

OPERATING AGREEMENT
OF
CALIFORNIA TRIBAL INTRASTATE INTERNET POKER CONSORTIUM LLC
AS OF _____, 2009

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OPERATING AGREEMENT

OF

CALIFORNIA TRIBAL INTRASTATE INTERNET POKER CONSORTIUM LLC

THIS OPERATING AGREEMENT of CALIFORNIA TRIBAL INTRASTATE INTERNET POKER CONSORTIUM LLC a Delaware limited liability Consortium (the "Consortium"), is made and entered into effective as of _____ 2009, by and between the federally-recognized California Indian tribal governments or wholly-owned subordinate or affiliated entities thereof listed in Exhibit A appended hereto ("Tribal entities") and referred to herein as the "Members."

RECITALS

WHEREAS, Tribal Entities are each the sovereign governments of federally-recognized Indian Tribes in the State of California, or the wholly-owned subordinate or affiliated entities of such tribal governments; and

WHEREAS, the Members desire to enter into this Agreement, which shall constitute the limited liability Company agreement of the Members under the Delaware Act, for the purpose of setting forth the agreements of the Members as to the affairs of the Consortium and the conduct of the business of intrastate internet Poker in the State of California through the Consortium's membership and participation in the California Intrastate Internet Poker Association LLC, a Delaware limited liability Consortium ("CONSORTIUM");

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and undertakings contained herein, the Members agree as follows:

ARTICLE 1. DEFINITIONS AND TERMS

SECTION 1.1 CERTAIN DEFINITIONS. AS USED HEREIN, THE FOLLOWING TERMS SHALL HAVE THE MEANINGS SET FORTH OR AS REFERENCED BELOW:

(a) "Agreement" shall mean this Operating Agreement, including the schedules and exhibits hereto, as the same may be amended or supplemented from time to time in accordance with the terms hereof.

(b) "Ancillary Agreements" shall mean the _____, _____ and _____ Agreements described in Schedule 1.1(e) attached hereto and made a part hereof.

(d) "Association" means the limited liability company of which the Consortium is one member and the _____, of which the members are the gaming establishments licensed by the State of California to operate "controlled games" as defined by the California Gambling Control Act is the other member.

(c) (e) "Management Committee" means the governance board of the Consortium consisting of all duly designated or elected by the Members or, as may be applicable, any duly appointed committee of the Management Committee.

(d) "Business" means the business, conducted through the Association, of: (a) seeking approval from the State of California for the Consortium, as part of the Association, to become licensed to offer intrastate Internet Poker in California and such other states as may be lawful and practicable, (b) obtaining the necessary assets to operate an intrastate Internet Poker business, including, without limitation, computer hardware and software, intellectual property and financing, and (c) operating an intrastate Internet Poker business in California, including the sale of advertising and other activities ancillary to the operation of the business, and marketing intrastate Internet Poker business designs and systems in other states where such activities are lawful.

(e) "Capital Account" means, with respect to any Member, the Capital Account maintained for such Member in accordance with the following provisions:

- (i) No Member shall be required to contribute any capital to the Consortium, and each Member's Capital Account shall be and remain at zero, except for the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Consortium by such Member, and such Member's distributive share of Profits and any items in the nature of income or gain which are specially allocated pursuant to Section 3.7 or Section 3.8.
- (ii) From each Member's Capital Account there shall be subtracted the amount of money and the Gross Asset Value of any property distributed to such Member pursuant to any provision of this Agreement, until such Member's Capital Account is zero.
- (iii) Members' Capital Accounts shall not be transferrable.

(f) "Capital Contribution" means, with respect to any Member, the amount of cash and the Agreed Value of Contributed Assets contributed by such Member to the Consortium in accordance with Section 3.1.

(g) "Certificate" means a certificate evidencing a Unit substantially in the form of Exhibit B to this Agreement.

(h) "Certificate of Formation" shall have the meaning set forth in Section 2.1.

(i) "Consortium" shall have the meaning set forth in the preamble hereto.

(j) "Consortium Property" means any and all property of whatsoever nature, tangible or intangible, real or personal, of the Consortium from time to time.

(k) "Contributed Assets" means the property or other consideration (other than cash) contributed to the Consortium by a Member, and to which the Member is entitled to reimbursement.

(m) "Poker" means non-banking, non-percentage card games as defined in California Penal Code §337j(e)(1) as now in effect or hereafter amended.

(l) (n) "CPA Firm" means the independent public auditor determined pursuant to Section 5.3.

(x) "Contributing Member" means a member that has contributed money, property or other resources to secure passage of legislation necessary to authorize the Business and/or to fund the tribal share of the Association's or the Consortium's startup expenses.

(m) (o) "Debt" means any liability of the Consortium (including, without limitation, liabilities to Members) for borrowed money, or any liability for the payment of money by the Consortium in connection with any guarantees, surety agreements, letters of credit, or other interest bearing liabilities evidenced by any bond, debenture, note or other similar instrument, excluding any trade liabilities or any non-interest bearing liabilities or obligations; capital lease (but not operating lease) liabilities and other liabilities which are in the nature of financing; and any interest bearing off-balance sheet liabilities and the net liability of off balance sheet derivative contracts.

(n) (p) "Delaware Act" means the Delaware Limited Liability Consortium Act, 6 Del. C. Secs. 18-101 et seq., as amended from time to time, and any successor to such statute.

(o) (q) "Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax

purposes at the beginning of such Fiscal Year, Depreciation shall be determined by the Management Committee in the manner described in Regulations Section 1.704-1(b)(2)(iv)(g)(3).

(p) (r) "Distributable Cash" means all cash of the Consortium other than the amount of cash that the Management Committee reasonably determines is unavailable for distribution to Members at any applicable time, taking into account available cash and anticipated cash flow, repayment of initial capital contributions and interest, and other current and anticipated expenses of the Consortium and after setting aside reserves.

(q) (s) "Fair Market Value" means, with respect to property, as of any date of determination, the price for such property that could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing buyer, neither of whom is under pressure or compulsion to complete the transaction, as of such date of determination, as determined in good faith by the Management Committee using a reasonable valuation method.

