

LITTLE TRAVERSE BAY BANDS OF ODAWA INDIANS
7500 Odawa Circle
Harbor Springs, MI 49740

RESOLUTION # 092505-06

Providing for Allocation of Tribal Gaming Revenues for the
Current Budget Year

WHEREAS the Little Traverse Bay Bands of Odawa Indians (the “Tribe”) conducts class III gaming as authorized by the Indian Gaming Regulatory Act of 1988 (“IGRA”);

WHEREAS IGRA does not allow “net revenues” (as defined in IGRA) of tribal gaming to be used for any purpose other than:

- (1) to fund tribal government operations or programs;
- (2) to provide for the general welfare of the Indian tribe and its members;
- (3) to promote tribal economic development;
- (4) to donate to charitable organizations; or
- (5) to help fund operations of local government agencies;

provided that those net revenues may be used to make per capita payments to members of an Indian tribe if the Indian tribe has prepared a plan to allocate revenues as provided above and the plan is approved on behalf of the Secretary of the Interior (the “Secretary”);

WHEREAS by Resolution # 100503-01, as amended by Resolution # 110203-01, the Tribal Council of the Tribe approved a Revenue Allocation Plan for the Tribe, which was approved by the Secretary in accordance with IGRA, and by Resolution 062704-07 the Tribal Council 062704-07 kept that Plan in place for subsequent years, which was also approved on behalf of the Secretary;

WHEREAS the Revenue Allocation Plan allocates “Net Revenues,” with that term being defined to mean gross revenues of tribal gaming activities, less amounts paid out as, or paid for, prizes and total operating expenses, including debt service, lease payment, and payments made to the State of Michigan and local units of government under the Tribe’s class III compact with the State of Michigan; provided that the Revenue Allocation Plan states that the total amount of Net Revenues to be distributed to the Tribe’s membership shall not exceed 20% of “distributable income;”

WHEREAS the Revenue Allocation Plan expressly allows the Tribal Council to review, in the months of March and September of each year, the income, expenses and management of tribal gaming operations, and after due consideration of the need

to fund tribal government operations and programs, the overall needs of the Tribe and its members, and the need to promote tribal economic developments, the Tribal Council is required to decide whether to make any changes to the Revenue Allocation Plan providing for the appropriate percentage allocation of “Tribal Gaming Revenues” within the annual budget of the Tribe; provided that an affirmative vote of at least a majority of the members of the Tribal Council is required for any such change;

WHEREAS the Tribe is undertaking the design, development, construction and equipping of a new casino and hotel project (the “Project”), with an expectation that the Tribe will incur one or more debt financings (the “Financings”) to pay for a substantial portion of the related costs, including by means of a presently expected issuance of debt securities and a separate financing for furniture, fixtures and equipment;

WHEREAS the Tribal Council expects that the terms of the Financings will require a substantial amount of capital expenditures to be funded by revenues of the Tribe’s gaming and hotel operations, and will restrict the allocation or distribution of revenues from the Tribe’s gaming, hotel and related commercial operations to the Tribe for purposes unrelated to those operations, with the consequence that not all Net Revenues will be available for distribution;

WHEREAS the Tribal Council wishes to exercise its authority under the Revenue Allocation Plan to accommodate the expected terms of the Financings, and has made the following determinations, after due consideration of the need to fund tribal government operations and programs, the overall needs of the Tribe and its members, and the need to promote tribal economic development:

- (1) the Project will promote tribal economic development;
- (2) the Financings will be essential to the Project;
- (3) it is in the best interests of the Tribe and its members to permit Net Revenues to be applied as required by the terms of the Financings and to fund costs of the Project;

THEREFORE BE IT RESOLVED that solely for the current budget year, the application of Net Revenues designated in the Revenue Allocation Plan (or by any other proper action of the Tribal Council) shall be applied only with respect to Net Revenues that are properly reported as transferred to the Tribe from the Tribe’s gaming and hotel operations in accordance with the terms of the Financings and generally accepted accounting principles;

FURTHER RESOLVED that all capital expenditures from Net Revenues previously incurred to date with proper tribal authorization are hereby ratified and approved;

FURTHER RESOLVED this Tribal Council shall not repeal this Resolution with respect to the current budget year in recognition that the initial Financing is expected to be provided by persons relying on this Resolution;

FURTHER RESOLVED that the allocation of Net Revenues distributed to the Tribe in accordance with this Resolution is revised as follows: Net revenues distributable to the Tribal Government for operation of governmental services for the year ended December 31, 2005 shall not exceed \$12,500,000 to be expended 37% for Tribal government Operations 39% for General welfare; 6.5% for Economic Development; 1.5% for Donations; 16% for Distributions. Any additional distributions of net revenues in 2005 will be used exclusively for the completion of the existing casino expansion, not to exceed \$700,000 and the New Casino Hotel project.

FINALLY RESOLVED, that any prior actions of the Tribal Council that are inconsistent with the provisions of this Resolution shall be deemed and hereby are superseded by this Resolution, but only to the extent required to eliminate the inconsistency.

CERTIFICATION

As Tribal Council Secretary, I certify that this Resolution was duly adopted by the Tribal Council of the Little Traverse Bay Bands of Odawa Indians at a regular meeting of the Tribal Council held September 25, 2005 at which a quorum was present, by a vote of 7 in favor, 3 opposed, 1 abstentions, and 0 absent as recorded by this roll call:

	In Favor	Opposed	Abstained	Absent
Beatrice Law	x			
Alice Yellowbank	x			
Dexter McNamara	x			
Fred Harrington, Jr.		x		
Rita Shananaquet		x		
Regina Bentley	x			
Melvin L. Kiogima	x			
Mary Roberts		x		
Shirley Oldman			x	

Date: September 25, 2005

Melvin L. Kiogima, Secretary

Pursuant to Article VII, Section D, Subsection 1. of the Little Traverse Bay Bands of Odawa Indians Constitution adopted on February 1, 2005 the Executive concurs in this action of the Tribal Council.

Date: September 25, 2005

Frank Ettawageshik, Tribal Chairperson