



SQUAXIN ISLAND TRIBE

SQUAXIN ISLAND INDIAN TRIBE

RESOLUTION NO. 07-21

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;

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 Tribe and Bank of America, N.A. (“Bank”) have negotiated a second amendment to the Business Loan Agreement entered into on August 1, 2006, and by such amendment the Bank will relax the financial covenant of the ratio of Funded Debt to EBIDTA and include certain government revenues (excise and sales tax revenues and permanent trust distribution and interest income) in EBIDTA and the Tribe will have pledged certain other government revenues (excise and sale tax revenues) as security to allow the Tribe to exercise its option to exercise the second of two agreed \$5,000,000 increments of increase to its credit facility, and further increase the credit facility to Fifty Three Million Dollars, for the purpose of financing (a) a non-smoking casino remodel project, (b) a hotel room expansion, (c) an events centers, (d) a wastewater reclamation facility, and (e) tribal capital projects, including (1) construction of a cigarette factory; (2) infrastructure work for a Washington Department of Transportation interchange; (3) construction of a water and sewer project; and (4) development of a parking lot, and to pay fees and expenses associated with the amendment and to restate the pricing as evidenced by the Second Amendment to Business Loan Agreement between Bank

and the Borrower (“Second Amendment” or “Amended Loan Agreement”) dated August 1, 2006 and the First Amendment to Amended and Restated Security Agreement between Bank and the Borrower (“First Amendment” or “Amended Security Agreement”) dated March 7, 2003; and

WHEREAS, in order to induce Bank to complete this loan and execute the Second and First Amendments and perform the same it is necessary for the Council to ratify and approve the terms of the Second and First Amendments and to authorize the Tribe to negotiate and execute final versions of the Second and First Amendments, to issue a limited waiver of sovereign immunity; to authorize arbitration of certain controversies that could arise regarding the transaction; to consent that the Tribe be sued in state, federal and tribal courts pertaining to the transaction; to consent to the application of the substantive laws of the State of Washington – all in order that the Bank may be induced to make the loan as evidenced by the existing Loan Agreement, as amended, and in order that Bank may be assured it may enforce the Amended Loan Agreement and any related documents as well as the Amended Security Agreement against the Tribe.

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

Section 1. Authorization to Execute and Deliver. The terms and conditions of the above-described drafts of the Second and First Amendments are hereby authorized and ratified. The Chairman, or in his absence the Vice-chairman, is hereby authorized to execute and deliver on behalf of the Tribe the Second and First Amendments, as well as any non-material revisions of the same prior to their execution as they shall determine, together with any and all other documents, promissory notes, financing statements, consents, certifications, representations and warranties required by Bank or its representatives in order to effect the transactions and the making of the loan. In addition, the Chairman, or in his absence the Vice-chairman, is hereby authorized to (a) enter into any swap transaction, forward transaction, foreign exchange transaction or any combination of the foregoing transactions or option to enter into any of the foregoing transactions, including, without limitation, any commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction and currency option, or any similar transaction (each a “Transaction”), with Bank of America, N.A. and (b) to execute and deliver (i) any agreement or document (including, without limitation, a master agreement and confirmations of any Transaction) that in the opinion of the officer executing or delivering any such agreement or document may be necessary or appropriate in connection with any Transaction and (ii) any amendment or revision to any such agreement or document which in the opinion of the officer executing or delivering any such agreement or document may be necessary or appropriate.

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. The Second and First Amendments and all related documents thereto shall create the rights and remedies that would apply and shall be 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 Exhaustion of Tribal Remedies. The Council for itself and on behalf of the Tribe consents and agrees that it shall not be necessary in any litigation or arbitration or dispute resolution proceedings pertaining to the transactions described in the Second or First Amendments and other documents or transactions relating thereto, that there first be any deferral to or exhaustion of remedies in the Tribal Court of the Tribe, any other tribal court or dispute resolution tribunal, or the Council. The Council agrees for itself and on behalf of the Tribe not to assert that the Tribal Court of the Tribe or any other courts or dispute resolution tribunals created by the Tribe, including but not limited to the Council itself, shall have jurisdiction as an adjudicative tribunal over any case or controversy or proceeding pertaining to said transaction or the Second and First Amendments unless the same is initiated by or consented to in writing by Bank.

Section 5. Choice of Venue; Submission to Jurisdiction. The Council, for itself and on behalf of the Tribe, consents and agrees that the United States District Court for the Western District of Washington, the United States Claims Court (in actions that would be within its jurisdiction where the United States is the only defendant), the federal appellate courts, and the Washington courts of general jurisdiction, including their appellate courts, shall have jurisdiction in any dispute regarding the transactions or subject matter or proceedings described in the Amended Security Agreement or the Amended Loan Agreement. This consent and agreement will not extend to any other transactions or subjects. If it is determined that the foregoing court does not enjoy proper jurisdiction, then the Tribe consents to suit to compel or enforce arbitration in any federal or tribal court of competent jurisdiction, including the Squaxin Island Tribal Court.

