given by the Tribe.

(iii) Manager fails to make any payment to the Tribe when due, including but not limited to any Monthly Distribution Payment or any Minimum Guaranteed Monthly Payment to the Tribe within the time specified in this Agreement and a grace period of ten (10) days.

(iv) This Agreement otherwise allows or mandates that termination.

11.7 Consequences of Manager's Breach. In the event of the termination of this Agreement by the Tribe for cause under Section 11.3 or under the provisions of Section 11.6, Manager shall not, prospectively from the date of termination, except as provided in Section 11.3, have the right to its Management Fee from the Business, but such termination shall not affect Manager's rights relating to recoupment and reimbursement of monies owed to Manager and/or guaranteed by Manager and/or Manager's Affiliates (to the extent Manager or Manager's Affiliate has paid under such guarantee) under this Agreement, the Loan Agreement, the Note or any other agreements entered pursuant hereto. Any Total Net Revenues and Gross Revenues (Hotel) accruing through the date of termination shall be distributed in accordance with Section 6 of this Agreement. The Manager and Tribe acknowledge and agree that termination of this Agreement may not be a sufficient or appropriate remedy for breach by the Manager, and further agree that pursuant to the other provisions of this Agreement, including but not limited to Section 17, the Tribe shall, upon breach of this Agreement by the Manager, have the right to pursue such remedies (in addition to termination) at law or equity as it determines are best able to compensate it for such breach, including specifically actions to require payment of the Minimum Guaranteed Monthly payment. The Manager specifically acknowledges and agrees that there may be irreparable harm to the Tribe and that damages will be difficult to determine if the Manager commits a Material Breach, and the Manager therefore further acknowledges that an injunction and/or other equitable relief may be an appropriate remedy for any such breach. In any event, the Tribe shall have the right to all payments due to the Tribe accruing until the date of termination.

11.8 Consequences of Tribe's Breach. In the event of termination of this Agreement by Manager for cause under Section 11.3, Manager shall not be required to perform any further services under this Agreement and the Tribe shall indemnify and hold Manager harmless against all liabilities of any nature whatsoever relating to the Business, but only insofar as these liabilities result from acts within the control of the Tribe or its agents or created by the termination of this Agreement. Manager and the Tribe acknowledge and agree that termination of this Agreement may not be a sufficient or appropriate remedy for breach by the Tribe, and further agree that pursuant to the other provisions of this Agreement, including but not necessarily limited to, Section 17, Manager shall, upon breach of this Agreement by the Tribe, have the right to pursue such remedies, as same are specifically limited by the provisions of Section 17, (in addition to termination) at law or equity as it determines are best able to compensate it for such breach, including, without limitation, specifically actions to require payment of the Management Fee pursuant to Section 6 for a term equal to the then remaining term of this Agreement at the percentage of Total Net Revenues and Gross Revenues (Hotel) specified in Section 6. The Tribe specifically acknowledges and agrees that there may be irreparable harm to Manager and that damages will be difficult to determine if the Tribe commits a material breach, and the Tribe therefore further acknowledges that an injunction and/or other equitable relief may be an appropriate remedy for any such breach. In any event, Manager shall have the right to its Management Fee accruing until the date of termination as provided in Section 6 of this Agreement, and to the repayment of unpaid principal and interest and other amounts due under the Note and any other note guaranteed by Manager or its Affiliates, the

Loan Agreement, and any other loans to the Tribe or the Business, and the Security and Reimbursement Agreement.

12. Conclusion of the Management Term. Upon the conclusion or the termination of this Agreement, Manager shall have the following rights and obligations:

12.1 Transition. Manager shall take reasonable steps for the orderly transition of management of the Business to the Tribe or its designee pursuant to a transition plan as described in Section 18.1 of this Agreement; such transition period shall be for a reasonable period but not less than thirty (30) days.

12.2 Undistributed Revenues. If the Business has accrued Total Net Revenues or Gross Revenues (Hotel) which have not been distributed under Section 6 of this Agreement, Manager shall receive that Management Fee equal to that Management Fee it would have received had the distribution occurred during the term of the Management Agreement.

