

**BOARD OF DIRECTORS SPECIAL MEETING
KEWADIN CASINO AND CONVENTION CENTER
SAULT STE. MARIE, MICHIGAN
MINUTES
SEPTEMBER 9, 2008**

The meeting was opened at 6:27 p.m. by Chairman McCoy.

Present: Cathy Abramson, DJ Hoffman, Dennis McKelvie, Bernard Bouschor, Lana Causley, Bob LaPoint, Keith Massaway, Patrick Rickley, Denise Chase, Tom Miller, Shirley Petosky, Joe McCoy.

Absent: Joe Eitrem – sick.

Moved by Director Abramson, supported by Director Massaway, to excuse Director Eitrem.

Motion carried unanimously.

Moved by Director Abramson, supported by Director Hoffman, to approve Resolution 2008-181, FY 2009 Sanitation BE-08-F59 Budget Modification August 2008.

BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians here by approves the attached FY 2009 Sanitation Budget Modification, to establish a budget with IHS funds of \$364,000.

Motion carried unanimously.

Moved by Director Miller, supported by Director Massaway, to approve Resolution 2008-182, Approval and Authorization of Amendment to Line of Credit Agreement with National City Bank.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Tribe hereby approves the \$53,425 addition to the existing Line of Credit from National City Bank for use as security for our Unemployment Program.

BE IT FINALLY RESOLVED, that the Board of Directors hereby authorizes the Tribal Chairman or his designee to execute such documents to effectuate this action.

Motion carried unanimously.

Moved by Director Massaway, supported by Director Miller, to suspend the rules and add three resolutions related to financing to the agenda.

Motion carried unanimously.

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Moved by Director Miller, supported by Director Massaway, to approve Resolution 2008-183, Authorization to Open Trust Account with Huntington Bank for Land Claims Funds.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby authorizes the CFO or his designee to open a trust account with Huntington Bank for the receipt and maintenance of the assets currently on deposit at Wells Fargo Bank and National City Bank for the benefit of the Land Claims fund. Signatures of the following are required to transact any activity on said Trust Accounts: Darwin Joe McCoy, Chairman; Victor Matson, Jr. CFO; William P. Connolly, Comptroller.

Said accounts will require the signatures of two of the above signatories.

BE IT FURTHER RESOLVED, this resolution hereby rescinds all previously approved resolutions regarding signature authority on Land Claims Trust Accounts.

Motion carried with Directors Chase, Hoffman, LaPoint opposing.

Moved by Director Miller, supported by Director Massaway, to approve Resolution 2008-184, Approval and Authorization for Loan Agreement; Waiver of Sovereign Immunity and Tribal Court Jurisdiction Huntington Bank Operating Loan.

BE IT RESOLVED, by the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians, as follows:

Section 1. RECITALS

1.1 The Sault Ste. Marie Tribe of Chippewa Indians (the "*Tribe*") is a federally recognized Indian Tribe organized under the Indian Reorganization Act of 1934, as amended (25 U.S.C. 467, *et seq.*).

1.2 The Tribe, from time to time, has a need to borrow operating monies to fund health care, social services, educational and other governmental functions and services to its eligible members in a seven-county service area.

1.3 The Sault Tribe has requested from Huntington Bank, a line of credit up to \$5,000,000 to assist the Tribe with its current budget deficit through the end of 2008. This line of credit would be interest only for two years at current market rates and then placed on a payout status thereafter.

1.4 The Sault Tribe wishes to obtain this financing from Huntington Bank pledging the balance in certain Land Claim Trust accounts as collateral on a temporary basis until such time as the Bank can replace some or all of the collateral with Sault Tribe owned real estate or similar assets. It is anticipated that the cash flow position of the Tribe will be much improved at the end of this two year period and that funds will have accumulated to begin repayment of the outstanding balance.

1.5 As part of the Finance Documents and in order to induce the Lender to enter into the Finance Documents, the Tribe is required to: (a) expressly consent to the Tribe's entering into the Finance Documents and (b) confirm that the Tribe shall not raise as a defense its sovereign immunity and, in furtherance thereof, to waive its sovereign immunity and Tribal Court jurisdiction with respect to any matter pertaining to the Finance Documents.

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1.6 The Board of Directors determines that it is in the best interest of the Tribe to obtain such financing, make such waivers and consent to the financing, and that the Finance Documents could not be signed and delivered by the Lender without such waivers.

Section 2. APPROVALS AND AUTHORIZATION

2.1 The Board of Directors authorizes and directs the Tribe, through its Chairman, for and on behalf of the Tribe, to enter into such agreements on such terms and conditions as he deems necessary or appropriate with respect to governing law, waivers of sovereign immunity and Tribal court jurisdiction, and consent to jurisdiction.

2.2 The Board of Directors consents to, and authorizes and directs the Tribe to enter into, the Finance Documents.

2.3 The Chairman is authorized and directed to execute and deliver such other agreements, certificates, documents and instruments as may be required and to take any and all such other action as may be necessary or desirable to effectuate the foregoing on behalf of the Tribe.