(r) (t) "Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

- (i) The initial Gross Asset Value of any asset contributed by a Member to Consortium shall be the Agreed Value of such asset except as otherwise provided in Section 3.1;
- (ii) The Gross Asset Values of all Consortium assets shall be adjusted to equal their respective gross Fair Market Values as of the following times: (A) the acquisition of an additional Interest in the Consortium by any new or existing Member in exchange for more than a de minimis capital contribution; (B) the distribution by the Consortium to a Member of more than a de minimis amount of money or other property as consideration for an Interest in the Consortium; and (C) the liquidation of the Consortium; provided, however, that adjustments pursuant to clauses (A) and (B) above shall be made only if such adjustments are reasonably necessary or appropriate to reflect the relative economic interests of the Members in the Consortium;
- (iii) The Gross Asset Value of any Consortium asset distributed to any Member shall be adjusted to equal the gross Fair Market Value of such asset on the date of distribution; and
- (iv) The Gross Asset Values of Consortium assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation Section 1.704-1(b)(2)(iv)(m) and subparagraph (vi) of the definition of "Profits" and "Losses" or Section 3.7(g); provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (iv) to the extent the Management Committee makes an adjustment pursuant to subparagraph (ii) that would otherwise result in an adjustment pursuant to this subparagraph (iv).
- (v) If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraphs (i), (ii), or (iv), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

(s) (u) "Indemnitee" shall have the meaning set forth in Section 4.9.

(t) (v) "Interest" means the ownership interest of a Member in the Consortium (which shall be considered personal property for all purposes), consisting of (i) such Member's interest in profits, allocations and

distributions, (ii) such Member's right to vote or grant or withhold consents with respect to Consortium matters as provided herein or in the Delaware Act and (iii) such Member's other rights and privileges as provided herein or under the Delaware Act.

(u) (w) "Law" means any applicable federal, state, foreign or local law, constitutional provision, code, statute, ordinance, rule, regulation, order, judgment or decree of any governmental authority.

(v) (x) "Manager" means a person duly appointed or elected to the Management Committee pursuant to the provisions of Section 4.2 or Section 4.3 hereof. Each Manager shall constitute a "manager" of the Consortium as such term is defined in Section 18-101 of the Delaware Act.

(w) (y) "Members" mean each federally-recognized California Indian Tribe or wholly-owned sub-entity of such Tribe listed on Exhibit A hereto, and all other federally-recognized California Indian Tribes or wholly-owned sub-entities of such Tribes admitted as additional Members pursuant to this Agreement, so long as they remain Members. Each Member shall constitute a "Member" of the Consortium, as such term is defined in Section 18-101 of the Delaware Act.

(x) (z) "Percentage Interests" means the respective proportions in which the Members hold their Interests in the Consortium, determined for any Member as of any date by dividing the Unit held by such Member on such date by the total number of Units outstanding and held by all Members as of such date.

(y) (aa) For the purposes of this Agreement, "Person" shall mean a federally-recognized California tribal government or a corporation or other form of business entity wholly owned by a federally-recognized California tribal government, whether formed under the laws of a tribe or any other jurisdiction.

(z) (bb) "Profits" and "Losses" means, for each Fiscal Year, an amount equal to the Consortium's taxable income or loss for such Fiscal Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with such adjustments as may be lawful and advantageous to the Members of the Consortium.

(aa) (cc) "Regulations" means the regulations promulgated by the U.S. Treasury Department pursuant to the federal Internal Revenue Code as then in effect.

(bb)(dd) "Regulatory Allocations" shall have the meaning set forth in Section 3.8.

(cc) (ee) "Tax Matters Member" shall have the meaning set forth in Section 3.9.

(dd)(ff) "Transfer" shall have the meaning set forth in Section 6.1.

(ee) (gg) "Units" means the equal proportional units into which Interests in the Consortium shall be divided. All Units issued hereunder shall be deemed to have been fully paid and non-assessable.

(ff) (hh) "Voluntary Dissolution Event" shall mean any event described in Section 8.1 hereof other than an Involuntary Dissolution Event.

SECTION 1.2 RULES OF CONSTRUCTION.

(a) Words used herein, regardless of the number and gender used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires, and, as used herein, unless the context requires otherwise, the words "hereof", "herein", and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(b) A reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

(c) The term "including" shall be deemed to mean "including without limitation."

(d) Article and section headings used in this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(e) This Agreement is among financially sophisticated and knowledgeable parties and is entered into by the parties in reliance upon the economic and legal bargains contained herein and shall be interpreted and construed in a fair and impartial manner without regard to such factors as the party who prepared, or caused the preparation of, this Agreement or the relative bargaining power of the parties.

ARTICLE 2. GENERAL MATTERS

SECTION 2.1 FORMATION. _____ Caused the formation of the Consortium as a Delaware limited liability Consortium pursuant to the Delaware act by filing a certificate of formation of the Consortium (the "certificate of formation") with the Delaware Secretary of State in accordance with the Delaware Act and, in connection therewith. The rights and liabilities of the members shall be as provided in the Delaware Act, except as otherwise provided in this agreement.

SECTION 2.2 PURPOSES AND BUSINESS. Except as may otherwise be approved by the Management Committee, the purpose of the Consortium shall be to engage in the business as defined in this agreement. The Consortium shall have all powers necessary or desirable to accomplish the aforesaid purposes. In connection therewith, the Consortium may engage in and enter into any and all activities, contracts and agreements related or incident to the above-stated purposes as the Management Committee may determine to be appropriate from time to time. The Consortium shall have the power to do all things necessary, appropriate, advisable, convenient, or incidental in connection with the fulfillment of its business purposes. The Consortium shall not engage in any other activity or business except to the extent approved by the Management Committee.

SECTION 2.3 OFFICES.

(a) The principal executive offices of the Consortium shall be located at _____ or such other location as determined by the Management Committee from time to time.

(b) The registered office of the Consortium in the State of Delaware is located at _____. The registered agent of the Consortium for service of process at such address is _____. Such registered office or registered agent may be changed by the Management Committee from time to time.

SECTION 2.4 NAME. The name of the Consortium shall be California Tribal Intrastate Internet Poker Consortium LLC, or such other name as the Management Committee may from time to time select.

SECTION 2.5 TERM. The existence of the Consortium commenced on the date its Certificate of Formation was filed with the Secretary of State of the State of Delaware, and shall continue in perpetuity unless dissolved in accordance with SECTION 7.1.

SECTION 2.6 MEMBERS. The name and business or mailing address of each member of the Consortium are set forth on Schedule 1 to this Agreement. The Management Committee shall cause Schedule 1 to be amended from time to time to reflect the addition or withdrawal of members in accordance with the terms of this Agreement. Any member shall have the right to withdraw as a member at any time by surrendering its unit of membership; however, upon withdrawal a member shall be entitled to payment only of its proportionate share of any undistributed net profit remaining after debt service and return of capital to contributing members accrued through the effective date of withdrawal, and not to any other portion of the Consortium's assets.

