

**BOARD OF DIRECTORS REGULAR MEETING
KEWADIN CASINO AND CONVENTION CENTER
SAULT STE. MARIE, MICHIGAN
MINUTES
March 26, 2013**

The meeting was opened at 6:47 p.m. by Chairperson Payment.

Present: Dennis McKelvie, Deb Pine, Cathy Abramson, Jennifer McLeod, DJ Malloy, Lana Causley, Catherine Hollowell, Keith Massaway, Bridgett Sorenson, Denise Chase, Darcy Morrow, Joan Anderson, Aaron Payment.

Absent:

Moved by Director Massaway, supported by Director Malloy, to approve the agenda as written.

Motion carried unanimously.

Moved by Director Malloy, supported by Director Sorenson, to approve the Minutes of 2-26-2013, as written.

Motion carried with Director Anderson abstaining.

Moved by Director Causley, supported by Director Abramson, to approve Res. 2013-53, Partial Waiver of Convictions for Ms. Theresa Finrock.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors, pursuant to Tribal Code Chapter 76 grants a partial waiver to Ms. Theresa Finrock for the convictions of: 1. Assault Resulting in Substantial Bodily Injury – 10/2010.

Roll Call Vote: Motion carried with Directors Hollowell, Pine, Anderson, Abramson, Malloy, Chase, Causley, Morrow approving, Directors Massaway, Sorenson, McKelvie opposing, Director McLeod abstaining.

Moved by Director Malloy, supported by Director Chase, to approve Res. 2013-54, SMART FY 2013 Support for Adam Walsh Act Implementation Grant Program – Application.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Sault Ste Marie Tribe of Chippewa Indians hereby authorizes application to the SMART Office for the SMART FY 2013 Adam Walsh Act Implementation Grant Program.

BE IT FURTHER RESOLVED, that Aaron Payment, Tribal Chairman, or his designee is hereby authorized to submit said proposal to the Department of Justice, to negotiate, execute, and amend any documents resulting there from on the Tribe's behalf.

Motion carried unanimously.

Moved by Director McKelvie, supported by Director Causley, to approve Res. 2013-55, Waiver of Sovereign Immunity and Consent to Waiver of Tribal Court Jurisdiction PNC Bank.

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

Section 1 FINDINGS AND DETERMINATIONS: The Board of Directors finds and determines that:

1.1 The Sault Ste. Marie Tribe of Chippewa Indians ("Tribe") is a federally recognized Indian Tribal Government organized under the provisions of the Indian Reorganization Act of 1934.

1.2 Kewadin Casinos Gaming Authority (the "Authority") is an autonomous instrumentality of the Tribe.

1.3 The Authority is the borrower under an Amended and Restated Loan Agreement (as amended, the "Loan Agreement") among the Authority, the Tribe, PNC Bank, National Association (as successor by merger to National City Bank) as Administrative Agent (the "Administrative Agent"), and the Lenders party from time to time thereto (the "Lenders"), as amended (the "Financing").

1.4 The Tribe is a party to the Loan Agreement with respect to certain representations, warranties and covenants. The Tribe has entered into certain other documents in respect of the Financing (the Loan Agreement and other documents are the "Tribe Loan Documents") evidencing its obligations ("Tribe Obligations").

1.5 The Tribe and Authority wish to enter into agreements with the Lenders for the purpose of extending the Maturity Date (as defined in the Loan Agreement) to June 14, 2013 and the Lenders are willing to grant such request.

1.6 In order to obtain the extension of Maturity Date the Tribe and Authority must request an amendment (the "Amendment") of the Authority Loan Documents.

1.7 It is a condition to the Financing and the Amendment that the Tribe and the Authority each waive the jurisdiction of the Tribal Court in connection with the Financing, except to the extent that the Tribe Loan Documents or the Authority Loan Documents, as amended, may provide for limited jurisdiction for enforcement of an arbitration award under Chapter 95 of the Tribal Code, and the Board of Directors has determined that it is in the best interests of the Tribe that the Financing be amended on substantially the terms set forth in the draft letter agreement attached hereto, and the Tribe waive the jurisdiction of the Tribal Court in connection therewith.

Section 2 Approvals and Authorization

2.1 The Board of Directors authorizes and directs the Tribe, through its Chairperson, on such conditions and terms as he deems fit, to enter into Amendment on such terms as he may agree upon, which approval shall be conclusively presumed by execution and delivery of the Amendment by the Chairperson, and to perform its obligations thereunder.

2.2 The Chairperson is authorized and directed to execute and deliver such other certificates, documents, or instruments, as may be required or to take any and all such action which may be necessary or convenient to effectuate the Amendment.

Section 3 Waiver of Sovereign Immunity and Consent to Jurisdiction.

3.1 The Tribe hereby expressly confirms its waiver under the Tribe Loan Documents and waives its sovereign immunity from suit in favor of the Administrative Agent and the Lenders only should an action be commenced under the Tribe Obligations, as amended by the Amendment.

