

**RESOLUTION OF THE
BUDGET AND FINANCE COMMITTEE
OF THE NAVAJO NATION COUNCIL**

25TH NAVAJO NATION COUNCIL - Second Year, 2024

AN ACTION

**RELATING TO THE BUDGET AND FINANCE COMMITTEE; APPROVING AND
ADOPTING THE OCTOBER 2023 RESTRUCTURING TERM SHEET PREPARED BY
OFFICE OF THE CONTROLLER FOR RESTRUCTURING GAMING LOAN TO
NAVAJO NATION GAMING ENTERPRISE**

BE IT ENACTED:

SECTION ONE. AUTHORITY

The Budget & Finance Committee is a standing committee of the Navajo Nation Council that is authorized to review, and make recommendations concerning budgeting and management of all Navajo Nation funds. 2 N.N.C. §§ 300(A) and § 301(B)(2).

SECTION TWO. FINDINGS

- A. The Budget and Finance Committee adopted the investment policies for all Navajo Nation financial resources (the "Master Investment Policy") pursuant to Resolution BFO-61-90, as amended by Resolutions BFJY-114-03, BFJA-01-08, BFJN-17-15, BFD-38-17, BFD-41-17, BFD-45-18, BFAP-08-21, BFO-33-22, and BFAU-22-23.
- B. The Navajo Nation Investment Committee (the "Investment Committee") is an advisory committee to the Budget and Finance Committee in the management of the Navajo Nation's investment programs, pursuant to the Master Investment Policy at § 4.3, and is responsible for approving and recommending to the Budget and Finance Committee adoption of actions related to the Navajo Nation's investments.
- C. The Navajo Nation made a fixed-income security investment in the Navajo Nation Gaming Enterprise ("NNGE" or "Enterprise") through an Amended, Restated and Consolidated Loan Agreement dated April 3, 2012 (the "2012 Loan Agreement"), under which 2012 Loan Agreement, the Nation and NNGE amended,

restructured and consolidated certain loans made to NNGE to finance the construction and other costs relating to all the casinos owned and operated by NNGE (the "Initial Loans") and to provide additional financing in the original principal amount of \$30,000,000.00 to NNGE (the "2012 Additional Financing") for the expansion of a hotel located at Twin Arrows Navajo Casino Resort (the Initial Loans and the 2012 Additional Financing are referred to herein as the "Gaming Loan").

- D. On November 21, 2017, the Budget and Finance Committee passed resolution No. BFN-39-17, which approved a term sheet for the restructuring of the Gaming Loan, which was then outstanding in the amount of \$208,759,393.00, and authorized the President of the Navajo Nation to execute a Second Amended, Restated and Consolidated Loan Agreement between the Navajo Nation and NNGE (the "Second Amended Loan Agreement"), which Second Amended Loan Agreement was executed on May 18, 2018, but was effective as of December 1, 2017.
- E. On May 23, 2018, NNGE and the Nation entered into a Loan Agreement (Sihasin Travel Center Project) (the "Travel Center Loan Agreement"), under which Travel Center Loan Agreement, the Nation loaned NNGE \$4,000,000.00 from the Sihasin Fund (the "Sihasin Loan") for the purpose of developing a Twin Arrows Travel Center. In addition to the Sihasin Loan, the Nation provided an additional \$6,000,000.00 in direct funding from the Sihasin Fund to NNGE for the development of the Travel Center.
- F. ON March 13, 2020, Navajo Nation Executive Order No. 001-20 declared a state of emergency due to the confirmation of the COVID-19 virus in regional areas surrounding the Navajo Nation, pursuant to which NNGE closed all four casino properties on March 17, 2020.
- G. During the COVID-19 pandemic, the Enterprise was required to be closed or was under occupancy restrictions and operational mandates for 1,039 days - approximately two years and ten months - resulting in the loss of approximately \$229.5M in revenues, \$70.9M in EBITDA profit, and the depletion of the Enterprise's \$55.9M in cash reserves and set asides to cover fixed operating costs, employee salaries and healthcare, subordinate debt, and other Navajo Nation obligations (the "Pandemic Related Restrictions and Losses").