13. Consents and Approvals.

13.1 Tribe. Where approval or consent or other action of the Tribe is required, such approval shall unless otherwise provided herein mean the written approval of the Tribal Council evidenced by a resolution thereof, certified by a Tribal official as having been duly adopted, or the written approval of such other person or entity designated by resolution of the Tribal Council. Any such approval, consent or action shall not be unreasonably withheld or delayed; provided that the foregoing does not apply where a specific provision of this Agreement allows the Tribe an absolute right to deny approval or consent or withhold action.

13.2 Manager. Where approval or consent or other action of Manager is required, such approval shall mean the written approval of the Managing Officer. Any such approval, consent or other action shall not be unreasonably withheld or delayed.

14. Disclosures.

14.1 Shareholders and Directors. Manager warrants that on the date of this Agreement its shareholders, directors and officers are those listed at Exhibits H and I.

14.2 Warranties. Manager further warrants and represents as follows:

(i) no person or entity has any beneficial ownership interest in Manager other than as set forth herein;

(ii) no officer, director or owner of five percent (5%) or more of the stock of Manager has been arrested, indicted for, convicted of, or pleaded nolo contendere to any felony or any gaming offense, or had any association with individuals or entities known to be connected with organized crime; and

(iii) no person or entity listed on Exhibit H and I to this Agreement, including any officers and directors of Manager, has been arrested, indicted for, convicted of, or pleaded nolo contendere to any felony or any gaming offense, or had any association with individuals or entities known to be connected with organized crime.

14.3 Criminal and Credit Investigation. Manager agrees that all of its shareholders, directors and officers (whether or not involved in the Business), shall:

(i) consent to background, criminal, credit or other investigations to be conducted by the Tribe, the state of Kansas, the Federal Bureau of Investigation (the "FBI") or any other law enforcement authority or any duly authorized agency of the federal government or its agents to the extent required by the IGRA, the Compact, or other applicable law,

(ii) be subject to licensing requirements in accordance with the Compact and Tribal and other applicable law and this Agreement,

(iii) consent to a background, criminal, credit or other investigation to be conducted by or for the NIGC, if required,

(iv) consent to a financial and credit investigation to be conducted by a credit reporting or investigation agency at the request of the Tribe,

(v) cooperate fully with such investigations, and

(vi) disclose any information requested by the Tribal Council, the Tribal Gaming Commission or any other government agency referenced herein which would facilitate the background and financial investigation.

Any materially false or deceptive disclosures or failure to cooperate fully with such investigations by an employee of Manager or an employee of the Business shall result in the immediate dismissal of such employee. The results of any such investigation may be disclosed by the Tribal Gaming Commission to federal officials and to other regulatory authorities as required by law.

14.4 Disclosure Amendments. Manager agrees that whenever there is any material change in the information disclosed pursuant to this Section 14 it shall notify the Tribal Council and the Tribal Gaming Commission of such change not later than thirty (30) days following the change or within ten days after it becomes aware of such change, whichever is later. The Tribal Gaming Commission shall, in turn, provide the Secretary of the Interior, the NIGC, and all other appropriate government agencies (whichever is applicable) copies of any such notifications. All of the warranties and agreements contained in this Section 14 shall apply to any person or entity who would be listed in this Section 14 as a result of such changes.

14.5 Breach of Manager's Warranties and Agreements. The material breach of any warrant or agreement of Manager contained in this Section 14 shall be grounds for immediate termination of this Agreement; provided that (a) if a breach of the warranty contained in clause (ii) of Section 14.2 is discovered, and such breach was not disclosed by any background check conducted by the State of Kansas or the FBI as part of the BIA or other federal approval of this Agreement, or was discovered by the FBI investigation or the State of Kansas but all officers and directors of Manager sign sworn affidavits that they had no knowledge of such breach, then Manager shall have thirty (30) days after notice from the Tribe, the State or the Federal Government, whichever comes first to terminate the interest of the offending person or entity and, if such termination takes place, this Agreement shall remain in full force and effect; and (b) if a breach relates to a failure to update changes in financial position or additional gaming related activities, then Manager shall have thirty (30) days after notice from the Tribe to cure such default prior to termination.

