

CLASS II AND CLASS III  
AMENDED AND RESTATED MANAGEMENT AGREEMENT  
BETWEEN THE  
RINCON SAN LUISENO BAND OF MISSION INDIANS  
AND  
HCAL LLC

DATED AS OF September 15, 2014

TABLE OF CONTENTS

	<u>Page</u>
1. RECITALS .....	1
2. DEFINITIONS .....	1
2.1 Affiliate .....	1
2.2 Articles of Association .....	2
2.3 Bureau of Indian Affairs or .....	2
2.4 Business Committee .....	2
2.5 Capital Budget .....	2
2.6 Capital Replacement(s) .....	2
2.7 Capital Replacement Reserve .....	2
2.8 Centralized Services .....	2
2.9 Class III Gaming .....	2
2.10 Class II Gaming .....	2
2.11 Collateral Agreements .....	2
2.12 Compact .....	2
2.13 Compensation .....	2
2.14 Confidential Information .....	3
2.15 Department .....	3
2.16 Depository Account .....	3
2.17 Disbursement Account .....	3
2.18 Education Fee .....	3
2.19 Effective Date .....	3
2.20 Emergency Condition .....	3
2.21 Enterprise .....	3
2.22 Enterprise Bank Accounts .....	3
2.23 Enterprise Board .....	3
2.24 Enterprise Employee .....	4
2.25 Enterprise Employee Policies .....	4
2.26 Enterprise Guest Data .....	4
2.27 Enterprise Infrastructure .....	4
2.28 Excluded Revenue .....	4
2.29 Facility .....	5
2.30 Fiscal Year .....	5
2.31 Furnishings and Equipment .....	5
2.32 Gaming .....	5
2.33 Gaming Commission .....	5
2.34 Gaming Commission .....	5
2.35 Generally Accepted Accounting Principles or GAAP .....	5
2.36 Governmental Action .....	5
2.37 Gross Gaming Revenue (Win) .....	6
2.38 Gross Revenues .....	6
2.39 Guest Data .....	6
2.40 Harrah's .....	6
2.41 Harrah's Brand Standards .....	6
2.42 Harrah's Systems .....	6
2.43 Harrah's Marketing Services .....	6
2.44 Hotel .....	6

2.45	House Bank.....	7
2.46	IGRA.....	7
2.47	Internal Control Systems.....	7
2.48	Legal Requirements .....	7
2.49	Lender.....	7
2.50	Loan Agreement.....	7
2.51	Machine Gaming (Slot Machine) .....	7
2.52	Management Agreement .....	7
2.53	Management Fee .....	7
2.54	Manager.....	7
2.55	Manager Proprietary Information.....	7
2.56	Manager's Representative.....	8
2.57	Managing Officer.....	8
2.58	Material Adverse Change.....	8
2.59	Material Breach .....	8
2.60	Member of the Tribal Government .....	8
2.61	Minimum Balance .....	8
2.62	Minimum Guaranteed Monthly Payment.....	8
2.63	Monthly Distribution Payment.....	8
2.64	National Indian Gaming Commission or NIGC .....	8
2.65	Net Revenues.....	8
2.66	Net Revenues (gaming).....	8
2.67	Net Revenues (other).....	8
2.68	Off-Site Employees.....	9
2.69	Operating Budget and Annual Plan .....	9
2.70	Operating Expenses .....	9
2.71	Operating Supplies .....	10
2.72	Pre-Approved Counsel.....	10
2.73	Prime .....	10
2.74	Promotional Allowances.....	10
2.75	Property.....	10
2.76	Proprietary Information and Systems.....	10
2.77	Reservation .....	11
2.78	Rincon Band Gaming Code ("Tribal Gaming Code" .....	11
2.79	State .....	11
2.80	System Marks.....	11
2.81	System Marks.....	11
2.82	Term .....	11
2.83	Travel Plaza .....	11
2.84	Travel Plaza .....	11
2.85	Travel Plaza Licensee.....	12
2.86	Term .....	12
2.87	Tribal Expenditures .....	12
2.88	Tribal Representatives .....	12
2.89	Tribal Resolution.....	12
3.	COVENANTS .....	12
3.1	Amended and Restatement of Prior Agreement .....	12
3.2	Engagement of Manager .....	12
3.3	Term .....	12
3.4	Status of Property .....	12

3.5	Creation and Operation of Enterprise Board .....	14
3.6	Compliance with Law; Licenses.....	14
3.7	Amendments to Tribal Gaming Code .....	14
3.8	Compliance with Compact.....	14
3.9	Fire and Safety .....	15
3.10	Compliance with the National Environmental Policy Act.....	15
3.11	Satisfaction of Effective Date Requirements .....	15
3.12	Travel Plaza License.....	16
4.	BUSINESS AND AFFAIRS IN CONNECTION WITH ENTERPRISE.....	17
4.1	Manager's Authority and Responsibility .....	17
4.2	Duties of Manager .....	17
4.3	Security and Surveillance.....	19
4.4	Damage, Condemnation or Impossibility of the Enterprise .....	19
4.5	Alcoholic Beverages and Tobacco Sales .....	20
4.6	Employees.....	20
4.7	Harrah's Marketing .....	22
4.8	Centralized Services Cost .....	23
4.9	Operating Budget and Annual Plan .....	23
4.10	Adjustments to Operating Budget and Annual Plan.....	25
4.11	Capital Budgets .....	25
4.12	Capital Replacements.....	26
4.13	Capital Replacement Reserve .....	26
4.14	Periodic Contributions to Capital Replacement Reserve .....	26
4.15	Use and Allocation of Capital Replacement Reserve .....	27
4.16	Preference in Contracting .....	27
4.17	Internal Control Systems.....	27
4.18	Banking and Bank Accounts .....	27
4.19	Insurance .....	28
4.20	Accounting and Books of Account.....	29
4.21	Annual Audit .....	30
4.22	Liens .....	30
4.23	Agreed Ceiling for Repayment of Development and Construction Costs .....	31
5.	MANAGEMENT FEE, REIMBURSEMENTS, DISBURSEMENTS, AND OTHER PAYMENTS BY MANAGER .....	31
5.1	Management Fee .....	31
5.2	Disbursements.....	31
5.3	Adjustment to Bank Account .....	31
5.4	Payment of Fees and Tribe Disbursement.....	32
5.5	Minimum Guaranteed Monthly Payment.....	32
5.6	Payment of Education Fee .....	32
5.7	Payment of Net Revenues .....	33
6.	TRADE NAMES, TRADE MARKS AND SERVICE MARKS .....	33
6.1	Enterprise Name.....	33
6.2	System Marks.....	33
6.3	Litigation Involving System Marks .....	34
6.4	Radius Restriction on Competition and Effect on Management Agreement .....	34
7.	TAXES .....	35
7.1	State and Local Taxes .....	35
7.2	Tribal Taxes.....	35
7.3	Compliance with Internal Revenue Code .....	36

8.	GENERAL PROVISIONS.....	36
8.1	Situs of the Contracts.....	36
8.2	Notice.....	36
8.3	Authority to Execute and Perform Agreement.....	36
8.4	Relationship.....	37
8.5	Manager's Contractual Authority.....	37
8.6	Further Actions.....	37
8.8	Waivers.....	37
8.9	Captions.....	37
8.10	Severability.....	37
8.11	Interest.....	37
8.12	Recoupment and Reimbursement.....	37
8.13	Travel and Out-of-Pocket Expenses.....	38
8.14	Third Party Beneficiary.....	38
8.15	Brokerage.....	38
8.16	Survival of Covenants.....	38
8.17	Estoppel Certificate.....	38
8.18	Periods of Time.....	38
8.19	Exhibits.....	38
8.20	Successors, Assigns, and Subcontracting.....	38
8.21	Permitted Assignment.....	39
8.22	Time is of the Essence.....	39
8.23	Confidential and Proprietary Information.....	39
8.24	Patron Dispute Resolution.....	40
8.25	Modification.....	40
9.	WARRANTIES.....	40
9.1	Noninterference in Tribal Affairs.....	40
9.2	Prohibition of Payments to Members of Tribal Government.....	40
9.3	Prohibition of Hiring Members of Tribal Government.....	40
9.4	Prohibition of Financial Interest in Enterprise.....	40
9.5	No Pre-Existing Contracts.....	41
9.6	Total Rewards.....	41
10.	GROUNDS FOR TERMINATION.....	41
10.1	Voluntary Termination and Termination for Cause.....	41
10.2	Voluntary Termination.....	41
10.3	Termination for Cause.....	41
10.4	Involuntary Termination Due to Changes in Legal Requirements.....	42
10.5	Manager's Right to Terminate Agreement.....	42
10.6	Tribe's Right to Terminate Agreement.....	43
10.7	Consequences of Manager's Breach.....	43
10.8	Consequences of Tribe's Breach.....	44
11.	RENEWAL, TERMINATION AND TRANSITION.....	44
11.1	Intent to Negotiate New Agreement.....	44
11.2	Transition Plan.....	44
11.3	Termination.....	45
12.	CONSENTS AND APPROVALS.....	47
12.1	Tribe.....	47
12.2	Manager.....	47
13.	DISCLOSURES.....	47
13.1	Shareholders and Directors.....	47

13.2	Warranties.....	47
13.3	Disclosure Amendments .....	47
13.4	Breach of Manager’s Warranties and Agreements .....	47
14	NO PRESENT LIEN, POSSESSORY INTEREST, LEASE OR JOIN VENTURE.....	47
15	GOVERNING LAW .....	48
16	DISPUTE RESOLUTION .....	48
16.1	Limited Waiver.....	48
16.2	Performance During Dispute.....	50
16.3	Notice and Right to Cure.....	50
16.4	Notice Provision.....	50
16.5	Waiver of Subrogation .....	50
16.6	No Arbitration of Governmental Action .....	50
17.	ENTIRE AGREEMENT .....	51
18.	GOVERNMENT SAVINGS CLAUSE.....	51
19.	PREPARATION OF AGREEMENT .....	51
20.	EMPLOYMENT SOLICITATION RESTRICTION UPON TERMINATION.....	51
21.	TRIBE ASSETS .....	51
22.	STANDARD OF REASONABLENESS .....	51
23	EXECUTION.....	51

**APPENDICES**

EXHIBIT A-1	- PROPERTY DESCRIPTION .....	A.1
EXHIBIT A-2	- TRAVEL PARCEL PROPERTY DESCRIPTION .....	A.9
EXHIBIT B	- ENTERPRISE INVESTMENT POLICY .....	A.12
EXHIBIT C	- IRREVOCABLE BANKING INSTRUCTIONS .....	A.15
EXHIBIT D	- TRIBE’S INSURANCE REQUIREMENTS .....	A.17
EXHIBIT E	- MANAGER PROPRIETARY INFORMATION .....	A.20
EXHIBIT F	- MANAGER’S SHAREHOLDERS .....	A.21
EXHIBIT G	- MANAGER’S OFFICERS AND DIRECTORS .....	A.22
EXHIBIT H	- COVERED EMPLOYEES .....	A.23

## AMENDED AND RESTATED MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED MANAGEMENT AGREEMENT has been entered into as of September 15, 2014, by and between the RINCON SAN LUISENO BAND OF MISSION INDIANS and its permitted successors and assigns (the "Tribe"), and HCAL LLC, a Nevada limited liability company, and its permitted successors and assigns ("Manager") for the operation of a gaming facility/hotel in the State of California.

### 1. Recitals.

1.1. The Tribe is a federally recognized Indian tribe, organized pursuant to the inherent sovereign power of the Rincon San Luiseno Band of Mission Indians. The Tribe possesses sovereign governmental powers over the land described in Exhibit A hereto (the "Property"), which is located in the State of California (the "State") and is owned by the United States of America in trust for the Tribe, pursuant to the Tribe's recognized powers of self-government, and the Articles of Association, statutes and ordinances of the Tribe.

1.2. The Property is used by the Tribe for the operation of the Enterprise (as defined below).

1.3. The Tribe and Manager entered into that certain Management Agreement dated May 25, 2001, as amended on multiple occasions, most-recently pursuant to that certain Seventh Amendment to Management Agreement dated September 13, 2013 by and between the Tribe and Manager (the Management Agreement and all amendments thereto the "Prior Agreement").

1.4. The Tribe and Manager desire to amend and restate the Prior Agreement to provide for Manager's continued provision of Manager's technical experience and expertise for the operation of the Enterprise.

1.5. Accordingly, the Tribe wants to grant the Manager the exclusive right and obligation to manage, and maintain, on behalf of the Tribe and for its exclusive benefit, the Enterprise and any expansion thereof whether on lands currently held by the United States of America in trust for the Tribe or on land hereafter placed in trust, and to train Tribal members and others in the operation and maintenance of the Enterprise during the term of this Agreement and conforming with the provisions of this Agreement.

1.6. This Agreement is entered into pursuant to the Indian Gaming Regulatory Act of 1988, PL 100-497, 25 U.S.C. § 2701 et seq. (herein the "IGRA").

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

2.1. Affiliate. "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. With respect to Manager, "Affiliate" means only Caesars Entertainment Corporation and its direct and indirect, subsidiaries controlled by Caesars Entertainment Corporation and shall not include any (i) shareholder or director of Caesars Entertainment Corporation, (ii) Affiliate of any such shareholder or director of Caesars Entertainment Corporation, or (iii) indirect subsidiary of Caesars Entertainment Corporation that is not controlled by Caesars Entertainment Corporation.

2.2. Articles of Association. "Articles of Association" shall mean the Articles of Association of the Rincon San Luiseno Band of Mission Indians ratified on March 15, 1960, and any amendments thereto.

2.3. Bureau of Indian Affairs or "B.I.A.". "B.I.A." is the Bureau of Indian Affairs under the Department of the Interior of the United States of America.

2.4. Business Committee. "Business Committee" shall mean the Rincon Tribal Business Committee created pursuant to the Tribe's Articles of Association which has the authority to manage and lease or otherwise deal with tribal lands and community resources.

2.5. Capital Budget. "Capital Budget" shall mean the capital budget described in Section 4.11.

2.6. Capital Replacement(s). "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.

2.7. Capital Replacement Reserve. "Capital Replacement Reserve" shall mean the reserve described in Section 4.13, into which periodic contributions are paid pursuant to Section 4.14.

2.8. Centralized Services. "Centralized Services" shall mean those services related to the development, construction and management of the Enterprise which are approved by the Business Committee and which may be purchased from or provided by Manager or its Affiliates at locations other than the Facility. The cost of any of these services utilized will be an Operating Expense of the Enterprise and shall be subject to the Annual Budget and Operating Plan as approved by the Business Committee.

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

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

2.11. Collateral Agreements. "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.

2.12. Compact. "Compact" shall mean those certain Secretarial Procedures for the Rincon Band of Luiseno Indians, also known as the Rincon Band of Luiseno Mission Indians of the Rincon Reservation, dated February 8, 2013, by the Department of the Interior, Office of the Assistant Secretary – Indian Affairs pursuant to 25 U.S.C. § 2710(d)(7)(A), as the same may be amended, modified, supplemented or replaced in its entirety from time to time during the Term.

2.13. Compensation. "Compensation" shall mean the direct salaries and wages paid to, or accrued for the benefit of, any employee, including incentive compensation, together with all fringe benefits payable to or accrued for the benefit of any employee, including employer's contribution under F.I.C.A., 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.

2.14. Confidential Information. "Confidential Information" shall mean the information described in Section 8.23.1.

2.15. Department. Those general divisional categories shown in the Operating Budget and Annual Plan (e.g. rooms department or food department), but shall not mean or refer to the subcategories (e.g. linen replacement and uniforms) appearing in each such divisional category.

2.16. Depository Account. "Depository Account" shall mean the bank account described in Section 4.18.2.

2.17. Disbursement Account. "Disbursement Account" shall mean the bank account described in Section 4.18.3.

2.18. Education Fee (b) (4)  
(b) (4)

2.19. Effective Date. "Effective Date" shall mean the date on which written approval of this Agreement is granted by an authorized representative of the NIGC.

2.20. Emergency Condition. "Emergency Condition" shall have the meaning set forth in Section 4.12.

2.21. Enterprise. The "Enterprise" is any commercial enterprise of the Tribe authorized by IGRA and/or the Compact and managed by Manager in accordance with the terms and conditions of this Agreement to engage in (i) Gaming; (ii) the management of non-gaming activity at the Facility; and (iii) any other lawful commercial activity allowed in the Facility including, but not limited to, restaurants, conventions, business meetings, Automatic Teller Machines ("ATM"), and the sale of tobacco, gifts and souvenirs. The Enterprise includes, without limitation, any facility used for Gaming and, without limitation, the Hotel(s) and retail outlet(s) owned by the Tribe or any instrumentality of the Tribe related to Gaming located within the Facility and any other real property or improvements which the Tribe and Manager elect to subject to the terms and conditions of this Agreement. During the term of the Travel Plaza License Agreement, the Enterprise shall not include any commercial enterprises conducted on the Travel Plaza Parcel or other commercial enterprises conducted by the Tribe which are generally unrelated to Gaming, the Property, the Hotel(s) or the Facility and which are not otherwise rendered subject to the terms of this Agreement by the Tribe and the Manager.

2.22. Enterprise Bank Accounts. "Enterprise Bank Accounts" shall mean those accounts described in Section 4.18.1.

2.23. Enterprise Board. "Enterprise Board" shall mean the decision making body created pursuant to Section 3.5 of this Agreement.

2.24. Enterprise Employee. (b) (4)  
(b) (4)

2.25. Enterprise Employee Policies. "Enterprise Employee Policies" shall have the meaning given to it in Section 4.6.2.

2.26. Enterprise Guest Data. "Enterprise Guest Data" shall mean all Guest Data, to the extent in Manager's or its Affiliates possession or control, regarding prospective, actual or past guests, website visitors and customers of the Enterprise, including retail locations, restaurants, bars, spas and entertainment venues therein, (b) (4)

(b) (4)

2.27. Enterprise Infrastructure. "Enterprise Infrastructure" shall mean those infrastructure improvements described in Section 3.4.2.

