



SQUAXIN ISLAND TRIBE

RESOLUTION NO. 06-68A

of the

SQUAXIN ISLAND TRIBAL COUNCIL

WHEREAS, the Squaxin Island Tribal Council is the Governing Body of the Squaxin Island Tribe (“Tribe” or “Borrower”), its members, its lands, its enterprises and its agencies by authority of the Constitution and Bylaws of the Squaxin Island Tribe, as approved and adopted by the General Body and the Secretary of the Interior on July 8, 1965; and

WHEREAS, under the Constitution, Bylaws and inherent sovereignty of the Tribe, the Squaxin Island Tribal Council is charged with the duty of protecting the health, security, education and general welfare of tribal members, and with protecting and managing the lands and treaty resources and rights of the Tribe including those expressed in Section 1 (b) and (i) of the Constitution;

WHEREAS, the Squaxin Island Tribal Council has been entrusted with the creation of ordinances and resolutions in order to fulfill their duty of protecting the health, security, education and general welfare of tribal members, and of protecting and managing treaty land and treaty resources of the Tribe; and

WHEREAS, the Tribe and Bank of America, N.A. (“Bank”) have negotiated a Business Loan Agreement which restates and replaces the Business Loan Agreement (“Agreement”) dated as of June 1, 2001, between the Borrower and the Bank, and all amendments thereto; and

WHEREAS, the “Golf Course Loan” and the “Line of Credit” as defined in the Agreement (copy attached) are referred therein as the “Facilities”; and

WHEREAS, the Agreement covers a loan in the amount of Ten Million Three Hundred-Thirty-One Dollars (\$10,331,000) for the purpose of constructing an 18-hole championship golf course with a repayment period through August 1, 2031, and a line of credit equal to a maximum amount of Fifty Million Dollars (\$50,000,000) for the purpose of constructing additional hotel rooms, an events center and the remodeling of the Little Creek Casino-Resort with a repayment period through June 1, 2011; and

WHEREAS, in order to induce Bank to complete this loan and execute the Business Loan Agreement and perform the same it is necessary for the Council to ratify and approve the terms of the Business Loan and to authorize the Tribe to negotiate and execute final versions of the several Facilities agreements and the Agreement, to issue a limited waiver of sovereign immunity; to authorize arbitration of certain controversies that could arise regarding the transaction; to consent that the Tribe be sued in state, federal and tribal courts pertaining to the transaction; to consent to the application of the substantive laws of the State of Washington – all in order that the Bank may be induced to make the loan as evidenced by the existing Note and in order that Bank may be assured it may enforce the Business Loan Agreement and any related documents as well as the existing Note against the Tribe.

NOW, THEREFORE, BE IT RESOLVED AND ENACTED By the Council as follows:

Section 1. Authorization to Execute and Deliver. The terms and conditions of the above-described draft of the Business Loan Agreement and Facilities are hereby authorized and ratified. The Chairman, or in his absence the Vice-chairman, is hereby authorized to execute and deliver on behalf of the Tribe the Business Loan Agreement, as well as any non-material revisions of the same prior to its execution as they shall determine, together with any and all other documents, financing statements, consents, representations and warranties required by Bank or its representatives in order to effect the transactions and the making of the loan. In addition, the Chairman, or in his absence the Vice-chairman, is hereby authorized to (a) enter into any swap transaction, forward transaction, foreign exchange transaction or any combination of the foregoing transactions or option to enter into any of the foregoing transactions, including, without limitation, any commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction and currency option, or any similar transaction (each a “Transaction”), with Bank of America, N.A. and (b) to execute and deliver (i) any agreement or document (including, without limitation, a master agreement and confirmations of any Transaction) that in the opinion of the officer executing or delivering any such agreement or document may be necessary or appropriate in connection with any Transaction and (ii) any amendment or revision to any such agreement or document which in the opinion of the officer executing or delivering any such agreement of document may be necessary or appropriate.

Section 2. Choice of Law. The Business Loan Agreement and all related documents thereto shall create the rights and remedies that would apply and shall be governed by and construed in accordance with the laws of the state of Washington (without regard to principles of conflict of laws), including the Washington Uniform Commercial Code.

Section 3. Arbitration and Waiver of Jury Trial. The Council, for itself and on behalf of the Tribe, consents and agrees to waive its sovereign immunity from compulsory arbitration

and judicial enforcement of any arbitration award arising out of any controversies or claims between the Borrower and the Bank, whether arising in contract, tort or by statute, that rise out of or relate to: (i) this Agreement (including any renewals, extensions or modifications); or (ii) any document related to this Agreement (collectively a "Claim").

Borrower expressly and irrevocably waives its sovereign immunity from compulsory arbitration and judicial enforcement of the arbitration award or awards suit for Claims by the Bank with respect to the obligations and indebtedness that arise out of or relate to (i) this Agreement (including any renewals, extensions or modification) or (ii) any document related to this Agreement. Provided, the waiver of sovereign immunity expressed herein is limited to the Bank and its successor and assigns as the Bank under this Agreement. Provided further, recourse of the Bank under this waiver of sovereign immunity is limited to the net gaming revenues of the Borrower's Gaming Enterprise and all personal property associated with same.

(a) At the request of the Borrower or the Bank, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U. S. Code) (the "Act"). The Act will apply even though this Agreement provides that it is governed by the law of a specified state.

(b) Arbitration proceedings will be determined in accordance with the Act, the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), and the terms of this paragraph. In the event of any inconsistency, the terms of this paragraph shall control.

(c) The arbitration shall be administered by AAA and conducted in Washington state. All Claims shall be determined by one arbitrator; however, if Claims exceed Five Million Dollars (\$5,000,000), upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within ninety (90) days of the demand for arbitration and close within ninety (90) days of commencement and the award of the arbitrator(s) shall be issued within thirty (30) days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional sixty (60) days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed and enforced.

(d) The arbitrator(s) will have the authority to decide whether any Claim is barred by the statute of limitations and, if so, to dismiss the arbitration on that basis. For purposes of the application of the statute of limitations, the service on a party of a demand for arbitration under applicable AAA rules is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Agreement.

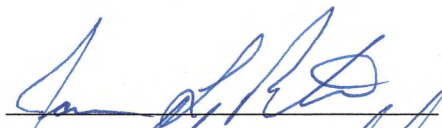
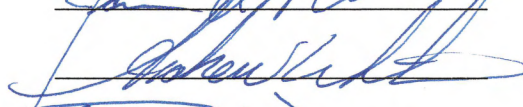
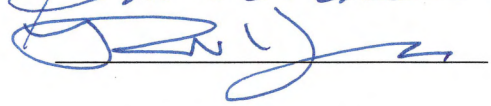
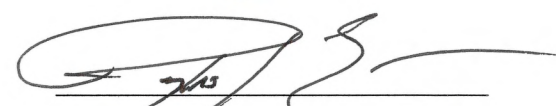
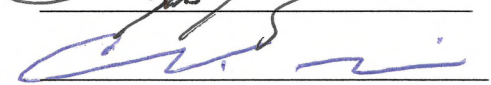
(e) This paragraph does not limit the right of the Borrower or the Bank to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or nonjudicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies

(f) The filing of a court action is not intended to constitute a waiver of the right of the Borrower or the Bank, including the suing party, thereafter to require submittal of the Claim to arbitration.

(g) By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this Agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the parties entering into this Agreement. The filing of a court action is not intended to constitute a waiver of the right of the any party, including the suing party, thereafter to require submittal of the Claim to arbitration.


Section 4. Waiver of Sovereign Immunity. The Council, for itself and on behalf of the Tribe, expressly and irrevocably waives its sovereign immunity from suit for claims by the Bank with respect to the obligations and indebtedness evidenced by this Agreement and any related documents and consents to be sued in the courts of the state of Washington to compel or enforce arbitration. If it is determined that the foregoing court does not enjoy proper jurisdiction, then the Borrower consents to suit to compel or enforce arbitration in any federal or tribal court of competent jurisdiction, including the Squaxin Island Tribal Court, if any. The Borrower hereby waives any requirement of exhaustion of tribal remedies. Provided, the waiver of sovereign immunity expressed herein is limited to the Bank and its successor and assigns as the Bank under this Agreement. Provided further, recourse of the Bank under this waiver of sovereign immunity is limited to the net gaming revenues of the Borrower's Gaming Enterprise and all personal property associated with same.

Section 5. Bank Instruction Authority. In and by this Resolution and until revised by subsequent action of the Tribal Council, the Tribal Council authorizes on behalf of the Tribe the taking of advances, issuance of letters of credit, making of repayments or for the designation of the optional interest rates under Sections 1.5 and 2.5 of the Business Loan Agreement, perfecting security agreements upon written instruction of one individual, whose true signature appears opposite his or her name, from each category of signatories listed below:

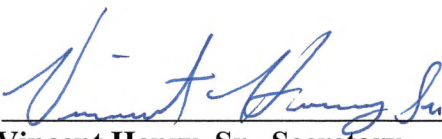
<u>Name</u>	<u>Title</u>	<u>Signature</u>
Elected Tribal Officials		
James L. Peters	Chairman	
Andrew D. Whitener	Vice-Chairman	
Russell Harper	Treasurer	
Gaming Enterprise Officials		
Doug Boon	General Manager	
Cameron Goodwin	Chief Financial Officer	

CERTIFICATION

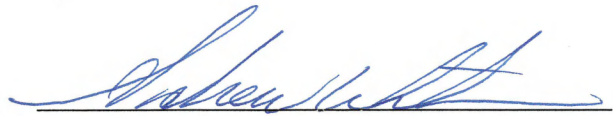
The Squaxin Island Tribal Council hereby certifies that the foregoing Resolution was adopted at the regular meeting of the Squaxin Island Tribal Council, held on this 28th day of July, 2006, at which time a quorum was present and was passed by a vote of 6 for and 0 against, with 0 abstentions.



