

DEVELOPMENT AGREEMENT

BETWEEN

THE MECHOOPDA INDIAN TRIBE OF
CHICO RANCHERIA, CALIFORNIA

A FEDERALLY RECOGNIZED INDIAN TRIBE

A N D

SC BUTTE DEVELOPMENT, LLC

A CALIFORNIA LIMITED LIABILITY COMPANY

Dated as of January 12, 2004

DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT (this "Agreement"), is made and entered into as of this 12th day of January, 2004, by and between MECHOOPDA INDIAN TRIBE OF CHICO RANCHERIA, CALIFORNIA, a federally recognized Indian tribe (the "Tribe"), and SC BUTTE DEVELOPMENT, LLC, a California limited liability company ("Developer") (the Tribe and Developer shall be collectively referred to as the "Parties"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in Section 1.1.

RECITALS

- A. The Tribe is a federally recognized Indian tribe eligible for the special programs and services provided by the United States to Indians because of their status as Indians and is recognized as possessing powers of self-government.
- B. The Tribe intends to acquire lands for gaming and other purposes, which the United States government will hold in trust for the benefit of the Tribe and over which the Tribe will possess sovereign governmental powers.
- C. In compliance with the Indian Gaming Regulatory Act of 1988, P.L. 100-497, 25 U.S.C. §§ 2701 et seq. as it may from time to time be amended (the "IGRA"), the Tribal Council of the Tribe has enacted a Tribal ordinance regulating the operation of gaming activities on Tribal Lands (the "Gaming Ordinance"), creating the Gaming Commission, and authorizing Class II and Class III gaming on its Tribal Lands subject to the provisions of the Gaming Ordinance and a Tribal-State Compact.
- D. The Tribe is committed to using gaming activities to create employment opportunities and improve the social, economic, education, and health conditions of its members, to increase the revenues of the Tribe, and to enhance the Tribe's economic self-sufficiency and self-determination.
- E. The Tribe presently lacks the resources to develop and construct a gaming facility and enterprise on its own and desires to retain the services of a developer, with knowledge and experience in the gaming industry, to assist the Tribe with financing, developing, and constructing a Class II and Class III Gaming facility and related amenities on a designated portion of the Tribal Lands.
- F. The Tribe has selected Developer because of Developer's expertise and experience in designing, developing and constructing gaming facilities, and Developer has agreed to obtain or provide financing for the Project (subject to the terms and conditions of the Facility Loan) and to furnish technical expertise and experience for the development and design of the Project, and for contracting for the construction, furnishing and equipping of the Project.
- G. The Tribe and Developer desire to take all steps reasonably necessary in accordance with this Agreement and in compliance with all applicable laws to (i) select a

site for the Facility, (ii) design the Facility, (iii) obtain a commitment for financing the Facility, (iv) enter into contracts to construct, furnish and equip the Facility so that the Facility can be opened to the public as soon as possible, and (v) obtain all necessary regulatory approvals.

H. Developer shall advance to the Tribe, subject to the terms and conditions of the Transition Loan, sums sufficient to finance performance of the activities described immediately above and for other purposes.

I. The Tribe and Developer intend that their relationship with regard to the Project shall be an exclusive arrangement between the Parties as provided for in this Agreement.

J. The Parties recognize and acknowledge that Developer shall be responsible only for the design, financing, development, construction, furnishing and equipping of the Facility in accordance with the terms of this Agreement and that Developer shall have no responsibility whatsoever pursuant to this Agreement for the operation, maintenance or management of the Facility or the Enterprise.

K. Any dispute between the Parties regarding this Agreement or any other Transaction Document is to be subject to the dispute resolution and governing law provisions contained herein, as well as the Resolution of Waiver attached hereto as Exhibit B.

AGREEMENT

NOW, THEREFORE, in consideration of the hereinafter mutual promises and covenants, and for other good and valuable consideration as set forth herein, the receipt and sufficiency of which are expressly acknowledged, the Tribe and Developer agree as follows:

ARTICLE 1

DEFINITIONS: COMPLIANCE WITH LEGAL REQUIREMENTS: DEVELOPMENT , BOARD

1.1. Definitions.

As used in this Agreement, the terms listed below shall have the meaning assigned to them in this Section 1.1:

"Affiliate" shall mean, for Developer or the Tribe, any corporation, partnership, limited liability company, joint venture, trust, department or agency controlled by, under common control with or which controls, directly or indirectly (through a wholly-owned subsidiary), Developer or the Tribe, as appropriate. The Parties acknowledge and agree that (i) Station Casinos, Inc., a Nevada corporation, and its wholly-owned subsidiaries are to be considered Affiliates of Developer for purposes of this definition, and (ii) the Gaming Commission shall be considered to be an Affiliate of the Tribe for purposes of this

definition. For purposes of this Agreement, "control" means the ability, directly or indirectly, by contract, ownership of securities or other forms of ownership interests to affect the management and policies of a person or entity.

"Affiliate Transaction" shall have the meaning ascribed to it in Section 5.21(g).

"Agreement" means this Development Agreement, as the same may be amended or modified from time to time.

"Alternate Gaming Site" shall have the meaning ascribed to it in Section 2.1(b).

"Annual Development Fee" shall have the meaning ascribed to it in Section 2.17(a).

"Approved Construction Budget" means the budget prepared in the manner set forth in Section 2.3(b) in connection with the development and construction of the Facility.

"Architect" shall have the meaning ascribed to it in Section 2.3(a).

"BIA" means the United States Department of the Interior Bureau of Indian Affairs.

"Blocked Account" means the account described in the Blocked Account Agreement.

"Blocked Account Agreement" means the Blocked Account Agreement to be executed by the Tribe in favor of Developer in the form of Exhibit D attached hereto.

"Butte County" means Butte County, California.

"Chairperson" means the duly elected chair of the Tribal Council.

"Class II Gaming" means games as defined in the IGRA and as defined by the NIGC in 25 C.F.R. §§ 502.3 and amendments thereto, but only to the extent such games are authorized by the Gaming Ordinance and licensed by the Gaming Commission.

"Class III Gaming" means all gaming that is not Class I or Class II Gaming as defined in the IGRA, including, without limitation, the forms of gaming listed as Class III games by the NIGC in 25 C.F.R. § 502.4 and amendments thereto, but only to the extent such gaming is allowed by a Tribal-State Compact, authorized by the Gaming Ordinance and licensed by the Gaming Commission.

"Commencement Date" means the first day upon which the Facility is substantially complete and open to the public to engage in Class III Gaming activities.

"Completion" means the completion of the Facility, or portions thereof, in substantial accordance with the Plans and Specifications, as evidenced by a completion certificate from the Architect that the Facility, or portions thereof, have been substantially completed in accordance with the Plans and Specifications, and certificates of such

professional designers, inspectors or consultants, as Developer may reasonably determine to be appropriate, verifying that the construction and furnishing of the Facility is in compliance with all Legal Requirements.

"Construction Contract" means the contract between the Tribe and the General Contractor described in Section 2.5(c).

"Costs of Construction" means the total of all hard and soft costs incurred by the Tribe or Developer or its Affiliates pursuant to this Agreement in the aggregate to finance, develop, construct and complete the Facility, including, without limitation, all off-site improvements relating directly to the Project and all on-site improvements, labor, materials, all furniture, fixtures and equipment (including gaming equipment) necessary for the opening of the Facility to the public, builder's risk insurance, surveys, permits, interest on the Facility Loan or Transition Loan, payment and performance bonds, architectural and engineering plans and services, legal, accounting and other professional services, but excluding Initial Costs of Operation, Costs of Development and the Transition Expenses.

*Costs of Development" means and includes any costs incurred by the Tribe or Developer or their respective Affiliates in the development of the Project, including, without limitation, financing costs, legal fees, consulting and lobbying fees, public relations fees and costs, environmental and other engineering fees, costs of studies, reasonable start-up costs for the Gaming Commission, reasonable and necessary travel expenses incurred subsequent to the execution of this Agreement until the Commencement Date for officers, employees and representatives of Developer and authorized representatives of the Tribe in connection with the Project, but excluding Initial Costs of Operation, Costs of Construction and Transition Expenses; provided, however, that all Costs of Development shall be subject to the approval process set forth in Section 1.5.

"Department of the Interior" shall have the meaning ascribed to it in Section 2.1(b).

"Design Agreement" means the contract between the Tribe and the Architect • described in Section 2.3(a).

"Developer" means SC Butte Development, LLC, a California limited liability company, and its permitted successors and assigns. Developer agrees that it shall receive the express written approval of the Tribal Council to assign *any* of its rights or obligations hereunder to any other entity other than Station Casinos, Inc. or a wholly-owned subsidiary thereof.

"Developer Representatives" shall have the meaning ascribed to it in Section 1.2.

"Development Board" shall have the meaning ascribed to it in Section 1.2.

"Development Documents*" means this Agreement, the interim Promissory Note, the Blocked Account Agreement and the Security Agreement.

"Enterprise" means the business enterprise of the Tribe created to engage in Class II and/or Class III Gaming at the Facility, and which shall include any other lawful commercial activity allowed in or directly associated with the Facility. "Enterprise" does not include any business entities of the Tribe that are not associated with or operated to support, compliment or enhance the Facility.

"Facility" means the permanent buildings, structures and improvements used by the Enterprise for its gaming and associated operations located on the Gaming Site and shall include *all* Furnishings and Equipment.

"Facility Costs" means the Costs of Development, the Costs of Construction, the Initial Costs of Operation, the Land Acquisition Costs and the Transition Expenses.

"Facility Loan" means the loan Developer shall arrange for (and guarantee to the extent required by the Lender) between the Tribe, as borrower, and the Lender, as lender, in the aggregate principal amount equal to the Facility Costs, which Facility Loan shall be further evidenced by the Facility Note and other loan documentation.

"Facility Loan Documents" means the Facility Note and other loan and related documentation evidencing or otherwise related to the Facility Loan.

"Facility Note" means the promissory note evidencing the Facility Loan, together with all amendments, substitutions and renewals thereof.

"First Nation Settlement Agreement" means that Settlement Agreement and Mutual Release dated December 15, 2003, between the Tribe and First Nation Gaming, LLC.

"First Nation Settlement Payment" means that payment in the amount of approximately Three Million Six Hundred Thousand Dollars (\$3,600,000), plus closing costs, to be made by the Tribe (pursuant to an advance from Developer or its Affiliates) to First Nation Gaming, LLC at the closing contemplated by the First Nation Settlement Agreement.

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

- (a) Cashier, money sorting and money counting equipment, surveillance and communications equipment and security equipment;
- (b) Slot machines, slot systems, video games of chance, table games, keno equipment, bingo equipment and other gaming equipment;
- (c) Office furnishings and equipment;
- (d) Specialized equipment necessary for the operation of any portion of the Enterprise, including equipment for kitchens, laundries, dry cleaning, bars, lounges,

restaurants, entertainment venues, meeting and convention space, parking structures or spaces and recreational facilities;

(e) Hotel equipment; and

(f) All other furnishings and equipment hereafter located and installed in or about the Facility or on the Gaming Site which are used in the operation of the Enterprise.

"Future Facility Development" shall have the meaning ascribed to it in Section 2.14.

"Gaming Commission" means the Gaming Commission established, or to be established, pursuant to the Gaming Ordinance, as amended (which ordinance must be approved by the NIGC), with authority to license and regulate gaming activities on Tribal Lands and which is a subordinate governmental entity of the Tribe.

"Gaming Site" means that portion of the lands to be made Tribal Lands that is jointly designated by the Tribe and Developer pursuant to Section 2.1(a) to be used as the site for constructing the Facility and operating the Enterprise, which will be held by the United States government in trust for the Tribe for gaming purposes, and which meets the requirements of the United States of America to be accepted in trust for the Tribe for the operation of Class II and Class III Gaming and related purposes.

"Gaming Ordinance" shall have the meaning ascribed to it in Recital C above.

"General Contractor" means the person or entity selected by the Tribe and pre-approved by Developer pursuant to Section 2.5 to construct the Facility. -

"Generally Accepted Accounting Principles" or "GAAP" means those principles defined by the Financial Accounting Standards Board consistently applied to the gaming industry.

"Governmental Authorities" means the United States federal government, the BIA, the State, the California Gambling Control Commission, the Tribal Council, the National Indian Gaming Commission, the Gaming Commission, and any court, agency, department, commission, board, bureau or instrumentality of them.

"IGRA" shall have the meaning ascribed to it in Recital C above.

"Indebtedness" shall have the meaning ascribed to it in Section 5.21(f).