2.28. Excluded Revenue. "Excluded Revenue" shall mean the following revenues actually received by the Enterprise to the extent 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 Enterprise 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 the Tribe or any other governmental or quasi-governmental entity;
- v. any proceeds from the sale or other disposition of Furnishings and Equipment or other capital assets of the Enterprise;
- vi. any fire and extended coverage insurance proceeds other than for business interruption (such business interruption proceeds to be included in Gross Revenues);
- vii. any condemnation awards for a condemnation of any part of the Facility other than a condemnation award for a temporary condemnation of the Facility for a period that does not give rise to Manager's termination right pursuant to Section 4.4.3;
- 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).

2.29. Facility. "Facility" shall mean the buildings, improvements, and fixtures, now or hereafter located on the Property, including, without limitation, following the Expansion Project Completion Date, the Expansion Project and the improvements constructed pursuant thereto. Title to the portion of the Property and the Facility upon which Gaming activities are conducted shall continue to be held by the United States of America in trust for the Tribe.

2.30. Fiscal Year. "Fiscal Year" shall mean the period commencing on January 1 of each year and ending on December 31 of the same year.

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

- i. cashier, money sorting and money counting equipment, surveillance and communication equipment, and security equipment;
- ii. slot machines, video games of chance, table games, keno equipment and other gaming equipment;
- iii. office furnishings and equipment;
- iv. specialized equipment necessary for the operation of any portion of the Enterprise for accessory purposes, including equipment for kitchens, laundries, dry cleaning, cocktail lounges, restaurants, public rooms, commercial and parking spaces, and recreational facilities;
- v. all other furnishings, equipment, and other personal property used in the operation of the Enterprise; and
- vi. all other furnishings and equipment hereafter located and installed in or about the Facility which are used in the operation of the Enterprise in accordance with the standards set forth in this Agreement.

2.32. Gaming. "Gaming" shall mean any and all activities defined as Class II or Class III Gaming under IGRA.

2.33. Gaming Commission. "Gaming Commission" shall mean the body created pursuant to the Tribal Gaming Code to regulate Gaming in accordance with the Compact, IGRA and the Tribal Gaming Code.

2.34. General Manager. "General Manager" shall mean the person employed by Manager to direct the management of the Enterprise.

2.35. Generally Accepted Accounting Principles or GAAP. "Generally Accepted Accounting Principles" or "GAAP" shall mean those principles defined by the Financial Accounting Standards Board.

2.36. Governmental Action. "Governmental Action" shall mean any resolution, ordinance, statute, regulation, order or decision regardless of how constituted having the force of

law or legal authorization of the Tribe, the Business Committee or any instrumentality or agency of the Tribe.

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

2.38. Gross Revenues. "Gross Revenues" shall mean all revenues of any nature derived directly or indirectly from the Enterprise including, without limitation, Gross Gaming Revenue (Win), food and beverage sales and other rental or other receipts from lessees, sublessees, licensees 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 7.2.

2.39. Guest Data. "Guest Data" shall mean information and data identifying, describing, concerning or generated by prospective, actual or past guests, family members, website visitors and customers of casinos, hotels, retail locations, restaurants, bars, spas, entertainment venues or other facilities owned or operated by Harrah's or its Affiliates or services including without limitation, names addresses, phone numbers, facsimile numbers, email addresses, histories, preferences game play and patronage patterns, experiences, results, demographic information, whether or not any of the foregoing constitutes personally identifiable information, together with all other guest or customer information in any database of Harrah's or its Affiliates, regardless of the source thereof (and including without limitation, (b) (4)

(b) (4)

2.40. Harrah's. "Harrah's" shall mean Caesars Entertainment Corporation, Caesars's Entertainment Operating Company, Inc. or any successor or assign of Caesars Entertainment Corporation, Caesars's Entertainment Operating Company, Inc.

2.41. Harrah's Brand Standards. "Harrah's Brand Standards" shall mean the operating and service standards generally in place at substantially all Harrah's branded properties, taking into consideration the unique nature and character of the Facility's location (as well as the different amenities, facilities and staffing as a result thereof).

2.42. Harrah's Systems. "Harrah's Systems" 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 brand name Harrah's.

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

2.44. Hotel. "Hotel" shall mean the hotel and hotel-related improvements located on the Property or to be developed upon the Property after the date hereof.

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

2.46. IGRA. "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.

2.47. Internal Control Systems. "Internal Control Systems" shall mean the systems described in Section 4.17.

2.48. Legal Requirements. "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 Enterprise, including without limitation, the IGRA, the Compact, and the Tribal Gaming Code.

2.49. Lender. "Lender" shall mean the financial institution agreed upon by the parties to provide the funding necessary to design, construct, and equip improvements to the Enterprise or Facility or future development projects, other capital projects or operational working lines of capital of the Enterprise (b) (4)

(b) (4)

2.50. Loan Agreement. "Loan Agreement" shall mean that certain loan agreement, credit agreement, mortgage, deed of trust, or security agreement, (b) (4)

(b) (4)

(b) (4)

together with all other loan-related documents, including, without limitation, financing agreements and promissory notes, evidencing a loan between Lender and the Tribe, in such principal amount and upon such terms and conditions (b) (4)

(b) (4)

2.51. Machine Gaming (Slot Machine). "Machine Gaming (Slot Machine)" shall mean Class III Gaming utilizing coin, token, bill or to the extent deemed economically advantageous by the mutual agreement of the parties, other cashless 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 token; or any other machine or device which is reasonably determined to be equivalent thereto based on evolving technological standards.

2.52. Management Agreement. "Management Agreement" or "Agreement" shall mean this Agreement as amended from time to time.

2.53. Management Fee. "Management Fee" shall mean a management fee payable to Manager pursuant to Section 5.1.

2.54. Manager. "Manager" shall mean HCAL LLC.

2.55. Manager Proprietary Information. "Manager Proprietary Information" shall mean the information described in Section 8.23.3.



2.56. Manager's Representatives. "Manager's Representatives" shall mean the persons designated by the Manager to sit on the Enterprise Board.

2.57. Managing Officer. The "Managing Officer" shall be designated by Manager by notice given to the Tribe in accordance with Section 8.2 of this Agreement. The Managing Officer shall serve as a liaison between the Manager and the Tribe. There shall be a Managing Officer during the entire term of this Agreement.

2.58. Material Adverse Change. "Material Adverse Change" shall mean any discovery of a fact or condition or any occurrence, event, or happening which shall have the effect of limiting either the scope of the Enterprise or the economic viability of the Enterprise to such a degree that the Enterprise, as defined by the parties hereto, has lost a substantial portion of its economic viability that the parties to this Agreement expected. (b) (4)

(b) (4)

2.59. Material Breach. "Material Breach" shall mean such material breach as described in Section 10.3.

2.60. Member of the Tribal Government. "Member of the Tribal Government" shall mean a member of the Business Committee, the Gaming Commission or the Tribal Representatives.

2.61. Minimum Balance. "Minimum Balance" shall mean the amount described in Section 4.18.1.

2.62. Minimum Guaranteed Monthly Payment. "Minimum Guaranteed Monthly Payment" shall mean that payment due the Tribe each month commencing in the month after the Effective Date occurs in accordance with 25 U.S.C. 2711 (b)(3) and Section 5.5 hereof.

2.63. Monthly Distribution Payment. "Monthly Distribution Payment" shall mean the payments made to the Tribe as set forth in Section 5.4.

2.64. National Indian Gaming Commission or NIGC. The "NIGC" shall mean the National Indian Gaming Commission or such successor commission established pursuant to 25 U.S.C. § 2704 for the purpose of regulating Gaming.

2.65. Net Revenues. "Net Revenues" shall mean the sum of "Net Revenues (gaming)" and "Net Revenues (other)."

2.66. Net Revenues (gaming). "Net Revenues (gaming)" shall mean Gross Gaming Revenue (Win), of the Enterprise from Gaming less all Gaming related Operating Expenses, excluding the Management Fee, and less the retail value of any Promotional Allowances, and less all Excluded Revenue for such period actually received by the Enterprise and included in Gross Revenues. It is intended that this provision be consistent with 25 U.S.C. § 2703 (9).

2.67. Net Revenues (other). "Net Revenues (other)" shall mean all Gross Revenues of the Enterprise from all other sources in support of Gaming and not otherwise included in the

calculation of "Net Revenues (gaming)," such as room revenues from operation of the Hotel, food and beverage, entertainment, and retail, less all non-Gaming related Operating Expenses, excluding the Management Fee and less the retail value of Promotional Allowances, if any, and less all Excluded Revenue for such period actually received by the Enterprise and included in Gross Revenues. It is intended that this provision be consistent with 25 U.S.C. § 2703 (9).

2.68. Off-Site Employees. "Off-Site Employees" shall mean employees of Manager or Manager's Affiliates who are not permanently located at the Facility but who are used by Manager to provide services to the Enterprise as described in Section 4.6.4.

2.69. Operating Budget and Annual Plan. "Operating Budget and Annual Plan" shall mean the operating budget and plan described in Section 4.9.

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

(b) (4)



(b) (4)



2.71. Operating Supplies. "Operating Supplies" shall mean food and beverages (alcoholic and nonalcoholic) and other consumable items used in the operation of the Enterprise, such as playing cards, tokens, chips, plaques, dice, fuel, soap, cleaning materials, matches, paper goods, stationery and other similar consumable and expendable items necessary or customary (now or in the future) in the reasonable opinion of Manager in order to operate the Enterprise in accordance with the terms of this Agreement and the Harrah's Brand Standards.

2.72. Pre-Approved Counsel. "Pre-Approved Counsel" shall have the meaning described in Section 4.2.5.3

2.73. Prime. "Prime" shall mean the Prime interest rate as published in the money rates section of the Western Edition of the Wall Street Journal.

2.74. Promotional Allowances. "Promotional Allowances" shall mean the retail value of complimentary food, beverages, merchandise, and tokens for Gaming, provided to patrons of the Enterprise on a complimentary basis as promotional items.

2.75. Property. "Property" shall mean collectively, the parcels of land described in Exhibit A-1 and the Travel Plaza Parcel described in Exhibit A-2 hereto held by the United States of America in trust for the Tribe.

2.76. Proprietary Information and Systems. Proprietary Information and Systems shall mean the following as the same may be modified, supplemented or updated in the future:

- i. proprietary information, techniques and methods of operating and marketing, gaming, hotel and related businesses, including without limitation, the Total Rewards System;
- ii. proprietary information, techniques and methods of designing, selecting, maintaining, operating, marketing, developing and customizing games used in gaming, hotel and related businesses;



- iii. proprietary information, techniques and methods of training employees in the gaming, hotel and related businesses;
- iv. proprietary business plans, projections and marketing, advertising and promotion plans, strategies, and systems, and any modifications, supplements or revisions thereof which may hereafter be made by Manager or its Affiliates, 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); and
- v. (b) (4)

Notwithstanding the foregoing, Proprietary Information and Systems shall not include (a) information and systems developed by the Tribe or third parties on the Tribe's behalf; (b) information and systems developed by Manager or a third party specifically for use at the Facility; (c) data specific to the Facility that may be contained in or derived from Proprietary Information and Systems, including, but not limited to, Enterprise Guest Data, and (d) information which is not recognized as a trade secret of Manager or its Affiliates, or entitled to protection as proprietary to Manager and its Affiliates, under any and all present and future federal, state, and local laws, ordinances, rules, regulations, permits, licenses and certificates applicable to Manager.

2.77. Reservation. "Reservation" shall mean those lands located within the exterior boundaries of the Reservation established for the Tribe pursuant to an Executive Order dated March 15, 1960.

2.78. Rincon Band Gaming Code ("Tribal Gaming Code"). "Tribal Gaming Code" shall mean that ordinance, any amendments thereto enacted by the Tribe and the regulations promulgated thereunder, which authorize and regulate gaming on the Tribe's Reservation.

2.79. State. "State" shall refer to the State of California.

2.80. System Fee. "System Fee" shall mean the payments described in Section 4.7.2.

2.81. System Marks. "System Marks" shall mean the marks of Harrah's described in Section 6.2.

2.82. Term. "Term" shall mean the term of this Agreement as described in Section 3.3.

2.83. Travel Plaza "Travel Plaza" means a convenience store, quick-serve restaurant, gas station and car wash on tribal trust land that constitutes a part of the Property that is operated pursuant to the Travel Plaza License Agreement and that does not constitute a part of the Enterprise for such period of time as the Travel Plaza License Agreement is in full force and effect.

2.84. Travel Plaza License Agreement. "Travel Plaza License Agreement" shall mean that certain License Agreement – Travel Plaza dated December 2011, between Travel Plaza Licensee and Manager under which the Manager, as licensor, grants Travel Plaza Licensee, as licensee, permission to develop, operate and maintain a Travel Plaza upon the Travel Plaza Parcel.

2.85. Travel Plaza Licensee (b) (4)  
(b) (4)

2.86. Travel Plaza Parcel. "Travel Plaza Parcel" shall mean that certain real property more specifically described on Exhibit A-2, consisting of a portion of the Property.

2.87. Tribal Expenditures (b) (4)  
(b) (4)

2.88. Tribal Representatives. "Tribal Representatives" shall mean the persons designated by the Business Committee to sit on the Enterprise Board and to serve as the representative of the Tribe in accordance with the Expansion Project as set forth in Section 3.5.

2.89. Tribal Resolution. "Tribal Resolution" shall have the meaning described in Section 3.11.

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

3.1. Amendment and Restatement of the Prior Agreement. By their execution of this Agreement, as of the Effective Date, the parties hereto have amended and restated the Prior Agreement in its entirety and replaced the terms and conditions of the Prior Agreement with the terms and conditions set forth in this Agreement.

3.2. Engagement of Manager. The Tribe hereby retains and engages Manager as the exclusive manager of the Enterprise 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.

3.3. Term. The term of this Agreement shall commence as of the Effective Date and shall expire five (5) years after the Effective Date.

3.4. Status of Property.

3.4.1. The Tribe represents and covenants that it will maintain the Property 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. Subject to Section 4.20.2, the Tribe covenants, during the Term, that Manager shall and may, solely for the purpose of effecting the business purpose of the Tribe pursuant to IGRA and the Tribe's own right of self-determination, peaceably have complete access to and presence to the Property and 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 or access to and presence to the Property and the Facility shall cease upon the termination of this Agreement pursuant to its terms.

3.4.2. (b) (4)

(b) (4) so as to provide such road and traffic services necessary to the operation of the Enterprise (b) (4), and so as to avoid any interruption to the business of the Enterprise. (b) (4) (b) (4)

(b) (4) accordance with all Legal Requirements as necessary to provide such services to the operation of the Enterprise (b) (4), and so as to avoid any interruption to the business of the Enterprise. (b) (4)

3.4.2.1. Water System.

3.4.2.1.1. (b) (4)

(b) (4)

3.4.2.1.2. (b) (4)

(b) (4)

3.4.2.2. Wastewater Treatment Plant. (b) (4)

(b) (4)

3.4.2.3. Solar Facility. (b) (4)

3.4.2.4. Parking Areas. (b) (4)

3.4.2.5. (b) (4)

(b) (4)

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3.5. Operation of Enterprise Board. The Enterprise Board shall be comprised of two persons represented and designated by the Tribe and two persons represented and designated by the Manager for a total of four members. Tribe or Manager may designate another person to serve on the Board on their behalf as a member by written notice signed by the Tribe or Manager, respectively, and given in accordance with Section 8.2 of this Agreement. The Enterprise Board shall remain active during the Term. The Enterprise Board shall have the obligations, rights and powers described in this Agreement. Unless otherwise stated to the contrary, in order to be effective, any approval or action of the Enterprise Board shall require the affirmative vote by a majority of all members of the Enterprise Board.

3.6. Compliance with Law; Licenses. Manager and Tribe covenant that each will at all times comply with all Legal Requirements, including the Tribal Gaming Code, other Tribal ordinances, resolutions, laws and regulations, the IGRA, the Compact, California statutes, to the extent applicable, and any licenses issued under any of the foregoing. The cost and expense of any licenses, permits or other authorizations Manager is obligated to secure from the Tribe pursuant to the Tribal Gaming Code, other Tribal ordinances, resolutions, laws and regulations, shall be subject to Section 7.2, and payable as an Operating Expense. The Tribe shall not unreasonably withhold, delay, withdraw, qualify or condition such licenses as the Tribe is authorized to grant.

3.7. Amendments to Tribal Gaming Code. The Tribe covenants that any amendments made to the Tribal Gaming Code and the regulations promulgated thereunder will be a legitimate 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, except as required by applicable federal or state law or regulation, or the terms of the Compact or any documents ancillary thereto. The adoption of any amendments to the Tribal Gaming Code and the regulations promulgated thereunder or any other ordinances or resolutions that would materially and adversely affect Manager's rights under this Agreement, the Loan Agreement, or any Collateral Agreement shall be a Material Breach of this Agreement. Further, Manager will be given a reasonable opportunity to comment on any proposed amendments to the Tribal Gaming Code, the regulations promulgated under it, and any changes to any system for internal controls prior to their enactment.

3.8. Compliance with Compact. The parties shall at all times comply with the provisions of the Compact, subject to the Tribe's right to take actions to challenge, protest, appeal or litigate to final decision in any appropriate court or forum, matters related to the Tribe which also materially affect the Enterprise, provided such challenge does not affect this Agreement or the performance of Manager's duties hereunder. The cost and expense of such legal challenge shall be subject to the terms and conditions of Section 4.2.5.

3.9. Fire and Safety.

3.9.1. The Manager shall ensure that the Facility shall be operated and maintained in compliance with all fire and safety statutes, ordinances, and regulations pursuant to applicable Tribal laws and the Compact which would otherwise be applicable if the Facility were located outside of the jurisdiction of the Tribe. (b) (4) (b) (4)

(b) (4) (b) (4) ) (b) (4)

3.9.2. (b) (4)

3.9.3. (b) (4)

3.9.4. (b) (4)

3.9.5. (b) (4)

3.9.6. (b) (4)

3.9.7. (b) (4)

3.10. Compliance with the National Environmental Policy Act. With the assistance of Manager, the Tribe shall supply the NIGC with all information necessary for the NIGC to comply with any regulations of the NIGC issued pursuant to the National Environmental Policy Act (NEPA).

3.11. 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.