- H. As a consumer-facing cash business, these Pandemic Related Restrictions and Losses adversely impacted the ability of the Enterprise to make debt service payments, leading the Enterprise and the Navajo Nation to postpone debt service payments and to engage in good faith discussions and negotiations for repayment under the Second Amended Loan Agreement and to address potential amendments or to restructure the Second Amended Loan Agreement.
- I. The Controller and NNGE entered into a Limited Forbearance Agreement ("Original Forbearance Agreement") dated August 19, 2020 that provided, among other things, that the Nation would forbear from enforcing its rights and remedies under the Second Amended, Restated Loan Agreement as well as that certain Loan Agreement (Sihasin Travel Center Project) dated May 23, 2018 (the "Travel Center Loan Agreement") for Specified Violations (as defined in the Original Forbearance Agreement) through December 31, 2020.
- J. Due to ongoing Pandemic Related Restrictions and Losses, NNGE requested that the Controller extend the forbearance period to June 30, 2022. NNGE and the Controller negotiated and Extended and Modified Forbearance Letter (the "Extended Forbearance").
- K. In light of continuing Pandemic Related Restrictions and Losses and ongoing discussions between the parties, a total of six extended and modified limited forbearances were executed, ultimately extending the period of forbearance to September 30, 2023 (the "Extensions"); and Controller and NNGE have exchanged several terms sheets to restructure the Gaming Loan over the course of several months.
- L. After consultation with the Investment Committee in such meetings and consultation with Controller's consultant Sovereign Finance, Controller prepared a revised term sheet ("October 2023 Restructuring Term Sheet"), attached hereto as **EXHIBIT A**.
- M. On October 26, 2023, the Investment Committee approved the October 2023 Restructuring Term Sheet pursuant to Resolution NNICAU-11-23, which is attached hereto as **Exhibit B**, recommending that the Budget and Finance Committee approve and adopt the October 2023 Restructuring Term Sheet upon its approval by NNGE's Board of Directors.

N. On November 18, 2023, NNGE's Board of Directors passed Resolution NNGENOV-001-23 approving the October 2023 Restructuring Term Sheet, attached as **Exhibit C**.

SECTION THREE. APPROVAL


The Budget and Finance Committee hereby approves and adopts the October 2023 Restructuring Term Sheet attached hereto as **Exhibit A**.

SECTION FOUR. SAVING CLAUSE

If any part of this Action is determined invalid by the Supreme Court of the Navajo Nation, or by a Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the remainder of this Action shall be the law of the Navajo Nation.

CERTIFICATION

I, hereby, certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting held at Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 2 in favor and 1 opposed, this 17th day of January 2024.



Seth A. Damon, Pro Tem Chairperson
Budget and Finance Committee

Motion: Honorable Carl R. Slater
Second: Honorable Shaandiin Parrish

EXHIBIT A

RESTRUCTURING TERM SHEET NAVAJO NATION – NAVAJO NATION GAMING ENTERPRISE

October 2023

Loan Amount:	\$190,839,943.00
Maturity Date	November 2032
Interest Rate:	6.65%
Interest Payments:	Beginning with the first full period following the Restructure Effective Date, quarterly payments of interest paid to the Lender.
Principal Payments:	Beginning January 1, 2027, quarterly principal payments on a 25-year amortization schedule. All outstanding principal and unpaid accrued interest will be due and payable on the Maturity Date.
Accrued Interest:	Beginning January 1, 2024 and at the end of each calendar quarter thereafter, the Borrower will repay the balance of the Accrued Interest, defined as the balance of unpaid interest that accrued from June 2020 through the Restructure Effective Date, net of any payments made by NNGE on the Restructure Effective Date, on a 10-year repayment schedule.
Upfront Payment of Accrued Interest	NNGE agrees to pay the Lender \$3,000,000, plus any unpaid and uncommitted maintenance capital expenditure funding that remains outstanding as of December 31, 2023, to reduce the balance of the Accrued Interest outstanding.
Gaming Distributions:	Beginning January 1, 2024, the Borrower will agree to make quarterly Gaming Distributions in the annual amount of \$3,500,000.
Security:	Same as current loan. Senior Loan will be secured by a first priority, perfected security interest in all Gaming Assets

