

**RESOLUTION OF THE
WHITE MOUNTAIN APACHE TRIBE OF THE
FORT APACHE INDIAN RESERVATION**

WHEREAS, the Tribal Council of the White Mountain Apache Tribe of the Fort Apache Indian Reservation, Arizona ("Tribe") adopted Resolution No. 04-96-082 on April 11, 1996, thereto ("Agreement"), the Note (as defined in the Agreement) and all other documents relating to the Agreement (collectively, the "Loan Documents") between the Tribe and Wells Fargo Bank of Arizona, National Association (fka First Interstate Bank of Arizona, N.A.) relating to a \$2,500,000 loan (the "Loan") relating to the purchase of certain equipment for the Tribe's Hon-Dah Casino; and

WHEREAS, the Tribal Council has concluded that it is in the best interest of the Tribe to modify the terms of Agreement and the Note to extend the maturity date of the Note by three (3) months and to defer monthly payments of principal under the Note for three (3) months commencing with the payment due on October 1, 1996 (the "Modification").

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that:

1. The Modification, a copy of which is attached hereto as Exhibit A and made a part hereof, is hereby approved and authorized, provided that the maturity date of the Loan shall not extend beyond July 31, 1997.
2. The Tribal Chairman, acting alone, is hereby authorized to execute and deliver such definitive documentation for the Modification as he, in his discretion, shall determine to be satisfactory for that purpose.
3. All acts of the Tribal Chairman to modify the terms of the Loan prior to the date hereof are hereby ratified, adopted, confirmed and approved by the Tribal Council.

BE IT FURTHER RESOLVED by the Tribal Council that this Resolution supplements and does not supersede Resolution No. 04-96-082 which, as heretofore supplemented, remains in full force and effect.

The foregoing resolution was on October 03, 1996, duly adopted by a vote of six for and one against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by the White Mountain Apache Tribal Constitution, including Article IV, Sections 1 (a), (b), (i), (l), (t) and (u) of the Constitution of the Tribe, ratified by the Tribe on September 30, 1993, and approved by the Secretary of the Interior on November 12, 1993, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).

RECEIVED

OCT 15 1996

**FORT APACHE INDIAN AGEN
WHITERIVER, ARIZONA**


Chairman of the Tribal Council


Secretary of the Tribal Council

145431

EXHIBIT A

MODIFICATION AGREEMENT

**AMENDMENT
TO
PROMISSORY NOTE
AND AMENDMENT TO
ADDITIONAL PROVISIONS
TO BUSINESS LOAN AGREEMENT**

BY THIS AMENDMENT TO PROMISSORY NOTE AND AMENDMENT TO ADDITIONAL PROVISIONS TO BUSINESS LOAN AGREEMENT (this "Amendment"), made and entered into as of the ___ day of September, 1996, the White Mountain Apache Tribe of the Fort Apache Indian Reservation, Arizona, a federally recognized Indian tribe organized pursuant to the Indian Reorganization Act of June 18, 1934 (48 Stat. 984), 25 U.S.C. Section 476 (hereinafter called "Borrower"), whose mailing address is P.O. Box 700, Whiteriver, Arizona 85941 and Wells Fargo Bank of Arizona, National Association (fka First Interstate Bank of Arizona, N.A.) (hereinafter called "Lender"), whose mailing address is P.O. Box 53456, Phoenix, Arizona 85072-3456, confirm and agree as follows:

SECTION 1. RECITALS

1.1 Borrower and Lender have entered into that Business Loan Agreement (with Additional Provisions) dated as of April 11, 1996 (the "Loan Agreement"), that provided for, among other things, a loan in the original principal amount of \$2,500,000.00 (the "Loan").

1.2 The Loan is evidenced by, among other things, a promissory note of Borrower, payable to the order of Lender, dated April 11, 1996, (the "Note").

1.3 The Loan Agreement and the Note provided for twelve (12) consecutive principal payments commencing on May 1, 1996, with the final such payment due and payable on April 30, 1997.

1.4 Borrower and Lender now wish to amend the Loan Agreement and related loan documents in accordance with the terms, provisions and conditions set forth herein.

1.5 All undefined capitalized terms used herein shall have the meaning given them in the Loan Agreement.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender agree as follows:

SECTION 2. AMENDMENT TO LOAN AGREEMENT.