3.11.1. The Tribe shall adopt a resolution (the "Tribal Resolution") reciting that the following, pursuant to Tribe's law:

3.11.1.1. that this Agreement, the Loan Agreement and the exhibited documents attached thereto are the legal and binding obligations of the Tribe, valid and enforceable in accordance with their terms;

3.11.1.2. (b) (4)

3.11.1.3. the waiver of sovereign immunity provisions of this Agreement are the legal and binding obligations of the Tribe, valid and enforceable in accordance with their terms;

3.11.1.4. the Tribe's indemnification obligations set forth in this Agreement are the legal and binding obligations of the Tribe, valid and enforceable in accordance with their terms;

3.11.1.5. that the Tribal Resolution is consistent with all applicable Tribal laws and that all necessary approvals have been obtained for its adoption; and

3.11.1.6. that the Tribe has authorized and approved the execution of all definitive documents, the consummation of the transaction, and the performance by the Tribe of its obligations under this Agreement.

3.11.2. The Manager shall execute a Certificate to certify the following pursuant to applicable law:

3.11.2.1. that this Agreement and the exhibited documents attached thereto are the legal and binding obligations of the Manager, valid and enforceable in accordance with their terms;

3.11.2.2. the Manager's indemnification obligations set forth in this Agreement are the legal and binding obligations of the Manager, valid and enforceable in accordance with their terms;

3.11.2.3. that the Closing Certificate is consistent with all applicable laws and that all necessary approvals for Manager have been obtained for its adoption; and

3.11.2.4. that the Manager has authorized and approved the execution of all definitive documents, the consummation of the transaction, and the performance by the Manager of its obligations under this Agreement.

### 3.12. Travel Plaza License

3.12.1. Without limiting Manager's rights set forth in this Agreement, the Tribe shall use commercially reasonable efforts to cause the Travel Plaza Licensee to comply in all respects with its obligations set forth in the Travel Plaza License Agreement.

3.12.2. To the fullest extent permitted by law, the Tribe shall indemnify Manager and its Affiliates, to the same extent such indemnification is owed to Manager by the Travel Plaza



Licensee pursuant to the terms of the Travel Plaza License Agreement. This indemnification shall survive the termination of this Agreement.

4. Business and Affairs in Connection with Enterprise.

4.1. Manager's Authority and Responsibility. Manager shall have, subject to the terms of this Agreement, the exclusive authority to conduct and direct all business and affairs in connection with the day-to-day management and maintenance of the Enterprise, the Facility, and the Property, including, but not limited to, the establishment of operating days and hours subject to Legal Requirements. The Tribe agrees that it will not interfere with the Manager's obligations under this Agreement. It is the parties' intention that the Enterprise be open 24-hours daily, seven days a week. 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 possessory or titled interest to the Facility or to the Enterprise. The parties hereto affirmatively state the non-existence of such interest. Manager hereby accepts such retention and engagement. The Tribe shall have the sole proprietary interest in all Gaming conducted by the Enterprise, subject to the rights and responsibilities of Manager under this Agreement.

4.2. Duties of Manager. In managing, maintaining and repairing the Enterprise, Enterprise Infrastructure 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 and management of the Enterprise 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. 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.

4.2.3. Contracts in Tribe's Name Doing Business as the Enterprise and at Arm's Length. Contracts for the operations of the Enterprise shall be (b) (4)



4.2.3.1 (b) (4)




(b) (4)




4.2.4. Enterprise Operating Standards. Manager shall manage the Enterprise in a proper, efficient and competitive manner in accordance with the Harrah's Brand Standards.

4.2.5. Legal Proceedings. Except as set forth in Section 6.3, all other legal proceedings which may arise in connection with the operation of the Enterprise shall be managed in accordance with this Section 4.2.5. Any legal proceedings which may arise from time to time in the ordinary course of business relating to the operation of the Enterprise, such as collections, enforcement of contracts, and proceedings against guests, (b) (4)



4.2.5.1. All other legal proceedings relating to the Enterprise, (b) (4)



4.2.5.2. Prior to the engagement of any legal counsel by Manager as provided by this Section 4.2.5(b) (4)





(b) (4)

On a quarterly basis, or on a more frequent basis as Tribe's Attorney General deems appropriate, Manager shall provide the Tribe's Attorney General with a current description, full particulars and status report of any legal proceedings involving the Enterprise. (b) (4)

4.2.5.3. Concurrently with the Manager's delivery of the proposed Operating Budget and Annual Plan for each Fiscal Year, Manager shall also submit a list of proposed legal counsel, including the proposed legal counsel's rates and areas of expertise. The Tribe's approval of the proposed legal counsel shall not be unreasonably withheld or delayed. The Business Committee shall deliver to the Manager any objection to the proposed legal counsel concurrently with the delivery of any objections to the proposed Operating Budget and Annual Plan. In addition to the proposed legal counsel submitted in connection with the proposed Operating Budget and Annual Plan, Manager may also submit additional proposed legal counsel for approval by the Tribe's Attorney General. All proposed legal counsel not subject to an objection by the Business Committee or approved by the Tribe's Attorney General shall be referred to herein as the "Pre-Approved Counsel."

4.2.5.4. (b) (4)

4.2.5.5. Manager shall cause legal counsel to timely provide copies of all legal pleadings, court orders and correspondence regarding any legal proceeding or threatened legal proceeding to the Tribe's Attorney General. Manager shall cause legal counsel to cooperate and consult with the Tribe's Attorney General or its designee regarding matters of Tribal law or federal Indian law, including where applicable, intervention, amicus or special appearance by the Tribe's Attorney General on behalf of the Tribe or such other matters as requested by the Tribe's Attorney General.

4.3. Security and Surveillance. Manager shall provide for appropriate security for the operation of the Enterprise. All aspects of the Facility security and surveillance shall be the exclusive responsibility of Manager, subject to all Legal Requirements.

4.4. Damage, Condemnation or Impossibility of the Enterprise. If, during the Term, 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. If Gaming on the Property is prohibited by Legal Requirements, Manager shall, subject to the provisions in Section 4.4.3, continue its interest in this Agreement and shall commence or recommence the operation of Gaming at the Facility at such time as such commencement or recommencement shall no longer be prohibited by Legal Requirements. If Manager fails to commence or recommence operations within a reasonable time after which operations are no longer prohibited by Legal Requirements, the Tribe, at its option shall have the right to terminate this Agreement.

4.4.2. If the Facility is damaged, destroyed or condemned so that Gaming can no longer be conducted at the Facility, subject to the provisions in Section 4.4.3, 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 or condemnation occurred. If the insurance proceeds or condemnation awards are insufficient to reconstruct the Facility to such condition, Manager may, with the prior consent of the Tribe and the BIA or NIGC, as appropriate loan such additional funds as are necessary to reconstruct the Facility to such condition secured by the revenues from the Enterprise and repayable upon such terms as may be agreed upon by the Tribe and Manager. If the insurance proceeds or condemnation awards are not sufficient and are not used to repair 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 awards shall be applied first, to the amounts due under the Loan Agreement (including principal and interest); second, any other loans; third, any undistributed Net Revenues pursuant to Section 5 of this Agreement; and fourth, any surplus shall be distributed to the Tribe.

4.4.3. Manager shall have the option at any time within a sixty (60) day period following the cessation of Gaming on the Property for a period of not less than one hundred eighty (180) consecutive days as the result of Gaming being prohibited by Legal Requirements or damage, destruction or condemnation of the Facility to notify the Tribe in writing that it is terminating operations under this Agreement, in which case Manager shall retain any rights it may have to undistributed Net Revenues pursuant to Section 5 of this Agreement and rights to repayments of amounts owed to it by the Tribe. If Manager does not elect to terminate this Agreement, Manager shall take reasonable action to reduce expenses during such period of cessation of Gaming.

4.4.4. 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 4.4.3, the period of such cessation shall not be deemed to have been part of the Term and the date of expiration of the Term shall be extended by the number of days of such cessation period. Any reasonable payments made to any third party to eliminate rights acquired in the Property, the Facility or the Enterprise during the period of cessation shall constitute Operating Expenses of the Enterprise.

4.5. Alcoholic Beverages and Tobacco Sales. During the Term, alcoholic beverages may be served at the Facility if permissible in accordance with Tribal or other Legal Requirements. Tobacco and tobacco products may be sold at the Facility subject to and in accordance with the Tribe's laws and licensing requirements, if any.

4.6. Employees.

4.6.1. Manager's Responsibility. Manager shall have, subject to the terms of this Agreement, the exclusive responsibility and authority to direct the selection, control, discipline, and discharge of all Enterprise Employees and Manager shall have the sole

responsibility for determining whether a prospective employee is qualified subject to the Indian preference provisions set forth herein, and the appropriate level of Compensation to be paid.

4.6.2. Enterprise Employee Policies. Manager shall utilize its standard personnel policies and procedures for Enterprise Employees (the "Enterprise Employee Policies"), as the same may be modified by Manager from time to time. The Enterprise Employee Policies shall include a grievance procedure in order to establish fair and uniform standards for Enterprise Employees, which will include procedures for the resolution of disputes between Manager and Enterprise Employees. Manager shall notify the Enterprise Board in advance of Manager-initiated, material modifications to the Enterprise Employee Policies.

4.6.3. Collective Bargaining Agreement. It is the Tribe's position that the National Labor Relations Act ("NLRA") is not applicable to the Enterprise. Accordingly, Manager shall have no authority to enter into any agreement with a labor organization related to the work conditions, pay or benefits of Enterprise Employees without the prior approval of the Business Committee. The parties acknowledge that as of the Effective Date the current case law regarding the applicability of the NLRA to Indian tribes, including businesses and political subdivisions of Indian tribes is unsettled. Manager shall comply with the Tribal Labor Relations Ordinance adopted by the Tribe and incorporated into the Compact. Nothing herein is intended to prevent Manager from complying with applicable federal law, and nothing herein is intended to preclude the Tribe from asserting good faith defenses regarding the interpretation and applicability of the NLRA.

4.6.4. Off-Site Employees. Subject to approval of the Enterprise Board, Manager shall also have the right to use Off-Site Employees to provide services to the Enterprise on a full-time, part-time, temporary, task-specific or project-specific basis, including, without limitation, to temporarily replace any vacant position at the Enterprise provided, however, that Manager shall use commercially reasonable efforts to find an employee having qualifications equal to or greater than the employee that such employee is replacing. 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 approved by the Business Committee, and shall be treated as Operating Expenses as appropriate.

4.6.5. No Manager Wages or Salaries. Except as otherwise provided with respect to the reimbursement by the Tribe to Manager of employer contributions to various employee benefit plans in which Enterprise Employees and Off-Site Employees described in Section 4.6.4 participate, (b) (4)

Nothing in this subsection shall restrict the ability of an Enterprise Employee to purchase or hold stock in Manager, or Manager's Affiliates. For the avoidance of doubt, this Section 4.6.5, shall not preclude the reimbursement of Manager's out-of-pocket costs and expenses pursuant to this Agreement.

4.6.6. Employment Suitability. 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 or the Tribe. The background investigation procedures employed by the Gaming Commission shall be

formulated in consultation with Manager and shall satisfy all regulatory requirements independently applicable to Manager.

4.6.7. Indian Preference, Recruiting and Training. In order to maximize the benefits of the Enterprise 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., give preference in recruiting, training and employment to qualified members of the Tribe, their spouses and children in all job categories of the Enterprise, including senior management personnel. In furtherance of this Section 4.6.7, Manager shall:

- i. abide by any duly enacted Tribe preference laws;
- ii. give such preferences in the following order of preference to the extent consistent with law;
  - a. enrolled Tribal members;
  - b. spouse, parent or children of Tribal members;
  - c. enrolled members of other federally recognized Indian Tribes.
- iii. maintain as an Operating Expense, existing plans for selecting and training qualified members of the Tribe in all job categories of the Enterprise, including senior management.

4.7. Harrah's Marketing.

4.7.1. Nature of Marketing Services. The services described in this Section 4.7 ("Harrah's Marketing Services") shall be provided by Manager and accepted by the Tribe, (b) (4)

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. System Fee. (b) (4)

(b) (4)

Upon request by the Tribe, the Tribe shall be provided annually, within ninety (90) days after the close of each Fiscal Year, with an accounting of receipts and expenditures of the System Fee for all participating casinos as a whole. Upon request by the Tribe, the Tribe shall also be provided annually within ninety (90) days after the close of each Fiscal Year with an accounting of receipts and expenditures of the System Fee which are within the MSA and specifically designed to benefit the Enterprise. (b) (4)

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 ("Harrah's Optional Marketing Services"). The Tribe agrees to 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 Enterprise, it being understood, however, that this Section shall in no event be construed to require the Tribe to accept any such bid/proposal. (b) (4)

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

4.9. Operating Budget and Annual Plan. In the case of the Fiscal Year in which the Effective Date shall occur, the Enterprise shall be operated at rates or levels of Operating Expenses equal to those set forth in the Operating Budget and Annual Plan approved by the Business Committee pursuant to the Prior Agreement, subject to the permitted adjustments set forth herein. For all other Fiscal Years, at least sixty (60) days prior to the commencement of each full or partial Fiscal Year, Manager shall submit to the Business Committee, for its approval, a proposed Operating Budget and Annual Plan for the ensuing full or partial Fiscal Year, as the case may be.

4.9.1. The Operating Budget and Annual Plan shall include projections of the following:

4.9.1.1. 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;

4.9.1.2. a projected balance sheet,

4.9.1.3. cash flow for the Enterprise, with detailed justifications explaining the assumptions used therein;

4.9.1.4. a schedule of repairs and maintenance (other than Capital Replacements);

4.9.1.5. a schedule of Capital Replacements;

4.9.1.6. a schedule for Furnishings and Equipment;

4.9.1.7. the Minimum Balance which must remain in the Enterprise Bank Accounts and the House Bank as of the end of each month during the Fiscal Year to assure sufficient monies for working capital purposes, and other expenditures authorized under the Operating Budget and Annual Plan, including payments for the retirement of any principal, fees and interest in connection with any existing Loan Agreement for the Enterprise; and

4.9.1.8. a business and marketing plan for the subject Fiscal Year, including, without limitation, identification of advertising and business promotion programs for the Enterprise and the estimated cost of Promotional Allowances.

4.9.2. The Business Committee's approval of the Operating Budget and Annual Plan shall not be unreasonably withheld or delayed. (b) (4)

[Redacted]

4.9.3. (b) (4)

[Redacted]

4.9.3.1. (b) (4)

[Redacted]



(b) (4)

4.9.3.2. (b) (4)

4.10. Adjustments to Operating Budget and Annual Plan.

4.10.1. Manager may, after notice to and approval by the Business Committee, 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.

4.10.2. (b) (4)

4.10.3. (b) (4)

4.10.4. The Tribe acknowledges that the Operating Budget and Annual Plan is intended only to be a reasonable estimate of the Enterprise'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.

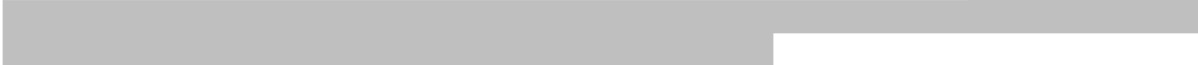
4.11. Capital Budgets. In the case of the Fiscal Year in which the Effective Date shall occur, the Enterprise shall be maintained in a manner and at a level of quality that is equal to the amounts set forth in the Capital Budget approved by the Business Committee pursuant to the prior agreement, subject to the permitted modifications set forth herein. (b) (4)

The Business Committee and Manager shall meet to

discuss the proposed Capital Budget. Manager shall be responsible for the design and installation of Capital Replacements, which shall be specified in the Capital Budget.

4.12. Capital Replacements. The Tribe shall effect and expend such amounts for any Capital Replacements as shall be required, in the course of the operation of the Enterprise, to (i) maintain, at a minimum, the Enterprise in compliance with any Legal Requirements, (ii) comply with Manager's recommended programs for renovation, modernization and improvement intended to keep the Enterprise competitive in its market, (iii) comply with any Harrah's Brand Standards; or (iv) correct any condition of an emergency nature ("Emergency Condition") including, without limitation, maintenance, replacements or repairs which require 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 Enterprise Employees. The Enterprise shall be deemed to have satisfied those Harrah's Brand Standards that relate to the physical characteristics of the Facility to the extent Capital Replacements are made as and when recommended by the Manager comply with any Harrah's Brand Standards.

4.12.1. Manager may take all steps and make all expenditures from the Disbursement Account or Capital Replacement Reserve as are reasonably 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 revenues. (b) (4)



4.12.2. In no event, however, shall the Tribe be under any obligation to fund Capital Replacements in an aggregate amount greater than its periodic required contributions to the Capital Replacement Reserve described in Section 4.14.

4.13. Capital Replacement Reserve. Manager shall establish a Capital Replacement Reserve on the books of account of the Enterprise, and the periodic contributions of cash required by Section 4.14 shall be deposited by the Manager into an account (the "Capital Replacement Reserve") established in the Tribe's name at a bank designated by the Business Committee in accordance with Section 4.18.1 of this Agreement. All amounts in the Capital Replacement Reserve shall be invested in interest bearing investments in accordance with the Enterprise Investment Policy set forth in Exhibit B to this Agreement to the extent the Enterprise Investment Policy does not impair the availability of funds in the Capital Replacement Reserve when required. 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 Business Committee or such emergency additions, repairs or replacements as shall be required to correct an Emergency Condition.

4.14. Periodic Contributions to Capital Replacement Reserve. In accordance with Section 5.4 of this Agreement, (b) (4)





(b) (4)

4.15. 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 review or approval from the Business Committee, the Tribe, or any other agency of the Tribe. 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, to the extent approved by the Business Committee shall be contributed by the Tribe to the Capital Replacement Reserve.

4.16. Preference in Contracting. In entering contracts for the supply of goods and services for the Enterprise, Manager shall give preference to qualified members of the Tribe, their spouses and children, and qualified business entities certified by the Tribe to be controlled by members of the Tribe in the same order of preference as that set forth at Section 4.6.7.

4.16.1. For purposes of this Section 4.16, "Qualified" shall mean a business entity certified by the Tribe as meeting its criteria for entitlement to 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 consistent with the Harrah's Brand Standards and can meet the reasonable bonding requirements of Manager. Manager shall provide written notice to the Tribe in advance of all such contracting, subcontracting and construction opportunities.