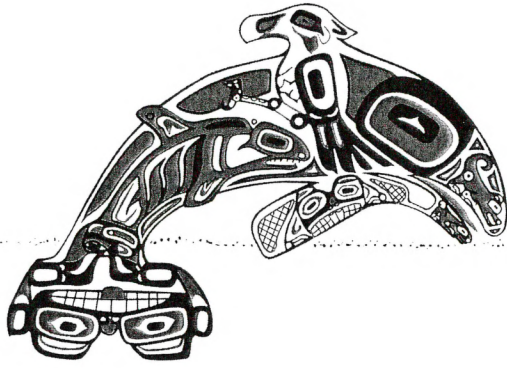
James L. Peters, Chairman

Attested by: 

Vincent Henry, Sr., Secretary



Andrew D. Whitener, Vice Chairman



SQUAXIN ISLAND TRIBE

RESOLUTION NO. 06-___

of the

SQUAXIN ISLAND TRIBAL COUNCIL

WHEREAS, the Squaxin Island Tribal Council is the Governing Body of the Squaxin Island Tribe (“Tribe” or “Borrower”), its members, its lands, its enterprises and its agencies by authority of the Constitution and Bylaws of the Squaxin Island Tribe, as approved and adopted by the General Body and the Secretary of the Interior on July 8, 1965; and

WHEREAS, under the Constitution, Bylaws and inherent sovereignty of the Tribe, the Squaxin Island Tribal Council is charged with the duty of protecting the health, security, education and general welfare of tribal members, and with protecting and managing the lands and treaty resources and rights of the Tribe including those expressed in Section 1 (b) and (i) of the Constitution;

WHEREAS, the Squaxin Island Tribal Council has been entrusted with the creation of ordinances and resolutions in order to fulfill their duty of protecting the health, security, education and general welfare of tribal members, and of protecting and managing treaty land and treaty resources of the Tribe; and

WHEREAS, the Tribe and Bank of America, N.A. (“Bank”) have negotiated a Business Loan Agreement which restates and replaces the Business Loan Agreement (“Agreement”) dated as of June 1, 2001, between the Borrower and the Bank, and all amendments thereto; and

WHEREAS, the “Golf Course Loan” and the “Line of Credit” as defined in the Agreement (copy attached) are referred therein as the “Facilities”; and

WHEREAS, the Agreement covers a loan in the amount of Ten Million Three Hundred-Thirty-One Dollars (\$10,331,000) for the purpose of constructing an 18-hole championship golf course with a repayment period through August 1, 2031, and a line of credit equal to a maximum amount of Forty Million Dollars (\$40,000,000) for the purpose of constructing additional hotel rooms, an events center and the remodeling of the Little Creek Casino-Resort with a repayment period through June 1, 2011; and

WHEREAS, in order to induce Bank to complete this loan and execute the Business Loan Agreement and perform the same it is necessary for the Council to ratify and approve the terms of the Business Loan and to authorize the Tribe to negotiate and execute final versions of the several Facilities agreements and the Agreement, to issue a limited waiver of sovereign immunity; to authorize arbitration of certain controversies that could arise regarding the transaction; to consent that the Tribe be sued in state, federal and tribal courts pertaining to the transaction; to consent to the application of the substantive laws of the State of Washington – all in order that the Bank may be induced to make the loan as evidenced by the existing Note and in order that Bank may be assured it may enforce the Business Loan Agreement and any related documents as well as the existing Note against the Tribe.

NOW, THEREFORE, BE IT RESOLVED AND ENACTED By the Council as follows:

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(b) Arbitration proceedings will be determined in accordance with the Act, the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), and the terms of this paragraph. In the event of any inconsistency, the terms of this paragraph shall control.

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(d) The arbitrator(s) will have the authority to decide whether any Claim is barred by the statute of limitations and, if so, to dismiss the arbitration on that basis. For purposes of the application of the statute of limitations, the service on a party of a demand for arbitration under applicable AAA rules is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Agreement.

(e) This paragraph does not limit the right of the Borrower or the Bank to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or nonjudicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies

(f) The filing of a court action is not intended to constitute a waiver of the right of the Borrower or the Bank, including the suing party, thereafter to require submittal of the Claim to arbitration.

(g) By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this Agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the parties entering into this Agreement. The filing of a court action is not intended to constitute a waiver of the right of the any party, including the suing party, thereafter to require submittal of the Claim to arbitration.

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Section 5. Bank Instruction Authority. In and by this Resolution and until revised by subsequent action of the Tribal Council, the Tribal Council authorizes on behalf of the Tribe the taking of advances, issuance of letters of credit, making of repayments or for the designation of the optional interest rates under Sections 1.5 and 2.5 of the Business Loan Agreement, perfecting security agreements upon written instruction of one individual, whose true signature appears opposite his or her name, from each category of signatories listed below:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Elected Tribal Officials		
James L. Peters	Chairman	_____
Andrew D. Whitener	Vice-Chairman	_____
Russell Harper	Treasurer	_____
Gaming Enterprise Officials		
Doug Boon	General Manager	_____
Cameron Goodwin	Chief Financial Officer	_____

CERTIFICATION

The Squaxin Island Tribal Council hereby certifies that the foregoing Resolution was adopted at the regular meeting of the Squaxin Island Tribal Council, held on this 28th day of July, 2006, at which time a quorum was present and was passed by a vote of _____ for and _____ against, with _____ abstentions.

James L. Peters, Chairman

Attested by: _____
Vincent Henry, Sr., Secretary

Andrew D. Whitener, Vice Chairman



BUSINESS LOAN AGREEMENT Squaxin Island Tribe

This Business Loan Agreement ("Agreement"), dated as of July ____, 2006, is between **Bank of America, N.A.**, a national banking association (the "Bank") and the **Squaxin Island Tribe**, a federally-recognized Indian tribe (the "Borrower"). This Agreement restates and replaces the Business Loan Agreement dated as of June 1, 2001, between the Borrower and the Bank, and all amendments thereto. The "Golf Course Loan" and the "Line of Credit" as defined below are together referred to herein as the "Facilities."

1. GOLF COURSE LOAN

1.1 Loan Amount. The Bank agrees to provide a term loan to the Borrower in the amount of Ten Million Three Hundred Thirty-One Thousand and No/100 Dollars (\$10,331,000.00) (the "Golf Course Loan") for the purpose of constructing an 18-hole championship golf course (the "Golf Course Project").

1.2 Availability Period. The Golf Course Loan is available in multiple disbursements from the Bank between the date of this Agreement and November 1, 2007 (the "Expiration Date"), subject to the following conditions:

(a) The initial advance of the Golf Course Loan will be subject to (A) receipt by the Bank of a full faith and credit guaranty of 90% of the Golf Course Loan from the United States Department of the Interior Bureau of Indian Affairs, pursuant to Title 25, U.S.C. §1499, and (B) receipt by the Bank, and the Bank's approval of:

- (i) the plans and specifications for the Golf Course Project;
- (ii) a soil reports on the site of the Golf Course Project, showing that the soil will adequately support the improvements encompassed in the Golf Course Project when constructed in accordance with the plans and specifications;
- (iii) the construction contract for the Golf Course Project;
- (iv) the Standard Form of Agreement between Owner and Architect with Standard Form of Architect's Services; and all amendments, exhibits and change orders related thereto; and a schedule listing all subcontracts relating to the construction of the Golf Course Project;
- (v) pre-construction review and analysis of contracts, plans and specifications by a construction consultant company (the "Consultant") chosen by the Bank; and
- (vi) evidence of insurance for the Golf Course Project.

(b) The initial advance and each subsequent advance of the Golf Course Loan will be subject to the following conditions:

- (i) No event of default or other event which, upon notice or lapse of time or both would constitute an event of default under this Agreement, shall have occurred and be continuing, or shall exist after giving effect to the advance under the Golf Course Loan.
- (ii) No lien for the performance of work or supplying of labor, materials or services shall have been filed against the Golf Course Project and remain unsatisfied or unbonded.
- (iii) If required by the Bank, the Bank shall have received satisfactory evidence that the Golf Course Project is lien free.

- (iv) Review by the Consultant on a monthly basis, to include:
 - (A) site inspections as needed;
 - (B) correlation of the work completed to the billings for the period;
 - (C) recommendation of the amount to be advanced under the Golf Course Loan for the work completed; and
 - (D) monitoring the percentage of completion to contractor estimates.

The Bank shall have the right to perform periodic site inspections for completion status, and suspend further advances under the Golf Course Loan if the Golf Course Project is significantly over budget or behind schedule, and the Bank's prospects for repayment of the Golf Course Loan are thereby materially impaired.

1.3 Repayment Terms.

(a) The Borrower will pay all accrued but unpaid interest on August 1, 2006, and then the first day of each month thereafter, and upon payment in full of the principal of the Golf Course Loan.

(b) The Borrower will repay principal in equal installments beginning on December 1, 2007, and on the same day of each month thereafter, and ending on August 1, 2031 (the "Repayment Period"). Each principal installment shall be in an amount equal to 1/300 of the outstanding principal balance of the Golf Course Loan as determined on the closing of business on the Expiration Date. In any event, on the last day of the Repayment Period the Borrower will repay the remaining principal balance plus any interest then due.

(c) The Borrower may prepay the Golf Course Loan in full or in part at any time. The prepayment will be applied to the most remote payment of principal due under this Agreement.

1.4 Interest Rate.

(a) The interest rate for the Golf Course Loan is a rate per year equal to the Prime Rate plus 0.75 percentage points.

(b) "Prime Rate" means the rate of interest publicly announced from time to time by the Bank as its Prime Rate. The Prime Rate is set by the Bank based on various factors, including the Bank's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans. The Bank may price loans to its customers at, above, or below the Prime Rate. Any change in the Prime Rate shall take effect at the opening of business on the day specified in the public announcement of a change in the Bank's Prime Rate.

1.5 Optional Interest Rates. Instead of the interest rate set forth in Section 1.4(a), the Borrower may elect the optional interest rate listed below for the Golf Course Loan during the interest periods listed in Section 3.2(a). The optional interest rate shall be subject to the terms and conditions described in Article 3. Any principal amount of the Golf Course Loan bearing interest at an optional interest rate under this Agreement is referred to as a "Portion." The following optional interest rate is available:

- the LIBOR Rate plus 1.50 percentage points.