15. Recordation. At the option of Manager or the Tribal Council or the Management Committee, any security agreement related to the Loan Agreement, including the Security and Reimbursement Agreement, may be recorded in any public records. Where such recordation is desired in any relevant recording office maintained by the Tribe, and/or in the public records of the BIA, the Tribe will accomplish such recordation upon the request of Manager. Manager shall promptly reimburse the Tribe for all expenses, including attorney fees, incurred as a result of such request. No such recordation shall waive the Tribe's sovereign immunity.

16. No Present Lien, Lease or Joint Venture. The parties agree and expressly warrant that neither the Management Agreement nor any exhibit thereto is a mortgage or lease and, consequently, does not convey any present interest whatsoever in the Facility or the Property, nor any proprietary interest in the Business itself. The parties further agree and acknowledge that it is not their intent, and that this Agreement shall not be construed, to create a joint venture between the Tribe and Manager or the Business and the Manager; rather, Manager shall be deemed to be an independent contractor for all purposes hereunder.

16.1 Bankruptcy, Dissolution or Receivership of Manager. In the event Manager is declared bankrupt, a voluntary petition for bankruptcy is filed, a receiver is appointed for any portion of its property in any judicial proceeding, or it shall make or attempt to make an assignment for creditors or take advantage of any insolvency law, this Agreement may be terminated by the Tribe for breach by Manager by serving written notice on Manager. It is agreed by the Tribe and Manager that this agreement is not and is not to be construed as an executory contract within the meaning of the U.S. Bankruptcy Code, 11 U.S.C. §365. Other than as provided in this Agreement, the Development Agreement, and the Security and Reimbursement Agreement, the Tribe under any circumstances, including bankruptcy, shall not carry or be responsible for any portion of Manager's debts created by the development or operation and management of the Business. In the event a trustee is appointed or abandonment of trustee's interest is sought, for such purposes the value of Manager's interest shall be deemed to be proof the capital contribution of Manager in the Business.

17. Dispute Resolution.

17.1 General. The parties agree that, except for disputes requiring injunctive relief, binding arbitration pursuant to this Section 17 shall be, as between the Tribe and the recipients of the waiver set out at Section 17.3.2 (the "Recipients"), the formal remedy for all disputes, controversies or claims arising out of this Management Agreement, the Note, Loan Agreement, the Security and Reimbursement Agreement, the Development Agreement, any document or agreement 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, any rules, actions, or decisions of the Gaming Commission related to, the issuance, non-issuance, condition, suspension, denial or revocation of any license of the Recipients or related to the operation of the Business, which may come before or be affected by any action of the tribal gaming regulatory process, the tribal Gaming Commission, its successors, the tribal council, or any other committee or agency of the tribal government. 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, or otherwise adjudicate any dispute which is not capable of being resolved by arbitration.

(a) Each party agrees that it will use its best efforts to negotiate an amicable resolution of any dispute between Manager and the Tribe arising from this Agreement. If the Tribe and the Manager are unable to negotiate an amicable resolution of a dispute within 14 days from the date of notice of the dispute pursuant to Section 17.2.1, or such other time period as the parties mutually agree in writing, either party may refer the matter to arbitration under this Agreement.

(b) 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 or the State of Kansas makes a final determination that the Manager is not suitable to hold a license.

The parties recognize that minor revision of contracts before the NIGC is routine, and NIGC notice requesting such revisions shall not be grounds for termination by the Tribe.

17.2 Arbitration.

17.2.1 Initiation of Arbitration and Selection of Arbitrators. Arbitration shall be initiated by written notice by one party to the other pursuant to Section 9.2 hereof, and the Commercial Arbitration Rules of the American Arbitration Association. The arbitrators shall have the power to grant equitable or injunctive relief and specific performance as provided in this Agreement. If necessary, orders to enforce such relief may be sought before any court of competent jurisdiction. The Arbitrators shall not have the power to award punitive damages.

