

BARRONHAUS LTD.
43500 La Carmela Drive
Palm Desert, California 92111
Tel: (760) 568-4619
Fax: (760) 346-5686

May 27, 2003

*no evidence of
a revised or
executed contract*

Attn: Chairwoman
The Los Coyotes Band of Indians
P.O. Box 189
Warner Springs, California 92086

Chairwoman:

Pursuant to our recent conversations and to memorialize the prior verbal agreements between Barronhaus Ltd. ("Barronhaus") and The Los Coyotes Band of Indians, as well as its affiliates, sponsors and management agents (collectively the "Tribe") and recognize the services, negotiation and efforts already performed by Barronhaus with respect to procuring short term capital facilities and long term capital facilities ("Financing") to complete the development of gaming facilities whether temporary or permanent in structure (each a "Gaming Facility") in California and surrounding states and territories and for general working capital purposes. Based on the foregoing, Barronhaus would be pleased to act as the economic consultant to The Tribe to render the services as set forth herein (the "Agreement") in connection with the Financing for The Tribe.

SECTION 1. SERVICES TO BE RENDERED

Barronhaus, upon the execution of this Agreement, will provide the following services, on a best efforts basis, using such time as it may deem necessary and appropriate:

- (a) Assist The Tribe in the completion of a Financing which shall be provided through individuals and/or institutions known to Barronhaus, and/or affiliates of Barronhaus, or as introduced during the term hereof as set forth in Section 4, (collectively, "Proprietary Sources"), as Barronhaus may, in its opinion, deem preferable;
- (b) Consult as to strategy and tactics in concluding a Financing and/or a Transaction;
- (c) Such Financing may consist of either equity or convertible debt capital (collectively, "Equity") and/or non-equity capital (collectively "Non-Equity"), which latter category shall include all forms of debt, factoring, Government funding or grants, leasing, sale/leaseback transactions, discounting, purchase order financing, vendor financing, customer financing, financial guarantees, credit enhancements (including, but not limited to pledges of collateral assets), letters of credit, and other types of financial instruments. Financing as contemplated herein, may involve any combination of Equity and Non-Equity, and Financing may be brought about through a direct infusion or payment to or for the benefit of The Tribe; and
- (d) Render such other economic consulting services as may from time to time be agreed upon by The Tribe and Barronhaus.

SECTION 2. TIMING AND FEES

Barronhaus shall receive the following fees for its services:

The Los Coyotes Band of Indians

May 27, 1983

Page 2

- (a) A success fee (the "Success Fee") equal to three and one half percent (3.5%) of the aggregate Equity Financing contributed by each and every Proprietary Source, whenever the form of consideration, payable in cash, by wire transfer, simultaneous with such closing of a Financing or series of Financings;
- (b) A success fee (the "Success Fee") equal to three and one half percent (3.5%) of the aggregate Non-Equity Financing contributed by each and every Proprietary Source, whenever the form of consideration, payable in cash, by wire transfer, simultaneous with such closing of a Financing or series of Financings;
- (c) A royalty fee (the "Royalty Fee") equal to one and three fourths percent (1.75%) of the aggregate net gaming revenues from each Gaming Facility of The Tribe, payable in full in cash, by wire transfer, quarterly, commencing upon the first day of business of any Gaming Facility as contemplated herein and continuing for five years thereafter renewable at the option of the Tribe. Net Gaming Revenues shall be defined as "Net Win" less all gaming related operating expenses, excluding from the category of "expenses" (i) any Management Fee paid to a manager of the Gaming Facility, (ii) any "Supplemental Payments" received by the Tribe from proceeds of the Gaming Facility to local units of government or to the State of California, and (iii) any other consulting or royalty arrangements based on Net Gaming Revenues.

