



SQUAXIN ISLAND TRIBE

RESOLUTION NO. 13-18

of the

SQUAXIN ISLAND TRIBAL COUNCIL

WHEREAS, the Squaxin Island Tribal Council is the Governing Body of the Squaxin Island Tribe (“Tribe” or “Borrower”), its members, its lands, its enterprises and its agencies by authority of the Constitution and Bylaws of the Squaxin Island Tribe, as approved and adopted by the General Body and the Secretary of the Interior on July 8, 1965; and

WHEREAS, under the Constitution, Bylaws and inherent sovereignty of the Tribe, the Squaxin Island Tribal Council is charged with the duty of protecting the health, security, education and general welfare of tribal members, and with protecting and managing the lands and treaty resources and rights of the Tribe including those expressed in Section 1 (b) and (i) of the Constitution; and

WHEREAS, the Squaxin Island Tribal Council has been entrusted with the creation of ordinances and resolutions in order to fulfill their duty of protecting the health, security, education and general welfare of tribal members, and of protecting and managing treaty land and treaty resources of the Tribe; and

WHEREAS, the Bank and the Borrower have entered into a Business Loan Agreement dated as of May 15, 2008, as amended (and so amended the “2008 Credit Agreement”); and

WHEREAS, certain obligations of the Borrower under the 2008 Credit Agreement mature June 1, 2013, the Borrower has requested that the Bank refinance a portion of the Borrower’s current outstanding principal owed to the Bank under the 2008 Credit Agreement, the Bank has promoted remarketing the tax exempt bonds, and the Bank has agreed to provide new and additional financing for various purposes set forth therein and amend certain terms of the 2008 Credit Agreement; and

WHEREAS, the parties desire to amend and restate the 2008 Credit Agreement in its entirety and to make such other changes as set forth herein; and

WHEREAS, the Tribe and Bank of America (“Bank”) have negotiated a loan and related agreements, namely:

1. The Amended and Restated Loan Agreement draft dated March 15, 2013;
2. The Amended and Restated Security Agreement draft dated March 15, 2013, granting the collateral described therein (the “Collateral”) to secure the loan made under the Loan Agreement (the “Security Agreement”);
3. Irrevocable Letters of Credit draft dated March 15, 2013;
4. Financing Statements draft dated March 26, 2013;
5. Pledge and Security Agreement draft dated March 15, 2013;
6. Officers’ Certificate draft dated March 26, 2013;
7. Form of Bank of America, N.A. Letter of Credit Application dated March 26, 2013 (items 1-7 together, the “Loan Documents”);
8. Remarketing Agreement between the Tribe and Merrill Lynch, Pierce, Fenner & Smith

- Incorporated (“MLPFS”) draft dated March 20, 2013;
9. Supplemental Indenture draft dated March 20, 2013, between the Tribe and The Bank of New York Mellon Trust Company, N.A.;
 10. Limited Offering Memorandum draft dated March 26, 2013;
 11. Bond Amortization Letter draft dated March 15, 2013;
 12. Notice of Conversion draft dated March 20, 2013;
 13. Notice of Mandatory Tender for Purchase draft dated March 20, 2013; and
 14. Other bond-related documents (items 7-14 together, the “Bond Documents” and with the Loan Documents the “Transaction Documents”); and

WHEREAS, capitalized terms used and not defined herein have the meaning set forth in the Transaction Documents.

THEREFORE, BE IT RESOLVED AND ENACTED By the Council as follows:

Section 1. Transaction Documents. The terms and conditions of the above-described Transaction Documents are hereby authorized, ratified and approved. The [Chairman, David Lopeman, or in his absence the Vice-Chairman, Arnold Cooper (each an “Authorized Officer”)], are hereby authorized to (1) finalize the Transaction Documents with such modifications and revisions that the Authorized Officers, in consultation with the Tribe’s legal counsel, determine are in the best interests of the Tribe; and (2) execute and deliver on behalf of the Tribe, such final Transaction Documents, together with any and all other documents, certificates, instruments, financing statements, and any other documents necessary to carry out the obligations and transactions contemplated by the Transaction Documents (the “Related Documents”) in order to effect the transactions and the making of the loans contemplated by the Transaction Documents. The Authorized Officers are hereby authorized to approve, execute and deliver such future amendments to the final Transaction Documents and Related Documents as may be in the best interests of the Tribe and as necessary to carry out the Tribe’s obligations thereunder. The [Treasurer of the Tribe and the Chief Financial Officer of the Tribe] are hereby severally authorized, empowered, and directed to administer the Loan Agreement, the Loan Documents, the Supplemental Indenture, and the related Bond Documents, including requesting advances or proceeds of the loans thereunder.