"Initial Costs of Operation" means *all* costs of operation advanced to the Tribe pursuant to Section 2.9, prior to the opening of the Facility to the public, including, without limitation, advance payments or deposits to providers of goods and services, cash for bankrolls and slot hopper loads, pre-opening payroll, cash for payment of prizes, legal, licensing, marketing, *employee* hiring and training, and all costs associated with grand opening events and any "fun" nights held prior to the public opening of the Facility.

"Initial Development Fee" shall have the meaning ascribed to it in Section 2.17(a).

"Interim Promissory Note" means the promissory note evidencing the Transition Loan in the form of Exhibit C attached hereto, together with all amendments, substitutions and renewals thereof.

"Land Acquisition Costs" shall have the meaning ascribed to it in Section 2.1(b).

"Legal Requirements" means any and all present and future judicial, administrative, and federal, state, local or Tribal rulings or decisions, and any and all present and future federal, state, local and Tribal laws, ordinances, rules, regulations, permits, licenses and certificates, in any way applicable to the Tribe, Developer, the Tribal Lands, the Gaming Site or the Alternate Gaming Site (as the case may be), the Facility, and the Enterprise, including, without limitation, the IGRA, the Tribal-State Compact and the Gaming Ordinance.

"Lender " means any party which is approved by the Parties, and which makes all or a portion of the Facility Loan to the Tribe under Section 2.6, including Developer or an Affiliate of Developer, if applicable.

"Limited Recourse Assets" shall have the meaning ascribed to it in Section 3.4(d) .

"Material Breach" shall have the meaning ascribed to it in Section 3.1.

"National Indian Gaming Commission" or "NIGC" means the commission established pursuant to the IGRA.

"Plans and Specifications" means the approved plans, drawings, and specifications for the Facility pursuant to Section 2.3(b).

"Pre-Development Work Product" shall have the meaning ascribed to it in Section 2.2(c).

"Project" means the development of the project contemplated by this Agreement, as established in the Design Agreement and approved by the Parties pursuant to Section 2.3(a).

"Resolution of Waiver" means the waiver of sovereign immunity simultaneously herewith adopted by the Tribe in the form attached hereto as Exhibit B and evidencing all approvals required pursuant to the Tribe's governing documents and applicable law (it being understood and agreed that the Tribe shall take such further actions to ratify, adopt and enforce the attached form of Resolution of Waiver as shall be required by law or regulation due to future changes in its own legal or governing status to fully preserve its stated intent).

"Request for Advance" means any request by the Tribe for funds to pay for Project expenses incurred in *connection with* either approved Costs of Development, Costs of Construction or Initial Costs of Operation pursuant to either Sections 2.6(a) or 2.6(b);

provided, however, that the approval of all such costs shall be obtained in accordance with the applicable terms of this Agreement.

"Secretary" means the Secretary of the Interior of the United States, or his or her appropriately designated representative/agent.

"Security Agreement" means the Security Agreement to be executed by the Tribe in favor of Developer in the form of Exhibit E attached hereto.

"Site Acceptance Date" shall have the meaning ascribed to it in Section .

"Specific Performance Restriction" shall have the meaning ascribed to it in Section 6.1(f).

"State" means the State of California.

"Transaction Document" or "Transaction Documents" shall mean the Development Documents and the Facility Loan Documents.

"Transition Expenses" shall have the meaning ascribed to it in Section 2.4(a).

"Transition Loan" means the loan made to the Tribe by Developer or its Affiliates pursuant to Section 2.4, which shall be evidenced by the Interim Promissory Note, and which shall be made by Developer (or its Affiliates) subject to the terms and conditions of this Agreement.

"Tribal Council" means the governing body of the Tribe.

"Tribal Lands" means a parcel or parcels of land which is (i) mutually agreed upon by the Tribe and Developer, (ii) located in Butte County, (iii) acquired or intended to be acquired by the Department of the Interior in trust for the benefit of the Tribe, and (iv) eligible for gaming under the IGRA.

"Tribal Representatives" shall have the meaning ascribed to it in Section 1.2.

"Tribal-State Compact" means the agreement to be entered into between the Tribe and the State concerning Class III Gaming and any amendments or other modifications thereto, which agreement must be approved by the Secretary and published in the Federal Register.

"Tribe" means the Mechoopda Indian Tribe of Chico Rancheria California (or such other name as determined by the BIA), a federally recognized Indian tribe.

"UCC Financing Statements" means UCC-1 financing statements naming the Tribe as debtor and naming the Lender or Developer, as the case may be, as secured parties, in form and substance reasonably acceptable to both parties.

1.2 Creation and Operation of Development Board. In order to provide a mechanism to ensure the efficient exercise of control over the Project by the Tribe, the Tribe agrees to create a development board (the "Development Board") comprised of the following members: (i) three (3) members appointed by the Tribe (the "Tribal Representatives"), and (ii) two (2) members appointed by Developer (the "Developer Representatives"). The Tribal Representatives and the Developer Representatives shall be designated in writing by the Tribe and Developer, respectively, within ten (10) days following the date of this Agreement. Except as expressly reserved to the Tribe or Tribal Council in this Agreement, the Development Board shall have the exclusive power of the Tribe to instruct and direct Developer as provided in this Agreement. Actions and directions of the Development Board shall be, and shall be deemed to be, actions and directions of the Tribe; provided, however, that the Development Board shall not be vested with the authority to waive the sovereign immunity of the Tribe under any circumstances whatsoever. Prior to the Commencement Date, the Development Board shall meet at least once each month, in person or by teleconference, to ensure timely decision making and efficient progress of the Project; provided, however, that the Developer Representatives shall receive adequate prior written notice of, and be permitted to participate in, all meetings of the Development Board. All decisions of the Development Board shall be made by approval of a majority of the members of the Development Board.

1.3 Development Board Meetings.

(a) A regular monthly meeting of the Development Board is to be held at such places and at such times as the Development Board shall determine. Every three (3) months, the Development Board shall distribute a set of meeting times and dates for the next three (3) months. Special meetings of the Development Board may be held whenever and wherever called for by at least two (2) members. Two (2) Tribal Representatives and one (1) Developer Representative shall constitute a quorum for the transaction of business at any meeting of the Development Board.

(b) Once the regular meeting is set by the Development Board, no notice need be given of regular meetings of the Development Board. Notice of the time and place of any special meeting shall be given at least twenty-four (24) hours prior to the meeting. Any member may waive notice of any meeting and any adjournment thereof at any time before, during, or after it is held. Except as provided in the next sentence below, the waiver must be in writing, signed by the member entitled to the notice, and filed with the minutes of the Development Board. The attendance of a member at or participation of a member in a meeting shall constitute a waiver of notice of such meeting, unless the member at the beginning of the meeting (or promptly upon his/her arrival) objects to holding the meeting or transacting business at the meeting, and does not thereafter vote for or assent to action taken at the meeting.

(c) If a quorum is present when a vote is taken, the affirmative vote of the majority of the Development Board present shall be the act of the Development Board.

(d) Any or all members may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all members participating may simultaneously hear and communicate with each other during the meeting, in which case, any required notice of the meeting may generally describe the arrangements (rather than or in addition to the place) for the holding thereof. A member participating in a meeting by this means is deemed to be present in person at the meeting. Members of the Development Board shall be allowed to vote by written proxy at any meeting, provided that a copy of such proxy is provided to the other members of the Development Board prior to such meeting.

(e) Any action required or permitted to be taken by the Development Board at a meeting may be taken without a meeting if the action is taken by unanimous written consent of the members as evidenced by one (1) or more written consents describing the action taken, signed by each member. Action taken by consent is effective when the last member signs the consent, unless the consent specifies a different effective date. A signed consent by a member of the Development Board has the effect of a meeting vote and may be described as such in any document

1.4 Obligation to Comply with Legal Requirements. Nothing in this Agreement shall operate to create obligations *in* contravention of any Legal Requirement. In the event that a Governmental Authority makes a determination that this Agreement creates such obligations, or that this or further agreements between the parties must be documented and approved by the BIA, NIGC or any other Governmental Authority in order to fully comply with all Legal Requirements, the parties agree to immediately take whatever action may be reasonably necessary to meet such requirements.

1.5. Preliminary Budget for Transition Expenses. Within sixty (60) days of the date of this Agreement, the Development Board shall establish a preliminary budget for Transition Expenses. The Development Board shall retain an independent, reputable, accounting firm to keep accurate and comprehensive records of all expenditures incurred on the Project (the "Qualified Accountant"). On or before the twenty-fifth day of each month, the Parties shall submit a list of their liabilities or expenditures (including invoices) for the preceding month to the Development Board (each, a "Qualified Expense Report"). Within ten (10) days following receipt of each Qualified Expense Report, the Development Board shall provide written notice to Developer of any disputed liabilities or expenditures contained in the Qualified Expense Report. All liabilities and expenses contained in the Qualified Expense Report and not disputed within such ten day period shall automatically be deemed an approved Transition Expense and made a part of the Transition Loan. Upon approval of each Qualified Expense Report by the Development Board, the Development Board shall notify the Qualified Accountant in writing within ten (10) days thereafter that the liabilities incurred and expenditures made *by* the Parties, and reflected in such Qualified Expense Report, shall be deemed Transition Expenses and made a part of the Transition Loan. The Qualified Accountant shall prepare a detailed monthly financial statement and shall provide a copy of such report to the Parties on a monthly basis. The Parties shall, at all times, have equal access to the detailed records of the Qualified Accountant.

ARTICLE 2

GAMING SITE SELECTION: CONSTRUCTION AND FINANCING.

2.1 Gaming Site Selection.

(a) It is understood that the Tribe does not currently have any existing Tribal Lands which are recognized as eligible for use for gaming purposes under the IGRA, and that, to ensure the success of the Enterprise, acquisition of land to be made Tribal Lands, and to be used as the site for constructing the Facility and operating the Enterprise, will be necessary under applicable federal law. The Tribe has selected a parcel of land in Butte County that the Tribe wishes to be made Tribal Lands, which will be used in part as the site of the Enterprise (the "Gaming Site"). The Gaming Site is legally described on Exhibit A attached hereto. Pursuant to the terms of the First Nation Settlement Agreement, the Tribe shall designate Developer (or a designee, nominee or member thereof selected by Developer) as the party that will acquire the Gaming Site at the closing contemplated under the First Nation Settlement Agreement, and Developer (or such other party selected by Developer) will acquire the Gaming Site at such closing. All amounts advanced or paid by Developer (or any designee, nominee or member thereof) to acquire the Gaming Site in accordance with the preceding sentence shall constitute Land Acquisition Costs (as hereinafter defined).

(b) Notwithstanding the provisions of the preceding Section, and subject to the applicable Legal Requirements, Developer and the Tribe may, at any time, mutually agree to select other lands to be used as the site of the Enterprise, and in such event, shall mutually agree upon such other lands to be used as the site of the Enterprise ("Alternative Gaming Site"). In the event the Gaming Site or the Alternative Gaming Site, as the case may be, has not been accepted into trust by the United States Department of the Interior (the "Department of the Interior") for the benefit of the Tribe for gaming purposes under the IGRA within twenty-four (24) months from the date of this Agreement, Developer shall have *the* right at any time thereafter, in its sole discretion, and upon one hundred twenty (120) days' prior written notice to the Tribe, to terminate this Agreement and have no further obligations hereunder. Notwithstanding anything to the contrary contained in this Agreement, in the event Developer terminates this Agreement in accordance with the preceding sentence, (i) the Tribe's obligation to repay the Transition Loan shall be suspended until such time, if ever, as the Tribe (or any instrumentality, subdivision or subunit thereof) opens a Class II and/or Class III Gaming facility (wherever located), (ii) Developer shall release its first perfected security interest in and to all assets of the Tribe whatsoever, and (iii) repayment to Developer of any amounts advanced hereunder or under the other Transaction Documents shall be subordinate to the interests of any future senior secured lender.

(c) Subject to the provisions of this Section 2.1(b), Developer agrees to transfer directly to the Department of the Interior in the Gaming Site and/or Alternative Gaming Site, as the case may be, when required by the Secretary to be taken into trust under applicable federal law, for gaming purposes in connection with the operation of the Enterprise. The amount to be reimbursed by the Tribe to Developer for transferring the

Gaming Site or Alternative Gaming Site, as the case may be, to the Department of the Interior shall equal the aggregate amounts advanced or paid by Developer (including its designees, nominees or members), or any Affiliate of Developer, to acquire its interest in and to insure and maintain (including any option payments, property taxes, insurance and financing costs of Developer associated therewith) the Gaming Site and the Alternative Gaming Site (such amounts, together with interest thereon from the date incurred at the same rate of interest accruing on the Transition Loan, shall be collectively referred to as the "Land Acquisition Costs"). Land Acquisition Costs shall be included as Facility Costs and reimbursed to Developer by the Tribe from proceeds of the Facility Loan from a Lender on the day of the Tribe's receipt of the loan proceeds; provided, however, that if

- the Facility Loan is not fully funded by a Lender, then all Land Acquisition Costs advanced by Developer shall be secured and repaid in accordance with the terms applicable to the Transition Loan under Section 2.4. The provisions of this Section 2.1(b) shall survive the expiration or earlier termination of this Agreement, regardless of the reason for such termination.