4.16.2. To the extent that any tribal employment ordinance enacted by the Tribe conflicts with or provides for employment standards or requirements different than those set forth above, the terms, employment standards and requirements of the tribal ordinance shall control provided such preference does not have a Material Adverse Effect on this Agreement.

4.16.3. The Tribe shall notify Manager of any new or modification in tribal employment ordinance enacted by the Tribe.

4.17. Internal Control Systems. Manager shall comply with the existing systems of the Enterprise for monitoring all funds derived from Gaming (the "Internal Control Systems"). The Gaming Commission shall retain the right to review and approve all Internal Control Systems and any changes instituted to the Internal Control Systems of the Enterprise to ensure such Internal Control Systems comply with all Legal Requirements. The Gaming Commission and Manager shall have the right and duty to maintain and police the Internal Control Systems in order to minimize the potential for any loss of proceeds from the Enterprise.

4.18. Banking and Bank Accounts.

4.18.1. Enterprise Bank Accounts. The Manager shall maintain such existing bank accounts established under the Prior Agreement that the Manager and the Business Committee approve and deem appropriate and necessary in the course of operating the Enterprise and as consistent with this Agreement ("Enterprise Bank Accounts"). The Manager may recommend for

approval by the Business Committee one or more additional Enterprise Bank Accounts, changes to the existing Enterprise Bank Accounts or establish such Enterprise Bank Accounts with such other bank or banks for the deposit and maintenance of funds. (b) (4)

Attached hereto as Exhibit C is the form of Irrevocable Banking Instructions to be executed by the Tribe with regard to each Enterprise Bank Account and to be in effect during the Term of this Agreement.

4.18.2. Daily Deposits to Depository Account. Manager shall maintain the Enterprise Bank Account for the benefit of the Tribe in the Enterprise's name for the deposit by Manager at least once during each 24-hour period, all collected Gross Revenues and other proceeds connected with or arising from the operation of the Enterprise, the sale of all products, food and beverage, and all other activities of the Enterprise and related cash daily (the "Depository Account"). All money received by the Enterprise on each day that it is open must be counted at the close of operations for that day or at least once during each 24-hour period. 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.

4.18.3. Disbursement Account. Manager shall maintain the Enterprise Bank Account for the benefit of the Tribe in the Enterprise's name pursuant to which 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 (the "Disbursement Account").

4.18.4. No Cash Disbursements. Manager shall not make any cash disbursements from the Enterprise Bank Accounts and all payments or disbursements by the Manager from Enterprise Bank Accounts shall be made by check or wire transfer drawn against an Enterprise Bank Account.

4.18.5. Transfers Between Accounts. Manager has the authority to transfer funds from and between the Enterprise Bank Accounts to the Disbursement Account in order to pay Operating Expenses and to pay debt service, to invest funds in accordance with the Enterprise Investment Policy and to pay the fees payable to Manager and distributions to the Tribe pursuant to this Agreement.

4.18.6. Petty Cash Fund. Manager shall establish and maintain for the benefit of and in the name of the Tribe a petty cash fund, the amounts in which shall be established in conjunction with the establishment of the annual Operating Budget and Annual Plan, as an Operating Expense. The petty cash fund shall be used for miscellaneous small expenditures of the Enterprise and shall be maintained at the Facility.

4.19. Insurance. Manager, on behalf of the Tribe shall arrange for, obtain and maintain, or cause its agents to maintain, with responsible insurance carriers who, to the extent commercially available, are licensed to do business in the State of California, insurance satisfactory to Manager and the Business Committee covering the Facility and the operations of the Enterprise, naming the Tribe, the Enterprise, Manager, and Manager's Affiliates as insured parties, in at least the amounts which are set forth in Exhibit D.

4.20. Accounting and Books of Account.

4.20.1. Statements. Manager shall prepare and present to the Business Committee on a monthly, quarterly, and annual basis, operating statements reflecting the result of the Enterprise's operations. The operating statements shall comply with all Legal Requirements and shall include an income and expense statement, statement of cash flows, (including projections of future cash flows) and balance sheet for the Enterprise. Such statements shall include the Operating Budget and Annual Plan and Capital Budget projections as comparative statements, and will include comparative statements from the comparable period for the prior Fiscal Year of all revenues, and all other amounts collected and received, and all deductions and disbursements made therefrom in connection with the Enterprise. The Manager shall provide such additional information relating to the Enterprise as the Business Committee may reasonably request from time to time.

4.20.2. Books of Account. Manager shall maintain full and accurate books of account for the Enterprise at an office in the Facility and at Manager's corporate offices. The Business Committee or their designated representative shall have immediate access to the Facility including the right to verify daily Gross Revenues and income from gaming operations, books of account and any other gaming-related information the Business Committee or their designated representatives deems appropriate, including, the unlimited right to inspect, examine, and copy all such books and supporting business records.

4.20.3. Accounting Standards. Manager shall maintain the books and records reflecting the operations of the Enterprise 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 Fiscal Year prepared in accordance with the Enterprise Fiscal Year). The accounting systems and procedures shall comply with Legal Requirements and, at a minimum shall:

- i. include an adequate system of internal accounting controls;
- ii. permit the preparation of financial statements in accordance with GAAP;
- iii. be susceptible to audit;
- iv. permit the calculation of fees payable to the NIGC pursuant to 25 C.F.R. §514.1 or other applicable regulations;
- v. permit the calculation and payment of the Management Fee described in Section 5; and
- vi. provide for the allocation of operating expenses or overhead expenses among the Tribe, the Enterprise, and any other user of shared facilities and services.

4.20.4. Annual Audit. Any nationally-recognized accounting firms or an independent certified public accounting firm with at least five (5) year's experience auditing casinos of a size similar to that of the Enterprise selected by the Tribe shall perform an annual audit of the books and records of the Enterprise and of all contracts for supplies, services or concessions reflecting Operating Expenses. The Tribe and the Manager shall cooperate with the BIA and NIGC should either request an audit of the Enterprise. The costs incurred for such audits

shall constitute an Operating Expense. Such audits shall be provided by the Tribe 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.

4.20.5. Tribe Financing. The Manager acknowledges further that the Enterprise will be subject to the Loan Agreement during the Term hereof and warrants, represents and covenants to the Tribe that the Manager shall, on the Tribe's behalf, prepare financial reports and projections in accordance with the terms and conditions of the Loan Agreement. To the extent any reports or projections are provided by Manager in connection with the Loan Agreement or the expenditure of the proceeds thereof, Manager shall perform such services and execute such reporting obligations in a commercially reasonable manner and in accordance with prudent accounting principles and practices. Without modifying Manager's obligations pursuant to this Section 4.20.5, the reports or projections provided by Manager to this Section 4.20.5 shall not be a guarantee of the projected results contained such reports or projections. Manager warrants, represents and covenants further to the Tribe that the Manager shall coordinate and cooperate with the Tribe in securing affordable financings for the on-going operation of the Enterprise; provided, however, that the foregoing shall not obligate Manager to enter into any amendment, modification or other instrument altering Manager's rights, duties and obligations under this Agreement. In connection with Manager's obligations pursuant to this Section 4.20.5, (b) (4)

[REDACTED]

4.21. Tribal Regulatory Costs. The operations of the Gaming Commission shall, after the Effective Date through Expiration of the Term, (b) (4)

[REDACTED] in an amount which reflects the reasonable cost to the Gaming Commission of regulating Gaming, (b) (4)

Nothing contained herein is intended to limit the Tribe's or Gaming Commission's prerogative to expend more money; provided, however, such amounts in excess of (b) (4)

[REDACTED]

Concurrently with the delivery of the annual reports required pursuant to Section 4.20, the Gaming Commission shall prepare a reasonably detailed statement of the actual expenses of the Gaming Commission during such Fiscal Year which shall be reconciled against the amounts paid to the Gaming Commission pursuant to this Section 4.21. (b) (4)

[REDACTED]

4.22. Liens. The Tribe specifically warrants and represents to the Manager that during the Term the Tribe shall not act in any way whatsoever, either directly or indirectly, to cause



any party to become an encumbrance or lienholder of the Property or the Facility, or any of the tangible or intangible assets of the Enterprise, other than Bank or to allow any party to obtain any interest in this Agreement without the prior written consent of the Manager, and, where applicable, consent from the United States. The Manager specifically warrants and represents to the Tribe that during the Term, the Manager shall not act in any way whatsoever, either directly or indirectly, to cause any party to become an encumbrance or lienholder of the Property or the Facility, or to allow any party to obtain any interest in this Agreement without the prior written consent of the Tribe, and, where applicable, consent from the United States. The Tribe and the Manager shall keep the Facility and Property free and clear of all mechanics' and other liens resulting from any construction and all other 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 and the Manager to discharge the lien within 30 days after having been given written notice of such claim, either by payment to the claimant, by the posting of a bond and the payment into the court of the amount necessary to relieve and discharge the Property from such claim, or in any other manner which will result in the discharge of such claim.

4.23. Agreed Ceiling for Repayment of Development and Construction Costs. It is contemplated by the parties that the agreed ceiling for (b) (4)

sufficient capital to complete the Facility in "turn-key" condition. Additionally, the agreed upon ceiling for repayment of development and construction costs shall be (b) (4)

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

5.1. Management Fee. Subject to the provisions of Section 5.4, on or before the twenty-first (21st) day of each month after the first calendar month of operation, Manager is authorized by the Tribe to (b) (4)

. This limitation does not include the reimbursement of Manager for the costs of Enterprise Employees, Off-Site Employees or Centralized Services as may set forth in the Operating Budget and Annual Plan.

5.2. Disbursements. As and when received by Manager, Gross Revenues shall be deposited in the Depository Account. There shall, in turn, be disbursed by Manager, on a monthly basis, for and on behalf of the Tribe, funds from the Enterprise Bank Account(s) to pay in the order of priority, to the extent available, Operating Expenses, the items referenced in Section 5.3 and the items referenced at Section 5.4. Manager will reserve funds in the Enterprise in amounts equal to the Minimum Balance. Additionally, Manager may, after notice to the Business Committee, advance any monies needed to cover any operating cash shortfall and shall be allowed to be reimbursed the same in accordance with Section 8.12.

5.3. Adjustment to Bank Account. After the disbursements pursuant to Section 5.2, and establishment of any additional reserves for future disbursements as Manager deems necessary and as are approved by the Business Committee, taking into account anticipated cash flow and Operating Expenses, any excess funds remaining in the Enterprise Bank Account(s) over the Minimum Balance, the Capital Replacement Reserve, and such additional reserves

approved by the Business Committee, shall be disbursed monthly in accordance with Section 5.4.

5.4. Payment of Fees and Tribe Disbursement. Within twenty-one (21) days after the (b) (4), the Manager shall calculate and report to the Business Committee the Gross Revenues, Operating Expenses, and Net Revenues of the Enterprise for the previous month's operations and the Fiscal Year's operations to date. Such Net Revenues, (b) (4)

(b) (4)

- i. (b) (4)
- ii.
- iii.
- iv.
- v.
- vi.

(b) (4)

(b) (4)

5.5. Minimum Guaranteed Monthly Payment. For purposes of this Agreement, the "Minimum Guaranteed Monthly Payment" shall mean that payment due the Tribe (b) (4), which payment shall have priority over the Management Fee and retirement of development and construction costs and shall be paid monthly in the amount necessary to equalize the cash distribution to the Tribe, (b) (4)

(b) (4)

No Minimum Guaranteed Monthly Payment shall be owed for full months during which Gaming is suspended or terminated at the Facility. Payments for partial months of operation of the Facility shall be pro-rated, and the obligation to pay Minimum Guaranteed Monthly Payments shall cease upon termination of this Agreement for any reason.

5.6. Payment of Education Fee.

(b) (4)

5.7. Payment of Net Revenues. The Manager is authorized to transfer funds from the Enterprise Bank Accounts to the bank accounts of the Manager and the Tribe in order to distribute Net Revenues and any other amounts due under this Section 5. The Net Revenues paid to the Tribe pursuant to this Section 5 shall be payable to the Tribal bank account specified by the Business Committee.

6. Trade Names, Trade Marks and Service Marks.

6.1. Enterprise Name. The Enterprise shall be operated under the business name "Harrah's Rincon Casino and Resort" or such other name as may be mutually agreed upon by the Manager and the Business Committee (the "Enterprise Name").

6.2. System Marks. During the Term, in accordance with Tribal ordinances, codes and regulations, the Enterprise and Facility shall bear all signage Manager deems necessary in, on or about the Facility, including, but not limited to, signs bearing the System Marks as part of the Enterprise Name. The costs of purchasing, leasing, transporting, constructing, maintaining and installing the required signs and systems shall be an Operating Expense.

6.2.1. Notwithstanding anything in this Section 6.2 to the contrary, the System Marks shall not encompass any right, title or interest to the name "Rincon" or any other name that is owned exclusively by the Tribe (the "Tribal Marks"). The Manager recognizes the exclusive right of ownership of the Tribe in the Tribal Marks and Manager and its Affiliates disclaim any right or interest in the Tribal Marks and neither Manager nor its Affiliates will use the Tribal Marks in connection with the operation of any other business following the termination of this Agreement.

6.2.2. The Tribe recognizes the exclusive right of ownership of Harrah's 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. The Tribe acknowledges that all of System Marks might not be used in connection with the Enterprise, and Manager, with the prior written consent of Harrah's, shall have sole discretion to determine which System Marks shall be so used.

6.2.3. The Tribe acknowledges that all other System Marks shall be entitled to the protections and benefits that may be afforded Manager, Harrah's or their respective Affiliates under any and all present and future federal laws, ordinances, rules, regulations, permits, and licenses.

6.2.4. The Tribe covenants that in the event of termination, cancellation or expiration of this Agreement, whether as a result of a default by Manager or otherwise, the Tribe shall not hold itself out as, or continue operation of the Enterprise as a Harrah's casino nor will it utilize any of System Marks or any variant thereof, in the name or operation of the Enterprise. The Tribe agrees that Manager or Harrah's or their respective representative may, at any time thereafter, upon not less than ten (10) days' prior notice to the Tribe, and with the accompaniment of one or more Tribal Representatives 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 System Mark.

6.2.5. 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 Enterprise 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.

6.3. 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 Enterprise, 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 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 Enterprise in accordance with the terms of this Agreement.

6.4. Radius Restriction on Competition and Effect on Management Agreement. During the Term, Manager, or any of its affiliates shall not engage in any Class II or Class III Gaming casino on any Indian lands within the San Diego-Carlsbad-San Marcos, California Metropolitan Statistical Areas ("MSA"), (b) (4)

In addition to the foregoing, if Manager, or any of its Affiliates develops another Class II or Class III Gaming casino on any other Indian lands within the Riverside-San Bernardino-Ontario, California MSA, then upon the opening of said casino, (b) (4). During the Term hereof, neither Manager nor any of its Affiliates shall directly or indirectly through any officer, employee or agent (a) negotiate (and shall cease any existing negotiations) with any Person (including any Indian tribal government other than Tribe) for any proposal for a transaction involving (b) (4)



(b) (4)



7. Taxes.

7.1. State and Local Taxes. If the State of California or any local government attempts to impose any tax including any possessory interest tax upon any party to this Agreement or upon the Enterprise, the Facility or the Property, the Business Committee, in the name of the appropriate party or parties in interest, may, upon unanimous vote, resist such attempt through legal action. In addition, to the extent the Federal Government, the State of California or any local government attempts to impose any tax upon Manager's reimbursement of amounts advanced by Manager pursuant to this Agreement, including, without limitation, amounts advanced by Manager to pay payroll or other employment-related costs and expenses for Enterprise Employees, such costs and expenses shall constitute Operating Expenses, to the extent such taxes are payable by the Tribe or Manager under applicable Legal Requirements. The costs to contest the imposition of any taxes identified in this Section 7.1, including, the cost of legal counsel shall be subject to Section 4.2.5. Any such tax shall constitute an Operating Expense to the extent permitted by Section 4.2.5. This Section shall in no manner be construed to imply that any party to this Agreement or the Enterprise is liable for any such tax.

7.2. Tribal Taxes.

7.2.1. Subject to Section 7.2.3 hereof, 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 Enterprise, or on the Management Fee.

7.2.2. Subject to Section 7.2.3 hereof, 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, any of the employees of the Enterprise; or any provider of goods, materials, or services to the Enterprise, except that the Tribe may impose and collect from providers of goods, materials or services to the Enterprise any license fees or any other fees reflecting reasonable regulatory costs incurred by the Gaming Commission or other reasonable business license fees.

7.2.3. (b) (4)



. Except as otherwise provided herein, if

(b) (4)

7.2.4. Should the Manager terminate this Agreement pursuant to Section 11.3 as the result of a violation of this Section 7.2, the Manager shall retain the right to repayment of: (a) money lent to the Tribe; and (b) and any earned but unpaid Management Fee.

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

8. General Provisions.

8.1. 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 Enterprise, shall be deemed entered into on the 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.

8.2. Notice. Any notice required to be given pursuant to this Agreement shall be delivered to the appropriate party by overnight courier service or by certified mail return receipt requested, addressed as follows:

If to the Tribe: Rincon San Luiseno Band of Mission Indians  
1 West Tribal Road  
Valley Center, CA 92082  
Attn: Chairman

Copies to: Such other party(ies) as the Tribe may direct in writing

If to Manager: HCAL LLC  
One Harrah's Court, Third Floor  
Las Vegas, NV 89119  
Attn: General Counsel

Copies to: HCAL LLC  
777 Harrah's Rincon Way  
Valley Center, CA 92082  
Attn: General Manager

or to such other different address(es) as Manager or the Tribe may specify in writing using the notice procedure called for in this Section 8.2. Any such notice shall be deemed given two (2) days following deposit in the United States mail or upon actual delivery, whichever first occurs.

8.3. 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.

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

8.5. Manager's Contractual Authority. Within the scope of the approved Operating Budget and Annual Plan and the approved Capital Budget, and subject to such approvals by the Business Committee or Enterprise Board as are otherwise required herein, Manager is authorized to make, enter into and perform in the name of and for the account of the Tribe, doing business as the Enterprise, such contracts deemed necessary by Manager to perform its obligations under this Agreement.

8.6. 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.

8.7. Intentionally Deleted.

8.8. 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.

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

8.10. Severability. If any of the material 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.

8.11. Interest. Except for advances of the Minimum Guaranteed Monthly Payment pursuant to Section 5.5, any amounts advanced by Manager to the Tribe related to the operation of the Enterprise shall accrue interest at same rate as the Loan Agreement and shall be treated according to GAAP.