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The Tribe acknowledges that it has elected to retain Barronhaus based upon its representation and its unique abilities that Barronhaus possesses, as perceived by the Tribe. The Tribe understands that Barronhaus cannot make any promise, guarantee, or other assurance about the ultimate outcome of the financing. Any fee arrangement that is agreed upon herein is based on a flat fee for due-diligence with a success fee percentage. Tribe further acknowledges and agrees that Barronhaus does not base its fee structure on any hourly compensation, and no such itemized accounting shall be kept, unless the Tribe should require such accounting to be made.

Barronhaus shall not have any ownership participation in any management company for a Gaming Facility nor participate in the daily operations thereof and, further provided, that any fees for services rendered herein shall be governed by 25 U.S.C. §2710(b)(2)(B) of the Indian Gaming Regulatory Act ("IGRA") or any related provisions of federal law to promote tribal and economic development as the economic consultant for the Tribe.

The Tribe hereby authorizes and instructs each Proprietary Source, to compute, withhold and remit directly to The Tribe the full amount of all compensation due from The Tribe to Barronhaus pursuant to the preceding paragraphs.

SECTION 3. OUT-OF-POCKET EXPENSES

The Tribe agrees to reimburse Barronhaus, on a monthly basis, for its reasonable, out-of-pocket expenses resulting from, but not limited to, travel, entertainment (approved), telephone, postage, computer time, word processing and printing incurred in connection with Barronhaus's engagement hereunder.

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SECTION 4. EXCLUSIVE ARRANGEMENT

In order to coordinate efforts to effect a Financing or a Transaction satisfactory to the Tribe during the engagement hereunder, the Tribe agrees during the term of this Agreement not to initiate any contacts or discussions with prospective investors except through or together with Barronhaus. Furthermore, the Tribe agrees to notify Barronhaus promptly of any existing or new contacts with any such prospective investors. It is understood that Barronhaus shall receive its fees as set forth in Section 2 hereof for any Financing or Transaction completed by a Proprietary Source or Identified by either party during the term of this Agreement.

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clearly cover
request for
proposal
process

SECTION 5. INDEMNIFICATION

what if
identified by
neither party?

Each Party hereby agrees to indemnify and hold harmless the other Party or any of such affiliates and the directors, officers, agents and employees of such other Party and of such affiliates or any such person (all of the foregoing being referred to herein as "Indemnified Parties") from and against any losses, claims, damages or liabilities, joint or several, (or actions in respect thereof) to which such Indemnified Party may become subject related to or arising out of (i) any Financing or Transaction or the engagement of Barronhaus under this Agreement or (ii) Barronhaus's activities in connection therewith, and will reimburse each Indemnified Party for all expenses (including reasonable counsel fees and expenses) as they are incurred by each Indemnified Party in connection with investigating, preparing or defending any such action or claim, whether or not in connection with pending or threatened litigation in which such Indemnified Party is a party. The Parties will not, however, be responsible under the foregoing indemnification for any losses, claims, damages, liabilities or expenses which are found in a final judgment by a court to have resulted primarily from the other Party's bad faith or gross negligence. The parties hereto also agree that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the other Party for or in connection with such engagement except for any such liability for losses, claims, damages, liabilities or expenses incurred by the other Party which are found in a final judgment by a court to have resulted primarily from bad faith or gross negligence.

SECTION 6. CONFIDENTIALITY

All information exchanged between the parties hereto or obtained with respect to any negotiations for a Gaming Facility or the Financing thereof shall be kept strictly confidential and no press, general, industry or publicity release shall be issued with respect to this Agreement or a Financing without the prior written consent of the parties hereto. All information heretofore or hereafter furnished by each of the parties to the other, shall be deemed confidential and shall be kept in strict confidence under appropriate safeguards. The term information, as used herein, does not include any information which (i) as shown by written records, was lawfully in the other parties possession prior to any disclosure, provided that the source of such information was not bound by a confidentiality agreement with the other party in respect thereof, or (ii) is generally available in the public other than as a result of disclosure by the other party, its agents, its representatives or others acting on their behalf.