2.2 Engineering Studies, Reports and Pre-Development Activities.

(a) Developer, with the approval of the Development Board, shall retain engineers and consultants to prepare studies and reports, including, without limitation, surveys, environmental analysis, endangered species evaluations, geotechnical studies, hydrological studies, utilities assessments and traffic studies, to determine whether, and to otherwise ensure that the Gaming Site is suitable for the development of the Facility. All costs described in this Section 2.2(a) shall constitute Costs of Development.

(b) In addition to the foregoing, Developer, with the approval of the Development Board, shall retain such engineers, lawyers, consultants, lobbyists and/or other parties as are necessary to develop the Project and for obtain all approvals from Governmental Authorities that are necessary for the development of the Project, the opening of the Facility and the operation of the Enterprise.

(c) The Tribe, using funds advanced by Developer under the Facility Loan or the Transition Loan, shall provide funds necessary for the payment of all Costs of Development, including, without limitation, the services described in this Section 2.2. In the event of a termination of this Agreement by the Tribe, or a Material Breach by the Tribe whereby Developer terminates this Agreement pursuant to Section 3.1, (i) all studies, reports, analysis and other work product created pursuant to this Section 2.2 (the "Pre-Development Work Product"), shall be owned and retained by Developer, (ii) the Tribe shall have no right to retain or use the Pre-Development Work Product, and (iii) the Tribe shall be released from its repayment obligations with respect to those funds previously advanced by Developer for payment of services performed to produce the PreDevelopment Work Product. In all other instances, the Pre-Development Work Product shall be owned and retained by the Tribe.

2.3 Architects, Plans and Specifications.

(a) As soon as reasonably practicable after the mutual execution of this Agreement, the Development Board shall select an architect (the "Architect") from a list of candidates presented by Developer for the purpose of performing certain services under the direction of Developer in connection with the design and construction of the Facility; provided, however, that if the Development Board fails to select an architect from the initial list of candidates, Developer shall continue to present additional candidates until an architect is selected by the Development Board. The Tribe's agreement with the Architect shall be in the form of a contract (the "Design Agreement") approved by the Development Board. The scope of the Project shall be stated and established in the Design Agreement, and shall be subject to the mutual approval of the Tribal Council and Developer. The Parties understand that market, Tribal-State Compact, governmental or other conditions may change and it may be necessary to expand or decrease the scope of the Project before construction is commenced. The Design Agreement shall allow Developer, acting as the Tribe's representative and in cooperation with the Development Board, the right and responsibility to supervise, direct, control and administer the duties, activities and functions of the Architect and the General Contractor, in order to efficiently carry out its covenants and obligations under this Agreement. However, under no circumstances shall Developer be vested with the authority to waive the Tribe's sovereign immunity.

(b) The Architect shall be responsible for creating the plans and specifications for the Facility (the "Plans and Specifications") and a budget for all Costs of Construction (the "Approved Construction Budget"), both of which shall be subject to the mutual approval of the Tribal Council and Developer prior to the commencement of construction of the Facility. Developer may, in its discretion, reallocate part or all of the amount budgeted with respect to any line item to another line item: Developer may, with the prior consent of the Development Board make such other modifications to the Approved Construction Budget as Developer deems necessary or appropriate for the successful completion of the Facility; provided, however, that Developer shall obtain the written approval of the Tribal Council before incurring any obligations which will result in the Costs of Construction exceeding the Approved Construction Budget. The Tribe acknowledges that the Approved Construction Budget is intended only to be a reasonable estimate and that Developer shall not be deemed to have made any guarantee concerning the Costs of Construction not exceeding the Approved Construction Budget.

(c) The Tribe, using funds advanced to it or arranged by Developer under the Facility Loan or Transition Loan, shall provide funds necessary for the design, construction and development of the Facility, including necessary and reasonable costs incurred by the Tribe in connection with the activities described in Sections 2.1, 2.2 or 2.3 and all necessary and reasonable Costs of Construction; provided, however, that the Tribe's obligation to pay Costs of Construction shall be limited to the Approved Development Budget. Subject to the terms and conditions contained in this Agreement, Developer agrees to advance or guarantee the loans to the Tribe so that the Tribe may meet its payment obligations hereunder. The fee for the Architect's services shall (i) be mutually agreed to by the Tribal Council and Developer, (ii) be advanced by Developer to

the Tribe, and (iii) be repaid by the Tribe to Developer according to the terms of the Interim Promissory Note. In the event of a termination of this Agreement by the Tribe, or a Material Breach by the Tribe whereby Developer terminates the Agreement pursuant to Section 3.1, it is agreed between the Parties that (i) the Plans and Specifications and all other design documents shall be owned by Developer, (ii) the Tribe shall have no right to retain or use the Plans and Specifications, and (iii) the Tribe shall be released from its repayment obligations with respect to those funds previously advanced or arranged by Developer for payment of the services performed to produce the Plans and Specifications and all other design documents. In all other instances, the Plans and Specifications and all other design documents shall be owned by the Tribe.

(d) The Facility shall be designed and constructed so as to adequately protect the environment and the public health and safety. The design and construction of the Facility shall, except to the extent a particular requirement or requirements may be jointly waived in writing by the Tribal Council and Developer, (i) meet or exceed all reasonable minimum standards pertaining to the Tribe and the Tribal-State Compact and, (ii) to the extent required by Lender, meet or exceed all reasonable minimum standards pertaining to the Tribe and national building codes, fire codes and safety requirements (but excluding planning, zoning and land use laws, ordinances, regulations and requirements), which would be imposed on the Enterprise or the Gaming Enterprise Site or the Potential Gaming Site (as the case may be) by existing State or federal statutes or regulations which would be applicable if the Facility were located outside of the jurisdictional boundaries of the Tribe, even though those requirements may not apply within the Tribe's jurisdictional boundaries. To the extent that the Tribe has adopted or may in the future adopt more stringent requirements, those requirements shall govern. Nothing in this subsection shall grant to the State, or any political subdivision thereof, any jurisdiction (including, without limitation, jurisdiction regarding zoning or land use) over the Gaming Site or the Alternate Gaming Site (as the case may be), the Facility or the Enterprise or its development, construction, management or operation.

(e) Subject to obtaining any necessary approvals required under this Agreement, costs incurred by the Tribe, or on its behalf by Developer or Developer's Affiliates, in connection with the activities described in Sections 2.1, 2.2 or 2.3, shall be financed pursuant to Section 2.4 in advance of the Tribe obtaining the Facility Loan for construction and permanent financing of the Project by advances from Developer to the Tribe, repayable under the Transition Loan on the terms and conditions described in Section 2.4 and evidenced by the Interim Promissory Note.

2.4 Pre-Construction Advances: Milestone Payments: Terms of Transition Loan.

(a) Subject to the rights of Developer as described below, during the term of this Agreement, Developer agrees to make the following advances or payments to the Tribe or its creditors to fund the Transition Expenses (as hereinafter defined): (i) the amount of \$35,000 per month payable until the Commencement Date (with such payment to be pro-rated during any partial month during the term of this Agreement), which the Tribe may use for any purpose in its own *discretion*; and (ii) as for the Tribe's Transition

Expenses, any and all advances for costs incurred in connection with the activities described in Sections 2.1, 2.2 and 2.3.

As used herein, "Transition Expenses" shall mean any and all reasonably necessary expenses incurred by the Tribe, Developer or Developer's Affiliates, for, or on behalf of, the Tribe or the Enterprise directly or indirectly relating to the development of the Enterprise and/or the Facility (including, without limitation, the advances described in subparagraphs (i) and (ii) above), and for the Tribe to establish an orderly system of selfgovernment appropriate for a federally recognized Indian tribe engaged in such economic development; provided, however, that any and all Transaction Expenses (excluding the First Nation Settlement Payment and all Land Acquisition Costs, which shall automatically be deemed approved) shall be subject to the approval process set forth in Section 1.5. Transition Expenses shall include, without limitation, professional fees such as legal, consulting, research, public relations and lobbying; travel and other costs incurred by the Tribe, Developer or Affiliates of Developer (but only to the extent such types of expenses are approved by the Tribe and incurred on the Tribe's or the Enterprise's behalf), or their respective professionals in connection with the development of the Enterprise and/or the Facility; costs of adopting, amending or implementing the Constitution, laws, by-laws, charters, ordinances, referenda, resolutions or regulations of the Tribe or any of its committees, bodies, agencies or political subdivisions (such as the Tribal Council, the Development Board and the Gaming Commission); costs of conducting meetings, elections and other business of the Tribe or any of its committees, bodies, agencies or political subdivisions; and general overhead and administrative expenses of the Tribe. In particular, and without limiting the generality of the foregoing, (i) the Tribe acknowledges and agrees that the First Nation Settlement Payment and all Land Acquisition Costs shall automatically be deemed Transition Expenses and made a part of the Transition Loan, and (ii) Developer acknowledges and agrees that all reasonable and necessary legal fees and expenses incurred by Monteau & Peebles LLP in connection with the development of the Facility shall automatically be deemed Transition Expenses and made a part of the Transition Loan, provided that such services performed are not adversarial to Developer or its Affiliates.

(b) As additional consideration for the Tribe entering this Agreement, Developer agrees to pay the Tribe the following amounts upon completion of the following milestones:

(i) a payment of \$50,000 upon the mutual execution of this Agreement;

(ii) a payment of \$50,000 upon acceptance by the Department of the Interior of the Gaming Site or the Alternative Gaming Site, as the case may be, into trust for the benefit of the Tribe provided that such property is eligible for use for gaming purposes under the 1GRA;

(iii) a payment of \$50,000 upon the closing of the Facility Loan;

and

(iv) a payment of \$50,000 upon the mutual execution of a TribalState Compact.

None of the foregoing payments shall be subject to repayment by the Tribe unless the Tribe terminates this Agreement, or commits a Material Breach of this Agreement whereby Developer terminates this Agreement pursuant to Section 3.1. If the Tribe terminates this Agreement, or Materially Breaches this Agreement whereby Developer terminates this Agreement pursuant to Section 3.1, the foregoing payments, if already made payable to the Tribe, shall automatically be deemed Transition Expenses repayable as part of the Transition Loan. Use and disbursement of the foregoing payments, once made to the Tribe, shall be at the sole discretion of the Tribe, and Developer shall have no responsibility for such funds after receipt thereof by the Tribe.

(c) In the event that (i) a Tribal-State Compact, and (ii) an agreement or agreements between the Tribe and Butte County and/or other state and local Governmental Authorities concerning the impacts of the development of the Facility, are not entered into within twenty-four (24) months following the date of this Agreement, Developer may, in its sole discretion, suspend the pre-construction advance payments described in Sections 2.1, 2.2 and 2.3 until such agreements. In addition, if either of the documents described in clauses (i) and (ii) above contain economic terms that would have a material adverse effect on Developer, Developer shall have the right, in its sole discretion and upon one hundred twenty (120) days' prior written notice to the Tribe, to terminate this Agreement and have no further obligations hereunder.

(d) The principal amount of the Transition Loan shall be equal to the amount of (i) all funds advanced or paid or costs incurred by Developer or its Affiliates, to or for the benefit of the Tribe or the Enterprise, including, without limitation, advances or payments for Transition Expenses, Land Acquisition Costs and Costs of Development, provided however, that all costs shall be approved by the process set forth in Section 1.5, plus (ii) all payments or advances made and costs incurred by Developer or its Affiliates in developing or financing the Facility, the Project and the Enterprise, including, without limitation, advances, payments or costs of or by Developer or its Affiliates for Transition Expenses, Land Acquisition Costs and Costs of Development, provided all such advances, payments or costs (excluding the First Nation Settlement Payment and all Land Acquisition Costs, which shall automatically be deemed approved) have been approved pursuant to the process set forth in Section 1.5. The Transition Loan shall accrue interest on each advance or payment made or cost incurred at a rate equal to the prime rate of Bank of America, N.A. (or any successor bank), fixed as of the first business day of each calendar month, plus two percent (2%), per annum from the date the particular funds are advanced to or paid on behalf of the Tribe or the Enterprise; provided, however, that if an Event of Default (as defined in the Interim Promissory Note) occurs, the interest rate applicable to all outstanding amounts under the Transition Loan shall automatically increase to the lesser of (i) ten percent (10%) per annum, or (ii) the maximum rate allowable by law. The Transition Loan shall be paid in full on the date of and from the proceeds of the Facility Loan; provided, however, that if any portion of the Transition Loan is not paid from the proceeds of the Facility Loan for any reason, repayment of all principal and interest on such unpaid portion of the Transition Loan shall

be made in equal monthly installments over a term of five (5) years commencing on the thirtieth (30th) day after the Commencement Date.