8.12. Recoupment and Reimbursement. Manager may, according to the terms of this Agreement at its option, (b) (4)

\_\_\_\_\_. Manager shall keep appropriate records to document all reimbursable expenses paid by Manager, which records shall be made available for inspection by the Tribe or its agents upon request. (b) (4)

(b) (4)

8.13. Travel and Out-of-Pocket Expenses. Subject to the Operating Budget and Annual Plan, all travel and out-of-pocket expenses of Enterprise Employees incurred in the performance of their duties shall be an Operating Expense.

8.14. 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.

8.15. 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. Any claim for indemnification arising hereunder shall be subject to the dispute resolution provisions of Section 16.

8.16. 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.

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

8.18. 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 California, then in such event said date shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

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

8.20. 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. Manager shall have the right to assign its rights under this Agreement to one or more directly or indirectly wholly-owned subsidiaries of Harrah's or its successor provided that any such assignment shall not serve to release the Manager from its obligations hereunder. The Tribe's consent shall be required for the assignment or subcontracting by the Manager of its rights, interests or obligations as Manager hereunder to any other Affiliate of Manager, or any successor corporation to Manager, provided that any such assignee or subcontractor agrees to be bound by the terms and conditions of this Agreement, and the Tribe shall consent to any such assignee or subcontractor provided such assignee or subcontractor has, in the discretion of the Tribe, the competency and financial capability to perform as required by this Agreement. Any



assignment by Manager shall not prejudice the rights of the Tribe under this Agreement. The acquisition of Manager or its parent company by a party other than an Affiliate of Manager, or its successor corporation, shall not constitute an assignment of this Agreement by Manager and this Agreement shall remain in full force and effect between the Tribe and Manager, subject only to Legal Requirements.

8.21. Permitted Assignment. Other than as stated above, this Agreement may not be assigned or its non-gaming obligations subcontracted by Manager, without approval by the Business Committee, which approval shall be in the sole discretion of the Business Committee, 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 any required approval by the Secretary of the Interior or the Chairman of the NIGC or his authorized representative, have the right to assign this Agreement and the assets of the Enterprise to an instrumentality of the Tribe or to a corporation wholly-owned by the Tribe organized to conduct the business of the Enterprise for the Tribe that assumes all obligations herein. Any assignment by the Tribe shall not prejudice the rights of Manager under this Agreement. No assignment authorized hereunder shall be effective until all necessary government approvals have been obtained.

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

8.23. Confidential and Proprietary Information

8.23.1. 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 or the Tribe to perform their respective covenants and obligations hereunder, or in response to legal process or appropriate and necessary inquiry, and 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.

8.23.2. 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 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.

8.23.3. 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 and promotion plans, strategies, and systems, all of which have been developed and/or acquired over many years through the expenditure of time, money and effort and which Manager and its Affiliates maintain as confidential and as a trade secret(s) (collectively 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, to return same to Manager, including but not limited to, documents, notes, memoranda, lists, computer programs and any summaries of such Manager Proprietary Information, but excluding any Manager Proprietary Information which the Tribe may retain pursuant to the express terms of this Agreement. Manager Proprietary Information specifically excludes any information or documents otherwise falling within (i) - (iv) above, if same is prepared, designed or created solely for the use and benefit of the Enterprise.

8.24. Patron Dispute Resolution. Subject to Manager's ability to settle any patron dispute for the benefit of the Enterprise, Manager shall submit all unresolved patron disputes concerning play to the Gaming Commission pursuant to the Tribal Gaming Code, and the regulations promulgated thereunder.

8.25. 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. Warranties.

9.1. Noninterference in Tribal Affairs. Manager warrants and 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 Enterprise.

9.2. Prohibition of Payments to Members of 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.

9.3. Prohibition of Hiring Members of Tribal Government. No Member of Tribal Government may be employed at the Enterprise.

9.4. Prohibition of Financial Interest in Enterprise. No elected Member of the Tribal Government or relative of an elected member of the Tribal Government shall have a direct or indirect financial interest in the Enterprise provided, however, nothing in this subsection shall



restrict the ability of any other 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.

9.5. No Pre-Existing Contracts. The Tribe and Manager each warrant to the other 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 materially and adversely impede the ability of the Tribe to grant the rights and commit to the obligations contained in this Agreement. Further, to the fullest extent permitted by law, the Tribe shall so indemnify Manager and its Affiliates, against any claims relating to the development, management, or operation of a gaming enterprise of the Tribe by any person, excluding Manager and its Affiliates, with which or whom the Tribe has had any business relationship, association, or dealing prior to the date hereof. This indemnification shall survive the termination of this Agreement for a period of three (3) years. Any claim for indemnification under this Section shall be expressly subject to Section 16 of this Agreement, including, without limitations, the dispute resolution and recovery limitations set forth therein.

9.6. Total Rewards. The Manager warrants and represents to the Tribe that, from the Effective Date through expiration of the Term hereof, and for any extended terms mutually agreed upon by the parties thereafter, Manager shall, and shall cause any Affiliate to, utilize and promote Total Rewards, or any future functional equivalent thereof, in a manner that complies with the Harrah's Brand Standards.

#### 10. Grounds for Termination.

10.1. Voluntary Termination and Termination for Cause. This Agreement may be terminated pursuant to the provisions of Sections 4.4.3, 10.1, 10.2, 10.3, 10.4, 10.5 and 10.6.

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

10.3. Termination for Cause. For purposes of this Agreement, a "Material Breach" shall mean a failure of either party to perform any material duty, obligation of this Agreement or the material breach of any warranty made by a party hereto and shall include, but not be limited to, those events considered a Material Breach in Sections 3.6, 3.7, 13.4 and 20 of this Agreement. Either party may terminate this Agreement upon the occurrence of a Material Breach by providing written notice to the other party and the failure of the party causing the Material Breach to cure or take steps to substantially cure the breach within sixty (60) days following receipt of such notice. Prior to the expiration of such sixty (60) day period, either party may submit the matter to arbitration under the dispute resolution provisions of this Agreement at Section 16 and any termination of this Agreement shall be tolled until resolution of the submitted dispute pursuant to Section 16. The discontinuance or correction of a Material Breach within the sixty (60) day notice period shall constitute a cure thereof.

10.3.1. In the event of any termination for cause, regardless of fault, the parties shall retain all money previously paid to them pursuant to Section 5 of this Agreement; and the Tribe shall retain title to all Enterprise and Facility fixtures, improvements, supplies, Furnishings and Equipment, funds and accounts, subject to the rights of Manager to any accrued and unpaid Management Fee or any other amounts otherwise payable under Section 5 of this Agreement. Manager shall continue to have the right to repayment of unpaid principal and interest and other

amounts due to Manager and advances made by Manager and interest thereon as contemplated by Section 8.11, and any other agreements entered into pursuant hereto.

10.3.2. 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 10.7 or 10.8 shall not preclude the injured party from providing notice of termination pursuant to this Section. In addition, the termination of this Agreement shall not preclude the initiation of an action for damages under the provisions of Section 16 by either party hereto.

10.3.3. Nothing contained herein shall be interpreted to require the Tribe to allow Manager to continue management functions under this Agreement without maintaining all required licenses.

10.4. Involuntary Termination Due to Changes in Legal Requirements. It is the understanding and intention of the parties that the establishment and operation of the Enterprise shall conform to and comply with all Legal Requirements. If during the Term, the Enterprise or any material aspect of Gaming 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 under federal law, the obligations of the parties hereto shall cease, and this Agreement shall be of no further force and effect; provided that:

- i. (b) (4)
- ii.
- iii.
- iv.
- v.

10.5. Manager's Right to Terminate Agreement. Manager may terminate this Agreement by written notice if:

- i. Manager has reason to believe or 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.
- ii. 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 thirty (30) days after written notice by Manager.

- iii. Through its intentional actions, the Tribe causes any payment to Manager to not be made within the time specified in this Agreement, following ten (10) days after written notice has been given by Manager to the Tribe.
- iv. There shall have occurred a Material Adverse Change that has not been cured by the Tribe within thirty (30) days after written notice by Manager.

10.6. Tribe's Right to Terminate Agreement. The Tribe may terminate this Agreement by written notice if:

- i. 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 thirty (30) days of written notice of such failure has been given by the Tribe to Manager.
- ii. Manager fails to make any payment to the Tribe, including but not limited to any Monthly Distribution Payment or any Minimum Guaranteed Monthly Payment, within the time specified in this Agreement, and following ten (10) days after written notice of such failure has been given by the Tribe to Manager.
- iii. Manager, or a director or officer of Manager, has been convicted of a criminal felony or misdemeanor offense in the performance of Manager's duties hereunder; provided, however, that the Tribe may not terminate this Agreement based on a director or officer's conviction where Manager terminates such individual following ten (10) days after written notice of failure to terminate such person's employment has been given by the Tribe to Manager.

10.7. Consequences of Manager's Breach. In the event of the termination of this Agreement by the Tribe for cause under Section 10.3, Manager shall not, prospectively from the date of termination, except as provided in Section 10.3, have the right to its Management Fee from the Enterprise, but such termination shall not affect Manager's rights relating to recoupment and reimbursement of monies owed to Manager under this Agreement or any other agreements entered pursuant hereto. Any Net Revenues accruing through the date of termination shall be distributed in accordance with Section 5 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 to resolve all disputes in accordance with Section 16, 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, without limitation, specifically actions to require payment of the Minimum Guaranteed Monthly Payment pursuant to Section 5.5. 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, including the Minimum Guaranteed Monthly Payment pursuant to Section 5.5, to the Tribe accruing until the date of termination. Notwithstanding anything in this Agreement to

the contrary, in no event shall any award to the Tribe for damages include punitive, incidental, consequential, special or exemplary damages.

10.8. Consequences of Tribe's Breach. In the event of termination of this Agreement by Manager for cause under Section 10.3, 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 Enterprise, 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 to resolve all disputes in accordance with Section 16, Manager shall, upon breach of this Agreement by the Tribe, 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, without limitation, specifically actions to require payment of the Management Fee pursuant to Section 5 for a period equal to the then remaining Term. 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 5 of this Agreement.

#### 11. Renewal, Termination and Transition

11.1. Intent to Negotiate New Agreement. Within thirty (30) days after the end of the first (1st) year of the Term, the Tribe shall give Manager notice of its intent regarding its willingness to enter into negotiations for a new Management Agreement.

11.2. 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 sixty (60) days after commencing of the last year of the Term of this Agreement, including a computer transition plan, and/or information technology plan, including, without limitation, the Enterprise Guest Data, which plan shall be sufficient to allow the Tribe to operate the Enterprise and provide for the orderly transition of the management of the Enterprise. The cost of transition related to the removal of items bearing System Marks, and the replacement of such items, shall be borne as follows:

i. Manager shall bear the expense of the removal of all exterior and interior signage.

ii. The cost of removing all other items bearing System Marks and the cost of acquiring signage equipment and other items to be used in the Tribe's operation of the Enterprise shall be borne by the Tribe and shall not be charged as an Operating Expense.

Manager, will, on expiration or termination of this Agreement, provide the Tribe with the Enterprise Guest Data in machine readable form or written form, at the election of the Tribe. (b) (4)

The foregoing limitation shall not apply if the Tribe

contracts for gaming management services with any Person that is engaged, or is a controlling Affiliate of a Person that is engaged, in the ownership or operation of any gaming or racino business.

11.3. Termination.

11.3.1. Surviving Obligations. In the event of any termination or expiration of this Agreement, (b) (4)

. The parties agree to reimburse each other the proportionate share for which each would have been responsible during the Term for any expenses actually paid after any termination or expiration of this Agreement, which would have otherwise been Operating Expenses during the Term. Each party's respective indemnity obligations under this Agreement shall also survive termination or expiration of this Agreement.

11.3.2. Manager Obligations Upon Termination/Expiration. In connection with the expiration and/or termination of this Agreement Manager shall:

11.3.2.1. deliver possession of the Enterprise to the Tribe or Tribe's designated agents subject to rights of all parties in possession, in "as is" condition, without recourse or any warranty whatsoever. The General Manager shall disclose known physical defects in the condition of the Facility in writing to the Tribe;

11.3.2.2. deliver to the Tribe any written operating agreements with respect to the Enterprise which have not theretofore been delivered to the Tribe or which are not terminated as of the date of termination of this Agreement;

11.3.2.3. advise all Enterprise purveyors by mail of the change of control of the Enterprise in a form approved by the Business Committee;

11.3.2.4. After deducting therefrom any amounts due and payable under this Agreement and not theretofore paid, Manager shall disburse to the Tribe, no later than twenty-one (21) days after termination or expiration of this Agreement, the balance, if any, remaining in the Enterprise Bank Account(s).

11.3.2.5. deliver to the Tribe all records of the Enterprise pertaining to:

i. accounts payable outstanding and unpaid at termination or expiration, provided that Manager shall, to the extent funds are made available therefor by the Tribe and amounts due are then known, pay all accounts payable through and including the date of expiration or termination;

ii. accounts receivable outstanding and uncollected at termination or expiration, all of which the Tribe agrees shall be accounted for by the Tribe when collected by the Tribe or Manager as Gross Revenues under this Management Agreement; and

iii. Enterprise employees who remain at the Enterprise following termination or expiration of the Management Agreement (to the extent the information in such files is not deemed confidential by any and all present and future federal, state, and local laws applicable to Manager).

11.3.3. The Tribe's Obligations Upon Termination/Expiration. In connection with the expiration and/or termination of this Agreement the Tribe shall be solely responsible for and shall pay all costs of:

11.3.3.1. canceling any operating agreements which the Tribe does not wish to continue after such termination or expiration; or

11.3.3.2. assuming and continuing performance under any such operating agreements which the Tribe desires to retain in effect.

11.3.3.3. cooperating with Manager and the supplier thereof to permit the removal of any Proprietary Information and Systems and such other proprietary system owned or licensed solely to Manager or Manager's Affiliates at the Enterprise, provided, however, that such equipment shall be removed from Enterprise by Manager within ten (10) days after termination or expiration of this Agreement and provided further that the Tribe shall not be responsible for any damage to such equipment caused by parties affecting this removal.

11.3.4. Enterprise Employees. Upon expiration or the earlier termination of this Agreement, the Enterprise shall continue to be responsible for and shall pay for all severance or other termination benefits due any Enterprise Employee whose services are terminated;

11.3.5. De-Branding of the Enterprise. Upon expiration or the earlier termination of this Agreement, the Tribe shall, at its own cost, in the event of termination of this Agreement in connection with any termination involving a change of casino brand identification or affiliation, as of the date of termination or expiration:

11.3.5.1. cooperate in the removal of all off-property signage identifying the Enterprise as a Harrah's® branded casino or containing any Harrah's System Mark and, in the case of any such signage supplied pursuant to an advertising contract (as in the case of billboard advertisements) pay all costs necessary to repaint or otherwise re-identify the Enterprise and remove any System Marks from such advertisement;

11.3.5.2. cease use of any Harrah's System Mark at the Enterprise and shall destroy any personal property bearing such designation unless otherwise authorized in writing by Manager;

11.3.5.3. De-identify the Enterprise as a Harrah's® branded casino; and

11.3.5.4. cooperate with Manager and the supplier thereof to permit the removal of any Proprietary Information and Systems and such other proprietary system owned by or licensed solely to Manager or Manager's Affiliates at the Enterprise and shall not move or disturb such equipment and shall be solely responsible for any damage to such system for any period after termination or expiration of this Agreement during which the equipment is stored at the Enterprise, provided, however, that such equipment shall, subject to force majeure, be removed from the Enterprise within ten (10) days after termination or expiration of this Agreement, and provided further that the Tribe shall not be responsible for any damage to such equipment caused by the parties effecting its removal.

11.3.6. Survival. The foregoing shall survive termination or expiration of this Agreement, and shall be specifically enforceable by Manager and the Tribe in accordance with the terms of Section 16.



12. Consents and Approvals.

12.1. Tribe. Where approval or consent or other action of the Tribe is required, such approval shall mean the written approval of the Business Committee evidenced by a resolution thereof, certified by a Tribal official as having been duly adopted, or such other Person or entity designated by resolution of the Business Committee. 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.

12.2. Manager. Where approval or consent or other action of Manager is required, such approval shall mean the written approval of the Managing Officer, who shall be provided with all requisite corporate authority to act on behalf of Manager. Any such approval, consent or other action shall not be unreasonably withheld or delayed.

13. Disclosures.

13.1. Shareholders and Directors. Manager warrants that on the date of this Agreement its Affiliates, shareholders, directors and officers are those listed at Exhibit F and G.

13.2. 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 Exhibits F and G 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.

13.3. Disclosure Amendments. Except as to those matters required to be disclosed by Manager to the NIGC, Manager agrees that any other material change in the information disclosed pursuant to this Section 13 shall be disclosed, in writing, to the Tribe not later than thirty (30) days following the change or within ten days after it becomes aware of such change, whichever is later. All of the warranties and agreements contained in this Section 13 shall apply to any person or entity who would be listed in this Section 13 as a result of such changes.

13.4. Breach of Manager's Warranties and Agreements. The Material Breach of any warranty or agreement of Manager contained in this Section 13 shall be grounds for termination by the Tribe of this Agreement pursuant to Section 10.3.

14. No Present Lien, Possessory Interest, Lease or Joint Venture. The parties agree and expressly warrant that neither this Management Agreement nor any exhibit thereto is a mortgage or lease and, consequently, does not convey any present interest, possessory or otherwise, whatsoever in the Facility or the Property, nor any proprietary interest in the

Enterprise 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; rather, Manager shall be deemed to be an independent contractor acting on behalf of the Tribe for all purposes hereunder.

15. Governing Law. This Agreement shall be subject to, and construed according to tribal law, including without limitation the Compact, the Tribal Gaming Ordinance, and any rules and regulations governing gaming establishments adopted by the Rincon Gaming Commission, including any specific requirements imposed as to the services which are the subject of this Agreement. By entering into this Agreement, Manager expressly consents to the application of Tribal Law and the jurisdiction of the Rincon Tribal Court.

