

EMPLOYMENT AGREEMENT EXTENSION

This Employment Agreement Extension ("AGREEMENT") is made pursuant to authorization of the Spirit Lake Tribal Council ("TRIBAL COUNCIL") on this ___ Day of April, 2006, by and between the Spirit Lake Gaming Commission, ("GAMING COMMISSION"), the Tribal entity established by the TRIBAL COUNCIL of the Spirit Lake Tribe ("TRIBE") to address issues and operations associated with gaming and related activities on behalf of the TRIBE, and MARY NICHOLSON KETTERLING ("NICHOLSON KETTERLING") of Devils Lake, North Dakota.

The purpose of this Agreement is to provide an extension retroactive to January 14, 2006 of the current Employment Agreement between the Parties.

The Parties acknowledge that NICHOLSON KETTERLING has been ably serving since January 14, 2002, as the as the General Manager of the Spirit Lake Casino and Resort ("CASINO") and prior thereto served as Chief Financial Officer of the CASINO and that both NICHOLSON KETTERLING and the GAMING COMMISSION desire that NICHOLSON KETTERLING maintain her position and responsibilities as General Manager. NICHOLSON KETTERLING is therefore continued in her position as General Manager/Chief Financial Officer of CASINO, and the GAMING COMMISSION hereby employs NICHOLSON KETTERLING in said position (hereinafter collectively "GENERAL MANAGER"), and NICHOLSON KETTERLING accepts employment upon the terms and conditions as set forth herein.

I DUTIES

NICHOLSON KETTERLING, as GENERAL MANAGER, shall perform all duties of the offices of General Manager and Chief Financial Officer, as set forth within the Spirit Lake Gaming Code, together with such associated duties as may be required by law, or as may be incident to said positions. These responsibilities shall include, but not be limited to, the following:

- A. General responsibility for overall operations of the Tribes gaming operations.
- B. Oversee operations of games offered by the Tribe.
- C. Insure the integrity of all gaming operations under his or her supervision.
- D. Insure that all aspects of operations are satisfactorily presented in

accordance the Compact, all applicable law, and agreements.

- E. Provide for adequate staffing, and associated training, including training for the position of General Manager.
- F. Provide for adequate promotion and advertising.
- G. Insure adequate planning and development.
- H. Supervise purchasing and allocation of resources.
- I. Insure adequate level of profitability, payment of EDF funds, and proper reserve to address emergencies.
- J. As Chief Financial Officer, assume General responsibility for the accounting and auditing of all receipts, disbursements, and cash management of the operations of the Spirit Lake Casino Resort.
- A. As Chief Financial Officer, provide for proper and adequate financial records of gaming operations, including submitting periodic financial reports and appropriate outside audits of gaming operations to the GAMING COMMISSION and the TRIBAL COUNCIL

II TERM

The Term of this AGREEMENT shall be from January 14, 2006 through May 31, 2007, absent breach by either Party. The parties may, in their discretion, negotiate for a further extension of the AGREEMENT under such terms as they may find advisable.

III COMPENSATION


The GAMING COMMISSION and NICHOLSON KETTERLING agree that the CASINO shall pay NICHOLSON KETTERLING a salary as follows:

- A. During this Employment Agreement Extension, CASINO shall pay NICHOLSON KETTERLING an annual salary of ONE HUNDRED FORTY THOUSAND DOLLARS (\$140,000.00) to be paid in mutually agreeable increments throughout the year.
- A. NICHOLSON KETTERLING shall continue to receive the Employee Benefits as

established under the Spirit Lake Gaming Code, and the Spirit Lake Casino and Resort Personnel Policies, and/or otherwise provided, including, but not limited to, medical coverage, 401(K) Plan participation, vacation, holidays, sick pay, and personal time off hours.

- B. It is understood that NICHOLSON KETTERLING shall retain all unused benefits she accumulated through her previous employment with CASINO, and that her original date of hire shall be utilized in calculating her years of service.
- C. NICHOLSON KETTERLING shall receive a Performance Bonus of fifteen percent (15%) of the salary monies payable to her under this Agreement respectively applicable each quarter of each fiscal year where each of the following occurs:
 - a) Productivity projections of the Casino are exceeded, and
 - b) Projected Casino revenues are exceeded.

Should either (a) or (b) occur but not both, the Performance Bonus to be paid to NICHOLSON KETTERLING for the applicable period shall be seven and one-half percent (7½%) of the salary monies payable to her during said period under this Agreement.

Eligibility for the Performance Bonus for the second quarter for 2007 shall be calculated based upon the entire quarter, but payment shall be prorated to the actual time that NICHOLSON KETTERLING serves as General Manager. 

- D. Should NICHOLSON KETTERLING be discharged as General Manager prior to the expiration of the two (2) year term of employment specified above she shall (absent good cause or discharge resulting from a breach by NICHOLSON KETTERLING) continue to receive the salary and benefits specified herein to the end of the solicited two (2) year term.

IV GAMING CODE AND PERSONNEL POLICIES

Both GAMING COMMISSION and NICHOLSON KETTERLING recognize that operations of CASINO are subject to the specifications within the Spirit Lake Tribal Law and Order Code, Title 8 - Gaming, which serves as the TRIBE's Gaming Code, said Code having been enacted and amended by the Spirit Lake Tribal Council, and thereafter approved by the National Indian Gaming Commission ("NIGC"). The parties further recognize that the operations

of the CASINO are subject to the Indian Gaming Regulatory Act ("IGRA"), 25 U.S.C. § 2700 et sig., and the regulations propagated thereto, as well as the Class III Gaming Compact and amendments thereto by and between the TRIBE and the State of North Dakota, together with the renewals thereof. The parties further recognize that certain Personnel Policies have been adopted associated with the operations of CASINO. The parties shall abide by and implement such authority.

V LICENSE

NICHOLSON KETTERLING shall maintain her Gaming License in full force and effect.

VI PERSONNEL ACTIONS

Consistent with the Sprit Lake Gaming Code and applicable Personnel Policies, CASINO Management, under the direction of the GENERAL MANAGER, shall exercise its responsibilities in regard to personnel matters, including rendering final dispositions as to grievances. The GAMING COMMISSION may provide direction to assure that CASINO personnel grievance and review procedures are followed, but shall not reconsider personnel determinations of management. Other Tribal instrumentalities, if otherwise available, are not limited by this provision.

VII BREACH AND CURE

Should either Party breach the terms of this AGREEMENT, the other Party may provide Notice thereof to the offending Party, who shall thereafter have thirty (30) days to cure any breach so identified.

VIII ARBITRATION

The Parties shall meet and confer as to any dispute, claim, or controversy arising out of, or relating to, this AGREEMENT. Should the parties be unable to settle such, either party may, through written Notice to the other, refer the matter to Arbitration, pursuant to the Commercial Arbitration Rules of the American Arbitration Association in effect within North Dakota. Unless otherwise agreed, each Party shall appoint one (1) person to a three (3) member Arbitration Panel, with the third member being selected by the two (2) Arbitrators so appointed.

IX
NO ASSIGNMENT

Neither Party may assign rights under this AGREEMENT to a third party without the written agreement of the other.

X
AMENDMENTS

This Agreement may be amended only through writings executed by, or on behalf of, each Party.

In Witness hereof, the Parties hereto have, within the Spirit Lake Reservation, executed this AGREEMENT, on the day and year first written above.

SPIRIT LAKE GAMING COMMISSION

MARY NICHOLSON KETTERLING



By: _____
Carl Walking Eagle
Gaming Commissioner

In Concurrence
SPIRIT LAKE TRIBE

By:
Myra Pearson,
Chair
Tribal Council