Without the other Party's prior written consent, each Party hereto will not, directly or indirectly: (i) disclose or reveal any information to any persons, firms or entities except to a limited group of directors, officers, employees, attorneys or other advisors who are actively and directly participating in the

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The Las Coyotas Band of Indians
May 27, 2023

Page 4

evaluation of materials (collectively, your "Representatives"), each of whom shall be informed of the confidential nature of the information and provided with a copy of this Agreement and agree in writing to observe the same terms and conditions set forth herein as if specifically named a party hereto; (ii) use the information in any way detrimental to the other Party; and (iii) except as may be required by law or judicial process, disclose to any person or entity the terms, conditions or other facts with respect to the other (including the existence and terms thereof) or the information has been made available to the other Party. In any event, each Party shall be responsible for any disclosure of the information by its Representatives other than pursuant to the terms and subject to the conditions of this Agreement.

All information developed during the term hereof shall be the property of the Tribe. Upon payment of services rendered and materials necessary to develop and produce each such item Baronchans shall deliver such documents to the Tribe at the completion of each Financing or Gaming Facility, as the case may be, or upon termination of this Agreement.

The Tribe hereby agrees to a standard tobacco advertisement at its reasonable expense which sets forth Baronchans' role as Financial Advisor to the Tribe.

SECTION 7. GOVERNANCE

This Agreement shall be enforced and governed by the laws of the State of California, and the applicable Federal Laws of the United States.

SECTION 8. DISPUTE RESOLUTION

The parties hereto agree to submit any unsettled dispute arising herefrom to binding arbitration in accordance with the Commercial Rules of Arbitration under and through the American Arbitration Association then in effect. Both Parties consent to the jurisdiction of the arbitration forum and to the jurisdiction of any court of competent jurisdiction with respect to any dispute with the Tribe, and waive any objections thereto with any claim to immunity therefrom, including implementing, confirming or enforcing of actions and orders necessary to effectuate arbitration and any orders awards or judgments therefrom. In the event arbitration is not or cannot be held for any reason, the parties hereto agree any action to enforce this Agreement shall be filed and maintained in any court of competent jurisdiction and Baronchans and the Tribe mutually consent to the jurisdiction and all applicable courts of appeal and each waive any and all immunity from suit and consents to be sued (including, but not limited to, the waiver of Sovereign Immunity) in connection with projects that are developed pursuant to this Agreement. For purposes of this Agreement, a "court of competent jurisdiction" shall be limited to federal or state court, no Tribal court or proceedings or exhaustion of Tribal remedies shall be required.

Too broad
must limit
damages

Clarity This
waiver of
Sovereign
immunity

SECTION 9. SEVERABILITY

If any provision of this Agreement is held by any authority of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall be of no force and effect, but the illegality, invalidity or unenforceability shall have no effect upon and shall not impair the enforceability of any other provision hereof.

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SECTION 10. RIGHT OF FIRST REFUSAL

Upon completion of a Financing as set forth herein, Barronhaus shall have the right of first refusal to participate, either exclusively or as a co-participant, at Barronhaus's sole discretion, in any subsequent financing of a Gaming Facility that The Tribe may seek.

SECTION 11. COUNTERPARTS

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, and each party thereto may become a party hereto by executing a counterpart hereof. This Agreement and any counterpart so executed shall be deemed one and the same instrument.

SECTION 12. TERM OF AGREEMENT

This Agreement shall extend for three (3) years following its execution and shall extend automatically thereafter unless terminated by either party upon 30 days prior written notice. If The Tribe has not received a term sheet from an investor or Proprietary Source within 120 days of the execution of this Agreement, it will have the right to terminate this Agreement on the 150th day. Termination shall remove any liability on either party except for compensation earned or expenses incurred by Barronhaus up to the date of termination, and except as qualified below. Neither termination of this Agreement nor completion of the assignment contemplated hereby shall affect the provisions of Sections 2, 3, 4, 5, 6, 7, 8, 9, 10 and 12. In the event that within twelve (12) months following the termination of this Agreement, a Financing or Transaction is consummated with any investor or Proprietary Source, or discussions take place with a party identified during the term of this Agreement which result in one or more financing(s) or a Transaction, or within twelve (12) months from the date of a Financing or a Transaction the Tribe receives an increase in commitment, Barronhaus shall be entitled to fees as described under Section 2 hereof and expenses upon consummation of any such Financing or increase in commitment as if this Agreement had not been terminated.

