UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the quarter ended SEPTEMBER 30, 1997

Commission file number 0-8927

NEVADA GOLD & CASINOS, INC.
(Exact name of registrant as specified in its charter)

NEVADA	88-0142032
(state or other Jurisdiction of incorporation)	(IRS Employer Identification Number)

3040 POST OAK BLVD. SUITE 675, HOUSTON, TEXAS 77056
(Address of principal executive offices) (Zip Code)

(713) 621-2245
Registrant's telephone number:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

As of September 30, 1997 there were 8,499,236 shares of common stock outstanding.

NEVADA GOLD & CASINOS, INC.
INDEX

PART I

NEVADA GOLD & CASINOS, INC.
BALANCE SHEETS

	September 30, 1997 (Unaudited)	March 31, 1997 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 48,531	$ 78,245
Short term investments	17,608	17,408
Other assets	65,500	65,000
TOTAL CURRENT ASSETS	131,639	160,653
Investment in Isle of Capri Black Hawk	1,521,564	--
Property and assets held for development	2,165,269	4,203,418
Mining properties & claims	480,812	480,812
Furniture, fixtures and equipment, net	92,993	111,140
TOTAL ASSETS	$ 4,392,277	$ 4,956,023
LIABILITIES & STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 46,176	$ 325,893
Short term notes payable	176,000	1,504,367
Current portion of long term debt	70,371	112,492
TOTAL CURRENT LIABILITIES	292,548	1,942,752
LONG TERM DEBT		
Mortgages payable, net of current portion	147,912	176,632
Notes payable, net of current portion	526,758	32,268
TOTAL LONG TERM DEBT	674,670	208,900
TOTAL LIABILITIES	967,218	2,151,652
STOCKHOLDERS' EQUITY		
Preferred stock, $10 par value, 500,000 shares authorized, 141,290 and 90,100 shares outstanding at September 30, and March 31, 1997, respectively	1,412,900	901,000
Common stock, $.12 par value, 10,000,000 shares authorized, 8,499,236 and 8,349,046 shares outstanding at September 30, and March 31, 1997, respectively	1,019,908	1,001,886
Additional paid in capital	6,176,502	5,956,959
Accumulated deficit prior to development stage (12/27/93)	(2,296,077)	(2,296,077)
Accumulated deficit during development stage	(2,888,174)	(2,759,397)
TOTAL STOCKHOLDERS' EQUITY	3,425,059	2,804,371
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,392,277	$ 4,956,023

The accompanying notes are an integral part of these financial statements.

NEVADA GOLD & CASINOS, INC.
STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended September 30, 1997	1996
REVENUES		
Royalty income	$ --	$ --
Other income	540,754	8,505

TOTAL REVENUES	540,754	8,505
EXPENSES		
General & administrative	215,465	191,454
Interest expense	46,290	82,075
Salaries	59,378	30,586
Legal & professional fees	79,032	144,567
Other	10,392	26,342
TOTAL EXPENSES	410,557	475,024
NET INCOME (LOSS)	$ 130,197	$ (466,519)
PER SHARE INFORMATION		
Weighted average number of common shares and equivalent outstanding	8,453,689	8,268,267
Net income (loss) per common share	$ .02	$ (.06)

The accompanying notes are an integral part of these financial statements

NEVADA GOLD & CASINOS, INC.
STATEMENTS OF OPERATIONS
(UNAUDITED)

	Six Months Ended September 30,		Cumulative Amounts During Development Stage (Since 12/27/93)
	1997	1996	
REVENUES			
Royalty income	$ 15,000	$ 5,000	$ 219,000
Other income	541,119	24,600	1,037,289
TOTAL REVENUES	556,119	29,600	1,256,289
EXPENSES			
General & administrative	320,877	302,900	1,450,032
Interest expense	112,228	115,823	599,249
Salaries	111,219	42,901	390,204
Legal & professional fees	120,110	252,124	1,388,061
Other	20,463	46,406	316,917
TOTAL EXPENSES	684,896	760,154	4,144,463
NET LOSS	$ (128,777)	$ (730,554)	$(2,888,174)
PER SHARE INFORMATION			
Weighted average number of common shares and equivalent outstanding	8,404,638	8,264,528	6,667,146
Net loss per common share	$ (.02)	$ (.09)	$ (.43)

The accompanying notes are an integral part of these financial statements.

NEVADA GOLD & CASINOS, INC.
STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended September 30,		Cumulative Amounts During Development Stage (Since 12/27/93)
	1997	1996	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$(128,777)	$(264,035)	$(2,888,174)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:			
Depreciation	13,306	6,653	59,776
Consultant and investment banker option expense	0	0	320,625
Changes in operating assets and liabilities:			
Receivable	(700)	(1,814)	205,825
Accounts payable and accrued liabilities	(31,902)	153,208	1,035,138
NET CASH USED IN OPERATING ACTIVITIES	(148,073)	(105,988)	(1,266,810)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property and assets held for development	(45,532)	(35,372)	(1,318,046)
Purchase of furniture, fixtures and equipment	(6,827)	0	(35,865)
Disposition of property	168,249	0	168,249
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	115,890	(35,372)	(1,185,662)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from debt	773,795	124,078	4,334,957
Common stock issued for cash, net of offering costs	135,000	3,750	1,156,563
Fractional shares redeemed	0	0	(36)
Payments on debt	(906,326)	(41,798)	(3,318,268)
Salaries contributed by officers	0	0	1,000
Prepaid stock subscription	0	0	295,500
NET CASH PROVIDED BY FINANCING ACTIVITIES	2,469	86,030	2,469,716
Net increase (decrease) in cash	(29,714)	(55,330)	17,244
Beginning cash balance	78,245	76,371	6,287
Ending cash balance	$ 48,531	$ 21,041	$ 23,531
SUPPLEMENTAL INFORMATION:			
Cash paid for interest	$ 88,231	$ 6,760	$ 352,674
Cash paid for taxes	$ 0	$ 0	$ 0

The accompanying notes are an integral part of these financial statements.

NEVADA GOLD & CASINOS, INC.
SEPTEMBER 30, 1997
NOTES TO INTERIM FINANCIAL STATEMENTS

ITEM 1.

GENERAL BUSINESS

Nevada Gold & Casinos, Inc.'s (the "Company") principal business historically was mineral exploration and development of properties indirectly, principally through investments in partnerships and joint ventures. On December 27, 1993, control of the Company changed and the Company began to explore the real estate development and gaming businesses in Colorado. The Company is considered to be in the development stage since December 27, 1993. In January 1994, the Company changed its name from Pacific Gold Corporation to Nevada Gold & Casinos, Inc. While the Company is maintaining its mining business, it is anticipated that its growth will be in the real estate and gaming businesses.

GAMING DEVELOPMENT

In June 1997, through wholly-owned subsidiaries of each company, Nevada Gold & Casinos, Inc. and Casino America, Inc. entered into a joint venture to develop a new Isle of Capri casino in Colorado at Black Hawk, 30 miles west of Denver. The joint venture plans to develop, own and operate the Isle of Capri Black Hawk as a premier casino gaming facility. The casino will be one of the first gaming facilities encountered by customers traveling from Denver to the Black Hawk market and, upon completion, it will be one of the largest gaming facilities in Colorado. It will feature 90,000 square feet on one level with 1,100 slot machines, 24 blackjack and poker games, a fine dining restaurant, a delicatessen, a Las Vegas style buffet, and an event center. The facility also will include 1,000 on-site parking spaces. The Isle of Capri Black Hawk will be designed and constructed pursuant to a bonded "guaranteed maximum price" design/build agreement, which also provides for the addition of a hotel at the option of the venture for an agreed-upon increase to the guaranteed maximum price.

The Company holds its interest in the Isle of Capri Black Hawk through a wholly owned subsidiary, Black Hawk Gold, Ltd., a Colorado Corporation ("Black Hawk Gold"). The Company, through Black Hawk Gold, made a capital contribution valued under the joint venture agreement at $7.5 million. The contribution consisted of land valued at $7.9 million, subject to a note payable with a balance, including principal and interest, of approximately $400,000 that was paid by the joint venture. The property included lots 5, 6, 7 and 8 of Block 51, and adjoining land comprised of over three acres located in Black Hawk, Colorado. Casino America, Inc. will manage the casino under a long-term management agreement for a fee based upon the revenues generated by the project. The development of the project is subject to a number of conditions, including the receipt of all required regulatory approvals, particularly approval from the Colorado Gaming Commission.

In March 1996, Nevada Gold & Casinos, Inc. and Caesar's World Gaming Corporation ("Caesar's"), a subsidiary of ITT Corporation, had announced joint development plans for this project. Although all the necessary land was assembled, designs were completed, and operating agreements were signed, no further action was taken. In August 1997, Casino America purchased Caesar's interest in this project.

Under the terms of the original agreement with Casino America, the Company would have retained about 48% interest in the joint venture and Casino America would have owned about 52%. In July 1997, the operating agreement with Casino America was amended. The Company's ownership was decreased to 45% and Casino America's ownership was increased to 55% to compensate Casino America for providing a Completion Capital Commitment and the Managers Subordination Agreement. Pursuant to the amended operating agreement, the Company received from Casino America a $500,000 loan, $700,000 in cash for sale of part of its ownership interest in the joint venture, and an additional commitment to fund up to $800,000 toward the Company's future cash requirements. The Company's ownership of the joint venture was reduced to approximately 41% upon receipt by the Company of the initial $1,200,000 and its ownership will be reduced to approximately 36% if all of the additional $800,000 commitment is used. Substantially all of the $1,200,000 proceeds were paid directly to creditors of the Company in full payment of the Company's outstanding obligations to such creditors. The Company has the option to repurchase the sold portion of its ownership interest in the project within 180 days after the date of each funding. The loan bears interest at the higher of 14.5% or Casino America's highest cost of funds plus two percentage points and is due on August 20, 2000.

In January 1997, the Company engaged Jefferies and Company, Inc., a nationally known investment banking concern prominent in the gaming industry, as its exclusive financial advisor in connection with the structuring and financing of the casino project. In August 1997, first mortgage notes in the aggregate amount of $75,000,000 were issued by Isle of Capri Black Hawk, L.L.C. and its wholly owned subsidiary, Isle of Capri Black Hawk Capital Corp. (collectively the "Issuers"). These notes mature on August 31, 2004 and bear interest at 13% per annum. Interest on the notes is payable semi-annually on each February 28 and August 31, commencing February 28, 1998. Contingent interest is payable on

the notes, on each interest payment date, in an aggregate amount equal to 5% of the Isle of Capri Black Hawk L.L.C.'s consolidated cash flow for the two fiscal quarters ending during the January or July immediately preceding such interest payment date. The notes are secured by a first lien on substantially all of the existing and future assets of the Issuers and are without recourse to the members of Isle of Capri Black Hawk, L.L.C. or their respective parent or affiliate entities.

The Company conveyed property to the City of Black Hawk for the realignment of Miners Mesa Road in exchange for a fifteen-foot strip of adjoining gaming property which would increase the square footage available for gaming and provide additional land to the joint venture.

There have been no revenues from the Company's gaming joint venture to date since these are currently in the development stage. Revenues have not been sufficient to cover the Company's operating expenses during the past several years. Management does not expect significant increases in revenues from any of its operations over the next year. In July 1997, the Company signed an amended Operating Agreement with Casino America, Inc. concerning the development of a casino. Pursuant to this agreement, the Company exchanged part of its ownership interest in the casino venture for cash, a loan, and a commitment of additional funds for future cash requirements. The long-term viability of the Company is dependent upon the successful completion and operation of a casino.

REAL ESTATE DEVELOPMENT

On September 9, 1994, Gold Mountain Development, LLC was formed. Per negotiated agreement with the other three members, Nevada Gold & Casino, Inc.'s ownership was 40%. On September 26, 1995, the Company acquired the remaining 60% interest in Gold Mountain Development, LLC, making it a wholly-owned subsidiary. Intercompany balances have been eliminated in preparing the Company's financial statements as of September 30, and March 31, 1997.

On July 9, 1996, President Clinton signed legislation authorizing a public-private land exchange with Gold Mountain Development, LLC that will make possible the creation of a major new residential and recreational development near the Black Hawk gaming area west of Denver, while also preserving 8,700 acres of pristine wilderness area throughout Colorado. Public law 104-158 authorizes the Bureau of Land Management to swap 133 separate tracts of federal land comprised of over 300 acres. This project is designed to provide housing, commercial infrastructure, retail and resort facilities for the fast growing gaming area of Black Hawk and Central City.

As of March 31, 1995, the Company entered into an agreement to purchase 100% of the outstanding common stock of Sunrise Land and Minerals, Inc. ("Sunrise"). The seller financed the entire purchase price of the acquisition through a non-recourse note. Effective August 23, 1996, the Company retired the short-term non-recourse note associated with the Sunrise purchase, through the issuance of 166,667 restricted shares of the Company's common stock.

MINING INTERESTS

The Company had a joint venture agreement with Cameco U.S., Inc. ("Cameco") which was terminated effective March 31, 1996. Effective November 1, 1996, the Company entered into a lease with Sagebrush Exploration, Inc., ("Sagebrush") permitting Sagebrush to explore, develop, and mine the properties in the Goldfield Mining District located in Nye and Esmeralda Counties, Nevada. Under the terms of this agreement, the Company was to receive advance minimum royalty payments, production royalty and 100,000 shares of the capital stock from Sagebrush's parent company, Coromandel Resources, Ltd., ("Coromandel"). Sagebrush agreed to incur expenditures for exploration and development of the property and any and all taxes and maintenance fees. Sagebrush has been in default of this lease since July 1997. Management is currently negotiating with

a potential new lessee.

REVERSE COMMON STOCK SPLIT

On August 23, 1996, the Company's Board of Directors approved and declared a three-for-one reverse stock split of the Company's authorized, issued and outstanding shares of common stock, par value $.04 per share. Holders of the Common Stock were not entitled to cumulative voting. The stock split was accompanied by an increase in the par value of the common stock from $.04 per share to $.12 per share. All references in the consolidated financial statements referring to shares, share prices, per share amounts and stock plans have been adjusted retroactively for the three-for-one reverse stock split.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included. Certain prior year balances have been reclassified to conform to current year presentation.

These financial statements are consolidated for all wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in the financial statements.

ITEM 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 1997 COMPARED WITH THREE MONTHS ENDED SEPTEMBER 30, 1996

Revenues increased $532,249 for the three months ended September 30, 1997 compared to the same period in the prior year. The current year included a gain of $543,418 for the sale of part of the Company's interest in the Isle of Capri Black Hawk joint venture.

General and administrative expenses increased $24,011 for the three months ended September 30, 1997 compared to the same period in the prior year, including an increase of $55,700 in commission expense, partially offset by decreases in contract labor and travel. The current quarter included fees in the amount of $79,700 related to the casino project and the acquisition of financing. The same period last year included $24,000 related to the acquisition of financing.

Interest expense decreased $35,784 for the three months ended September 30, 1997 as compared to the same period last year. The prior year included $30,000 interest on commercial paper in the amount of $2,000,000.

Salaries increased $28,792 for the three months ended September 30, 1997 as compared to the same period last year, due to the hiring of additional personnel to handle accounting, legal and other functions previously outsourced by the Company.

Legal and professional fees decreased $65,535 including decreases of $45,908 in accounting expense and $21,040 in consulting fees. The prior year included consulting fees associated with the acquisition of capital and audit and accounting fees associated with the Company's annual audit.

Other expenses decreased $15,950, including a decrease of $12,942 in printing expense. The prior year included expenses for SEC filings.

SIX MONTHS ENDED SEPTEMBER 30, 1997 COMPARED WITH SIX MONTHS ENDED SEPTEMBER 30, 1996

Revenues increased $526,519 for the six months ended September 30, 1997 compared to the same period in the prior year. The current year included a gain of $543,418 for the sale of part of the Company's interest in the Isle of Capri Black Hawk joint venture.

General and administrative expenses increased $17,977 for the six months ended September 30, 1997 compared to the same period in the prior year, including an increase of $55,700 in commission expense, partially offset by a decrease of $22,765 in contract labor. The current year included fees in the amount of $79,700 related to the casino project and the acquisition of financing. The same period last year included $24,000 related to the acquisition of financing.

Interest expense decreased $3,595 for the six months ended September 30, 1997 as compared to the same period last year. The current year reflected an increase in interest expense for short-term notes payable. The prior year included $30,000 interest on commercial paper in the amount of $2,000,000.

Salaries increased $68,317 for the six months ended September 30, 1997 as compared to the same period last year, due to the hiring of additional personnel to handle accounting, legal, and other functions previously outsourced by the Company.

Legal and professional fees decreased $132,014, including decreases of $51,444 in accounting expense, $47,432 in consulting fees and $33,324 for legal and professional fees. The prior year included consulting and legal fees associated with the acquisition of capital and audit and accounting fees associated with the Company's annual audit.

Other expenses decreased $25,943, including a decrease of $17,370 in printing expense. The prior year included expenses for SEC filings.

LIQUIDITY AND CAPITAL RESOURCES

Revenues from the Company have not been sufficient to cover the Company's operating expenses during the past two years. In addition, there have been no revenues from the Company's gaming joint venture to date since these are currently in the development stage. Management does not expect significant increases in revenues from any of its operations over the next year.

During the six months ended September 30, 1997, the Company received proceeds from short-term debt of $773,795 to cover its operating deficit and for scheduled payments on its long-term debt. Additional funds were obtained through private sales of restricted Company Stock to "accredited" investors, as such term is defined under Securities and Exchange Commission Regulation D.

Pursuant to an amended operating agreement with Casino America, the Company received from Casino America a $500,000 loan, $700,000 in cash for sale of part of its ownership interest in the joint venture, and an additional commitment to fund up to $800,000 toward the Company's future cash requirements. The Company's ownership of the joint venture was reduced to approximately 41% upon receipt by the Company of the initial $1,200,000 and its ownership will be reduced to approximately 36% if all of the additional $800,000 commitment is used. Substantially all of the $1,200,000 proceeds were paid directly to creditors of the Company in full payment of the Company's outstanding obligations to such creditors. The Company has the option to repurchase the sold portion of its ownership interest in the project within 180 days after the date of each funding. The loan bears interest at the higher of 14.5% or Casino America's highest cost of funds plus two percentage points and is due on August 20, 2000.

During the year ended March 31, 1996, the Company offered $8,500,000 in Convertible Secured Notes. As of August 23, 1996, the company withdrew this debt offering. Funds in escrow were returned in compliance with the terms of the offering.

On July 5, 1996, the Company issued $2,030,000 in discounted commercial paper with a 31-day term for which it received proceeds of $2,000,000. The commercial paper was paid in full at maturity.

In January 1997, the Company engaged Jefferies and Company, Inc., a nationally known investment banking concern prominent in the gaming industry, as its exclusive financial advisor in connection with the structuring and financing of the casino project. In August 1997, first mortgage notes in the aggregate amount of $75,000,000 were issued by the Isle of Capri Black Hawk, L.L.C. and its wholly-owned subsidiary, Isle of Capri Black Hawk Capital Corp. (collectively the "Issuers"). These notes mature on August 31, 2004 and bear interest at 13% per annum. Interest on the notes is payable semi-annually on each February 28 and August 31, commencing February 28, 1998. Contingent interest is payable on the notes, on each interest payment date, in an aggregate amount equal to 5% of the Isle of Capri Black Hawk, L.L.C.'s consolidated cash flow for the two fiscal quarters ending during the January or July immediately preceding such interest payment date. The notes are secured by a first lien on substantially all of the existing and future assets of the Issuers and are without recourse to the members of the Isle of Capri Black Hawk, L.L.C. or their respective parent or affiliate entities.

Effective December 31, 1996, the Board of Directors and the holders of the Company's common stock having at least a majority of the voting power of the shares, approved and authorized the issuance of 500,000 shares of Preferred Stock, $10 par value per share. The Company issued 141,290 shares of 12% cumulative preferred stock, $10 par value, which are callable by the Company. These shares were issued in exchange for short-term notes payable to Clay County Holdings, Inc., an affiliate of the Secretary of the Company, and accrued management fees due to Aaminex Capital Corp.("Aaminex"), an affiliate of the President of the Company.

ITEM 3
Not applicable

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS
In October 1997, the Company became aware of a lawsuit filed in August 1997 under Case Number H-97-2955 in the United District Court for the Southern District of Texas, Houston, Texas by James R. Cleveland, Plaintiff, against the Company and twenty-three (23) other Defendants, including all of the Directors and two Officers of the Company. Mr. Cleveland, an inmate in a Texas county jail, proceeding under a pauper's affidavit, alleges that the Defendants conspired to defraud and deceive him for the purpose of securing an investment of funds in the Company. Mr. Cleveland has requested actual damages of $5 million and punitive damages of $15 million. Management believes there is no factual basis for Mr. Cleveland's allegations and the Company and counsel are of the opinion that all Defendants will ultimately prevail in the lawsuit.

ITEM 2. CHANGES IN SECURITIES.
Not applicable

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.
Not applicable

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.
By unanimous consent dated August 14, 1997, the Board of Directors of the Company and the Company as the sole stockholder of Blackhawk Gold, approved and authorized the conveyance of the Blackhawk Gold Parcel to the Isle of Capri Black Hawk, L.L.C. The Board of Directors determined that stockholder approval and/or ratification of this transaction was not required under the applicable provisions of the Nevada Revised Statutes. At the request of Jefferies and Company, Inc., the underwriters for the Isle of Capri Black Hawk, L.L.C.'s note offering, Winstock Mining Corporation, Clay County Holdings, Aaminex Capital Corporation, Paul J. Burkett, William J. Jayroe and Hubert T. Wen, holders of a majority of the outstanding common shares of the Company

(collectively the "Majority Stockholders"), entered into a written agreement to approve and ratify, and did approve and ratify, the conveyance of the Blackhawk Gold Parcel to the Isle of Capri Black Hawk L.L.C. The Majority Shareholders legally and beneficially owned an aggregate of 5,142,415 shares of the common stock of the Company, representing a majority of the outstanding shares of the Company authorized to vote.

ITEM 5. OTHER INFORMATION.
Not applicable

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(A) INDEX TO EXHIBITS

*3.1 - Articles of Incorporation

*3.2 - Amendment to Articles of Incorporation

*3.3 - By-laws

*4.1 - Deed of Trust

*4.2 - Master Secured Note

*4.3 - Note Participation Agreement

*10.1 - Operating Agreement Caesars Black Hawk, LLC.

*10.2 - Operating Agreement of ICB L.L.C.

10.3 - Amended and Restated Operating Agreement of Isle of Capri Black Hawk L.L.C.

10.4 - Members Agreement

10.5 - License Agreement

27 - Financial Data Schedule

*Exhibits were previously filed and are incorporated by reference.

(B) Reports on Form 8-K

8K filed 6/30/97

Item 4 Changes in Registrant's Certifying Accountant

Item 5 Other Events

8K/A filed 7/22/97

Item 4 Changes in Registrant's Certifying Accountant

Item 5 Other Events

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has fully caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NEVADA GOLD & CASINOS, INC.

(Registrant)

By:/S/ ELIZABETH A. WOODS
Elizabeth A. Woods
Treasurer and Chief
Financial Officer

DATE: November 14, 1997

EXHIBIT 10.3

AMENDED AND RESTATED OPERATING AGREEMENT

OF

ISLE OF CAPRI BLACK HAWK L.L.C.

This AMENDED AND RESTATED OPERATING AGREEMENT is made as of this ___ day of July, 1997 by Casino America of Colorado, Inc. ("Casino America of Colorado") and Blackhawk Gold, Ltd. ("Blackhawk Gold") and those other persons, if any, who from time to time become parties to or are otherwise bound by this Agreement as provided herein.

The parties hereto are parties to and Operating Agreement dated April 25, 1997. The parties wish to amend and restate the Operating Agreement, pursuant to this Amended and Restated Operating Agreement, which supersedes and replaces the Operating Agreement, effective as of the Closing Date. The parties therefore agree as follows:

ARTICLE 1: ORGANIZATION AND DEFINITIONS

1.1 COMPANY NAME. The business of the Company will be conducted under the name "Isle of Capri Blackhawk L.L.C." or any other name determined by the Company in accordance with governing law.