ARTICLE 3. FINANCIAL AND TAX MATTERS

SECTION 3.1 CAPITAL CONTRIBUTIONS.

(a) The contribution by the Morongo Band of Mission Indians of the sum of \$_____ in cash and in-kind services for the purpose of securing passage of the legislation necessary to authorize the Business hereby is acknowledged. [The contributions of other contributing tribes, if any, would be added here].

(b) Simultaneously with the execution of this Agreement, each of the Members listed on Exhibit B hereto has delivered to the Consortium the sum of \$_____ to be applied toward the Consortium's capital contribution to the Association.

(c) Simultaneously with the execution of this Agreement, each of the Members listed on Exhibit C hereto has delivered to the Consortium the sum of \$1.00 in exchange for One Unit.

Except as provided in a separate Financing Agreement or as may be approved by the Management Committee and agreed to in writing by the Members, the Members shall have no obligation to make any additional Capital Contributions to the Consortium.

(d) Capital contributions made for the purposes of obtaining passage of legislation necessary to authorize the Business and for startup expenses of the Association and/or the Consortium shall be repaid to the contributing members in monthly installments fully amortized and payable over thirty-six months at 20% interest, solely out of the Consortium's share of the Association's monthly net profits, with interest to accrue commencing on the effective date of the authorizing legislation and with repayments to commence on the fifth day of the month following the first two full calendar months of commercial operations, and continuing on or before the fifth day of each following month until repaid in full; *provided*, that in any month in which repayment of capital contributions would exceed 70% of that month's net profits, the monthly repayment shall be reduced on a prorated basis to no more than 70% of said month's net profit, and the shortfall in repayments shall be made up in subsequent months.

SECTION 3.2 LOANS FROM MEMBERS. Except as provided in Section 3.1 above, loans by a Member to the Consortium shall not be considered Capital Contributions.

(b) Except as otherwise provided in Section 3.1 above, and unless otherwise determined by the Management Committee, loans by a Member to the Consortium shall bear interest at arm's length market rates and may contain other customary commercial terms as agreed by the Consortium and the Member. If any Member shall advance funds to the Consortium in excess of the amounts required hereunder to be contributed by such Member to the capital of the Consortium, such advances shall not increase the Capital Account of such Member. The amounts of any such advances shall be a debt of the Consortium to such Member and shall be payable or collectible only out of Consortium assets in accordance with the terms and conditions upon which such advances are made. The repayment of debt owed to a Member upon liquidation of the Consortium shall be subject to the order of priority set forth in Section 7.2.

SECTION 3.3 RESTRICTIONS RELATING TO CAPITAL; CONSORTIUM PROPERTY.

(a) Except as otherwise provided in this Agreement or by the Delaware Act, no Member shall have the right to withdraw, or receive any return of, all or a portion of such Member's Capital Contribution, nor shall any Member have the right to demand and receive property other than cash in return for its Capital Contribution.

(b) Except as otherwise provided in this Agreement, no interest shall be paid by the Consortium on Capital Contributions or on balances in Members' Capital Accounts.

(c) All Consortium Property, whether contributed by a Member or otherwise acquired by the Consortium, shall be owned by the Consortium as a separate legal entity and no Member shall have any right of partition with respect to any Consortium Property. The Management Committee shall cause the Consortium to execute, file and

record such documents as may be necessary or appropriate to reflect the Consortium's ownership of Consortium Property in appropriate public offices.

(d) No Member shall be liable to the Consortium or to any other Member to restore any deficit balance in its Capital Account (except as may be required by the Delaware Act) or to reimburse any other Member for any portion of such other Member's investment in the Consortium. Except as otherwise provided in this Agreement, no Member shall have priority over any other Member, either as to the return of its Capital Contribution or as to income, losses, interest, returns, or distributions.

(e) The Consortium shall not enter into any transaction, other than the Ancillary Agreements, with any Member or any Affiliate of any Member except as may be approved by the Management Committee as set forth below.

SECTION 3.4 TAX TREATMENT. It is the intention of the Members that the Consortium shall be taxed as a "partnership" for United States federal, state and local income tax purposes, and, except as otherwise required by law, no Member shall take any action inconsistent with the classification of the Consortium as a partnership for U.S. tax purposes, including any action to cause the consortium to be treated as a consortium taxable as a corporation for U.S. tax purposes.

SECTION 3.5 ALLOCATION OF PROFITS. After deduction of operating expenses and repayment of contributions in accordance with SECTION 3.1, all profits shall be allocated equally among the Members.

SECTION 3.6 Losses for any fiscal year shall be allocated equally among the Members.

SECTION 3.7 TAX ELECTIONS. The Consortium shall make the following elections on the appropriate tax returns:

(a) to adopt the accrual method of accounting, if permitted by the Code, and to keep the Consortium's books and records in a manner consistent therewith;

(b) to elect to amortize the organizational expenses and the start-up expenditures of the Consortium ratably over a period of thirty-six (36) months;

(c) if so requested by any Member and consented to by the other Member(s), an election under Section 754 of the Code to adjust the basis of the Consortium's property in the circumstances described therein; and

(d) any other election not inconsistent with this Agreement that the Tax Matters Member may deem appropriate and in the best interests of the Members.

Neither the Consortium nor any Member may make an election for the Consortium to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state law.

SECTION 3.8 TAX ALLOCATIONS; CODE SECTION 704(C).

(a) The Consortium shall adopt and use any method permitted by the Regulations under Code Section 704(c) as determined by the Management Committee. Allocations pursuant to this Section 3.8 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement.

(b) Except as otherwise provided in this Agreement, all items of Consortium income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided equally among the Members in the same proportions as the Percentage Interest for the Fiscal Year.

SECTION 3.9 TAX MATTERS MEMBER. _____ shall be the tax matters partner (the "Tax Matters Member") of the Consortium pursuant to Section 6231(a)(7) of the Code. Such Member shall take such action as may be necessary to cause each other Member to become a notice partner within the meaning of Section 6223 of the Code. Such Member shall inform each other Member of all significant matters that may come to its attention in its capacity as Tax Matters Member by giving prompt notice thereof. The Consortium agrees to defend, indemnify and hold harmless the Tax Matters Member from and against all claims and damages relating to actions taken in good faith in discharging its responsibilities as Tax Matters Member. Notwithstanding the foregoing, all tax filings made by the Tax Matters Member shall be subject to the prior approval of the Management Committee, such approval not to be unreasonably withheld or delayed.

SECTION 3.10 REGULAR DISTRIBUTION POLICY.