2. **LINE OF CREDIT**

2.1 Line of Credit Amount.

(a) During the availability period described below, the Bank will provide a line of credit to the Borrower (the "Line of Credit"). The Line of Credit is equal to \$30,000,000 (the "Commitment"), subject to the following provisions:

(i) The Commitment may be increased to up to \$40,000,000 by the Borrower, in \$5,000,000 increments, provided that (A) no event of default exists under

this Agreement, or would exist upon effectiveness of the increase, and no event that with notice or the passage of time would become an event of default shall have occurred and be continuing; (B) after the increase, the Borrower would be in pro-forma compliance with all financial covenants of this Agreement; and (C) the Borrower pays to the Bank prior to the increase becoming effective an upfront fee of 0.25% of the amount of each incremental increase.

(ii) The Commitment will reduce on the earlier of (X) January 1, 2008, or (Y) or the first day of the first full month beginning at least 90 days after completion of construction of the hotel portion of the Resort Project (as defined below), as evidenced by documentation reasonably satisfactory to the Bank, whichever occurs first; and on the first day of each month thereafter, by the monthly amount of \$476,190.48. The Borrower shall repay on each such date the amount, if any, by which the outstanding principal balance of the Line of Credit exceeds the reduced Commitment.

(iii) If the Gaming Enterprise's ratio of Funded Debt to EBITDA (as determined in accordance with Section 9.3 of this Agreement, as set forth in the most recent compliance certificate received by the Bank as required in Section 9.2(e)) is less than or equal to 1.00 to 1 for two consecutive fiscal quarters, and no event of default exists under this Agreement, and no event that with notice or the passage of time would become an event of default shall have occurred and be continuing, then no further Commitment reductions under the Line of Credit shall occur until such time as the ratio of Funded Debt to EBITDA ratio again exceeds 1.00 to 1.

(iv) The Bank reserves the right to syndicate the Line of Credit among a group of financial institutions, including the Bank, arranged by Banc of America Securities, LLC in its capacity as sole lead arranger, which institutions shall be acceptable to the Borrower and the Bank. In the case of any such syndication, the Bank shall serve as administrative agent for all lenders.

"Resort Project" shall mean the construction of additional hotel rooms and an events center, and the remodeling of the Little Creek Casino.

(b) The Line of Credit is a revolving line of credit providing for cash advances. During the Availability Period, the Borrower may repay principal amounts of the Line of Credit and reborrow them.

(c) The Borrower agrees not to permit the outstanding principal balance of the Line of Credit to exceed the Line of Credit Commitment.

2.2 Availability Period. The Line of Credit is available between the date of this Agreement and June 1, 2011 (the "Line of Credit Expiration Date"), or such earlier date as the availability may terminate as provided in this Agreement (the "Availability Period").

2.3 Repayment Terms.

(a) The Borrower will pay all accrued interest under the Line of Credit on August 1, 2006, and then on the same day of each month thereafter until payment in full of any principal outstanding under the Line of Credit.

(b) The Borrower will repay in full any principal, interest or other charges outstanding under the Line of Credit no later than the Line of Credit Expiration Date. Any interest period for an optional interest rate (as described below) shall expire no later than the Line of Credit Expiration Date.

2.4 Interest Rate.

(a) The interest rate for the Line of Credit is a rate per year equal to the Prime Rate minus 1.00 percentage points.

(b) "Prime Rate" has the meaning given in Section 1.4(b).

2.5 Optional Interest Rates. Instead of the interest rate set forth in Section 2.4(a), the Borrower may elect the optional interest rate listed below for the Line of Credit during the interest periods listed in Section 3.2(a). The optional interest rate shall be subject to the terms and conditions described in Article 3. Any principal amount of the Line of Credit bearing interest at an optional interest rate under this Agreement is referred to as a "Portion." The following optional interest rate is available:

- the LIBOR Rate plus the Applicable Margin.

2.6 Applicable Margin. The Applicable Margin shall be the following amounts per annum, based upon the ratio of Funded Debt to EBITDA (determined in accordance with Section 9.3 of this Agreement, as set forth in the most recent compliance certificate received by the Bank as required in Section 9.2(e)); provided, however, that, until the date the first compliance certificate is received by the Bank after the end of an Interest Period, such amounts shall be those indicated for pricing level 3 set forth below:

Pricing Level	Funded Debt/ EBITDA	Applicable Margin (in percentage points per annum)		
		LIBOR +	Base Rate +	Commitment Fee
1	≤ 1.50x	1.50%	0.50%	0.25%
2	>1.50x but ≤ 2.00x	1.75%	0.75%	0.375%
3	>2.00x but ≤ 2.50x	2.00%	1.00%	0.375%
4	>2.50x but ≤ 3.00x	2.25%	1.25%	0.50%

The Applicable Margin shall be in effect from the date the most recent compliance certificate or financial statement is received by the Bank until the date the next compliance certificate or financial statement is received; provided, however, that if the Borrower fails to timely deliver the next compliance certificate, the Applicable Margin from the date such compliance certificate was due until the date such compliance certificate is received by the Bank shall be the highest pricing level set forth above.

2.7 Letters of Credit.

(a) During the Availability Period, at the request of the Borrower, the Bank will issue:

(i) commercial letters of credit with a maximum maturity not to extend beyond the end of the Availability Period.

(ii) standby letters of credit with a maximum maturity not to extend beyond the end of the Availability Period.

(b) The amount of the letters of credit outstanding at any one time (including the drawn and unreimbursed amounts of the letters of credit), less the aggregate face value of all acceptances outstanding under Section 2.8 of this Agreement, may not exceed \$1,000,000.

(c) In calculating the principal amount outstanding under the Line of Credit Commitment, the calculation shall include the amount of any letters of credit outstanding, including amounts drawn on any letters of credit and not yet reimbursed.

(d) The Borrower agrees:

(i) Any sum drawn under a letter of credit may, at the option of the Bank, be added to the principal amount outstanding under this Agreement. The amount will bear interest and be due as described elsewhere in this Agreement.

(ii) If there is a default under this Agreement, to immediately prepay and make the Bank whole for any outstanding letters of credit.

(iii) The issuance of any letter of credit and any amendment to a letter of credit is subject to the Bank's written approval and must be in form and content satisfactory to the Bank and in favor of a beneficiary acceptable to the Bank.

(iv) To sign the Bank's form Application and Agreement for Commercial Letter of Credit or Application and Agreement for Standby Letter of Credit, as applicable.

(v) To pay any issuance, amendment, courier, wire transfer and/or other processing fees that the Bank notifies the Borrower will be charged for issuing and processing letters of credit for the Borrower.

(vi) To allow the Bank to automatically charge the "Designated Account," as defined below, for applicable fees, discounts, and other charges.

(vii) To pay the Bank with respect to commercial letters of credit issuance fees in accordance with the Bank's standard fees schedule.

(viii) To pay the Bank with respect to each standby letter of credit a non-refundable fee per annum equal the outstanding undrawn amount of such standby letter of credit multiplied by the Applicable Margin for LIBOR, payable in advance, calculated on the basis of the face amount outstanding on the day the fee is calculated.

2.8 Acceptances. The Line of Credit may be used for financing acceptance transactions for a maximum tenor of 180 days, but not to extend beyond the end of the Availability Period. In calculating the principal amount outstanding under the Line of Credit Commitment, the calculation shall include the face amount of any acceptances outstanding. The Borrower agrees:

(a) The aggregate face value of all acceptances outstanding, less the aggregate face amount of all letters of credit outstanding, including the drawn and unreimbursed amounts of the letters of credit, may not exceed \$1,000,000. Each acceptance shall be in an amount not less than \$250,000.

(b) Any sum owed to the Bank under an acceptance may, at the option of the Bank, be added to the principal amount outstanding under this Agreement. The amount will bear interest and be due as described elsewhere for the Line of Credit.

(c) If there is a default under this Agreement, to immediately prepay and make the Bank whole for any outstanding acceptances.

(d) The issuance of any acceptance is subject to the Bank's express approval and must be in form and content satisfactory to the Bank.

(e) To sign the Bank's standard form agreement for acceptances, and to pay any issuance and/or other fees that the Bank notifies the Borrower will be charged for issuing and processing acceptances for the Borrower.

(f) To allow the Bank to automatically charge the "Designated Account," as defined below, for applicable fees, discounts, and other charges.

3. OPTIONAL INTEREST RATES

3.1 Optional Rates. Each optional interest rate is a rate per year. No Portion will be converted to a different interest rate during the applicable interest period. Upon the occurrence and during the continuance of an event of default under this Agreement, the Bank may terminate the availability of optional interest rates for interest periods commencing after the default occurs. At the end of any interest period, the interest rate will revert to the rate stated in Section 1.4(a) with respect to the Golf Course Loan and the rate stated in Section 2.4(a) with respect to the Line of Credit, unless the Borrower has designated another optional interest rate for the Portion. All interest on Portions will be computed on the basis of a 360-day year and the actual number of days elapsed.

3.2 LIBOR Rate. The election of LIBOR Rates shall be subject to the following terms and requirements:

(a) The interest period during which the LIBOR Rate will be in effect will be one, two, three, or six months. The first day of the interest period must be a day other than a Saturday or a Sunday on which banks are open for business in New York and London and dealing in offshore

dollars (a "LIBOR Banking Day"). The last day of the interest period and the actual number of days during the interest period will be determined by the Bank using the practices of the London inter-bank market.

(b) Each Portion will be for an amount not less than \$100,000, and increments of \$100,000 in excess thereof.

(c) The "LIBOR Rate" means the interest rate determined by the following formula (all amounts in the calculation will be determined by the Bank as of the first day of the interest period):

$$\text{LIBOR Rate} = \frac{\text{London Inter-Bank Offered Rate}}{(1.00 - \text{Reserve Percentage})}$$

Where:

(i) "London Inter-Bank Offered Rate" means, for any applicable interest period, the rate per annum equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as selected by the Bank from time to time) at approximately 11:00 a.m., London time, two (2) London Banking Days before the commencement of the interest period, for U.S. Dollar deposits (for delivery on the first day of such interest period) with a term equivalent to such interest period. If such rate is not available at such time for any reason, then the rate for that interest period will be determined by such alternate method as reasonably selected by the Bank. A "London Banking Day" is a day on which banks in London are open for business and dealing in offshore dollars.

