

WAGANAKISING ODAWAK STATUTE 2000-13
INVESTMENT POLICY

SECTION I. PURPOSE

It is the policy of the Little Traverse Bay Bands of Odawa Indians to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the Tribe and comply with any applicable federal laws or regulations regarding federal program monies received and administered by the Tribe.

SECTION II. DESIGNATION TO CARRY OUT POLICY

As soon as practicable after enactment of this Statute, and thereafter at the last regular Tribal Council meeting of each calendar year, the Council will designate either a properly qualified employee or outside firm to carry out the directives of this Policy.

SECTION III. FUNDS TO WHICH THIS POLICY APPLIES

This policy applies to all financial assets of LTBB including, but not limited to, funds derived through federally funded contracts and programs, such as Public Law 93-638 contract monies and Native American Housing Assistance Self Determination Act grants, and funds derived from LTBB's gaming enterprise. These assets are accounted for in the various bank accounts of LTBB which currently include primary checking, discretionary checking and several checking accounts held at 1st Community Bank.

SECTION IV. INVESTMENTS

- A. General Guidelines.** Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Any fees incurred in making investments shall be paid with income from such investments.
- B. Investment of Contract and grant monies and prohibition on co-mingling.** When making and administering investments under the authority of this Statute, funds received under a specific federal contract or grant, or from any other governmental or private funding source for specific purposes, must be individually invested and accounted for, and shall not be co-mingled with any other funds. Such funds must be invested in a manner that ensures their availability for expenditure as set out in the contract or grant documents or as determined by LTBB Tribal Administration. Short term guaranteed preservation of principal is essential for such funds. These funds will be invested in a manner that

maximizes return within the absolute safety and time constraints, such as in money market accounts and certificates of deposit.

- C. Funds derived from the Enterprise and any other businesses or discretionary sources of Tribal income.** Discretionary funds of LTBB, including those derived from the Gaming Enterprise and any other sources of discretionary funding, shall be invested in a diversified manner designed to meet both the short and long-term financial needs of LTBB. The employee or outside firm designated under Section II of this Statute shall review the annual budget prepared by the Tribal Council and consult with the Tribal Chairman, Tribal Treasurer, Tribal Administrator and Senior Tribal Accountant as necessary to determine the time frames in which LTBB will need to access such funds and prepare an appropriate portfolio to meet cash flow needs and provide for long-term growth.
- D. Investment guidelines.** The employee or outside firm designated under Section II of this Statute shall only invest LTBB funds in the following:
1. FDIC or FSLIC insured savings accounts, money market accounts and certificates of deposit with major depositories possessing capital and surplus of \$2 billion or more, or one of the top 200 banks.
 2. Commercial paper having a rating of A2/P1.
 3. Fixed income securities that are classified as investment grade by Standard & Poor's (BBB or better) and Moody's (BAA or better).
 4. Publicly traded stocks, bonds and mutual funds that are properly registered with the Securities and Exchange Commission, and given the highest ratings by Moody's, Standard and Poors or the Wall Street Journal.
- E. Prohibited Investments.** The employee or firm designated under Section III shall not invest any LTBB funds in commodities, private placements, letter stock and real estate or engage in short sales or margin transactions.

SECTION V. REPORTING

- A.** The employee or firm designated under Section III shall meet with the Tribal Council annually at such time as requested by the Tribal Council to review past investment performance, evaluate the current investment outlook, discuss investment strategy, and, if the Investment Manager is an outside firm, report on any significant changes in management, research, personnel or ownership within such firm.

- B. LTBB shall provide the employee or firm designated under Section III the annual budget, any amendments thereto, any pertinent information regarding accumulation of discretionary funds, any amendments to this statute, and any other information necessary for the Investment Manager to effectively carry out its responsibilities under this Statute.

Certification

As Tribal Chairman and Tribal Secretary, the undersigned certify that this Statute was duly enacted by the Tribal Council of the Little Traverse Bay Bands of Odawa Indians at a regular meeting of the Tribal Council held on October 22, 2000, at which a quorum was present, by a vote of seven (7) in favor, zero (0) opposed, and zero (0) abstentions as recorded by this roll call.

	In Favor	Opposed	Abstained	Absent
George Anthony	<u> x </u>	_____	_____	_____
Gerald Chingwa	<u> x </u>	_____	_____	_____
Dorothy Gasco	<u> x </u>	_____	_____	_____
Janet Shomin	<u> x </u>	_____	_____	_____
Rita Shananaquet	<u> x </u>	_____	_____	_____
Susan Wysocki	<u> x </u>	_____	_____	_____
Alice Yellowbank	<u> x </u>	_____	_____	_____

Date: 10/26/00

Gerald Chingwa, Tribal Chairman (1)

Dorothy Gasco, Tribal Secretary