2.1 Paragraph 2.2 of the Additional Provisions to the Loan Agreement is deleted in its entirety, and the following is inserted in its place:

2.2 The Loan shall be evidenced by a promissory note (the "Note") made and delivered by Borrower contemporaneously with the execution of this Agreement, in the stated principal

amount of TWO MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$2,500,000). Interest shall accrue on the principal amount from time to time outstanding under the Note at the rate of eight and sixty-nine one hundredths percent (8.69%) per annum. Interest shall be due and payable on the first day of each and every month commencing with the first month after the date of the Note. Principal shall be due and payable on the first day of each of the months set forth in the following schedule, in the amounts set forth opposite such months:

<u>Months</u>	<u>Amounts</u>
May, 1996 through September, 1996	\$208,333.33
January, 1997 through June, 1997	\$208,333.33

The entire unpaid principal balance, all accrued and unpaid interest, and all other amounts payable hereunder shall be due and payable in full on July 31, 1997.

SECTION 3. AMENDMENT TO NOTE.

3.1 The Note is hereby amended by deleting the indented portion of the first paragraph on page 1 of the Note, and inserting the following in its place:

Interest shall accrue at the rate of eight and sixty-nine one hundredths percent (8.69%) per annum. Interest on the principal amount from time to time outstanding shall be due and payable on the first day of each month, commencing with the first month after the date of this Note. Principal shall be due and payable on the first day of each of the months set forth in the following schedule, in the amounts set forth opposite such months:

<u>Months</u>	<u>Amounts</u>
May, 1996 through September, 1996	\$208,333.33
January, 1997 through June, 1997	\$208,333.33

The entire unpaid principal balance, all accrued and unpaid interest, and all other amounts payable hereunder or under the Loan Agreement (as hereinafter defined) shall be due and payable in full on July 31, 1997.

SECTION 4. OTHER MODIFICATIONS, RATIFICATIONS AND AGREEMENTS.

4.1 All references to the Note in the Loan Agreement and in the Security Documents are hereby amended to refer to the Note as hereby amended.

4.2 All references to the Loan Agreement in the Note and in the Security Documents

are hereby amended to refer to the Loan Agreement as hereby amended.

4.3 All references to any other Security Document in the Note, in the Loan Agreement and in the Security Documents are hereby amended to refer to that Security Document as hereby amended.

4.4 Borrower acknowledges that the indebtedness evidenced by the Note is just and owing and that the balance thereof is correctly shown in the records of Lender as of the date hereof. Borrower agrees to pay the indebtedness evidenced by the Note, according to the terms thereof, as herein modified.

4.5 Borrower hereby reaffirms to Lender each of the representations, warranties, covenants and agreements of Borrower set forth in the Note, the Loan Agreement and all Security Documents, with the same force and effect as if each were separately stated herein and made as of the date hereof.

4.6 Borrower hereby ratifies, reaffirms, acknowledges, and agrees that the Note, the Loan Agreement, and the Security Documents represent valid, enforceable and collectible obligations of Borrower, and that there are no existing claims, defenses, personal or otherwise, or rights of set off whatsoever with respect to any of these documents or instruments. Borrower acknowledges and represents that no event has occurred and no condition exists that, after notice or lapse of time, or both, would constitute a default under this Agreement, the Note, the Loan Agreement, or any Security Document.

4.7 All terms, conditions and provisions of the Note, the Loan Agreement and the Security Documents are continued in full force and effect and shall remain unaffected and unchanged except as specifically amended hereby. The Note, the Loan Agreement and the Security Documents, as amended hereby, are hereby ratified and reaffirmed by Borrower, and Borrower specifically acknowledges the validity and enforceability thereof.

SECTION 5. GENERAL.

5.1 This Agreement in no way acts as a release or relinquishment of those liens, security interests and rights securing payment of the Loan, including, without limitation, the liens created by the Security Documents. Such liens, security interests and rights are hereby ratified, confirmed, renewed and extended by Borrower in all respects.

5.2 The extension and modifications contained herein shall not be binding upon Lender until Lender shall have received all of the following:

- (a) An original of this Agreement fully executed and delivered by the Borrower and with the approval of the Bureau of Indian Affairs in the form attached hereto as Exhibit A:

(b) Such resolutions or authorizations and such other documents as Lender may require relating to the authority of any person executing this Agreement or other documents on behalf of Borrower; and

(c) A letter from Borrower's Tribal General Counsel to the effect that the legal opinions stated in the closing opinion letter given by that Counsel to Lender by letter dated April 11, 1996, remain valid as of the date of this Agreement and with respect to the Loan Agreement, the Note, and the Security Documents (collectively, the "Documents"), each as modified by this Agreement.

5.3 Borrower shall execute and deliver such additional documents and do such other acts as Lender may reasonably require to fully implement the intent of this Agreement.

5.4 Borrower shall pay all costs and expenses, including, but not limited to, recording fees, title insurance premiums and reasonable attorneys' fees incurred by Lender in connection herewith, whether or not all of the conditions described in Paragraph 5.2 above are satisfied. Lender, at its option, but without any obligation to do so, may advance funds to pay any such costs and expenses that are the obligation of the Borrower, and all such funds advanced shall bear interest at the highest rate provided in the Note, shall be due and payable upon demand and shall be secured by all of the Security Documents.