Excess Cash Flow Sweep:	<p>100% of Excess Cash Flow, calculated and transferred on a quarterly basis, shall be transferred to the Lender. Lender will apply these proceeds as follows:</p> <ol style="list-style-type: none"> 1) to repayment of the balance outstanding of the Accrued Interest until this balance has been fully repaid to the Lender, 2) thereafter to prepayment of outstanding Loan Principal. <p>Any Excess Cash Flow Sweep shall be contingent on NNGE maintaining minimum liquidity of \$35 million after the transfer of Excess Cash Flow to the Lender.</p> <p>Excess Cash Flow shall be measured as EBITDA less 1) Maintenance Capital Expenditures, 2) Scheduled Debt Service Payments on the Nation Loan as well as Subordinate Debt, 3) Required installments related to repayment of Accrued Interest 4) Gaming Distributions, and 5) Permitted Capital Investments (in amounts approved by the Lender).</p>
Maximum Maintenance Capital Expenditures:	<p>Borrower shall not permit the aggregate amount of Maintenance Capital Expenditures in any Fiscal Year to exceed 6.0% of the net revenues of the prior Fiscal Year.</p> <p>30 days prior to fiscal year end, Borrower shall present the annual maintenance capital expenditure budget along with supporting documentation to the Lender for the upcoming fiscal year.</p>
Authorized Growth Capital Expenditures:	<p>Lender authorizes the Borrower to fund the Horsemen's Lodge Facility in the amount of \$30,000,000 and expend an additional \$10,000,000 on critical improvements at Fire Rock Casino. Such expenditures shall be made within three years of the Restructure Effective Date and shall not exceed amounts authorized hereto.</p> <p>In the event that funds allocated to the aforementioned Growth Capital Expenditures are not committed or expended by the end of the three year anniversary of the Restructure Effective Date, these unallocated and uncommitted funds shall be allocated to any balance of Accrued Interest and outstanding debt obligations outstanding.</p> <p>Any additional Growth Capital Expenditure investments will be subject to approval of the Lender.</p>
Gaming Operations Assessment	<p>Lender shall have the ability to engage independent gaming expertise to assess the operations of the Borrower.</p>
Transaction Expenses	<p>Borrower shall be responsible for all professional fees and transaction expenses.</p>

**RESOLUTION OF
THE NAVAJO NATION INVESTMENT COMMITTEE**

**Rejecting Latest Term Sheet for Restructuring Gaming Loan Presented by Navajo Nation
Gaming Enterprise and Approving Second Term Sheet Prepared by Office of the
Controller for Restructuring Gaming Loan to Navajo Nation Gaming Enterprise**

WHEREAS:

1. The Navajo Nation created the Navajo Nation Investment Committee ("Investment Committee") pursuant to Resolution No. CAU-39-73; and the Budget and Finance Committee of the Navajo Nation Council (the "Budget and Finance Committee") adopted the investment policies for all Navajo Nation financial resources (the "Master Investment Policy") pursuant to Resolution No. BFO-61-90, as amended by BFJY-114-03, BFJA-01-08, BFJN-17-15, BFD-38-17, BFD-41-17, BFD-45-18, BFAP-08-21, BFO-33-22, and BFAU-22-23; and
2. The Investment Committee is an advisory group to the Budget and Finance Committee in the management of the Navajo Nation's investment programs, pursuant to the Master Investment Policy at §4.3, and is responsible for approving and recommending to the Budget and Finance Committee the adoption of actions related to the Navajo Nation's investments; and
3. The Navajo Nation made a fixed-income security investment in the Navajo Nation Gaming Enterprise ("NNGE") through an Amended, Restated and Consolidated Loan Agreement dated April 3, 2012 (the "2012 Loan Agreement"), under which 2012 Loan Agreement, the Nation and NNGE amended, restructured and consolidated certain loans made to NNGE to finance the construction and other costs relating to all the casinos owned and operated by NNGE (the "Initial Loans") and to provide additional financing in the original principal amount of \$30,000,000.00 to NNGE (the "2012 Additional Financing") for the expansion of a hotel located at Twin Arrows Navajo Casino Resort (the Initial Loans and the 2012 Additional Financing are referred to herein as the "Gaming Loan"); and
4. Under the current version of the Master Investment Policy, the Gaming Loan is now characterized as a direct investment and not a fixed-income security investment; and
5. As of the date of the 2012 Loan Agreement, the aggregate principal amount of the Gaming Loan was \$212,078,943.13; and
6. Subsequent to the 2012 Loan Agreement, the Navajo Nation and NNGE entered into a series of forbearance agreements as follows: (i) a Forbearance Agreement dated as of December 11, 2013, (ii) a First Amended and Restated Forbearance Agreement dated April 30, 2014, (iii) a Second Amended and Restated Forbearance Agreement dated August 31, 2014, (iv) Third Amended and Restated Forbearance Agreement dated December 31, 2014, and (v) a Fourth Amended and Restated Forbearance Agreement dated January 9, 2015; and