(ii) "Reserve Percentage" means the total of the maximum reserve percentages for determining the reserves to be maintained by member banks of the Federal Reserve System for Eurocurrency Liabilities, as defined in Federal Reserve Board Regulation D, rounded upward to the nearest 1/100 of one percent. The percentage will be expressed as a decimal, and will include, but not be limited to, marginal, emergency, supplemental, special, and other reserve percentages.

(d) The Borrower shall irrevocably request a Portion no later than 12:00 noon, Pacific time on the LIBOR Banking Day preceding the day on which the London Inter-Bank Offered Rate will be set, as specified above. For example, if there are no intervening holidays or weekend days in any of the relevant locations, the request must be made at least three days before the LIBOR Rate takes effect.

(e) The Bank will have no obligation to accept an election for a Portion if any of the following described events has occurred and is continuing:

(i) Dollar deposits in the principal amount, and for periods equal to the interest period, of a Portion are not available in the London inter-bank market; or

(ii) the LIBOR Rate does not accurately reflect the cost to the Bank of funding a Portion.

(f) Each prepayment of a Portion, whether voluntary, by reason of acceleration or otherwise, will be accompanied by the amount of accrued interest on the amount prepaid and a prepayment fee as described below. A "prepayment" is a payment of an amount on a date earlier than the scheduled payment date for such amount as required by this Agreement. Any such prepayment shall only be permitted upon three-business days' notice from the Borrower to the Bank.

(g) The prepayment fee shall be in an amount sufficient to compensate the Bank for any loss, cost or expense incurred by it as a result of the prepayment, including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Portion or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by the Bank in connection with the foregoing. For purposes of this paragraph, the Bank shall be

deemed to have funded each Portion by a matching deposit or other borrowing in the applicable interbank market, whether or not such Portion was in fact so funded.

4. FEES AND EXPENSES

4.1 Fees.

(a) Servicing Fee. Upon execution of this Agreement, the Borrower shall pay to the Bank a one-time servicing fee for the Golf Course Loan of \$77,482.50.

(b) Unused Line of Credit Commitment Fee. The Borrower agrees to pay a fee on any difference between the Line of Credit Commitment and the weighted average principal balance of the Line of Credit (including the outstanding amount of any undrawn letters of credit, unreimbursed draws under letters of credit and outstanding acceptances) outstanding during the specified period. The fee will be calculated at the Applicable Margin per annum (as determined in accordance with Section 2.6 of this Agreement), payable quarterly in arrears on October 10, 2006, and on the 10th day of each following calendar quarter until, and on, the Line of Credit Expiration Date.

(c) Waiver Fee. If the Bank, at its discretion, agrees to waive or amend any terms of this Agreement, the Borrower will, at the Bank's option, pay the Bank a fee for each waiver or amendment in an amount advised by the Bank at the time the Borrower requests the waiver or amendment. Nothing in this paragraph shall imply that the Bank is obligated to agree to any waiver or amendment requested by the Borrower. The Bank may impose additional requirements as a condition to any waiver or amendment.

(d) Late Fee. To the extent permitted by law, the Borrower agrees to pay a late fee in an amount not to exceed four percent (4%) of any payment that is more than fifteen (15) days late. The imposition and payment of a late fee shall not constitute a waiver of the Bank's rights with respect to the default.

(e) Fee for Late Financial Statements. The Borrower agrees to pay a late fee of \$500 if any of the financial information required by this Agreement is not provided to the Bank within the time limits provided in this Agreement. The imposition and payment of a late fee shall not constitute a waiver of the Bank's rights with respect to the default.

4.2 Expenses. The Borrower agrees to repay the Bank upon demand for expenses that include, but are not limited to, filing, recording and search fees, appraisal fees, title report fees, documentation fees, and similar items.

4.3 Reimbursement of Costs. The Borrower agrees to reimburse the Bank for any expenses it incurs in the preparation of this Agreement and any agreement or instrument required by this Agreement in excess of those fees and costs listed above. Expenses include, but are not limited to \$10,000 of reasonable attorneys' fees, including any allocated costs of the Bank's in-house counsel.

5. COLLATERAL

5.1 Pledge of Gaming Revenues. The Borrower's obligations to the Bank under this Agreement will be secured by a first lien on and pledge of the Net Revenues of the Borrower's Gaming Enterprise and the personal property associated with same, as provided in that certain Amended and Restated Security Agreement from the Borrower to the Bank dated as of March 9, 2003 (as the same may be modified, amended or restated from time to time, the "Security Agreement").

5.2 Personal Property. The Borrower's obligations to the Bank under this Agreement will also be secured by all personal property the Borrower now owns or will own in the future and used in connection with the Gaming Facilities. The collateral is further defined in the Security Agreement.

5.3 Capitalized Terms. Capitalized terms used in Sections 5.1 and 5.2 above and not otherwise defined in this Agreement have the meanings given in the Security Agreement.

6. DISBURSEMENTS, PAYMENTS AND COSTS

6.1 Requests for Credit. Each request for an extension of credit will be made in writing in a manner acceptable to the Bank, or by another means acceptable to the Bank.

6.2 Disbursements and Payments.

(a) Each payment by the Borrower will be made at the Bank's banking center (or other location) selected by the Bank from time to time; and will be made in immediately available funds, or such other type of funds selected by the Bank.

(b) Each disbursement by the Bank and each payment by the Borrower will be evidenced by records kept by the Bank. In addition, the Bank may, at its discretion, require the Borrower to sign one or more promissory notes.

6.3 Telefax or Written Authorization.

(a) The Bank may honor written or telefax instructions for advances or repayments or for the designation of optional interest rates given, or purported to be given, by any one of the individuals authorized to sign loan agreements on behalf of the Borrower, or any other individual designated by the Tribal Council of the Borrower as an authorized signer.

(b) Advances will be deposited in and repayments will be withdrawn from the Borrower's account with the Bank numbered 55377006, or such other of the Borrower's accounts with the Bank as designated in writing by the Borrower.

(c) The Borrower will indemnify and hold the Bank harmless from all liability, loss, and costs in connection with any act resulting from written or telefax instructions the Bank reasonably believes are made by any individual authorized by the Borrower to give such instructions. This paragraph will survive this Agreement's termination, and will benefit the Bank and its officers, employees, and agents.

6.4 Direct Debit.

(a) The Borrower agrees that the Bank will debit the Borrower's deposit account number 55377006, or such other of the Borrower's accounts with the Bank as designated in writing by the Borrower (the "Designated Account") on the date each payment of principal and interest and any fees from the Borrower becomes due (the "Due Date").

(b) Approximately ten (10) days prior to each Due Date (with the exception of a Due Date arising as a result of the funding of a loan to the Borrower from the U.S. Department of Agriculture), the Bank will mail to the Borrower a statement of the amounts that will be due on that Due Date (the "Billed Amount"). The calculation will be made on the assumption that no new extensions of credit or payments will be made between the date of the billing statement and the Due Date, and that there will be no changes in the applicable interest rate. The calculation made by the Bank shall be deemed accurate for all purposes hereof absent manifest error.

(c) The Bank will debit the Designated Account for the Billed Amount, regardless of the actual amount due on that date (the "Accrued Amount"). If the Billed Amount debited to the Designated Account differs from the Accrued Amount, the discrepancy will be treated as follows:

(i) If the Billed Amount is less than the Accrued Amount, the Billed Amount for the following Due Date will be increased by the amount of the discrepancy. The Borrower will not be in default by reason of any such discrepancy.

(ii) If the Billed Amount is more than the Accrued Amount, the Billed Amount for the following Due Date will be decreased by the amount of the discrepancy.

Regardless of any such discrepancy, interest will continue to accrue based on the actual amount of principal outstanding without compounding. The Bank will not pay the Borrower interest on any overpayment.

(d) The Borrower will maintain sufficient funds in the Designated Account to cover each debit. If there are insufficient funds in the Designated Account on the date the Bank enters any debit authorized by this Agreement, the Bank may reverse the debit.

6.5 Banking Days. Unless otherwise provided in this Agreement, a banking day is a day other than a Saturday, Sunday or other day on which commercial banks are authorized to close, or are in fact closed, in the state where the Bank's lending office is located, and, if such day relates to amounts bearing interest at an offshore rate (if any), means any such day on which dealings in dollar deposits are conducted among banks in the offshore dollar interbank market. All payments and disbursements which would be due on a day which is not a banking day will be due on the next banking day. All payments received on a day which is not a banking day will be applied to the credit on the next banking day.

6.6 Additional Costs. The Borrower will pay the Bank, on demand, for the Bank's costs or losses arising from any statute or regulation, or any request or requirement of a regulatory agency which is applicable to all national banks or a class of all national banks. The costs and losses will be allocated to the line of credit in a manner determined by the Bank, using any reasonable method. The costs include any changes to the following items from those effective on the date hereof::

- (a) any reserve or deposit requirements; and
- (b) any capital requirements relating to the Bank's assets and commitments for credit.

6.7 Interest Calculation. Except as otherwise stated in this Agreement, all interest and fees, if any, will be computed on the basis of a 360-day year and the actual number of days elapsed. This results in more interest or a higher fee than if a 365-day year is used. Installments of principal which are not paid when due under this Agreement shall continue to bear interest until paid.

6.8 Default Rate. Upon the occurrence of any default under this Agreement, principal amounts outstanding under this Agreement will, at the option of the Bank, bear interest at a rate which is three percentage points (3%) higher than the rate of interest otherwise provided under this Agreement. This will not constitute a waiver of any default.

6.9 Interest Compounding. At the Bank's sole option in each instance, any interest, fees or costs which are not paid when due under this Agreement shall bear interest from the due date at the Prime Rate plus three percentage points (3%). This may result in compounding of interest.