Section 6. Waiver of Sovereign Immunity, Arbitration and Waiver of Jury Trial. The Council, for itself and on behalf of the Tribe, expressly and irrevocably waives its sovereign immunity from suit for claims by Bank with respect to the obligations and indebtedness evidenced by the Second and First Amendments and any other document related to this transaction and consents to be sued in the courts of the state of Washington to compel or enforce arbitration as described and under the terms of the Amended Loan Agreement or Amended Security Agreement; *provided*, the waiver of sovereign immunity expressed herein is limited to the Bank and its successor and assigns as lender under the Second and First Amendments and, *provided further*, that recourse of the Bank under this waiver of sovereign immunity is limited to the Net Revenues of the Borrower's Gaming Enterprise, as defined in the Loan Agreement dated March 7, 2003, all personal property associated with same and the Borrower's sales and excise tax revenues.

The Council further agrees that:

(a) At the request of the Bank, 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 this Agreement provides that it is governed by the law of a specified state.

(b) Arbitration proceedings will be determined in accordance with the Act, the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), and the terms of this paragraph. In the event of any inconsistency, the terms of this paragraph shall control.

(c) The arbitration shall be administered by AAA and conducted 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 and enforced.

(d) The arbitrator(s) will have the authority to decide whether any Claim is barred by the statute of limitations and, if so, to dismiss the arbitration on that basis. For purposes of the application of the statute of limitations, the service on a party of a demand for arbitration under applicable AAA rules 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). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Agreement.

(e) This paragraph does not limit the right of the Bank to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or nonjudicial foreclosure against any real or personal property 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 appointment of a receiver, or additional or supplementary remedies

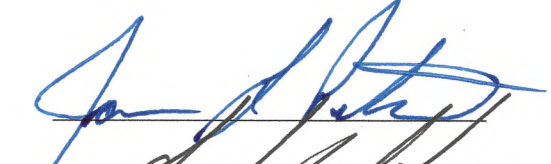
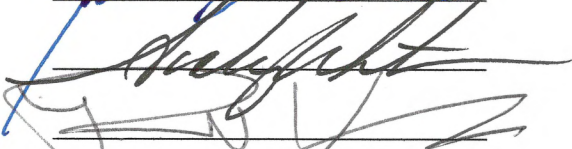


(f) The filing of a court action is not intended to constitute a waiver of the right of Tribe or the Bank, including the suing party, thereafter to require submittal of the Claim to arbitration.

(g) 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 the 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 provision is a material inducement for the

parties entering into the Amended Loan Agreement. The filing of a court action is not intended to constitute a waiver of the right of the any party, including the suing party. thereafter to require submittal of the Claim to arbitration.

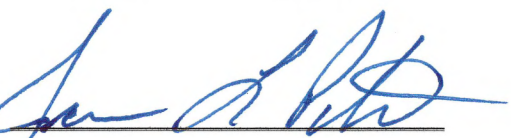
The Council further waives any right it may have to a jury trial under any proceeding related to the Amended Loan Agreement or any other documents related thereto.

Section 7. Bank Instruction Authority. In and by this Resolution and until revised by subsequent action of the Tribal Council, the Tribal Council authorizes on behalf of the Tribe the taking of advances, making of repayments or for the designation of the optional LIBOR Rate upon written instruction of one individual, whose true signature appears opposite his or her name, from each category of signatories listed below:

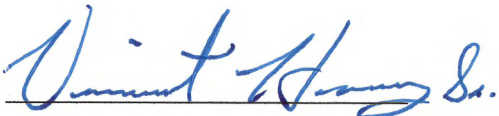
<u>Name</u>	<u>Title</u>	<u>Signature</u>
Elected Tribal Officials		
James L. Peters	Chairman	
Andy Whitener	Vice-Chairman	
Russell Harper	Treasurer	
Gaming Enterprise Officials		
Cameron Goodwin	Chief Executive Officer	

CERTIFICATION

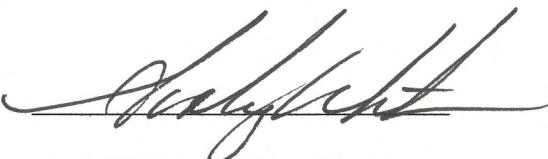
The Squaxin Island Tribal Council does hereby certify that the foregoing Resolution was adopted at the regular meeting of the Squaxin Island Tribal Council, held on this 22 day of February at which time a quorum was present and was passed by a vote of 3 for and 0 against with 0 abstentions.



Jim Peters, Chairman

Attested by: 

Vince Henry, Sr., Secretary



Andy Whitener, Vice Chairman