1.2 INITIAL OWNERSHIP. Upon execution of this Amended and Restated Operating Agreement, the Ownership Interest of the Company is as set forth below:

MEMBER	OWNERSHIP INTEREST	INITIAL CONTRIBUTION
Blackhawk Gold, Ltd.	45%	$7,500,000
Casino America of Colorado, Inc.	55%	$9,200,000

The Ownership Interest shall be adjusted from time to time in accordance with the provisions of this Agreement. The Ownership Interests of the Members shall at all times be maintained on Appendix I hereto, which shall be amended chronologically from time to time as necessary. Effective as of the Closing, Blackhawk Gold has sold to Casino America of Colorado a portion of it's Ownership Interest representing 4.2% of the total Ownership Interests in the Company so that, as of the Closing Date, the respective percentage Ownership Interests are as follows: Blackhawk Gold - 40.8% and Casino America of Colorado - - 59.2%.

1.3 COLORADO OFFICE AND AGENT. The initial registered office of the Company in Colorado is located at 1675 Broadway, Suite 1200, Denver, Colorado 80202, and its initial registered agent at such address is CT Corporation. The Company may subsequently change its registered office or registered agent in Colorado in accordance with the Act. The Company's principal place of business is 711 Washington Loop, Biloxi, Mississippi 39530.

1.4 TERM. The Company began on the date its Articles of Organization were filed with the Colorado Secretary of State and continues until December 31, 2096, or such earlier date as a Dissolution may occur.

1.5 FOREIGN QUALIFICATION. After formation of the Company under the Act, the Company will apply for any required certificate of authority to do business in any other state or jurisdiction where it conducts business, as appropriate.

1.6 DEFINITIONS. Terms used with initial capital letters will have the meanings specified in Exhibit "A", applicable to both singular and plural forms, for all purposes of this Agreement.

ARTICLE 2: PURPOSES AND POWERS

2.1 PRINCIPAL PURPOSE. The business and principal purpose of the Company is to investigate, seek, acquire and engage in casino gaming in the Black Hawk/Central City, Colorado area, and to engage in all activities related thereto, including, without limitation, the operation of restaurants, gift shops and/or a hotel.

2.2 POWERS. The Company has all of the powers granted to a limited liability company under the Act, as well as all powers necessary or convenient to achieve its purposes and to further its business.

ARTICLE 3: CAPITAL CONTRIBUTIONS

3.1 INITIAL CAPITAL OF THE COMPANY. The Members have made an initial Capital Contribution to the Company and have received the Initial Ownership Interests set forth in Section 1.2 above.

3.2 NO ADDITIONAL CAPITAL CONTRIBUTIONS. Except as agreed by the Members in the Members Agreement, no Member shall be required to make an additional Capital Contribution to the Company.

3.3 NO WITHDRAWAL. Except as specifically provided in this Agreement, no Member will be entitled to withdraw all or any part of such Member's capital from the Company or, when such withdrawal of capital is permitted, to demand a distribution of property other than cash.

3.4 NO INTEREST ON CAPITAL. No Member will be entitled to receive interest on such Member's Capital Contribution or Capital Account.

3.5 LOANS BY MEMBERS. The Company may borrow money from any Member or Affiliate for Company purposes on such terms as the Company and such Member or Affiliate may agree. Any such advance or loan will be treated as indebtedness of the Company, and will not be treated as a

Capital Contribution by a Member.

3.6 CAPITAL ACCOUNTS. A Capital Account will be maintained for each Member and credited, charged and otherwise adjusted in accordance with generally accepted accounting principles consistently applied. Each Member's Capital Account will be:

[a] Credited with [i] the capital contributions (net of liabilities secured by such property that the Company takes subject to or assumes), [ii] the Member's allocable share of Profits and [iii] all other items properly credited to the Member's Capital Account; and

[b] Charged with [i] the amount of cash distributed to the Member by the Company, [ii] the Fair Market Value of property distributed to the Member by the Company (net of liabilities secured by such property that the Member takes subject to or assumes), [iii] the Member's allocable share of Losses and [iv] all other items properly charged to the Member's Capital Account.

Any unrealized appreciation or depreciation with respect to any asset distributed in kind will be allocated among the Members in accordance with the provisions of Article 5 as though such asset had been sold for its Fair Market Value on the date of Distribution, and each Member's Capital Account will be adjusted to reflect both the deemed realization of such appreciation or depreciation and the Distribution of such property. In determining the Fair Market Value of any asset of the Company for purposes of any Distribution, the Company may obtain the written report of any one or more independent qualified appraisers (or appraisal firms). If more than one appraisal report is obtained by the Company, Fair Market Value will be determined as the average of such appraised values. The Company will select each such appraiser (or appraisal firm), and bear the cost of any such appraisal.

The Capital Account of each Member shall be determined and maintained in accordance with generally accepted accounting principles consistently applied in the casino industry. For income tax purposes, the Company shall make all required elections under Section 704(b) of the Code.

3.7 TRANSFER. If all or any part of an Ownership Interest is transferred in accordance with this Agreement, the Capital Account and Ownership Interest of the Transferor (including a pro-rata share of Capital Contributions) that is attributable to the transferred interest will carry over to the Transferee.

3.8 CERTIFICATES FOR UNITS REPRESENTING OWNERSHIP INTERESTS. Ownership Interests in the Company shall be represented by Units and a Person's Ownership Interest shall equal the number of Units owned by such Person divided by the total number of Units issued and outstanding. The Units shall be represented by Certificates, which shall be in such form as may be determined by the Managers. Certificates

shall be signed by a majority of the Managers. All Certificates shall be consecutively numbered or otherwise identified. The name of the Person to whom the Units are issued, with the number of Units and the date of issue, shall be entered on the books of the Company. All Certificates surrendered to the Company for transfer shall be canceled and no new Certificate shall be issued until the former Certificate for a like number of Units shall have been surrendered and canceled, except that in the case of a lost, destroyed or mutilated certificate a new one may be

issued therefor upon such terms and indemnity to the Company as the Managers may prescribe. Transfers of Units of the Company shall be made only on the books of the Company by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Company, and, on surrender for cancellation of the Certificate for such Units. The Person in whose name a Unit or Units stands on the books of the Company shall be deemed the owner thereof for all purposes as regards the Company.

ARTICLE 4: MEMBERS AND MANAGERS

4.1 MANAGEMENT BY MANAGERS. Except as to matters expressly reserved to the Members by statute or by this Operating Agreement, the business and affairs of the Company shall be managed by the Managers set forth below, as such Managers may be changed from time to time as set forth herein. The initial Managers of the Company shall be John M. Gallaway, Allan B. Solomon, whose address is 711 Washington Loop, Biloxi, Mississippi, and H. Thomas Winn, whose address is 3040 Post Oak Boulevard, Suite 675, Houston, Texas. Each Member shall have the right to elect one Manager, except that so long as Casino America of Colorado or its Affiliates own a Majority In Interest of the Company, Casino America of Colorado or its Affiliates shall be entitled to elect a majority of the Managers, which initially shall be two Managers, and Blackhawk Gold shall be entitled to elect one Manager. Each Member shall have the right to remove, replace, fill a vacancy or designate a temporary replacement for the Manager or Managers elected by it.

Managers shall hold office for a term of one year from election, or until the next Annual Meeting of Members. Any action provided for in this Agreement that may be taken by the Company may, except as otherwise provided in this Agreement, only be taken with the consent of a majority of the Managers or by the officers of the Company to the extent a majority of the Managers have delegated authority with respect to such actions to such officers. Except as provided in Section 4.9 below or as to any other matter the Members agree shall require a unanimous vote, actions of the Managers shall be by majority vote at meetings duly called for purposes of taking action at which a quorum is present. A quorum at any meeting of the Managers shall consist of a majority of the Managers then appointed. The Managers may also act by unanimous written consent in lieu of a meeting.

Meetings of the Managers shall be held no less often than quarterly (one of which shall be the Annual Meeting of the Members) on dates established therefor at each preceding Annual Meeting of the Managers. Special meetings of the Managers shall be held from time to time as called by any of the Managers on no less than five (5) days' advance notice given in writing by the Manager calling such meeting, which notice may be given by facsimile, Federal Express or similar courier service, certified mail or personal delivery. Notices of meetings shall be effective when sent, if sent by facsimile, or upon receipt, if given by certified mail, overnight courier or personal delivery, in each case at the address of each of the Managers on the books and records of the Company. The Managers may participate in a meeting by means of conference telephone or similar communications equipment by which all the members participating in the meeting can hear each other at the same time. Such participation will constitute presence in person at the meeting and waiver of any required notice.

4.2 MEMBER'S REPRESENTATIVE. Each Member which is not an individual will designate one or more individuals to act as such Member's duly authorized representative and agent for purposes of exercising such Member's vote on any matter involving the Company requiring the approval or action of the Members. Each Member which is not an individual may also designate one or more individuals as an alternate in the event that the primary representative is

unavailable to act for any reason. A Member may change any such designation at any time upon similar notice. The representatives of a Member will cast the vote of each Member in accordance with such Member's Ownership Interest, as provided in this Article.

4.3 MAJORITY VOTING. All decisions reserved by the Act or this Operating Agreement to the Members will be made by the affirmative vote of Members owning more than 50% of the Ownership Interests held by all Members, without regard to quorum requirements, unless the unanimous vote (under Section 4.9) provisions apply or except as to any other matter the Member agree shall require a unanimous vote or as otherwise specifically provided in this Agreement. Any determination to be made by the Members will be made in each Member's sole and absolute discretion.

4.4 NO RESIGNATION OR RETIREMENT. Each Member agrees not to voluntarily resign or retire as a Member in the Company. However, if such voluntary resignation or retirement occurs in contravention of this Agreement, the withdrawing Member will, without further act, become a Transferee of such Ownership Interest (with the limited rights of a Transferee as set forth in Section 13.6). Any Member who resigns or retires from the Company in contravention of this Agreement will be liable to the Company and the other Members for proven monetary damages (but any such action or proposed action to resign or retire will not be subject to any equitable action for injunctive relief or specific performance).

4.5 POWERS. Each Manager is an agent of the Company for the purpose of conducting its business and affairs. The act of any Manager for apparently carrying on in the usual way of the Company's business or affairs binds the Company unless the Manager so acting has, in fact, no authority to act for the Company in the particular matter and the person with whom such Member is dealing has knowledge of such lack of authority. The act of any Manager which is not apparently for the carrying on in the usual way of the Company's business or affairs does not bind the Company unless authorized in accordance with this Agreement. Each Manager agrees to act on behalf of the Company only in compliance with this Agreement, and agrees that any act in contravention of this Agreement renders such Manager liable to the Company and other Members for monetary damages and other relief.

4.6 SUBSTITUTE MEMBERS. A Transferee may be admitted as a substitute Member of the Company only upon the affirmative written agreement of all of the Members (excluding the Transferor Member), effective upon a date specified (which must be on or after the effective date of the Transfer, as determined under Section 13.5).

4.7 ADDITIONAL MEMBERS. Subject to Section 4.9, additional Members of the Company may be admitted incident to the contribution of money or other property to the Company (or otherwise) only

upon the affirmative written agreement of all Members, effective upon a date specified by all the Members.

4.8 OFFICERS. The Company, acting through the Managers, may appoint and remove such officers as it determines to be necessary or desirable to carry out the day-to-day management of the Company. The Company's officers may include a president, one or more vice presidents, a secretary and a treasurer, as well as one or more assistant vice presidents, secretaries and treasurers. Such officers may also include a chief executive officer, chief operating officer and chief financial officer. Appointment as an officer or agent of the Company will not, of itself create any contract rights. The officers of the Company, acting in their capacity as such, will be agents acting on behalf of the Company as principal. No officer of the Company has the continuing exclusive authority to make independent business decisions on behalf of the Company without the approval of the Managers as set forth in this Article.

4.9 UNANIMOUS VOTE. The following actions by the Company will require the affirmative vote of all the Managers and the Members, without regard to quorum requirements.

[a] The admission of an additional Member under Section 4.7;

[b] Any non pro-rata distribution, including the non pro-rata distribution of assets in kind in Liquidation under Section 12.3;

[c] The amendment of this Agreement, except as provided in Section 14.1 of

this Agreement;

[d] The merger of the Company with any other business entity as provided by governing law; or

[e] The sale of substantially all of the Company's assets.

ARTICLE 5: ALLOCATION OF PROFITS AND LOSSES

5.1 PROFITS AND LOSSES. For each Fiscal Year, Profits or Losses of the Company will be an amount equal to the Company's income or loss determined under the accrual method of accounting, in accordance with generally accepted accounting principles consistently applied.

5.2 GENERAL ALLOCATION RULE. Except as otherwise provided in (or until changed pursuant to) this Agreement, the Profits or Losses of the Company, including items of income, gain, loss and deduction for each Fiscal Year, will be allocated to the Members in proportion to their respective Ownership Interests as defined herein. Appropriate adjustment during the Fiscal Year of any change in this allocation will be determined in accordance with Section 706 of the Code and the Section 706 Regulation to take into account the varying interests of the Members in the Company during such Fiscal Year, in the manner determined by the Company.

5.3 EXCEPTION. Notwithstanding the general rule on allocation and for tax accounting purposes only and not for financial statement purposes or any other provision of this Operating Agreement, no cash shall be distributed to any Member if the effect thereof would be to create a deficit in his

Capital Account balance or increase the deficit in his Capital Account below the sum of [1] the amount (if any,) which he is required to contribute to the Company and [2] said Member's share of gain which the Company would recognize upon a sale of its property for an amount equal to the balance of the non-recourse debt encumbering it, (the "Company's Minimum Gain") and such cash shall be retained by the Company and shall be distributed to the Member at the earliest time or times possible when such distributions will not cause such a deficit or increase such a deficit in the distributee's Capital Account balance. Notwithstanding the provisions of Section 5.2, the following allocations of net profits and net losses and items thereof shall be made:

[a] If in any taxable year there is a net decrease in the amount of the Company's Minimum Gain, each Member shall be allocated items of the Company's net profits for that year (and, if necessary, subsequent years) equal to that Member's share of the net decrease in the Company's Minimum Gain (within the meaning of Treasury Regulation Section 1.704-2(g)(2)). The items to be so allocated shall be determined in accordance with Treasury Regulation Section 1.704-2(j). This Section 5.3 is intended to comply with the Minimum Gain Chargeback requirement in Treasury Regulation Section 1.704-2 and shall be interpreted consistently therewith.

[b] If during any taxable year a Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5), or (6), then items of net profits shall be specially allocated to each Member in an amount and manner sufficient to eliminate, to the extent required by Treasury Regulation Section 1.704-(1)(b)(2)(ii)(d), the deficit in the Capital Account of such Member as quickly as possible, provided that an allocation pursuant to this Section 5.3 [b] shall be made only if and to the extent that such Member has an adjusted Capital Account deficit after all other allocations provided for in this Article 5 have been tentatively made and as if this Section 5.3[b] were not in this Agreement. This Section 5.3[b] is intended to comply with the Qualified Income Offset requirements in Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

It is the intent of the Members that the allocations provided for in this Operating Agreement have "substantial economic effect," as that term is defined in Section 704(b) of the Code. Notwithstanding anything in this Section 5.3 to the contrary, nothing contained in this Section 5.3 shall serve to restrict any distribution by the Company to any Member.

5.4 TAX ALLOCATIONS. Allocation of items of income, gain, loss and deduction of the Company for federal income tax purposes for a Fiscal Year will be allocated, as nearly as is practicable, in accordance with the manner in which such items are reflected in the allocations of Profits and Losses among the Members for such Fiscal Year. To the extent possible, principles identical to those that apply to allocations for federal income tax purposes will apply for state and local income tax purposes.

5.5 TRANSFER. Except as otherwise provided in Section 5.2, if an Ownership Interest is transferred during any Fiscal Year (whether by Transfer or liquidation of an Ownership Interest, or otherwise), the books of the Company will be closed as of the effective date of Transfer. The Profits or Losses attributed to the period from the first day of such Fiscal Year through the effective date of Transfer will be allocated to the Transferor, and the Profits or Losses attributed to the period commencing on the effective date

of Transfer will be allocated to the Transferee. In lieu of an interim closing of the books of the Company and with the agreement of the Transferor and Transferee, the Company may agree to allocate Profits and Losses for such Fiscal Year between the Transferor and Transferee based on a daily proration of items for such Fiscal Year or any other reasonable method of allocation (including an allocation of extraordinary Company items, as determined by the Company, based on when such items are recognized for federal income tax purposes).

5.6 CONTRIBUTED PROPERTY. All items of income, gain, loss and deduction with respect to property contributed (or deemed contributed) to the Company will, solely for tax purposes, be allocated among the Members as required by Section 704(c) of the Code so as to take into account the variation between the tax basis of the property and its Fair Market Value at the time of contribution. For example, if there is built-in gain with respect to contributed property, upon the Company's sale of that property the pre-contribution taxable gain (as subsequently adjusted under the Section 704(c) Regulations during the period such property was held by the Company) would be allocated to the contributing Member (and such pre-contribution gain would not again create a Capital Account adjustment since the property was credited to Capital Account upon contribution at its Fair Market Value). Except as limited by the following sentence, the allocation of tax items with respect to Section 704(c) property to Members not contributing such property will, to the extent possible, be equal to the allocation of the corresponding book items made to such noncontributing Members with respect to such property. If book allocations of cost recovery deductions (such as depreciation or amortization) exceed the tax allocations of those items so that the ceiling rule of the Section 704(c) Regulations applies, any curative or remedial allocations of tax items will be made as the Company may determine. All tax allocations made under this provision will be made in accordance with Section 704(c) of the Code and the Section 704(c) Regulations.

5.7 TAX CREDITS. Any tax credit, and any tax credit recapture, will be allocated to the Members in the same ratio that the federal income tax basis of the asset (to which such tax credit relates) is allocated to the Members under the Section 46 Regulations, and if no basis is allocated, in the same manner as Profits are allocated to the Members under Section 5.2.

ARTICLE 6: DISTRIBUTIONS

6.1 PRORATA DISTRIBUTIONS. The Company will make distributions to the Members in proportion to their Ownership Interests. Any Net Sales Cash that is realized incident to the Dissolution and Liquidation of the Company will be distributed as provided in Article 12, with any Net Sales Cash that is realized other than incident to the Dissolution and Liquidation of the Company to be distributed in accordance with this Section 6.1.

6.2 NONPRORATA DISTRIBUTIONS. Unless the Members otherwise unanimously agree, the Members intend that all Distributions will be made to the Members in proportion to their Ownership Interests. In the event any Distribution is not made in proportion to their Ownership Interests without the unanimous consent of the Members, any excess Distribution to a Member will be treated as an advance or loan made by the Company to such Member, payable to the Company with Interest

and on demand.

6.3 PAYMENT. Any Distribution will be made to a Member only if such Person owns an Ownership Interest on the date of Distribution, as reflected on the books of the Company.

6.4 WITHHOLDING. If required by the Code or by state or local law, the Company will withhold any required amount from Distributions to a Member for payment to the appropriate taxing authority. Any amount so withheld from a Member will be treated as a Distribution by the Company to such Person. Each Member agrees to timely file any agreement that is required by any taxing authority in order to avoid any withholding obligation that would otherwise be imposed on the Company.

6.5 DISTRIBUTION LIMITATION. Notwithstanding any other provision of this Agreement, the Company will not make any Distribution to the Members unless, after the Distribution, the liabilities of the Company (other than liabilities to Members on account of their Capital Contributions) have been paid or there remains property of the Company sufficient to pay them.

6.6 CASH RESERVES. The Company will establish and maintain reasonable cash reserves for [a] operating expenses (other than depreciation, amortization or similar non-cash allowances), [b] capital improvements, [c] debt service, [d] working capital and [e] bankroll. The amount of such reserves will be as the Company may from time to time determine.

ARTICLE 7: MEETINGS OF MEMBERS

7.1 ANNUAL MEETING. Unless the Company determines (whether by vote or otherwise) that an annual meeting is not necessary or desirable, the annual meeting of the Members will be held on the second Tuesday of April in each year at 9:00 a.m. (local time) by Notice to all other Members. The purpose of the annual meeting is to review the Company's operations for the preceding Fiscal Year and to transact such business as may come before the meeting. The failure to hold any annual meeting has no adverse effect on the continuance of the Company.

7.2 SPECIAL MEETINGS. Special meetings of the Members, for any purpose or purposes, may be called by any Member or Members owning at least ten percent (10%) of the Ownership Interests held by all Members by notice to all other Members.

7.3 PLACE. The Members calling the meeting may designate any place as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting is otherwise called, the place of meeting will be the Company's executive offices in Colorado.

7.4 NOTICE. Notice of any annual meeting determined by resolution of the Members or of any special meeting must be given not less than 5 days nor more than 30 days before the date of the meeting. Such notice must state the place, day, and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called.

7.5 WAIVER OF NOTICE. Any Member may waive, in writing, any notice is required to be given to such Member, whether before or after the time stated in such notice. Any Member who signs minutes of action (or written consent or agreement) will be deemed to have waived any required notice with respect to such action.

7.6 RECORD DATE. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members, the date on which notice of the meeting is first given will be the record date for the determination of Members. Any such determination of Members entitled to vote at any meeting of Members will apply to any adjournment of a meeting.

7.7 QUORUM. A quorum at any meeting of Members shall consist of Members owning at least 50% of the Ownership Interests held by all Members. Any meeting at which a quorum is not present may adjourn the meeting to another place, day and hour without further notice.

7.8 MANNER OF ACTING. If a quorum is present, the affirmative vote of Members as set forth in Article 4 will be the act of the Company.

7.9 PROXIES. At a meeting of the Members, a Member may vote in person or by written proxy given to another Member. Such proxy must be signed by the Member or by a duly authorized attorney-in-fact and filed with the Company before or at

the time of the meeting. No proxy will be valid after eleven months from the date of its signing unless otherwise provided in the proxy. Attendance at the meeting by the Member giving the proxy will revoke the proxy during the period of attendance.

7.10 MEETINGS BY TELEPHONE. The Members may participate in a meeting by means of conference telephone or similar communications equipment by which all Members participating in the meeting can hear each other at the same time. Such participation will constitute presence in person at the meeting and waiver of any required notice.

7.11 ACTION WITHOUT A MEETING. Any action required or permitted to be taken at a meeting of Members under this Article 7 may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by Members owning total Ownership Interests sufficient for the particular action as set forth in Article 4. Action so taken is effective when sufficient Members approving the action have signed the consent, unless the consent specifies a later effective date. Notice of the action must be provided to all members.

ARTICLE 8: LIABILITY OF A MEMBER

8.1 LIMITED LIABILITY. Unless otherwise provided in the Act, the Articles or an agreement signed by the Member to be subjected to any individual liability, no Member of the Company is individually liable for the debts or liabilities of the Company.

8.2 LIABILITY TO COMPANY. Each Member is liable to the Company for any Capital Contribution or Distribution that has been wrongfully or erroneously returned or paid to such Person in violation of the Act, the Articles or this Agreement.

ARTICLE 9: INDEMNIFICATION

9.1 INDEMNIFICATION. Except with respect to any actions or omissions described in Section 14.10 and the last sentence of Section 4.4 and 4.5, the Company will indemnify, defend and hold harmless any Person who was or is a party (or is threatened to be made a party) to any Proceeding by reason of the fact that such Person was a Member, or agent or representative thereof, a Manager, employee or agent of the Company to the fullest extent permitted by the Act. Any such indemnification will apply to any Liability actually and reasonably incurred in connection with the defense or settlement of the Proceeding.

9.2 EXPENSE ADVANCEMENT. With respect to the expenses actually and reasonably incurred by a Member or Manager who is a party to a Proceeding, the Company shall provide funds to such Person in advance of the final disposition of the Proceeding if the Person furnishes the Company with such Person's written affirmation of a good-faith belief that such Person has met the standard of conduct described in the Act, and such Person agrees in writing to repay the advance if it is subsequently determined that such Person has not met such standard of conduct.

9.3 INSURANCE. The indemnification provisions of this Article do not limit a Member's or Manager's right to recover under any insurance policy or other financial arrangement by the Company (including any self-insurance, trust fund, letter of credit, guaranty or surety). If, with respect to any Liability, any Member or Manager receives an insurance or other indemnification payment which, together with any indemnification payment made by the Company, exceeds the amount of such Liability, then such Member or Manager will immediately repay such excess to the Company.

ARTICLE 10: ACCOUNTING AND REPORTING

10.1 FISCAL YEAR. For income tax and accounting purposes, the Fiscal Year of the Company will end on the last Sunday in April of each year (unless otherwise required by the Code).