(a) Subject to the priority repayment of contributions to secure passage of enabling legislation and startup expenses, the Consortium shall distribute all Distributable Cash to its Members. Notwithstanding anything to the contrary contained herein, the Consortium shall use its best efforts to distribute cash in an amount equal to at least sixty percent (60%) of Profits during each year (the "Tax Distribution"). Distributions shall be made at least quarterly. All funds distributed to the Members pursuant to this Section 3.10 shall be distributed to them equally.

(b) To the extent that the Management Committee approves any distribution that consists of property of a type or in a form other than cash, the types and forms of such property shall be allocated in an equitable manner among the Members entitled thereto, such that each Member shall, except for immaterial variances, receive the same type or form of property.

ARTICLE 4. MANAGEMENT

SECTION 4.1 GENERAL. Subject to the delegation of rights and powers provided herein, the Management Committee shall have the sole right to manage the business of the Consortium and shall have all powers and rights necessary, appropriate or advisable to effectuate and carry out the purposes and business of the Consortium. No Member, by reason of its status as such, shall have any authority to act for or bind the Consortium or otherwise take part in the management of the Consortium, but shall have only the right to vote on or approve the matters specifically provided herein or in the Delaware Act (or hereafter specified by the Management Committee) to be voted on or approved or determined by the Members.

SECTION 4.2 MANAGEMENT COMMITTEE COMPOSITION. The Management Committee shall consist of three (3) managers, one to be designated by the Morongo Band of Mission Indians and the other two to be designated by a majority vote of the Members casting ballots in a meeting called for that purpose. Each manager shall hold office until such manager's resignation, removal, death or incapacity.

[Alternative: if other tribes also contribute substantial sums, a five-member committee, one to be designated by Morongo, one each by the two tribes contributing the next largest amounts, and the remaining two to be elected from among the Members]

SECTION 4.3 TERM; REMOVAL; VACANCIES. Except for the manager designated by the Morongo Band of Mission Indians, who shall hold office at the pleasure of the Morongo Tribal Council, and except for resignation, death or incapacity, or as otherwise expressly provided herein, managers shall hold office until replaced by a majority vote of the Members casting ballots in a meeting called for that purpose. In the event a vacancy occurs for any reason in the Morongo Band's seat on the Management Committee, the Morongo Tribal Council shall promptly designate a replacement manager. In the event a vacancy occurs for any reason in one of the other seats on the Management Committee, a special meeting of the members shall be convened within 60 days of said vacancy for the purpose of electing a replacement manager.

SECTION 4.4 NOTICE; QUORUM. Meetings of the Management Committee may be called by any manager on five business days' prior written notice to all managers stating in general the purpose or purposes thereof; provided, however, that any manager may waive such notice prior to, at or after the meeting. The presence in person or by proxy of a majority of the managers shall constitute a quorum for the transaction of business at any meeting of the Management Committee. If at any meeting of the Management Committee a quorum is not present, a majority of the managers present in person or by proxy may, without further notice, adjourn the meeting from time to time until a quorum is obtained.

SECTION 4.5 VOTING. Each Manager shall be entitled to cast one vote on each matter considered by the Management Committee. Except as otherwise expressly provided by this Agreement, approval by at least two (2) Managers shall be required for all actions by the Management Committee.

(b) Any Manager may vote by written proxy or in person. Attendance at a meeting of the Managers by written proxy shall constitute attendance at the meeting.

(c) The following matters shall require, in addition to any other vote required by applicable Law or as otherwise provided for herein, the unanimous vote of the Members:

- (i) do any act, or fail to take any act, in contravention of this Agreement or the Ancillary Agreements;
- (ii) any merger, consolidation, conversion or other reorganization involving the Consortium, or the sale or other disposition of all, or substantially all of the Consortium's assets in one transaction or a series of related transactions;
- (iii) the admission of an additional Member more than 180 days after the Company commences commercial operations;
- (iv) any approval of transactions with any Member or any Affiliate of any Member and any amendment to, or waiver under or termination of, any agreement with any Member or any Affiliate of any Member;
- (v) approval of any of the following:
 - (A) any capital expenditures in excess of \$_____;
 - (B) the purchase, lease, license, sale or other acquisition or disposition of assets, in one transaction or series of related transactions in excess of \$_____ or assets which are otherwise material to the Consortium, other than in the ordinary course of business;
 - (C) borrowing from, lending or extending credit to or guaranteeing the obligations of any third party or pledging or encumbering any assets of the Consortium other than on customary trade terms entered into in the ordinary course of business;
 - (D) delegation of authority to manage any material aspect of the Consortium's business to any person except as provided in the Ancillary Agreements;
 - (E) voting any securities held by the Consortium;
 - (F) confess a judgment or settle, waive, release or initiate any claim, demand, action, suit, or other proceeding by or against

the Consortium except for collection actions taken against customers in the ordinary course of business;

- (G) acquisition of or investment in any corporation, partnership, or other entity or any interest in any joint venture or profit sharing agreement with any person;
- (H) voluntary commencement of any proceeding or the voluntary filing of any petition seeking relief under Title 11 of the United States Code, as amended from time to time, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, the consent to the institution of, or the failure to contest in a timely and appropriate manner, any involuntary proceeding or any involuntary filing of any petition of the type described in the immediately preceding clause, the application for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for it or for a substantial portion of its property or assets, the filing of an answer admitting the material allegations of a petition filed against it in any such proceeding, the making of a general assignment for the benefit of creditors, the admission in writing of its inability to, or the failure generally, to pay its debts as they become due, or the taking of any action for the purpose of effecting any of the foregoing;
- (I) any amendments, waivers or other changes to this Agreement, including any change in the objects or purposes of the Consortium or the scope of its activities; changes to the number of members of the Management Committee; and

- (vi) the winding up, dissolution or liquidation of the Consortium in a manner other than as contemplated by the terms of this Agreement.

(d) ~~Except~~ with respect to any matters set forth in Section 4.5(c)(i)-(iii) and (vi) ("Non-Arbitrable Decisions"), if the Management Committee is unable to take action regarding any matters because it is unable to obtain the vote of at least two (2) Managers (a "Deadlock"), any Manager may, by Notice to the other Managers, require that the matter be decided by a majority vote of the Members at a special meeting called for that purpose.

Comment [CF1]: Entire dispute resolution section needs to be replaced with a practical procedure to resolve disagreements.

SECTION 4.6 TELEPHONIC MEETING; WRITTEN CONSENTS.

(a) Any meeting of the Management Committee may be held by conference telephone or similar communication equipment so long as all Managers participating in the meeting can hear one another. All Managers participating by telephone or similar communication equipment shall be deemed to be present in person at the meeting.