Not longer than ten (10) calendar days after service of written notice of a demand to arbitrate, each party shall notify the other party of its nominee for an arbitrator. If, during this ten (10) day period, the parties agree upon the nomination of a single arbitrator for the dispute, such person shall serve as sole arbitrator of the dispute. If the parties do not agree upon the nomination of a single arbitrator, each party's nominee shall serve as one arbitrator upon a panel of three, and those two arbitrators shall promptly select the third to serve with them. In the event the two arbitrators fail for any reason to name the third arbitrator within ten (10) calendar days after service of written notice of a demand to arbitrate, the American Arbitration Association is empowered to select the third arbitrator on the request of either arbitrator, such appointment to occur in no event later than twenty (20) days after any such request is made.

17.2.2 Location of Proceedings, Commencement Dates and Final Decisions. All arbitration hearings shall be held at a place designated by the Arbitrator(s) in Topeka, Kansas or such other place agreed to by the parties. Except for complaints seeking equitable or injunctive relief similar to motions for temporary restraining orders, which shall be heard as quickly as possible, the arbitrators shall commence proceedings within 30 days after their appointment. Except as otherwise provided herein, or as the parties may subsequently agree in writing, those proceedings shall be conducted pursuant to the Commercial Arbitration Rules of the American Arbitration Association and the Federal Arbitration Act. The arbitration award shall be signed by the arbitrators and shall be made within 30 days from the date of closing the hearing, or, if oral hearings have been waived, from the date of the American Arbitration Association's transmittal of the final statements and proofs to the arbitrator(s).

17.2.3 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 Kansas law. By approval of this Agreement, the Tribe enacts and accepts the terms and conditions of this Agreement as valid and operative Tribal law, enforceable according to its terms.

17.3 Limited Waiver of Sovereign Immunity and Rights to Tribal Remedies. The Tribe expressly and irrevocably waives its immunity from suit as provided in this Section 17. This waiver extends to the Tribes consent to all arbitration proceedings, to awards or orders issuing from such arbitration proceedings and to actions in any court of competent jurisdiction to compel arbitration or to enforce any arbitration award or order.

17.3.1 Time Period. The waiver granted herein shall commence as of the Effective Date of this Agreement and shall continue for one year following expiration, termination, or cancellation of this Agreement, or termination of the Business, but shall remain effective for the duration of any arbitration, litigation or dispute resolution proceedings then pending, all appeals therefrom, and except

as limited by Section 17.3.3(F), the full satisfaction of any awards or judgments which may issue from such proceedings.

17.3.2 Recipient of Waiver. This limited waiver is granted only to:

(A) Harrah's Entertainment, Inc.

(B) Harrah's Kansas Casino Corporation;

(C) Harrah's Operating Company, Inc.

(D) any duly approved Assignee of a valid assignment, pursuant to this Agreement;

17.3.3 Limitations of Actions. The immunity waiver granted in this Section is specifically limited to the following actions and judicial remedies:

(A) Damages. The enforcement of an award of money damages; provided that the waiver does not extend beyond the assets specified in Section 17.4.7. No arbitrator or court shall have any authority or jurisdiction to order execution against any assets or revenues of the Tribe except as provided in this Section 17.

(B) Consents and Approvals. The enforcement of a determination by an arbitrator that the Tribe's consent or approval, or that of the Tribal Gaming Commission or any successor agency has been unreasonably withheld contrary to the terms of this Agreement.

(C) Injunctive Relief and Specific Performance. The enforcement of a determination by an arbitrator that prohibits the Tribe from taking any action that would prevent Manager from operating the Business pursuant to the terms of this Agreement, or that requires the Tribe to specifically perform any obligation under this Agreement (other than an obligation to pay money which is provided for in Section 17.3.3.A).

(D) Action to Compel Arbitration. An action to compel or enforce arbitration awards or orders pursuant to this Section 17.