5.5 Notwithstanding anything to the contrary contained herein or in any other instrument executed by Borrower or Lender, or in any other action or conduct undertaken by Borrower or Lender on or before the date hereof, the agreements, covenants and provisions contained herein shall constitute the only evidence of Lender's consent to modify the terms and provisions of the Note, the Loan Agreement or any Security Document. Accordingly, no express or implied consent to any further modifications involving any of the matters set forth in this Agreement or otherwise shall be inferred or implied by Lender's execution of this Agreement. Further, Lender's execution of this Agreement shall not constitute a waiver (either express or implied) of the requirement that any further modification of the Loan or of the Note, the Loan Agreement or any Security Document shall require the express written approval of Lender; no such approval (either express or implied) has been given as of the date hereof.

5.6 This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their heirs, personal representatives, successors and assigns.

5.7 This Agreement is made for the sole protection and benefit of the parties hereto, and no other person or entity shall have any right of action hereon.

5.8 This Agreement shall be governed by and construed according to the "Tribal Resolution" (as defined in the Loan Agreement), as supplemented by the Tribal resolution required under paragraph 5.2(b), hereof, as to matters expressed therein, and otherwise the laws of the State of Arizona applicable to contracts made, delivered and to be performed entirely within that State.

IN WITNESS WHEREOF, these presents are executed as of the date indicated above.

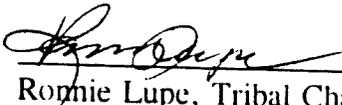
**WELLS FARGO BANK OF ARIZONA,
NATIONAL ASSOCIATION**

By: _____

Its: _____

LENDER

**THE WHITE MOUNTAIN APACHE TRIBE OF
THE FORT APACHE INDIAN RESERVATION,
a federally-recognized Indian Tribe**

By: 
Romie Lupe, Tribal Chairman

BORROWER

Attest:

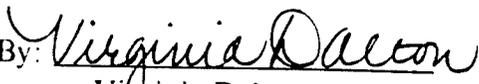
By: 
Virginia Dalton
Tribal Council Secretary

EXHIBIT A**APPROVAL OF THE DEPARTMENT OF INTERIOR
BUREAU OF INDIAN AFFAIRS**

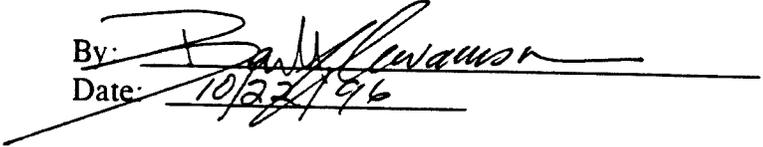
The Secretary of the Interior ("Secretary") and the Commissioner of Indian Affairs, Bureau of Indian Affairs ("Commissioner"), by their respective designee, hereby consent to and approve the Amendment to Promissory Note and Amendment to Additional Provisions to Business Loan Agreement ("Modification"), effective on the date thereof, between the White Mountain Apache Tribe of the Fort Apache Indian Reservation, Arizona, and Wells Fargo Bank of Arizona, National Association (fka First Interstate Bank of Arizona, N.A.), to which this Approval is attached. This Approval constitutes the consent and approval of the Secretary and the Commissioner, indorsed on the Modification, as may be required by 25 U.S.C. § 81.

In connection with the execution of this Approval, the Secretary and the Commissioner find that:

- a. The Modification is in writing, and a duplicate copy thereof has been delivered to each party thereto.
- b. Upon their designee's signature on this Approval as authorized by the Department of the Interior Manual and the Bureau of Indian Affairs Manual, the Modification bears the approval of the Secretary and the Commissioner.
- c. The Modification, executed by the White Mountain Apache Tribe and/or Wells Fargo Bank of Arizona, National Association (fka First Interstate Bank of Arizona, N.A.) (the "Tribe"), ("Bank"), as the case may be, have been duly and properly executed by Ronnie Lupe, Tribal Chairman.
- d. The Modification states the time when, and the place where, made and the special things to be done under it and the basis for the claim of money due thereunder, the source from which such money is to be collected, the disposition to be made of such money when collected and the interest rate thereon, all to the extent required by 25 U.S.C. § 81.
- e. The Loan Agreement, as defined in and modified by the Modification, has a fixed time to run which is distinctly stated in the Loan Agreement and the Modification.

f. The Modification, containing the five prerequisites stated in paragraphs a through e above and as required by 25 U.S.C. § 81, is required to be approved by the Secretary and the Commissioner, by their designee, under the requirements of 25 U.S.C. § 81.

THE SECRETARY OF THE INTERIOR AND
THE COMMISSIONER OF INDIAN
AFFAIRS

By: 

Date: 10/23/96