Section 2. Choice of Law Authorization.

A. The parties to any contract, agreement, or other like document related to the transaction described in Section 1 of this Resolution, including the Tribe and any department, program, or corporation of the Tribe, are hereby permitted and authorized to include in the document a stipulation providing that a designated body of laws will govern the interpretation and enforcement of the document(s), and

B. The Tribal Court shall, in cases brought before the Court over which it has jurisdiction and involving the document, use the designated body of laws for the interpretation and enforcement of the document.

Section 3. Choice of Law. With respect to the Transaction Documents, the Tribe hereby authorizes and approves the terms of the Transaction Documents providing that the Transaction Documents are governed by and construed in accordance with the laws of the State of Washington (without regard to principles of conflict of laws), including the Washington Uniform Commercial Code.

Section 4. Waiver of Sovereign Immunity, Consents to Court Jurisdiction, Waiver of the Exhaustion of Tribal Remedies, Limited Recourse.

A. The Tribe hereby authorizes, affirms, and approves the waiver of sovereign immunity, consent to the jurisdiction of specified courts, and waiver of the exhaustion of tribal remedies set forth in the Loan Documents, and the Tribe independently, by and through this Resolution, on behalf of itself and the Gaming Enterprise, makes the following waivers and consents:

1. (a) The Tribe expressly and irrevocably waives its and the Gaming Enterprise's sovereign immunity from suit (and any defense based thereon) from any suit, action, arbitration proceeding or other proceeding or from any legal process, whether such action be brought in law or in equity, arising in contract, tort or statute, for claims arising under or with respect to the obligations and indebtedness evidenced by the Loan Documents and any related documents or to enforce and execute any order, judgment or ruling resulting from any such action or arbitration and consents to be sued in the courts of the United States District Courts located within the State of Washington and any appellate court to which any appeals therefrom are available (collectively the "Washington Federal Courts") and the courts of the State of Washington and any appellate court to which any appeals therefrom are available (collectively the "Washington State Courts" and together with the Washington Federal Courts the "Washington Courts"). If it is determined that none of the foregoing courts has jurisdiction, then the Tribe consents to the jurisdiction of the Squaxin Island Tribal Court (the "Tribal Courts" and together with the Washington Courts, the "Consented Courts"). The Tribe irrevocably and unconditionally waives any objection which it may now or hereafter have to the laying of venue of any action arising out of or relating to the Loan Documents or the transactions contemplated hereunder or thereunder in any Consented Court. The Tribe hereby irrevocably waives any requirement of exhaustion of tribal remedies. Provided, the waiver of sovereign immunity expressed herein is limited to the Bank, its successors in interest and assigns, the indemnitee under the Loan Agreement or any of their officers, directors, agents or employees (a "Grantee"). Provided further, that except as set forth in Section 14.5(b) of the Loan Agreement, recourse of the Bank or any Grantee under this waiver of sovereign immunity is limited to the Collateral.

(b) The obligations of the Tribe under the Loan Agreement or any Loan Document are limited recourse obligations enforceable solely against the Collateral, except in the event of a default by the Tribe under Section 11.23 of the Loan Agreement, in which case enforcement may be had against any property of the Tribe; provided however, that in no case may recourse or enforcement be made against: (i) Excluded Assets; (ii) real estate held in trust by the United States for the benefit of the Tribe; (iii) real estate subject to restrictions by the United States against alienation; (iv) any restricted federal or grant funds or other assets against which enforcement is unlawful under applicable Federal or State law; (v) the Tribe's minor's trust established under its revenue allocation plan; or (vi) the Permanent Trust.

2. Arbitration and Waiver of Jury Trial. This Paragraph A.2 is a material inducement for the parties entering into the Loan Agreement. The Tribe expressly and irrevocably waives its and the Gaming Enterprise's sovereign immunity from compulsory arbitration and judicial enforcement of the arbitration award or awards suit for Claims by the Bank with respect to the obligations and indebtedness that arise out of or relate to (i) the Loan Agreement (including any renewals, extensions or modification) or (ii) any document related to the Loan Agreement. Provided, the waiver of sovereign immunity expressed herein is limited to the Bank, its successors in interest and assigns, the indemnitee under the Loan Agreement or any of their officers, directors, agents or employees. Provided further, except as set forth in Section 14.5(b) of the Loan Agreement, recourse of the Bank under this waiver of sovereign immunity is limited to the Collateral.

(a) This Paragraph A.2 concerns the resolution of any controversies or claims between the parties, whether arising in contract, tort or by statute, including but not limited to controversies or claims that arise out of or relate to: (i) the Loan Agreement (including any renewals, extensions or modifications); or (ii) any document related to the Loan Agreement (collectively a "Claim"). For the

purposes of this Dispute Resolution Provision only, the term “parties” shall include any parent corporation, subsidiary or affiliate of the Bank involved in the servicing, management or administration of any obligation described or evidenced by the Loan Agreement.