7. CONDITIONS

The Bank must receive the following items, in form and content acceptable to the Bank, before it is required to extend any credit to the Borrower under this Agreement, in addition to any other conditions set forth in Articles 1 and 2:

7.1 Authorizations. Evidence that the execution, delivery and performance by the Borrower of this Agreement and any instrument or agreement required under this Agreement have been duly authorized by the Borrower's tribal government.

7.2 Governing Documents. A copy of the Borrower's governing instruments or ordinances.

7.3 Insurance. Evidence of insurance coverage, as required in Section 9.22 of this Agreement.

7.4 Legal Opinion. A written opinion from the Borrower's legal counsel, covering such matters as the Bank may require. The legal counsel and the terms of the opinion must be acceptable to the Bank.

7.5 Payment of Fees. Payment of all accrued and unpaid expenses incurred by the Bank as required by Section 4.3 of this Agreement.

7.6 Compact. A copy of the executed Tribal-State Gaming Compact between the Borrower and the State of Washington (the "Compact"), together with evidence satisfactory to the Bank that the Compact has been approved by the Secretary of the Interior of the United States as required by IGRA.

7.7 Gaming Ordinance. A copy of the Borrower's gaming ordinance together with evidence satisfactory to the Bank that such ordinance has been approved by the Chairman of the National Indian Gaming Commission ("NIGC") as required by IGRA.

7.8 Incumbency Certificate. An incumbency certificate showing the names and titles and bearing the signatures of the officers of the Borrower authorized to execute this Agreement and to request advances under the Facilities, certified by the Secretary of the Tribal Council of the Borrower.

7.9 Other Items. Any other items that the Bank reasonably requires.

8. REPRESENTATIONS AND WARRANTIES

When the Borrower signs this Agreement, and until the Facilities are repaid in full and the Bank has no further obligation to make advances thereunder, the Borrower makes the following representations and warranties. Each request for an advance under the Facilities constitutes a renewal of these representations and warranties as of the date of the request:

8.1 Organization of Borrower. The Borrower is a federally-recognized Indian tribe organized under the Constitution and Bylaws of the Squaxin Island Tribe, as approved and adopted by the General Body and the Secretary of the Interior on July 8, 1965.

8.2 Authorization. This Agreement, and any instrument or agreement required hereunder, are within the Borrower's powers, have been duly authorized, and do not conflict with any of its Constitution or Bylaws or any ordinance of the Borrower.

8.3 Enforceable Agreement. This Agreement is a legal, valid, and binding agreement of the Borrower, enforceable against the Borrower in accordance with its terms, and any instrument or agreement required hereunder, when executed and delivered, will be similarly legal, valid, binding, and enforceable.

8.4 Good Standing. In each jurisdiction in which the Borrower does business, it is properly licensed, in good standing, and, where required, in compliance with fictitious name statutes.

8.5 No Conflicts. This Agreement does not conflict with any law, agreement, or obligation by which the Borrower is bound.

8.6 Financial Information. All financial and other information that has been or will be supplied to the Bank is sufficiently complete to give the Bank accurate knowledge of the Borrower's financial condition, including all material contingent liabilities. Since the date of the most recent financial statement provided to the Bank, there has been no material adverse change in the business condition (financial or otherwise), operations, properties or prospects of the Borrower.

8.7 Lawsuits. There is no lawsuit, tax claim or other dispute pending or threatened against the Borrower which, if lost, would impair the Borrower's financial condition or ability to repay the Facilities, except as have been disclosed in writing to the Bank.

8.8 Collateral. All collateral required in this Agreement is owned by the grantor of the security interest free of any title defects or any liens or interests of others.

8.9 Permits, Licenses; Compliance with Laws. The Borrower possesses all permits, memberships, franchises, contracts and licenses required and all trademark rights, trade name rights, patent rights and fictitious name rights necessary to enable it to conduct the business in which it is now engaged, and the Borrower is in compliance with all applicable tribal, state and federal laws (including without limitation environmental and gaming laws).

8.10 Other Obligations. The Borrower is not in default on any obligation for borrowed money, any purchase money obligation or any other material lease, commitment, contract, instrument or obligation.

8.11 No Event of Default. There is no event which is, or with notice or lapse of time or both would be, a default under this Agreement.

8.12 Insurance. The Borrower has obtained, and maintained in effect, the insurance coverage required in the Section 9.22 of this Agreement.

8.13 Location of Borrower. The Borrower's place of business (or, if the Borrower has more than one place of business, its chief executive office) is located on the Squaxin Island Indian Reservation at 70 S.E. Squaxin Lane, Shelton, Washington 98584.

8.14 Environmental Matters. The Borrower (a) is not in violation of any health, safety, or environmental law or regulation regarding hazardous substances and (b) is not the subject of any claim, proceeding, notice, or other communication regarding hazardous substances. "Hazardous substances" means any substance, material or waste that is or becomes designated or regulated as "toxic," "hazardous," "pollutant," or "contaminant" or a similar designation or regulation under any federal, state or local law (whether under common law, statute, regulation or otherwise) or judicial or administrative interpretation of such, including without limitation petroleum or natural gas.

9. COVENANTS

The Borrower agrees, until the Facilities are repaid in full and the Bank has no further obligation to make advances thereunder:

9.1 Use of Proceeds and Depository Accounts. (a) So long as the Line of Credit Commitment is available under this Agreement and until the Line of Credit is repaid in full to: (i) use the proceeds of the Line of Credit only for the purpose of to provide new financing to fund (A) a non-smoking casino remodel project, (B) a hotel room expansion, (C) an events center, (D) a wastewater reclamation facility, and (E) tribal capital projects including (1) construction of a cigarette factory; (2) infrastructure work for a Washington State Department of Transportation interchange, (3) construction of a water and sewer project; and (4) development of a parking lot; and (b) so long as the Golf Course Loan is available under this Agreement and until the Golf Course Loan is repaid in full to use the proceeds of the Golf Course Loan only for construction of the Golf Course Project. All of the foregoing facilities are together referred to in this Agreement as the "Financed Projects." The Borrower also agrees to maintain all primary depository accounts for its Gaming Enterprise operations with the Bank by depositing all Gross Revenues of the Gaming Enterprise, except for the daily on hand cash requirements for the operation of the Gaming Enterprise, with the Bank.

9.2 Financial Information. To provide the following financial information and statements in form and content acceptable to the Bank, and such additional information as requested by the Bank from time to time:

(a) Within 120 days of the fiscal year end of the Borrower's Gaming Enterprise, annual financial statements of the Borrower's Gaming Enterprise. These financial statements must be audited (with an unqualified opinion) by a Certified Public Accountant acceptable to the Bank. The statements shall be prepared on a consolidated basis.

(b) Within 45 days of the end of each fiscal quarter (including the last quarter in each fiscal year), quarterly financial statements of the Borrower's Gaming Enterprise, certified and dated by an authorized financial officer of the Borrower. These financial statements may be Borrower prepared and shall be prepared on a consolidated basis.

(c) Within 365 days of the Borrower's fiscal year end, the Borrower's annual financial statements. These financial statements must be audited by a Certified Public Accountant acceptable to the Bank and, no later than the effective date of Governmental Accounting Standards Board Statement No. 34, shall be prepared on a consolidating basis.

(d) Promptly, upon sending or receipt, copies of any management letters and correspondence relating to management letters, sent or received by the Borrower to or from the Borrower's auditor.

(e) Within the period(s) provided in (a) and (b), above, a compliance certificate of the Borrower signed by an authorized financial officer of the Borrower (provided that, upon the appointment by the Borrower of a chief financial officer, such certification shall be executed by

such chief financial officer) setting forth (i) the information and computations (in sufficient detail) to establish that the Borrower is in compliance with all financial covenants contained in Sections 9.3 through 9.6 of this Agreement at the end of the period covered by the financial statements then being furnished, and (ii) whether there existed as of the date of such financial statements and whether there exists as of the date of the certificate, any default under this Agreement and, if any such default exists, specifying the nature thereof and the action the Borrower is taking and proposes to take with respect thereto.

(f) Promptly upon receipt, copies of all notices, orders, or other communications regarding (i) any enforcement action by any governmental authority relating to health, safety, the environment, or any hazardous substances with regard to the Borrower's property, activities, or operations, or (ii) any claim against the Borrower regarding hazardous substances.

(g) Within 120 days of the fiscal year end of the Borrower's Gaming Enterprise, Borrower's annual budget projections for its Gaming Enterprise plus an update to the initial three-year projections previously delivered to the Bank,

(h) Promptly upon the Bank's request, such other books, records, statements, lists of property and accounts, budgets, forecasts or reports material to the financial condition of the Borrower as the Bank may request.

9.3 Funded Debt to EBITDA Ratio. To maintain a ratio of Funded Debt to EBITDA that does not exceed the following for each quarter end specified below:

03/31/06 through 09/30/07	3.00 to 1
12/31/07 through 09/30/08	2.75 to 1
12/31/08 through 06/30/09	2.50 to 1
09/30/09 through 03/31/10	2.25 to 1
03/31/10 to the Maturity Date	2.00 to 1

(a) "Funded Debt" means, with respect to any date, without duplication, the sum of the aggregate outstanding on such date of:

(i) the principal amount of all indebtedness of the Borrower for borrowed money with respect to the Borrower's Gaming Enterprise and that certain Business Loan Agreement between the Borrower and the Bank dated as of January 25, 2005 (as the same may be amended, modified or restated from time to time), plus

(ii) the aggregate amount of all capital lease obligations of the Borrower with respect to the Borrower's Gaming Enterprise which, in accordance with GAAP, is required to be shown on the balance sheet of the Borrower, plus

(iii) the aggregate undrawn face amount of all letters of credit (other than letters of credit fully secured by cash or general obligation of the United States Government) wherein the Borrower's Gaming Enterprise is the account party.

(b) "EBITDA" means, as of the last day of any fiscal quarter, the sum of net income of the Borrower's Gaming Enterprise for the four fiscal quarters ending on such date, before taxes, plus interest expense, plus depreciation, depletion, amortization and other non-cash charges.

This covenant shall be tested at the end of each fiscal quarter (including a fiscal quarter which is also the last day of a fiscal year), for the four fiscal quarters ending on such date, commencing with the first fiscal quarter ending after the date of this Agreement. For purpose of the calculation, Funded Debt at the end of a fiscal quarter shall be the sum of the Funded Debt determined on the final day of each month of such quarter divided by 3.