7. Under the forbearance agreements, the Navajo Nation agreed to, among other things, forbear from enforcing its remedies set forth in the 2012 Loan Agreement upon the terms and conditions set forth therein; and
8. On October 27, 2017, the Investment Committee passed resolution No. NNICOC-03-18, which approved and recommended to the Budget and Finance Committee the approval of a term sheet for the restructuring of the Gaming Loan, which was then outstanding in the amount of \$208,759,393.00; and
9. On November 21, 2017, the Budget and Finance Committee passed resolution No. BFN-39-17, which approved the term sheet and authorized the President to execute a Second Amended, Restated and Consolidated Loan Agreement between the Navajo Nation and NNGE (the "Second Amended Loan Agreement"), which Second Amended Loan Agreement was executed on May 18, 2018, but was effective as of December 1, 2017; and
10. On May 23, 2018, NNGE and the Nation entered into a Loan Agreement (Sihasin Travel Center Project) (the "Travel Center Loan Agreement"), under which Travel Center Loan Agreement, the Nation loaned NNGE \$4,000,000.00 from the Sihasin Fund (the "Sihasin Loan") for the purpose of developing a Twin Arrows Travel Center. In addition to the Sihasin Loan, the Nation provided an additional \$6,000,000.00 in direct funding from the Sihasin Fund to NNGE for the development of the Travel Center; and
11. Beginning in the spring of 2020 through most of 2021, all four of NNGE's casinos were closed due to the COVID-19 pandemic (the "Adverse Circumstances"). The Adverse Circumstances resulted in NNGE's inability to comply with the Second Amended Loan Agreement, including making the payments required thereunder. NNGE's failure to make payments under the Second Amended Loan Agreement constituted a default under the Travel Center Loan Agreement; and
12. In August 2020, pursuant to requests from NNGE, the Navajo Nation Controller entered into discussions with NNGE to modify NNGE's obligations under the Second Amended Loan Agreement to allow, among other things, NNGE to suspend and defer the payment requirements under Section 5.9 of the Loan Agreement through December 31, 2020, and to allow NNGE to use the Gaming Distribution set-aside of \$5 million to make the quarterly debt service payment that was due on June 30, 2020; and
13. The Controller and NNGE entered into a Limited Forbearance Agreement ("Original Forbearance Agreement") dated August 19, 2020 that provided, among other things, that the Nation would forbear from enforcing its rights and remedies under the Second Amended, Restated Loan Agreement as well as that certain Loan Agreement (Sihasin Travel Center Project) dated May 23, 2018 (the "Travel Center Loan Agreement") for Specified Violations (as defined in the Original Forbearance Agreement) through December 31, 2020; and