10.2 ACCOUNTING METHOD. For accounting purposes, the Company will use generally accepted accounting principles.

10.3 TAX ELECTIONS. The Company will have the authority to make such tax elections, and to revoke any such election, as the Company may from time to time

determine.

10.4 RETURNS. The Company will cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code, as well as all other tax returns required in each jurisdiction in which the Company does business.

10.5 REPORTS. The Company will furnish a Profit or Loss statement and a balance sheet to each

Member within a reasonable time after the end of each fiscal quarter. The Company books will be closed at the end of each Fiscal Year and audited financial statements prepared showing the financial condition of the Company and its Profits or Losses from operations. Copies of these statements will be given to each Member. In addition, as soon as is practicable after the close of each Fiscal Year (and in any event within 90 days following the end of each Fiscal Year), the Company will provide each Member with all necessary tax reporting information.

10.6 BOOKS AND RECORDS. The records of the Company will be kept at the Company's business office in Colorado, and will be available for inspection and copying by any Member at such Person's expense, during ordinary business hours.

10.7 INFORMATION. Any Member has the right to inspect and copy the Company books and records as provided in Section 10.6 and to have a formal accounting of Company affairs whenever circumstances render it just and reasonable. In addition, subject to reasonable standards as established by the Company from time to time, and upon reasonable demand for any purpose reasonably related to the Member's interest as a Member, any Member has the right to obtain from the Company correct and complete information relating to the state of the Company's business and its financial condition.

10.8 BANKING. The Company may establish one or more bank or financial accounts and safe deposit boxes. The Company may authorize one or more individuals to sign checks on and withdraw funds from such bank or financial accounts and to have access to such safe deposit boxes, and may place such limitations and restrictions on such authority as the Company deems advisable.

10.9 TAX MATTERS PARTNER. Until further action by the Company, Casino America of Colorado is designated as the tax matters partner under Section 623l (a)(7) of the Code. The tax matters partner will be responsible for notifying all Members of ongoing proceedings, both administrative and judicial, and will represent the Company throughout any such proceeding. The Members will furnish the tax matters partner with such information as it may reasonably request to provide the Internal Revenue Service with sufficient information to allow proper notice to the Members. If an administrative proceeding with respect to a partnership item under the Code has begun, and the tax matters partner so requests, each Member will notify the tax matters partner of its treatment of any partnership item on its federal income tax return, if any, which is inconsistent with the treatment of that item on the partnership return for the Company. Any settlement agreement with the Internal Revenue Service will be binding upon the Members only as provided in the Code. The tax matters partner will not bind any other Member to any extension of the statute of limitations or to a settlement agreement without such Member's written consent. Any Member who enters into a settlement agreement with respect to any partnership item will notify the other Members of such settlement agreement and its terms within 30 days from the date of settlement. If the tax matters partner does not file a petition for readjustment of the partnership items in the Tax Court, Federal District Court or Claims Court within the 90 day period following a notice of a final partnership administrative adjustment, any notice partner or 5-percent group (as such terms are defined in the Code) may institute such action within the following 60 days. The tax matters partner will timely notify the other Members in writing of its decision. Any notice partner or 5 percent group will notify any other Member of its filing of any petition for readjustment.

10.10 NO PARTNERSHIP. The classification of the Company as a partnership will apply only for federal (and, as appropriate, state and local) income tax purposes. This characterization, solely, for tax purposes, does not create or imply a general partnership between the Members for state law or any other

purpose. Instead, the Members acknowledge the status of the Company as a limited liability company formed under the Act.

ARTICLE 11: DISSOLUTION OF THE COMPANY

11.1 DISSOLUTION. Dissolution of the Company will occur only upon the happening of any of the following events:

[a] An event of Withdrawal (as defined in Section 11.2) of a Member, unless there is at least one remaining Member (including any Transferee admitted as a substitute Member);

[b] By unanimous agreement of the Members; or

[c] December 31, 2096.

11.2 EVENTS OF WITHDRAWAL. An event of Withdrawal of a Member occurs when any of the following occurs:

[a] With respect to any Member, upon the Transfer of all of such Member's Ownership Interest not approved by a majority of the Members (which Transfer is treated as a resignation);

[b] With respect to any Member, upon the voluntary withdrawal (including any resignation or retirement in contravention of Section 4.4) of the Member by notice to all other Members;

[c] With respect to any Member that is a corporation, upon filing of articles of dissolution of the corporation;

[d] With respect to any Member that is a partnership or a limited liability company, upon dissolution of such entity;

[e] With respect to any Member who is an individual, upon either the death or retirement of the individual, or upon such Person's insanity or the entry by a court of competent jurisdiction of an order adjudicating the individual to be incompetent to manage such individual's person or estate;

[f] With respect to any Member that is a trust, upon termination of the trust;

[g] With respect to any Member that is an estate, upon final distribution of the estate's Ownership Interest;

[h] Any other event which terminates the continued membership of a Member in the Company;

[i] With respect to any Member, the bankruptcy of the Member, so long as there is one or more remaining Members.

Within 30 days following the happening of any event of Withdrawal with respect to a Member, such Member must give notice of the date and the nature of such event to the Company. Any Member failing to give such notice will be liable in damages for the consequences of such failure as otherwise provided in this Agreement. Upon the occurrence of an event of Withdrawal with respect to a Member, such Member will cease to have voting rights under Article 4, and such Member's Ownership Interest will be deemed transferred to such Member's Transferee or other successor in interest (which Person, unless already a Member in such capacity, will have only the limited rights of a Transferee as set forth in Section 13.6, unless and until admitted as a substitute Member).

11.3 BANKRUPTCY. Notwithstanding anything else to the contrary contained herein or in Section 7-80-801(1)(c) of the Act, the bankruptcy of a Member will not dissolve the Company. The bankruptcy of a Member will be deemed to occur when such Person: [a] files a voluntary petition in bankruptcy, [b] is adjudged a bankrupt or insolvent, or has entered against such Person an order for relief in any bankruptcy or insolvency proceeding, [c] files a petition or answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, [d] files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding of this nature, or [e] seeks, consents to or acquiesces in the appointment of a

trustee, receiver or liquidator of all or any substantial part of such Person's properties. In addition, the bankruptcy of a Member will be deemed to occur if any proceeding filed against a Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation is not dismissed within 120 days or if the appointment without the Member's consent (or acquiescence of a trustee, receiver or liquidator of the Member or of all or any substantial part of such Person's properties) is not vacated or stayed within 90 days (or if after the expiration of any stay, if the appointment is not vacated within 90 days).

ARTICLE 12: LIQUIDATION

12.1 LIQUIDATION. Upon Dissolution of the Company, the Company will immediately proceed to wind up its affairs and liquidate. The Managers will appoint a liquidating trustee. The winding up and Liquidation of the Company will be accomplished in a businesslike manner as determined by the liquidating trustee and this Article 12. A reasonable time will be allowed for the orderly Liquidation of the Company and the discharge of liabilities to creditors so as to enable the Company to provide for any losses attendant upon Liquidation. Any gain or loss on disposition of any Company assets in Liquidation will be allocated to Members and credited or charged to Capital Accounts in accordance with the provisions of Articles 3 and 5. Any liquidating trustee is entitled to reasonable compensation for services actually performed, and may contract for such assistance

in the liquidation process as such Person deems necessary. Until the filing of articles of dissolution as provided in Section 12.6, the liquidating trustee may settle and close the Company's business, prosecute and defend suits, dispose of its property, discharge or make provision for its liabilities, and make distributions in accordance with the priorities set forth in Section 12.2.

12.2 PRIORITY OF PAYMENT. The assets of the Company will be distributed in Liquidation of the Company in the following order:

[a] First, to non-Member creditors of the Company in order of priority as provided by law in payment of unpaid liabilities of the Company to the extent required by law or under agreements with such creditors;

[b] Second, to the setting of any reserves which the Members reasonably deem necessary for any anticipated, contingent or unforeseen liabilities or obligations of the Company arising out of or in connection with the conduct of the Company's business. At the expiration of such period as the Members reasonably deem advisable, the balance thereof shall be distributed in accordance with this Section 12.2;

[c] Third, to any Member for any other loans or debts owing to such Member by the Company;

[d] Fourth, to all Members in proportion to their Capital Account balances to the extent allowable under Section 5.3 until their Capital Account balances are reduced to zero; and,

[e] Fifth, the balance, if any, to all Members in proportion to their Ownership Interests percentages under Section 5.2.

12.3 DISTRIBUTION TO MEMBERS. Distributions in Liquidation due to the Members may be made by either or a combination of the following methods: selling the Company assets and distributing the net proceeds, or by distributing the Company assets to the Members at their net Fair Market Value in kind. Any liquidating Distribution in kind to the Members may be made either by a pro-rata Distribution of undivided interests or, upon the affirmative Vote of all Members, by non pro-rata Distribution of specific assets at Fair Market Value on the effective date of Distribution. Any Distribution in kind may be made subject to, or require assumption of, liabilities to which such property may be subject, but in the case of any non pro-rata Distribution only upon the express written agreement of the Member receiving the Distribution. Each Member hereby agrees to save and hold harmless the other Members from such Member's share of any and all such liabilities which are taken subject to or assumed. Appropriate and customary prorations and adjustments shall be made incident to any Distribution in kind. The Members will look solely to the assets of the Company for the return of their Capital Contributions, and if the assets of the Company

remaining after the payment or discharge of the debts and liabilities of the Company are insufficient to return such contributions, they will have no recourse against any other Member.

12.4 NO RESTORATION OBLIGATION. Except as otherwise specifically provided in Article 8, nothing contained in this Agreement imposes on any Member an obligation to make a Capital Contribution in order to restore a deficit Capital Account upon Liquidation of the Company. Furthermore, each Member will look solely to the assets of the Company for the return of such Member's Capital Contribution and Capital Account.

12.5 LIQUIDATING REPORTS. A report will be submitted with each liquidating distribution to Members, showing the collections, disbursements and distributions during the period which is subsequent to any previous report. A final report, showing cumulative collections, disbursements and distributions, will be submitted upon completion of the liquidation process.

12.6 ARTICLES OF DISSOLUTION. Upon Dissolution of the Company and the completion of the winding up of its business, the Company will file articles of dissolution (to cancel its Articles of Organization) with the Colorado Secretary of State pursuant to the Act. At such time, the Company will also file an application for withdrawal of its certificate of authority in any jurisdiction where it is then qualified to do business.

ARTICLE 13: TRANSFER RESTRICTIONS

13.1 GENERAL RESTRICTION. No Member may Transfer all or any part of its Ownership Interest in any manner whatsoever except: [a] to a Permitted Transferee as set forth in Section 13.3 or [b] after full compliance with the right of first refusal set forth in Section 13.4, and in either case only if the requirements of Section 13.5 have also been satisfied. Any other Transfer of all or any part of an Ownership Interest is null and void, and of no effect. Any Member who makes a Transfer of all of such Member's Ownership Interest will be treated as resigning from the Company on the effective date of such Transfer. Any Member who makes a Transfer of part (but not all) of such Member's Ownership Interest will continue as a Member (with respect to the interest retained), and such partial Transfer will not constitute an event of Withdrawal of such Member. The rights and obligations of any resigning Member or of any Transferee of an Ownership Interest will be governed by the other provisions of this Agreement.

13.2 NO MEMBER RIGHTS. No Member has the right or power to confer upon any Transferee the attributes of a Member in the Company. The Transferee of all or any part of an Ownership Interest by operation of law does not, by virtue of such Transfer, succeed to any rights as a Member in the Company.

13.3 PERMITTED TRANSFEREE. Subject to the requirements set forth in Section 13.5, a Person may Transfer all or any part of such Person's Ownership Interest:

[a] To an Affiliate of such Person,

[b] To another Member,

[c] To the Company,

[d] To a Person approved by all the Members;

[e] To another Person as part of a merger, reorganization, consolidation or sale of all or substantially all of the assets of a Person that controls any Member; or

[f] In the form of a pledge or the granting of a security interest to another Person or a foreclosure or sale in lieu of foreclosure in connection with the granting of any such pledge or security interest as described in Section 13.7.

13.4 RIGHT OF FIRST REFUSAL. Prior to any proposed Transfer of all or any part of an Ownership Interest, other than to a Permitted Transferee pursuant to Section 13.3, the Transferor must obtain a Third Party Offer. For purposes of this Section 13.4, a Transfer of an Ownership Interest of a Member shall be

deemed to occur upon any change in control of such Member other than to a Permitted Transferee pursuant to Section 13.3. The Third Party Offer must not be subject to unstated conditions or contingencies or be part of a larger transaction such that the price for the Ownership Interest stated in such Third Party Offer does not accurately reflect the Fair Market Value (reduced by the amount of associated liabilities) of such Ownership Interest. The Third Party Offer must contain a description of all of the consideration, material terms and conditions of the proposed Transfer. The Transferor will give notice of the Third Party Offer to the Company and all the Members exclusive of Transferees who have not been admitted as substitute Members pursuant to Section 4.6 (the "Other Members") other than the Transferor, together with a written offer to sell the Ownership Interest (which is the subject of the Third Party Offer) to the Company and the other Members on the same price and terms as the Third Party Offer as provided herein. The Company may accept such offer by the Transferor, in whole but not in part, by giving notice to the Transferor within 30 days after notice of such offer. Unless otherwise agreed, the closing of such sale will be held at the Company's registered office in Colorado on a date to be specified by the Company which is not later than 60 days after the date of the Company's notice of acceptance. At the closing, the Company will deliver the consideration in accordance with the terms of the Third Party Offer, and the Transferor will by appropriate documents assign to the Company the Ownership Interest to be sold, free and clear of all liens, claims and encumbrances. Subject to Section 13.5, if the Company has not accepted the Third Party Offer and closed the purchase in accordance with this Section 13.4, the Other Members shall have the right, on a pro rata basis in accordance with the ratio of their Percentage Ownership Interests, to purchase, in whole but not in part, the Ownership Interest of the Transferor in accordance with the terms of the Third Party Offer by written notice to the Transferor within 30 days after the expiration of the thirty-day period for the Company's acceptance. If all of the other Members reject the offer or if the offer is not closed in accordance with this Section 13.4, the Transferor will be free for a period of 60 days after the last day for such acceptance to sell all, but not less than all, of such Ownership Interest so offered, but only to the Third Party for a price and on terms no more favorable to the Third Party than the Third Party Offer. If such Ownership Interest is not so sold within such 60-day period (or within any extensions of such period agreed to in writing by the Company), all rights to sell such Ownership Interest pursuant to such Third Party Offer (without making another offer to the Company pursuant to this Section 13.4) will terminate and the provisions of this Article will continue to apply to any proposed future Transfer.

13.5 GENERAL CONDITIONS ON TRANSFERS. No Transfer of an Ownership Interest after the date of this Agreement will be effective unless all of the conditions set forth below are satisfied:

[a] Unless waived by the Company, the Transferor signs and delivers to the Company an undertaking in form and substance satisfactory to the Company to pay all reasonable expenses incurred by the Company in connection with the Transfer (including, but not

limited to, reasonable fees of counsel and accountants and the costs to be incurred with any additional accounting required in connection with the Transfer, and the cost and fees attributable to preparing, filing and recording such amendments to the organizational documents or filings as may be required by law);

[b] Such transfer does not require the registration of such transferred interest pursuant to any applicable federal or state securities laws, and the Transferor delivers to the Company an opinion of counsel for the Transferor satisfactory in form and substance to the Company to the effect that the Transfer of the Ownership Interest is in compliance with the applicable federal and state securities laws, and a statement of the Transferee in form and substance satisfactory to the Company making appropriate representations and warranties in respect to compliance with the applicable federal and state securities laws and as to any other matter reasonably required by the Company;

[c] The Company receives an opinion from its counsel that [i] the Transfer does not cause the Company to lose its classification as a partnership for federal or state income tax purposes, and [ii] the Transfer, together with all other Transfers within the preceding twelve months, does not cause a termination of the Company for federal or state income tax purposes;

[d] The Transferor signs and delivers to the Company a copy of the assignment of the Ownership Interest to the Transferee, together with the Certificates for Units representing such Ownership Interest, duly executed for assignment;

[e] The Transferee signs and delivers to the Company its agreement to be bound by this Agreement;

[f] Such Transfer does not cause the Company to become a "Publicly Traded Partnership," as such term is defined in Sections 469(k)(2) or 7704(b) of the Code;

[g] Such Transfer does not subject the Company to regulation under the Investment Company Act of 1940, the Investment Advisers Act of 1940 or the Employee Retirement Income Security Act of 1974, each as amended;

[h] Such Transfer is in compliance with the Colorado Limited Gaming Act;

[i] Such Transfer is not made to any Person who lacks the legal right, power or capacity to own such Interest; and

[j] The Transfer is in compliance with the other provisions of this Article.

Except as the Company and the Transferee may otherwise agree, the Transfer of an Ownership Interest will be effective as of 12:01 a.m. (Mountain Time) on the first day of the month following the month in which all of the above conditions have been satisfied. Upon the effective date, Appendix I will be deemed amended to reflect the new Ownership Interests.

Notwithstanding anything to the contrary expressed or implied in this Agreement, the sale, assignment, transfer, pledge or other disposition of any direct or indirect interest in the Company is subject to the laws of the state of Colorado and the requirements, limitations and decisions of the Colorado Division of Gaming and the Colorado Limited Gaming Control Commission..

13.6 RIGHTS OF TRANSFEREES. Any Transferee of an Ownership Interest will, on the effective date of the Transfer, have only those rights of an assignee as specified in the Act and this Agreement unless and until such Transferee is admitted as a substitute Member. This provision limiting the rights of a Transferee will not apply if such Transferee is already a Member; provided that, any Member who resigns or retires from the Company in contravention of Section 4.4 will have only the rights of an assignee as specified in the Act and this Agreement. Any Transferee of all or any part of an Ownership Interest who is not admitted as a substitute Member in accordance with this Agreement has no right [a] to participate or interfere in the management or administration of the Company's business or affairs, [b] to vote or agree on any matter affecting the Company or any Member, [c] to require any information on account of Company transactions, or [d] to inspect the Company's books and records. The only right of a Transferee of all or any part of an Ownership Interest who is not admitted as a substitute Member in accordance with this Agreement is to receive the allocations and Distributions to which the Transferor was entitled (to the extent of the Ownership Interest transferred) and to receive required tax reporting information. However, each Transferee of all or any part of an Ownership Interest (including both immediate and remote Transferees) will be subject to all of the obligations, restrictions and other terms contained in the Agreement as if such Transferee were a Member. To the extent of any Ownership Interest transferred, the Transferor Member does not possess any right or power as a Member and may not exercise any such right or power directly or indirectly on behalf of the Transferee. The Members acknowledge that these provisions may differ from the rights of an assignee as set forth in the Act, and the Members agree that they intend, to that extent, to vary those provisions by this Agreement.

13.7 SECURITY INTEREST. The pledge or granting of a security interest, lien or other encumbrance in or against all or any part of a Member's Ownership Interest does not cause the Member to cease to be a Member or constitute an event of Withdrawal. Upon foreclosure or sale in lieu of foreclosure of any such secured interest, the secured party will be entitled to receive the allocations and Distributions as to which a security interest has been granted by such Member. In no event will any secured party be entitled to exercise any rights under this Agreement, and such secured party may look only to such Member for the

enforcement of any of its rights as a creditor. In no event will the Company have any liability or obligation to any Person by reason of the Company's payment of a Distribution to any secured party as long as the Company makes such payment in reliance upon written instructions from the Member to whom such Distributions would be payable. Any secured party will be entitled, with respect to the security interest granted, only to the Distributions to which the assigning Member would be entitled under this Agreement, and only if, as and when such Distribution is made by the Company. Neither the Company nor any Member will owe any fiduciary duty of any nature to a secured party. Reference to any secured party includes any assignee or successor-in-interest of such Person.

13.8 REGULATORY COMPLIANCE RESTRICTIONS. Notwithstanding anything to the contrary in this Agreement or elsewhere, the following provisions shall apply.

The Company shall not issue any voting securities or other voting interests, except in accordance with the provisions of the Colorado Limited Gaming Act and the regulations promulgated thereunder. The issuance of any voting securities or other voting interests shall be deemed not to be issued and outstanding until (a) the Company shall cease to be subject to the jurisdiction of the Colorado Limited Gaming Control Commission, or (b) the Colorado Limited Gaming Control Commission shall, by affirmative action, validate said issuance or waive any defect in issuance.

No voting securities or other voting interests issued by the Company and no interests, claim or charge therein or thereto shall be transferred in any manner whatsoever except in accordance with the provisions of the Colorado Limited Gaming Act and the regulations promulgated thereunder. Any transfer in violation thereof shall be void until (a) the Company shall cease to be subject to the jurisdiction of the Colorado Limited Gaming Control Commission, or (b) the Colorado Limited Gaming Control Commission shall, by affirmative action, validate said transfer or waive any defect in said transfer.

If the Colorado Limited Gaming Control Commission at any time determines that a holder of voting securities or other voting interests of this Company is unsuitable to hold such securities or other voting interests, then the Company may, within sixty (60) days after the findings of unsuitability, purchase such voting securities or other voting interests of such unsuitable Person at the lesser of (i) the cash equivalent of such Person's investment in the Company, or (ii) the current market price as of the date of the finding of unsuitability unless such voting securities or other voting interests are transferred to a suitable person (as determined by the Commission) within sixty (60) days after the finding of unsuitability. Until such voting securities or other voting interests are owned by Persons found by the Commission to be suitable to own them, (a) the Company shall not be required or permitted to pay any dividend or interest with regard to the voting securities or other voting interests, (b) the holder of such voting securities or other voting interests shall not be entitled to vote on any matter as the holder of the voting securities shall not for any purposes be included in the voting securities or other voting interests of the Company entitled to vote, and (c) the Company shall not pay any remuneration in any form to the holder of the voting securities or other voting interests except in exchange for such voting securities or other voting interests as provided in this paragraph.

ARTICLE 14: GENERAL PROVISIONS

14.1 AMENDMENT. This Agreement may be amended by the unanimous written agreement of the Members. Any amendment will become effective upon such approval, unless otherwise provided. Notice of any proposed amendment must be given at least 5 days in advance of the meeting at which the amendment will be considered (unless the approval is evidenced by duly signed minutes of action). Any duly adopted amendment to this Agreement is binding upon, and inures to the benefit of, each Person who holds an Ownership Interest at the time of such amendment. Notwithstanding any other provision of this Agreement, with respect to any Transferee not admitted as a substitute Member, no amendment to Section 5.2 (relating to the general allocation rule for allocation of Profits or Losses),

Section 6.1 (relating to pro-rata Distributions), Section 12.2 (relating to Distributions in Liquidation) and Section 14.1 (relating to amendment of this Agreement) will be effective, nor will such Person be required to make any

Capital Contribution, without such Person's written consent. Non-Material amendments relating to this Agreement or that are necessary for compliance with applicable law may be made by the Managers.

14.2 UNREGISTERED INTERESTS. Each Member [a] acknowledges that the Ownership Interests are being offered and sold without registration under The Securities Act of 1933, as amended, or under similar provisions of state law, [b] represents and warrants that such Person is an accredited investor as defined for federal securities laws purposes, [c] represents and warrants that it is acquiring an Ownership Interest for such Person's own account, for investment, and with no view to the distribution of the Ownership Interest, and [d] agrees not to Transfer, or to attempt to Transfer, all or any part of its Ownership Interest without registration under the Securities Act of 1933, as amended, and any applicable state securities laws, unless the Transfer is exempt from such registration requirements.

14.3 WAIVER OF PARTITION RIGHT. Each Member waives and renounces any right that such Person may have prior to Dissolution and Liquidation to institute or maintain any action for partition with respect to any real property owned by the Company.

14.4 WAIVERS GENERALLY. No course of dealing will be deemed to amend or discharge any provision of this Agreement. No delay in the exercise of any right will operate as a waiver of such right. No single or partial exercise of any right will preclude its further exercise. a waiver of any right on any one occasion will not be construed as a bar to, or waiver of, any such right on any other occasion.

14.5 EQUITABLE RELIEF. If any Person proposes to Transfer all or any part of such Person's Ownership Interest in violation of the terms of this Agreement, the Company or any Member may apply to any court of competent jurisdiction for an injunctive order prohibiting such proposed Transfer except upon compliance with the terms of this Agreement, and the Company or any Member may institute and maintain any action or proceeding against the Person proposing to make such Transfer to compel the specific performance of this Agreement. Any attempted Transfer in violation of this Agreement is null and void, and of no force and effect. The Person against whom such action or proceeding is brought waives the claim or defense that an adequate remedy at law exists, and such Person will not urge in any such action or proceeding the claim or defense that such remedy at law exists.