(b) Any action to be taken by the Managers at a meeting of the Management Committee may be taken without such meeting by the written consent of at least two (2) [three, if there is a five-member Committee] Managers (or such higher number of Managers as is required take such action under the terms of this Agreement or applicable Law). Any such written consent may be executed and given by telecopy or similar electronic means and shall be filed with the minutes of the proceedings of the Management Committee. If any action is so taken by the Management Committee by the written consent of less than all of the Managers, prior notice of the taking of such action shall be furnished to each Manager, which notice shall include a copy of the proposed consent, as well as any other information provided by the Consortium to any Manager with such consent (provided that the effectiveness of such action shall not be impaired by any delay or failure to furnish such notice).

SECTION 4.7 COMMITTEES OF THE MANAGEMENT COMMITTEE; OFFICERS.

(a) The Managers may, by resolution, delegate any of the Management Committee's powers to one or more committees of the Management Committee, each consisting of one or more Managers (other than the power to take the actions specified in Section 4.5(c)). The Management Committee, by resolution, may adopt further procedures relating to the conduct of business by any of the committees established by it.

(b) Subject to the provisions hereof, the day-to-day management and operation of the Consortium and its business shall be the responsibility of the officers of the Consortium, subject to the supervision and control of the Management Committee. The officers shall, subject to the supervision and control of the Management Committee, exercise all powers necessary and convenient for the purposes of the Consortium, on behalf and in the name of the Consortium; provided that, no officer shall have the authority to take any action which require approval by the Management Committee or Members under Section 4.5 or under any other provision of this Agreement or future resolution of the Management Committee.

(c) ~~The~~ officers of the Consortium shall be chosen by the Management Committee as set forth below and shall include a Chairman of the Management Committee, a President/CEO, two Vice Presidents, a Secretary and a Chief Financial Officer. The Management Committee may also choose such additional officers as it deems necessary. Any number of offices may be held by the same person, unless otherwise prohibited by law. The officers of the Consortium need not be Members of the Consortium nor, except in the case of the Chairman of the Management Committee, need such officers be Managers of the Consortium. The salaries or other compensation, if any, of the officers and agents of the Consortium shall be fixed from time to time by the Management Committee, subject to any employment contracts with such officers.

Comment (GF2): This structure probably can be greatly simplified.

(d) Any officer elected by the Management Committee may be terminated and removed at any time, with or without cause, by the affirmative vote of a majority of the Management Committee or upon the incapacity of such officer, subject to any employment contracts with such officers.

(e) Any officer of the Consortium may be removed with or without cause by the vote of any two (2) members of the Management Committee, acting in their sole discretion.

(f) Duties of the Officers.

(i) Chairman of the Management Committee. The Chairman of the Management Committee, if there be one, shall preside at all meetings of the Members and of the Management Committee. During the absence or disability of the President, the Chairman of the Management Committee shall exercise all the powers and discharge all the duties of the President. The Chairman of the Management Committee shall also perform such other duties and may exercise such other powers as may from time to time be assigned by this Agreement or by the Management Committee.

(ii) President. The President shall, subject to the control of the Management Committee, have general supervision of the business of the Consortium and shall see that all orders and resolutions of the Management Committee are carried into effect. The President or, when authorized by this Agreement, the Management Committee or the President, the other officers of the Consortium shall execute all bonds, mortgages, contracts, documents and other instruments of the Consortium. In the absence or disability of the Chairman of the Management Committee, or if there be none, the President, shall preside at all meetings of the Members and the Management Committee. Unless the Management Committee shall otherwise designate, the President shall be the Chief Executive Officer of the Consortium. The President shall also perform such other duties and may exercise such other powers as may from time to time be assigned to such officer by this Agreement or by the Management Committee. The President shall perform his or her duties as a Manager in good

faith with utmost loyalty to the Consortium, in a manner he or she reasonably believes to be in the best interests of the Consortium, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

- (iii) Vice Presidents. At the request of the President or in the President's absence or in the event of the President's inability or refusal to act (and if there be no Chairman of the Management Committee), the Vice Presidents (in the order designated by the Management Committee), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Each Vice President shall perform such other duties and have such other powers and duties as the Management Committee, the Chairman of the Management Committee or the President from time to time may prescribe. Each Vice President shall act under the supervision of the President. If there be no Chairman of the Management Committee and no Vice President, the Management Committee shall designate the officer of the Consortium who, in the absence of the President or in the event of the inability or refusal of the President to act, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.
- (iv) Secretary. The Secretary shall attend all meetings of the Management Committee and all meetings of Members and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for committees of the Management Committee when required. The Secretary shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Management Committee, and shall perform such other duties as may be prescribed by the Management Committee, the Chairman of the Management Committee or the President, under whose supervision the Secretary shall act. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the Members and special meetings of the Management Committee, and if there be no Assistant Secretary, then either the Management Committee or the President may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Consortium, if any, and the Secretary or any Assistant Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Secretary may give general authority to any other officer to affix the seal of the Consortium and to attest to the affixing by such officer's signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.
- (v) Chief Financial Officer. The Chief Financial Officer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Consortium and shall deposit all moneys and other valuable effects in the name and to the credit of the Consortium in such depositories as may be designated by the Management Committee. The Chief Financial Officer shall disburse the funds of the Consortium as may be ordered by the Management Committee, taking proper vouchers for such disbursements, and shall render to the President and the Management Committee, at its regular meetings, or when the Management Committee so requires, an account of all transactions as Chief Financial Officer and of the financial condition of the Consortium. If required by the Management Committee, the Chief Financial Officer shall give the Consortium a bond in such sum and with such surety or sureties as shall be satisfactory to the

Management Committee for the faithful performance of the duties of the office of the Chief Financial Officer and for the restoration to the Consortium, in case of the Chief Financial Officer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the Chief Financial Officer's possession or under the Chief Financial Officer's control belonging to the Consortium.

- (vi) Assistant Secretaries. Assistant Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Management Committee, the President, any Vice President, if there be one, or the Secretary, and in the absence of the Secretary or in the event of the Secretary's disability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.
- (vii) Assistant Chief Financial Officers. Assistant Chief Financial Officers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Management Committee, the President, any Vice President, if there be one, or the Chief Financial Officers, and in the absence of the Chief Financial Officers or in the event of the Chief Financial Officer's disability or refusal to act, shall perform the duties of the Chief Financial Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Financial Officer. If required by the Management Committee, an Assistant Chief Financial Officer shall give the Consortium a bond in such sum and with such surety or sureties as shall be satisfactory to the Management Committee for the faithful performance of the duties of the office of Assistant Chief Financial Officer and for the restoration to the Consortium, in case of the Assistant Chief Financial Officer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the Assistant Chief Financial Officer's possession or under the Assistant Chief Financial Officer's control belonging to the Consortium.
- (viii) Other Officers. Such other officers as the Management Committee may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Management Committee, the Chairman of the Management Committee or the President. The Management Committee may delegate to any other officer of the Consortium the power to choose such other officers and to prescribe their respective duties and powers.

