

**LITTLE TRAVERSE BAY BANDS OF ODAWA INDIANS**

**PO Box 246  
Petoskey, MI 49770**

**RESOLUTION #012002-02  
RETENTION OF RESERVE FUNDS**

**WHEREAS** the Little Traverse Bay Bands of Odawa Indians Tribal Council and LTBB Gaming Administration have a responsibility to promote effective means of operations for the casino; and that after monthly disbursements of casino income for debt service the casino requires access to excess funds for the casino operation to expand, develop, invest in capital equipment, and remain competitive in the industry;

**THEREFORE BE IT RESOLVED** that after payment of all monthly obligations in accordance with the National City Bank ("NCB") loan documents authorized by Tribal Council Resolution 122701-01, payment of a \$50,000.00 monthly minimum distribution by the Casino Enterprise to the Tribal Government, and covering all typical monthly operating expenses, the Little Traverse Bay Bands of Odawa Indians Tribal Council authorizes and directs that 50% of the net income available for distribution to the Tribe be retained by the gaming enterprise in order to form an operating reserve for capital expenditures, and make expenditures for repair and replacement of the facility and capital equipment, necessary operating cashflow, and emergency expenditures;

**FURTHER RESOLVED** that in December of each year the Gaming Administration shall review the casino enterprise's reserve balances and cause any allocation beyond the necessary and obligated reserves (including assurance that all covenants in said NCB loan agreement are and remain in full compliance) to be disbursed to the Tribal Government within thirty (30) days of the casino fiscal year end. In the event that any court decision is rendered in any pending or future litigation that may directly negatively impact the operation of LTBB's gaming enterprise, then the Gaming Administration will at all times retain sufficient excess funds to cover three months of debt service on said NCB loan.

**FURTHER RESOLVED** that all authorizations contained in Resolution 122701-01 apply to the final versions of the loan documents as approved by the lenders and Tribal attorneys.

**FINALLY RESOLVED** that this Resolution shall remain in effect until said NCB loan is fully satisfied, and shall continue in effect thereafter until and unless altered by official action of the Tribal Council.

**Certification**

As Tribal 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 on January 20, 2002 at which a quorum was present, by a vote of seven (7) in favor, zero (0) opposed, zero (0) abstentions, and zero (0) absent as recorded by this roll call.

	In Favor	Opposed	Abstained	Absent
George Anthony	<u>  x  </u>	_____	_____	_____
Gerald Chingwa	<u>  x  </u>	_____	_____	_____
Frederick Harrington, Jr.	<u>  x  </u>	_____	_____	_____
Beatrice Law	<u>  x  </u>	_____	_____	_____
Rita Shananaquet	<u>  x  </u>	_____	_____	_____
Janet Shomin	<u>  x  </u>	_____	_____	_____
Alice Yellowbank	<u>  x  </u>	_____	_____	_____

Date: January 20, 2002

Frederick R. Harrington, Jr., Tribal Secretary