9.4 Fixed Charge Coverage Ratio. To maintain a Fixed Charge Coverage Ratio of at least 1.05 to 1. This covenant shall be tested at the end of each fiscal quarter (including a fiscal quarter coinciding with a fiscal year end), for the four fiscal quarters ending on such date, commencing with the first fiscal quarter after the date of this Agreement.

(a) "Fixed Charge Coverage Ratio" means:

(i) the sum (without duplication) of the following for the four fiscal quarters ending on the date of determination: (i) the Borrower's Gaming Enterprise EBITDA, minus (ii) Maintenance Capital Expenditures, minus (iii) transfers or distributions from the accounts of the Gaming Enterprise to any other fund or account of the Borrower or to members of the Borrower, including loans, advances or other extensions of credit (including extensions of credit in the nature of accounts receivable or notes receivable arising from the sale or lease of goods or services) from the accounts of the Gaming Enterprise to or for the benefit of the Borrower, any other enterprise of the Borrower or any affiliated entities, divided by

(ii) the sum (without duplication) of the following for the four fiscal quarters ending on the date of determination: (i) cash interest expense (including capitalized interest), plus (ii) the actual reductions made of the Line of Credit Commitment as required by Subsection 2.1(a)(ii) of this Agreement.

(b) "Maintenance Capital Expenditures" means, for any period, the aggregate of all expenditures by the Borrower for the acquisition or leasing of fixed or capital assets or additions to equipment (including replacements, capital repairs and improvements during such period) that should be capitalized under GAAP on the balance sheet of the Gaming Enterprise, less net proceeds from the sales of fixed or capital assets of the Gaming Enterprise received by the Borrower. For the purpose of this definition, the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment owned by the Borrower or with insurance proceeds shall be included in Maintenance Capital Expenditures only to the extent that the gross amount of such purchase price exceeds the credit granted by the seller of such equipment for the equipment being traded in at such time, or the amount of such insurance proceeds, as the case may be.

9.5 Minimum Consolidated EBITDA. The Borrower's Gaming Enterprise to maintain EBITDA of not less than the amounts indicated for each quarter end specified below:

03/31/06 to 12/31/07	\$13,000,000
03/31/08 to 09/30/08	\$14,500,000
12/31/08 to the Maturity Date..	\$16,000,000

This covenant shall be tested at the end of each fiscal quarter (including a fiscal quarter that is also the last day of a fiscal year), for the four fiscal quarters ending on such date, commencing with the first fiscal quarter after the date of this Agreement.

9.6 Capital Expenditures. Not to incur Maintenance Capital Expenditures (as defined in Subsection 9.4(b)) in any fiscal year in excess of five percent (5%) of the Gross Revenues of the Borrower's Gaming Enterprise plus any allowed and unused Capital Expenditures from the Borrower's previous fiscal year, not to exceed \$5,000,000.

9.7 Other Debts. Borrower's Gaming Enterprise will not have outstanding or incur any direct or contingent liabilities (other than those to the Bank), or become liable for the liabilities of others, without the Bank's written consent. This does not prohibit:

- (a) Acquiring goods, supplies, or merchandise on normal trade credit; including payout obligations on participation arrangements for games and gaming equipment.
- (b) Endorsing negotiable instruments received in the usual course of business.
- (c) Obtaining surety bonds in the usual course of business.
- (d) Liabilities in existence on the date of this Agreement disclosed in writing to the Bank.
- (e) Funded Debt for the acquisition of assets, provided that:

(i) the incurrence of such Funded Debt will not result in the Borrower being in violation of any of the financial covenants contained in Sections 9.3 through 9.6 of this

Agreement and the Borrower shall have provided the Bank with a certification of an authorized financial officer of the Borrower (provided that, upon the appointment by the Borrower of a chief financial officer, such certification shall be executed by such chief financial officer), in form and substance satisfactory to the Bank, demonstrating such compliance; and

(ii) any Funded Debt incurred with respect to the Gaming Enterprise may not be secured by any element of the Gaming Facilities other than as is permitted under Section 9.8(d) and/or (e).

9.8 Other Liens. Not to create, assume, or allow any security interest or lien (including judicial liens) on any of the Financed Projects or any other property the Borrower now or later owns and uses in connection with the Gaming Enterprise, except:

(a) Liens and security interests in favor of the Bank.

(b) Liens for taxes not yet due.

(c) Liens outstanding on the date of this Agreement disclosed in writing to the Bank.

(d) Additional purchase money security interests in equipment or other personal property fixed assets acquired after the date of this Agreement, if the total principal amount of debts secured by such liens does not exceed \$1,000,000 at any one time, together with a purchase money security interest with respect to up to an additional \$2,250,000 for certain tribal lottery machines to be acquired during 2005, which shall not be counted as part of the \$1,000,000 amount.

(e) Purchase money mortgages or deeds of trust in real property acquired after the date of this Agreement.

9.9 Transfers from Gaming Enterprise Accounts. Not to make any distribution in excess of the amount permitted to be made while still remaining in compliance with Section 9.4 of this Agreement. If upon the making of the distribution, or at any time during the four fiscal quarters commencing with the fiscal quarter in which the distribution is made, the Borrower is in violation of Section 9.4, then, upon notice from the Bank of such occurrence, the Borrower shall cure the default within 10 business days for the amount that shall be necessary to be in compliance with Section 9.4 on a pro-forma basis (calculated as if the amount of the reimbursed distribution had not been made initially). If a reimbursement of all of the distribution shall not enable compliance with Section 9.4, the Borrower shall nevertheless reimburse the Gaming Enterprise for the full amount of such distribution.

9.10 Loans to Officers or Affiliates.

(a) Not to make any loans, advances or other extensions of credit (including extensions of credit in the nature of accounts receivable or notes receivable arising from the sale or lease of goods or services) from the accounts of the Gaming Enterprise to any of the Borrower's executives, officers, directors or members (or any relatives of any of the foregoing).

(b) Not to make any loans, advances or other extensions of credit (including extensions of credit in the nature of accounts receivable or notes receivable arising from the sale or lease of goods or services) from the accounts of the Gaming Enterprise to or for the benefit of the Borrower, any other enterprise of the Borrower or any affiliated entities, in excess of the amount permitted under Section 9.4.

9.11 Loans and Investments. Borrower's Gaming Enterprise will not have any existing, or make any new, loans or other extensions of credit to, or investments in, any individual or entity, or make any capital contributions or other transfers of assets to, any individual or entity, except for:

(a) existing investments and extensions of credit disclosed to the Bank in writing.

(b) extensions of credit in the nature of accounts receivable or notes receivable arising from the sale or lease of goods or services in the ordinary course of business to non-affiliated entities.

- (c) investments in any of the following:
 - (i) certificates of deposit;
 - (ii) U.S. treasury bills and other obligations of the federal government;
 - (iii) readily marketable securities (including commercial paper, but excluding restricted stock and stock subject to the provisions of Rule 144 of the Securities and Exchange Commission) rated at least A-1 by Standard & Poor's or at least P-1 or MIG-1 by Moody's Investors Service, Inc.;
 - (iv) bankers' acceptances issued by financial institutions rated at least first tier paper by a National Recognized Statistical Rating Organization (NRSRO);
 - (v) repurchase agreements covering U.S. government securities; and
 - (vi) money market funds that comply with all provisions of Rule 2a-7 of the Investment Act of 1940.
- (d) investments and extensions of credit funded with amounts transferred to the Borrower in compliance with Section 9.4.

9.12 Change of Ownership of Gaming Facilities. Not to cause, permit, or suffer any change, direct or indirect, in the Borrower's ownership of the Gaming Facilities.

9.13 Change of Management. To notify the Bank within 90 days of any change in its chief executive officer or chief financial officer of the Gaming Enterprise. Any new chief executive officer or management company of the Gaming Enterprise must be acceptable to the Bank.

9.14 Notices to Bank. To promptly notify the Bank in writing of:

- (a) any lawsuit over \$2,000,000 against the Borrower;
- (b) any substantial dispute between the Borrower and any government authority;
- (c) any event of default under this Agreement, or any event which, with notice or lapse of time or both, would constitute an event of default;
- (d) any material adverse change in the Borrower's business condition (financial or otherwise), operations, properties or prospects, or ability to repay the Facilities;
- (e) any change in the Borrower's name, legal structure, place of business, or chief executive office if the Borrower has more than one place of business;
- (f) the receipt of any written notice or communication regarding (i) any threatened or pending investigation or enforcement action by any governmental authority or any other claim relating to health, safety, the environment, or any hazardous substances with regard to the Borrower's property, activities, or operations or (ii) any belief or suspicion of the Borrower that hazardous substances exist on or under the Borrower's real property; and
- (g) the receipt of any written notice or communication from any gaming regulatory authority regarding any threatened or pending investigation or enforcement action by any governmental authority with regard to the Borrower's Gaming Enterprise, which, if the assertions in such notice or communication were true, would result in a material adverse change in the Borrower's business condition (financial or otherwise), operations, properties or prospects, or ability to repay the Facilities.

9.15 Books and Records. To maintain adequate books and records.

9.16 Audits. To allow the Bank and its agents to inspect the Gaming Facilities and examine, audit, and make copies of books and records at any reasonable time. If any of the Borrower's properties, books or records relating to the Gaming Facilities are in the possession of a third party, the Borrower authorizes that third party to permit the Bank or its agents to have access to perform inspections or audits and to respond to the Bank's requests for information concerning such properties, books and records.

9.17 Compliance with Laws. To comply with the laws, regulations, and orders of any government body with authority over the Borrower's properties and activities.

9.18 Preservation of Rights. To maintain and preserve all rights, privileges, and franchises the Borrower now has necessary for the operations of the Gaming Enterprise.

9.19 Maintenance of Properties. To make any repairs, renewals, or replacements to keep the Gaming Facilities in good working condition.

9.20 Perfection of Liens. To help the Bank perfect and protect its security interests and liens, and reimburse it for related costs it incurs to protect its security interests and liens.

