



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

(Approval of Agreement with Sovereign Finance)

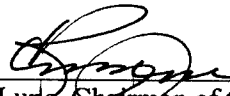
- WHEREAS**, the White Mountain Apache Tribe, as a federally recognized Indian tribal government, pursuant to its Tribal Constitution, exercises rights of self-determination through its elected Council; and
- WHEREAS**, to maintain essential governmental functions, the Tribe has incurred several debt obligations including several municipal finance leases and the 1999 Bonds that affect the Tribe's cash flow; and
- WHEREAS**, the Tribal Treasurer briefed the Tribal Council on the benefits of re-financing the 1999 bonds to take advantage of low interest rates and other more favorable terms; and
- WHEREAS**, after soliciting proposals from several companies, the Tribal Council selected Sovereign Finance, LLC ("Sovereign") to act as the Tribe's financial advisor for the primary purpose of re-financing the 1999 Bonds and addressing the municipal finance leases; and
- WHEREAS**, the Tribal Council was briefed by the Tribe's Legal Department that Sovereign required a waiver of the Tribe's sovereign immunity for the purpose of arbitrating any claims that arise from the agreement between the Tribe and Sovereign; and
- WHEREAS**, as a sovereign government, the White Mountain Apache Tribe is absolutely immune from suit except as expressly provided for by act of Congress or by the express consent of the Tribal Council; and

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby approves the agreement with Sovereign and authorizes a binding arbitration provision with a limited waiver of sovereign immunity, for the benefit of Sovereign, on the limited basis described in the attached Confidential Engagement Letter dated November 22, 2011 (attached and incorporated by reference).

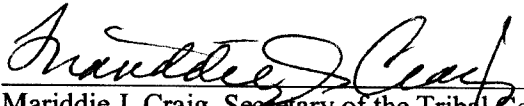
BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that in the event that this Resolution conflicts with a prior Resolution or Policy, this Resolution shall govern.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that the Chairman, or in his absence, the Vice Chairman, is hereby authorized to execute any and all documents necessary to effectuate the intent of this Resolution.

The foregoing resolution was on NOVEMBER 17, 2011 duly adopted by a vote of NINE for and ONE against by the Tribal Council of the White Mountain Apache Tribe, pursuant to the authority vested in it by Article IV, Section 1 (a), (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).



Ronnie Lupe, Chairman of the Tribal Council



Mariddie J. Craig, Secretary of the Tribal Council

CONFIDENTIAL ENGAGEMENT LETTER

November 22, 2011

Ronnie Lupe, Chairman
White Mountain Apache Tribe
P.O. Box 700
Whiteriver, AZ 85941

Dear Chairman Lupe:

This letter agreement (the "Agreement") confirms the terms under which the White Mountain Apache Tribe, a sovereign Indian tribe recognized by the United States of America (the "Tribe"), has engaged Sovereign Finance LLC ("Sovereign") on an exclusive basis as Financial Advisor to the Tribe in connection with the Financing. For purposes of this Agreement, the term "Financing" shall mean any commercial loan or other extension of credit or other financing from one or more lenders ("Lender"), the proceeds of which are primarily designated for use in refinancing the Tribe's existing indebtedness and for future potential capital expenditures.

1. Financial Advisory Services. Sovereign agrees to perform the following financial advisory services (referred to herein as the "Advisory Services") with respect to the Financing:

Phase I:

- a. Create a long-term financial model for the Tribe to determine the implications of various debt scenarios and the availability of debt capacity to support capital expenditure needs;
- b. Review existing debt of the Tribe, particularly focusing on the legal documentation associated with each piece of outstanding debt and the impact of the current debt structure on the Tribe and its business enterprises;
- c. Advise the Tribe regarding market comparables, potential deal structure and final pricing;
- d. Review existing equipment leases and provide support to the Tribe as it takes the steps necessary to negotiate terms of repayment;
- e. Provide Tribal Council and Management with potential debt structuring options and provide information regarding the benefits and drawbacks of each potential structure including identification of risks that may be present;
- f. Assist the Tribal Council with selecting the refinancing option and financial partner that best meets the Tribes funding, timing and capital needs at the least overall cost of capital;