14.6 REMEDIES FOR BREACH. The rights and remedies of the Members set forth in this Agreement are neither mutually exclusive nor exclusive of any right or remedy provided by law, in equity or otherwise. The Members agree that all legal remedies (such as monetary damages) as well as all equitable remedies (such as specific performance) will be available for any breach or threatened breach of any provision of this Agreement.

14.7 ORIGINAL. This Agreement is signed in two original documents that are to be delivered to each initial Member. A photocopy of this Agreement, as signed, will be delivered to each substitute

or additional Member, and each such photocopy will be deemed to be an original document.

14.8 NOTICES. Any notices (including any communication or delivery) required or permitted under this agreement will be in writing and will be addressed to the Members at their respective addresses, as set forth on the Register of Members maintained by the Company. All notices may be made by mail, personal delivery, courier service or facsimile machine, and will be effective upon delivery. Any Member may change such Person's address by notice to the Company and each other Member.

14.9 COSTS. If the Company or any Member retains counsel for the purpose of enforcing or preventing the breach or any threatened breach of any provision of this Agreement or for any other remedy relating to it, then the prevailing party will be entitled to be reimbursed by the non-prevailing party for all costs and expenses so incurred (including reasonable attorneys' fees, costs of bonds, and fees and expenses for expert witnesses) unless the arbitrator or other trier of fact determined otherwise in the interest of fairness.

14.10 INDEMNIFICATION. Each Member hereby indemnifies and agrees to hold

harmless the Company and each other Member from any liability, cost or expense arising from or related to any act or failure to act of such Member which is in violation of this Agreement.

14.11 PARTIAL INVALIDITY. Wherever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. However, if for any reason any one or more of the provisions of this Agreement are held to be invalid, illegal or unenforceable in any respect, such action will not affect any other provision of this Agreement. In such event, this Agreement will be construed as if such invalid, illegal or unenforceable provision had never been contained in it.

14.12 ENTIRE AGREEMENT. This Agreement, together with the Members Agreement, contains the entire agreement and understanding of the Members with respect to its subject matter, and it supersedes all prior written and oral agreements. No amendment of this Agreement will be effective for any purpose unless it is made in accordance with Section 14.1.

14.13 BENEFIT. The contribution obligations of each Member will inure solely to the benefit of the other Members and the Company, without conferring on any other Person any rights of enforcement or other rights.

14.14 BINDING EFFECT. This Agreement is binding upon, and inures to the benefit of, the Members and their permitted successors and assigns; provided that, any Transferee will have only the rights specified in Section 13.6 unless admitted as a substitute Member in accordance with this Agreement.

14.15 FURTHER ASSURANCES. Each Member agrees, without further consideration, to sign and deliver such other documents of further assurance as may reasonably be necessary to effectuate the provisions of this Agreement.

14.16 HEADINGS. Article and section titles have been inserted for convenience of reference only. They are not intended to affect the meaning or interpretation of this Agreement.

14.17 TERMS. Terms used with initial capital letters will have the meanings specified, applicable to both singular and plural forms, for all purposes of this Agreement. All pronouns (and any variation) will be deemed to refer to the masculine, feminine or neuter, as the identity of the Person may require. The singular or plural include the other, as the context requires or permits. The word include (and any variation) is used in an illustrative sense rather than a limiting sense.

14.18 GOVERNING LAW; CONFLICTS. This Agreement will be governed by, and construed in accordance with, the laws of the State of Colorado (except to the extent preempted by any federal law or the gaming laws of any state or governmental agency having jurisdiction over the affairs of any Member). Any conflict or apparent conflict between this Agreement and the Act will be resolved in favor of this Agreement except as otherwise required by the Act. The Members have entered into a Members Agreement, dated as of the date of this Agreement, which Members Agreement contains certain provisions as to the affairs of the Company and the conduct of its business and which, for purposes of the Act, shall be considered, together with this Agreement, as an "operating agreement" of the Company.

14.19. EFFECTIVENESS. The effectiveness and enforceability of this Agreement are subject to the occurrence of the Closing. This Agreement shall automatically, without further action by any of the parties, become effective and enforceable according to its terms, and shall supersede and replace the Operating Agreement, as of the Closing Date. In the event the Closing shall not have occurred by September 3, 1997, this Agreement shall be null and void AB INITIO and none of the parties shall have any rights or obligations of any kind under or pursuant to this Agreement. The Operating Agreement shall remain effective, and its terms shall apply, until the Closing.

IN WITNESS WHEREOF, the initial Members have signed this Amended and Restated Operating Agreement of Isle of Capri Black Hawk, L.L.C. as of the date first set forth above.

CASINO AMERICA OF COLORADO, INC.,

a Colorado corporation

By: _____

BLACKHAWK GOLD, LTD.,
a Nevada corporation

By: H. THOMAS WINN
H. Thomas Winn, President

APPENDIX I

OWNERSHIP INTERESTS

	DATE	OWNERSHIP INTERESTS	
1.	April 25, 1997	Casino America of Colorado, Inc.	51.6%
		Blackhawk Gold, Ltd.	48.4%
2.	July__, 1997	Casino America of Colorado, Inc.	55%
		Blackhawk Gold, Ltd.	45%
3.*	August ___, 1997	Casino America of Colorado, Inc.	59.20%
		Blackhawk Gold, Ltd.	40.80%
4.			
5.			
6.			
7.			
8.			
9.			
10.			

* Effective at the Closing Date.

EXHIBIT "A"

DEFINITIONS

ACT: The Colorado Limited Liability Company Act, as amended from time to time.

AFFILIATE: An "Affiliate" of a Person means a Person directly or indirectly controlling, controlled by or under common control with such Person. For this purpose and for purposes of the use of the term "control" in this Agreement, control means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

AGREEMENT: This Amended and Restated Operating Agreement, as amended from time to time.

ARTICLES: The Articles of Organization of the Company as filed under the Act, as amended from time to time.

BLACKHAWK GOLD: Blackhawk Gold, Ltd., a Nevada corporation, and its Permitted Transferees (provided that any Transferee

	will become a substitute Member only in accordance with the Agreement).
CAPITAL ACCOUNT:	The book value capital account maintained under Section 3.6.
CAPITAL CONTRIBUTION:	Any contribution by a Member to the Company.
CAPITAL TRANSACTION:	Any sale, exchange, condemnation (including any eminent domain or similar transaction), casualty, financing, refinancing or other disposition with respect to any real or personal property owned by the Company which is not in the ordinary course of business.
CASINO AMERICA OF COLORADO:	Casino America of Colorado, Inc., a Colorado corporation, and its Permitted Transferees (provided that any Transferee will become a substitute Member only in accordance with the Agreement).
CLOSING:	The consummation of the sale of $75 million first mortgage notes due 2004 issued by the Company and Isle of Capri Black Hawk Capital Corp. to finance the development, construction, equipping and operation of the casino gaming project and related facilities in Black Hawk, Colorado.
CLOSING DATE:	The date and time at which the Closing occurs.
CODE:	The Internal Revenue Code of 1986, as amended from time to time (including corresponding provisions of subsequent revenue laws).
COMPANY:	Isle of Capri Blackhawk, L.L.C., as formed under the Articles and as operating under this Agreement.
DISSOLUTION:	The dissolution of the Company as provided in Section 11.1.
DISTRIBUTION:	A distribution of money or other property made by the Company with respect to an Ownership Interest.
FAIR MARKET VALUE:	As to any property, the price at which a willing seller would sell and a willing buyer would buy such property having full knowledge of the relevant facts, in an arm's- length transaction without time constraints, and without being under any compulsion to buy or sell, or the value otherwise agreed by the Members to be the Fair Market Value.
FISCAL YEAR:	The fiscal and taxable year of the Company as determined under this Agreement, including both 12-month and short taxable years.
INITIAL OWNERSHIP:	The relative Ownership Interest of the Members existing upon the execution of this Agreement entitling the holders thereof to all the benefits of ownership in the Company, but which Ownership Interests may be changed from time to time as set forth in this Agreement.
LIABILITY:	The obligation to pay any judgment, settlement, penalty, fine or reasonable expense (including attorneys' fees) incurred with respect to any Proceeding.
LIQUIDATION:	The process of terminating the Company and winding up its business under Article 12 after its Dissolution.
LOSSES:	The Company's net loss (including deductions) for any Fiscal Year, determined under Section 5.1.
MAJORITY IN INTEREST:	More than 50% of the Ownership Interests.

MEMBER:	A person who is an initial Member of the Company, or who is subsequently admitted as a substitute or an additional Member as provided in this Agreement.
MEMBERS AGREEMENT:	The agreement, of even date with this Agreement, between the Company, Blackhawk Gold, Casino America of Colorado, Casino America, Inc., and Nevada Gold & Casinos, Inc.
NET SALES CASH:	Cash receipts of the Company from a Capital Transaction, less payment of fees or expenses related to the Capital Transaction.
NOTICE:	Written notice (including any communication or delivery), actually given pursuant to Section 14.8.
OWNERSHIP INTEREST:	With respect to each Person owning an interest in the Company, all of the interests of such Person in the Company (including, without limitation, an interest in Profits and Losses of the Company, a Capital Account interest, and all other rights and obligations of such Person under this Agreement), expressed as a percentage (carried to the nearest one-thousandth of a percent, if other than an even percentage), as initially set forth in Section 1.2 and as subsequently changed in accordance with this Agreement.
PERMITTED TRANSFEREE:	A person described in Section 13.3 to whom an Ownership Interest may be transferred without compliance with a right of first refusal.
PERSON:	An individual, corporation, trust, partnership, limited liability company, limited liability association, unincorporated organization, association or other entity.
PROCEEDING:	Any threatened, pending or completed claim, action, suit or proceeding, whether formal or informal, and whether civil, administrative, investigative or criminal.
PROFITS:	The Company's net profit (including income and gains) for any Fiscal Year, determined under Section 5.1.
PROFITS INTEREST:	Each Member's (or Transferee's) percentage interest (carried to the nearest one-thousandth of a percent, if other than an even percentage), in the Profits of the Company, determined under Section 5.2.
REGULATIONS:	The Treasury Regulations (including temporary regulations) promulgated under the Code, as amended from time to time (including corresponding provisions of succeeding regulations).
THIRD PARTY:	With respect to any Member, a Person other than an Affiliate.
THIRD PARTY OFFER:	A BONA FIDE, non-collusive, binding, arm's-length written offer from a Third Party stated in terms of U.S. dollars.
TRANSFER:	A sale, exchange, assignment or other disposition of Ownership Interest, whether voluntary or by operation of law.
TRANSFEREE:	A person to whom an Ownership Interest is transferred in compliance with this Agreement.
TRANSFEROR:	A person who transfers an Ownership Interest in compliance with this Agreement.
WITHDRAWAL:	The occurrence of an event with respect to a Member

which terminates membership in the Company, as provided in Section 11.2.

By: _____
Its: _____

By: Casino America of Colorado, Inc.,
Member

By: _____
Title: _____

Blackhawk Gold, Ltd., Member

By: H. THOMAS WINN
Title: President

EXHIBIT 10.4

MEMBERS AGREEMENT

This Agreement is made as of this 29th day of July, 1997 among Casino America of Colorado, Inc., a Colorado corporation ("CAC"), Casino America, Inc., a Delaware corporation ("CA"), Blackhawk Gold, Ltd., a Colorado corporation ("BG") and Nevada Gold & Casinos, Inc., a Nevada corporation ("NG"). CAC and BG are sometimes herein referred to as the "Members" or individually as a "Member".

WHEREAS, CAC and BG are the initial members of Isle of Capri Black Hawk L.L.C., a Colorado limited liability company (the "Company") and are parties to an Amended and Restated Operating Agreement of the Company dated as of the date of this Agreement;

WHEREAS, CAC is a wholly-owned subsidiary of CA and BG is a wholly-owned subsidiary of NG;

WHEREAS, the Company was formed for the purpose of developing, constructing and operating a casino and related facilities in Black Hawk, Colorado;

WHEREAS, the Company has entered into a Management Agreement, dated April 25, 1997, as amended effective as of the date hereof, with CA for CA to manage the foregoing project;

WHEREAS, the parties wish to set forth certain agreements with respect to the foregoing project and their respective rights and obligations;

THEREFORE, the parties agree as follows:

ARTICLE I: INITIAL OWNERSHIP INTEREST AND DEFINITIONS

1.1 INITIAL OWNERSHIP. The parties agree that, after giving effect to the sale of Ownership Interests pursuant to Section 3.2 [a] below, the respective percentage Ownership Interests are as follows: BG- 40.80% and CAC- 59.20%, and that Appendix I to the Operating Agreement will be amended accordingly.

1.2 DEFINITIONS. Capitalized terms not otherwise defined in Exhibit A hereto shall have the respective meanings ascribed for those terms in the Operating Agreement, applicable to both singular and plural forms, for all purposes of this Agreement.

ARTICLE 2: PROJECT DEVELOPMENT

GENERAL INTENT. The Members anticipate that certain expenditures will be made in the development of the Project pursuant to the Development Plan (including feasibility studies, development planning, regulatory approvals and the obtaining of financing). The Members anticipate that these costs will be funded by CAC pursuant and subject to the terms of Sections 3.1 and 3.3 hereof and subject to the other terms and conditions of this Agreement.

2.2 EMPLOYEE COSTS. Except as otherwise expressly provided in this Agreement or in the Management Agreement, each Member will be separately responsible for its own payroll and benefit expense of its employees and independent contractors with respect to the Project or Company business.

2.3 DEBT FINANCING. Except for the Initial Contributions by the Members and any contributions under the CA Completion Capital Commitment, the Members acknowledge and agree that, to the extent commercially reasonable, the Project will be funded through debt financing. The Company shall incur no debt or liability for which the Members or their respective Affiliates would be obligated in any way. Without limiting the foregoing, no Member or Affiliate will be required to guarantee or co-sign any loan made to the Company or any other obligation of the Company.

2.4 DEVELOPMENT PLAN. CAC will use its reasonable commercial efforts to attempt to develop the Project on behalf of the Company. A description of the Development Plan is contained in the Offering Circular, and such plan is hereby approved by the Members. In consideration for contributing the Development Plan for the Project to the Company, CAC has, effective as of the date of this Agreement, received a credit to its capital account in the Company.

Neither CAC nor any Affiliate shall be liable to the Company or BG or its Affiliates for any losses, damages, liabilities or expenses resulting or arising from the Development Plan, other than as a direct and proximate result of the gross negligence or willful misconduct of CAC; and neither CAC nor its Affiliates makes any representations or warranties as to the Development Plan or the successful completion of the Project.

BG and its Affiliates will cooperate with CAC in connection with the development of the Project in all reasonable respects, including without limitation, providing pertinent information, documents or records or making appearances before regulatory authorities whose approvals are required for the Project. Additionally, NG hereby agrees to allow the Company to dispose of excavated rock or soil on property in Gilpin County owned by NG, subject to a commercially reasonable fee, or to locate for the Company a reasonably acceptable alternative site to dispose of such materials.

Notwithstanding anything to the contrary in this Agreement or elsewhere, all costs, expenses, liabilities or obligations (the "Development and Pre-Opening Costs") incurred by CAC or any Affiliate in connection with the Development Plan or in connection with any other matter of any kind or nature prior to the opening for public business of the Casino Facility (other than costs of services provided by the regular employees of CA at no additional cost to it), (i) shall not exceed the sum of one million dollars ($1,000,000) without the consent of CAC and (ii) shall be deemed, as and when incurred or paid by CAC or its Affiliates, to be a contribution to the capital of the Company pursuant to Section 3.1(b)(i) below.

ARTICLE 3: CAPITAL CONTRIBUTIONS

3.1 INITIAL CONTRIBUTIONS.

[a] BY BG: Upon the Closing, BG will have made an Initial Contribution of the property described in the attached Exhibit "C" (the "BG Land"). The Members agree that the Fair Market Value of the BG Land is $7.5 million.

[b] BY CAC: Upon the Closing, CAC will have made an Initial Contribution aggregating $9.2 million, consisting of the following: (i) the sum of $1 million, less the aggregate amount of the Development and Pre-Opening Costs paid or incurred by CAC or its Affiliates through the Closing Date, (ii) the Development Plan, which effective as of the Closing Date, shall be deemed to have been contributed by CAC to the Company, (iii) an assignment of the right to acquire the Caesars Land, together with the amount of $6.4 million, representing the balance of the total purchase price of $6.5 million for the Caesars Land and (iv) the benefits to the Company resulting from the CA Completion Capital Commitment and the Fee Subordination Agreement.

3.2 CERTAIN TRANSACTIONS BETWEEN CAC AND BG AT THE CLOSING. Effective as of the Closing, the following will have occurred:

[a] BG will have sold to CAC and CAC will have purchased from BG, a portion of BG's Ownership Interest representing 4.20% of the total Ownership Interests in the Company, for the sum of $700,000, which the parties acknowledge will have been paid in full as of the Closing Date. BG represents and warrants to CAC that, as of the Closing Date, it will have transferred, conveyed and assigned to CAC the foregoing Ownership Interest, free and clear of all liens, restrictions, rights or encumbrances of any kind whatsoever.

[b] CAC will have granted BG a non-assignable, non-transferrable right (the "Put") to require CAC to purchase from BG an additional 4.80% of the total Ownership Interest of the Company for a price of $800,000 (or such lesser portion thereof for a prorata portion of such price). BG must exercise the Put, if at all, by written notice to CAC pursuant to Section 8.9 hereof by no later than the 5:00 P.M. Mountain time on the first business day following the first anniversary of the Closing Date. The closing of the purchase and sale pursuant to any exercise of the Put, including the payment of the purchase price and the delivery of the Certificates for the Ownership Interest being purchased, shall occur no later than 10 days following the effective date of the notice. Any Ownership Interest purchased pursuant to the exercise of the Put shall be free and clear of all liens, encumbrances, rights or

restrictions of any kind whatsoever, and BG shall provide such representations and warranties regarding title to the Ownership Interests being conveyed as CAC may request. The Put shall automatically expire in the event BG shall cease to be a Member of the Company at any time or is subject to a bankruptcy as defined in Section 11.3 of the Operating Agreement.

[c] CAC will have loaned BG and NG the sum of $500,000, for which they shall be jointly and severally liable, for a term expiring on the third anniversary of the Closing Date, bearing interest at the Interest rate, and secured by a pledge of all of BG's Ownership Interest in the

Company, pursuant and subject to the terms of a Promissory Note and Pledge Agreement in the form attached hereto as Exhibit B, which BG and NG will have executed and delivered as of the Closing.

3.3 ADDITIONAL CONTRIBUTIONS. Except upon the agreement of all Members and upon such terms and conditions as they may agree in writing, no Additional Contributions will be required or permitted from the members of the Company, except for any amounts contributed to the Company pursuant to the terms of the CA Completion Capital Commitment and except that the Company may, by vote of the Majority In Interest, require Additional Contributions from Members (i) if required by governing law, (ii) as reasonably required in connection with the development and construction of a hotel on the Project, but only to the extent that the total funds available to complete the hotel from the unused portion of the CA Completion Capital Commitment and from the proceeds of the $75 million of Project financing are insufficient to permit the completion of the hotel, (iii) for replacement of fixtures, furnishings or equipment of the Project and (iv) not to exceed a total cumulative additional sum of $4 million, as reasonably required for implementation of the Development Plan or other reasonably required capital expenditures of the Company. The Member that provides any Additional Contribution shall receive a corresponding credit to its capital account and its Ownership Interest shall be increased proportionately with the increase in its capital account.

3.4 DEFAULT. If a Member fails to make a required Capital Contribution timely when due, each other Member which is not in default will have the option to:

[a] Make all or part of such Capital Contribution on its own behalf and increase its Ownership Interest accordingly; or

[b] Loan all or part of such Capital Contribution amount to the Company, with such loan payable on demand and with Interest (and such amount will be treated as a loan rather than as a Capital Contribution).

If there is more than one Member which is not in default in its required Capital Contributions, the non-defaulting Members will agree among themselves as to the allocation of any required Capital Contribution that is either contributed or loaned, and if they do not agree, each such Member will be entitled to contribute and to loan an amount equal to its proportionate share (based on the ratio of their Capital Contributions previously made).

3.5 LOANS BY MEMBERS. Subject to term of the Indenture, the Members or their Affiliates may loan money to the Company for Company purposes as provided in the Operating Agreement, at the Interest rate.

3.6 DISTRIBUTIONS. The parties agree to cause the Managers appointed by them to cause the Company, at least quarterly, to distribute to Members from Available Company Cash the maximum amount that may be distributed with respect to the Ownership Interests subject to the terms of the Indenture. "Available Company Cash" means cash in excess of the cash reserves provided for in Section 6.6 of the Operating Agreement. In the event CA (or CAC) is required to make any payment pursuant to the CA Completion Capital Commitment, at CAC's election upon notice to BG, the

parties agree and consent, pursuant to Section 6.2 of the Operating Agreement, to the distribution to CAC of the entire amount of any and all distributions by the Company with respect to the Ownership Interests of all the Members, up to the aggregate amount of the payments made under the CA Completion Capital Commitment less any amount paid by BG to CAC for any part of the Increased Ownership Interest that CAC acquired as a result of such payments under the CA

Completion Capital Commitment, before any distributions are made to any other Member. The capital account and Ownership Interest of CAC shall be appropriately adjusted to reflect any such priority distribution to CAC.

3.7 OPTIONAL PURCHASE OF OWNERSHIP INTEREST FROM CAC. BG shall have the option to purchase for cash (unless otherwise agreed) from CAC portions of its Increased Ownership Interest sufficient to permit BG to hold up to forty-five percent (45.0%) of the Ownership Interest of the Company under the following terms and conditions:

[a] BG must provide CAC not less than fourteen (14) days prior written notice of BG's intention to exercise such option;

[b] The price for such Increased Ownership Interest will be the price paid by CAC for such Increased Ownership Interest plus Interest from the date the Increased Ownership Interest was paid for by CAC through the date of payment by BG; and

[c] Any option to be exercised by BG under this Section 3.7 must be exercised within 180 days from the date that CAC acquired such portion of its Increased Ownership Interest in excess of 55.0%.

Upon the completion of such purchase or purchases, Appendix I to the Operating Agreement shall be automatically adjusted proportionately to reflect such purchase(s).

Notwithstanding anything to the contrary herein, BG may not exercise an option to purchase an Increased Ownership Interest from CAC if, after giving effect to the exercise, CAC's Ownership Interest would be less than 55.0%.

ARTICLE 4: MANAGEMENT

4.1 UNANIMOUS VOTE. The parties agree to cause the Managers appointed by them not to cause the Company to effect any of the following matters without (i) the unanimous consent of each of the other Managers and (ii) the unanimous consent of the Members:

[a] The making of material changes to the Development Plan described in the Offering Circular;

[b] The adoption of any Annual Budget for any year following the opening of the Project for public business calling for capital expenditures for such budgeted year of greater than $4,000,000;

[c] A call for Additional Contributions by the Members other than as provided for under Section 3.3; and,

[d] The approval of the principal terms of any refinancing of the Project financing described in Section 8.21(i) or the incurrence of indebtedness outside of the normal operating requirements of the Project in an outstanding amount which at any time exceeds $1 million, except for indebtedness incurred for replacement of furnishings, fixtures or equipment or as may be otherwise specifically authorized by this Agreement.

4.2 ANNUAL BUDGETS. CAC will prepare an Annual Budget within a reasonable time before the beginning of each Fiscal Year, including the budget submitted under the Management Agreement (Exhibit "D"). An Annual Budget will include the amount of any Additional Contribution that is determined to be necessary or desirable (to be made in the proportion of the Capital Contributions previously made), and the date or dates on which such contribution to capital will be due.

ARTICLE 5: SALE OF PROPERTY ON DISSOLUTION

5.1 SALE OF REAL PROPERTY ON DISSOLUTION. In connection with any liquidation of the real property described in Section 3.1, together with any improvements thereon (the "Property"), the Members agree to vote and to cause the Managers appointed by them to vote to apply the following procedures in connection with such liquidation:

[a] The Company will seek to sell the Property, by listing it with a reputable broker or through such other means as it may deem appropriate to maximize the proceeds from the sale. The initial price at which the Property is

offered for sale shall be the book value of the Property as reflected on the Company's books and records, unless otherwise agreed by all the Members.