9.21 Cooperation. To take any action reasonably requested by the Bank to carry out the intent of this Agreement.

9.22 Insurance.

(a) Insurance Covering Collateral. To maintain all risk property damage insurance policies covering the tangible property comprising the collateral. Each insurance policy must be for the full replacement cost of the collateral and include a replacement cost endorsement. The insurance must be issued by an insurance company acceptable to the Bank and must include a lender's loss payable endorsement in favor of the Bank in a form acceptable to the Bank.

(b) General Business Insurance. To maintain insurance satisfactory to the Bank as to amount, nature and carrier covering property damage (including loss of use and occupancy) to any of the Borrower's properties, public liability insurance including coverage for contractual liability, product liability and workers' compensation, and any other insurance which is usual for the Borrower's business.

(c) Business Interruption Insurance. To maintain a business interruption insurance policy with an insurer acceptable to the Bank, and with the Bank named as an additional loss payee, in an amount not less than the amount of expenses of the Gaming Enterprise, including debt service, that would continue during a cessation of operations for one year.

(d) Evidence of Insurance. Upon the request of the Bank, to deliver to the Bank a copy of each insurance policy, or, if permitted by the Bank, a certificate of insurance listing all insurance in force.

9.23 Additional Negative Covenants. Not to, without the Bank's written consent:

(a) cease to conduct the Borrower's Gaming Enterprise;

(b) (i) enter into any consolidation, merger, or other combination with respect to the Borrower's Gaming Enterprise, or (ii) become a partner in a partnership, a member of a joint venture, or a member of a limited liability company (an "entity") unless the activities of such entity are unrelated to gaming and there is no personal recourse against the Borrower or any of its assets (other than its interests in such entity) with respect to the actions or obligations of such entity;

(c) sell, assign, lease, transfer or otherwise dispose of any assets of the Gaming Enterprise, or the Financed Projects, or enter into any agreement to do so, except:

(i) dispositions of inventory, or used, worn-out or surplus equipment, all in the ordinary course of business; or

(ii) the sale of equipment to the extent that such equipment is exchanged for credit against the purchase price of similar replacement equipment, or the proceeds of such sale are reasonably promptly applied to the purchase price of such replacement equipment;

(d) enter into any sale and leaseback agreement covering any of assets of the Gaming Enterprise; or

(e) enter into any negative pledge with respect to any of the assets of its Gaming Enterprise if the effect thereof would be to inhibit the taking of any collateral by the Bank.

9.24 ERISA Plans. With respect to a Plan subject to Title IV of ERISA, to give prompt written notice to the Bank of:

(a) The occurrence of any reportable event under Section 4043(c) of ERISA for which the PBGC requires 30-day notice.

(b) Any action by the Borrower or any ERISA Affiliate to terminate or withdraw from a Plan or the filing of any notice of intent to terminate under Section 4041 of ERISA.

(c) The commencement of any proceeding with respect to a Plan under Section 4042 of ERISA.

10. HAZARDOUS SUBSTANCES

10.1 Indemnity Regarding Hazardous Substances. The Borrower will indemnify and hold harmless the Bank from any loss or liability the Bank incurs in connection with or as a result of this Agreement, which directly or indirectly arises out of the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal or presence of a hazardous substance. This indemnity will apply whether the hazardous substance is on, under or about the Borrower's property or operations or property leased to the Borrower. The indemnity includes but is not limited to attorneys' fees (including the reasonable estimate of the allocated cost of in-house counsel and staff). The indemnity extends to the Bank, its parent, subsidiaries and all of their directors, officers, employees, agents, successors, attorneys and assigns.

10.2 Site Visits, Observations and Testing. The Bank and its agents and representatives will have the right at any reasonable time, after giving reasonable notice to the Borrower, to enter and visit any locations where the collateral securing this Agreement (the "Collateral") is located for the purposes of observing the Collateral, taking and removing environmental samples, and conducting tests. The Bank will make reasonable efforts during any site visit, observation or testing conducted pursuant this paragraph to avoid interfering with the Borrower's use of the Collateral. The Bank is under no duty to observe the Collateral or to conduct tests, and any such acts by the Bank will be solely for the purposes of protecting the Bank's security and preserving the Bank's rights under this Agreement. No site visit, observation or testing or any report or findings made as a result thereof ("Environmental Report") (i) will result in a waiver of any default of the Borrower; (ii) impose any liability on the Bank; or (iii) be a representation or warranty of any kind regarding the Collateral (including its condition or value or compliance with any laws) or the Environmental Report (including its accuracy or completeness). In the event the Bank has a duty or obligation under applicable laws, regulations or other requirements to disclose an Environmental Report to the Borrower or any other party, the Borrower authorizes the Bank to make such a disclosure. The Borrower further understands and agrees that any Environmental Report or other information regarding a site visit, observation or testing that is disclosed to the Borrower by the Bank or its agents and representatives is to be evaluated (including any reporting or other disclosure obligations of the Borrower) by the Borrower without advice or assistance from the Bank.

10.3 Definition of Hazardous Substances. "Hazardous substances" means any substance, material or waste that is or becomes designated or regulated as "toxic," "hazardous," "pollutant," or "contaminant" or a similar designation or regulation under any federal, state or local law (whether under common law, statute, regulation or otherwise) or judicial or administrative interpretation of such, including without limitation petroleum or natural gas. This indemnity will survive repayment of the Borrower's obligations to the Bank.

11. DEFAULT

If any of the following events occurs, the Bank may do one or more of the following: declare the Borrower in default, stop making any additional credit available to the Borrower, and declare the entire debt outstanding to be due immediately and without prior notice. If an event of default occurs under Section 11.4 below with respect to the Borrower, then the entire debt outstanding under this Agreement

will automatically be due immediately; provided, however, that the obligations of the Borrower under the Agreement are solely the obligations of the Borrower's Gaming Enterprise, payable out of the Net Revenues of the Borrower's Gaming Enterprise and all personal property associated with same. No recourse shall be had for the payment of any obligations of the Borrower under this Agreement except against the Net Revenues of the Borrower's Gaming Enterprises and/or against the Collateral.

11.1 Failure to Pay. The Borrower fails to make a payment under this Agreement when due.

11.2 Lien Priority. The Bank fails to have an enforceable first lien (except for any prior liens to which the Bank has consented in writing) on or security interest in any property given as security for this Agreement (or any guaranty).

11.3 False Information. The Borrower has given the Bank false or misleading information or representations.

11.4 Bankruptcy. The Borrower files a bankruptcy petition, a bankruptcy petition is filed against the Borrower, or the Borrower makes a general assignment for the benefit of creditors. The default will be deemed cured if any bankruptcy petition filed against the Borrower is dismissed within a period of 45 days after the filing; provided, however, that the Bank will not be obligated to extend any additional credit to the Borrower during that period; and provided further that such cure opportunity will be terminated upon the entry of an order for relief in any bankruptcy case arising from such a petition.

11.5 Receivers. A receiver or similar official is appointed for a substantial portion of the Gaming Enterprise, or the Gaming Enterprise is terminated.

11.6 Lawsuits. Any lawsuit or lawsuits are filed against the Borrower in an aggregate amount of \$10,000,000 or more in excess of insurance coverage as disclosed on the certificates provided by the Borrower to the Bank pursuant to Section 9.22 and with respect to which the Borrower is unable to have such action dismissed on the grounds of tribal sovereign immunity.

11.7 Judgments. Any judgments or arbitration awards are entered against the Borrower, or the Borrower enters into any settlement agreements with respect to any litigation or arbitration, in an aggregate amount of \$5,000,000 or more in excess of any insurance coverage as disclosed on the certificates provided by the Borrower to the Bank pursuant to Section 9.22.

11.8 Government Action. Any government authority takes action that the Bank in good faith believes materially adversely affects the Borrower's financial condition or ability to repay the Facilities.

11.9 Material Adverse Change. A material adverse change occurs, or is reasonably likely to occur, in the Borrower's business condition (financial or otherwise), operations, properties or prospects, or ability to repay the Facilities (a "Material Adverse Change"). If, in the Bank's opinion, the Material Adverse Change is capable of being remedied, the Material Adverse Change will not be considered an event of default for a period of 30 days after the date on which the Bank gives written notice of the Material Adverse Change to the Borrower; provided, however, that the Bank will not be obligated to extend any additional credit to the Borrower during that period.

11.10 Cross-Default. Any default occurs under any agreement in connection with any credit the Borrower or any of the Borrower's related entities or affiliates has obtained from anyone else (including without limitation this Agreement) or which the Borrower or any of the Borrower's related entities or affiliates has guaranteed in the amount of \$2,000,000 or more in the aggregate if the default consists of failing to make a payment when due or gives the other lender the right to accelerate the obligation.

11.11 Default under Related Documents. Any default occurs under any security agreement or other document required by or delivered in connection with this Agreement (including without limitation the Security Agreement) or any such document is no longer in effect. If, in the Bank's opinion, the default is capable of being remedied, the default will not be considered an event of default for a period of 30 days after the date on which the Bank gives written notice of the breach to the Borrower; provided, however, that the Bank will not be obligated to extend any additional credit to the Borrower during that period.

11.12 Other Bank Agreements. The Borrower or any of the Borrower's related entities or affiliates fails to meet the conditions of, or fails to perform any obligation under any other agreement the Borrower or any of the Borrower's related entities or affiliates has with the Bank or any affiliate of the

Bank, and such failure continues beyond the expiration of the cure period, if any, provided in such other agreement; provided, however, that the Bank will not be obligated to extend any additional credit to the Borrower during that period.

11.13 ERISA Plans. Any one or more of the following events occurs with respect to a Plan of the Borrower subject to Title IV of ERISA, provided such event or events could reasonably be expected, in the judgment of the Bank, to subject the Borrower to any tax, penalty or liability (or any combination of the foregoing) which, in the aggregate, could have a material adverse effect on the financial condition of the Borrower:

(a) A reportable event shall occur under Section 4043(c) of ERISA with respect to a Plan.

(b) Any Plan termination (or commencement of proceedings to terminate a Plan) or the full or partial withdrawal from a Plan by the Borrower or any ERISA Affiliate.