(e) The Transition Loan shall be evidenced by the Interim Promissory Note executed by the Tribe. Except for the repayment of the Facility Loan, repayment of the Transition Loan shall have a first priority security interest on Limited Recourse Assets of the Facility and the Enterprise. The Tribe agrees to grant to Developer a first priority and perfected security interest, including a blocked account arrangement pursuant to the Blocked Account Agreement and the Security Agreement (in the forms attached hereto as Exhibits D and E), on Limited Recourse Assets of the Facility and the Enterprise in order to secure repayment of the Interim Promissory Note, and such Transition Loan shall also be secured on a first priority and perfected basis by the Limited Recourse Assets. The Tribe agrees not to encumber any of the Limited Recourse Assets of the Facility or the Enterprise except as provided in the Facility Loan without the written consent of Developer, which consent shall be at Developer's sole discretion. The Tribe agrees to enter into a limited waiver of sovereign immunity and consent to jurisdiction and arbitration as to Developer and in connection with the Transition Loan, as provided in the Resolution of Waiver attached hereto as Exhibit B and incorporated herein by reference.

(f) The Tribe shall retain the right to prepay the Transition Loan, in whole or in part, without imposition of any prepayment penalty.

(g) It is the understanding of the parties that the Transition Loan will be the sole responsibility of the Tribe, and shall be paid with the proceeds of the Facility Loan unless Lender requires such repayment to be subordinated to the Facility Loan.

(h) The obligations of Developer to pay or advance Transition Expenses or to pay or advance other funds which will be included in the Transition Loan shall be subject to, the following conditions:

(i) All representations and warranties of the Tribe set forth in this Agreement shall be true and correct, and the Tribe shall not be in Material Breach under this Agreement on the date of each advance.

(ii) There shall be no pending or threatened litigation, claim or dispute which, in Developer's good faith judgment, might materially adversely affect the Project or the Enterprise or the ability of the Tribe to timely perform its obligations under this Agreement, including, without limitation, a ruling that the Tribal-State Compact is void for purposes of the IGRA. Further, the Tribe shall not be the subject of any pending or threatened bankruptcy, insolvency, reorganization or similar proceedings which, in Developer's good faith judgment, would materially adversely affect the security for the Transition Loan or the Tribe's ability to perform its obligations under this Agreement or the Interim Promissory Note.

(iii) The Tribe shall continue to use its best efforts to (i) cause the Secretary of the Department of the Interior to accept into trust for the benefit of the *Tribe* the Gaming Site or the Alternate Gaming Site, as the case may be, eligible for use for

gaming purposes under the IGRA, (ii) enter into an agreement or agreements with Butte County and/or other state and local Governmental Authorities concerning the impacts of the development of the Facility, and (iii) obtain a Tribal-State Compact, (iv) obtain Tribal Lands which are eligible for gaming under Section 20 of the IGRA, 25 U.S.C. § 2719, and (v) obtain approval by the NIGC of the Gaming Ordinance.

2.5 Construction.

(a) Developer shall arrange financing for the Costs of Construction pursuant to Section 2.6, and if so required by Lender, provide a guarantee for such financing.

(b) Developer shall pre-qualify, for final approval by the Development Board, prospective general contractors, construction managers (if one is used), as well as all prospective bidders for construction services, material suppliers, or Furnishings and Equipment. Pre-qualification requirements shall include experience with projects of similar type, size and quality, past performance, suitability for bonding, financial stability and use of union trades. Whenever feasible, Developer shall use reasonable business efforts to acquire goods and services from local vendors and suppliers. The overall purpose for prequalification and selection is and shall be the efficient and timely completion of the Facility in a manner suitable to the Tribe and Developer.

(c) As soon as reasonably possible after the mutual approval of the Plans and Specifications and the Approved Construction Budget by the Tribal Council and Developer, the Tribal Council shall enter into a contract approved by Development Board, with a general contractor pre-qualified by Developer and selected by the Tribe (the "General Contractor^s") pertaining to the construction of the Facility (the "Construction Contract"). The General Contractor shall be responsible for providing (including through subcontractors) all material, equipment and labor to construct the Facility as necessary in conformance with the Plans and Specifications (including all on and off-site development).

(d) The Construction Contract shall contain such provisions for the protection of the Tribe and Developer as the parties deem appropriate, including that the Construction Contract shall be a guaranteed maximum price contract, and shall provide that construction of the Facility shall commence as soon as practicable following and subject to the granting of all approvals under Legal Requirements necessary to commence construction, and shall also provide that the General Contractor, and all its subcontractors, shall complete, or exert its best efforts to complete, construction within such time as the Tribal Council and Developer mutually agree. The Construction Contract shall provide that (i) Developer, or its designee, shall be responsible for all construction administration during the construction phase of the Project, (ii) Developer shall act as the Tribe's designated owner representative and, subject to the terms of this Agreement, shall have the power to act on the Tribe's behalf in connection with the Construction Contract, (iii) Developer shall have control and charge of any persons performing work on the Project site, and shall interpret and decide on matters concerning performance of any requirements of the Construction Contract, (iv) Developer shall have the right to reject work which does not conform to the Construction Contract, (v) the Tribe

shall have the right to assign the Construction Contract to Developer or its designee without the prior written consent of the General Contractor, and (vi) the General Contractor shall follow the instructions of Developer or its designee, unless the General Contractor receives a written instruction from the Development Board to the contrary. The General Contractor shall, at a minimum, warrant its work to be performed free of defects and unworkmanlike labor and shall correct such work for at least one year after Completion or not less than the maximum period subsequent to Completion customarily covered by the liability and errors and omissions insurance policy a General Contractor would usually obtain in the State, whichever is longer. The General Contractor shall also be required to obtain before construction commences and maintain until Completion a comprehensive general liability policy of insurance of at least equal to the estimated Cost of Construction of the Facility naming the Tribe and Developer as additional insureds. Such general liability policy shall be issued by an insurance company licensed by the State and having an AM Best rating of A7 or better.

(e) Construction change orders to the Plans and Specifications shall require mutual written approval of the Tribal Council and Developer. It is agreed that, if completion of the construction, equipping and furnishing of the Facility cannot be reasonably accomplished within the Approved Construction Budget, the Tribal Council and Developer shall promptly determine whether to increase the Approved Construction Budget or delete or reduce in size components of the Facility, such that the total expenditures for Costs of Construction shall not exceed the Approved Construction Budget.

(f) Developer (directly or through the use of an inspecting architect or construction manager) shall have the right under the Construction Contract, as a Cost, of Construction, to inspect the Facility prior to the disbursement of each requested advance of funds, and (i) approve the progress and the workmanship of the construction, (ii) verify compliance with the Plans and Specifications, (iii) verify the percentage of the Completion as set forth in requests for advance, (iv) receive lien waivers for the work and/or supplies provided to date, and (v) satisfy itself that all work for which such advance is requested has been performed and all materials for which such advance is requested are in place or, as to stored materials, are owned by the Tribe and suitably safeguarded. Such inspection shall be performed in a timely manner and shall not unreasonably delay the disbursement of any advance.

(g) Final acceptance of construction of the Facility shall not occur until (i) evidence of Completion has been received and approved by the Development Board, (ii) a fully executed indemnity or release from liens is received from the General Contractor and all subcontractors, (iii) any other documentation reasonably requested by the Development Board or Developer is received from the General Contractor, and (iv) all approvals have been received from all Governmental Authorities from which approvals are required.

(h) Developer, with the assistance of the Architect, shall submit to the Development Board, for its review and approval, the specifications for Furnishings and Equipment. Thereafter, Developer shall select and procure vendors for purchase by the

Tribe of Furnishings and Equipment required to operate the Enterprise in conformity with such specifications. Developer shall use reasonable business efforts to acquire such Furnishings and Equipment from local vendors, when feasible. The cost of Furnishings and Equipment shall be financed through the Facility Loan. Alternatively, and in the sole discretion of the Development Board, Developer may arrange for the procurement of Furnishings and Equipment on lease terms consistent with terms approved by the Development Board. Developer shall not be allowed to waive the Tribe's sovereign immunity in any contracts with such vendors.

(i) The Tribe shall keep the Facility and Gaming Site or the Alternate Gaming Site, as the case may be, free and clear of all mechanic's and other liens resulting from the construction of the Facility, which shall at all times remain the property of the Tribe. If such lien is claimed or filed, it shall be the responsibility of the Tribe to discharge the lien within one hundred twenty (120) days after receiving written notice of such claim. Pursuant to Article 4, the Tribe shall indemnify, defend and hold Developer and its Affiliates harmless for and from any and all claims and damages arising from any pre-existing conditions on the Gaming Site or the Alternate Gaming Site, as the case may be, and from any other prior agreements entered into by the Tribe with any persons or entities in connection with development of the Facility and the Enterprise which obligations shall be obligations of the Tribe.

(j) During the construction of the Facility, Developer and the General Contractor (to the extent permitted by the Construction Contract and by applicable law) shall give preference in recruiting, hiring and employment to, first, qualified members of the Tribe, and, second, to other qualified Native Americans.

2.6 Financing Obligation and Terms of Facility Loan.

(a) Subject to satisfaction of each of the conditions set forth in Section 2.7(a), Developer shall arrange for a Lender (which may include Developer or its Affiliates) to loan to the Tribe under the Facility Loan (and shall guarantee such loan if required by a Lender), upon the Development Board's approval of requests to advance funds ("Requests for Advance"), funds for the actual Costs of Construction up to an aggregate of the Approved Construction Budget. Such amounts loaned by a Lender shall be payable and accrue interest on terms as set forth in the Facility Note. All advances of Costs of Construction shall be recorded by Lender or Developer on a schedule to be attached to the Facility Note.

(b) Subject to the satisfaction of each of the conditions set forth in Section 2.7(a), Developer will arrange for a Lender (which may include Developer or its Affiliates) to loan to the Tribe under the Facility Loan (and will guarantee such loan if required by a Lender) funds up to the amount of the approved budget to finance the Initial Costs of Operation. All amounts loaned by a Lender for Initial Costs of Operation shall be payable and accrue interest on terms as set forth in the Facility Note. All advances of Initial Costs of Operations shall be recorded by the Development Board on a schedule to be attached to the Facility Note, provided that *all such* costs have been approved by the process set forth in Section 1.5.

(c) The total amount of the Facility Loan shall be an amount up to but not exceeding an amount estimated by Developer in a budget approved by the Business Board for all Facility Costs through the Commencement Date, including the Initial Costs of Operation, the Costs of Construction and the costs of repayment of the Transition Loan. The Facility Loan shall accrue interest on each advance of funds at the prevailing bond or bank market rate, fixed from the date the particular funds are advanced to the Tribe, with repayment of principal and interest to be made in equal monthly installments over a term of five (5) years commencing on the thirtieth (30th) day after the Commencement Date.

(d) The Facility Loan shall be evidenced by such loan documentation and related agreements as shall hereafter be mutually agreed upon by the Tribal Council, Developer and Lender, which approval shall not be unreasonably withheld or delayed by the Tribe or Developer. To the extent required by Lender, Developer agrees to subordinate its interest in this Agreement or any other Transaction Document or other agreement between the Tribe and Developer to such Lender. The Tribe agrees to execute and deliver such loan documentation relating to the Facility Loan as Lender may reasonably request, which loan documentation shall contain such provisions as shall be standard and commercially reasonable for loans of the size, nature and type of the Facility Loan. The Facility Loan shall have first priority on the Limited Recourse Assets of the Enterprise. The Tribe agrees to grant to Lender a first priority and perfected security interest, including a Blocked Account arrangement, on any revenues of the Enterprise in order to secure repayment of the Facility Note, and such Facility Loan shall also be secured on a first priority and perfected basis by the Limited Recourse Assets. The Tribe agrees not to encumber any of the assets of the Facility or the Enterprise without the written consent of the holder of the Facility Note, which consent shall be at such holder's sole discretion. The Tribe agrees to enter into a separate waiver of sovereign immunity and consent to jurisdiction and arbitration as to the holder of the Facility Note.

(e) The Tribe shall retain the right to prepay the Facility Loan in whole or in part, without imposition of any prepayment penalty.