SECTION 4.8 EXECUTION OF DOCUMENTS. No Manager (acting solely in his capacity as such) shall have any authority to bind the Consortium to any third party with respect to any action except pursuant to a Management Committee resolution authorizing such action and no officer shall have authority to bind the Consortium to any third party with respect to any action which requires approval of the Management Committee or the Members hereunder. Subject to the foregoing, any manager or officer of the Consortium, or any other persons specifically authorized by the Management Committee may execute any contract or other agreement or document on behalf of the Consortium and may execute on behalf of the Consortium and file with the Secretary of State of the State of Delaware any certificates or filings provided for in the Delaware Act. The filing of the Certificate of Formation with the Secretary of State of the State of Delaware by the authorized person therein specified is hereby ratified and confirmed. Notwithstanding anything to the contrary contained herein, all agreements, contracts, commitments must be executed by two officers of the Consortium including one nominated by each of the Members.

SECTION 4.9 RELIANCE ON DOCUMENTS AND REPORTS. A Manager shall be fully protected in relying in good faith upon the records of the Consortium and upon such information, opinions, reports or statements presented to the Consortium by any of its other managers, members, officers, employees or committees, or by any other person, as to matters the Manager reasonably believes are within such other person's professional or

expert competence and who has been selected with reasonable care by or on behalf of the Consortium (including, without limitation, information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, or losses of the Consortium or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid). In addition, the Managers may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisors selected by them, and reliance upon any opinion of any such person as to matters which the Managers reasonably believe to be within such person's professional or expert competence shall be full and complete protection in respect of any action taken or suffered or omitted by the managers hereunder in good faith and in accordance with such opinion.

SECTION 4.10 STANDARD OF CARE; EXCLUSIVITY RELATING TO INTERNET CONTROLLED GAME OPPORTUNITIES, INDEMNIFICATION. (a) The Managers shall devote such time to the Consortium business as they deem reasonably necessary in furtherance of, and shall exercise their best judgment in all matters relating to, the Consortium's business. However, except as provided in this Section 4.10(a) (*i.e.*, except for gross negligence fraud, bad faith, breach of this agreement or criminal conduct), no Member or Manager shall have liability to the Consortium or to the Members for any failure or misfeasance on the part of such Member or Manager or whatsoever including, without limit, a failure or misfeasance with respect to any Member's or Manager's obligations under this Agreement. Without limiting the generality of the foregoing, the Consortium recognizes that innumerable decisions will have to be made by the Members and the Managers during the term of the Consortium which will require the Members and the Manager to exercise broad discretion. Accordingly, each of the Members hereby waives its right to institute any legal proceeding of any kind whatsoever against another Member or a Manager for any action taken by, or any omission of, a Member or Manager in its capacity as a Member or Manager in the Consortium, except for gross negligence, bad faith, fraud, breach of this agreement or criminal conduct. Each of the Members understands that the other Members or their affiliates (including their designees to the Management Committee) may be interested, directly or indirectly, in various other businesses and undertakings including those in competition with the Consortium. The Members hereby agree that the creation of the Consortium and the assumption by each of the Members of its duties hereunder shall be without prejudice to its rights (or the rights of its affiliates) to have such other interests and activities and to receive and enjoy profits or compensation therefrom, and each Member waives any rights it might otherwise have to, by reason of any duty otherwise owed to the Consortium or its Members, prevent or share or participate in such other interests or activities of the other Member or the other Member's affiliates. The Members and their affiliates may engage in or possess any interest in any other business venture of any nature or description independently or with others, including, but not limited to, the ownership, financing, leasing, operation, management, of gaming facilities, and neither the Consortium nor any other Member shall have the right by virtue of this Agreement or otherwise to prevent or participate in any such venture or the income or profits derived therefrom, except that any and all opportunities to acquire, own, develop, operate and/or manage projects in the Internet gaming industry in California relating to Poker ("California Poker Internet Gaming Opportunities") shall belong exclusively to the Consortium and the Members shall owe the Consortium a fiduciary duty with respect to California Poker Internet Gaming Opportunities. The Members each agree for themselves and their respective affiliates and for each of their respective members (and each Member agrees to obtain the agreement of each of their members), not to directly or indirectly engage, finance or invest in, independently or with others, any California Poker Internet Gaming Opportunities, unless and until the Consortium, by unanimous vote of the Members has elected not to pursue such California Poker Internet Gaming Opportunities and has approved the pursuit of such California Poker Internet Gaming Opportunities by any of the Members (or their affiliates or any member of a member) for their own account; provided, that a vote of the Members shall be held within fifteen (15) days after receipt by the Members of all information related to such California Poker Internet Gaming Opportunity from the Member presenting the California Poker Internet Gaming Opportunity to the Consortium. It is understood and acknowledged that any election by the Members to pursue such opportunity must include the obligation by the Members to contribute, on a pro-rata basis, all equity required for the pursuit of the opportunity. Notwithstanding the foregoing, nothing herein shall preclude any Manager or Member from pursuing opportunities to engage in class iii gaming on the internet under the authority of a compact with the State of California or procedures authorized by the secretary of the interior pursuant to the Indian Gaming Regulatory Act of 1988, 25 U.S.C.. §2701, *et seq.*

(a) Each Manager shall, and each officer at the discretion of the Management Committee may (as so indemnified, an "Indemnitee") be indemnified and held harmless by the Consortium from and against any and all losses, claims, damages, liabilities, expenses (including legal fees and disbursements), judgments, fines, settlements and all other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Indemnitee may be involved, or threatened to be involved, as a party or

otherwise by reason of his status as a Manager or officer, or his management of the affairs of the Consortium, or which relate to the Consortium, its property, business or affairs, whether or not the Indemnitee continues to be a Manager or officer at the time any such liability or expense is paid or incurred, if the Indemnitee (i) acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Consortium and, (ii) with respect to any criminal proceeding, had no reasonable cause to believe his conduct to be unlawful; provided however, that no Indemnitee shall be entitled to indemnification if it shall be finally determined that such Indemnitee's act or omission constituted willful misconduct or gross negligence. Expenses (including legal fees and disbursements) incurred in defending any proceeding shall be paid by the Consortium in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the Indemnitee to repay such amount if it is ultimately determined by a court of competent jurisdiction that the Indemnitee is not entitled to be indemnified by the Consortium as authorized hereunder.