[b] If any bona fide offer (the "Offer") is made for the Property, and all the Members deem the Offer acceptable, the Company shall sell the Property pursuant to the Offer. If one Member deems the Offer acceptable (the "Selling Member") and another deems it unacceptable (the "Non-Selling Member"), the following procedure shall apply: the Non-Selling Member shall have thirty (30) days from the date it receives written notice of the Offer to exercise a right of first refusal to purchase the Property on the same terms and conditions as contained in the Offer. The Non-Selling Member shall exercise such right of first refusal by written notice to the Selling Member within such thirty (30) day period, which notice shall be accompanied by evidence, reasonably satisfactory to the Selling Member, that the Non-Selling Member has a commitment to finance the purchase of the Property. The purchase of the Property pursuant to the exercise of the right of first refusal shall occur within sixty (60) days after exercise of this right of first refusal. If the Non-Selling Member does not exercise its right of first refusal, or if it is unable to adequately demonstrate the availability of financing for the purchase, or if it does not close the purchase within such sixty (60) day period, the Company

shall sell the Property pursuant to the Offer, or pursuant to any other Offer it may receive, the terms of which are at least as favorable as those contained in the Offer.

ARTICLE 6: DISPUTE RESOLUTION

6.1 DISPUTES. Except as to any disputes for which injunctive relief may be available, in the event a dispute of any kind arises in connection with this Agreement (including any dispute concerning its construction, performance or breach), the parties to the dispute (who may be any combination of the Company and any one or more of the Members) will attempt to resolve the dispute as set forth in Section 6.2 before proceeding to arbitration as provided in Section 6.3. All documents, discovery and other information related to any such dispute, and the attempts to resolve or arbitrate such dispute, will be kept confidential to the fullest extent possible. This Article 6 shall not apply to disputes arising under the Management Agreement.

6.2 NEGOTIATION. If a dispute arises, any party to the dispute will give notice to each other party. If the Company is not a party to the dispute, notice will be given to the Company. After notice has been given, the parties in good faith will attempt to negotiate a resolution of the dispute.

6.3 ARBITRATION. If, within 30 days after the notice provided in Section 6.2, a dispute is not resolved through negotiation or mediation, the dispute will be arbitrated. The parties to the dispute agree to be bound by the selection of an arbitrator, and to settle the dispute exclusively by binding arbitration in accordance with the following provisions:

[a] All parties to the dispute will collectively select one arbitrator. If they fail to do so within 45 days after the notice provided in Section 6.2, one or more parties will request the American Arbitration Association to submit a panel of five arbitrators who are qualified to resolve the matters in dispute from which the choice will be made. The party requesting the arbitration will strike first, followed by alternative striking until one name remains. A similar procedure will be followed if there are more than two parties. The parties may by agreement reject one entire list, and request a second list. If selection by the above method is not completed within 90 days after the notice provided in Section 6.2, or if there are more than four parties, then an arbitrator will be selected by the American Arbitration Association. The arbitrator so selected will then arbitrate the dispute in Denver, Colorado, and issue an award.

[b] To the extent consistent with the provisions of this Article, the arbitration will be conducted under the Commercial Arbitration Rules of the American Arbitration Association and in accordance with Colorado law. The arbitrators decision will be made pursuant to the relevant substantive law of the State of Colorado. The award of the arbitrator will be final,

binding and non-appealable. Judgment on the award may be entered in any court, state or federal court having jurisdiction.

[c] The fees and expenses of the arbitrator, and the other direct costs of the arbitration, will be shared by the parties to the dispute in equal proportions. Each party to the dispute will bear all other costs and expenses as provided in Section 8.10. If one or more Members are

included in the arbitration because of their membership or former membership in the Company, such group will collectively be treated as one party to the dispute (through the Company as a party).

ARTICLE 7: PRIVILEGED LICENSE PROTECTION

7.1 REGULATORY COMPLIANCE. BG acknowledges that as a result of the transactions contemplated by this Agreement, BG and its agents and Affiliates may be subject to licensing and other regulatory review and approval procedures ("Regulatory Review"), by any governmental or quasi-governmental agency which is authorized or empowered to regulate the gaming operations of CA and its Affiliates ("Regulatory Authority") in the jurisdictions in which CA and its Affiliates conduct or propose to conduct gaming activities including, without limitation, Colorado, Mississippi, Louisiana and Florida. BG agrees to cooperate fully and to cause its Affiliates to cooperate fully with the representatives of all such Regulatory Authorities in making applications, supplying information, providing reports, attending licensing and other hearings, and otherwise cooperating with and complying with the requirements of all such Regulatory Authorities so as not to interfere with CA or its Affiliates ability to develop new business or to continue to conduct its existing business. BG agrees that in the event the Board of Directors of CA reasonably determines based upon communications with a Regulatory Authority that BG or any of its Affiliates is likely to be determined unsuitable by such Regulatory Authority and as a result CAC or its Affiliates may not be permitted to engage or to continue to engage in a gaming activity (collectively a "Licensing Problem"), then, within the lesser of 150 days of notice of such event from CAC to BG or the applicable period prescribed by the appropriate Regulatory Authority (provided CAC timely notifies BG of such a determination) BG shall eliminate the Licensing Problem to the reasonable satisfaction of CA's Board or transfer its rights and obligations hereunder and its Ownership Interest to a Person reasonably acceptable to CA, who does not have a Licensing Problem, and such Person shall be accepted as a Member of the Company for all purposes. Any such transfer shall be subject to the terms and conditions contained in Article 13 of the Operating Agreement. In the event such transfer does not occur (or is not subject to a binding contract for a bona fide sale to a Third Party to close within thirty (30) days of the expiration of the one hundred fifty (150) day period described above), or the Licensing Problem is not eliminated within the prescribed one hundred fifty (150) day period, BG shall immediately convey its Ownership Interest under the agreement to CAC or an Affiliate designated by CAC for the sum equal to its Capital Account balance determined as of the end of the most recent month preceding the date of transfer with such amount payable over a five (5) year period with interest at the Prime Rate and without penalty for early payment thereof. All qualification and other expenses relating to the foregoing applications shall be borne by the respective parties submitting the applications; provided that the parties will be reimbursed by the Company for such expenses from the debt financing for the Project to the extent provided in the Offering Circular not inconsistent with the Indenture.

Notwithstanding the foregoing, in the event that the Board of Directors of CA reasonably determines, based upon communications with a Regulatory Authority, that the opening of the Project might be delayed because (i) the licensing and/or background investigations of BG or any of its Affiliates, agents or related Persons are incomplete or (ii) any of such Persons are likely to be found unsuitable, then BG agrees to take whatever action the Regulatory Authority deems acceptable to

avoid a delay in opening the Project, which actions may include, without limitation, placing BG's Ownership Interest in escrow, transferring its Ownership Interest to a Person, reasonably acceptable to CA, who is licensed by the applicable regulatory authority or conveying its Ownership Interest to the Company or to CAC or an Affiliate designated by CAC for such consideration as the Regulatory Authority may prescribe.

7.2 NO UNSUITABILITY KNOWLEDGE. Neither BG nor CAC is aware of any facts or circumstances which would make any Member or the officers, directors, managers, or owners (directly or indirectly) of such Member, a Person or entity unsuitable for licensing under applicable Colorado gaming laws, rules and regulations.

7.3 ADDITIONAL REGULATORY COMPLIANCE MATTERS. The following restrictions shall be in addition to, and shall govern in the event of a conflict with, the provisions of Section 7.1 above.

The parties agree to cause the Company not to issue any voting securities or other voting interests, except in accordance with the provisions of the Colorado Limited Gaming Act and the regulations promulgated thereunder. The issuance of any voting securities or other voting interests in noncompliance with the preceding sentence shall be deemed not to be issued and outstanding until (a) the Company shall cease to be subject to the jurisdiction of the Colorado Limited Gaming Control Commission, or (b) the Colorado Limited Gaming Control Commission shall, by affirmative action, validate said issuance or waive any defect in issuance.

No voting securities or other voting interests issued by the Company and no interests, claim or charge therein or thereto shall be transferred in any manner whatsoever except in accordance with the provisions of the Colorado Limited Gaming Act and the regulations promulgated thereunder. Any transfer in violation thereof shall be void until (a) the Company shall cease to be subject to the jurisdiction of the Colorado Limited Gaming Control Commission, or (b) the Colorado Limited Gaming Control Commission shall, by affirmative action, validate said transfer or waive any defect in said transfer.

If the Colorado Limited Gaming Control Commission at any time determines that a holder of voting securities or other voting interests of this Company is unsuitable to hold such securities or other voting interests, then the Company may, within sixty (60) days after the findings of unsuitability, purchase such voting securities or other voting interests of such unsuitable Person at the lesser of (i) the cash equivalent of such Person's investment in the Company, or (ii) the current market price as of the date of the finding of unsuitability unless such voting securities or other voting interests are transferred to a suitable Person (as determined by the Commission) within sixty (60) days after the finding of unsuitability. Until such voting securities or other voting interests are owned by Persons found by the Commission to be suitable to own them, (a) the Company shall not be required or permitted to pay any dividend or interest with regard to the voting securities or other voting interests, (b) the holder of such voting securities or other voting interests shall not be entitled to vote on any matter as the holder of the voting securities shall not for any purposes be included in the voting securities or other voting interests of the Company entitled to vote, and (c) the Company shall not pay any remuneration in any form to the holder of the voting securities or other voting interests except in exchange for such voting securities or other voting interests as provided in this paragraph.

ARTICLE 8: GENERAL PROVISIONS

8.1 AMENDMENT; EFFECTIVE DATE. This Agreement may be amended by the unanimous written agreement of the parties. Any amendment will become effective upon such approval, unless otherwise provided. The effectiveness and enforceability of this Agreement are subject to the occurrence of the Closing. This Agreement shall automatically, without further action by any of the parties, become effective and enforceable according to its terms as of the Closing Date. In the event the Closing shall not have occurred by September 3, 1997, this Agreement shall be null and void AB INITIO and none of the parties shall have any rights or obligations of any kind under or pursuant to this Agreement.

8.2 REPRESENTATIONS. Each of the parties represents and warrants (which representations and warranties shall survive the Closing) to each of the other parties that, as of the signing of this Agreement and as of the Closing:

[a] Such party is duly organized, validly existing and in good standing under the laws of the jurisdiction where it purports to be organized, and is a United States Person;

[b] Such party has full power and authority to enter into and perform this Agreement and, in the case of BG and CAC, the Operating Agreement;

[c] All actions necessary to authorize the signing and delivery of this Agreement and the Operating Agreement, and the performance of the respective obligations of the parties to each of such agreements, have been duly taken;

[d] This Agreement and the Operating Agreement have each been duly signed and delivered by a duly authorized officer or other representative of each of the parties that are signatories thereto, and each such agreement constitutes the legal, valid and binding obligation of each such party enforceable in accordance with its respective terms (except as such enforceability may be affected by applicable bankruptcy, insolvency or other similar laws effecting creditors' rights generally, and except that the availability of equitable remedies is subject to judicial discretion);

[e] No consent or approval of any other Person is required in connection with the signing, delivery and performance of this Agreement by the parties or the Operating Agreement by BG and CAC; and

[f] The signing, delivery and performance of this Agreement or the Operating Agreement do not violate the organizational documents of such party, or any material agreement to which such party is a party or by which such party is bound.

8.3 UNREGISTERED INTERESTS. Each Member [a] acknowledges that the Ownership Interests are being offered and sold without registration under the Securities Act of 1933, as amended, or under similar provisions of state law, [b] represents and warrants that such Person is an accredited investor as defined for federal securities laws purposes, [c] represents and warrants that it is acquiring an Ownership Interest for such Person's own account, for investment, and with no view to the distribution of the Ownership Interest, and [d] agrees not to Transfer, or to attempt to Transfer, all or any part of its Ownership Interest without registration under The Securities Act of 1933, as amended, and any applicable state securities laws, unless the Transfer is exempt from such registration requirements.

8.4 CONFIDENTIALITY. A Member may make such announcements, file such documents (including this Agreement) with the Securities and Exchange Commission, and other regulatory authorities, and otherwise take such actions to comply with the requirements of federal and state securities laws as it deems appropriate. To the extent reasonably practicable, each Member will provide the other with the portion of any such announcement or filing that refers to this Agreement and the transactions contemplated by it no later than concurrently with releasing or filing the same.

8.5 EXCLUSIVITY. During the term of this Agreement, no Member nor any of its Affiliates will seek to manage, develop or engage in a casino gaming operation in Gilpin County, Colorado except through this Agreement and the Operating Agreement. Notwithstanding any other provision of this Agreement, the Members acknowledge and agree that NG's interest in Gold Mountain Development shall not be a violation of this exclusivity restriction, provided such interest does not expand beyond the scope set forth on the attached Exhibit "E". CAC may, however, participate as an equal joint venture partner with BG or its Affiliates in any hotel project proposed for the property described in Exhibit E provided (i) CAC is willing to make a contribution to such venture equal in value to the contribution to be made by BG or its Affiliates and (ii) CAC shall have thirty (30) days from its receipt in writing of notice of the proposed venture (together with a reasonably detailed description of the project and the proposed terms of the venture) to accept or reject the opportunity. The Members agree that any such hotel or related project will have a permanent license to connect to and access the Project in a manner reasonably agreeable to the Company and not disruptive to the operation of the Project.

8.6 CONFLICTS. In the course of operating gaming at the Project, it is expected that information will be shared between the Project and other operations carried on by Affiliates of CAC and BG. Also, Affiliates of CAC and BG will be entitled to carry on existing gaming and hotel businesses, and to manage or develop any new gaming or hotel business anywhere in the world, subject to Section 8.5. In the course of operating any such gaming and hotel businesses, CAC and BG and their respective Affiliates will be entitled to solicit customers in competition with the Project anywhere in the world including Gilpin County and any such activities shall not be deemed to be a conflict of interest or breach of any fiduciary obligation on the part of CAC or BG.

8.7 WAIVERS GENERALLY. No course of dealing will be deemed to amend or discharge any provision of this Agreement. No delay in the exercise of any right will operate as a waiver of such right. No single or partial exercise of any right will preclude its further exercise. a waiver of any right on any one occasion will not be construed as a bar to, or waiver of, any such right on any other occasion.

8.8 REMEDIES FOR BREACH. The rights and remedies of the parties set forth in this Agreement are neither mutually exclusive nor exclusive of any right or remedy provided by law, in equity or otherwise. The parties agree that all legal remedies (such as monetary damages), subject to the dispute resolution provisions of Article 6, as well as all equitable remedies (such as specific performance), will be available for any breach or threatened breach of any provision of this Agreement; provided, however, that no breach or threatened breach of this Agreement shall serve as the basis for or entitle any party to assert any claim against the Company for damages or for any injunctive or equitable remedy against the Company.

8.9 NOTICES. Any notices (including any communication or delivery) required or permitted under this Agreement will be in writing and will be addressed as follows:

If to CAC:
Casino America of Colorado, Inc.
Attention: John Gallaway
711 Washington Loop
Biloxi, MS 39530

With a copy to:
Allan B. Solomon
2200 Corporate Blvd., NW, Suite 310
Boca Raton, FL 33431

If to BG:
Blackhawk Gold, Ltd.
3040 Post Oak Boulevard, Suite 675
Houston, Texas 77056
Telephone: (713) 621-2245
Telecopier: (713) 621-6919
Attention: H. Thomas Winn

With a copy to:
Adams & Reese, L.L.P.
1221 McKinney, Suite 4400
Houston, Texas 77010
Telephone: (713) 652-5151
Telecopier: (713) 652-5152
Attention: Mark W. Coffin

All notices may be made by mail, personal delivery, courier service or facsimile machine, and will be effective upon delivery. Any Member may change such Person's address by notice to each other Member.

8.10 COSTS. If the Company or any Member retains counsel for the purpose of enforcing or preventing the breach or any threatened breach of any provision of this Agreement or the Operating Agreement or for any other remedy relating to it, then the prevailing party will be entitled to be reimbursed by the nonprevailing party for all costs and expenses so incurred (including reasonable

attorneys' fees, costs of bonds, and fees and expenses for expert witnesses) unless the arbitrator or other trier of fact determined otherwise in the interest of fairness.

8.11 INDEMNIFICATION. Subject to Section 2.4 above, each Member hereby indemnifies and agrees to hold harmless the Company and each other Member from any liability, cost or expense arising from or related to any act or failure to act of such Member which is in violation of this Agreement or the Operating Agreement.

8.12 PARTIAL INVALIDITY. Wherever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable

law. However, if for any reason any one or more of the provisions of this Agreement are held to be invalid, illegal or unenforceable in any respect, such action will not affect any other provision of this Agreement. In such event, this Agreement will be construed as if such invalid, illegal or unenforceable provision had never been contained in it.

8.13 ENTIRE AGREEMENT. This Agreement, together with the Operating Agreement, which is incorporated by reference herein, contains the entire agreement and understanding of the Members with respect to its subject matter, and it supersedes all prior written and oral agreements. No amendment of this Agreement will be effective for any purpose unless it is made in accordance with Section 8.1.

8.14 BENEFIT. The contribution obligations of each Member will inure solely to the benefit of the other Members and the Company, without conferring on any other Person any rights of enforcement or other rights.

8.15 BINDING EFFECT. This Agreement is binding upon, and inures to the benefit of, the Members and their permitted successors and assigns; provided that, the parties acknowledge that any Transferee will have only the rights specified in Section 13.6 of the Operating Agreement (and no rights under this Agreement) unless admitted as a substitute Member in accordance with the Operating Agreement.

8.16 FURTHER ASSURANCES. Each Member agrees, without further consideration, to sign and deliver such other documents of further assurance as may reasonably be necessary to effectuate the provisions of this Agreement.

8.17 HEADINGS. Article and section titles have been inserted for convenience of reference only. They are not intended to affect the meaning or interpretation of this Agreement.

8.18 TERMS. Terms used with initial capital letters will have the meanings specified, applicable to both singular and plural forms, for all purposes of this Agreement. All pronouns (and any variation) will be deemed to refer to the masculine, feminine or neuter, as the identity of the Person may require. The singular or plural include the other, as the context requires or permits. The word include (and any variation) is used in an illustrative sense rather than a limiting sense.

8.19 GOVERNING LAW; CONFLICTS WITH OPERATING AGREEMENT. This Agreement will be governed by, and construed in accordance with, the laws of the State of Colorado (except to the extent

preempted by any federal law or the gaming laws of any state or governmental agency having jurisdiction over the affairs of any Member). For purposes of the Act, this Agreement shall be deemed, together with the Operating Agreement, as the operating agreement of the Company. Any conflict or apparent conflict between the provisions of Article 4 of this Agreement and the Operating Agreement or the Act will be resolved in favor of the Operating Agreement except as otherwise required by the Act.

8.20 BROKERS FEES. The parties represent and warrant to one another that no brokers fees will be due and owing by the Company to any party in connection with the Project. Without limitation of the foregoing, NG and BG, jointly and severally, hereby agree to indemnify the Company, CAC and CA and their respective officers, directors and members and hold them harmless from all suits, actions, injuries, damages, liabilities, and expenses of any kind, including reasonable attorneys' fees and court costs, incurred in connection with any claims brought by, or on behalf of Praven Banker. The parties acknowledge the investment banking fees that may be owed to Jefferies & Company, Inc. ("Jefferies") pursuant to that certain Engagement Agreement between NG and Jefferies dated January 10, 1997, as amended, and the parties will cause the Company to expressly and fully assume such agreement. However, the parties acknowledge and agree that neither the Company, CA nor CAC will be liable for any introduction fee in connection with the Project or for any fee to D.E. Frey & Co.

8.21 APPROVALS. The Members hereby approve the Offering Circular and the transactions and matters described therein, including, without limitation, (i) the terms of the issuance by the Company of approximately $75 million in first mortgage notes, underwritten by Jefferies & Company, to be secured by

substantially all of the assets of the Company, (ii) the other financings described in or contemplated by the Offering Circular and (iii) the Management Agreement.

8.22 GUARANTEES. In addition to the respective obligations of CA and NG under this Agreement, CA agrees to guarantee the obligations of CAC under this Agreement and NG agrees to guarantee the obligations of BG under this Agreement.

8.23 NO JOINT VENTURE. This Agreement shall not be deemed or construed to create an agency relationship or joint venture among the parties hereto.

[THIS SPACE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

CASINO AMERICA OF COLORADO, INC.
a Colorado corporation

By: ALAN B. SOLOMON

BLACKHAWK GOLD, LTD.,
a Nevada corporation

By: H. THOMAS WINN
H. Thomas Winn, President

CASINO AMERICA, INC.,
a Delaware corporation

By: ALAN B. SOLOMON

NEVADA GOLD & CASINOS, INC.,
a Nevada corporation,

By: H. THOMAS WINN

EXHIBIT "A"

DEFINITIONS

ADDITIONAL CONTRIBUTION:	A capital contribution (other than the Initial Contribution) that a Member makes to the Company, as described in Section 3.3.
AGREEMENT:	This Agreement, as amended from time to time.
ANNUAL BUDGET:	The Annual Budget for the Project.
AVAILABLE COMPANY CASH:	Cash available for distribution as provided in Section 3.6 of the Agreement.
BG:	Blackhawk Gold, Ltd., a Nevada corporation, and its Permitted Transferees (provided that any Transferee will become a substitute Member only in accordance with the Operating Agreement).
CA COMPLETION CAPITAL COMMITMENT:	The Completion Capital Commitment of CA, as defined in the Offering Circular.
CAC:	Casino America Corporation of Colorado, Inc., a Colorado corporation, and its Permitted Transferees under the terms of this Agreement (provided that any

	Transferee will become a substitute Member only in accordance with the Operating Agreement).
CASINO FACILITY:	The casino to be developed as part of the Project.
CLOSING:	The consummation of the sale of $75 million first mortgage notes due 2004 issued by the Company and Isle of Capri Black Hawk Capital Corp. pursuant to the Offering Circular.
CLOSING DATE:	The date and time at which the Closing occurs.
DEVELOPMENT PLAN:	The description of the development of the Project, as contained in the Offering Circular.
FEE SUBORDINATION AGREEMENT:	The agreement of CA, contained in the Indenture, that the right of CA to receive payment of fees under the Management Agreement shall be subordinate in right of payment to the right of the holders of such notes to receive payment pursuant to the notes.
INDENTURE:	The Indenture for the First Mortgage Notes due 2004 to be issued pursuant to the Offering Circular.
INCREASED OWNERSHIP INTEREST:	That portion of the Ownership Interest of CAC which is in excess of 55% and which it acquired as a result of (i) making an Additional Contribution, (ii) the purchase of a portion of BG's Ownership Interest pursuant to Section 3.2(a) of the Agreement or (iii) the exercise of the Put by BG.
INITIAL CONTRIBUTION:	The initial capital contribution that a Member makes to the Company, as described in Section 3.1.
INTEREST:	The higher of (i) 14.50%, or (ii) the base rate of the highest effective yield to maturity currently being paid by CA, Inc. to any third party lender, plus two percentage points; provided that, the interest rate may not exceed the highest rate allowed by governing law.
MANAGEMENT AGREEMENT:	That certain Management Agreement between the Company and CAC, Inc. dated as of April 25, 1997, as amended as of the date of the Agreement, concerning the management of the Project, which is attached as Exhibit C.
NOTICE:	Written notice (including any communication or delivery), actually given pursuant to Section 8.9.
OFFERING CIRCULAR:	The Offering Circular for the offering by the Company of $75 million of ___% First Mortgage Notes due 2004.
OPERATING AGREEMENT:	The Amended and Restated Operating Agreement of the Company dated as of the date of the Agreement.
PROJECT:	The development and operation of a casino gaming facility and related facilities in Black Hawk, Colorado, as contemplated by this Agreement.
PUT:	The right of BG to cause CAC to purchase a certain portion of its Ownership Interest as provided in Section 3.2(b) of the Agreement.