(f) It is the understanding of the parties that the Facility Loan will be the sole responsibility of the Tribe.

2.7 Conditions Precedent to Facility Loan.

(a) The obligation of Developer to arrange for a Lender (which may include Developer or its Affiliates) to make the Facility Loan to the Tribe (and to guarantee such loan if required by such Lender) for the initial or any subsequent advance of Costs of Construction or Initial Costs of Operation pursuant to Section 2.6(a) and (b) above is subject to the following conditions:

(i) The Facility Loan and related Facility Note, Blocked Account Agreement, Security Agreement, the Interim Promissory Note, UCC Financing Statements or other related documentation required shall be dated and duly executed and delivered by the Tribe, and shall have been approved by the BIA or the NIGC if required by applicable law.

(ii) Developer *shall* have received, to its satisfaction, an opinion of counsel for the Tribe concerning the enforceability of this Agreement and all related Transaction Documents, including the Facility Note and Interim Promissory Note against the Tribe, and the authority of the Tribe to execute this Agreement and all related Transaction Documents, including the Facility Note and Interim Promissory Note.

(iii) Developer and the Tribal Council shall have received and approved the Plans and Specifications, the Approved Construction Budget, and the executed Design Agreement and Construction Contract in accordance with Sections 2.3 and 2.4.

(iv) Developer shall have received evidence that the Gaming Site or the Alternate Gaming Site, as the case may be, is held in trust by the United States of America, as trustee for the Tribe and that the Gaming Site or the Alternate Gaming Site, as the case may be, constitutes "Indian lands" as defined in the IGRA, 25 U.S.C. § 2703(4), eligible for use for gaming purposes under Section 20 of the IGRA, 25 U.S.C. § 2719.

(v) Developer shall have received and approved evidence of the bonds and insurance required of the General Contractor pursuant to Section 2.5(b).

(vi) The Tribe shall have furnished to Developer an ALTA/ACSM survey of the Gaming Site or the Alternate Gaming Site (as the case may be) as required by the BIA, prepared by a BIA approved land surveyor, which survey shall locate, among other things, all property lines, existing access ways, building setback lines and easements affecting the Gaming Site or the Alternate Gaming Site (as the case may be) identified by book and page of recording, where applicable, water, electric and sewer lines, and other physical matters, including encroachments, if any, affecting the title and use of the Gaming Site or the Alternate Gaming Site (as the case may be). The survey shall set forth the exact legal description of the Gaming Site or the Alternate Gaming Site (as the case may be). Tribe further agrees to furnish to Developer a copy of the recorded plat, if any, applicable to the Gaming Site or the Alternate Gaming Site (as the case may be). All surveys required hereunder shall contain a certificate in favor of, and in form and substance satisfactory to, Developer. Any survey requirements herein shall be deemed a Transition Expense.

(vii) Developer shall have received satisfactory evidence that all permits or other authorizations, including, and without limitation, the building permit(s), required by any applicable Governmental Authority to authorize construction of the Facility have been issued and are in full force and effect. If all permits are not available prior to the closing of the Facility Loan, it shall be within Developer's discretion to arrange for the advance *by a* Lender of such sums under the Facility Loan for work for which all applicable permits have been received. At Developer's option, the Tribe shall furnish Developer reasonable evidence that all other permits required in order to construct the Facility in accordance with the Plans and Specifications, and within the Approved Construction Budget, will be available when necessary.

(viii) Developer shall have received satisfactory evidence of the availability of adequate water, electricity, telephone, sanitary sewer, and, if applicable, storm sewer service to the Facility to be provided as part of the Costs of Construction or otherwise as agreed to by the parties.

(ix) All representations and warranties of the Tribe set forth in this Agreement shall be true and correct, this Agreement shall remain in effect, and the Tribe shall not be in default under this Agreement on the date of each advance.

(x) There shall be no pending or threatened litigation, claim or dispute which, in Developer's good faith judgment, might materially adversely affect the Project or the Enterprise or the ability of the Tribe to timely perform its obligations under this Agreement, including, without limitation, a ruling that the Tribal-State Compact is void for purposes of the IGRA. Further, the Tribe shall not be the subject of any pending or threatened bankruptcy, insolvency, reorganization or similar proceedings which, in Developer's good faith judgment, would materially adversely affect the security for the Facility Loan or the Tribe's ability to perform its obligations under this Agreement or the Facility Note.

(xi) Developer shall have received satisfactory evidence that the Gaming Site or the Alternate Gaming Site (as the case may be) is free from environmental contamination of any nature whatsoever or any other environmental condition that would require any remediation pursuant to any applicable Legal Requirement.

2.8 Advances for Costs of Construction. Nothing herein contained shall obligate any Lender to make any advances under the Facility Loan (i) for Costs of Construction for payment of any item not included in or in an amount in excess of the Approved Construction Budget, and (ii) unless the conditions set forth in Section 2.7 are and remain fulfilled and satisfied.

(a) Subject to the provisions of Section 2.8(c) relating to retainage, Lender shall make advances under the Facility Loan to the Tribe for materials purchased by the Tribe and stored on or off the Gaming Site or the Alternate Gaming Site (as the case may be) but not yet incorporated into the Facility only if the Tribe provides evidence satisfactory to Lender that such stored materials are protected against theft and damage.

(b) Unless it otherwise agrees, Lender shall not be required to make advances for Costs of Construction under the Facility Loan more often than twice monthly. Advances for Costs of Construction will be made based upon the progress of construction as verified by Requests for Advance approved and certified by the Architect or a party selected by Lender.

(c) Subject to the provisions of the Construction Contract, Lender may retain from each advance for payment of Costs of Construction to the General Contractor an amount equal to ten percent (10%) (or other lower retainage as may be agreed upon by Lender and Developer and set forth in the Construction Contract with the General

Contractor) of the amount of each Request for Advance. Upon Completion, any amounts remaining from such retainage shall be paid to the Tribe or the Contractor for Costs of Construction less such reasonable amount to be escrowed for payment of punchlist items.

(d) Lender shall not be obligated to make the final advance directly to the Tribe, for Costs of Construction, until the following conditions have been satisfied: (i) all conditions stated in this Section 2.8 and Section 2.5(g) shall have been satisfied; and (ii) Developer and Lender shall have received the following: (1) evidence that all work requiring inspection by any Governmental Authorities having jurisdiction over the Facility has been inspected and approved by such authorities and that all other required occupancy and other certificates and approvals have been issued; (2) an as-built ALTAIACSM survey showing the Gaming Site or the Alternate Gaming Site (as the case may be), the Facility, including, without limitation, the building, parking areas (including parking spaces designated as regular, compact or handicapped spaces), utilities, walkways, driveways, access ways to public streets, signs, and any encroachments; and (3) a certificate from the Architect to the effect that the Facility (including (landscaping and on-site and any off-site improvements, but excluding such landscaping or other items which should be completed at a later date because of seasonal conditions) have been completed substantially in accordance with the Plans and Specifications and that direct connection has been made to all appropriate utility facilities.

2.9. Advances for Initial Costs of Operation. Developer will arrange for a Lender (which may include Developer or its Affiliates) to make advances under the Facility Note (and will guarantee payment of such Facility Note if required by Lender) for Initial Costs of Operation pursuant to a budget approved by the Development Board and Developer, and as supported by invoices or other documentation as Developer may reasonably require. In addition, Developer is hereby authorized to make direct payments ~~lot~~ Initial Costs of Operation incurred by Developer in its role as agent for the Tribe. Developer shall provide the Development Board with monthly reports of all advances for Initial Costs of Operation that shall compare actual advances with the budget for Initial Costs of Operation.

2.10 [Intentionally Omitted.]

2.11 Title to Facility. The Facility, the Enterprise and all related improvements and assets shall be the sole and exclusive property of the Tribe, subject to no liens or encumbrances except for any UCC and other liens permitted or interests granted in favor of Lender and Developer to be granted pursuant to the provisions of this Agreement or any loan or other financing agreements between Lender or Developer and the Tribe entered into after the date the Parties execute this Agreement.

2.12 No Liens. During the term of this Agreement, neither the Tribe nor Developer shall act in any way whatsoever, either directly or indirectly, to cause any other party to lease or to become a lienholder of the Gaming Site or the Alternate Gaming Site (as the case may be), Facility or the Enterprise, except as expressly agreed to by the Parties or permitted herein.

2.13 Limited Waiver of Sovereign Immunity. The Tribe waives its sovereign immunity according to the Resolution of Waiver attached hereto as Exhibit B. The Tribe understands that its agreement to adopt an enforceable Resolution of Waiver is a material inducement to Developer's execution of this Agreement and is a condition precedent to any of the respective obligations of the parties under this Agreement. The Tribe further agrees that it will not amend or alter or in any way lessen the rights of the Lender or Developer as set forth in the Resolution of Waiver attached hereto as Exhibit B and incorporated herein by reference, including, without limitation, the covenant therein of the Tribe to preserve its effective terms in the event of future changes in its legal status. This Section 2.13 shall survive the expiration or earlier termination of this Agreement, regardless of the reason for the termination.

2.14 Appointment of Developer, Exclusivity. The Tribe hereby appoints and engages Developer as the Tribe's sole and exclusive developer for all commercial facilities and enterprises to be developed, constructed and operated by the Tribe on the Gaming Site or the Alternative Gaming Site, as the case may be, including, without imitation, the Facility and the Project. Developer hereby accepts such appointment and engagement as the Tribe's exclusive developer and agrees to provide the development services expressly contemplated by this Agreement. Without limiting the generality of the foregoing, during the term of this Agreement, the Tribe and Developer shall have an exclusive relationship with each other regarding the development of (i) the Project, the Facility and the Enterprise, and (ii) any addition, refurbishment, reconstruction or future phase thereof that may be developed on the Gaming Site or Alternate Gaming Site, as the case may be ("Future Facility Development") or any other Gaming establishment or enterprise located within a forty (40) mile radius of the Gaming Site or the Alternate Gaming Site, as the case may be.

2.15 Independent Agreement. The objective of the Tribe and Developer in entering into and performing this Agreement is to provide a legally enforceable procedure and agreement pursuant to which Developer will provide certain services and make certain advances and loans to the Tribe for the development of the Facility and prior to obtaining all necessary approvals so that the Project can commence operation as soon as possible. This Agreement and each of the other Transaction Documents are intended to be a legally enforceable agreement independent of any other agreement to which the Tribe may become a party, is not intended by the parties to be construed as a "management agreement" within the meaning of IGRA, shall become effective upon execution and delivery by the parties, and shall be enforceable between the Parties regardless of whether or not the Tribe subsequently enters into an agreement for the management of the Enterprise.

2.16 Term of Agreement. This Agreement shall become effective upon execution and delivery by both the Tribe and Developer. Unless tolled or sooner terminated as provided in Article 6, this Agreement shall commence upon the mutual execution hereof and shall expire on the seventh (7th) anniversary of the Commencement Date; provided, however, that: (a) the loan repayment, cost reimbursement, indemnity and related collateral provisions of this Agreement, (b) the Security Agreement, Blocked Account Agreement and the UCC Financing Statements, and (c) Sections 2.5(i), 2.10, 2.11, 2.12,

2.13, 2.14, 2.15 and 2.17, shall each survive and remain effective until terminated under Article 3 and the loans and other amounts owing to Developer or its Affiliates by the Tribe have been paid in full; and provided, further, that the provisions of Article 4 shall survive in accordance with its terms.

2.17 Developer Compensation.

(a) Except as otherwise provided in this Section 2.17, Developer acknowledges and agrees that its sole compensation hereunder for services performed as Developer under this Agreement shall be (i) an initial development fee equal to (x) two percent (2%) of the Costs of Construction (or estimated Costs of Construction, if this Agreement is terminated prior to completion of the Facility) of the Facility (which shall be due and payable on the Commencement Date) (the "Initial Development Fee") and (y) two percent (2%) of the Costs of Construction of any Future Facility Development (which shall be due and payable only upon commencement of business operations of such Future Facility Development), (ii) an annual development fee (payable in equal monthly installments commencing on the Commencement Date or earlier termination date of this Agreement) during the term hereof equal to five percent (5%) of the total Facility Costs (or if the Facility contemplated hereby is not constructed and operated by the Tribe, the total Facility Costs (applying the definition contained herein) of any other Class II or Class III Gaming Facility (wherever located) operated by the Tribe (or any instrumentality, subdivision or subunit thereof) at any time prior to the seventh (7th) anniversary of the date of this Agreement); provided, however, that if the Tribe or Developer terminates this Agreement for any reason other than a Material Breach hereunder on the part of Developer, then Developer shall still be entitled to receive the Annual Development Fee for a period equal to the remaining term of this Agreement (as measured immediately, prior to such termination date) (the "Annual Development Fee"), for and in consideration of Developer's services hereunder, and, provided, further, that in the event of a Material Breach by Developer, Developer shall no longer be entitled to receive the Annual Development Fee, (iii) repayment of the Transition Loan as provided under Section 2.4, and (iv) repayment of the Facility Loan (to the extent Developer or its Affiliate is a Lender thereunder) as provided under Section 2.6. Nothing contained herein shall relieve, terminate or otherwise excuse the Tribe of its obligation to repay the Transition Loan or Facility Loan.