16. Dispute Resolution.

16.1. Limited Waiver. Tribe, a federally recognized Indian tribe, expressly grants a limited waiver of sovereign immunity from unconsented suit (hereinafter "Limited Waiver"), as described herein, solely and exclusively to compel or enforce Tribe's participation in the dispute resolution proceedings as set forth herein, including binding arbitration, brought by Manager, but not any other third party or individual, requesting enforcement of the specific covenants and obligations of Tribe under this Agreement or actual damages against Tribe. This Limited Waiver is to be strictly construed in favor of Tribe and except as expressly set forth herein, Tribe does not waive, limit or modify its sovereign immunity from unconsented suit.

16.1.1. Notwithstanding anything to the contrary contained herein or this Agreement, Tribe grants this Limited Waiver of sovereign immunity from unconsented suit if and only if each and every one of the following conditions precedent are met: (b) (4)



Any award to Manager shall be paid from undistributed or future Net Revenues of the Casino and Furnishings and Equipment of the Casino. (b) (4)



16.1.2. Prior to instituting an action hereunder, the Manager must first raise the matter in dispute for which it is seeking relief with the Tribe's Business Committee (a/k/a the "Tribal Council") by requesting in writing a "Meet and Confer" meeting, which shall be scheduled within ten (10) days of receipt of the written request. Any "Meet and Confer" meeting shall be held at the Rincon Reservation unless the parties jointly agree to meet at another time and place, provided, however, that such meeting shall commence within twenty-one (21) days after the date that the original notice was given to the other party, unless the parties agree that there is a good cause to extend this time limit. Attendees at the Meet and Confer shall have sufficient authority to resolve the matters at issue. Meet and Confer sessions shall be private. The parties agree to maintain the confidentiality of the Meet and Confer and shall not rely on, or introduce as evidence in any judicial or other proceeding: (a) views expressed or suggestions made by the other party with respect to a possible settlement of the dispute; (b) admissions

made by the other party during Meet and Confer; (c) proposals made or views expressed regarding the proposals; or (d) the fact that the other party had or had not indicated a willingness to accept a proposal. This section shall apply to anything communicated, exchanged, said, done or occurring in the course of the Meet and Confer. The Meet and Confer is to be considered a settlement negotiation for the purpose of all tribal, state and federal rules protecting disclosures made during such conferences from later discovery or use in evidence. All conduct, statements, promises, offers, views and opinions, oral or written, made during a Meet and Confer by any party or a party's agent, employee, or attorney are confidential and, where appropriate, are to be considered work product and privileged. Such conduct, statements, promises, offers, views and opinions shall not be subject to discovery or admissible for any purpose, including impeachment, in any litigation or other proceeding, including arbitration, involving the parties; provided, however, that evidence otherwise subject to discovery or admissible is not excluded from discovery or admission in evidence simply as a result of it having been used in connection with the Meet and Confer. Absent mutual consent of the parties, if a meeting once noticed, fails to commence within the twenty-one (21) day period for whatever reason, or if a reasonable attempt to schedule or reschedule the meeting has not been made within these twenty-one (21) days, then the Meet and Confer obligation imposed under this section shall be deemed to have been satisfied by the parties and the parties shall be free to pursue their rights and remedies under Section 16.1.3 below.

16.1.3. All disputes, controversies or claims arising out of or relating to this Agreement may be raised through binding arbitration under the Commercial Arbitration Rules and Procedures of the American Arbitration Association and held at the Rincon Reservation, or such other location as mutually agreed to by the parties after following the Meet and Confer provisions of Section 16.1.2 above. Nothing herein, however, under any circumstances, shall be interpreted to allow arbitration of a decision by the Rincon Gaming Commission. For the sole and limited purposes to compel or enforce binding arbitration pursuant to this Limited Waiver, the Tribe consents to be sued in the Intertribal Court of Southern California (including any appellate court of the Tribe). If the Intertribal Court of Southern California does not exist or lacks jurisdiction over the suit, then in the United States District Court in the district where the Property is located, and appeals may be made to the United States Court of Appeals for the Ninth Circuit, and the United States Supreme Court, for the sole and limited purposes to compel or enforce binding arbitration pursuant to this Limited Waiver.

16.1.4. This Limited Waiver has the purpose and effect of waiving the sovereign immunity of the Tribe only to the limited extent of requiring the Tribe to participate in these Dispute Resolution Procedures. Nothing herein is intended to limit the remedies of the Tribe for claims against the Manager that are otherwise available in tribal, state and federal courts.

16.1.5. This Limited Waiver does not allow any actions to be brought against the Tribal Council Officers or Members, other tribal officers, tribal employees, tribal agents, tribal members, attorneys for the Tribe, or any other individuals acting on behalf of the Tribe.

16.1.6. Except as otherwise provided herein, each party shall bear its own attorneys' fees and costs in connection with any proceedings initiated pursuant to these Dispute Resolution Procedures.

16.1.7. The parties agree that the law to be applied in resolving any claims hereunder shall be federal or tribal law; however, if there is no applicable federal or tribal law, then California law shall be applied.

16.2. Performance During Dispute. It is mutually agreed that during any kind of dispute, controversy, claim, or disagreement, including a dispute as to the validity of this Agreement, Manager and Tribe shall continue to possess the rights, duties, and obligations set forth in the Agreement, and the Tribe and Manager shall continue their performance of the provisions of this Agreement and its exhibits. Manager and the Tribe agree that the Enterprise Bank Accounts shall not be subject to attachment or any rights of deduction or set off or counterclaim by either party during the pendency of such dispute and during the pendency of any dispute Manager shall continue to have rights of access to funds in the Enterprise Bank Accounts as set forth in this Agreement. Manager and the Tribe shall each be entitled to injunctive relief as set out in this Section 16 and the Limited Waiver, to maintain such rights, duties, and obligations in the event of a threatened eviction during any dispute, controversy, claim or disagreement arising out of this Agreement.

16.3. Notice and Right to Cure. The parties agree that before the dispute resolution mechanisms described in this Section may be utilized, the party claiming breach or damage shall give written notice of the alleged breach or damage to the other party, and both shall make a serious effort to meet, cure any breach, and otherwise make a good faith effort to resolve any differences; provided, however, such right of notice and opportunity to cure shall not extend any timetables for Material Breach set forth elsewhere in this Agreement.

16.4. Notice Provision. Except as otherwise provided in this Agreement, the Tribe shall take steps necessary to require the Gaming Commission to give the Manager notice of any alleged violation of the Tribal Gaming Code by Manager and thirty (30) days opportunity to cure before the Gaming Commission may take any action based on such alleged violation and to provide that if Manager cures any such alleged violation, neither the Tribe nor Gaming Commission may take any further action against the Manager based thereon. Further, the Business Committee shall notify the Manager of any concerns brought to the Business Committee's attention by any agency of the Tribe so that such concerns may be addressed in a timely fashion.

16.5. Waiver of Subrogation. To the extent any loss is covered by insurance proceeds actually paid or would be covered by insurance required to be carried under this Agreement, but not otherwise, Manager and the Tribe each waive, release and discharge the other from all claims or demands which each may have or acquire against the other, or against each other's directors, officers, agents, employees, or partners, with respect to any claims for any losses, damages, liability or expenses (including attorneys' fees) incurred or sustained by either of them on account of damage to their respective property (but not as to personal injury or property damage suffered by third parties) arising out of the ownership, management, operation and maintenance of the Enterprise, regardless whether any such claim or demand may arise because of the fault or negligence of the other party or its officers, partners, agents, and employees. Each policy of fire and property damage insurance shall contain a specific waiver of subrogation reflecting the provisions of this Section 16.5, or a provision to the effect that the existence of the preceding waiver shall not affect the validity of any such policy or the obligation of the insurer to pay the full amount of any loss sustained.

16.6. No Arbitration of Governmental Action. Nothing contained in this Agreement is intended to subject to arbitration the prerogative of the Tribe or any of its instrumentalities or agencies, to take any Governmental Action; provided such Governmental Action does not conflict with the terms and conditions of this Agreement.

17. Entire Agreement. This Agreement, including the Schedules and Exhibits referred to herein and any documents executed by the parties simultaneously herewith, which are expressly incorporated herein by reference, constitute the entire understanding and agreement of the parties hereto with respect to the Enterprise and supersede all other prior agreements and understandings, written or oral, between the parties with respect to the Enterprise.

18. 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 Solicitor, or any applicable statute, rule or regulation in order to effectuate, complete, perfect, continue or preserve the respective rights, obligations, liens and interests of the parties hereto to the fullest extent permitted by law; provided, that any such additional instrument, certification, amendment, modification or other document shall not materially change the respective rights, remedies or obligations of the Tribe or Manager under this Agreement or any other agreement or document related hereto.

19. 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.

20. Employment Solicitation Restriction Upon Termination. It is anticipated that the job categories listed at Exhibit "H" (Covered Employees) will be recruited by Manager from the ongoing operations of Manager or other gaming operations. In addition, during the Term, 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 such termination 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. These restrictions shall not apply if this Agreement is terminated based on Manager's unilateral decision, or Manager's Material Breach, and the Tribe has committed no Material Breach, or other action or inaction giving rise to the Tribe's right to terminate.

21. Tribe Assets. Nothing in this Agreement shall obligate or authorize the payment or encumbrance of any funds or assets of the Tribe other than the revenues and assets of the Enterprise as well as those of any other gaming operation owned by the Tribe (excluding the Facility and the realty on which it is located).

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.

[Signatures on Following Page]

[Remainder of Page Intentionally Left Blank]





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

RINCON SAN LUISENO BAND OF MISSION INDIANS

By: *[Signature]*

Its: \_\_\_\_\_

HCAL LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

GUARANTEE OF CAESARS ENTERTAINMENT OPERATING COMPANY, INC.

In consideration of the benefits it expects to receive from the foregoing Management Agreement as an indirect shareholder of HCAL, LLC and as an inducement to the Rincon San Luiseno Band of Mission Indians to enter into the Management Agreement, Harrah's Operating Company, Inc. hereby guarantees the faithful performance by HCAL LLC of the Management Agreement, and agrees to be bound by Section 16 of the Management Agreement with respect to any dispute arising in connection with this Guarantee.

CAESARS ENTERTAINMENT OPERATING COMPANY, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

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

NATIONAL INDIAN GAMING COMMISSION

By: \_\_\_\_\_

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

RINCON SAN LUISENO BAND OF MISSION INDIANS

By: \_\_\_\_\_

Its: \_\_\_\_\_

HCAL LLC

By:  \_\_\_\_\_

Thomas M. Jenkin  
Senior Vice President

Its: \_\_\_\_\_

GUARANTEE OF CAESARS ENTERTAINMENT OPERATING COMPANY, INC.

In consideration of the benefits it expects to receive from the foregoing Management Agreement as an indirect shareholder of HCAL, LLC and as an inducement to the Rincon San Luiseno Band of Mission Indians to enter into the Management Agreement, Harrah's Operating Company, Inc. hereby guarantees the faithful performance by HCAL LLC of the Management Agreement, and agrees to be bound by Section 16 of the Management Agreement with respect to any dispute arising in connection with this Guarantee.

CAESARS ENTERTAINMENT OPERATING COMPANY, INC.

By:  \_\_\_\_\_

Thomas M. Jenkin

Its: Global President of Destination Markets

Dated: \_\_\_\_\_

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

NATIONAL INDIAN GAMING COMMISSION

By: \_\_\_\_\_

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

RINCON SAN LUISENO BAND OF MISSION INDIANS

By: \_\_\_\_\_

Its: \_\_\_\_\_

HCAL LLC

By:  \_\_\_\_\_

Thomas M. Jenkin  
Senior Vice President

Its: \_\_\_\_\_

GUARANTEE OF CAESARS ENTERTAINMENT OPERATING COMPANY, INC.

In consideration of the benefits it expects to receive from the foregoing Management Agreement as an indirect shareholder of HCAL, LLC and as an inducement to the Rincon San Luiseno Band of Mission Indians to enter into the Management Agreement, Harrah's Operating Company, Inc. hereby guarantees the faithful performance by HCAL LLC of the Management Agreement, and agrees to be bound by Section 16 of the Management Agreement with respect to any dispute arising in connection with this Guarantee.

CAESARS ENTERTAINMENT OPERATING COMPANY, INC.

By:  \_\_\_\_\_

Thomas M. Jenkin

Its: Global President of Destination Markets

Dated: \_\_\_\_\_

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

NATIONAL INDIAN GAMING COMMISSION

By: \_\_\_\_\_

EXHIBIT A-1

PROPERTY DESCRIPTION

See attached Property Description

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

**PARCEL A**

ALL THAT PORTION OF THE NORTHWEST QUARTER OF SECTION THIRTY-FIVE (35), TOWNSHIP TEN (10) SOUTH, RANGE ONE (1) WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO SUPPLEMENTAL PLAT, TOWNSHIP NO. 10 SOUTH, RANGE NO. 1 WEST, SAN BERNARDINO MERIDIAN CALIFORNIA, ACCEPTED BY THE DEPARTMENT OF THE INTERIOR GENERAL LAND OFFICE ON JUNE 25, 1926, LYING EASTERLY OF THE SAN LUIS REY RIVER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 35 BEING A ONE AND ONE-HALF INCH DIAMETER IRON PIPE WITH UNITED STATES GENERAL LAND OFFICE STAMPED BRASS DISC;

THENCE ALONG THE NORTHERLY LINE OF SAID SECTION 35 SOUTH 89 DEGREES 37 MINUTES 34 SECONDS EAST FOR A DISTANCE OF 1137.01 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE CONTINUING ALONG SAID NORTHERLY LINE OF SECTION 35 SOUTH 89 DEGREES 37 MINUTES 34 SECONDS EAST FOR A DISTANCE OF 712.50 FEET;

THENCE LEAVING SAID NORTHERLY LINE OF SECTION 35 SOUTH 00 DEGREES 22 MINUTES 26 SECONDS WEST FOR A DISTANCE OF 11.35 FEET TO A POINT ON THE WESTERLY PROLONGATION OF THE NORTHERLY LINES OF TRACT 116 AND TRACT 117 ACCORDING TO SAID SUPPLEMENTAL PLAT;

THENCE SOUTH 89 DEGREES 46 MINUTES 47 SECONDS EAST FOR A DISTANCE OF 369.96 FEET TO THE NORTHWEST CORNER OF SAID TRACT 116;

THENCE ALONG THE WESTERLY LINE OF SAID TRACT 116 SOUTH 00 DEGREES 25 MINUTES 13 SECONDS WEST FOR A DISTANCE OF 66.00 FEET TO THE SOUTHWEST CORNER OF SAID TRACT 116, SAID POINT BEING A NORTHWEST CORNER OF SAID TRACT 117;

THENCE ALONG THE WESTERLY LINE OF SAID TRACT 117 SOUTH 02 DEGREES 30 MINUTES 46 SECONDS EAST FOR A DISTANCE OF 593.22 FEET TO THE SOUTHWEST CORNER OF SAID TRACT 117, BEING A ONE INCH IRON POST WITH A TWO AND

ONE HALF INCH DIAMETER UNITED STATES GENERAL LAND OFFICE STAMPED BRASS DISC, AND BEING THE NORTHWEST CORNER OF TRACT 136 ACCORDING TO SAID SUPPLEMENTAL PLAT;

THENCE ALONG THE SOUTHERLY LINE OF SAID TRACT 117 SOUTH 89 DEGREES 34 MINUTES 30 SECONDS EAST FOR A DISTANCE OF 335.42 FEET TO THE WESTERLY LINE OF A 23.00 FOOT WIDE AMENDMENT TO GRANT OF EASEMENT FOR RIGHT OF WAY OF VALLEY CENTER ROAD (S6) DESCRIBED IN EASEMENT FOR COUNTY HIGHWAY RECORDED ON MAY 25, 2001 AS DOCUMENT NO. 2001-0338757 OF OFFICIAL RECORDS, SAID WESTERLY LINE LYING 48.00 FEET WESTERLY OF THE CENTERLINE OF SAID VALLEY CENTER ROAD MEASURED AT RIGHT ANGLES AS SHOWN ON ROAD SURVEY 604 ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAN DIEGO COUNTY, STATE OF CALIFORNIA;

THENCE ALONG SAID WESTERLY LINE OF VALLEY CENTER ROAD SOUTH 00 DEGREES 33 MINUTES 29 SECONDS WEST FOR A DISTANCE OF 864.95 FEET TO THE BEGINNING OF A CURVE CONCAVE WESTERLY HAVING A RADIUS OF 4952.00 FEET, A RADIAL TO SAID POINT BEARS SOUTH 89 DEGREES 26 MINUTES 31 SECONDS EAST;

THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE FOR A DISTANCE OF 362.46 FEET THROUGH A CENTRAL ANGLE OF 04 DEGREES 11 MINUTES 37 SECONDS TO A POINT ON THE SOUTHWESTERLY LINE OF SAID TRACT 136;

THENCE ALONG SAID SOUTHWESTERLY LINE NORTH 26 DEGREES 15 MINUTES 46 SECONDS WEST FOR A DISTANCE OF 3.88 FEET TO A POINT ON THE WESTERLY LINE OF SAID VALLEY CENTER ROAD, SAID WESTERLY LINE LYING 50.00 FEET WESTERLY OF THE CENTERLINE OF SAID VALLEY CENTER ROAD MEASURED AT RIGHT ANGLES AS SHOWN ON SAID ROAD SURVEY 604, SAID POINT BEING ON THE ARC OF A CURVE CONCAVE WESTERLY HAVING A RADIUS OF 4950.00 FEET, A RADIAL TO SAID POINT BEARS SOUTH 80 DEGREES 52 MINUTES 29 SECONDS EAST;

THENCE SOUTHERLY ALONG SAID WESTERLY LINE OF VALLEY CENTER ROAD AND THE ARC OF SAID CURVE FOR A DISTANCE OF 377.84 FEET THROUGH A CENTRAL ANGLE OF 04 DEGREES 22 MINUTES 25 SECONDS;

THENCE LEAVING SAID WESTERLY LINE SOUTH 88 DEGREES 17 MINUTES 57 SECONDS WEST FOR A DISTANCE OF 193.95 FEET;

THENCE NORTH 80 DEGREES 03 MINUTES 09 SECONDS WEST FOR A DISTANCE OF 126.77 FEET;



THENCE NORTH 55 DEGREES 57 MINUTES 47 SECONDS WEST FOR A DISTANCE OF 277.24 FEET;

THENCE NORTH 33 DEGREES 15 MINUTES 14 SECONDS WEST FOR A DISTANCE OF 100.50 FEET;

THENCE NORTH 17 DEGREES 51 MINUTES 22 SECONDS WEST FOR A DISTANCE OF 89.70 FEET;

THENCE NORTH 20 DEGREES 55 MINUTES 34 SECONDS WEST FOR A DISTANCE OF 373.57 FEET;

THENCE NORTH 31 DEGREES 01 MINUTES 58 SECONDS WEST FOR A DISTANCE OF 333.35 FEET;

THENCE NORTH 19 DEGREES 48 MINUTES 42 SECONDS WEST FOR A DISTANCE OF 291.38 FEET;

THENCE NORTH 23 DEGREES 25 MINUTES 50 SECONDS WEST FOR A DISTANCE OF 361.84 FEET;

THENCE NORTH 26 DEGREES 22 MINUTES 47 SECONDS WEST FOR A DISTANCE OF 254.83 FEET;

THENCE NORTH 19 DEGREES 09 MINUTES 50 SECONDS WEST FOR A DISTANCE OF 191.56 FEET;

THENCE NORTH 03 DEGREES 10 MINUTES 32 SECONDS WEST FOR A DISTANCE OF 286.73 FEET TO THE **TRUE POINT OF BEGINNING**

CONTAINS 48.271 ACRES, MORE OR LESS.

