

July 24, 2002

Honorable Richard Milanovich
Chairman
Tribal Council
Agua Caliente Band of Cahuilla Indians
[REDACTED]
[REDACTED]

Dear Mr. Chairman,

By this letter, Scanlon Gould Public Affairs (Scanlon Gould) and the The Agua Caliente Band of Cahuilla Indians (the Tribe) hereby enter into an agreement for the provision of public affairs services as outlined in the proposal July 8, 2002. Both parties agree that the primary goal of Scanlon Gould is to execute public affairs and political strategies to ensure successful re-negotiation of the Tribe's gaming compact.

Scanlon Gould will execute its duties by employing its internal political team (full time employees) and reserves the right to sub-contract with external firms when necessary. As they are sub-contractors they will not represent an additional cost to the Tribe. Scanlon Gould will provide the names, and any contractual language, of the third party vendor at the time of its employment. Scanlon Gould will contact the Agua Caliente Gaming Commission to determine what if any licensing may be required as it pertains to California gaming law.

Scanlon Gould further agrees to provide monthly reports to the Tribal Council (via a designee of their choosing) describing the progress and expenditures associated with the campaign. In addition, Scanlon Gould agrees to seek and receive Tribal approval for any communication to be made public that contains the Tribe's name or can be attributed to the Tribe.

Under this agreement Scanlon Gould will provide the following:

Building of National Political Data Base/Organization: \$1,875,000.00

Includes acquisition and design of hardware and software on behalf of the Tribe, data matching, grassroots development, online applications and political modifications.

Timing: Effective Date - September 15. Scanlon Gould will provide to the client the entire political database complete with all electronic functions and general data lists, including state and federal elected officials and their contact information. This database will be delivered by September 15.

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Identification: \$845,000.00

Includes development comprehensive target lists, design and execution of survey instruments, anti-gaming cross referencing, all necessary cross matching, phone and mail costs, and field staff.

Timing: Effective Date - September 15. Scanlon Gould will deliver, as part of your political database, all political assets including your identified supporters, and any anti-gaming opposition. All data will be loaded into your electronic database and will be searchable by elected official, committee and political opinion. The database and phone scripts will be delivered by September 15 complete with any training that may be necessary. The database will include the data generated from your resource lists as well as data generated from Scanlon Gould survey instruments.

Research and Messaging: \$935,000.00

Scanlon Gould will conduct all necessary polling, both nationally and regionally. Tracking polls will be used when necessary. Scanlon Gould will also conduct all opposition research and issues research (qualitative research).

Timing: September 16 - October 15. Scanlon Gould will deliver, by October 15, its comprehensive research package as well all of its polling results to provide the Tribe with an overview of the campaign message(s).

Execution/Advocacy: \$1,745,000.00 - \$3,745,000.00

Scanlon Gould will execute tactics outlined in our presentation including, vendor letter writing campaign, employee phone banks, employee letter writing campaigns, and third party advocacy campaigns on an as needed basis and with the approval of the Chairman and Council.

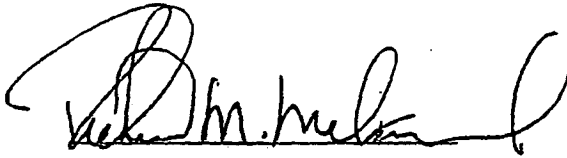
Timing: October 16 - March 1. The tribe will receive monthly reports outlining the results of our phone and letter-writing campaigns. In addition, Scanlon Gould will provide, in its monthly reports, copies of any and all correspondence generated to elected officials as part of the final phase.

For the above stated services Scanlon Gould will be paid a base line total \$5,400,000.00. In addition, the Tribe agrees to budget an additional \$2,000,000.00 for advocacy efforts should the compact renewal campaign become intensive. Scanlon Gould agrees to provide the tribal council with a recommendation on this budget authority no later than January 30, 2003. Scanlon Gould understands that the additional budget authority is subject to approval by the council and will be paid to Scanlon Gould directly.

Payments for services outlined in the agreement are due upon receipt of Scanlon Gould invoices. Either party may cancel this agreement with 30 days notice, however, given the nature of this campaign, payments for the first two phases (Organization and Identification \$2,720,000.00 total) are due in advance and are non-refundable. Scanlon Gould will provide monthly reports to the Tribal Council (via a designee of their choosing) describing the progress and expenditures associated with this phase. The remaining balance will be due based upon the progress of the campaign. Scanlon Gould will provide at least 20 days notice for final payment.

All materials generated by Scanlon Gould in the compact campaign are the permanent property of the tribe. All public affairs services provided by Scanlon Gould are strictly confidential. The Tribe will indemnify and hold harmless Scanlon Gould from all losses, liabilities and other costs actually incurred by Scanlon Gould regarding third parties in the performance of its authorized duties under this contract, to the extent that such losses, liabilities and costs are not the result of negligence or non-compliance with applicable law or other fault of Scanlon Gould. Furthermore, each party will be responsible for its own compliance with applicable law.

The undersigned agree to the terms and conditions outlined above.



Chairman Richard Milanovich

7/29/02

Date



Michael P. Scanlon

7/24/02

Date