EXHIBIT B PROMISSORY NOTE

PROMISSORY NOTE AND PLEDGE AGREEMENT

$500,000.00 DENVER, COLORADO
, 1997

FOR VALUE RECEIVED, BLACKHAWK GOLD, LTD., A COLORADO CORPORATION ("BLACKHAWK") AND NEVADA GOLD & CASINOS, INC., A NEVADA CORPORATION ("NEVADA

GOLD"), (Blackhawk Gold and Nevada Gold being collectively called "MAKER"), promise to pay to the order of CASINO AMERICA OF COLORADO, INC., A COLORADO CORPORATION ("LENDER"), in lawful money of the United States of America, in immediately available funds, at such place as the holder hereof may from time to time designate, or in the absence of such designation, at the office of the Lender, 711 Washington Loop, Biloxi, Mississippi 39530, the principal sum of FIVE -HUNDRED THOUSAND DOLLARS ($500,000.00), or so much thereof as shall be outstanding from time to time (the "LOAN"), in accordance with the following terms and provisions: Except as otherwise defined in this Note, terms used with initial capital letters will have the meanings ascribed to them in the Members Agreement of event date among Maker, Lender, and Casino America, Inc.

1. The principal amount of the Loan plus all accrued interest shall be due and payable on _____, 2000. The Loan may not be prepaid without the express written consent of the Lender, which may be granted or withheld in holder's sole and absolute discretion.

2. The unpaid principal amount of the Loan shall bear interest from the date hereof at the following rates per annum: (A) prior to maturity, at the higher of (i) 14.50% or (ii) the base rate of the highest effective yield to maturity currently being paid by Casino America, Inc. to any third party lender, plus two percentage points, and (B) after maturity, whether by acceleration or otherwise, at ____%. Interest at the foregoing rate shall accrue and be compounded semi-annually and shall be payable on the due date of the Loan. Interest shall be computed for the actual number of days elapsed on the basis of a year consisting of 360 days.

3. This Note is secured by a Pledge Agreement of even date herewith (the "PLEDGE") given by Blackhawk Gold for the benefit of the holder hereof encumbering all of Blackhawk Gold's interest in Isle of Capri Black Hawk, LLC, a Colorado limited liability company. This Note and the Pledge and any other documents or instruments evidencing or securing the Loan are collectively referred to herein as the "LOAN DOCUMENTS".

4. Until the Loan and any other amounts due under the Loan Documents are paid in full, Maker covenants that neither Blackhawk Gold nor Nevada Gold shall incur or permit to exist any indebtedness or liability on account of advances or for borrowed money or for the deferred purchase price of any property or services, except (i) the Loan and (ii) current accounts payable of Blackhawk Gold or Nevada Gold arising in the ordinary course of business and payable within 30 days in an aggregate amount (including the accounts payable of both Blackhawk Gold and Nevada Gold) that does not at any time exceed $50,000.

5. Each Maker hereby covenants and agrees that (I) the schedule attached hereto contains, as of the date of this Note, all the liabilities (the "Maker Liabilities") of any kind, whether fixed or contingent, of Blackhawk Gold and Nevada Gold and (ii) the proceeds of the Loan, together with the $700,000 paid by Lender to Blackhawk Gold pursuant to Section 3.2 [a] of the Agreement and any an all amounts paid by Lender to Blackhawk Gold as a result of the exercise of the Put under Section 3.2 [b] of the Agreement will be promptly applied by Maker solely to pay the Maker Liabilities, excluding any liabilities to any Affiliate of either Maker.

6. If (a) any default occurs in the payment of any principal, interest or any other sums when due hereunder, or in the performance of any covenant or agreement hereunder or in any of the other Loan Documents, and such default continues for a period of five (5) Business Days after written notice thereof to Maker, then the outstanding principal amount of the Loan, any interest accrued thereon from time to time, and any other sums then remaining unpaid hereunder, at the option of the holder hereof and without notice, shall become immediately due and payable. Failure to exercise any such option shall not constitute a waiver of the right to exercise the same at a later time or in the event of any subsequent default.

7. Blackhawk Gold and Nevada Gold shall be jointly and severally liable for Maker's obligations under this Note, including the payment of all amounts due hereunder.

8. Maker and all endorsers, guarantors and all persons liable or to become liable under this Note hereby waive to the fullest extent permitted by law presentment, demand, protest, notice of protest, notice of dishonor and notice of any other kind (except as specifically required herein or in the other Loan Documents) in connection with this Note.

9. Maker agrees to pay all costs and out-of-pocket expenses (including, but

not limited to, attorneys' fees and expenses) incurred by holder in connection with the collection or enforcement of this Note, the Pledge or any other Loan Documents.

10. This Note shall be construed in accordance with and governed by the internal laws and decisions of Colorado, without giving effect to Colorado choice of law principles.

11. The parties hereto intend and believe that each provision of this Note comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions of this Note or the other Loan Documents is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Note or other Loan Documents to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that it or they are legal, valid and enforceable, that the remainder of this Note and other Loan Documents shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained herein, and that the rights, obligations and interest of Maker and holder hereof under the

remainder of this Note shall continue in full force and effect. All agreements herein are expressly limited so that in no contingency or event whatever, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid principal balance hereof or otherwise, shall the amount paid or agreed to be paid to the holder hereof for the use, forbearance or detention of the money to be advanced hereunder exceed the highest lawful rate permissible under applicable usury laws. If, from any circumstances whatever, the fulfillment of any provision hereof or of the other Loan Documents, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then IPSO FACTO, the obligation to be fulfilled shall be reduced to the limit of such validity; and if, from any circumstance the holder hereof shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excess interest shall be applied to the reduction of the unpaid principal balance due hereunder and not the payment of the interest and any excess after application to the unpaid principal balance shall be paid to Maker.

12. No modification, waiver, amendment, discharge or change of this Note shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is sought.

13. Time is hereby declared to be of the essence of this Note and of every part hereof.

14. This Note shall inure to the benefit of and shall be binding on the parties hereto and their respective successors and assigns.

15. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be given in accordance with SECTION 21 of the Pledge, except that notice to Nevada Gold may be provided to it at the same address and in the same manner as specified for Blackhawk Gold.

IN WITNESS WHEREOF, Maker has caused this Note to be executed and delivered as of the date first above written.

[SIGNATURES ON FOLLOWING PAGE]

MAKER:

BLACKHAWK GOLD, LTD.

By: /s/ H. THOMAS WINN

Name: H. THOMAS WINN

Title: PRESIDENT

NEVADA GOLD & CASINOS, INC.

By: /s/ H. THOMAS WINN

Name: H. Thomas Winn
Title: PRESIDENT

10

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT ("Agreement") entered into this ___ day of _____, 1997, by and between Blackhawk Gold, Ltd., a Colorado corporation ("Pledgor"), in favor of Casino America of Colorado, Inc., a Colorado corporation ("Pledgee").

WITNESSETH:

WHEREAS, Pledgor, together with Nevada Gold & Casinos, Inc. (together the "Maker"), has executed a promissory note in the original principal amount of $500,000.00 (the "Note") in favor of Pledgee;

WHEREAS, each of Maker is a party to a Members Agreement among each Maker, Casino America, Inc. and Nevada Gold & Casinos, Inc. (the "Agreement") relating to Isle of Capri Black Hawk, L.L.C., a Colorado limited liability company (the "Company");

WHEREAS, Pledgor has agreed to secure the Note and its obligations under the Agreement by pledging and granting a security interest in the Pledgor's Ownership Interest in the Company.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor and Pledgee agree as follows: All capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in Agreement. The reference to "Maker" hereunder shall mean Pledgor and Nevada Gold & Casinos, Ltd.

1. PLEDGE.

1.1 As security for the prompt and complete payment and performance of the obligations of the Maker under the Note and the Agreement (including without limitation the representations of Maker in the Agreement) and the obligations of Pledgor under this PledgeAgreement (the "Liabilities"), Pledgor hereby delivers, pledges and grants a security interest to Pledgee in the following:

(a) All Ownership Interests (or Units representing Ownership Interests) in the Company now or hereafter acquired by Pledgor, and all certificates or other indicia of ownership representing such Ownership Interests (or Units), referred to together with all rights to the proceeds thereof as the "Units";

(b) All dividends and other distributions received by Pledgor in accordance with Section 6 hereof; and

(c) All "Proceeds", as such term is defined in the Uniform Commercial Code as the same may from time-to-time be effect in the State of Colorado (the "Code").

1

The Units are hereby delivered to Pledgee accompanied by stock powers ("Powers") duly executed in blank. The Units, Powers and Proceeds thereof, together with the Property and interests in Property described in Section 6 below, are hereinafter collectively referred to as the "Collateral". Pledgor hereby appoints Pledgee its attorney-in-fact to arrange at Pledgee's option for the transfer upon or at any time after the existence or occurrence of an "Event of Default" of the Collateral on the books of the Company to the name of Pledgee or to the name of Pledgee's nominee. For purposes of this Agreement, an "Event

of Default" shall mean any failure of either Maker to perform, comply with or observe any obligation, covenant representation or agreement under the Note or the Agreement or of Pledgor to perform, comply with or observe any obligation, covenant or agreement under this Agreement.

2. VOTING RIGHTS.

2.1 During the term of this Pledge Agreement, and so long as there shall not occur or exist an Event of Default, Pledgor shall have the right to vote the Units on all Company questions; provided, however, that no action shall be taken that would impair the value of the Collateral or be inconsistent with or violate any provision of this Pledge Agreement or the Note. Upon the existence or occurrence of an Event of Default, Pledgee shall thereafter be entitled to exercise all voting powers pertaining to the Collateral.

3. REPRESENTATIONS.

3.1 Pledgor represents, warrants and agrees as follows:

(a) Pledgor holds Ownership Interests in the Company, representing 40.8% of all the outstanding Ownership Interests in the Company;

(b) Pledgor has full power and authority to enter into this Pledge Agreement;

(c) Pledgor has the right to vote, pledge and grant a security interest in or otherwise transfer such Collateral free of any liens, claims and encumbrances; and

(d) The Powers are duly executed and give the legal holder thereof the authority they purport to confer.

4. LIMITATION ON LIENS AND DISPOSITIONS.

4.1 Pledgor agrees that it will not create, permit or suffer to exist, and will defend the Collateral against and take such other action as is necessary to remove, any lien, encumbrance, charge or right (a "Lien") on or against the Collateral and will defend the right, title and interest of Pledgee in and to any of Pledgor's right, title and interest in and to the Collateral against the claims and demands of all other Persons. Pledgor will not sell, assign, exchange, grant a security interest in, transfer, encumber, or otherwise dispose of, any of the Collateral, or attempt or contract to do so.

5. SUBSEQUENT CHANGES AFFECTING COLLATERAL.

5.1 Pledgor represents to Pledgee that Pledgor has made its own arrangements for keeping informed of changes or potential changes affecting the Collateral, and Pledgor agrees that Pledgee shall not have any responsibility or liability for informing Pledgor of any such changes or potential changes or for taking any action or omitting to take any action with respect thereto. Pledgee may, upon or at any time after the occurrence of an Event of Default, without notice and at its option, transfer or register the Collateral or any part thereof into its or its nominee's name with or without any indication that such Collateral is subject to the security interest hereunder.

6. DISTRIBUTIONS.

6.1 If at any time this Pledge Agreement is effective, Pledgor, by reason of its ownership of the Units, shall become entitled to receive, or shall receive, any Ownership Interest (including, without limitation, any Ownership Interest representing a dividend or a distribution in connection with any reclassification, increase or reduction of capital, or reorganization), option, warrant, or other rights, whether as an addition to, in substitution of, or in exchange for any Units, whether by declared dividend, stock split, or other method, Pledgor agrees it shall accept the same as Pledgee's agent and hold the same in trust for Pledgee and deliver the same forthwith to Pledgee in the exact form received, with the endorsement of Pledgor when requested by Pledgee and/or appropriate undated stock powers duly executed in blank, to be held by Pledgee as additional collateral security for the Liabilities.

Any sums or property paid upon or in respect of the Units or any other securities received under this section upon the reorganization, liquidation

(whether complete or partial), or dissolution of the issuer of any of the Units or any such other securities shall immediately be paid over to Pledgee to be held by Pledgee as additional collateral security for the Liabilities. All sums of money and property so paid or distributed in respect of the Units that are received by Pledgor shall, until paid or delivered to Pledgee, be segregated from the other property of funds of Pledgor and held by Pledgor in trust as additional collateral security of the Liabilities. Pledgor agrees to give Pledgee 30 days prior notice of any such distribution.

6.2 Pledgor shall be entitled to receive all cash dividends or distributions declared and paid with respect to any Units, free of any security interest in favor of Pledgee hereunder provided, that no Event of Default exists at the time of such dividend or distribution or will exist as a result of such dividend or distribution. Upon the occurrence and continuance of any Event of Default, Pledgee shall be entitled to receive any and all such cash dividends or distributions, and Pledgor shall immediately deliver to Pledgee any such cash dividends or distributions which it receives. Pledgee shall hold any such cash dividends or distributions as Collateral pursuant to this Pledge Agreement, or, at Pledgee's election, may apply any such cash dividends or distributions to the reduction of any Liabilities.

7. POWER OF ATTORNEY.

7.1 Pledgor does hereby irrevocably constitute and appoint Pledgee its true and lawful attorney, with full power of substitution, for them and in their name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all sums or properties

which may be or become due, payable or distributable on or in respect of the Collateral or which constitute a part thereof, with full power to settle, adjust or compromise any claim thereunder or therefor as fully as Pledgor could themselves do, and to endorse or sign the names of Pledgor on all commercial paper given in payment or in part payment thereof and on all documents of satisfaction, discharge or receipt required or requested in connection therewith, and in its discretion, to file any claim or take any other action or proceeding, either in its own name or in the names of Pledgor, or otherwise, which Pledgee may deem necessary or appropriate to collect or otherwise realize upon any and all of the Collateral, or effect a transfer thereof, or which may be necessary or appropriate to protect and preserve the right, title and interest of Pledgee in and to such Collateral and the security intended to be afforded hereby. Pledgee shall not exercise its rights under this Section 7 unless and until there exists an Event of Default.

8. CONSENT.

8.1 Pledgor hereby consents that, from time-to-time, before or after the occurrence or existence of an Event of Default, with or without notice to or assent from Pledgor, any other security at any time held by or available to Pledgee for any of the Liabilities or any security at any time held by or available to Pledgee for any obligation of any other person, firm or corporation secondarily or otherwise liable for any of the Liabilities, may be changed, altered, renewed, extended, continued, surrendered, compromised, waived or released, in whole or in part, as Pledgee may see fit, and Pledgor shall remain bound under this Pledge Agreement notwithstanding any such exchange, surrender, release, alteration, renewal, extension, continuance, compromise, waiver or inaction, extension of further credit or other dealing.

9. REMEDIES.

9.1 Upon the occurrence or existence of an Event of Default, Pledgee shall have, in addition to any other rights given by law or hereunder, all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code in effect in the State of Colorado. In addition, with respect to the Collateral, or any part thereof, which shall then be or shall thereafter come into the possession or custody of Pledgee, Pledgee may in its sole discretion, without notice except as specified below, sell or cause the same to be sold at any exchange, broker's board or at public or private sale, in one or more sales or lots, at such price as Pledgee may deem best, and for cash or on credit or for future delivery, without assumption of any credit risk, and the purchaser of any or all of the Collateral so sold shall thereafter hold the same, absolutely free from any claim, encumbrance or right of any kind whatsoever. Pledgee may, in its own name, or in the name of a designee or nominee, buy the Collateral at any public sale, and if permitted by applicable

law, buy the Collateral at any private sale. Pledgor hereby waives all of its rights or redemption from any sale or other disposition of the Collateral. Pledgor will pay to Pledgee all expenses (including, without limitation, court costs and reasonable attorneys' and paralegals' fees and expanses) of, or incident to, the enforcement of any provisions hereof. Neither Pledgee nor any party acting as its attorney, shall be liable for any acts or omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct. Pledgee agrees to return to Pledgor any proceeds of the sale of the Collateral that exceed the then outstanding balance of the Liabilities and the expenses described above. Pledgor shall be liable for any deficiency following the sale of the Collateral.

9.2 Unless any of the Collateral threatens to decline speedily in value or is or becomes of a type sold on a recognized market, Pledgee will give Pledgor reasonable notice of the time and place of any public sale thereof, or of the time after which any private sale or other intended disposition is to be made. Any sale of the Collateral conducted in conformity with reasonable commercial practices of banks, commercial finance companies, insurance companies or other financial institution disposing of property similar to the Collateral shall be deemed to be commercially reasonable. Notwithstanding any provisions to be contrary contained herein any requirements of reasonable notice shall be met if such notice is received by Pledgor as provided in Section 21 below, at least five (5) days before the time of the sale or disposition. Any other requirement of notice, demand or advertisement for sale is, to the extent permitted by law, waived.

9.3 In view of the fact that federal and state security laws may impose certain restrictions on the method by which a sale of the Collateral may be effected after an Event of Default, Pledgor agrees that, upon the occurrence or existence of an Event of Default, Pledgee may, from time-to-time, attempt to sell all or any part of the Collateral by means of a private placement restricting the bidder and prospective purchasers to those who will represent and agree that they are purchasing for investment only and not for distribution. In so doing, Pledgee may solicit offers to buy the Collateral, or any part of it, for cash, from a limited number of investors deemed by Pledgee, in its reasonable judgment, to be respectable parties who might be interested in purchasing the Collateral, and if Pledgee solicits such offers from not less than two (2) such investors, then the acceptance by Pledgee of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposition of such Collateral.

9.4 Nothwithstanding anything to the contrary in this Pledge Agreement, any transfer of the Units will be subject to licensing and other regulatory review and approval requirements and procedures of any Regulatory Authority (as defined in Section 7.1 of the Agreement).

10. SECURITY INTEREST, ETC.

10.1 The Pledge and security interests herein created and provided for stand as direct and primary security for all of the Liabilities. No application of any sums received by Pledgee in respect of the Collateral or any disposition thereof to the reduction of the Liabilities or any part thereof shall in any manner entitle Pledgor to any right, title or interest in or to the Liabilities of any Collateral security therefor unless and until all Liabilities have been fully paid and satisfied. Pledgor acknowledges and agrees that the pledge and security interest hereby created are absolute and unconditional and shall not in any manner be effected or impaired by any acts or omissions whatsoever of Pledgee or any other holder of any of the Liabilities, and without limiting the generality of the foregoing, the pledge and security hereof shall not be impaired by acceptance by Pledgee or any other holder of any of the Liabilities of any other security for or guarantors upon any of the Liabilities or by any failure, neglect or omission on the part of Pledgee or any other holder of any of the Liabilities to realize upon or protect any of the Liabilities, or of any Collateral security therefor. The Pledge and security hereof shall not in any manner be impaired or affected by (and, Pledgee, without notice to any one is hereby authorized to make from time-to-time) any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or disposition of any of the Liabilities, or of any collateral security

therefor, or of any guaranty thereof, or of any loan agreement executed in

connection herewith.

11. WAIVERS AND CONSENTS.

11.1 Upon the occurrence or existence of an Event of Default, Pledgee may enforce this Pledge Agreement independently or any other remedy or security Pledgee at any time may have or hold in connection with the Liabilities, and it shall not be necessary for Pledgee to marshal assets in favor of Pledgor or any other person or entity or to proceed upon or against and/or exhaust any other security or remedy before proceeding to enforce this Pledge Agreement. Pledgor expressly waives any right to require Pledgee to marshal assets in favor of Pledgor or any other person or entity or to proceed against any other person or entity or any Collateral provided by any other person or entity, and agrees that Pledgee may proceed against Pledgor and/or any other person or entity and/or the Collateral in such order as it shall determine in its sole and absolute discretion. Pledgee may file a separate action or separate actions against Pledgor, whether brought or prosecuted with respect to any other security or against any other person or entity, or whether any other person or entity is joined in any such action or actions. Pledgor agrees that Pledgee, and any Affiliate of Pledgee, and Pledgor, and any Affiliate of Pledgor, may deal with each other in connection with the Liabilities, or otherwise, or alter any contracts or Agreements now or hereafter existing between any of them, in any manner whatsoever, all without in any way altering or affecting the Liens created or granted herein. Pledgee's rights hereunder shall be reinstated and revived, and the enforceability under this Pledge Agreement. Pledgor expressly waives the benefit of an statute(s) of limitations affecting its liability hereunder or the enforcement of the Liabilities, or any Liens created or granted herein. Pledgee's rights hereunder shall be required to be restored or returned by Pledgee (whether as a "voidable preference", "fraudulent conveyance" or otherwise) upon the bankruptcy, insolvency or reorganization of Pledgor, or otherwise, all as though such amount had not been paid. The Liens created or granted herein and the enforceability of this Pledge Agreement at all times shall remain effective to secure the full amount of all the Liabilities even though the Liabilities INCLUDING any part thereof or any other security or guaranty therefor, may be or hereafter may become invalid or otherwise unenforceable as against Pledgor and whether or not Pledgor shall have any personal liability with respect thereto. Pledgor expressly waives any and all of the following defenses now or hereafter arising or asserted by reason of (a) any disability or other defense of Pledgor with respect to the Liabilities, (b) the unenforceability or invalidity of any security or guaranty for the Liabilities or the lack of perfection or continuing perfection or failure of priority of any security for the Liabilities, (c) any failure of Pledgee to marshal assets in favor of Pledgor or any other person or entity (except Pledgor) in connection with any sale or disposition of Collateral, (d) any failure of Pledgee to give notice of sale or other disposition of Collateral to any person or entity (except Pledgor) or any defect in any notice that may be given to any person or entity (except Pledgor) in connection with any sale or disposition of Collateral, (e) any failure of Pledgee to comply with applicable laws in connection with the sale or other disposition of any Collateral or other security for any Liabilities, INCLUDING without limitation, any failure of Pledgee to conduct a commercially reasonable sale of other disposition of any Collateral or other security for any Liability, (f) any act or omission of Pledgee or others that directly or indirectly results in or aids the discharge or release of any portion of the Liabilities or any other security or guaranty therefor by operation of law or otherwise, except any act of gross negligence which Pledgee is determined by the judgment of a court of competent jurisdiction (sustained on appeal, if any) to have committed, (g) any failure of Pledgee to file or enforce a claim in any bankruptcy or other proceeding with respect to any person or entity,

(h) the election by Pledgee, in any bankruptcy proceeding of any person or entity of the application or non-application of Section 1111(b) (2) of the United States Bankruptcy Code, (i) any extension of credit or the grant of any Lien under Section 364 of the United States Bankruptcy Code, (j) any use of cash Collateral under Section 363 of the United States Bankruptcy Code, (k) any agreement or stipulation with respect to the provision of adequate protection in any bankruptcy proceeding of any person or entity, (1) the avoidance of any Lien in favor of Pledgee for any reason, (m) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against any person or entirety, INCLUDING any discharge of, or bar or stay against collecting, all or any of the Liabilities (or any interest thereon) in or as a result of any such proceeding, or (n) any action taken by Pledgee that is authorized by this Section 11 or any other

provision of this Pledge Agreement or the Note. Pledgor expressly waives all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Liabilities, and all notices of acceptance of this Pledge Agreement or of the existence, creation or incurring of new or additional Liabilities.

12. WAIVER OF RIGHTS OF SUBROGATION.

12.1 Notwithstanding anything to the contrary elsewhere contained herein, the Agreement, the Note or in any other Collateral Document to which Pledgor is a party, Pledgor hereby expressly waives with respect to Pledgor and its successors and assigns (INCLUDING any surety) and any other person or entity, any and all rights at law or in equity to subrogation, to reimbursement, to exoneration, to contribution, to set off or to any other rights that could accrue to a surety against a principal, to a guarantor against a marker or obligor, to an accommodation party against the party accommodated, or to a holder or transferee against a maker, and which Pledgor may have or hereafter acquire against any person or entity in connection with or as a result of Pledgor's execution, delivery and/or performance of this Pledge Agreement, or any other documents to which Pledgor is a party. Pledgor expressly waives any "claim" (as such term is defined in the United States Bankruptcy Code) of any kind against Pledgee. Pledgor agrees that they shall not have or assert any such rights against any person or entity (including any surety), either directly or as an attempted setoff to any action commenced against Pledgor by Pledgee or any other person or entity. Pledgor hereby acknowledges and agrees that this waiver is intended to benefit Pledgee and shall not limit or otherwise affect Pledgor's liability hereunder or the enforceability hereof.

13. UNDERSTANDING WITH RESPECT TO WAIVERS AND CONSENTS.

13.1 Pledgor warrants and agrees that each of the waivers and consents set forth herein are made after consultation with legal counsel and with full knowledge of their significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy or otherwise adversely affect rights which Pledgor otherwise may have against Pledgee or others or against the Collateral, and that, under the circumstances, the waivers and consents herein given are reasonable and not contrary to public policy or law. Such waivers and consents shall be effective to the maximum extent permitted by law.