(b) At the request of any party to the Loan Agreement, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U.S. Code) (the “Act”). The Act will apply even though the Loan Agreement provides that it is governed by the law of a specified state.

(c) Arbitration proceedings will be determined in accordance with the Act, the then-current rules and procedures for the arbitration of financial services disputes of the American Arbitration Association or any successor thereof (“AAA”), and the terms of this Dispute Resolution Provision. In the event of any inconsistency, the terms of this Dispute Resolution Provision shall control. If AAA is unwilling or unable to (i) serve as the provider of arbitration or (ii) enforce any provision of this arbitration clause, the Bank may designate another arbitration organization with similar procedures to serve as the provider of arbitration.

(d) The arbitration shall be administered by AAA and conducted, unless otherwise required by law, in Washington state. All Claims shall be determined by one arbitrator; however, if Claims exceed Five Million Dollars (\$5,000,000), upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within ninety (90) days of the demand for arbitration and close within ninety (90) days of commencement and the award of the arbitrator(s) shall be issued within thirty (30) days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional sixty (60) days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed, judgment entered, enforced or set aside. An arbitration award shall not be subject to review or modification by a court for any reason other than the circumstances described in 9 U.S.C. §§ 10 and 11, and in the event the arbitration award is enforced in a forum of the Tribe, the circumstances described in the Tribe’s Arbitration Code.

(e) The arbitrator(s) will give effect to statutes of limitation in determining any Claim and may dismiss the arbitration on the basis that the Claim is barred. For purposes of the application of any statutes of limitation, the service on AAA under applicable AAA rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s), except as set forth at subsection (h) of this Dispute Resolution Provision. The arbitrator(s) shall have the power to award legal fees pursuant to the terms of the Loan Agreement.

(f) This Paragraph A.2 does not limit the right of any party to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or non-judicial foreclosure against any Collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or additional or supplementary remedies.

(g) The filing of a court action is not intended to constitute a waiver of the right of any party, including the suing party, thereafter to require submittal of the Claim to arbitration.

(h) Any arbitration or trial by a judge of any Claim will take place on an individual basis without resort to any form of class or representative action (the “Class Action Waiver”). Regardless of anything else in this Dispute Resolution Provision, the validity and effect of the Class Action Waiver may be determined only by a court and not by an arbitrator. The parties to the Loan Agreement acknowledge

that the Class Action Waiver is material and essential to the arbitration of any disputes between the parties and is nonseverable from the agreement to arbitrate Claims. If the Class Action Waiver is limited, voided or found unenforceable, then the parties' agreement to arbitrate shall be null and void with respect to such proceeding, subject to the right to appeal the limitation or invalidation of the Class Action Waiver.

The Parties acknowledge and agree that under no circumstances will a class action be arbitrated.

(i) By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This waiver of jury trial shall remain in effect even if the Class Action Waiver is limited, voided or found unenforceable. **WHETHER THE CLAIM IS DECIDED BY ARBITRATION OR BY TRIAL BY A JUDGE, THE PARTIES AGREE AND UNDERSTAND THAT THE EFFECT OF THIS AGREEMENT IS THAT THEY ARE GIVING UP THE RIGHT TO TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW.**

B. The Tribe hereby authorizes, affirms, and approves the waiver of sovereign immunity, consent to the jurisdiction of specified courts, and waiver of the exhaustion of tribal remedies set forth in the Supplemental Indenture, and the Tribe independently, by and through this Resolution, on behalf of itself and the Gaming Enterprise, makes the following waivers and consents: [insert from Supplemental Indenture]

C. The Tribe hereby authorizes, affirms, and approves the waiver of sovereign immunity, consent to the jurisdiction of specified courts, and waiver of the exhaustion of tribal remedies set forth in the Remarketing Agreement, and the Tribe independently, by and through this Resolution, on behalf of itself and the Gaming Enterprise, makes the following waivers and consents: [insert from Remarketing Agreement]

Section 5. The Council, for itself and on behalf of the Tribe and the Gaming Enterprise, further acknowledges, affirms, and agrees that the Tribe's Arbitration Code, Title 4, Chapter 4.52, in effect as of the date hereof, applies to the Transaction Documents.