**PARCEL B**

ALL THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION TWENTY SIX (26), TOWNSHIP TEN (10) SOUTH, RANGE ONE (1) WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO SUPPLEMENTAL PLAT, TOWNSHIP NO. 10 SOUTH, RANGE NO. 1 WEST, SAN BERNARDINO MERIDIAN CALIFORNIA, ACCEPTED BY THE DEPARTMENT OF THE INTERIOR GENERAL LAND OFFICE ON JUNE 25, 1926, LYING EASTERLY OF THE SAN LUIS REY RIVER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 26, BEING A ONE AND ONE-HALF INCH DIAMETER IRON PIPE WITH UNITED STATES GENERAL

LAND OFFICE STAMPED BRASS DISC, AND BEING THE NORTHWEST CORNER OF SAID SECTION 35;

THENCE ALONG THE SOUTHERLY LINE OF SAID SECTION 26 SOUTH 89 DEGREES 37 MINUTES 34 SECONDS EAST 1137.01 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 03 DEGREES 10 MINUTES 32 SECONDS WEST FOR A DISTANCE OF 54.64 FEET;

THENCE NORTH 00 DEGREES 23 MINUTES 58 SECONDS EAST FOR A DISTANCE OF 430.67 FEET;

THENCE NORTH 89 DEGREES 47 MINUTES 02 SECONDS WEST FOR A DISTANCE OF 30.75 FEET;

THENCE NORTH 00 DEGREES 19 MINUTES 37 SECONDS EAST FOR A DISTANCE OF 146.56 FEET;

THENCE NORTH 23 DEGREES 55 MINUTES 18 SECONDS EAST FOR A DISTANCE OF 49.12 FEET;

THENCE NORTH 45 DEGREES 21 MINUTES 41 SECONDS EAST FOR A DISTANCE OF 151.63 FEET;

THENCE SOUTH 89 DEGREES 35 MINUTES 19 SECONDS EAST FOR A DISTANCE OF 180.39 FEET;

THENCE SOUTH 57 DEGREES 32 MINUTES 33 SECONDS EAST FOR A DISTANCE OF 83.73 FEET TO A POINT ON THE WESTERLY LINE OF TRACT 99 ACCORDING TO SAID SUPPLEMENTAL PLAT;

THENCE ALONG THE WESTERLY LINE THEREOF SOUTH 00 DEGREES 50 MINUTES 02 SECONDS WEST FOR A DISTANCE OF 147.67 FEET TO THE SOUTHWEST CORNER OF SAID TRACT 99, SAID POINT BEING A ONE INCH IRON POST WITH A TWO AND ONE HALF INCH DIAMETER UNITED STATES GENERAL LAND OFFICE STAMPED BRASS DISC,

THENCE ALONG THE SOUTHERLY LINE OF SAID TRACT 99 SOUTH 89 DEGREES 22 MINUTES 29 SECONDS EAST FOR A DISTANCE OF 379.63 FEET TO THE SOUTHEAST CORNER OF SAID TRACT 99, BEING THE NORTHWEST CORNER OF TRACT 115;

THENCE ALONG THE WESTERLY LINE OF SAID TRACT 115 SOUTH 00 DEGREES 46 MINUTES 17 SECONDS WEST FOR A DISTANCE OF 580.81 FEET TO THE SOUTHWEST CORNER OF SAID TRACT 115, BEING A ONE INCH IRON POST WITH A TWO AND ONE HALF INCH DIAMETER UNITED STATES GENERAL LAND OFFICE

STAMPED BRASS DISC, SAID POINT BEING THE NORTHWESTERLY TERMINUS OF ARVISO ROAD AS SHOWN ON SAID SUPPLEMENTAL PLAT;

THENCE SOUTH 00 DEGREES 22 MINUTES 26 SECONDS WEST FOR A DISTANCE OF 9.22 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID SECTION 26;

THENCE ALONG SAID SOUTHERLY LINE OF SECTION 26 NORTH 89 DEGREES 37 MINUTES 34 SECONDS WEST FOR A DISTANCE OF 718.50 FEET TO THE **TRUE POINT OF BEGINNING.**

CONTAINS 11.337 ACRES, MORE OR LESS.

TOTAL LEGAL DESCRIPTION CONTAINS 59.608 ACRES, MORE OR LESS.

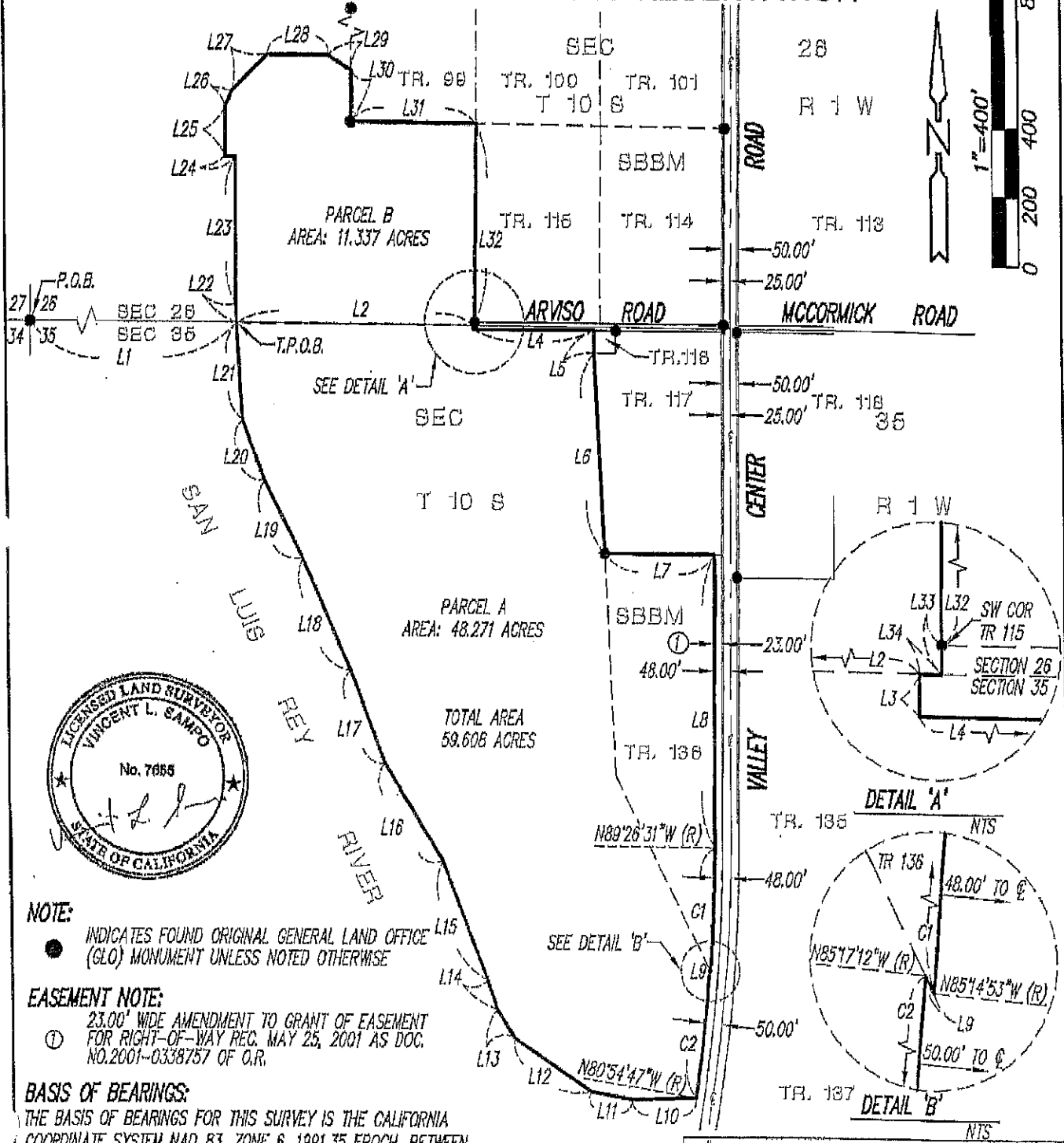
THE BASIS OF BEARINGS FOR THIS LEGAL DESCRIPTION IS THE CALIFORNIA COORDINATE SYSTEM NAD 83, ZONE 6, 1991.35 EPOCH BETWEEN USC&GS STATIONS "CLUB" AND "MERIDIAN", I.E. SOUTH 84 DEGREES 59 MINUTES 46 SECONDS EAST. BEARINGS SHOWN HEREON ARE IN TERMS OF THE CALIFORNIA COORDINATE SYSTEM NAD 83, ZONE 6.



# EXHIBIT "B"

SHEET 1 OF 2

## PORTION OF NORTHWEST QUARTER SECTION 35 AND SOUTHWEST QUARTER SECTION 26, T. 10 S., R. 1 W., SBBM, RINCON MISSION INDIAN RESERVATION



**NOTE:**  
● INDICATES FOUND ORIGINAL GENERAL LAND OFFICE (GLO) MONUMENT UNLESS NOTED OTHERWISE

**EASEMENT NOTE:**  
① 23.00' WIDE AMENDMENT TO GRANT OF EASEMENT FOR RIGHT-OF-WAY REC. MAY 25, 2001 AS DOC. NO. 2001-0338757 OF O.R.

**BASIS OF BEARINGS:**  
THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CALIFORNIA COORDINATE SYSTEM NAD 83, ZONE 6, 1991.35 EPOCH, BETWEEN USC&GS STATIONS "GLUB" AND "MERIDIAN", I.E. SOUTH 84° 59' 45" EAST. BEARINGS SHOWN HEREON ARE IN TERMS OF THE CALIFORNIA COORDINATE SYSTEM NAD 83, ZONE 6.

**SAMPO ENGINEERING, INC.**  
1034 SECOND STREET ENRIQUITAS, CA 92024  
TEL.: (760) 436-0860 FAX: (760) 436-0669  
JN: 09-109 RINCON-TRAVEL CENTER 3/22/13

# EXHIBIT "B"

SHEET 2 OF 2

## PORTION OF NORTHWEST QUARTER SECTION 35 AND SOUTHWEST QUARTER SECTION 26, T. 10 S., R. 1 W., SBBM, RINCON MISSION INDIAN RESERVATION

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N89°37'34"W	1137.01
L2	N89°37'34"W	712.50
L3	N00°22'26"E	11.35
L4	N89°46'47"W	369.96
L5	N00°25'13"E	66.00
L6	N02°30'46"W	593.22
L7	N89°34'30"W	335.42
L8	N00°33'29"E	864.95
L9	N26°15'46"W	3.88
L10	N88°17'57"E	193.95
L11	N80°03'09"W	126.77
L12	N55°57'47"W	277.24
L13	N33°15'14"W	100.50
L14	N17°51'22"W	89.70
L15	N20°55'34"W	373.57
L16	N31°01'58"W	333.35
L17	N19°48'42"W	291.38
L18	N23°25'50"W	361.84
L19	N26°22'47"W	254.83
L20	N19°09'50"W	191.56
L21	N03°10'32"W	286.73
L22	N03°10'32"W	54.64
L23	N00°23'58"E	430.67
L24	N89°47'02"W	30.75
L25	N00°19'37"E	146.56
L26	N23°55'18"E	49.12
L27	N45°21'41"E	151.63
L28	N89°35'19"W	180.39
L29	N57°32'33"W	83.73
L30	N00°50'02"E	147.67
L31	N89°22'29"W	379.63
L32	N00°46'17"E	580.81
L33	N00°22'26"E	9.22
L34	N89°37'34"W	6.00

CURVE TABLE			
CURVE	RADIUS	DELTA	LENGTH
C1	4952.00	04° 11' 37"	362.46'
C2	4950.00	04° 22' 25"	377.84'




	<b>SAMPO ENGINEERING, INC.</b>
<small>1134 SECOND STREET ENGINITAS, CA 92024 TEL: (760) 436-0660 FAX: (760) 436-0659 JNO 09-109 RINCON-TRAVEL CENTER 3/22/13</small>	

EXHIBIT A-2

TRAVEL PLAZA PARCEL PROPERTY DESCRIPTION

See attached Property Description



**LEGAL DESCRIPTION**  
**RINCON TRAVEL CENTER**  
**RINCON MISSION INDIAN RESERVATION**

A PORTION OF TRACT 136 WITHIN THE RINCON MISSION INDIAN RESERVATION, ACCORDING TO SUPPLEMENTAL PLAT, TOWNSHIP NO. 10 SOUTH, RANGE NO. 1 WEST, SAN BERNARDINO MERIDIAN CALIFORNIA, AND FIELD NOTES FOR SAID PLAT PREPARED BY WILLIAM H. THORN, FILED UNDER SPECIAL INSTRUCTIONS FOR GROUP 125, CALIFORNIA, DATED AUGUST 14, 1923, APPROVED BY THE COMMISSIONER OF THE GENERAL LAND OFFICE SEPTEMBER 21, 1923 AND ASSIGNMENT INSTRUCTIONS DATED AUGUST 14, 1923, TOGETHER WITH A PORTION OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 10 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF TRACT 117 AS SHOWN IN EASEMENT RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, STATE OF CALIFORNIA ON AUGUST 5, 2010 AS DOCUMENT NO. 2010-0399650 OF OFFICIAL RECORDS; THENCE WESTERLY ALONG THE SOUTHERLY LINE THEREOF NORTH 89°57'00" WEST 5.20 FEET TO A POINT ON THE WESTERLY LINE OF THE 50.00 FEET RIGHT OF WAY FOR VALLEY CENTER ROAD AS SHOWN ON ROAD SURVEY NO. 604 ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY; THENCE CONTINUING WESTERLY ALONG SAID SOUTHERLY LINE OF TRACT 117, NORTH 89°57'00" EAST 23.00 FEET TO THE WESTERLY LINE OF A 23.00 FOOT WIDE AMENDMENT TO GRANT OF EASEMENT FOR RIGHT OF WAY AS DESCRIBED IN EASEMENT FOR COUNTY HIGHWAY RECORDED ON MAY 25, 2001 AS DOCUMENT NO. 2001-0338757 OF OFFICIAL RECORDS; THENCE SOUTHERLY ALONG SAID WESTERLY LINE OF VALLEY CENTER ROAD (S-6) SOUTH 00°15'00" WEST 865.39 FEET TO THE BEGINNING OF A CURVE CONCAVE WESTERLY HAVING A RADIUS OF 4,952.00 FEET, A RADIAL TO SAID POINT BEARS SOUTH 89°45'00" EAST; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE 144.51 FEET THROUGH A CENTRAL ANGLE OF 01°40'19" TO THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING SOUTHERLY ALONG SAID WESTERLY LINE OF VALLEY CENTER ROAD ALONG THE ARC OF SAID CURVE 224.46 FEET THROUGH A CENTRAL ANGLE OF 02°35'50"

TO A POINT ON THE SOUTHWESTERLY LINE OF SAID TRACT 136; THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE THEREOF NORTH 26°26'04" WEST 3.89 FEET TO A POINT ON A CURVE CONCAVE WESTERLY HAVING A RADIUS OF 4,950.00 FEET, A RADIAL TO SAID POINT BEARS SOUTH 85° 31' 10" EAST, SAID POINT BEING ON THE WESTERLY LINE OF SAID VALLEY CENTER ROAD AS SHOWN ON ROAD SURVEY NO. 604 HAVING A FULL WIDTH OF 100 FEET; THENCE SOUTHERLY ALONG THE WESTERLY LINE THEREOF AND THE ARC OF SAID CURVE 37.24 FEET THROUGH A CENTRAL ANGLE OF 00° 25' 52"; THENCE LEAVING SAID WESTERLY LINE OF VALLEY CENTER ROAD NORTH 85° 29' 19" WEST 191.51 FEET; THENCE NORTH 4° 01' 23" EAST 189.24 FEET; THENCE NORTH 28°08'49" WEST 28.41 FEET; THENCE NORTH 62°53'12" EAST 45.68 FEET; THENCE NORTH 27°08'58" WEST 3.98 FEET; THENCE NORTH 62°51'02" EAST 5.97 FEET; THENCE SOUTH 27°08'58" 3.98 FEET; THENCE NORTH 62°53'12" EAST 43.22 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 50.00 FEET, A RADIAL TO SAID POINT BEARS NORTH 27°06'48" WEST; THENCE EASTERLY ALONG THE ARC OF SAID CURVE 24.16 FEET THROUGH A CENTRAL ANGLE OF 27°40'47"; THENCE SOUTH 89°26'01" EAST 69.93 FEET; THENCE SOUTH 00°57'27" EAST 15.42 FEET TO A POINT ON A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 3.00 FEET, A RADIAL TO SAID POINT BEARS SOUTH 89°02'33" WEST; THENCE SOUTHERLY, SOUTHEASTERLY AND EASTERLY THROUGH THE ARC OF SAID CURVE 4.57 FEET THROUGH A CENTRAL ANGLE OF 87°18'05"; THENCE SOUTH 88°15'32" EAST 27.63 FEET TO THE **TRUE POINT OF BEGINNING.**

CONTAINS 1.16 ACRES, MORE OR LESS.

