

CHEYENNE & ARAPAHO TRIBES
SPECIAL TRIBAL COUNCIL MEETING
NOVEMBER 17, 2007
HAMMON COMMUNITY HALL, HAMMON, OK

RESOLUTION NO: 111707STC 005

DATE POSTED:

DATE APPROVED: 11/17/07

SUBJECT: Expansion and development agreement, interim gaming management contract and gaming management contract with Southwest Casino Corporation for management of Lucky Star – Concho and Lucky Star – Clinton casinos

WHEREAS; The Cheyenne and Arapaho Tribes are a federally recognized tribe and have their own form of self-government; and

WHEREAS; This self-government and sovereign status promotes economic and social welfare and protects religious freedom and tribal customs of all tribal members; and

WHEREAS; Article V, Section 2(a) of the Constitution grants the Tribal Council the power to set policy for the Tribes and all other powers and duties specifically provided by this Constitution; and

WHEREAS; "Policy" is defined as the general principles by which a government can direct actions and decisions that are in the best interest of the people; and

WHEREAS; Article VII Section 4(c) grants the tribal Governor the power to negotiate and sign a gaming management contract only if it "has been previously and specifically authorized by the Tribal Council"; and

WHEREAS; Article V, Section 2(c) of the Constitution grants the Tribal Council "the power to authorize the Governor to enter into treaties, compacts, or any contract"; and

WHEREAS; The Lucky Star – Concho and Lucky Star – Clinton casinos are currently operating without the benefit of professional gaming management from Southwest Casino Corporation ("Southwest"); and

WHEREAS; The Tribal Council recognizes that the performance of the Lucky Star – Concho and Lucky Star – Clinton casinos has diminished since Southwest ceased to manage the casinos and there is an immediate need to enter into a new gaming management contract with Southwest; and

WHEREAS; The Tribal Council also recognizes both the need and the opportunity to expand the Tribes' gaming facilities to further enhance the economic and employment benefits to the members of the Tribes; and

NOW THEREFORE BE IT RESOLVED that the Tribal Council of the Cheyenne and Arapaho Tribes authorizes the Governor to negotiate and enter into an expansion agreement and new gaming management contract with Southwest for the Tribes' Lucky Star – Concho and Lucky Star – Clinton casinos.

RESOLVED FURTHER, that in accordance with the Tribal Council's power to set policy for the Tribes and the requirement that the Tribal Council previously and specifically authorize the Governor to negotiate and sign a gaming management contract, the Tribal Council specifically authorizes the Governor to negotiate and enter into contracts consistent with (but not necessarily identical to) the following terms, subject to good faith negotiation by the Governor with Southwest:

- 1) A management fee paid to Southwest of 10% of the first \$28 million in net revenue from the Tribal gaming facilities with an additional 15% management fee on any net revenue from all of the Tribes' gaming facilities managed by Southwest above \$28 million.
- 2) A Gaming management contract with a term of 5 years and management fees as described above, under which Southwest will manage the Lucky Star – Concho and Lucky Star – Clinton casinos for the Tribes:
- 3) An expansion and development agreement under which Southwest will expand the Lucky Star – Concho and Lucky Star – Clinton casinos. The total cost of these expansions is not to exceed \$35 million for Lucky Star – Concho and \$15 million for Lucky Star – Clinton.
- 4) In connection with the expansion agreement for Lucky Star – Concho and Lucky Star – Clinton, Southwest will obtain financing on behalf of the Tribes and develop for the Tribes a building to house an Indian Health Service (IHS) clinic in Concho, Oklahoma. The building will be approximately 25,000

square feet and will cost an estimated \$5.0 million. Southwest will pay all of the costs of constructing and financing this building from the management fees paid to Southwest by the Tribes.

2007 Tribal Council of the
Cheyenne & Arapaho Tribes


Tribal Council Chairman

ATTEST:


Tribal Council Secretary

CERTIFICATION

I, the undersigned, as duly elected Secretary of the Tribal Council of the Cheyenne and Arapaho Tribes; do hereby certify that a quorum was present at the duly called Special Tribal Council Meeting held on the 17th day of November, 2007, and that the foregoing resolution was adopted by a quorum of the Tribal Council with an affirmative vote 90 for, 2 against, 1 abstaining, and 0 not voting.


Tribal Council Secretary