Section 6. The Council, for itself and on behalf of the Tribe and the Gaming Enterprise, further authorizes, approves, and affirms that with respect to any security interest to which the Transaction Documents, Related Documents, and these Resolutions apply: (1) the rights and obligations of any person shall be governed as if the Uniform Commercial Code of the State of Washington ("Washington UCC") applied fully thereto, including those rights and obligations related to enforcement of a security interest arising after default; (2) the perfection, effect of perfection or non-perfection and priority of any security interest to which the Transaction Documents, the Related Documents, and these Resolutions apply shall be determined as if the Washington UCC applied fully thereto and as if each debtor were (for purposes of Washington UCC § 62A.9A-301 through § 62A.9A-342) located in the State of Washington and as if the Tribe's Reservation were located in the State of Washington; (3) notwithstanding any provision of the Washington UCC or these Resolutions to the contrary, a security interest granted by the Tribe in Pledged Revenues shall be created and attach upon the giving of value and the granting of such security interest in a writing executed by the Tribe, and such security interest may be perfected only by filing of an initial financing statement in the same manner and in the same location as if all such of such Pledged Revenues were accounts; (4) with respect to any security interest to which the Transaction Documents, Related Documents, and these Resolutions apply, the proper office for filing a financing statement shall be the office specified by the Washington UCC and the laws of the State of Washington as if the Tribe were located in the State of Washington. For the avoidance of doubt, no UCC financing statement is required to be filed with the Tribe or any office thereof.

BE IT FURTHER RESOLVED AND ENACTED, that the approval of any Transaction Document and Related Document shall be conclusively presumed from the execution thereof by an Authorized Officer in the name of the Tribe.

BE IT FURTHER RESOLVED AND ENACTED, that the Authorized Officers of the Tribe are authorized to furnish a certified copy of this Resolution to the Bank and to MLPFS and any other party the Authorized Officers deem appropriate, and such parties shall be entitled to rely thereon and assume conclusively that this Resolution remains in full force and effect.

BE IT FURTHER RESOLVED AND ENACTED, that the Tribal Council hereby determines that no laws, ordinances, resolutions or other actions of the Tribe or any of the agencies or instrumentalities of the Tribe, either written or established by custom or tradition, prohibits the Tribe from approving the execution or delivery of the Transaction Documents and Related Documents or performing the obligations of the Tribe thereunder.

BE IT FURTHER RESOLVED AND ENACTED, that the Tribal Council finds and determines that each of the lawful acts of the Tribe, including the Tribal Council and the General Council or any authorized representative, officer or agency of the Tribe, taken prior to the date hereof related to the Transaction Documents and Related Documents, including but not limited to all lawful acts taken in connection with the transactions and agreements contemplated by the foregoing Resolutions, is hereby ratified, approved, adopted and confirmed as if such act had been presented to and approved by the Tribal Council prior to being taken.

BE IT FURTHER RESOLVED AND ENACTED, that the Tribal Council finds that adoption of this Resolution does not interfere with or violate the public policy or the laws of the Tribe, and any prior law of the Tribe that is contrary to or inconsistent with the provisions of this Resolution is hereby declared to be inapplicable to the Transaction Documents to the extent of any such conflict or inconsistency.

BE IT FURTHER RESOLVED AND ENACTED, that by authorizing the entry into the Transaction Documents, the Tribe, on behalf of itself and the Gaming Enterprise, hereby and thereby determines, acknowledges, and confirms that it and the Gaming Enterprise each agrees that it shall not take any action to abrogate, void, cancel or rescind its obligations thereto or unilaterally amend or modify the transactions contemplated thereby. Upon execution of any Transaction Document and Related Document authorized by this Resolution, such document shall become a valid and binding obligation of the Tribe, enforceable in accordance with its terms for purposes of tribal law and the laws of all other applicable jurisdictions.

BE IT FURTHER RESOLVED AND ENACTED, that the provisions of this Resolution are intended to constitute a contractual and property right vested in the parties to the Transaction Documents (and their successors, their permitted assigns, and indemnified parties thereunder), shall not be revoked, modified or otherwise impaired by the Tribe so long as there remains outstanding any obligation of the Tribe under the Transaction Documents and the transactions contemplated thereby, and may be enforced by such parties.

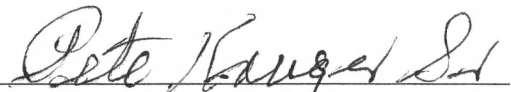
BE IT FINALLY RESOLVED AND ENACTED, that this Resolution shall become effective as of the date and time of its passage and approval by the Tribal Council.

CERTIFICATION

The Squaxin Island Tribal Council hereby certifies that the foregoing Resolution was adopted at the regular meeting of the Squaxin Island Tribal Council, held on this 27th day of March, 2013, at which time a quorum was present and was passed by a vote of 4 for and 0 against, with 0 abstentions.



David Lopeman, Chairman

Attested by: 

Peter Kruger, Sr., Secretary



Arnold Cooper, Vice Chairman