- g. Assist the Tribe with all aspects of negotiation with the selected financial partner to ensure that the final debt structure meets the capital needs of the Tribe, provides the greatest overall covenant flexibility, promotes the long-term best interest of the Tribe and is the least all in cost to the Tribe;
- h. Work with the Tribe and its legal counsel to review all legal documents and ensure that they are compliant with the legal code of the Tribe and are negotiated in the most favorable way possible;
- i. Structure and manage all aspects of the process necessary to repay the outstanding 1999 bonds;
- j. Provide presentations as needed to ensure that the Tribal Council is fully educated regarding the Project;
- k. Once the Lender is selected, work with the Tribe to complete any required due diligence, work through potential intercreditor issues, support the syndication process (if the loan is syndicated), coordinate the NIGC declination letter process (if the loan is secured by gaming revenue) and generally ensure the transaction moves forward in a smooth, efficient manner.

Phase II:

Upon completion of Phase I, and subject to approval by the Tribal Council, Sovereign would propose the advancement of Phase II of the restructuring process. The scope of services that Sovereign would anticipate providing for Phase II, should the Tribal Council approve, would generally include assisting the Tribe with analyzing the capital needs of the Tribe's business operations and assisting with prioritization based on predefined criteria, leveraging the financial model to analyze different structures available to the Tribe for funding capital needs, and coordinating the entirety of the debt negotiation and structuring process on behalf of the Tribe. The exact scope of services and fees for executing Phase II will be memorialized pursuant to an engagement letter to be negotiated.

The Tribe understands and agrees that this Agreement does not obligate Sovereign to provide the Tribe any and Sovereign shall not provide the Tribe with any service that Sovereign determines, in its sole discretion, could result in its being viewed as an "underwriter" under the Securities Act of 1933, as amended. The Tribe further acknowledges and agrees that, except to the extent that Sovereign provides the Tribe written notice to the contrary, Sovereign shall provide only advisory services permitted by law to the Tribe in connection with any Financing, and that any compensation paid or to be paid to Sovereign by the Tribe in connection with such transactions shall (to the extent permitted by law) be paid solely in respect of advisory services.

2. **Exclusive Engagement.** During the period of Sovereign's engagement hereunder, the Tribe will not engage any third party as a financial advisor providing the Advisory Services detailed in paragraph 1 above unless the Tribe has obtained Sovereign's express written

consent to such engagement. If any additional opportunities are created as a result of this mandate related to debt restructuring or investment advisory services, the Tribe will include Sovereign in the RFP or alternative engagement process.

3. **Indemnification.** The Tribe agrees to indemnify and hold harmless Sovereign, its affiliates, and directors, officers, employees, agents, attorneys and controlling persons from and against any and all losses, claims, damages and liabilities, joint or several, to which they may become subject arising out of or in connection with services or transactions contemplated by the Agreement; provided, however, that the Tribe shall have no obligation to indemnify Sovereign to the extent that any loss, claim, damage, liability or expense is found in a final judgment by a court of competent jurisdiction to have resulted from Sovereign's bad faith or gross negligence.
4. **Fees and Expenses.** As compensation for the Advisory Services outlined as Phase I, the Tribe agrees to pay Sovereign a fee equal to \$75,000, payable at closing of the Financing. In addition, the Tribe hereby agrees to reimburse Sovereign promptly upon request for all reasonable out-of-pocket costs and expenses incurred in connection with the Advisory Services, whether or not any transaction is successfully completed. Sovereign agrees to cap the total amount of out-of-pocket costs and expenses to be reimbursed at \$1,200.
5. **Disclosure.** The Tribe agrees to notify Sovereign promptly (i) of any material adverse change, or development that may lead to any material adverse change, in the business, properties, operations, financial condition or prospects of the Tribe and (ii) if any information furnished by the Tribe to Sovereign during the period of Sovereign's engagement hereunder is or becomes inaccurate, incomplete or misleading in any material respect.
6. **Confidentiality.** Sovereign agrees to use all non-public information provided to it by or on behalf of the Tribe hereunder solely for the purpose of providing the services which are the subject of this Agreement and to treat all such information as strictly confidential except that which (i) is or becomes generally available to the public (other than as a result of a disclosure by Sovereign), (ii) was available to Sovereign or its representatives on a non-confidential basis prior to its disclosure by the Tribe, (iii) becomes available to Sovereign or its representatives on a non-confidential basis from a person other than the Tribe who, to the knowledge of Sovereign, is not bound by a confidentiality agreement with the Tribe or otherwise prohibited from transferring such information to Sovereign or its representatives, or (iv) Sovereign or any of its representatives is requested pursuant to, or required by, law, regulation, legal process or regulatory authority to disclose.
7. **Ownership of Prepared Material.** Any final work product, proposals or advice rendered by Sovereign pursuant to this Agreement will become the sole and exclusive property of the Tribe and may not be disclosed by Sovereign in any manner without the prior written approval of the Tribe, and shall be treated as strictly confidential. Nothing herein shall prevent the Tribe or Sovereign from using or disclosing such information in any manner, including in connection with a debt transaction, as part of the performance of a service or for other reasons deemed to be in the Tribe's interests. Sovereign agrees that it will not oppose