14. TERM.

14.1 This Pledge Agreement shall remain in full force and effect until all the Liabilities have been fully paid and satisfied. This Pledge Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Pledgor for liquidation or reorganization, should Pledgor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Pledgor's assets, and shall continue to be effective or be reinstated, as the case may be, if any time payment and performance of the Liabilities, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount or must otherwise be restored or returned by any obligee of the Liabilities, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Liabilities shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned. Upon the termination of the Pledge Agreement as provided above (other than as a result of the sale of the Collateral), Pledgee will release the security interest and Lien created hereunder and will deliver the Collateral to Pledgor.

15. COVENANTS.

15.1 Pledgor shall comply with all of its covenants in the Agreement, which covenants are hereby incorporated herein by reference.

16. TERMS.

16.1 The singular shall include plural and vice versa and any gender shall include any other gender as the text shall indicate.

17. SUCCESSOR AND ASSIGNS.

17.1 This Pledge Agreement shall be binding upon and inure to the benefit of Pledgor, Pledgee and their respective successor and assigns. Pledgor's successors and assigns shall include, without limitation, a receiver, trustee to debtor in possession of or for the Pledgor. Without limiting the generality of the foregoing, Pledgee may assign or otherwise transfer its rights to receive payment or performance of the Liabilities (or any part thereof) to any other person or entity, and such other person or entity shall thereupon become vested with all of the rights in respect thereof granted to Pledgee herein or otherwise. Pledgor hereby releases Pledgee and its agents from any liability for any act or omission relating to the Collateral or this Pledge Agreement except the gross negligence or willful misconduct of Pledgee.

18. APPLICABLE LAW.

18.1 This Pledge Agreement shall be governed by and construed under the internal laws (as opposed to conflict of laws provisions) of the State of Colorado. Whenever possible, each provision of this Pledge Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but, if any provision of this Pledge Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Pledge Agreement.

19. FURTHER ASSURANCES.

19.1 Pledgor agrees that it will cooperate with Pledgee and will execute and deliver, or cause to be executed and delivered, all such other stock powers, proxies, instruments and documents, and will take all such other action, including, without limitation, the filling of financing statements, as Pledgee may reasonable request from time-to-time in order to carry out the provisions and purposes hereof.

20. OBLIGATION.

20.1 Pledgee shall be under no obligation to take any steps necessary to preserve rights in the Collateral against any other parties but may do so at its option, and all expenses incurred in connection therewith shall be for the sole account of Pledgor.

21. NOTICES.

21.1 All notices and other communications provided for hereunder shall be in writing (including telegraphic communication) and mailed or telegraphed, telecopied or delivered,

if to Pledgor, at:

Blackhawk Gold, Ltd.
c/o H. Thomas Winn
3040 Post Oak Boulevard
Suite 675
Houston, TX 77056

if to Pledgee, at:

Casino America of Colorado, Inc.
711 Washington Loop
Biloxi, MS 39530

with a copy to:

Allan B. Solomon, Esq.
2200 Corporate Boulevard, N.W.
Suite 310
Boca Raton, FL 33431

or as to each party, at such other address as designated by such party in a written notice to the other party. All such notices and communications shall be deemed to be validly served, given or delivered (i) three (3) days following deposit in the United States mail, with proper postage prepaid; (ii) upon delivery thereof if delivered by hand to the party to be notified as set forth above; or (iii) upon acknowledgment of receipt thereof if transmitted to a valid

telecopier number for the party to be

notified as set forth above.

22. SECTION HEADINGS.

22.1 The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

23. MISCELLANEOUS.

23.1 No failure or delay on the part of Pledgee in the exercise of any power or right, and no course of dealing between Pledgor and Pledgee shall operate as a waiver of such power or right, nor shall any single or partial exercise of any power or right preclude any further to other exercise thereof of the exercise of any other power or right. The remedies provided for herein are cumulative and not exclusive of any remedies which may be available to Pledgee at law or in equity. Any waiver of any provision of this Pledge Agreement, and any consent to any departure by provision of this Pledge Agreement, and any consent to any departure by the Pledgor from the terms of any provision of this Pledge Agreement, shall be effective only in the specific instance and for the specific purpose for which given.

IN WITNESS WHEREOF, Pledgor has executed and delivered this Pledge Agreement as of the date first written above.

PLEDGOR:

Blackhawk Gold, Ltd.

By: /s/ H. THOMAS WINN
H. Thomas Winn

AGREED TO AND ACCEPTED BY:

Casino America of Colorado, Inc.

By: ALLAN B. SOLOMON

EXHIBIT "C"

INITIAL CAPITAL CONTRIBUTION OF BG

1. Those portions of the properties which are set forth in blue on the boundary survey of Clear Mountain Surveying, Inc., dated August 26, 1996, under Job No. E209600, a true and correct copy of which is attached hereto and made a part hereof by reference, excluding the land commonly referred to as "Parcel C"; and,

2. That portion of the properties which is set forth in brown on the attached survey and which is commonly known as "Parcel D", which the parties acknowledge will be exchanged on or prior to the Transfer Date for that portion of the properties on the attached survey which is set forth in blue and white stripes and which is commonly known as "Parcel E2".

Subject to the following encumbrances:

A. A $350,000.00 lien created by that certain Deed of Trust dated May 11, 1995 in favor of River Oaks Trust Company on behalf of certain note holders; and,

B. The requirements of the United States Environmental Protection Agency as set forth in that certain Administrative Order on Consent dated June 6, 1995,

which encumbrances are subject to the provisions of Section 4.1[a] of the Operating Agreement.

The parties may substitute the attached survey with a more current survey setting forth metes and bounds.

EXHIBIT D

MANAGEMENT AGREEMENT
AMENDED AND RESTATED MANAGEMENT AGREEMENT

This AMENDED AND RESTATED MANAGEMENT AGREEMENT (the "Management Agreement"), dated as of this 29th day of July, 1997, is by and between CASINO AMERICA, INC., a Delaware corporation ("Manager"), and ISLE OF CAPRI BLACK HAWK, LLC, a Colorado limited liability company ("Owner") and is effective as of the Closing Date, as defined in the Amended and Restated Operating Agreement of the Owner of even date.

RECITALS:

A. Owner proposes to acquire, construct, develop and equip a Casino Facility including a casino, restaurant and a hotel in Black Hawk, Colorado.

B. Owner desires to have Manager manage the business operations of its Casino Facility and Manager desires to manage Owner's Casino Facility, all upon the terms and conditions of this Agreement.

C. Owner and Manager executed a Management Agreement, dated as of April 25, 1997, and wish by this Agreement to amend and restate the Management Agreement dated as of April 25, 1997.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, Owner and Manager agree as follows:

1. DEFINITIONS AND REFERENCES.

1.1 DEFINITIONS. As used herein, the following terms shall have the respective meanings indicated below:

(a) Annual Plan - The Annual Plan to be prepared by Manager and approved by Owner in accordance with the provisions of Section 6.2 hereof.

(b) Casino Facility - The Casino Facility to be owned by Owner and operated in Black Hawk, Colorado by Manager. The Casino Facility may have gaming, hotel rooms, parking, food and beverage, gift shop and entertainment together with other related activities.

(c) Commencement Date - The date upon which Owner first opens the Casino Facility to the public for business, which date shall be confirmed in writing by Owner and Manager.

(d) Compensation - The direct salaries and wages paid to, or accrued for the benefit of, any executive or other employee, including, without limitation, employer's contributions under F.I.C.A., unemployment compensation or other employment taxes, pension fund contributions, Worker's Compensation, group life, accident, health and other insurance premiums, profit sharing, and retirement plans, disability and other similar benefits.

(e) Operating Agreement - That certain Amended and Restated Operating Agreement of Owner dated as of even date herewith by and between Casino America of Colorado, Inc. and Blackhawk Gold, Ltd.

2. SCOPE OF AGREEMENT, RESPONSIBILITIES.

2.1 AUTHORITY OF OWNER. Owner shall determine the general policy with respect to the management of its Casino Facility and shall have all other decision making powers customarily afforded to an owner of a casino/hotel facility, as well as any additional powers reserved to Owner hereunder.

2.2 AUTHORITY OF MANAGER. Subject to the foregoing general authority of Owner, and subject to the terms of this Management Agreement, Manager shall have the authority to exclusively supervise and direct the management and operation of the day-to-day activities of the Casino Facility for the account of Owner. Manager shall have the authority and responsibility (i) to determine operating policy, standards of operation, quality of service, the maintenance and physical appearance of the Casino Facility and any other matters affecting operations and maintenance; (ii) to supervise and direct all phases of advertising, sales and business promotion for the Casino Facility; and (iii) to carry out all programs contemplated by the Annual Plan. Owner agrees that it will cooperate with Manager in every reasonable and proper way to permit and assist Manager to carry out its duties hereunder and comply with any conditions or restrictions, if any, placed upon Manager by any gaming authority.

2.3 DUTIES AND OBLIGATIONS OF MANAGER. Manager shall take all actions which may, in its sole discretion, be reasonably necessary or appropriate in connection with the authority granted to it in accordance with the provisions of this Management Agreement. Manager shall devote to its responsibilities such time as may be reasonably necessary for the proper performance of all duties hereunder. The standard of performance by Manager in managing the Casino Facility shall be measured by commercial standards of reasonableness in the industry consistent with good business practices and policies. An organizational chart detailing the supervisory and management positions and all other employees of the Manager will be provided by Manager to Owner.

2.4 CONSULTATION WITH OWNER. Notwithstanding the foregoing, Manager shall at all times keep Owner reasonably apprised and aware of all operating policies. Manager agrees to

consult with Owner as frequently as Owner shall reasonably request to review operating policies and other matters referred to herein. Owner shall, at all times, have the right to enter the Casino Facility for the purpose of inspecting same and reviewing the operations. Owner agrees that it and its representatives will, at no time, act in a manner which is inconsistent with the authority granted to Manager.

3. LICENSING. Other than as set forth in the Operating Agreement, Owner and Manager shall apply for and maintain at Owner's expense any and all licenses and approvals required in order to implement the provisions of this Management Agreement. The performance of any services pursuant to this Management Agreement that require any such licenses and approvals is contingent upon the receipt of all such licenses and approvals.

4. TERM. The term of this Management Agreement shall continue until December 31, 2096, unless sooner terminated as hereinafter set forth.

5. PRE-COMMENCEMENT DATE RESPONSIBILITIES.

5.1 OWNER'S RESPONSIBILITIES. Owner, without cost or expense to Manager, shall design, acquire, construct and equip the Casino Facility. All expenses and fees incident thereto shall be paid by Owner.

5.2 MANAGER'S RESPONSIBILITIES. From the date of this Management Agreement to the Commencement Date, Manager shall be available to consult with Owner in designing, acquiring, constructing and equipping all assets to be used by Owner in the operation of the Casino Facility. Manager shall, at Owner's expense and with Owner's approval, also be responsible for the development and implementation of all pre-opening activities.

6. OPERATION OF THE BUSINESS.

6.1 PERMITS. Manager and Owner shall timely apply for, obtain and maintain all licenses and permits required to operate the business (other then gaming authority permits, licenses and approvals required to be obtained by parties other than owner or Manager), at Owner's expense.

6.2 ANNUAL PLAN.

6.2.1 PREPARATION. With such cooperation and assistance of Owner as Manager may request, Manager shall prepare for Owner's review and approval not less than thirty (30) days in advance of each fiscal year, an Annual Plan for approval by Owner, which shall include:

(a) a forecast comprised of estimated income and expenses by month for the coming fiscal year;

(b) an estimated cash flow projection by month, and an estimate as to the amount of funds needed for working capital requirements;

(c) a budget covering estimated expenditures for capital improvements;

(d) an annual marketing plan; and

(e) an organizational chart of Owner, as of the date of the Annual Plan, listing all employees' names, positions and compensation (including key employees whether employees of Owner or charged to Owner).

Manager shall not be deemed to have made any guarantee or warranty in connection with the results of operations or performance set forth in the Annual Plan since the parties acknowledge that the Annual Plan is intended to set forth objectives and goals based upon Manager's best judgment of the facts and circumstances known by Manager at the time of preparation.

6.2.2 OWNER'S REVIEW AND APPROVAL. The Annual Plan will be subject to the approval of Owner, which approval will not be unreasonably withheld or delayed. Owner shall approve or disapprove the Annual Plan within twenty (20) days after submission to Owner. If Owner fails to provide written notice to Manager of any specific objections to a proposed Annual Plan within such twenty (20)-day period, such Annual Plan shall be deemed to have been approved by Owner as submitted. In the event Owner disapproves or raises any objections to the proposed Annual Plan or any revisions thereto, Owner and Manager agree to cooperate with each other in good faith to resolve the dispute. Owner agrees, consistent with the Annual Plan, to provide the funds necessary to operate the Casino Facility.

6.2.3 COMPLIANCE. Manager shall use all reasonable efforts to comply with the Annual Plan and shall not deviate in any substantial respect therefrom. In the event Manager encounters circumstances which require unexpected expenditures not foreseen at the time of preparation of the Annual Plan and which Manager deems reasonably necessary, Manager may without Owner's approval, make or cause to be made on account of Owner, any expenditures, provided, however, that no such expenditures shall be made in violation of the applicable provisions of the Operating Agreement. Manager, without Owner's approval, on a monthly basis with full reporting to Owner, shall be entitled to increase the total expenses budgeted within the Annual Plan by a percentage approved by Owner to cover any expenditures that were underestimated at the time the Annual Plan was prepared and that are reasonably necessary in Manager's sole discretion, to carry out the provisions of this Agreement. Owner and Manager agree to cooperate with each other in good faith in resolving disputes. Policy changes not

anticipated in the Annual Plan shall be submitted to Owner for approval, which approval shall not be unreasonably delayed or withheld.

6.2.4 SPECIFIC MATTERS. The description of specific matters hereinafter stated are in every respect subject to the prior approval of Owner as part of its approval of the Annual Plan.

6.3 PERSONNEL.

6.3.1 GENERAL. Manager, for the account of Owner, shall hire, supervise, direct, discharge and determine terms of employment of all personnel working for the Casino Facility. An organizational chart detailing the specific type of personnel and functions shall be provided to Owner by Manager. The determination of Compensation for all employees shall be part of the Annual Plan approved by Owner.

6.3.2 KEY EMPLOYEES. The key employees may include, but are not limited to, the general manager, director of gaming, director of food, beverage and entertainment, director of marketing and director of finance and may, at the option of Manager and with prior approval of Owner, be employees of Manager. Owner shall reimburse Manager for the Compensation of such employees working for the Casino Facility or primarily on behalf of Owner in connection with the Casino Facility.

6.3.3 PERSONNEL EXPENSES AND COMPENSATION. Subject to the above, it is expressly understood and agreed that all other personnel of Owner are in the sole employ of Owner.

6.3.4 PROFESSIONAL AND OTHER SPECIALISTS. Manager shall have the right to retain legal counsel and such other professionals, consultants and specialists as Manager deems necessary or appropriate in connection with the operation of the Casino Facility. The selection of all professional firms shall be subject to Owner's prior approval.

6.4 SALES, MARKETING AND ADVERTISING. Manager shall advertise and promote the Casino Facility for Owner's account and shall institute and supervise a sales and marketing program. Manager, in its sole discretion, may cause participation in sales and promotional campaigns and activities involving complimentary passage, food and beverages to travel agents, tourist officials and airline representatives.

6.5 OTHER SERVICES PROVIDED BY MANAGER. Other services, such as data processing, reservation system, internal audit, etc. may be provided by Manager to Owner at an additional cost on a commercially reasonable basis, or may be contracted for separately.

6.6 MAINTENANCE AND REPAIR. Owner shall be responsible for maintaining the property utilized in the business in good repair and condition. To implement Owner's responsibility, Manager shall, on behalf of Owner, and at Owner's expense, make or cause to be made, all repairs, replacements, corrections and maintenance items as shall be required in the normal and ordinary course of operation of the business.

6.7 CAPITAL EXPENDITURES. Owner recognizes the necessity of capital improvements and shall expend such amount for capital improvements as shall be required in the normal and ordinary course of operation of the business in conformity with the amounts approved as part of the Annual Plan.

6.8 REIMBURSEMENT. In addition to the Compensation provided for in Section 9 of this Management Agreement, Manager shall be entitled to be reimbursed for the actual reasonable travel and entertainment expenses of all officers and employees of Manager incurred in performing its duties hereunder in connection with any phase of the operation of the Casino Facility. In addition, if employees of Manager on a specific assignment for the benefit of the Casino Facility are in a position that would otherwise be filled by an employee of Owner, then Manager shall be entitled to be reimbursed by Owner for the Compensation payable to such employees while working for the Casino Facility. However, Manager shall not be entitled to reimbursement for (i) any cost, expense, liability or obligation deemed a contribution to the capital of Owner under Section 3.1[b] of the Members Agreement of even date among Manager, Nevada Gold & Casinos, Inc., Casino America of Colorado, Inc. and Blackhawk Gold, Ltd.or (ii) the compensation of any other employee unless otherwise provided in this Management Agreement. Manager shall be entitled to all reimbursements authorized under this Section 6.8, or under any other provision of this Agreement, provided that (i) no such reimbursement shall exceed the actual costs incurred by Manager or, if such costs are not determinable, the fair market value of items for which reimbursement is sought and (ii) all such reimbursements shall be made in a manner which is consistent with the provision of the Annual Plan or as otherwise agreed with Owner.

7. FISCAL MATTERS.

7.1 ACCOUNTING MATTERS AND FISCAL PERIODS.

7.1.1 BOOKS AND RECORDS. Manager shall maintain, or cause to be maintained, at Owner's expense, full and complete books of account and such other records as are necessary to reflect the operating results of the Casino Facility. Manager shall also prepare and file for Owner, at Owner's expense, all

informational and/or tax returns which may be required by any governmental authority.

7.1.2 REPORTS TO OWNER. Manager, at Owner's expense, shall deliver or cause to be delivered to Owner, monthly financial statements, which shall include a statement of cash

flows, and monthly comparison of operational income and expenses versus the Annual Plan.

7.1.3 OWNER'S RIGHT TO AUDIT. Owner and the individual members of the limited liability company reserve the right upon reasonable prior notice, to perform any and all additional audit procedures relating to the business where accounting books and records are kept.

7.2 BANK ACCOUNT. All bank accounts for the Casino Facility shall be in the name of Manager, as agent for Owner. Owner and Manager shall agree on the procedures for withdrawals and deposits of funds. Manager shall have the right to designate individuals to disburse funds from the business bank accounts to pay all costs and expenses of managing, operating and maintaining the business and its properties, including authorized capital expenditures and management fees due to Manager. Owner agrees that at all times during the term of this Management Agreement, a bank balance as approved in the Annual Plan shall be maintained in an amount necessary to provide sufficient working capital to assure the uninterrupted and efficient operation of the business. Excess funds shall be disbursed to Owner.

8. TITLE, OTHER MATTERS.

8.1 COVENANT OF TITLE. Owner shall enable Manager to peaceably and quietly operate the business in accordance with the terms of this Management Agreement.

8.2 PROPRIETARY INFORMATION. All specifically identifiable information developed by Manager for Owner shall be the property of both Manager and Owner. All existing information of Manager previously developed by Manager at Manager's expense, including, without limitation, all customer lists, gaming and marketing strategies and other similar information, shall be the property of Manager and not Owner and neither Owner nor any of its affiliates or successors may use such proprietary information without the consent of Manager, which consent shall not be unreasonably withheld. The parties agree that Proprietary Information does not include information which is clearly available in the public domain.

8.3 OUTSIDE ACTIVITIES OF PARTIES. This Management Agreement shall be limited to the purposes set forth herein and nothing in this Management Agreement, whether by implication or otherwise, shall be construed to extend the relationship of the parties beyond such purposes. Each party acknowledges that the other party and their respective affiliates are or may hereafter become interested, directly or indirectly, by ownership, contract, agency or otherwise, in business opportunities which are not within the purpose of this Management Agreement and which may compete with or otherwise affect all or some aspects of the Casino Facility. However, both

parties agree that they will not compete in any gaming activities in Gilpin County, Colorado during the Term except as permitted under the Operating Agreement.

9. COMPENSATION OF MANAGER.

9.1 In consideration for the services to be performed by Manager after the Commencement Date, Manager shall be entitled to an annual management fee equal to two percent (2%) of Revenues (as defined below), plus ten percent (10%) of Operating Income (as defined below), but such fee shall not, in the aggregate, exceed four percent (4%) of Revenues.

(a) Revenues means all revenues, less sales tax on such revenues, determined on an annual basis received from the following sources: (i) gross gaming receipts from the Casino Facility, less 50% of applicable gaming and admission taxes from the operation of gaming in the Casino Facility; (ii) hotel operations; (iii) food and beverage operations; (iv) all parking fees; (v) all revenues generated from gift shops and arcades; (vi) other revenues, fees and

income, which are attributable to the operation of the Casino Facility. Revenues derived from non-operating activities, such as the sale of capital assets are excluded from the definition of Revenues.

(b) Operating Income means the income of the Casino Facility before any management fee paid to Manager, distributions to Members of Owner, interest, depreciation, amortization and write-off or start-up and pre-opening type expenses and income taxes.

(c) The fee shall become due and payable ten (10) days after the end of each month based upon the Revenues and Operating Income for the previous month. Payment of such compensation may be paid to Manager by withholding Revenues it has received for Owner's account; provided, however, that the fee shall be accrued as a liability and not paid to the extent that Owner has not generated sufficient cash flow to pay such fee. For these purposes, cash flow shall be determined before capital expenditures and distributions to Members of Owner.

10. INSURANCE.

10.1 COVERAGE. Owner, for the benefit of both Owner and Manager, shall maintain adequate insurance during the term of this Agreement. The type and amount of coverage shall be approved by Owner.

10.2 POLICIES AND ENDORSEMENTS.

10.2.1 POLICIES. All insurance coverage provided for hereunder shall be effected by policies issued by insurance companies with sound and adequate financial responsibility, or by

self-insurance programs of either Manager or Owner. Either party shall be entitled to object to an insurance company. Owner shall deliver to the Manager duplicate copies of the insurance policies or certificates of insurance with respect to all of the policies of insurance so procured, including existing, additional and renewal policies, and in the case of insurance about to expire, shall deliver duplicate copies of the insurance policies or insurance certificates with respect to the renewal policies to the other party not less than thirty (30) days prior to the respective dates of expiration.

10.2.2 ENDORSEMENT. All insurance shall, to the extent obtainable, have attached thereto:

(a) an endorsement that such policy shall not be canceled or materially changed without at least thirty (30) days' prior written notice to Owner and Manager; and

(b) an endorsement to the effect that no act or omission of Owner or Manager shall affect the obligation of the insurer to pay the full amount of any loss sustained.

(c) Owner and its members shall be named as additional insureds on all policies.

10.2.3 NAMED INSUREDS. All policies of insurance shall be carried in the name of Owner and Manager. All liability policies shall name Owner and Manager, and their respective members, managers, directors, officers, agents and employees, as additional insureds.

11. INDEMNIFICATION.

11.1 INDEMNIFICATION. Manager agrees to indemnify and hold Owner free and harmless from any loss, liability, claim, demand, legal proceeding or cost (including attorneys' fees, costs, expenses and other charges) which is not covered by insurance proceeds and which Owner may sustain, incur or assume as a result of any allegation, claim, civil or criminal action, proceeding, charge or prosecution (collectively "Claims") which may be alleged, made, instituted or maintained against Manager or Owner, jointly or severally, to the extent arising out of or based upon (a) Claims by the employees of the Manager (including without limitation injury or compensation Claims); (b) the performance or non-performance of the Management Agreement by Manager, its agents or employees; or (c) the acts or failure to act of Manager, its employees or agents in a

manner consistent with the standards set forth in Section 2.3 above. Notwithstanding the foregoing, Manager shall not be liable to indemnify and hold Owner harmless to the extent of any such loss, liability or cost which (i) results from the negligence of Owner, its agents (other than Manager) or employees or (ii) consists of consequential or punitive damages (including any such damages asserted by a third party). Nothing contained in this Section 11 or this Agreement shall constitute a guaranty or commitment by the Manager of the operating results or business prospects of the Casino Facility.