11.14 Other Breach Under Agreement. The Borrower fails to meet the conditions of, or fails to perform any obligation under, any term of this Agreement not specifically referred to in this Article. This includes any failure by the Borrower to comply with any financial covenants set forth in this Agreement, whether such failure is evidenced by financial statements delivered to the Bank or is otherwise known to the Borrower or the Bank. If, in the Bank's opinion, the breach is capable of being remedied, the breach will not be considered an event of default under this Agreement for a period of 30 days after the date on which the Bank gives written notice of the breach to the Borrower; provided, however, that the Bank will not be obligated to extend any additional credit to the Borrower during that period.

11.15 Breach of Compact, IGRA, or Gaming Laws. The Borrower is in violation of, or in breach of, or in default under, the Compact, IGRA, the Borrower's gaming ordinance, or any other law, regulation or rule applicable to the Gaming Enterprise, and such violation, breach or default could result in a suspension of the ability of the Borrower to continue the operation of any material portion of the Gaming Enterprise; provided that it shall not be an event of default if the Borrower promptly notifies the Bank of such violation, breach or default and Borrower, in good faith, through appropriate procedures disputes the violation, breach or default and the Bank reasonably determines that such violation, breach or default would not give rise to a Material Adverse Change.

12. ENFORCING THIS AGREEMENT; MISCELLANEOUS

12.1 GAAP. Except as otherwise stated in this Agreement, all financial information provided to the Bank and all financial covenants will be made under generally accepted accounting principles, consistently applied ("GAAP").

12.2 Governing Law. This Agreement is governed by and construed in accordance with the laws of the State of Washington (without regard to principles of conflict of laws), including the Washington Uniform Commercial Code.

12.3 Successors and Assigns. This Agreement is binding on the Borrower's and the Bank's successors and assignees. The Borrower agrees that it may not assign this Agreement without the Bank's prior consent. The Bank may sell participations in or assign the Facilities, and may exchange financial information about the Borrower with actual or potential participants or assignees; provided that such actual or potential participants or assignees shall agree to treat all financial information exchanged as confidential. If a participation is sold or the Facilities are assigned, the purchaser will have the right of set-off against the Borrower.

12.4 Arbitration and Waiver of Jury Trial. This paragraph concerns the resolution of any controversies or claims between the Borrower and the Bank, whether arising in contract, tort or by statute, that arise out of or relate to: (i) this Agreement (including any renewals, extensions or modifications); or (ii) any document related to this Agreement (collectively a "Claim").

Borrower expressly and irrevocably waives its sovereign immunity from compulsory arbitration and judicial enforcement of the arbitration award or awards suit for Claims by the Bank with respect to the obligations and indebtedness that arise out of or relate to (i) this Agreement (including any renewals,

extensions or modification) or (ii) any document related to this Agreement. Provided, the waiver of sovereign immunity expressed herein is limited to the Bank and its successor and assigns as the Bank under this Agreement. Provided further, recourse of the Bank under this waiver of sovereign immunity is limited to the net gaming revenues of the Borrower's Gaming Enterprise and all personal property associated with same.

(a) At the request of the Borrower or the Bank, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U. S. Code) (the "Act"). The Act will apply even though this Agreement provides that it is governed by the law of a specified state.

(b) Arbitration proceedings will be determined in accordance with the Act, the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), and the terms of this paragraph. In the event of any inconsistency, the terms of this paragraph shall control.

(c) The arbitration shall be administered by AAA and conducted in Washington state. All Claims shall be determined by one arbitrator; however, if Claims exceed Five Million Dollars (\$5,000,000), upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within ninety (90) days of the demand for arbitration and close within ninety (90) days of commencement and the award of the arbitrator(s) shall be issued within thirty (30) days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional sixty (60) days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed and enforced.

(d) The arbitrator(s) will have the authority to decide whether any Claim is barred by the statute of limitations and, if so, to dismiss the arbitration on that basis. For purposes of the application of the statute of limitations, the service on a party of a demand for arbitration under applicable AAA rules is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Agreement.

(e) This paragraph does not limit the right of the Borrower or the Bank to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or nonjudicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies

(f) The filing of a court action is not intended to constitute a waiver of the right of the Borrower or the Bank, including the suing party, thereafter to require submittal of the Claim to arbitration.

(g) By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this Agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the parties entering into this Agreement. The filing of a court action is not intended to constitute a waiver of the right of the any party, including the suing party, thereafter to require submittal of the Claim to arbitration.

12.5 Waiver of Sovereign Immunity. The Borrower expressly and irrevocably waives its sovereign immunity from suit for claims by the Bank with respect to the obligations and indebtedness evidenced by this Agreement and any related documents and consents to be sued in the courts of the state of Washington to compel or enforce arbitration. If it is determined that the foregoing court does not enjoy proper jurisdiction, then the Borrower consents to suit to compel or enforce arbitration in any federal or tribal court of competent jurisdiction, including the Squaxin Island Tribal Court, if any. The Borrower hereby waives any requirement of exhaustion of tribal remedies. Provided, the waiver of sovereign immunity expressed herein is limited to the Bank and its successor and assigns as the Bank under this Agreement. Provided further, recourse of the Bank under this waiver of sovereign immunity is limited to

the net gaming revenues of the Borrower's Gaming Enterprise and all personal property associated with same.

12.6 Severability; Waivers. If any part of this Agreement is not enforceable, the rest of the Agreement may be enforced. The Bank retains all rights, even if it makes a loan after default. If the Bank waives a default, it may enforce a later default. Any consent or waiver under this Agreement must be in writing.

12.7 Administration Costs. The Borrower shall pay the Bank for all reasonable costs incurred by the Bank which, in the ordinary course of business, the Bank charges its customers, in connection with administering this Agreement.

12.8 Attorneys' Fees. The Borrower shall reimburse the Bank for any reasonable costs and attorneys' fees incurred by the Bank in connection with the enforcement or preservation of any rights or remedies under this Agreement and any other documents executed in connection with this Agreement, and in connection with any amendment, waiver, "workout" or restructuring under this Agreement. In the event of a lawsuit or arbitration proceeding, the prevailing party is entitled to recover costs and reasonable attorneys' fees incurred in connection with the lawsuit or arbitration proceeding, as determined by the court or arbitrator. In the event that any case is commenced by or against the Borrower under the Bankruptcy Code (Title 11, United States Code) or any similar or successor statute, the Bank is entitled to recover costs and reasonable attorneys' fees incurred by the Bank related to the preservation, protection, or enforcement of any rights of the Bank in such a case. As used in this paragraph, "attorneys' fees" includes the allocated costs of the Bank's in-house counsel.

12.9 One Agreement. This Agreement, the Security Agreement and any related security or other agreements required by this Agreement, collectively:

- (a) represent the sum of the understandings and agreements between the Bank and the Borrower concerning the Facilities;
- (b) replace any prior oral or written agreements between the Bank and the Borrower concerning the Facilities; and
- (c) are intended by the Bank and the Borrower as the final, complete, and exclusive statement of the terms agreed to by them with respect to the Facilities.

In the event of any conflict between this Agreement and any other agreements required by this Agreement, this Agreement will prevail.

12.10 Waiver of Confidentiality. The Borrower authorizes the Bank to discuss the Borrower's financial affairs and business operations with any accountants, auditors, business consultants, or other professional advisors employed by the Borrower, and authorizes such parties to disclose to the Bank such financial and business information or reports (including management letters) concerning the Borrower as the Bank may request. This Section 12.10 shall not be construed to be a waiver by the Borrower of the attorney-client privilege.

12.11 Indemnification. The Borrower will indemnify and hold the Bank harmless from any loss, liability, damages, judgments, and costs of any kind relating to or arising directly or indirectly out of (a) this Agreement or any document required hereunder, (b) any credit extended or committed by the Bank to the Borrower hereunder, and (c) any litigation or proceeding related to or arising out of this Agreement, any such document, or any such credit, other than loss, liability, damages, judgments and costs arising out of the gross negligence or willful misconduct of the Bank. This indemnity includes but is not limited to attorneys' fees (including the allocated cost of in-house counsel). This indemnity extends to the Bank, its parent, subsidiaries and all of their directors, officers, employees, agents, successors, attorneys, and assigns. This indemnity will survive repayment of the Borrower's obligations to the Bank. All sums due to the Bank hereunder shall be obligations of the Borrower, due and payable immediately without demand.

12.12 No Future Commitment. The Borrower acknowledges that the Bank has made no commitment to extend any additional credit to the Borrower or to continue the credit provided hereunder after this Agreement expires or is terminated as provided herein.

12.13 Notices. Unless otherwise provided in this Agreement or in another agreement between the Bank and the Borrower, all notices required under this Agreement shall be personally delivered or sent by first class mail, postage prepaid, or by overnight courier, to the addresses on the signature page of this Agreement, or sent by facsimile to the fax numbers listed on the signature page, or to such other addresses as the Bank and the Borrower may specify from time to time in writing. Notices and other communications sent by (a) first class mail shall be deemed delivered on the earlier of actual receipt or on the fourth business day after deposit in the U.S. mail, postage prepaid, (b) overnight courier shall be deemed delivered on the next business day, and (c) telecopy shall be deemed delivered when transmitted.

12.14 Headings. Article and paragraph headings are for reference only and shall not affect the interpretation or meaning of any provisions of this Agreement.

12.15 Counterparts. This Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same agreement.

12.16 Disclosure. ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

This Agreement is executed as of the date stated at the top of the first page.

Bank:

BANK OF AMERICA, N.A.

By _____
Jay Johnson, Senior Vice President

Address where notices to the Bank
are to be sent:

Tacoma Commercial Banking
820 A Street, 2nd Floor
Tacoma, WA 98402
Attention: Jay Johnson
Telephone: (253) 305-3207
Telefacsimile: (253) 305-3353

Borrower:

SQUAXIN ISLAND TRIBE

By _____
Title _____

Address where notices to the Borrower are to be
sent:

70 S.E. Squaxin Lane
Shelton, WA 98584
Telephone: _____
Telefacsimile: _____