(b) To the extent that the Initial Development Fee (or portion thereof) or the Annual Development Fee (or portion thereof), as applicable, is not paid when due, such amounts shall bear interest at the rate of ten percent (10%) per annum from the due date thereof until the date payment is made (or if such rate of interest is not lawful, at the maximum rate of interest allowed by law). The provisions of this Section 2.17 shall survive the expiration or earlier termination of this Agreement.

2.18 Standard of Care. The standard of care which shall apply to Developer in the performance of its obligations under this Agreement shall be reasonable efforts, representations, and disclosures of a developer developing a similar project or facility.

A R T I C L E 3

TERMINATION: MATERIAL BREACH.

3.1 Termination for Cause. Either Party may terminate this Agreement if the other party commits or allows to be committed a Material Breach (as hereinafter defined) of this Agreement and fails to cure such breach within sixty (60) calendar days after receipt of a written notice from the non-breaching party identifying the nature of the Material Breach in specific detail and its intention to terminate this Agreement; provided, however, that if the nature of such breach (but specifically excluding breaches curable by the payment of money) is such that it is not possible to cure such breach within sixty (60) days, such sixty-day period shall be extended for so long as the breaching party shall be using diligent efforts to effect a cure thereof. Termination is not an exclusive remedy for claims of a Material Breach, and the Parties shall be entitled to other rights and remedies as may be available pursuant to the terms hereof or under applicable law. For purposes of this Agreement, a "Material Breach" is any of the following circumstances by either Party: (i) material failure of either party to perform a material obligation hereunder or any document or agreement related hereto or thereto for reasons not excused under Section 5.5 (Force Majeure); (ii) default by either Party under any of the Transaction Documents or any document or agreement related hereto or thereto; (iii) any representation or warranty made pursuant to Section 5.10 ~~00,11~~ proves to be false or erroneous in any material way when made; (iv) any breach of the covenants contained in Section 5.21; (v) the Gaming Commission, in bad faith, denies Developer or any Affiliate of Developer any gaming license required under the Gaming Ordinance; or (vi) the occurrence of any material theft, embezzlement or misappropriation of Enterprise funds by either Party, unless the individual(s) involved in such theft, embezzlement or misappropriation of funds are removed from all association with the Facility or the Enterprise within thirty (30) days after the Parties learn of such acts or omissions.

3.2 Mutual Consent. This Agreement may be terminated at any time upon the mutual written consent and approval of the Parties

3.3 Involuntary Termination Due to Changes in Legal Requirements. The parties hereby agree to use their reasonable best efforts to ensure that this Agreement conforms to and complies with all applicable laws and Legal Requirements. The Tribe agrees that, except as may be required by federal law, the Tribe will not enact or pass any new ordinances subsequent to the execution of this Agreement that would materially impair the rights of Developer or its Affiliates under this Agreement or the other Transaction Documents. In the event of any determination by any arbitrator or Governmental Authority or any change in state or federal laws that results in a final determination by a court of competent jurisdiction that this Agreement or any other Transaction Document is void or unlawful, the Tribe and Developer shall use their respective good faith best efforts to amend this Agreement in a mutually satisfactory manner which will make this Agreement or the other Transaction Documents, as the case may be, legally effective and lawful and not otherwise materially change the rights, duties and obligations of the parties hereunder. In the event such amendment can not be legally effected following exhaustion of all such good faith best efforts (including the lapse of all

legal proceedings and appeal periods without favorable results), performance of this Agreement, or the other Transaction Documents, as the case may be, shall be automatically suspended effective upon the date that this Agreement, or the other Transaction Documents, as the case may be, becomes void or unlawful by such final determination, and either party shall have the right to terminate such suspended agreement (except the Notes and Security Provisions (as hereinafter defined) upon written notice to the other party.

3.4 Other Rights Upon Material Breach: Ownership of Assets: Repayment of Obligations on Termination.

(a) Upon the occurrence of any Material Breach or upon the occurrence of any event or circumstance which with the giving of notice or the passage of time or both would constitute a Material Breach, Developer or Lender may suspend its obligation to make any advances with respect to the Transition Loan and the Facility Loan until such time as the default has been cured.

(b) Upon termination of this Agreement, the Tribe will retain full ownership of the Facility and the Enterprise and its assets, subject to Developer's and Lender's security interests pursuant to the Blocked Account Agreement, the Security Agreement and the Tribe's obligations under the Facility Note and Interim Promissory Note (if either is not yet satisfied), or any security interests or liens on the Facility's assets, including, but not limited to, any Furnishings and Equipment purchased with Facility Loan or Transition Loan proceeds or other purchase money agreements, and subject to Developer's right to receive the Initial Development Fee and the Annual Development Fees, if applicable, under Section 2.17. In the event of any termination of this Agreement (whether voluntary or involuntary), the Tribe shall continue to have the obligation to pay the Initial Development Fee and the Annual Development Fees, if applicable, and all unpaid principal and interest and other amounts due under indemnity obligations or the Facility Note and Interim Promissory Note (if either is not yet satisfied), Any and all obligations and provisions contained in this Agreement concerning the payment of the Initial Development Fee and the Annual Development Fees, if applicable, indemnity obligations or repayment of the Facility Note and Interim Promissory Note, and the security therefor (collectively, the "Notes and Security Provisions"), shall survive termination of this Agreement. In addition to any other survival provisions set forth in this Agreement, upon the occurrence of any termination of this Agreement, the terms and provisions of Section 2.17, Articles 3 and 4, Sections 5.1 through 5.18 and Sections 5.20, 5.21, and 6.1 shall survive such termination. If at the time of termination the Tribe's obligations under the Facility Note and Interim Promissory Note remain unsatisfied in full, then the Tribe may either pay the Note obligations in full, or to the extent "economically feasible" (as hereinafter defined), the Tribe shall have the obligation to continue to operate and maintain the Facility and Enterprise in accordance with reasonable industry standards, and as to any portions of the Facility and the Enterprise that are no longer economically feasible to operate, the Tribe shall conduct an orderly liquidation of such assets and any liquidation proceeds (net of reasonable sale costs) shall be deposited into the Blocked Account and the Tribe shall keep the Facility and Enterprise and all related assets insured for coverages and in such amounts as are in accordance with reasonable

industry standards and name Developer and Lender as additional insureds, loss payees and mortgagees, as applicable and provide evidence thereof upon request until all amounts owing to Developer have been paid in full, and if any portion of the Enterprise assets are damaged by any casualty and it is economically feasible for the Tribe to continue to operate such damaged assets, then the Tribe shall repair and reconstruct such operations that were damaged and are to be continued, and any excess insurance proceeds that are not used to repair and reconstruct the applicable damaged Enterprise assets shall be deposited into the Blocked Account. As used herein, the term "economically feasible" shall mean that the gross revenues derived from any applicable operations is in excess of that needed to pay the costs of such operations.

(c) Notwithstanding any other term or provision in this Agreement to the contrary, if this Agreement or any other Transaction Document is terminated for any reason prior to the Commencement Date, then Developer shall not have any obligation to sell or transfer the Gaming Site or the Alternate Gaming Site to the Tribe and, except as provided in Section 3.4(d), the Tribe shall not have any obligation to Developer with respect to the Land Acquisition Costs under the terms of the Transaction Documents. The Tribe acknowledges and agrees that it shall have no legal or equitable title to the Gaming Site or the Alternate Gaming Site until such time, if ever, as such lands have been sold to the Tribe by Developer pursuant to Section 3.4(d).

(d) In the event this Agreement is terminated for any reason prior to the United States government taking into trust for the benefit of the Tribe the Gaming Site or the Alternate Gaming Site, as the case may be, Developer shall have the right to put ("Developer's Put") all of Developer's right, title and interest in and to the Gaming Site and/or the Alternate Gaming Site, as applicable (the "Sale Property"), to the Tribe upon the terms and conditions set forth below. Developer's Put shall be exercised, if at all, by Developer delivering to the Tribe written notice of such exercise (the "Exercise Notice") not later than one hundred twenty (120) days following the termination of this Agreement. If Developer so exercises Developer's Put, then the Tribe shall acquire all of Developer's right, title and interest in and to the Sale Property for a purchase price equal to the total Land Acquisition Costs. Developer and the Tribe shall complete such acquisition within sixty (60) days following Developer's delivery of the Exercise Notice. The Tribe agrees that following any sale of the Sale Property by Developer to the Tribe, the Tribe shall indemnify, defend and hold Developer and its Affiliates harmless pursuant to the terms of Article 4, with respect to any environmental or other claims or liabilities arising as a result of events or conditions first occurring after such sale with respect to the Sale Property pursuant to the terms of Article 4, which obligations shall be obligations of the Tribe and shall be secured on a first priority and perfected basis by all assets of the Enterprise and undistributed and future revenues of the Enterprise, pursuant to the Blocked Account Agreement and the Security Agreement (collectively, the "Limited Recourse Assets"). In the event the Tribe fails to acquire the Sale Property in accordance with the foregoing terms and conditions, Developer shall have such rights and remedies as would be available to Developer upon a Material Breach of this Agreement by the Tribe.

3.5 Notice of Termination. Any final notice of termination hereunder shall be in writing detailing the reason the party considers the Material Breach not to be cured and must be delivered to the other party before such termination becomes effective.

3.6 Renewal Option. The Parties by mutual agreement may decide to renew or extend this Agreement.

3.7 Cumulative Remedies. All rights or remedies of either the Tribe or Developer under this Agreement or any other Transaction Documents shall be cumulative and may be exercised singularly in any order or concurrently, at such party's respective option, and the exercise or enforcement of any such right or remedy shall neither be a condition to nor bar to the exercise or enforcement of any other right or remedy.

A R T I C L E 4

INDEMNIFICATION OF DEVELOPER

To the fullest extent permitted by law, the Tribe and the Enterprise shall fully protect, indemnify, defend and hold harmless Developer and its Affiliates and their respective members, partners, officers, directors, agents, sureties, servants and employees and successors and assigns (collectively, "Indemnitees") for, from and against any and all liabilities, claims, damages, demands, losses, costs or expenses (including, without limitation, reasonable attorneys' fees for counsel selected by Developer), arising out of or resulting from, either directly or indirectly, (i) the performance or lack of performance of this Agreement by the Tribe or its Affiliates or (ii) the enactment or issuance of any Tribal Legal Requirement which is inconsistent with this Agreement. The cost of defending a lawsuit pursuant to this Section as well as any liability, damages, demands, losses, costs or expenses incurred by Developer shall be a Cost of Initial Operations where incurred prior to the Commencement Date, and a cost of operations where incurred after the Commencement Date.

A R T I C L E 5

MISCELLANEOUS.

5.1 Assignment and Subcontractors. The rights and obligations under this Agreement shall not be assigned or subcontracted by either Party without the prior written consent of the other Party and any other necessary regulatory approvals; provided, however, that Developer shall have the right to assign this Agreement to another wholly owned subsidiary of Station Casinos, Inc. without the consent of the Tribe. Notwithstanding the foregoing, the acquisition of, or merger by, Station Casinos, Inc, by or into a third party, shall not constitute an assignment by Developer for the purposes of this Agreement so long as such acquiring or merging party has been approved by the NIGC, if applicable. Any assigning party engaging in a permitted assignment described above shall and shall cause its assignee to execute and deliver to the other party such assignment and assumption agreements together with evidence of the due authorization, execution, delivery and enforceability of such assignment documents as may be

reasonably requested. Other than as expressly provided herein, any attempted assignment or subcontracting without such consent and approval shall be void. Subject to the preceding requirements, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.

5.2 Notices. Any notice, consent or any other communication permitted or required by this Agreement shall be in writing and shall be effective on the date sent and shall be delivered by personal service, via telecopier with reasonable evidence of transmission, express delivery or by certified or registered mail, postage prepaid, return receipt requested, and, until written notice of a new address or addresses is given, shall be addressed as follows:

If to the Tribe: Mechoopda Indian Tribe of Chico Rancheria, California
125 Mission Ranch Boulevard
Chico, California 95926
Telephone: (530) 899-8922
Facsimile: (530) 899-8517
Attention: Steve C. Santos, Chairman

With a copy to (which copy shall not constitute notice to a party):

Moriteau & Peebles LLP
1001 Second Street
Sacramento, California 95814
Telephone: (916) 441-2700 Facsimile:
(916) 441-2067 Attention: Robert
A. Rosette, Esq.