*
This is a
month to
month
contract
with a
12-month
clawback.

Upon the successful completion of a Financing, this Agreement shall be extended for a period of five (5) years with respect to additional Gaming Facilities of the Tribe provided, however, that the fees due pursuant to Sections 2(a), 2(b) and 2(c) hereof for Success Fee and a Royalty Fee shall then be equal to three and one half percent (3.5%) of the Financing or aggregate Net Gaming Revenues, respectively, from each additional Gaming Facility of The Tribe, payable in full in cash, by wire transfer, quarterly, commencing upon the first day of business of any additional Gaming Facility.

SECTION 13. BINDING AND ENTIRE AGREEMENT

This Agreement constitutes a binding agreement among the parties and shall not be assigned, transferred or otherwise conveyed to any other party without the express written and duly executed consent of the other party hereto. This Agreement represents the entire agreement of the parties and supersedes all negotiations or previous agreements between the parties with respect to the development of Gaming Facilities.

* AAJCR
ISSUE :

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AND SECURITIES
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WITHOUT INCURRING
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The Los Coyotes Band of Indians
May 27, 2003
Page 6

SECTION 14. SURVIVAL

The confidentiality, compensation and other restrictions or obligations imposed on each party hereunder shall remain in full force and effect unless the other party releases it in writing from the applicability of this Agreement.

SECTION 15. INDEPENDENCE AND OUTSIDE CONTRACTING

Barronhaus will act as an independent contractor responsible for all taxes, whether federal, state or local and any insurances, social security, unemployment or license fees arising out of this Agreement as well as those that may be employed or subcontracted by Barronhaus.

The Tribe may from time to time require Barronhaus to arrange for services of others for which the Tribe will pay all costs. Barronhaus at no time will employ others without the prior written consent of the Tribe for work on any tribal project.

SECTION 16. NOTICES

To the Tribe:
The Los Coyotes Band of Indians
P.O. Box 159
Warner Springs, California 92086
(317) 787-8578

To Barronhaus:
43800 La Carmela Drive
Palm Desert, California 92211
Tel: (760) 563-0619

SECTION 17. AMENDMENTS

This Agreement may be amended, waived or modified only in writing, duly executed by the parties herein.

A listing of the Proprietary Sources referred to The Tribe as of the date of this Agreement follows as Attachment "A". The Tribe recognizes that, as a matter of business of determining potential Bridge Financings, Franchises or Transactions to consummate, the Attachment "A" will be updated periodically and mutually agreed to in writing by the parties herein.

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CLD
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The Los Coyotes Band of Indians

May 27, 2003

Page 7

Barronhaus is very pleased to have the opportunity to work with The Tribe as its economic consultant. Please confirm that the foregoing sets forth our agreement by executing and returning the duplicate copy of this Agreement. We look forward to the successful conclusion of this engagement and a profitable long-term relationship.

Very Truly Yours,
BARRONHAUS LTD.

By:
Baron Mizal
President

AGREED TO AND ACCEPTED
this day of May, 2003

THE LOS COYOTES BAND OF INDIANS


Name: Catherine Silva Sumbal
Title: Chairwoman

Initials:



The Los Coyotes Band of Indians
May 27, 2003
Page 8

ATTACHMENT A

PROPRIETARY SOURCE(S)

- (1) Barwest LLC (the initial Funding Source which has issued a term sheet and a commitment for purposes of Section 12 of this Agreement) and its Principals, Affiliates and Representatives (including Mr. Mike Malik and the Nitch Family)
- (2) Group West Companies LLP and its Principals, Affiliates and Representatives
- (3) MJM Enterprises & Development and its Principals, Affiliates and Representatives

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Handwritten initials in black ink, appearing to be "MJM" or similar, written over the printed word "Initials:".