THE BASIS OF BEARINGS FOR THIS LEGAL DESCRIPTION IS A PORTION OF THE SOUTHERLY LINE OF TRACT 117 ACCORDING TO SAID FIELD NOTES BY WILLIAM H. THORN (I.E. NORTH 89°57' WEST).



EXHIBIT B  
ENTERPRISE INVESTMENT POLICY  
RESOLUTION

RINCON SAN LUISENO BAND OF MISSION INDIANS COUNCIL  
(Gaming Enterprise Cash Management and Investment Policy)

Resolution No. \_\_\_\_\_

WHEREAS, The Rincon San Luiseno Band of Mission Indians (the "Tribe") is a federally recognized Indian tribe enjoying a government to government relationship with the United States; and

WHEREAS, the Tribe has determined that facilities owned by the Tribe offering Class II and Class III gaming activities, as defined in the Indian Gaming Regulatory Act of 1988, Pub. L. 100-497, 25 U.S.C. §§ 2701 - 2721 and 18 U.S.C. 1166 - 1168 ("IGRA"), will be constructed and operated on its lands; and

WHEREAS, the Tribe has entered into an Amended and Restated Management Agreement with HCAL LLC ("Manager") for the management of the Tribe's Gaming Enterprise, said resolution having been approved by the NIGC on \_\_\_\_\_; and

WHEREAS, the Tribe deems it in its best interest to provide for Manager to manage the Gaming Enterprise's short-term cash position so as to maximize income to the Tribe;

NOW, THEREFORE, BE IT RESOLVED, that in order to maximize the Tribe's income and to manage its short term cash position, Manager is hereby authorized, during the term of its Management Agreement with the Tribe, to invest cash of the Tribe's Gaming Enterprise in accordance with the attached Investment Policy.

CERTIFICATION

Pursuant to (CITATIONS HERE) the Rincon San Luiseno Band of Mission Indians, a quorum of members present at a Council meeting held on \_\_\_\_\_, \_\_\_\_\_, at MEETING LOCATION, by a vote of \_\_\_\_ for, \_\_\_\_ against, \_\_\_\_ not voting, and \_\_\_\_ absent; the foregoing resolution was adopted.

Secretary

Chairman

STATEMENT OF INVESTMENT POLICY FOR THE  
RINCON SAN LUISENO BAND OF MISSION INDIANS  
GAMING ENTERPRISE (“ENTERPRISE”)

I. Investment Objectives

A. Primary -to ensure the value and safety of principal invested in short-term money market securities.

B. Secondary - to ensure liquidity to meet projected and emergency cash needs  
to provide for prudent diversification of investments

to maximize investment income consistent with other objectives

to comply with the requirements of the Enterprise’s debt agreements

II. Investment Responsibility

It will be the responsibility of HCAL LLC (1) to invest funds for which the company has been designated as cash manager, and (2) to maintain adequate records of all investments. All investments must conform to the Investment Guidelines.

III. Investment Guidelines

A. Investment Types and Limitations

The attached Schedule “A” provides a description of the “Permitted Investments” for the Enterprise.

B. Investment Institutions

In order for a firm to be included on the list of Investment Institutions that are approved for dealing with the Enterprise, an authorized signer of the firm must first execute a copy of the attached document. This will provide written verification of their being familiar with the types of securities (“Permitted Investments”) that are acceptable under the Enterprise’s Investment Policy. The Manager of Cash Management will be responsible for obtaining the executed document, distributing a list of approved institutions to designated Treasury personnel and retaining records of all investment contracts with those investment institutions.

IV. Investment Review

An Investment Report is distributed on a daily basis to the Assistant Treasurer and Manager of Cash Management for review of adherence to the Investment Guidelines. In addition, the accuracy of the report is verified by the Manager of Treasury Administration, who matches the information on the report with the confirmations provided by the brokers. Discrepancies are investigated as they are received. A revised report, if necessary, is distributed by the Manager of Treasury Administration.

Schedule "A"

PERMITTED INVESTMENTS

(i) marketable obligations of the United States having a maturity which is not more than 60 days from the date of acquisition;

(ii) marketable obligations of an agency of the United States, payment of which is fully and directly guaranteed by the United States, which obligations have a maturity which is not more than 60 days from the date of acquisition;

(iii) certificates of deposit, time deposits, bankers' acceptances and other interest-bearing obligations (A) having maturities of not more than 60 days from the date of acquisition thereof, and (B) issued by any Managing Agent or any commercial bank (domestic or foreign) whose capital, surplus and undivided profits aggregate at all times at least \$250,000,000 and which is rated at least A or its equivalent by Standard & Poor's Corporation or Moody's Investors Service, Inc. (excepting banks having deposits in an aggregate amount of less than \$5,000,000 and only on an overnight basis);

(iv) open market commercial paper with a maturity not in excess of 60 days from the date of acquisition thereof which is rated A2 or its equivalent by Standard & Poor's Corporation or Moody's Investors Service, Inc.;

(v) investments in Fidelity Money Market Trust or other comparable money market accounts that would be first approved by the Business Committee, in an amount not to exceed \$25,000,000 outstanding at any time;

(vi) fully secured repurchase obligations with a maturity not in excess of five days from the date of acquisition thereof for underlying Permitted Investments referred to in clauses (i), (ii) and (iii) above entered into with any Managing Agent or any commercial bank satisfying the qualifications specified in clause (iii) above or entered into with securities dealers of recognized national standing, if, but only if, (x) such agreements comply with the guidelines set forth in the Federal Financial Institutions Examination Counsel Supervisory Policy - Repurchase Agreements of Depository Institutions with Securities Dealers and others, as adopted by the Comptroller of Currency on October 31, 1985 (the "Supervisory Policy"), and (y) possession or control of the underlying securities is established as provided in the Supervisory Policy;

(vii) other interest-bearing debt securities or obligations issued by any corporation, which is rated A or its equivalent by Standard & Poor's Corporation or Moody's Investors Service, Inc., which (w) are sold at a discount, (x) have a maturity not in excess of 90 days from the date of acquisition thereof, and (y) are dollar denominated or subject to a forward rate contract.

EXHIBIT C  
RINCON SAN LUISENO BAND OF MISSION INDIANS  
IRREVOCABLE BANKING INSTRUCTIONS

The undersigned does hereby certify that he is the duly authorized Chairman of the Rincon San Luiseno Band of Mission Indians (the "Tribe"), and that the following resolutions were duly adopted by the Council and such resolutions regarding banking arrangement for the Tribe's gaming and related ventures (the "Enterprise") are now in full force and effect:

RESOLVED, that upon written instruction from any employee of HCAL LLC as manager for the Tribe (the "Manager") holding one of the following positions (as certified by the Secretary or Assistant Secretary of Manager (hereinafter referred to as "Officer") or their designees:

President  
Senior Vice President  
Vice President  
Treasurer  
Controller  
Assistant Treasurer

the Tribe may open bank accounts (the "Enterprise Bank Accounts") with such banks (the "Bank(s)") as the Officers determine would be a reasonable depository in any jurisdiction in which the Enterprise does business;

RESOLVED that funds deposited in any of the Enterprise Bank Accounts may be withdrawn only upon a check, draft, or order when signed by any TWO of the said Officers, or their designee(s), whose signatures shall be duly certified to the Bank (the "Certified Signers") by Manager, and not otherwise;

RESOLVED that any TWO of the Officers or their designees may authorize the use of facsimile signatures on an Enterprise Bank Account, (b) (4)



RESOLVED that consistent with these resolutions Manager is hereby authorized to use phone initiated or electronic clearing house facilities of the Federal Reserve System for the purpose of transferring Enterprise funds to and from various banks;

RESOLVED that Manager is hereby authorized to arrange for the servicing by a Bank of any automatic teller machines purchased or leased on behalf of the Enterprise;

RESOLVED that the appointment of Manager and the Certified Signers shall be an appointment coupled with an interest, and shall be irrevocable by the Tribe unless revocation is consented to in writing by Manager or this appointment is terminated by an arbitration award entered pursuant to the dispute resolution provisions of the Amended and Restated Management Agreement entered into by and between the Tribe and Manager dated as of \_\_\_\_\_, 2014, as the same may have heretofore been or hereafter be amended (the "Management Agreement");

RESOLVED that the Enterprise Bank Accounts established and administered by Manager shall not be subject to attachment, or any rights or deduction, set off or counterclaim by the Bank due to any contractual agreements or other obligations by and between the Bank and the Tribe or any of its constituent partners or holders of beneficial interest therein, it being the intent that the assets in the Enterprise Bank Accounts shall be segregated from other assets of the Tribe and used solely for purposes permitted and provided for in the Management Agreement;

RESOLVED that the Enterprise Bank Accounts established and administered by Manager shall not be subject to attachment, or any rights of deduction, set off or counterclaim by Manager in the event of any disagreements between Manager and the Tribe, it being the intent that the assets in the Enterprise Bank Accounts will be used solely for purposes permitted and provided for in the Management Agreement, and recourse to said Enterprise Bank Accounts as a remedy in the event of dispute shall be permitted only in the event so ordered in an arbitration award entered pursuant to the dispute resolution provisions of the Management Agreement.

RESOLVED that any TWO of the Officers of Manager or their designees are hereby authorized to execute and deliver any documents including signature cards, authorizations, powers of attorney or appointment, or other documents which they deem necessary and appropriate to give effect to the foregoing resolutions;

RESOLVED that the Bank is hereby authorized to rely upon certificates signed by any of the above named Officers of Manager or their designees as to all matters concerning the identify, authority or signature of Certified Signers; and

RESOLVED that each of the Officers, or their designees appointed in writing, be, and each of them hereby is, authorized to perform the obligations under the agreements and contracts described in the aforesaid resolutions, and to negotiate, execute and deliver on behalf of the Tribe and to perform the obligations under any and all other documents, agreements, contracts, and other instruments that any one or more of the Officers deems necessary or desirable to evidence and give effect to the transactions contemplated in the foregoing resolutions, all upon such terms and conditions, not inconsistent with the aforesaid resolutions, as any one or more of the Officers or their designees may approve.

WITNESS my signature this \_\_\_\_ day of \_\_\_\_\_, 2014.

RINCON SAN LUISENO BAND OF MISSION INDIANS

By: \_\_\_\_\_

Its: \_\_\_\_\_



## EXHIBIT D

### TRIBE'S INSURANCE REQUIREMENTS

#### 1.01. Coverage.

1.01.1. Required Insurance. The following minimum insurance will be obtained by Manager and maintained with respect to the Enterprise at all times during the term of this Agreement:

(a) All-risk property insurance, including flood and earthquake insurance (subject to policy sub-limits on flood and earthquake perils as dictated by insurance market availability), on the Enterprise in an amount equal to the full replacement value thereof (with no coinsurance clause);

(b) All-risk business interruption insurance and extra expense insurance for full recovery less deductibles of the pre-casualty projected Net Revenues of the Enterprise (or, if greater, the Minimum Guaranteed Monthly Payment, the projected Operating Expenses and debt service for the Enterprise which are anticipated) for a period of one (1) year from the date of any casualty, or cessation of Gaming, or such additional period as the Tribe may elect;

(c) Insurance against loss from accidental damage to, or from the explosion of, boilers in an amount equal to the full replacement value of the Property, and damage to adjacent property and property of others, in amounts acceptable to Manager;

(d) Business interruption insurance against loss from accidental damage to, or from the explosion of, boilers for full recovery of the projected Net Revenues (or, if greater, the Minimum Guaranteed Monthly Payment, the projected Operating Expenses and debt service) for the entire period of any such business interruption but not less than one (1) year from the date of such casualty, or such additional period as the Tribe may elect;

(e) Commercial general liability insurance naming the Tribe as Named insured and Manager as Named insured, covering bodily injury, personal injury (including humiliation), broad form property damage (including completed operations), automobile liability (including owned, non-owned and leased automobiles), innkeeper's liability (subject to sublimit of \$1 Million), liquor liability, products liability, and contractual liability in an amount equal to not less than \$50,000,000 single limit per occurrence;

(f) Comprehensive crime insurance in an amount equal to not less than \$10,000,000;

(g) The Manager shall maintain statutory workers' compensation and employers liability insurance for the Manager's Employees. The Enterprise shall maintain statutory workers' compensation and employers liability insurance for the Enterprise Employees. The employers liability 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 California (which shall, in the case of Manager Employees be carried by Manager and in the case of all other Enterprise Employees be carried by the Enterprise, and which shall, in either case, be paid for by the Enterprise and treated as an Operating Expense); and

(h) The amount of the minimum coverage in the above clause (e) may be lowered if an umbrella policy is furnished covering any excess of the liabilities described in clause (e) with a combined limit of liability of not less than \$50,000,000 per occurrence.

1.01.2. Responsibility to Maintain. The obligation to maintain the insurance policies required by the Management Agreement, the cost of which shall be an Operating Expense and subject to the budget process of the Management Agreement, shall lie solely with Manager. During the budgeting process, Manager shall recommend to the Business Board for its approval a schedule setting forth the kinds and amounts of such insurance to be maintained by it during the ensuing policy year.

1.01.3. Changes in Coverage. Manager shall have the right to raise the minimum amount of insurance to be maintained with respect to the Enterprise under Section 1.01.1 and/or to require the insurance of additional risks, not specified herein, in order to make such insurance compatible with prudent industry standards (including consideration of the incremental cost thereof) and to reflect increases in liability exposures, taking into account the size and location of the Enterprise.

1.01.4. Requirements. All policies of insurance shall, to the extent such coverage is commercially available, be written on an "occurrence" basis. To the extent that any insurance required hereby is or becomes available only on a "claims made" basis, the Tribe shall, as an Operating Expense, purchase satisfactory extended reporting period endorsements to policies placed during the term of the Management Agreement or, in the alternative, continue to insure Manager as an additional insured party under policies of insurance placed after termination of this Agreement until the expiration, without claim, of all applicable statutes of limitation as may be necessary to assure that Manager has the benefit of the required insurance for causes of action arising out of events occurring with respect to the Enterprise during the term of the Management Agreement, whether or not any such claim is actually asserted prior to the expiration or earlier termination thereof.

## 1.02. Policies and Endorsements.

1.02.1. Policies. All insurance coverage provided for under the Management Agreement shall be effected by policies issued by insurance companies authorized to do business in the state where the Enterprise is located that are of good reputation and of sound and adequate financial responsibility, having an A.M. Best's ("Best") Rating of A- VII, or better, or a comparable rating if Best ceases to publish its ratings or materially changes its rating standards or procedures. Upon request, the Manager shall deliver to the Tribe certificates of insurance with respect to the policies of insurance so procured.

1.02.2. Endorsements. All policies of insurance provided for under the Management Agreement shall, to the extent obtainable, have attached thereto (a) an endorsement that such policy shall not be canceled without at least thirty (30) days prior written notice to Manager and Tribe, All insurance policies required under clauses (e), (f), (j), (k), (m), and (n) of Subsection 1.01.1, shall contain an endorsement to the effect that such insurance shall be primary, not excess, and not contributory to any similar insurance carried by the Tribe..

1.02.3. Insureds. All policies of insurance required under Subsection 1.01.1, shall be carried in the name of the Enterprise, Tribe and Manager

1.03. Waiver of Liability - Fire & Casualty Insurance. To the extent any loss is covered by insurance proceeds actually paid or would be covered by insurance required to be carried under this Agreement, but not otherwise, Manager and the Tribe each waive, release and discharge the other from all claims or demands which each may have or acquire against the other, or against each other's directors, officers, agents, employees, or partners, with respect to any claims for any losses, damages, liability or expenses (including attorneys' fees) incurred or sustained by either of them on account of damage to their respective property (but not as to personal injury or property damage suffered by third parties) arising out of the ownership, management, operation and maintenance of the Enterprise, regardless whether any such claim or demand may arise because of the fault or negligence of the other party or its officers, partners, agents, and employees.

## EXHIBIT E

### MANAGER PROPRIETARY INFORMATION

#### Casino Management System

Enterprise Data Warehouse (including slot analysis capabilities)

CRM systems (Includes Total Rewards technology and Business practices, Total Rewards Kiosks, Offer system, Email, Direct Mail, other custom functionality deployed by Harrah's for the purposes of direct contact, communication and relationship management with customer(s))

#### Patron Data Base (Harrah's Comprehensive Customer Data Base)

Harrah's proprietary Business Processes and methodologies related to customer predictive modeling, Offers systems and processes, CRM and Customer marketing techniques

#### Events Management System (For booking shows and restaurants)

#### Interfaces between non-proprietary systems and Manager's proprietary systems

Customized elements of Lodging Management System (LMS) and integrations to other systems, including the Revenue Management Systems (for hotels)

Customized elements of Infinium Software and integrations to other systems

Customized elements of Stratton-Warren Software and integrations to other systems

Customized elements of Resumix Resume/Applicant Tracking System, including front-end applications, data feeds, and integrations to other systems

Customized elements of TimeWorks Time and Attendance and integrations to other systems

Marketing Workbench (including all direct marketing campaigns/capabilities)

Harrahs.com and various linked and supporting applications and online/offline products and relationships – All Internet functionality, data, metrics and business processes

Teleservices Work Station and Guest Services Workstation – for use in Teleservices and other on or off property environments

EXHIBIT F

MANAGER'S SHAREHOLDERS

Caesars Entertainment Operating Company, Inc., which is wholly owned by  
Caesars Entertainment Corporation, a privately held Delaware corporation

EXHIBIT G

MANAGER'S OFFICERS AND DIRECTORS

**HCAL, LLC**

Member: - Caesars Entertainment Operating Company, Inc.

**OFFICERS**

Gary W. Loveman  
Janet Beronio  
Thomas M. Jenkin  
Jill Barrett

President  
Senior Vice President and General Manager  
Senior Vice President  
Vice President

EXHIBIT H

COVERED EMPLOYEES

Senior Vice President and General Manager

Vice President of Operations and Marketing

Vice President of Human Resources

Vice President of Finance

Director of Hospitality

Director of Operations

Director of Marketing

Director of Casino Marketing

Director of Product/Service Excellence