If to Developer: SC Butte Development, LLC c./o
Station Casinos, Inc. 2411
West Sahara Avenue Las
Vegas, Nevada 89102 Attention:
Scott M Nielson, Esq. Telephone:
(702) 367-2458 Facsimile: (702)
253-2926

Copies of any notices given to one party shall be given to all parties.

5.3 Amendments. This Agreement may be amended only by written instrument duly executed by the Parties and with any and all necessary regulatory approvals previous(y obtained.

5.4 Counterparts. This Agreement may be executed in two or more counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

5.5 Force Maieure. No party shall be in default in performance due hereunder if such failure or performance is due to causes beyond its reasonable control, including acts of God, war, fires, floods, or accidents causing damage to or destruction of the Facility or property necessary to operate the Facility, or any other causes, contingencies or circumstances not subject to its reasonable control which prevent or hinder performance of this Agreement; provided, however, that the foregoing shall not excuse any obligations of either Party to make monetary payments to the other Party as and when required hereunder or in any other Transaction Document.

5.6 Time is Material. The parties agree that time is of the essence and the time and schedule requirements set forth in this Agreement are material terms of this Agreement.

5.7 Further Assurances. The Parties agree to do all acts and deliver all necessary documents as shall from time to time be reasonably required to carry out the terms and provisions of this Agreement.

5.8 Severability. In the event that any provision of this Agreement is, by final order of a court of competent jurisdiction or Government Authority, held to be illegal or void, the validity of the remaining portions of this Agreement shall be enforced as if this Agreement did not contain such illegal or void clauses or provisions, and the parties shall use their best efforts to negotiate an amendment to this Agreement which will comply with any such order and maintain the originally contemplated rights, duties and obligations of the parties hereunder.

5.9 Intentionally Omitted

5.10 Representations and Warranties of Developer.

Developer hereby represents and warrants to the Tribe as follows:

(a) This Agreement has been duly executed and delivered by Developer and constitutes a valid and binding obligation of Developer, enforceable against Developer in accordance with its terms.

(b) The execution and delivery of this Agreement, the performance by Developer of its obligations hereunder and the consummation by Developer of the transactions contemplated hereby will not violate any contract or agreement to which Developer or any of its Affiliates is a party or any law, regulation, rule or ordinance or any order, judgment or decree of any federal, state, tribal or local court or require any regulatory approval beyond those contemplated herein.

(c) Developer has the full legal right, power and authority and has taken all action necessary to enter into this Agreement, to perform its obligations hereunder, and to consummate all other transactions contemplated by this Agreement.

5.11 Representations and Warranties of Tribe.

The Tribe hereby represents and warrants to Developer as follows:

(a) The Tribe is a duly organized Indian tribe under the Constitution of the Tribe and laws of the United States.

(b) The Tribe is a federally recognized Indian tribe eligible for the special programs and services provided by the United States to Indians because of their status as Indians and is recognized as possessing powers of self government.

(c) The Tribe seeks to acquire lands in trust upon which Indian gaming is permitted and lawful pursuant to Section 20 of the IGRA.

(d) The Gaming Site or the Alternate Gaming Site, as the case may be, to be selected pursuant to Section 2.1 or 2.2, as the case may be, will be located within the Tribe's aboriginal territory.

(e) The Tribe does not have any Tribal corporations, subsidiaries or affiliated entities except for the Mechoopda Indian Tribe of Chico Economic Development Corporation, and the Chico Rancheria Housing Corporation, neither of which are relevant to this Agreement.

(f) The Tribe has full legal right, power and authority under the laws of the Tribe and has taken all official Tribal Council action necessary: (i) to enter into this Agreement and authorize the Tribe to execute and deliver this Agreement, the Interim Promissory Note, Blocked Account Agreement, Security Agreement, and any and all other documents and agreements related thereto or contemplated thereby (each, a "Development Document," and, collectively, the "Development Documents"), (ii) to perform its obligations hereunder and thereunder, and (iii) to consummate all other transactions contemplated by this Agreement and the other Transaction Documents.

(g) This Agreement and the other Development Documents, have been duly executed and delivered by the Tribe and constitute valid and binding obligations of the Tribe, enforceable against the Tribe in accordance with their terms.

(h) The execution and delivery of this Agreement and the other Development Documents, the performance by Tribe of its obligations hereunder and thereunder and the consummation by the Tribe of the transactions contemplated hereby and thereby will not (i) violate any contract or agreement to which the Tribe is a party, or any law, regulation, rule or ordinance or any order, judgment or decree of any federal, state, tribal or local court, or (ii) require any approval by Governmental Authorities beyond those contemplated herein.

(i) The Tribe does not have any indebtedness for borrowed money except for the indebtedness disclosed to Developer in the Tribe's year end 2002 audit, and except for the Transition Loan and the Facility Loan.

The Tribe is not subject to regulation under any law limiting or regulating its ability to (i) incur indebtedness for money borrowed under the Transition Loan, Facility Loan or as otherwise contemplated by this Agreement, (ii) to grant liens to secure its obligations with respect to any such indebtedness, or (iii) to otherwise perform its obligations under this Agreement.

(k) There are no actions, suits, proceedings or investigations pending or as to which the Tribe has been served or has received notice or, to the best knowledge of the Tribe, threatened against or affecting the Tribe or any of its property, including, without limitation, actions before any Governmental Authority.

(l) All security interests granted hereunder (and under the Blocked Account Agreement and the Security Agreement) by the Tribe are perfected (assuming due and proper filing) and of first priority to the fullest extent that the same may be perfected by the filing of financing statements under the California Uniform Commercial Code.

(m) The Tribe does not own or license any intellectual property, however, the Tribe is culturally sensitive to various marking and identifiers of the Tribe.

(n) The Tribe is in compliance with all laws, rules, regulations or orders of any federal, state or Tribal court which are applicable to the Tribe or its properties.

(o) The Tribe has not established a Tribal court or judicial system except for the due process provisions regarding the suspension of licenses pursuant to the Tribe's Gaming Ordinance.

(p) No written statement made by or on behalf of the Tribe to Developer . in connection with this Agreement contains any untrue statement of a material fact or omits a material fact necessary in order to make the statement made not misleading in light of all the circumstances existing on the date the statement was made.

5.12 Governina Law. This Agreement has been negotiated, made and executed at the Tribe's office located in the State of California and shall be governed by and construed in accordance with the laws of the State, without regard to its conflict of laws provisions, and to the extent required by the Tribal-State Compact or the laws of the United States, applicable federal laws and laws of the Tribe.

5.13 Entire Agreement. This Agreement, including all exhibits, represents the entire agreement between the Parties and supersedes all prior agreements relating to the subject matter of construction and development of a Class III Gaming Facility by the Tribe.

5.14 Representatives of Tribe. The Tribal Council shall furnish to Developer a list of Tribal Representatives, which Tribal Representatives are empowered to act on behalf of the Tribe for the purposes of this Agreement, and the Tribe shall keep such list current.

5.15 Limitations of Liability. Each of the Parties expressly agrees that it shall not hold the other Party liable for (a) any special, punitive or consequential damages in connection with the obligations, acts or omissions of such other Party under this Agreement; provided, however, that such limitation shall not preclude Developer from seeking to recover, among other things, development fees that would otherwise have been payable to Developer over the stated term of this Agreement, or (b) the acts, omissions or defaults of the Architect, the General Contractor, any supplier of Furnishings and Equipment or their respective subcontractors, agents or assigns, unless such act, omissions or default on the part of the referenced parties are the result of such Party's negligence or willful misconduct.

5.16 Approvals. Unless otherwise provided herein, all approvals or consents required by either Party hereunder shall not be unreasonably withheld, conditioned or delayed. Unless otherwise provided herein, approval by the Tribal Council or its duly authorized representative shall be deemed to constitute approval by the Tribe and approval by the President, Chief Executive Officer or Secretary of Developer shall be deemed to constitute approval by Developer.

5.17 Best Efforts. Except as otherwise provided herein, Developer and the Tribe shall use their reasonable best efforts to perform and fulfill their obligations under this Agreement in the manner required by this Agreement.

5.18 Non-Disclosure. The Parties agree not to divulge to third parties the terms of this Agreement or any other proprietary or confidential information exchanged between the parties pursuant to this Agreement, unless (i) the information is required to be disclosed pursuant to judicial order or Legal Requirements, (ii) the information is at the time of disclosure already in the public domain, or (iii) to the extent required in order to perform pursuant to this Agreement (including, without limitation, obtaining a declination letter from the NIGC) or obtain financing. This prohibition shall not apply to disclosures by either party to their attorneys, accountants, or other professional advisers. In situations where disclosure of the terms of this Agreement or the other Transaction Documents to regulatory, governmental or judicial entities is required by law or regulations, the parties will make reasonable efforts to secure confidential treatment of the economic terms of this Agreement or the other Transaction Documents by such entities; provided, however, this disclosure restriction shall not prohibit Developer or its Affiliates from making any SEC filings it or they deem legally necessary. The parties agree to consult with each other and cooperate regarding any press releases regarding this Agreement and the relationships described herein.

5.19 Development of Class II Gaming. Developer and the Tribe acknowledge that, notwithstanding their mutual intent hereunder to develop Class III Gaming, the parties may mutually agree to develop Class II Gaming at the Facility while developing Class III Gaming at the Facility. In such event, the Tribe agrees that Developer or its Affiliate will also develop all Class II Gaming at the Facility during the term of this Agreement and pursuant to the terms of this Agreement. The parties shall mutually agree to the scope and size of any Class II Gaming facility that they determine to build as part of the Enterprise.

5.20 Other Business Opportunities. Other than as expressly set forth in this Agreement, neither party shall have the right to participate in the business opportunities of the other.

5.21 Tribal Covenants.

The Tribe covenants and agrees as follows:

(a) That it will take the steps necessary to ensure that the Gaming Ordinance will always meet the requirements of the IGRA and the applicable regulations under the IGRA and be consistent with the provisions of this Agreement and not adversely affect the rights of Developer hereunder and thereunder.

(b) The Tribe agrees to enter into the Facility Loan documents, provided that all terms of such Facility Loan Documents are reasonably acceptable to the Tribal Council, and execute all documents necessary to carry out the purposes of this Agreement.

(c) That during the term hereof, Developer shall and may peaceably have access to the Property and the Facility in accordance with the terms of this Agreement, free from molestation, eviction and disturbance by the Tribe or by any other person or entity; provided, however, that such right of access to the Facility shall cease upon the termination of this Agreement pursuant to its terms.

(d) That if the State or any local government attempts to impose any tax including any possessory interest tax upon any Party to this Agreement or its contractors, then the Tribe, in the name of the appropriate party or parties in interest, shall resist such attempt through legal action as a Transaction Expense.

(e) That neither the Tribe nor any agent, agency, affiliate or representative of the Tribe will impose any taxes, fees [except reasonable licensing fees, which shall be reasonable and consistent with industry standards), assessments or other charges of any nature whatsoever on payments of any debt service to Developer or any of its Affiliates or to any Lender furnishing financing for the Facility or for the Enterprise, or on the Enterprise, the Facility, the revenues therefrom or on any development fee or other compensation payable under Section 2.17 or on the salaries or benefits, or dividends paid to, any of Developer's members, stockholders, officers, directors, or employees, any of the employees of the Enterprise or any provider of goods, materials or services to the Enterprise.

(f) [Intentionally omitted.]

(g) The Tribe shall not enter into or make any contract, agreement or understanding, with, or for the benefit of, any Affiliate of the Tribe (each of the foregoing, an "Affiliate Transaction"), unless (1) such Affiliate Transaction is on terms that are no less favorable to the Tribe than those that would have been obtained in a comparable transaction by *the Tribe* with an unrelated person, and (2) the Tribe delivers to Developer with respect to any Affiliate Transaction involving aggregate payments in excess of One

Hundred Thousand Dollars (\$100,000), a resolution adopted by a majority of the disinterested members of the Development Board approving such Affiliate Transaction and set forth in an officers' certificate certifying that such Affiliate Transaction complies with clause (1) above, and with respect to any Affiliate Transaction involving aggregate payments in excess of One Million Dollars (\$1,000,000), a written opinion as to the fairness to the Tribe from a financial point of view issued by an independent financial advisor with assets in excess of One Billion Dollars (\$1,000,000,000).