or impede the Tribe's efforts to protect its intellectual property rights regarding any material created pursuant to this Agreement.

8. Engagement Period, Termination and Survival. The term of this Agreement shall expire 90 days from the execution date of this Agreement, unless renewed in writing by mutual agreement of Sovereign and the Tribe, or sooner terminated in accordance herewith. After the effective date of this Agreement, Sovereign's engagement hereunder may be terminated by Sovereign or the Tribe upon 30 days' prior written notice to the other party. This paragraph and the provisions of this Agreement relating to the payment of fees and expenses, indemnification, confidentiality, the status of Sovereign as an independent contractor, limited waiver of sovereign immunity, dispute resolution, and governing law will survive any termination or expiration of this Agreement.
9. Matters Relating to Engagement. The Tribe acknowledges that Sovereign has been retained solely to provide the services set forth herein. In rendering such services, Sovereign shall act as an independent contractor, and not as a fiduciary agent or otherwise, and any duties of Sovereign arising out of its engagement hereunder shall be owed solely to the Tribe and Sovereign shall have no duties or liabilities to any third party in connection with its engagement hereunder, all of which are expressly waived. In addition, the Tribe agrees that Sovereign may perform the services contemplated hereby in conjunction with its affiliates, and that any Sovereign affiliates performing services hereunder shall be entitled to the benefits and be subject to the terms of this Agreement. Nothing contained herein shall be construed as authorization for Sovereign to bind the Tribe in any manner nor shall the Tribe have any obligation to Sovereign's affiliates hereunder.

Following completion of this engagement, Sovereign shall have the right to place advertisements in newspapers and journals at its own expense describing its services to the Tribe hereunder after providing a copy of such advertisement to the Tribe and obtaining prior written consent. Sovereign may not, without its prior written consent, be quoted in any document, release or communication prepared, issued or transmitted by the Tribe (including any entity controlled by, or under common control with, the Tribe or any director, officer, employee or agent thereof).

Sovereign and its affiliates may from time to time perform various financial advisory services for other clients who may have conflicting interests with respect to the Tribe or any offering. Sovereign and its affiliates will not use confidential information obtained from the Tribe pursuant to this engagement or its other relationships with the Tribe in connection with the performance by Sovereign and its affiliates of services for other clients, and Sovereign and its affiliates will not furnish any such information to other clients. The Tribe also acknowledges that Sovereign and its affiliates have no obligation to use in connection with this engagement, or to furnish to the Tribe, confidential information obtained from other clients.

Sovereign agrees that it shall at all times during this engagement coordinate and cooperate with the Tribe in accordance with its direction and request.

