



THE NAVAJO NATION

OFFICE OF THE PRESIDENT & VICE PRESIDENT

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Navajo President Joe Shirley, Jr., praises delegates after Navajo Nation Council passes \$100 million line of credit

WINDOW ROCK, Ariz. – Navajo Nation President Joe Shirley, Jr., said the Navajo Nation Council has a heart for its people by today passing legislation to approve a \$100 million line of credit for casino gaming development by a two-to-one margin.

The historic legislation passed 54-25 after a 25-minute discussion during the council's special session Monday. It is the largest general bond obligation the Navajo Nation has ever approved.

The council met to approve \$8.5 million in supplemental funding, and added the line of credit legislation to its agenda as an emergency item.

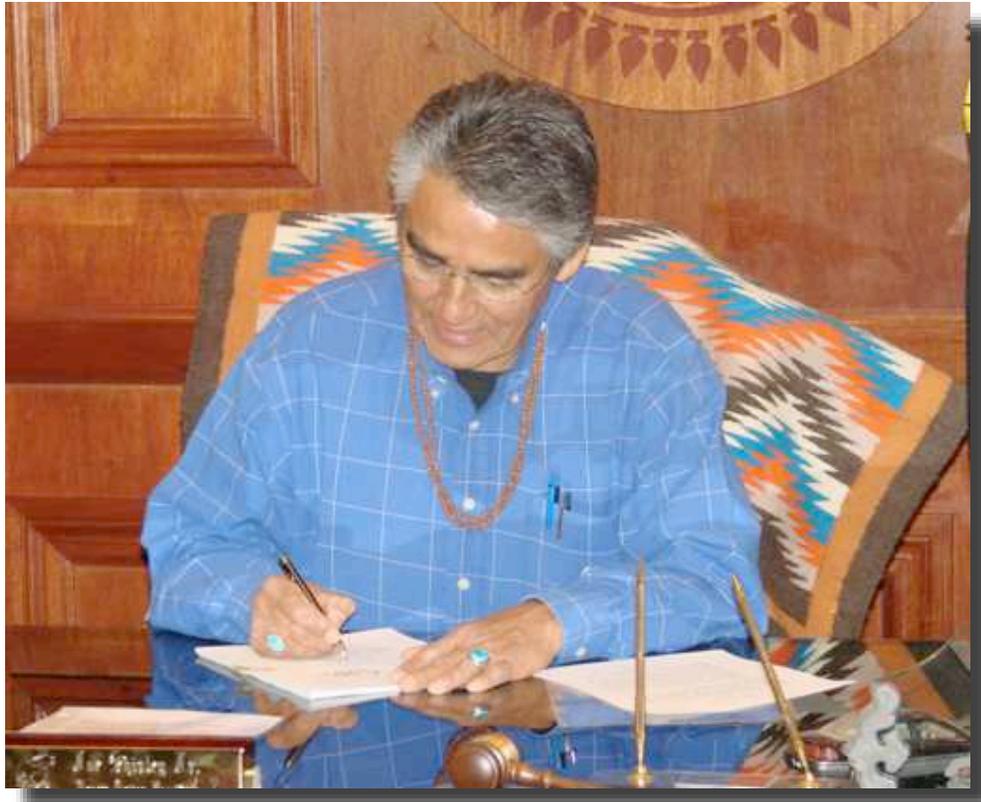
"I know the council has their heart in the right place, and I think this proves it, and I really appreciate that," President Shirley said during a brief gathering to sign the gaming legislation into law. "It's on behalf of the people, the land, the Nation, the government. That's who we're doing it for. And sometimes, yes, we have to take risks to get at trying to help ourselves."

The Navajo people approved gaming in a November 2004 referendum.

The President told the Associated Press that with this legislation, the Nation is headed in the right direction, and that he can't wait to see construction begin on the first casino, which is slated for Church Rock, N.M., by summer of 2008.

"It means a lot of revenues, a lot of jobs," he said. "People have been waiting out there to get at jobs all this

time, all these many years. It's about time we started giving them jobs. And then, of course, the Nation's government is needing revenues all the time to put into direct services so we can have more officers out there, more social workers, better facilities for our Head Start students and our officers. You name it, we're behind."



Navajo Nation President Joe Shirley, Jr., signs historic legislation into law that approves a \$100 million line of credit from JP Morgan Chase for Navajo Nation casino gaming development. The Navajo Nation Council approved the legislation Monday by a 54-25 vote. The President said the vote shows that the council has a heart for the Navajo people who look to casino development for jobs and revenue. Photo by Patrick Sandoval

He said Navajo Nation Gaming Enterprise CEO Robert Winter has commissioned two feasibility studies for a temporary and permanent casino near Gallup, N.M. and for a permanent casino near the Flagstaff area that show

they will generate gross profits of \$31.8 million and \$46.5 million respectively in their first year of operation.

Mr. Winter also expressed pleasure at seeing the legislation pass.

It will take several weeks to complete work on the line of credit package, he said, but the month-old Gaming Board of Directors has met twice and is eager to move forward.

Sean McCabe, a gaming board member, said there was an "air of excitement" in the council chamber following the vote. He said now was the right time for the Nation to proceed.



A few of the 54 Navajo Nation Council delegates who voted in support of the \$100 million line of credit legislation joined President Shirley in his office to witness the signing of the historic legislation. From left to right they are Tommy Tsosie of LeChee, Controller Mark Grant, the President, JP Morgan Chase Vice President Derrick Watchman, Raymond Maxx of Coalmine Canyon and Toh Nanees Dizi, Young Jeff Tom of Mariano Lake and Smith Lake, and Orlanda Smith-Hodge of Cornfields, Greasewood Springs, Klagetoh and Wide Ruins.

"Now that council's approved it, we can begin to move forward on all the kinds of things that have to be done to put a shovel into the ground, and that is selecting a site, doing site work and then selecting an architect and a general contractor for those particular sites," he said.

"In this market, the way it is now, I think the sooner the better that the Navajo Nation get into the market," he said.

Under the line of credit agreement, the Nation will not pay interest on the entire \$100 million. Instead, when the Nation decides to use a portion of the funds, only the amount borrowed becomes subject to an agreed-upon interest rate.

Under the terms of the agreement, the Nation will provide security for the amount borrowed in the form of "legally available liquid assets" of the Nation which does not include land, buildings, real estate or anything other than liquid assets.

Derrick Watchman, vice president for JP Morgan Chase, the bank offering the line of credit to the

Nation, told the council that the commitment fee of one quarter of one percent, amounting to \$250,000, is incredibly good.

"That is probably the cheapest that any tribe will get in this country," he said.

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