SECTION 4.11 MEMBER ACTION. In the event that any matter is required to be submitted to the Members for their approval under the terms of this Agreement or the Delaware Act, the following provisions shall apply:

(a) The Members may vote on any such matter at a meeting to be held at such time and place as shall be designated by the Management Committee. Any meeting of the Members may be held by conference telephone or similar communication equipment so long as all Members participating in the meeting can hear one another. All Members participating by telephone or similar communication equipment shall be deemed to be present in person at the meeting. Members shall be given at least three Business Days' prior notice of any meeting; provided that any Member may waive such notice prior to, at or after the meeting. The notice shall specify the place, date and hour of the meeting and the general nature of the business to be transacted. Every Member entitled to vote or act on any matter at a meeting of Members shall have the right to do so either in person or by proxy.

(b) Each Member shall be entitled to one vote. At any meeting of Members, the presence in person or by proxy of more than 50% of the Members shall constitute a quorum for the transaction of business. Except as otherwise required by this Agreement or applicable Law, the affirmative vote of Members having the right to cast more than 50% of the votes present at a meeting of Members at which a quorum is present is required to approve any action requiring the Members' approval at such meeting.

(c) Any action that may be taken at any meeting of Members may be taken without a meeting and without prior notice if a consent in writing setting forth the action so taken is signed by all Members. Any such written consent may be executed and given by teletype or similar electronic means and such consents shall be filed with the minutes of the proceedings of the Members.

ARTICLE 5. ACCOUNTING, BOOKS AND RECORDS

SECTION 5.1 FISCAL YEAR. The fiscal year of the Consortium shall be January 1 —
December 31.

SECTION 5.2 BOOKS AND RECORDS. The Consortium shall keep at its principal executive offices books and records typically maintained by persons engaged in similar businesses and which shall set forth a true and complete account of the Consortium business and affairs of the Consortium in all material respects. Such books and records shall be kept in accordance with GAAP in a manner reasonably designed to provide such information as well as permit preparation by Members of their federal and state tax returns. Each of the Members and their respective authorized representatives shall have the right, at all reasonable times and upon reasonable advance written notice to the Consortium, at such Member's expense, to inspect, audit and copy the books and records of the Consortium for any purpose reasonably related to the Member's interests as a Member of the Consortium. A Member requesting any such access to books and records shall reimburse the Consortium, as the case may be, for any costs reasonably incurred by it in connection therewith.

SECTION 5.3 AUDITORS. The financial records of the consortium shall be audited annually at the expense of the Consortium. The CPA firm of the Consortium shall be a reputable independent CPA firm chosen by the Management Committee from time to time.

SECTION 5.4 REPORTING. The Consortium shall use deliver to each Member (i) prior to each fiscal quarter, a quarterly forecast of the results of operations of the Consortium for such quarter, and, as soon as practicable, any material changes to such forecast; (ii) within 15 days after the close of each fiscal quarter, estimated financial statements for the Consortium; (iii) within 30 days after the close of each fiscal quarter, an unaudited balance sheet, statement of income and statement of cash flows for the consortium, together with the notes related thereto; and (iv) within 60 days after the close of each fiscal year, an audited balance sheet, statement of income and statement of cash flows for the Consortium for such fiscal year, together with the notes related thereto. The Members acknowledge and agree that the Members shall have no recourse against the Consortium or each other in the event the forecast is incorrect and that no Member shall be entitled to rely on such forecast for any purpose.

SECTION 5.5 BANKING. All funds of the Consortium received from any and all sources shall be deposited in the Consortium's name in such separate checking or other such accounts as shall be determined by the Management Committee. In connection with the maintenance of such bank accounts, the Management Committee shall designate those individuals who will have authority to write checks or otherwise disburse funds from such bank accounts on behalf of the Consortium in connection with its activities. Notwithstanding anything to the contrary contained herein, all checks or other disbursements or distributions by the Consortium shall require the signatures of two officers of the Consortium.

SECTION 5.6 TAX RETURN INFORMATION. The Consortium shall prepare all federal, foreign, state and local income tax returns that the Consortium is required to file. Within 120 days following the close of each fiscal year, the Consortium shall send or deliver to each person that was a Member at any time during such year such tax information as shall reasonably be required for the preparation by such person of its federal, foreign, state and local income and other income tax returns.

ARTICLE 6. TRANSFER OF UNITS

SECTION 6.1 GENERAL. No Member will directly or indirectly (i) sell, assign, pledge, encumber, hypothecate, dispose of or otherwise transfer (collectively, "transfer") any units, or any interest in any units or (ii) agree to any such transfer.

ARTICLE 7. DISSOLUTION AND WINDING UP

SECTION 7.1 DISSOLUTION. The Consortium shall be dissolved and its affairs wound up and its affairs terminated, upon the first to occur of the following:

- (a) the unanimous consent of all Members to dissolve the Consortium, it being expressly understood that Section 18-801(a) (3) of the Delaware Act shall not apply to the Consortium;
- (b) the sale or other disposition of all or substantially all of the assets of the Consortium in one transaction or a series of related transactions;
- (c) the occurrence of an event causing a dissolution of the Consortium under Section 18-801(a) (4) of the Delaware Act, unless the Consortium is continued as permitted under the Delaware Act.

Each of the Members irrevocably waives any right to seek judicial dissolution under the Delaware Act or otherwise or to seek the appointment by a court of a liquidator for the Consortium.

SECTION 7.2 WINDING UP. If the Consortium is dissolved pursuant to SECTION 7.1, this Agreement shall remain in full force and effect and shall continue to govern the rights and obligations of the Members and Managers and the conduct of the Consortium during the period of winding up the Consortium's affairs. The Management Committee shall apply and distribute the assets of the Consortium in the following order of priority otherwise required by mandatory provisions of applicable law:

(a) to other creditors, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of the liabilities of the Consortium (whether by payment, by the establishment of reserves of cash or other assets of the Consortium for contingent liabilities in amounts, if any, determined by the Management Committee to be appropriate for such purposes or by other reasonable provision for payment), other than liabilities for distributions to Members and former Members under Sections 18-601 or 18-604 of the Delaware Act;

(b) to Members and former Members in satisfaction of liabilities for distributions under 18-601 or 18-604 of the Delaware Act; and

(c) thereafter equally to all Members.