(E) Action to Preserve the Status Quo During Disputes. An action to preserve the status quo during disputes pursuant to this Section 17. It is mutually agreed that, absent the finding of the arbitrator(s) that there is an ongoing, immediate threat to the health and safety of the public, or an ongoing, immediate threat to the continued operation of or the integrity of

the Business, during any kind of controversy, claim, disagreement or dispute, including a dispute as to the validity of this Agreement, or the Manager's ability to perform its' duties and collect its Management fee, Manager shall remain in possession of the Gaming Enterprise as Manager; and the Tribe and Manager shall continue their performance of the provisions of this Agreement and its exhibits. In the event that the Tribe resists arbitration, or the enforcement of an arbitration award or order, Manager shall be entitled to injunctive relief from any court of competent jurisdiction to maintain possession in the event of a threatened removal during any dispute, controversy, claim or disagreement arising out of this Agreement.

(F) Deadline for Collections. Unless the Tribal Council, by written Tribal Council Resolution otherwise agrees, if an action to enforce any arbitration award is not filed within three years from the date of entry of any final award by the arbitrator, the waivers granted herein shall expire with respect to enforcement of that particular award. Thereafter, if action to enforce a judgement on an arbitration award becomes and remains dormant for a period of two years and no renewal affidavit is filed within that period of time, all waivers of sovereign immunity granted herein shall expire with respect to further enforcement of that particular judgement. For purposes of this section, a renewal affidavit is a statement under oath, signed by the judgement creditor or the judgement creditor's attorney, filed in the proceedings in which the enforcement action was filed stating the remaining balance due and unpaid on the judgement. The time within which an action must be filed to execute on a judgement shall be stayed for Tribal and State Court upon the filing of such an action in Federal District Court until the Federal District Court rules. The time within an action must be filed to execute on a judgement shall be tolled for State and Federal Court upon the filing of such an action in the Tribal Court of the Prairie Band of Potawatomi Indians until the Tribe Court rules. The time within which action must be taken to prevent a judgement from becoming dormant does not run during any period in which the enforcement of the judgement by legal process is stayed or prohibited.

(G) Waiver of Tribal Remedies. With the exception only of actions to compel arbitration or enforce arbitration awards, the Tribe agrees that all actions in the Tribal Court are now waived and shall be deemed to be fully exhausted. No further action is or shall be necessary in the Tribal Court before arbitration or suit as otherwise provided in this Section 17.

17.3.4 Confidentiality. The parties and the Arbitrator(s) shall maintain strict confidentiality with respect to the arbitration.

17.3.5 Service of Process. In any litigation or arbitration service on the Tribe shall be effective if made by certified mail return receipt requested to the Chairman of the Tribe at the address set forth in Section 9.2.

17.3.6. 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 judgement on the award and enforcement as described herein.

(A) The Tribe waives its sovereign immunity from any final judgement or order of a court of competent jurisdiction, rendered pursuant to this Section 17.

(B) Without in any way limiting or expanding the foregoing, the Tribe expressly authorizes any governmental authorities which may lawfully exercise the right and duty to take any action authorized or ordered by any court, including without limitation, entering the Property and Facility for the purpose of executing against any property subject to a security interest or otherwise giving effect to any judgement entered; provided however, that in no instance shall any enforcement of any kind whatsoever be allowed against any assets of the Tribe other than the limited assets of the Tribe specified in Section 17.3.7.

17.3.7 Limitation upon Enforcement. Damages awarded against the Tribe or the Business shall be satisfied solely from the distributable share of Total Net Revenues and Gross Revenues (Hotel) of the Tribe from the Business, any other Tribal gaming business of the kind contemplated and any future gaming business of any kind which is operated by or for the Tribe, whether or not operated under this Agreement, provided, however, that this limited waiver of sovereign immunity shall terminate with respect to the collection of any Net Revenues transferred from the accounts of the Business to the Tribe or tribal bank account in the normal course of business, provided that the transfer(s) takes place during a period when there was no Tribal default in this Agreement, or any agreement collateral thereto, and the transfer(s) did (does) not create a default or is (are) not made in an attempt to frustrate the lender's rights under the Loan Documents. Damages awarded against the Tribe shall not constitute a lien upon or be collectable from any other income or assets of the Tribe or Business, except with the Tribal Council's prior written consent. Except as provided in this Section 17, no award for damages, interest, attorneys fees or costs may ever be satisfied pursuant to this partial waiver of sovereign immunity against any other Tribal assets, including money or real and personal property of every kind or description, whether on or off the reservation, derived from any source of the