10. **No Reliance.** In rendering its services to the Tribe hereunder, Sovereign is not assuming any responsibility for the Tribe's underlying business decision to pursue any business strategy or to effect any particular transaction. The Tribe agrees that Sovereign shall not have any obligation or responsibility to provide accounting, audit or other business consultant services for the Tribe and shall have no responsibility for designing or implementing operating, organizational, administrative, cash management or liquidity improvements. The Tribe agrees and acknowledges that Sovereign is not an expert on and cannot render opinions regarding legal, tax, accounting or regulatory matters in any jurisdiction and that Sovereign is not providing advice to the Tribe in connection with any legal, accounting, regulatory or tax matter. The Tribe shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and Sovereign shall have no responsibility or liability to the Tribe with respect thereto.
11. **Waiver of Trial by Jury.** The Tribe and Sovereign each irrevocably agree to waive trial by jury in any action, proceeding, claim or counterclaim brought by or on behalf of either party related to or arising out of this Agreement or the performance of services hereunder.
12. **Governing Law.** This Agreement shall be governed by and construed in accordance with applicable federal law and the laws of the State of Arizona, without giving effect to the conflicts of laws principles thereof.
13. **Binding Arbitration and Limited Waiver of Sovereign Immunity.** Any dispute concerning the interpretation or enforcement of this agreement shall be submitted to binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), except that any provision within the AAA Rules that pertains to jurisdiction over enforcement, appeal, judicial or governmental jurisdiction is expressly excluded from this Agreement.
 - a. ***Limited Waiver.*** The Tribe expressly waives its immunity from suit, subject to the limitations herein, only as to binding arbitration proceedings and as to an action to compel arbitration or enforce an arbitration award or order pursuant to this Agreement. The Tribe's limited waiver of sovereign immunity is granted only to Sovereign and not to any other individual or entity. This waiver shall not be deemed to authorize consequential damages, punitive damages or lost profits. The Tribe irrevocably waives any requirement that may exist for the exhaustion of remedies available in any court or forum of the Tribe with respect to matters within the scope of the limited waiver of sovereign immunity.
 - b. ***Consent to Jurisdiction.*** For the limited purpose of an action to compel arbitration or to enforce an arbitration award or order as provided herein, the Tribe consents to the jurisdiction of federal courts, the courts of the State of Arizona and of the White Mountain Apache Tribal Court.

14. Amendment. The parties agree that the terms of this Agreement may be modified in the future and that such changes will be memorialized via amendment, addendum or similar modification to this Agreement, subject to review and approval of both parties to this Agreement. The parties agree that any future modifications carried out via addendum will only serve to modify the specific provision intended and that the remaining terms and provisions of this Agreement will remain in effect.
15. Representation and Warranty of Tribe. The Tribe represents and warrants to Sovereign that (i) it has the requisite legal right, power and Tribe to enter into this Agreement under the Tribe's laws and the Tribe has duly authorized the execution, delivery and performance of this Agreement; (ii) the officer of the Tribe executing this Agreement was duly and properly elected and is fully authorized to execute the same; (iii) this Agreement constitutes the legal valid and binding obligation of the Tribe, enforceable against the Tribe in accordance with its terms; (iv) the execution and delivery of this Agreement and the compliance with the terms and conditions hereof will not conflict with or constitute a violation or breach of or default under the organization documents or other governing documents of the Tribe or any ordinance or other law of the Tribe; and (v) no consent or approval is necessary in connection with the execution and delivery of this Agreement or with compliance with the terms and conditions hereof, except as have been obtained or made and as are in full force and effect.
16. Miscellaneous. This Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements and prior writings with respect thereto. This Agreement may not be amended or modified except by an agreement in writing executed by each of the parties hereto. Section headings herein are for convenience only and are not a part of this Agreement. This Agreement is solely for the benefit of the Tribe and Sovereign, and no other person shall acquire or have any rights under or by virtue of this Agreement. This Agreement may not be assigned by either party hereto without the other party's prior written consent; however, such consent shall not be unreasonably withheld. Neither party hereto shall be responsible or have any liability to any other party for any indirect, special or consequential damages arising out of or in connection with this Agreement or the transactions contemplated hereby, even if advised of the possibility thereof.

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

If the above correctly sets forth the understanding between the Tribe and Sovereign, please so indicate by signing and returning to the undersigned one of the enclosed duplicates of this Agreement.

Very truly yours,

SOVEREIGN FINANCE LLC

By: _____

Name: Jeffrey M. Lamb

Title: Principal

Confirmed and agreed to this ____ day of November 2011:

WHITE MOUNTAIN APACHE TRIBE

By: 

Ronnie Lupe, Chairman