14. The Original Forbearance Agreement was consistent with the recommendations of the Investment Committee as set forth in Resolution No. NNICAP-07-20, and it was also consistent with the recommendations of the Budget and Finance Committee as set forth in its resolution BFJN-15-20; and
15. Due to ongoing Adverse Circumstances, NNGE requested that the Controller extend the forbearance period to June 30, 2022. NNGE and the Controller negotiated an Extended and Modified Forbearance Letter (the "Extended Forbearance"), whereby the Nation agreed to further postpone debt service payments due under the Second Amended Loan Agreement until June 30, 2022 and for the parties to engage in good faith discussions and negotiations, as evidenced by a term sheet, regarding the payment of all postponed payments under the Second Amended Loan Agreement and the potential amendment to or restructuring of the Second Amended Loan Agreement; and
16. In the executed Extended Forbearance, the Controller also had the authority to extend the forbearance period for up to two fiscal quarters so long as the parties were actively documenting a restructuring of the Second Amended Loan Agreement and met on or before February 28, 2022; and
17. A Second Extended and Modified Limited Forbearance letter ("Second Extension"), dated July 28, 2022 was executed in light of continuing Adverse Circumstances and ongoing discussions between the parties, which extended the period of forbearance until September 30, 2022; and
18. In light of continuing Adverse Circumstances and ongoing discussions between the parties, the Controller prolonged the period of the Extended Forbearance, per authority in the executed Extended Forbearance until December 31, 2022, which was memorialized in a letter dated September 29, 2022; and
19. Pursuant to requests by NNGE, a Third Extended and Modified Limited Forbearance was executed September 29, 2022 ("Third Extension"), which extended the period of forbearance to December 31, 2022; and
20. A Fourth Extended and Modified Limited Forbearance ("Fourth Extension") was agreed upon between the parties and evidenced through a letter dated January 25, 2023, extending the forbearance period until June 30, 2023 with an option for an additional extension at the Controller's discretion, not to exceed September 30, 2023. This recommendation was concurred with by the Investment Committee in Resolution NNICDC-06-22; and
21. Based on continuing discussions between the parties on restructuring the Second Amended Loan Agreement, the Controller exercised the discretion outlined in the Fourth Extension and extended the forbearance period to July 31, 2023 ("Fifth Extension"); and

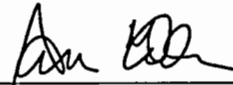
22. Based on continuing discussions related to restructuring the Second Amended Loan Agreement, the Investment Committee approved a further extension of relief to NNGE by extending the forbearance period to September 30, 2023 (the "Sixth Extension"); and
23. Controller and NNGE have exchanged several term sheets to restructure the Gaming Loan over the course of several months; and
24. Most recently, Controller and the Investment Committee received a term sheet from NNGE on July 24, 2023 ("NNGE's Second Term Sheet") and the Investment Committee reviewed and discussed such term sheet during meetings held on July 24, 2023 and July 31, 2023 and instructed Controller to make revisions to the NNGE's Second Term Sheet; and
25. After consultation with the Investment Committee in such meetings and consultation with Controller's consultant Sovereign Finance, Controller prepared a revised term sheet ("Controller's Second Term Sheet") for presentation to the Investment Committee, which is attached hereto as Attachment 1; and
26. Controller's Second Term Sheet was reviewed and discussed by the Investment Committee on the date of this meeting.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Investment Committee formally rejects NNGE's Second Term Sheet.
2. The Investment Committee hereby approves Controller's Second Term Sheet, attached hereto as **Attachment 1**, and such Term Sheet is considered by the Investment Committee to be its final offer.
3. Upon approval by NNGE of Controller's Second Term Sheet, evidenced by an approving resolution voted upon by NNGE's Board of Directors, Controller's Second Term Sheet shall be presented to the Budget and Finance Committee of the Navajo Nation Council for approval and adoption.
4. Any term sheets regarding the restructuring of the Gaming Loan previously approved by the Investment Committee are hereby revoked and the Controller's Second Term Sheet attached hereto as **Attachment 1** is the only term sheet approved by the Investment Committee that represents the current proposed terms of the restructuring of the Gaming Loan.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Investment Committee, at a duly called meeting held in Window Rock, AZ, and by teleconference, at which a quorum was present and that same was passed by a vote of 4 in favor, 0 opposed, and 0 abstaining, this 26th day of October 2023.