Tribe, it's subordinate entities or officials, whether or not operated under this Agreement.

17.3.8 Expenses of Dispute Resolution or Enforcement. The reasonable expenses of dispute resolution shall be paid equally by the parties, who also shall pay their own expenses. The arbitrator(s) are empowered, but not required, to award the cost of attorney fees, costs, expenses and disbursements to the prevailing party. The cost of enforcing an award of the arbitrator(s), including reasonable attorneys' fees, shall be paid by the party against whom the award was entered.

18. Intent to Negotiate New Agreement. On or before thirty (30) days after the end of the fourth (4th) year of this Agreement, the Tribal Council shall give Manager notice of its intent regarding its willingness to enter into negotiations for a new Management Agreement to be effective upon the conclusion of this Agreement.

18.1 Transition Plan. If the Tribe and Manager are unable to agree to the terms of a new agreement or if the Tribe decides not to enter into negotiations for a new agreement, then the Tribe and Manager shall agree upon a transition plan within thirty (30) days notice from the Tribal Council of its intention not to negotiate a new Management Agreement, including a computer transition plan, which plan shall be sufficient to allow the Tribe to operate the Business and provide for the orderly transition of the management of the Business.

19. Entire Agreement. This Agreement, including the Schedules and Exhibits referred to herein and any documents executed by the parties simultaneously herewith, including the Development Agreement which is expressly incorporated herein by reference, constitutes the entire understanding and agreement of the parties hereto and supersedes all other prior agreements and understandings, written or oral, between the parties.

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

21. Preparation of Agreement. This Agreement was drafted and entered into after careful review and upon the advice of competent counsel; it shall not be construed more strongly for or against either party.

22. **Standard of Reasonableness**. Unless specifically provided otherwise, all provisions of this Agreement and all collateral agreements shall be governed by a standard of reasonableness.

23. **Execution**. This Agreement may be executed in four counterparts, two to be retained by each party. Each of the four originals is equally valid. This Agreement shall be deemed Executed and shall be binding upon both parties when properly executed and approved by the Chairman of the NIGC and under any other applicable law.

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

PRAIRIE BAND OF POTAWATOMI INDIANS

By: _____

Its: _____

HARRAH'S KANSAS CASINO CORPORATION

By: _____

Philip G. Satre

Its: President

Approved pursuant to 25 U.S.C. § 2711 and
Approved pursuant to 25 U.S.C. § 81

NATIONAL INDIAN GAMING COMMISSION

By: _____ per delegation from

Harold Monteau, Chairman

GUARANTEE
OF
HARRAH'S OPERATING COMPANY, INC.

In consideration of the benefits it expects to receive from the foregoing Management Agreement as an indirect shareholder of Harrah's Kansas Casino Corporation, and as an inducement to the Prairie Band of Potawatomi Indians to enter into the Management Agreement, Harrah's Operating Company, Inc. hereby guarantees the faithful performance by Harrah's Kansas Casino Corporation of the Management Agreement, and agrees to provide or guarantee the financing required to develop the gaming Business and agrees to be bound by Article 17 of the Management Agreement with respect to any dispute arising in connection with this Guarantee.

HARRAH'S OPERATING COMPANY, INC.

By: _____
Philip G. Satre
Its: President

Dated: _____

Approved pursuant to 25 U.S.C. § 2711 and
Approved pursuant to 25 U.S.C. § 81

NATIONAL INDIAN GAMING COMMISSION

By: _____
Harold Monteau