11.2 RELATED MATTERS.

11.2.1 LEGAL FEES, ETC., PROCEDURES. Manager shall reimburse Owner for any legal fees and costs, including attorney's fees and other litigation expenses, incurred by Owner in respect to which indemnity is granted hereunder. If Claims are asserted or threatened, or if any action or suit is commenced or threatened with respect thereto, for which indemnity may be sought against Manager hereunder, Owner shall notify Manager in writing within thirty (30) days after Owner shall have had actual knowledge of the threat, assertion or commencement of the Claims, which notice shall specify in reasonable detail the matter for which indemnity may be sought. Manager shall have the right, upon notice to Owner given within thirty (30) days of its receipt of Owner's notice, to take primary responsibility for the prosecution, defense or settlement of such matter and payment of expenses in connection therewith. Owner shall provide, without cost to Manager, all relevant records and information reasonably required by Manager for such prosecution, defense or settlement and shall cooperate with Manager to the fullest extent possible. Owner, at Owner's sole cost and expense, shall have the right to employ its own counsel in any such matter with respect to which Manager has elected to take primary responsibility for prosecution, defense or settlement.

11.2.2 INDEMNIFIED PARTIES. The indemnities contained in this Section 11 shall run to the benefit of both Owner and its affiliates, and its directors, officers, shareholders and employees.

11.2.3 SURVIVAL. The provisions of this Section 11 shall survive any cancellation, termination or expiration of this Management Agreement and shall remain in full force and effect until such time as the applicable statute of limitation shall cut off all claims which are subject to the provisions of this Section 11.

12. DAMAGE TO AND DESTRUCTION OF THE BUSINESS.

12.1 RESTORATION. Provided that there are sufficient insurance proceeds, in the event fire or other casualty shall damage or destroy the property used in the Casino Facility, Owner shall be required to repair, restore or replace the same to the extent as may be limited by insurance proceeds. If there are not sufficient insurance proceeds and Owner no longer desires to operate the Casino Facility, Manager shall have the option, exercisable within ninety (90) days of such casualty, to obtain the license to operate the Casino Facility subject to appropriate regulatory approval. Owner shall use its best efforts to assist Manager in obtaining the license. In the event fire or other casualty shall damage or destroy the Casino Facility, Owner shall have the choice of repairing, restoring or replacing the same to the extent as may be limited by insurance proceeds. If Owner determines that it is not in its best interest to restore the Casino Facility, the Management Agreement will terminate.

13. DEFAULT AND TERMINATION.

13.1 EVENTS OF DEFAULT. It shall be an event of default hereunder (an "Event of Default") if Manager or Owner (the "Defaulting Party") as hereinafter defined fails to keep, perform or observe any material covenant, obligation or agreement required to be kept, performed or observed by such party under the terms of this Management Agreement, followed by written notice of such breach, default or non-compliance from the other party (the "Non-Defaulting Party" as hereinafter defined) to the Defaulting Party and the Defaulting Party fails to remedy or correct such breach, default or non-compliance within thirty (30) days after receipt of such notice. If the breach, default or non-compliance is other than payment of money and is of a nature such that it cannot reasonably be cured within such thirty (30) day period, the period for curing the default shall be extended so long as the Defaulting Party commences immediately and expediently as possible to cure the breach, default or non-compliance within such thirty (30) day period.

13.2 TERMINATION.

13.2.1 GENERAL. If an Event of Default occurs and has not been cured, this Management Agreement shall terminate at the election of the Non-Defaulting Party. Notice of

termination pursuant to this Section 13 may be given by the Non-Defaulting Party to the Defaulting Party at any time prior to the curing of such Event of Default, and such termination shall be effective as of the date specified in such notice of termination, which date shall be not less than sixty (60) nor more than one hundred twenty (120) days after the date of such notice. Notwithstanding the foregoing, if the Event of Default pertains to the payments of money, Manager may cease the discharge of its responsibilities hereunder effective upon the expiration of the thirty (30)-day notice referenced in Section 13.1 hereof. Manager shall receive all funds due to it at the time of Termination.

13.2.2 TERMINATION. In addition to the foregoing, this Management Agreement shall terminate upon any of the following events:

(a) The mutual agreement of the parties; or

(b) The inability of either party to receive or maintain the licenses to perform their obligations hereunder; or

(c) Manager shall

(i) apply for or consent to the appointment of, or taking possession by, a receiver, custodian, trustee, liquidator or other similar official of all of its assets;

(ii) make a general assignment for the benefit of creditors;

(iii) be adjudicated as bankrupt or insolvent or have an order for relief entered with respect thereto; or

(iv) file a voluntary petition, commence a voluntary case under the federal bankruptcy laws as now or hereafter constituted or file a petition or an answer seeking reorganization or any arrangement with creditors or take advantage of any bankruptcy, reorganization, insolvency, readjustment of debts, dissolution or liquidation law or statute.

13.2.3 WAIVER. The waiver of any one Event of Default shall not be construed as the waiver of any other Event of Default.

13.3 REMEDIES CUMULATIVE. Except as herein provided to the contrary, the termination of this Management Agreement by the Non-Defaulting Party upon an Event of Default shall be without damages, injunctions, specific performance or other legal or equitable remedies by reason

of any breach, default or non-compliance by the Defaulting Party with such Defaulting Party's covenants, obligations and agreements hereunder. Except as to any disputes for which injunctive relief would be an appropriate remedy, in the event a dispute of any kind arises in connection with this Agreement (including any dispute concerning its construction, performance or breach), the parties to the dispute will attempt to resolve the dispute as set forth in Section 13.4 before proceeding to arbitration as provided in Section 13.5. All documents, discovery and other information related to any such dispute, and the attempts to resolve or arbitrate such dispute, will be kept confidential to the fullest extent possible.

13.4 NEGOTIATION. If a dispute arises, any party to the dispute will give notice to each other party. If Owner is not a party to the dispute, notice will be given to Owner. After notice has been given, the parties in good faith will attempt to negotiate a resolution of the dispute.

13.5 ARBITRATION. If, within 30 days after the notice provided in Section 13.4, a dispute is not resolved through negotiation or mediation, the dispute will be arbitrated. The parties to the dispute agree to be bound by the selection of an arbitrator, and to settle the dispute exclusively by binding arbitration in accordance with the following provisions:

(a) All parties to the dispute will collectively select one arbitrator. If they fail to do so within 45 days after the notice provided in Section 13.4, one or more parties will request the American Arbitration Association to submit a panel of five arbitrators who are qualified to resolve the matters in dispute from which the choice will be made. The party requesting the arbitration will strike first, followed by alternative striking until one name remains. A similar procedure will be followed if there are more than two parties. The parties may by agreement reject one entire list, and request a second list. If selection by the above method is not completed within 90 days after the notice provided in Section 13.4, or if there are more than four parties, then an arbitrator will be selected by the American Arbitration Association. The arbitrator so selected will then arbitrate the dispute in Denver, Colorado, and issue an award.

(b) To the extent consistent with the provisions of this Article, the arbitration will be conducted under the Commercial Arbitration Rules of the American Arbitration Association and in accordance with Colorado law. The arbitrator's decision will be made pursuant to the relevant substantive law of the State of Colorado. The award of the arbitrator will be final, binding and non-appealable. Judgment on the award may be entered in any court, state or federal, having jurisdiction.

(c) The fees and expenses of the arbitrator, and the other direct costs of the arbitration, will be shared by the parties to the dispute in equal proportions. Each party to the dispute will bear its other respective costs and expenses. If one or more Members are included in

the arbitration because of their membership or former membership in Owner, such group will collectively be treated as one party to the dispute (through Owner as a party).

140 NOTICES.

14.1 NOTICES. Every notice, demand, consent, approval or other document or instrument required or permitted to be served upon any of the parties hereto shall be in writing and shall be deemed to have been duly served on the day of mailing, and shall be sent by registered or certified United States Mail, postage prepaid, return receipt requested, addressed to the respective parties at the addresses stated below:

If to Manager: John M. Gallaway, President
or his designee Manager
711 Washington Loop
Biloxi, MS 39530

With copies thereof to the following:

Allan B. Solomon, Esq.
2200 Corporate Blvd. NW
Suite 310
Boca Raton, FL 33434

If to Owner: Isle of Capri Black Hawk L.L.C.
711 Washington Loop
Biloxi, MS 39530
Attention: John M. Gallaway

With copies thereof to the following:

H. Thomas Winn, President, or his designee,
Nevada Gold and Casinos, Inc.
3040 Post Oak Boulevard, Suite 675
Houston, TX 77056

or to such other address as either Manager or Owner may have specified in a notice duly given as required herein to the other.

150 RELATIONSHIP, AUTHORITY AND FURTHER ACTIONS.

15.1 RELATIONSHIP. Manager and Owner shall not be construed as joint venturers or partners of each other by reason of this Management Agreement and neither shall have the power to bind or obligate the other except as specifically authorized and set forth in this Management Agreement. Nevertheless, Manager is granted such authority and powers as may be reasonably necessary for it to carry out the provisions of this Management Agreement. This Management Agreement, either alone or in conjunction with any other documents, shall not be deemed to constitute or create a lease of all or any portion of the Casino Facility.

15.2 CONTRACTUAL AUTHORITY. Subject to the limitations thereon set forth in this Management Agreement, and in conformity with the Annual Plan, Manager is authorized to make, enter into and perform in the name of, for the account of, on behalf of and at the expense of Owner any contracts and agreements (including, but not limited to bank accounts) which are reasonably necessary and appropriate to carry out and place in effect the terms and conditions of this Management Agreement. Copies of all executed contracts shall be immediately conformed and furnished to Owner.

15.3 FURTHER ACTIONS. Owner and Manager agree to execute all contracts, agreements and documents and to take all actions necessary to comply with the provisions of this Management Agreement and the intent hereof.

160 APPLICABLE LAW. This Management Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. If any of the terms and provisions hereof shall be held invalid or unenforceable for any reason, such validity or unenforceability shall in no event affect any of the other terms or provisions hereof, all such other terms and provisions to be held valid and enforceable to the fullest extent permitted by law; provided, however, that in the event any material part of Owner's obligations under this Management Agreement shall be declared invalid or unenforceable, Manager shall have the option to terminate this Management Agreement.

170 MISCELLANEOUS.

17.1 SUCCESSORS AND ASSIGNS. Manager shall not assign the whole or any portion of this Management Agreement or any payments due Manager hereunder, without the unanimous consent of the Members of Owner, which consent will not be unreasonably withheld, except that Manager may make such an assignment, without Owner's or the Members' consent, to a Permitted Transferee as defined in the Operating Agreement Owner shall not assign the whole or any portion of this Agreement, except to an affiliate of Owner, without Manager's consent, except as collateral for any financing obtained in connection with the development and/or operation of the Casino Facility. If the Agreement is assigned to an affiliate of Owner, Manager shall continue to be responsible under this agreement.

17.2 FORCE MAJEURE. If at any time it becomes necessary in Manager's or Owner's reasonable opinion to cease operation of all or part of the Casino Facility to protect the Casino Facility or the health, safety or welfare of guests or employees of the Casino Facility for reasons of force majeure, such as, but not limited to, weather, acts of war, insurrection, civil strife and commotion, labor unrest, contagious illness, catastrophic events, or acts of God, then in such event Manager or Owner may close and cease operations of all or part of the Casino Facility, reopening and commencing operation when Manager and Owner determine in good faith that such may be done without jeopardy to the Casino Facility, its guests and employees. Neither party shall be liable for failure to perform any obligation hereunder (other than to pay money) when prevented by any force majeure cause not reasonably within the control of such party, such as strike, lockout, breakdown, accident, order or regulation of or by any governmental authority, failure of supply or inability, by the exercise of reasonable diligence, to obtain supplies, parts or employees necessary to perform such obligation to which such force majeure applies shall be extended for a period of time equivalent to the delay from such cause.

17.3 AUTHORIZATION. Owner and Manager represent to the other that it has full power and authority to execute this Management Agreement and to be bound by and perform the terms hereof. On request, each party shall furnish the other evidence of such authority.

17.4 INTEREST. Any amount payable to a party hereunder which shall not be paid when due, shall accrue interest at the prime rate as published from time to time in the Wall Street Journal.

17.5 ENTIRE AGREEMENT: AMENDMENTS. This Management Agreement sets forth the entire and only agreement or understanding between Owner and Manager relating to the subject matter hereof and supersedes and cancels all previous agreements, negotiations, commitments and representations in respect hereof among them. Owner has not relied on any projection of earnings or statements as to the possibility of future success or other similar matters which may have been prepared by Manager or Owner, or any of their respective affiliates, and understands that no guaranty is made or implied by Manager or its affiliates as to the cost or the future financial success of the operations being managed hereunder. This Management Agreement may not be amended in any respect except by an instrument in writing signed by Owner and Manager.

17.6 SURVIVAL OF COVENANTS. Any covenant, term or provision of this Management Agreement which, in order to be effective, must survive the termination of this Management Agreement, shall survive any such termination.

17.7 NO WAIVER. No waiver by either party of a breach by the other party of any of the terms, covenants or conditions of this Management Agreement, shall be construed or held to be a

waiver of any succeeding or preceding breach of the same or any other term, covenant or condition herein contained. No waiver of any default of either party hereunder shall be implied from any omission by the other party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect default other than as specified in said waiver.

17.8 COMPLIANCE. In performing its obligations under this Management Agreement, Manager shall comply with all present and future laws, ordinances and all rules and regulations, requirements and orders of all governmental authorities and shall obtain all licenses and permits required to perform such obligations and shall file all returns and reports lawfully required of Manager in connection with its duties hereunder, including, but not limited to, income tax withholding returns, Federal Insurance Contributions Act returns and reports, Federal Unemployment Tax Act and worker's compensation returns and reports, sales and use tax returns (and shall timely pay all contributions, taxes, costs and other amounts due thereunder). All of the foregoing returns and reports shall be maintained as a part of the books and records of Manager.

17.9 HEADINGS. The headings hereunder are used for convenience only and shall not affect the construction or interpretation of any provision hereof.

17.10 COUNTERPARTS. For the convenience of the parties hereto, this Management Agreement may be executed in several original counterparts, each of which shall be deemed an original for all purposes and all such counterparts shall constitute but one and the same agreement.

17.11 COMMERCIAL REASONABLENESS. Anything contained in this Management Agreement to the contrary notwithstanding, all contracts and agreements entered into by Manager hereunder, including any contracts on account of Owner, shall be commercially reasonable.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Management Agreement as of the date and year first above written.

CASINO AMERICA, INC.,
a Delaware corporation

By: ALAN B. SOLOMON
Its: Executive Vice President

ISLE OF CAPRI BLACK HAWK, L.L.C.,
a colorado limited liability company

By: Casino America of Colorado, Inc.
Member

By: /s/ ALLAN B. SOLOMON
Title: Executive Vice President

Blackhawk Gold, Ltd., Member

By: /s/ H. THOMAS WINN
Title: PRESIDENT

EXHIBIT E

SCOPE OF GOLD MOUNTAIN DEVELOPMENT

Commercial and residential real estate activity of any kind, including the operation of developed commercial and residential projects, by NG & Casinos, Inc., BG, Ltd., or any of their affiliates, including Gold Mountain L.L.C., on lands primarily located to or in the vicinity of the Gaming District of Black Hawk, Colorado, and lands located in sections 7, 17 and 18 of Gilpin County, Colorado, but not limited to those specific areas, provided, however, that such activity shall not include any state regulated gaming activities.

EXHIBIT 10.5

LICENSE AGREEMENT

This LICENSE AGREEMENT (the "Agreement"), dated as of this _29th_ day of July, 1997, is by and between CASINO AMERICA, INC., a Delaware corporation ("Licensor"), and ISLE OF CAPRI BLACK HAWK L.L.C., a Colorado limited liability company ("Licensee") and is effective as of the Closing Date, as defined in the Amended and Restated Operating Agreement of the Licensee of even date.

Whereas, Licensor and Licensee are parties to an Amended and Restated Management Agreement of even date (the "Management Agreement"), pursuant to which Licensor will manage the business operations of the Casino Facility;

Whereas, Licensee desires to use the name "Isle of Capri" as part of its company name and to use such name and the other trade or service marks set forth on Exhibit A hereto or such other names or trade or service marks used in connection with other Isle of Capri casinos or hotels facilities (each, a "Mark," collectively, the "Marks") in connection with the operation of the Casino Facility;

Whereas, Licensor is willing to license the use of the Marks, subject to the terms and limitations contained herein.

NOW, THEREFORE, in consideration of the payment of $2.00 to Licensor by Licensee, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual promises and covenants herein contained, Licensor and Licensee agree as follows:

1. Except as otherwise provided herein, all capitalized terms shall have the respective meanings ascribed to them in the Management Agreement.

2. Licensee hereby acknowledges that Licensor is the sole owner of all right, title and interest in and to the Marks as used in connection with the operation of the Casino Facility, and that Licensee's rights to use the Marks derive solely from and are limited to this Agreement.

3. Licensor hereby grants to Licensee the non-exclusive license to use the Marks solely in connection with the operation of the Casino Facility. Licensee agrees not to use the Marks in any other business. Licensee's rights hereunder shall extend only to operations in the city of Blackhawk, Colorado and to the promotion and marketing of Licensee's gaming activities in a manner generally consistent with the marketing and promotional activities of Licensor and its Affiliates. All use of the Marks shall inure to the benefit of Licensor. Licensor agrees that during the term of this Agreement, it shall, upon request of Licensee, promptly license to Licensee any of its service marks or trade names, whether existing as of the date of this Agreement or acquired subsequently, which are, or become, used in connection with any gaming facility operating under

the Marks, on the terms and conditions set forth herein, and, upon request of Licensee, shall amend Exhibit A accordingly.

4. Licensor or its authorized representatives shall have the right to inspect the services provided by Licensee in connection with the Marks, at any reasonable time with prior notice to Licensee. If Licensor reasonably determines that Licensee has directly caused any aspect of such services, or Licensee's use of the Marks, in connection with the promotion, marketing or provision of the services, to not be used reasonably consistently with Licensors use thereof, in all material respects, so as to cause it to not materially comply with Licensor's quality standards or Licensor's requirements regarding the appearance of the Marks, and such non-compliance was not the result of Licensor, then Licensor shall notify Licensee in writing specifying such deficiencies. If Licensee fails to correct all such deficiencies to Licensor's reasonable satisfaction within a reasonable time, but not more than 60 days from receipt of notice of such deficiency, then Licensor may provide Licensee notice for breach or nonperformance as provided in paragraph 8.

5. Licensee agrees to display and use the Marks only in a manner (I) reasonably consistent with the use of the Marks by Licensor or other licensees of Licensor, and (II) which does not unreasonably diminish the value of the Marks. If Licensee desires to use the Marks in a manner not reasonably

consistent with the use by Licensor or other licensees of Licensor, Licensee shall first submit such change to Licensor for its approval.

6. Licensee will not register or attempt to register any of the Marks as any part of its own name or marks, and will cooperate as reasonably requested by Licensor in connection with any registration by Licensor of any of the Marks. Licensee will promptly inform Licensor of any infringement of any of the Marks or of any protest by others to Licensee concerning its use of any Mark, in each case, to the best of its knowledge, and will cooperate with Licensor in all reasonable respects in connection with any litigation, administrative proceedings or protests which Licensor deems reasonably desirable in connection with the protection of or maintenance of rights to make decisions concerning the initiation, defense, compromise or settlement of any action involving any Mark; provided, however, that Licensee will be fully indemnified and held harmless for complying with this sentence.

7. Licensor represents and warrants that it has all right, title and interest in and to the Marks and the right to license the Marks, to enter into this Agreement, and to agree to the terms and conditions of this Agreement. Licensor shall not assign or transfer any of its right, title or interest in any of the marks to any party, unless such assignment or transfer is subject to the terms hereof or such party enters into an agreement to license such Mark or Marks to Licensee on terms and conditions identical to those provided herein.

8. If Licensor should determine that Licensee has caused a material breach of this Agreement, then Licensor shall so inform Licensee in writing, whereupon Licensee shall have

thirty (30) days within which to cure said breach and deficiency. If Licensee does not cure said breach and deficiency within that time to the satisfaction of Licensor, its right to use the Marks shall forthwith terminate notwithstanding the term of this license.

9. If Licensee files a petition in bankruptcy or is adjudicated a bankrupt, if a petition in bankruptcy is filed against Licensee and such petition is not stayed within sixty (60) days of filing, if it becomes insolvent or makes an assignment for the benefit of creditors or any arrangements pursuant to any bankruptcy law, if Licensee discontinues its business or a receiver is appointed for it or its business, the license granted hereunder shall terminate, and all use of the Marks shall cease.

10. Unless earlier terminated pursuant to the preceding two sections, Licensee's license to use the Marks hereunder shall automatically terminate upon termination of the Management Agreement for any reason; provided, however, that in the event there is an Event of Default (as defined in the Indenture) and the Trustee for the Indenture initiates a foreclosure action against the Note Collateral (as defined in the Indenture), Licensee may continue to use the Marks, subject to the terms of this License, for a period of six months following any termination of the Management Agreement.

11. Upon termination of Licensee's rights to use the Marks for any reason hereunder, Licensee shall immediately take reasonable steps to effect a change of its trade marks, service marks, trade names, company name and assumed names so as to remove any of the Marks or any confusingly similar mark or terms.

12. Licensee may not assign, sublicense or otherwise transfer any of its rights under this Agreement to any third party without the prior written consent of Licensor, which consent may not be unreasonably withheld. Subject to the other terms herein, this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Notwithstanding the foregoing, (i) Licensee may assign its interest herein to the Trustee, and (ii) any successor or assign of Licensor shall enter into a Consent to Assignment of License, substantially in the form of that Consent to Assignment of License entered into by Licensor for the benefit of Trustee.

13. Every notice, demand, consent, approval or other document or instrument required or permitted to be served upon any of the parties hereto shall be in writing and shall be deemed to have been duly served on the day of mailing, and shall be sent by registered or certified United States Mail, postage prepaid, return receipt requested, addressed to the respective parties at the addresses stated below:

If to Licensor: John M. Gallaway, President

or his designee
711 Washington Loop
Biloxi, MS 39530

With copies thereof to the following:

Allan B. Solomon, Esq.
2200 Corporate Blvd. NW
Suite 310
Boca Raton, FL 33434

If to Licensee: Isle of Capri Black Hawk L.L.C.
711 Washington Loop
Biloxi, MS 39530
Attention: John M. Gallaway

With copies thereof to the following:

H. Thomas Winn, President, or his designee,
Nevada Gold and Casinos, Inc.
3040 Post Oak Boulevard, Suite 675
Houston, TX 77056

or to such other address as either Licensor or Licensee may have specified in a notice duly given as required herein to the other.

14. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. If any of the terms and provisions hereof shall be held invalid or unenforceable for any reason, such validity or unenforceability shall in no event affect any of the other terms or provisions hereof, all such other terms and provisions to be held valid and enforceable to the fullest extent permitted by law.

15. This Agreement sets forth the entire and only agreement or understanding between Licensee and Licensor relating to the subject matter hereof and supersedes and cancels all previous agreements, negotiations, commitments and representations in respect hereof among them. This Agreement may not be amended in any respect except by an instrument in writing signed by Licensee and Licensor.

16. For the convenience of the parties hereto, this Agreement may be executed in several original counterparts, each of which shall be deemed an original for all purposes and all such counterparts shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the date and year first above written.

CASINO AMERICA, INC.,
A DELAWARE CORPORATION

By: ALLAN B. SOLOMON
Its: Executive Vice President

ISLE OF CAPRI BLACK HAWK L.L.C., a
COLORADO LIMITED LIABILITY COMPANY

By: Casino America of Colorado, Inc.,
Member

By: ALLAN B. SOLOMON
Title: EXECUTIVE VICE PRESIDENT

Blackhawk Gold, Ltd., Member

By: H. THOMAS WINN
Title: PRESIDENT

CASINO AMERICA, INC.

TRADEMARKS

MARK	REGISTRATION NUMBER

ISLE OF CAPRI	1,789,909
ISLE OF CAPRI	1,789,917
ISLE OF CAPRI	1,921,161
WAVES OF FORTUNE	1,985,794
ISLAND GOLD	1,925,975
CALYPSO'S	2,022,801
ISLE OF CAPRI (PARROT LOGO)	2,039,052
ISLE STYLE	APPLICATION FOR TRADEMARK REGISTRATION PENDING
FARRADDAY'S	APPLICATION FOR TRADEMARK REGISTRATION PENDING

EXHIBIT A

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