(h) The Tribe shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) the existence in accordance with the respective organizational, statutory, constitutional or legal documents (as the same may be amended from time to time) of the Tribe and (ii) all rights (charter and statutory), licenses and franchises of the Tribe.

(i) The Tribe covenants to use its best efforts to obtain and retain in full force and effect at all times all licenses (including, but not limited to, Gaming licenses and licenses for the sale of alcoholic beverages) which may be necessary or desirable for the operation of the Enterprise provided, that, if in the course of the exercise of its governmental or regulatory functions the Tribe is required to condition, suspend or revoke any consent, permit or license or close or suspend any operation of any part of the Enterprise as a result of any noncompliance with Legal Requirements, the Tribe will use its best efforts to promptly and diligently correct such noncompliance or replace any personnel causing such noncompliance so that the Enterprise will be opened and fully operating.

Except as subject to the Compact, IGRA or the Tribal Gaming Ordinance, within twenty-four (24) hours after receipt of any Notice of Violation, Order of Temporary Closure" or Assessment of Civil Fines from the National Indian Gaming Commission pursuant to 25 C.F.R. Part 573 or 575 and any notice of noncompliance issued by or cause of action commenced by the State under the Tribal-State Compact, or any other similar notice of action from any governmental body pursuant to Legal Requirement, the Tribe shall provide Developer with a copy of such notice and of all documents which may be served upon the Tribe pursuant to any such notice.

(k) The Tribe and its Affiliates shall comply with the affirmative and negative covenants which will be made in the Facility Loan documentation.

(l) In the event Developer or any Affiliate of Developer hereafter executes and delivers to any Lender a completion guarantee or similar agreement guaranteeing the completion of the construction, furnishing and/or equipping of the Facility, the Tribe shall authorize, execute and deliver to Developer or its designee a Completion Agreement in a form reasonably satisfactory to Developer and the Tribe.

(m) In the event Developer or any Affiliate of Developer hereafter executes and delivers to any Lender any make-well or guarantee agreement guaranteeing any obligation of the Tribe, the Tribe shall authorize, execute and deliver to

Developer or its designee a Reimbursement Agreement in a form reasonably satisfactory to Developer and the Tribe.

(n) Within thirty (30) days following the Tribe's establishment of a Tribal court in accordance with all applicable Legal Requirements, the Tribe shall file a complaint with such Tribal court seeking the entry of a stipulated declaratory judgment upholding the validity and enforceability of this Agreement and the Development Documents, the form of which will be mutually agreed to by the Development Board and Developer. The Tribe represents and warrants that, once established, the Tribal court will have full authority under the Tribe's constitution and laws to enter an order upholding the validity and enforceability of this Agreement and the Development Documents, and to enter orders prohibiting the impairment of contracts and requiring due notice of any proposed changes of any such contracts including, without limitation, this Agreement and all of the other Development Documents.

5.22 Enactment of Ordinances. The Tribe agrees to enact such legislation or ordinances as may be required or contemplated by the Tribal-State Compact and to maintain such legislation and ordinances in full force and effect during the term of this Agreement, which may include, without limitation, and to the extent applicable, the Gaming Ordinance, a building and safety code ordinance, a public health, safety and welfare standards ordinance, a labor ordinance and an environmental impact ordinance.

5.23 Cooperation. The Parties hereby agree to cooperate reasonably and fully and shall try to reach agreement or compromise on all matters arising under or relating to this Agreement or the subject matter hereof or thereof. In the event that the Parties are unable to reach agreement or compromise on any matter that reasonably may be expected to have an adverse material effect on the Enterprise, that matter shall be submitted to dispute resolution pursuant to Section 6.1.

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

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

5.26 Stay, Extension and Usury Laws. To the extent permitted by applicable law, the Parties covenant and agree that they shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Agreement or the other Development Documents, and the Parties hereby expressly waive all benefit or advantage of any such law, and

covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the other Party, but shall suffer and permit the execution of every such power as though no such law has been enacted.

5.27 No Brokers. Developer and the Tribe represent and warrant to each other that neither has sought the services of a broker, finder or agent in this transaction, and neither has employed, nor authorized, any other person to act in such capacity. Each of Developer and the Tribe hereby agrees to indemnify and hold the other harmless from and against any and all claims, loss, liability, damage or expenses (including reasonable attorneys' fees) suffered or incurred by the other party as a result of a claim brought by a person or entity engaged or claiming to be engaged as a finder, broker or agent by the indemnifying party.

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

5.29 Standard of Reasonableness. Except as otherwise provided herein, all provisions of this Agreement, the Development Documents and the Facility Loan Documents and all collateral agreements and actions necessary to implement or enforce any such agreement or provision shall be governed by a standard of commercial reasonableness and good faith. Obligations of any party to use best efforts will also be qualified by a standard of commercial reasonableness and good faith.

5.30 Preservation of Agreement. Except as otherwise provided in Section 5.3, each of Developer and the Tribe warrant and represent that they shall not act in any way whatsoever, directly or indirectly, to cause this Agreement, the Development Documents and the Facility Loan Documents to be amended, modified, canceled, or terminated. Each of Developer and the Tribe further warrants and represents that they shall take all actions necessary to ensure that this Agreement, the Development Documents and the Facility Loan Documents shall remain in effect at all times.

5.31 Recordation. At the option of Developer or the Tribe, the Security Agreement or any related documents, may be recorded in any public records. Where such recordation is desired in any relevant recording office maintained by the Tribe, and/or in the public records of the BIA, the Tribe will accomplish such recordation upon the request of Developer. Developer shall promptly reimburse the Tribe for all expenses, including reasonable attorney fees, incurred as a result of such request.

5.32 No Joint Venture. The Parties further agree and acknowledge that it is not their intent, and that this Agreement, the Development Documents and the Facility Loan Documents shall not be construed, to create a joint venture between the Tribe and Developer. Rather, Developer shall be deemed to be an independent contractor for all purposes hereunder.

5.33 Interpretation. When a reference is made in this Agreement to Articles or Sections, such reference shall be to an Article or Section of this Agreement unless otherwise indicated.

5.34 Recitals. The recitals at the beginning of this Agreement are true and are incorporated by reference herein.

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

5.36 Preparation of Agreement. This Agreement has been carefully prepared and reviewed by counsel for each Party and shall not be construed more strongly for or against either Party Hereto regardless of who is responsible for its preparation.

5.37 Submission of Agreements. The Tribe agrees that Development Documents do not require the approval of the Chairman of the NIGC or the Secretary of the Interior in order to be legally effective and not void, and (ii) the Development Documents are legally effective and not void upon the execution and delivery of the Development Documents by the Parties. The Tribe further agrees that it will not take the position with any Governmental Authority or assert in any arbitration or judicial forum that the Development Documents require the approval of the NIGC in order to be legally effective and not void, and the Tribe expressly waives any rights which it may have to assert a contrary position. The Tribe shall submit the Development Documents to the NIGC pursuant to a cover letter mutually agreed upon by the Parties which shall request that the NIGC issue a "declination letter" confirming that the Development Documents do not require NIGC approval in order to be legally effective and not void. The Tribe agrees to submit to the NIGC or the Department of the Interior any agreements or documents which Developer may reasonably request pursuant to such cover letters as the Parties may mutually agree.

ARTICLE 6

DISPUTE RESOLUTION.

6.1 Disputes Between the Tribe and Developer. Unless otherwise expressly set forth in the applicable agreement or documents, disputes between the Tribe and Developer with respect to this Agreement or any other Transaction Documents, or a party's performance hereunder or thereunder, shall be resolved by the following dispute resolution process and pursuant to the Resolution of Waiver attached hereto as Exhibit B and incorporated herein by reference.

(a) The Parties shall first meet and confer in a good faith attempt to resolve the dispute through negotiations not later than ten (10) calendar days after receipt of written notice of the dispute, unless both Parties agree in writing to an extension of time.

(b) If the dispute is not resolved to the satisfaction of the Parties within thirty (30) calendar days after the first meeting in Section 6.1(a), then any claim, controversy or dispute arising out of or relating to this Agreement, the Facility Note, the Interim Promissory Note, or any other Transaction Document, or any alleged default thereunder or breach of any provisions thereof shall be submitted to binding arbitration in accordance with the Comprehensive Rules and Procedures of JAMS in effect at the time of submission, except that: (a) the question whether or not a dispute is arbitrable under this Agreement or any other Transaction Document shall be a matter for binding arbitration by the arbitrator, such question shall not be determined by any court and, in determining any such question, all doubts shall be resolved in favor of arbitrability; and (b) discovery shall be permitted in accordance with the provisions of Section 1283.05 of the California Code of Civil Procedure; provided, however, that no discovery authorized by - that section may be conducted without leave of the arbitrator. Judgment on any arbitration award may be entered in any court having jurisdiction over the parties pursuant to the Resolution of Waiver attached hereto as Exhibit B and incorporated herein by reference.

(c) Unless the Parties otherwise agree in writing prior of the submission of such claim, controversy or dispute to arbitration, arbitration proceedings under this Article 6 shall be held in Sacramento, California.

(d) Either Party may, at any time prior to the selection of the arbitrator, require that the arbitrator selected be an attorney licensed to practice law in the United States and that the attorney have experience in Indian gaming regulatory or commercial development issues.

(e) Unless the Parties otherwise agree in writing, any matter to be arbitrated shall be submitted to a single arbitrator, which arbitrator shall be jointly selected by the Parties. If the Parties are unable to agree upon such arbitrator within twenty (20) days after the dispute has been submitted to binding arbitration, such arbitrator shall be selected in accordance with the Comprehensive Rules and Procedures of JAMS in effect at the time of submission.

(f) The arbitration award shall be in writing signed by the arbitrator, and shall state the basis for the award. The arbitration award shall be set forth in reasonable detail as to its findings of fact and law, and basis of determination of award form and amount. In connection with any arbitration award, the arbitrator shall be empowered to take the actions and enforce the judicial remedies described in the Resolution of Waiver; provided, however, that although the arbitrator may award damages in the event the Tribe or the Gaming Commission choose not to comply with the award, the arbitrator may not require the Tribe or the Gaming Commission to take or modify any governmental legislative decision or action which the arbitrator has determined has resulted in the dispute between the Parties and is contrary to the Parties' rights, liabilities and obligations under this Agreement or any other Transaction Document ("Specific Performance Restriction"); and provided, further, that: (a) should the arbitrator determine that the governmental legislative decision or action by the Tribe or the Gaming Commission in dispute has been made in an unreasonable manner and if the Tribe shall not reverse such governmental legislative decision or action, then the arbitrator shall award compensatory damages to Developer, Lender, or other claimant, as applicable, for damages suffered as a consequence of the Tribe's or the Gaming Commission's governmental legislative decision or action; and (b) that such Specific Performance Restriction shall not prevent Developer from enforcing the Facility Note, the Interim Promissory Note, the Security Agreement, the Blocked Account Agreement, or the liens and security interests granted thereunder, nor from realizing on collateral encumbered thereby.

(g) Except to the extent such enforcement will be inconsistent with a specific provision of this Agreement, arbitration awards made pursuant to this Article 6 shall be enforceable under Title 9 of the United States Code and any applicable tribal, federal or state law governing the enforcement of arbitration awards.

(h) In addition to any basis for appeal of an arbitration award stated in Title 9 of the United States Code or any applicable law governing the enforcement of arbitration awards, either Party may appeal an arbitration award on the basis that the arbitrator incorrectly decided a question of law in making the award, or the award was made in an arbitrary or capricious manner or in manifest disregard of the factual evidence.

(i) Either Party, without having to exhaust any tribal remedies first, shall have the right to seek and obtain a court order from a court having jurisdiction over the parties requiring that the circumstances specified in the order be maintained pending completion of the arbitration proceeding, to the extent permitted by applicable law.

[SIGNATURES ON FOLLOWING PAGE)

SIGNATURE PAGE FOR DEVELOPMENT AGREEMENT BETWEEN THE MECHOOPDA INDIAN TRIBE OF CHICO RANCHERIA, CALIFORNIA AND SC BUTTE DEVELOPMENT, LLC

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the above written date.

"Tribe"

MECHOOPDA INDIAN TRIBE
OF CHICO RANCHERIA, CALIFORNIA,
a federally recognized Indian tribe

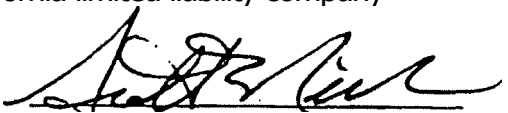
By:


Ste6rs C. Sant s, Chairman

"Developer"

SC BUTTE DEVELOPMENT, LLC, a
California limited liability company

By:


Sco M Nielson, Secretary