Sean McCabe
Presiding Chair
Navajo Nation Investment Committee

Motion: Shaandiin Parrish
Second: Helen Brown
Vote: 4-0-0

**Attachment 1
Controller's Second Term Sheet**

EXHIBIT C

NNGENOV-001-23

RESOLUTION OF THE NAVAJO NATION GAMING ENTERPRISE BOARD OF DIRECTORS

ACKNOWLEDGING THE NAVAJO NATION INVESTMENT COMMITTEE'S RECOMMENDATION OF MODIFICATIONS TO THE SECOND AMENDED LOAN AGREEMENT AND PROVIDING APPROVALS NECESSARY TO SATISFY RESOLUTION NO. NNICAU-11-23 AND PRESENT THE SECOND TERM SHEET TO THE BUDGET AND FINANCE COMMITTEE OF THE NAVAJO NATION COUNCIL

WHEREAS, the Navajo Nation Gaming Enterprise (the "Enterprise") is a wholly-owned enterprise of the Navajo Nation established pursuant to 5 N.N.C. § 1701 et seq.; and

WHEREAS, pursuant to 5 N.N.C. § 1707(A), the Board of Directors (the "Board") of the Enterprise is the governing body of the Enterprise responsible for establishing the overall policies and objectives for the management of the Enterprise, and for overseeing the business and affairs of the Enterprise; and

WHEREAS, pursuant to 5 N.N.C. § 1708, the Chief Executive Officer (the "CEO") of the Enterprise executes the general policies formulated by the Board and is the active, operating executive of the Enterprise; and

WHEREAS, on November 21, 2017 the Budget and Finance Committee passed resolution BFN-39-17 which approved a term sheet and authorized the President to execute a Second Amended, Restated and Consolidated Loan Agreement between the Navajo Nation and the Enterprise, which was executed on May 18, 2018, with an effective date of December 1, 2017; and

WHEREAS, on March 17, 2020, the Enterprise temporarily closed all four casino properties pursuant to Navajo Nation Executive Order No. 001-20 declaring a state of emergency due to the confirmation of the COVID-19 virus in regional areas surrounding the Navajo Nation; and

WHEREAS, on March 19, 2021, 367 days after the closure of all four casino properties, the Enterprise reopened the Fire Rock and Northern Edge casinos at 25% occupancy to Navajo Nation residents only pursuant to Navajo Department of Health, Emergency Public Health Order 2021-005; and

WHEREAS, on July 9, 2021, Fire Rock and Northern Edge casinos were opened to all patrons, visitors, and tourists pursuant to Navajo Nation Resolution CJN-36-21 at 50% occupancy pursuant to Navajo Department of Health, Emergency Public Health Order 2021-013; and

WHEREAS, on July 12, 2021, after 482 days of closure, the Enterprise reopened Twin Arrows and Flowing Water casinos at 50% occupancy to all patrons, visitors, and tourists; and

WHEREAS, on April 5, 2022, the Enterprise increased the occupancy to 75% with the mask mandate and social distancing requirements pursuant to Navajo Department of Health, Emergency Public Health Order 2022-006; and

WHEREAS, on August 19, 2022, the Enterprise increased the occupancy to 100% but continued to enforce the mask mandate and social distancing requirements pursuant to Navajo Department of Health, Emergency Public Health Order 2022-008; and

WHEREAS, on January 20, 2023, the mask mandate and social distancing requirements were made optional pursuant to Navajo Department of Health, Emergency Public Health Order 2023-001; and

WHEREAS, the COVID-19 pandemic and related governmental response by the Navajo Nation forced the closure and limited operations of the casino properties, which resulted in significant negative impacts and economic damages to the Enterprise; and

WHEREAS, the Enterprise lost approximately \$229.5M in Revenues, \$70.9M in EBITDA profit, and depleted \$55.9M in cash reserves and set asides to cover fixed operating costs, employee salaries and healthcare, subordinate debt, and other Navajo Nation obligations; and

WHEREAS, the Enterprise received \$12.3M in Paycheck Protection Program Funding to continue paying employees during the closure, \$24.6M in CARES Funding to pay fixed operating expenses and employees during the closure, and \$15M in UUFB Funding to replenish the casino cages and reopen the casinos; and

WHEREAS, during the COVID-19 pandemic, the Enterprise was closed or under restrictions and certain operational mandates for 1,039 days. This adversely impacted the ability of the Enterprise to make debt service payments consistent with the Second Amended Loan Agreement, resulting in a series of Forbearance Agreements; and

WHEREAS, the Enterprise and the Navajo Nation agreed to postpone debt service payments and to engage in good faith discussions and negotiations, for repayment under the Second Amended Loan Agreement and to address potential amendments or to restructure the Second Amended Loan Agreement; and

