



RESOLUTION No. 081914-A

A RESOLUTION APPROVING FINANCING OF THE EXPANSION OF THE DOWNSTREAM CASINO RESORT PAVILION PURSUANT TO A LEASE ARRANGEMENT WITH THE QUAPAW TRIBE

- WHEREAS**, the Downstream Development Authority of the Quapaw Tribe of Oklahoma (O-Gah-Pah) (the "Authority"), is an unincorporated entity wholly owned by the Quapaw Tribe of Oklahoma (O-Gah-Pah) (the "Tribe"), a federally recognized Indian nation; and
- WHEREAS**, the Authority was created under the laws of the Tribe and authorized to develop, construct, manage, and operate the Downstream Casino Resort (the "Resort") and to engage in gaming pursuant to Tribal, federal, and state law on the Indian lands of the Tribe within the original Quapaw Reservation, as established as a homeland for the Quapaw Nation by the Treaty of May 13, 1833, *Quapaw Code* Title 17, § 101 *et seq.*; and
- WHEREAS**, the Authority is expressly authorized to exercise its powers in the best interest of the Tribe, and to enter into agreements relating to development, financing, and other operations at the Resort; and
- WHEREAS**, the Authority, in accordance with plans for further development of the Resort made in accordance with professional business advice, currently has under construction an expansion of the Pavilion, which expanded facility will provide for needed space for larger meetings and events at the Resort; and
- WHEREAS**, based upon the advice of its financial advisors and consultants, the Authority has determined to finance the Pavilion Expansion through a loan made to the Tribe, which loan would be required to be guaranteed by the Bureau of Indian Affairs (the "BIA"), and which loan would be repaid by the Tribe through payments to be made by the Resort pursuant to a lease of the expanded Pavilion facility; and
- WHEREAS**, the Authority and the Tribe have selected as the potential lender International Bank of Commerce, doing business as IBC Bank ("IBC"), and, with and through the assistance of Authority financial staff, financial consultants, and counsel the Authority and the Tribe have negotiated a proposed loan commitment letter and term sheet (the commitment letter and term sheet are collectively referred to hereinafter as the "Commitment Letter"), the final drafts of which have been made available to and have been reviewed and approved by the Board of Members of the Authority, and which Commitment Letter is intended to be, pursuant to its terms, a confidential and proprietary document of the Authority and the Tribe; and



WHEREAS, the terms of the Commitment Letter provide for a proposed loan to the Tribe in the amount of Five Million One Hundred Thousand Dollars and No Cents (\$5,100,000.00), with a five-year term, with interest to be paid at a floating rate of the prime rate plus 0.50%, and with a minimum or floor rate of 4.25% (hereinafter the "Loan"), the proceeds of which Loan would be applied to the costs of the construction of the new annex to the Pavilion, along with certain improvements to the existing Pavilion, and further provide that the Tribe will enter into a lease with the Resort, with the payments by the Authority under which lease shall be sufficient to cover the debt of the Tribe under the Loan, and which lease payments shall be paid by the Authority directly to IBC; and

WHEREAS, the Authority desires to approve the Commitment Letter, which it finds to be in the best interests of the Tribe.

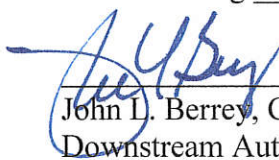
NOW, THEREFORE BE IT RESOLVED THAT the Authority hereby approves the Commitment Letter to the extent such approval is required by the Authority, and further authorizes the Chairman of the Board of Members of the Authority to conduct and complete any remaining negotiations of the Commitment Letter, or any of its parts, in consultation with the Members of the Authority, and to execute and deliver such Commitment Letter in final form to IBC.

BE IT FURTHER RESOLVED THAT the Authority hereby authorizes and directs the Chairman of the Authority to proceed with and/or to oversee the negotiation and preparation of final documents and instruments for the Loan, consistent with the terms set forth in the Commitment Letter, provided that such final Loan documents shall be subject to the approval of the Authority.

BE IT FURTHER RESOLVED THAT the Commitment Letter shall be maintained as a strictly confidential and proprietary document of the Authority and the Tribe, in accordance with its terms.

CERTIFICATION

The foregoing resolution of the Downstream Development Authority of the Quapaw Tribe of Oklahoma (O-Gah-Pah) was presented and duly adopted through an electronic/telephonic poll of the Members of the Authority on August 19, 2014, with a vote reflecting 5 yes, 0 no, 0 abstaining, and 0 absent.



John L. Berrey, Chairman
Downstream Authority



Larry Ramsey, Secretary
Downstream Authority