Section 3. WAIVER OF SOVEREIGN IMMUNITY AND CONSENT TO JURISDICTION

3.1 The Board of Directors, on behalf of the Tribe, waives all sovereign immunity from suit should an action be commenced under the Finance Documents. This waiver:

- 1) shall terminate upon performance by the Tribe of all its obligations under the Finance Documents;
- 2) is granted solely to the Lender, its successors and assigns;
- 3) shall apply to any judicial or non-judicial action, including but not limited to any lawsuit, arbitration, judicial or non-judicial foreclosure proceeding, judicial or non-judicial action to enforce the rights of the Lender as a secured creditor, and to the assertion of any claim in a court of competent jurisdiction or with any arbitrator or arbitration panel, if applicable, to enforce the obligations of the Tribe under the Finance Documents;
- 4) shall be enforceable against the assets of the Tribe to the extent necessary to satisfy the Tribe's obligation under the Finance Documents, including but not limited to any Tribal property or assets pledged under the Finance Documents; and
- 5) shall be enforceable only in a court of competent jurisdiction, including the courts of the State of Michigan and the federal courts in Michigan, including the United States Bankruptcy court, or any arbitrator or arbitration panel, if applicable.

3.2 The Finance Documents shall be construed in accordance with and governed by the internal laws of the State of Michigan, as set forth in each such document. The Board of Directors authorizes the Tribe to consent to the jurisdiction of the courts of the State of Michigan and the federal courts in Michigan, including any courts to which decisions may be appealed, with respect to any controversy arising out of or under the Finance Documents.

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Section 4. WAIVER OF TRIBAL COURT JURISDICTION

4.1 The Board of Directors, on behalf of the Tribe, waives the jurisdiction of the Tribal Court over any action arising under the Finance Documents.

Roll Call Vote: Motion carried with Directors McKelvie, Miller, Abramson, Rickley, Bouschor, Petosky, Chase, Causley, Massaway approving, Directors Hoffman, LaPoint opposing.

Moved by Director Miller, supported by Director Bouschor, to approve Resolution 2008-185, Approval to Augment Resolution #2008-163 with Waiver of Sovereign Immunity and Tribal Court Jurisdiction National City Bank Operating Loan.

BE IT RESOLVED, by the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians, as follows:

Section 1. RECITALS

1.1 The Sault Ste. Marie Tribe of Chippewa Indians (the "**Tribe**") is a federally recognized Indian Tribe organized under the Indian Reorganization Act of 1934, as amended (25 U.S.C. 467, *et seq.*).

1.2 On August 19, 2008, the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians Tribe did pass resolution #2008-163 which approved and authorized a \$500,000 operating loan from National City Bank.

1.3 As part of the Finance Documents and in order to induce the Lender to enter into the Finance Documents, the Tribe is required to: (a) expressly consent to the Tribe's entering into the Finance Documents and (b) confirm that the Tribe shall not raise as a defense its sovereign immunity and, in furtherance thereof, to waive its sovereign immunity and Tribal Court jurisdiction with respect to any matter pertaining to the Finance Documents.

1.4 The Board of Directors determines that it is in the best interest of the Tribe to obtain such financing, make such waivers and consent to the financing, and that the Finance Documents could not be signed and delivered by the Lender without such waivers.

Section 2. APPROVALS AND AUTHORIZATION

2.1 The Board of Directors authorizes and directs the Tribe, through its Chairman, for and on behalf of the Tribe, to enter into such agreements on such terms and conditions as he deems necessary or appropriate with respect to governing law, waivers of sovereign immunity and Tribal court jurisdiction, and consent to jurisdiction.

2.2 The Chairman is authorized and directed to execute and deliver such other agreements, certificates, documents and instruments as may be required and to take any and all such other action as may be necessary or desirable to effectuate the foregoing on behalf of the Tribe.

Section 3. WAIVER OF SOVEREIGN IMMUNITY AND CONSENT TO JURISDICTION

3.1 The Board of Directors, on behalf of the Tribe, waives all sovereign immunity from suit should an action be commenced under the Finance Documents. This waiver:

- 1) shall terminate upon performance by the Tribe of all its obligations under the Finance Documents;

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- 2) is granted solely to the Lender, its successors and assigns;
- 3) shall apply to any judicial or non-judicial action, including but not limited to any lawsuit, arbitration, judicial or non-judicial foreclosure proceeding, judicial or non-judicial action to enforce the rights of the Lender as a secured creditor, and to the assertion of any claim in a court of competent jurisdiction or with any arbitrator or arbitration panel, if applicable, to enforce the obligations of the Tribe under the Finance Documents;
- 4) shall be enforceable against the assets of the Tribe to the extent necessary to satisfy the Tribe's obligation under the Finance Documents, including but not limited to any Tribal property or assets pledged under the Finance Documents; and
- 5) shall be enforceable only in a court of competent jurisdiction, including the courts of the State of Michigan and the federal courts in Michigan, including the United States Bankruptcy court, or any arbitrator or arbitration panel, if applicable.

3.2 The Finance Documents shall be construed in accordance with and governed by the internal laws of the State of Michigan, as set forth in each such document. The Board of Directors authorizes the Tribe to consent to the jurisdiction of the courts of the State of Michigan and the federal courts in Michigan, including any courts to which decisions may be appealed, with respect to any controversy arising out of or under the Finance Documents.

Section 4. WAIVER OF TRIBAL COURT JURISDICTION

4.1 The Board of Directors, on behalf of the Tribe, waives the jurisdiction of the Tribal Court over any action arising under the Finance Documents.

Motion carried unanimously.

Moved by Director Massaway, supported by Director Causley, to adjourn the meeting.

Motion carried with Director Hoffman, McKelvie, Petosky opposing.

Meeting adjourned: 6:45 p.m.

Date: 9-30-08

Secretary: 

Others present: Vic Matson, Kristi Little, Bill Connolly, Lona Stewart, Tony Goetz, Bob Marchand, Dustin Bacon, Juanita Bye, Kelly Smart, Carol Eavou, Courtney Kachur.