ARTICLE 8. CERTIFICATES EVIDENCING UNITS

SECTION 8.1 CERTIFICATES. The units owned by each Member shall be evidenced by one or more certificates. Each certificate shall be executed by such Managers or such officers of the Consortium as the Management Committee shall designate.

SECTION 8.2 REGISTER. The Consortium shall keep or cause to be kept a register in which, subject to such regulations as the Management Committee may adopt, the Consortium will provide for the registration of units.

SECTION 8.3 NEW CERTIFICATES. The Consortium shall issue a new certificate in place of any certificate previously issued if the record holder of the certificate makes proof by affidavit, in form and substance satisfactory to the Management Committee, that a previously issued certificate has been lost, destroyed or stolen. (ii) if requested by the Management Committee, delivers to the consortium a bond, in form and substance satisfactory to the Management Committee, with such surety or sureties and with fixed or open liability as the Management Committee may direct, to indemnify the consortium, as registrar, against any claim that may be made on account of the alleged loss, destruction or theft of the certificate, and (iii) satisfies any other reasonable requirements imposed by the Management Committee.

SECTION 8.4 INTEREST AS A SECURITY. A unit in the consortium evidenced by a certificate shall constitute a security for all purposes of Article 8 of the Uniform Commercial Code promulgated by the National Conference of Commissioners on uniform state laws, as in effect in Delaware or any other applicable jurisdiction. Delaware law shall constitute the local law of the Consortium's jurisdiction in its capacity as the issuer of units.

SECTION 8.5 LEGENDS. A copy of this Agreement shall be kept with the records of the Consortium. Each of the Members hereby agrees that each outstanding certificate shall bear a conspicuous legend reading substantially as follows:

"The Unit represented by this Certificate has not been registered under the Securities Act of 1933 or applicable state and other securities laws and may not be sold, pledged, hypothecated, encumbered, disposed of or otherwise transferred without compliance with the Securities Act of 1933 or any exemption thereunder and applicable state and other securities laws. The Unit represented by this Certificate is subject to the restrictions on transfer and other provisions of an Operating Agreement dated as of _____, 2009 (as amended from time to time, the "Agreement") by and among Consortium and its Members, and may not be sold, pledged, hypothecated, encumbered, disposed of or otherwise transferred. A copy of the Agreement is on file at the principal executive offices of the Consortium."

ARTICLE 9. MISCELLANEOUS

SECTION 9.1 NOTICES. All notices and other communications required or permitted by this Agreement shall be in writing and shall be delivered by personal delivery, by nationally recognized overnight courier service, by facsimile, or by first class mail, addressed, to any Member at its address as set forth on Schedule 1 (as the

same may be updated from time to time at the direction of such Member) or to the Consortium at the address set forth above (or to such other address as the Consortium shall have designated to each of the Members by written notice given in the manner hereinabove set forth). Notices shall be deemed given on the first business day after deposit with an overnight courier on which the courier will guarantee delivery; when delivered and received for, if hand delivered; or when received, if sent by facsimile or other electronic means or by first class mail.

SECTION 9.2 AMENDMENT; WAIVER. Any provision of this Agreement may, (i) in the case of an amendment, be amended if, and only if, such amendment is in writing and signed by each Member, or (ii) in the case of a waiver, be waived if such waiver is contained in writing, and signed by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single exercise thereof preclude any other or further exercise thereof or of any other right, power or privilege. except as otherwise provided rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.3 ASSIGNMENT. Except as otherwise expressly provided herein, no party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other parties hereto.

SECTION 9.4 ENTIRE AGREEMENT. This Agreement and the schedules and exhibits hereto contain the entire agreement among the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters.

SECTION 9.5 PUBLIC DISCLOSURE. Each Member hereby agrees that, except as may be required to comply with the requirements of any applicable laws or the rules and regulations of any exchange upon which its securities (or the securities of one of its affiliates) are traded, it shall not make or permit to be made any press release or similar public announcement or communication concerning the execution or performance of this Agreement unless specifically approved in advance by all parties hereto, which approval shall not be unreasonably withheld, conditioned or delayed. In the event that, in the absence of such approval, legal counsel for any party is of the opinion that a press release or similar public announcement or communication is required by law or by the rules and regulations of any exchange on which such party's securities (or the securities of one of its affiliates) are traded, then such party may issue a public announcement limited solely to that which legal counsel for such party advises is required under such law or such rules and regulations (and the party making any such announcement shall provide a copy thereof to the other parties for review before issuing such announcement).

SECTION 9.6 PARTIES IN INTEREST. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the Consortium, the Member or their respective successors or permitted assigns, any rights or remedies under or by reason of this Agreement. The Consortium is executing this Agreement as a party, and this Agreement shall constitute a contract among the Members and between the Consortium and each of the Members.

SECTION 9.7 GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Delaware without giving effect to any choice of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware. Each of the parties agrees that any legal action between the parties, or any of them, relating to this Agreement, the interpretation of the terms hereof or the performance hereof or the consummation of the transactions contemplated hereby, whether in tort or contract or at law or in equity, shall exclusively be brought in a federal or state court located in Los Angeles County, California, having jurisdiction of the subject matter thereof, and each party irrevocably (i) consents to personal jurisdiction in any such federal or state court, (ii) waives any objection to laying venue in any such action or proceeding in any such court, (iii) waives any immunity from suit and any objection that any such court is an inconvenient forum or does not have jurisdiction over any party hereto and (iv) agrees that service of complaint or other process may be made by in accordance with SECTION 9.1 of this agreement, addressed to such party at its address determined in accordance with SECTION 9.1 of this Agreement.

SECTION 9.8 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement.

SECTION 9.9 SEVERABILITY. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any person or any circumstance, is invalid or unenforceable (i) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (ii) the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

SECTION 9.10 EQUITABLE RELIEF. Each party acknowledges that money damages would be inadequate to protect against any actual or threatened breach of this agreement by any party and that each party shall be entitled to equitable relief, including specific performance and/or injunction, without posting bond or other security, in order to enforce or prevent any violations of the terms of this Agreement.

SECTION 9.11 NO AGENCY. This Agreement shall not constitute an appointment of any party as the agent of any other party, nor shall any party have any right or authority to assume, create or incur in any manner any obligation or other liability of any kind, express or implied, against, in the name or on behalf of, any other party.

SECTION 9.12 LIMITATION OF LIABILITY. The debts, obligations and liabilities of the Consortium, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Consortium, and no Member, Manager or Officer of the Consortium shall be obligated personally for any such debt, obligation or liability of the Consortium solely by reason of being a Member, Manager and/or Officer.

[Signatures on next page]