



Resolution No. 02-2006-39

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

**(Approving a Loan and Security Agreement with IGT to finance the Hon-Dah Resort
Casino expansion)**

- WHEREAS**, pursuant to the Constitution of the White Mountain Apache Tribe, the Tribal Council is empowered to act in all matters that concern the welfare of the Tribe and to negotiate, make and perform agreements of every description; and
- WHEREAS**, pursuant to Tribal Council Resolution No. 01-2006-23, the Tribe's Finance and Budget Committee was directed to explore financing options for the casino expansion and to select a lender based on sound business practices and to present their final selection to the Tribal Council for their approval; and
- WHEREAS**, the Finance and Budget Committee has selected International Game Technology ("IGT") as the lender for the casino expansion after reviewing other less favorable proposals from Wells Fargo and Lehigh Capital Access; and
- WHEREAS**, IGT has offered a Loan and Security Agreement (the "Loan Agreement") for the Tribe in an amount not to exceed \$3,300,000.00 for a two or three year term at a variable rate based on the Prime Rate plus 1% per annum beginning June 1, 2006, with advances on the note prior to June 1, 2006 being interest free through June 1, 2006; and
- WHEREAS**, \$1,300,000.00 is for the purchase of 100-110 IGT machines which represents 100% of the casino floor expansion, with the other \$2,000,000.00 to be utilized for ancillary equipment in relation to the expansion of the casino; and
- WHEREAS**, for further consideration of the Loan Agreement, the Tribe agrees to maintain a minimum of 18 Megajackpot games on the casino floor for the duration of the term of the Loan Agreement, whether or not it is prepaid and a minimum of 8 Megajackpot games will be Wide Area Progressive games with a performance guarantee that will state that the Wide Area Progressive games WPU will do a 30% premium versus the overall floor average and the remaining Megajackpot games will perform at a 20% premium; and
- WHEREAS**, pursuant to the Loan Agreement, IGT will retain a first lien on all IGT equipment financed for the casino expansion and a junior position on casino revenues; and
- WHEREAS**, IGT requires that the Tribe agree to a limited waiver of sovereign immunity as expressly set forth in the Loan Agreement, for its benefit only, for the enforcement of the Loan Agreement and any loan documents pertaining to the

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Loan Agreement and for purposes of any arbitration or legal action relating thereto.

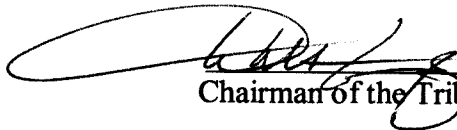
BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby:

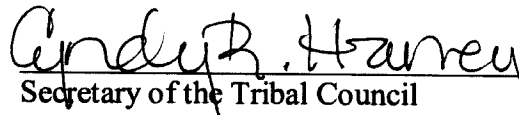
1. Approves IGT as the lender to finance the Hon-Dah Resort Casino expansion.
2. Authorizes a Loan and Security Agreement between the Tribe and IGT and any documents pertaining to the Loan Agreement, for an amount not to exceed \$3,300,000 for a three year term at a variable rate based on the Prime Rate plus 1% per annum beginning June 1, 2006, with advances on the note prior to June 1, 2006 being interest free through June 1, 2006, provided the Tribe's Legal Department has completed its review thereof.
3. Agrees to maintain a minimum of 18 Megajackpot games on the casino floor for the duration of the term of the Loan Agreement, whether or not it is prepaid and a minimum of 8 Megajackpot games will be Wide Area Progressive games with a performance guarantee that will state that the Wide Area Progressive games WPU will do a 30% premium versus the overall floor average and the remaining Megajackpot games will perform at a 20% premium.
4. Approves the right of IGT to retain a first lien on all IGT equipment financed for the casino expansion and a junior position on the casino revenues, provided the Loan Agreement is executed by both parties.
5. As part of the approval of the Agreement, the Council hereby grants a limited waiver of sovereign immunity for the purpose of effecting dispute resolution thereunder in the form of binding arbitration if, and only if, the following conditions exist within the Agreement:
 - a. A dispute between IGT and the White Mountain Apache Tribe arises directly from the Agreement between them for the acquired slot machines and casino expansion described herein.
 - b. The Claim alleges a breach by the Tribe of one or more specific obligations or duties which the Tribe expressly assumes under the terms of the Agreement.
 - c. The Claim seeks either (1) specific performance by the Tribe; (2) payment of all amounts due under the Agreement and reasonable costs IGT incurs in collection of such amounts, or (3) the foreclosure of collateral secured under the Agreement.
 - d. The Scope of arbitration is solely limited to breach of contract actions brought pursuant to the Agreement for the benefit of IGT only, or an Assignee of a valid assignment of IGT's interest in the Agreement as set forth therein.

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- e. The Tribe does not agree to any arbitration by persons or parties or their assignees which are not a party to the Agreement nor to any arbitration proceeding or other proceeding based on alleged tortuous conduct, or for the imposition of incidental, consequential, exemplary or punitive damages or lost profits.
- 6. Authorizes the Chairman or his designee to sign any and all documents necessary to effectuate the intent of this Resolution .

The foregoing resolution was on February 8, 2006, duly adopted by a vote of FOUR for and ZERO against by the Tribal Council of the White Mountain Apache Tribe, pursuant to the authority vested in it by Article IV, Section 1 (a), (b), (i), (l), (s), (t) and (u) of the Constitution of the Tribe, ratified by the Tribe 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).


Chairman of the Tribal Council


Secretary of the Tribal Council