WHEREAS, on October 13, 2022, the Enterprise submitted and presented its First Term Sheet to the Navajo Nation Investment Committee at Fire Rock Casino; and

WHEREAS, on January 10, 2023, Dr. Buu Nygren was inaugurated as President of the Navajo Nation, Richelle Montoya was inaugurated as Vice President of the Navajo Nation, and the 25th Navajo Nation Council was inaugurated with 16 new Delegates; and

WHEREAS, on April 5, 2023, the newly formed Navajo Nation Investment Committee passed a resolution rejecting the Enterprise's First Term Sheet and directed the Navajo Nation Office of the Controller to present a revised draft Loan Modification Term Sheet to the Enterprise; and

WHEREAS, on July 24, 2023, the Enterprise submitted its Second Term Sheet to the Navajo Nation Investment Committee; and

WHEREAS, on October 26, 2023, the Navajo Nation Investment Committee passed a resolution rejecting the Enterprise's Second Term Sheet, revoking previously approved term sheets, and approving a second term sheet prepared by the Office of the Controller for restructuring the Second Amended Loan Agreement; and

NOW THEREFORE BE IT RESOLVED, the Board has reviewed the Navajo Nation Investment Committee's Second Term Sheet and desires to ensure that the amendments to the Second Amended Loan Agreement do not materially impact operations for the duration of the proposed loan term, allow for sufficient capital to be set aside for maintenance, renovation, and development, and provide flexibility in uncertain economic events; and

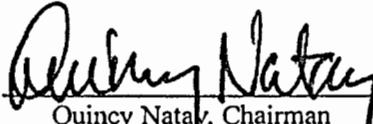
NOW THEREFORE BE IT FURTHER RESOLVED, that as time is of the essence, the Board hereby provides such approvals as are necessary under Resolution No. NNICAU-11-23 (ATTACHMENT A) to ensure that amendments to the Second Amended Loan Agreement are completed as soon as possible; and

NOW THEREFORE BE IT FURTHER RESOLVED, notwithstanding the approvals evidenced within this resolution, the Board will provide the Budget and Finance Committee of the Navajo Nation Council information and analysis about the proposed amended terms to the Second Amended Loan Agreement to ensure that the Enterprise is in a position to reinvest and expand while still providing a return on investment to the Navajo Nation; and

NOW THEREFORE BE IT FINALLY RESOLVED, that the Board hereby authorizes and directs, the Interim CEO to take all actions necessary and appropriate to finalize the terms of the Senior Loan.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Gaming Enterprise Board of Directors at a duly called meeting, at which a quorum was present, and the same was passed by a vote of 6 in favor, 0 opposed and 0 abstained, this 18th day of November 2023.


Quincy Nataf, Chairman
Navajo Nation Gaming Enterprise
Board of Directors

Motion: Melinda Tomchee
Second: Derrick Watchman

BUDGET AND FINANCE COMMITTEE
January 17, 2024
Special Meeting

VOTE TALLY SHEET:

Legislation No. 0010-24: An Action Relating to Budget and Finance Committee; Approving and Adopting the October 2023 Restructuring Term Sheet Prepared by Office of the Controller for Restructuring Gaming Loan to Navajo Nation Gaming Enterprise
Sponsors: Shaandiin Parrish and Seth A. Damon, Council Delegates

Motion: Carl R. Slater

Second: Shaandiin Parrish

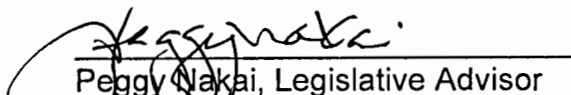
Vote: 2-1, Pro Tem Chairperson not voting

Final Vote Tally:

Lomardo Aseret		
Norman M. Begay		
Amber K. Crotty		nay
Seth A. Damon		
Shaandiin Parrish	yea	
Carl R. Slater	yea	

Absent: Lomardo Aseret, Norman M. Begay


Seth A. Damon, Pro Tem Chairman
Budget & Finance Committee


Peggy Nakai, Legislative Advisor
Budget & Finance Committee