This waiver:

- i) shall terminate upon performance by the Tribe of all of its obligations under the Tribe Loan Documents, as amended, or any subsequent extensions,
- ii) is granted solely to the Administrative Agent and the Lenders;
- iii) shall extend to inter alia, any judicial or non judicial action, including, but not limited to, any lawsuit, arbitration, and judicial or non judicial action to resolve disputes between the Tribe and the Administrative Agent and Lenders and the assertion of any claim in a court of competent jurisdiction or with any arbitrator or arbitration panel to enforce the obligations under the Tribe Loan Documents, as amended;
- iv) shall be enforceable only in a court of competent jurisdiction, including courts of the State of Michigan the Sault Ste. Marie Tribal Court and federal courts in Michigan (including the United States Bankruptcy Court) or any arbitrator or arbitration panel; and
- v) shall be enforceable against all assets of the Tribe to the extent necessary to satisfy the Tribe's obligation under the Tribe Loan Documents, as amended.

3.2 The Tribe Loan Documents, as amended, shall be construed in accordance with and governed by the internal laws of the State of Michigan, as set forth in such documents, except that matters concerning the validity and perfection of a security interest shall be governed by the conflict of law rules set forth in the Michigan Uniform Commercial Code. The Tribe expressly consents 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 controversies arising from this resolution, the Tribe Loan Documents, as amended, any amendments thereto, or to any transactions in connection therewith.

Section 4 WAIVER OF TRIBAL COURT JURISDICTION

The Board of Directors expressly confirms its waiver under the Tribe Loan Documents, as amended, and waives jurisdiction of the Tribal Court over any action arising under the Tribe Loan Documents and the Authority Loan Documents identified in Gaming Authority Resolutions 2007-05 and 2010-12 and 2012-231, as amended, pursuant to the provisions of Section 44.108 of the Tribal Code, except to the extent that the Tribe Loan Documents or the Authority Loan Documents, as amended, may provide for limited jurisdiction for enforcement of an arbitration award under Chapter 95 of the Tribal Code.

Roll Call Vote: Motion carried unanimously.

Moved by Director Malloy, supported by Director McKelvie, to approve Res. 2013-56, Waiver of Sovereign Immunity and Consent to Waiver of Tribal Court Jurisdiction PNC Bank Engagement Letter.

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

Section 1 Findings

1.1 The Sault Ste. Marie Tribe of Chippewa Indians ("Tribe") is a federally recognized Indian Tribal Government organized under the provisions of the Indian Reorganization Act of 1934.

1.2 Kewadin Casinos Gaming Authority (the "Authority") is an autonomous instrumentality of the Tribe.

1.3 The Authority and the Tribe wish to seek refinancing under their outstanding indebtedness, and wish to engage the services of PNC Capital Markets, LLC and PNC Bank, National Association (collectively, "PNC") to structure, arrange, and syndicate and administer a senior secured term loan facility as described in the attached Engagement Letter and Term Sheet and Fee Letter (the "Engagement Documents").

1.4 The Chairperson of the Tribe must be authorized to sign and execute the Engagement Documents.

1.5 It is a condition to the Engagement Documents that the Authority and Tribe agree to Governing Law, Waiver of Jury Trial, Waiver of Sovereign Immunity, and Consent to Court Jurisdiction, in the same manner and to the same extent as those matters have been waived in the Tribe and Authority's current existing Amended and Restated Loan Agreement with PNC Bank, National Association and the other lenders party thereto (as amended, the "Loan Agreement"), and the Board of Directors has determined that it is in the best interests of the Tribe that the Engagement Documents be executed on substantially the terms set forth in the draft letter agreements attached hereto, and the Tribe waive the jurisdiction of the Tribal Court in connection therewith.

1.6 In connection with the Fee Letter attached hereto, the Authority will pay an arrangement fee, upfront fees and administration fee as described therein.

Section 2 Approvals and Authorization

2.1 The Board of Directors of the Tribe authorizes and directs the Chairperson of the Tribe, on such conditions and terms as he deems fit, to enter into Engagement Documents on such terms as he may agree upon, which approval shall be conclusively presumed by execution and delivery of the Engagement Documents by the Chairperson, and to perform its obligations thereunder.

2.2 The Chairperson is authorized and directed to execute and deliver such other certificates, documents, or instruments, as may be required or to take any and all such action which may be necessary or convenient to effectuate the Engagement Documents and transactions described therein.

Section 3 Waiver of Sovereign Immunity and Consent to Jurisdiction.

3.1 The Tribe hereby confirms its waiver under the currently the Loan Agreement and related loan documents (the "Tribe Loan Documents") and Resolution 2012-231 and waives its immunity from suit should an action be commenced on the Engagement Letter and Term Sheet as amended, and further consents to the incorporation of such waiver into the Engagement Letter and Term Sheet.

This waiver:

- i) shall terminate upon performance by the Tribe of all of its obligations under the Engagement Letter and Term Sheet;
- ii) is granted solely to PNC;
- iii) shall extend to inter alia, any judicial or non judicial action, including, but not limited to, any lawsuit, arbitration, and judicial or non judicial action to resolve disputes between the Tribe and PNC and the assertion of any claim in a court of competent jurisdiction or with any arbitrator or arbitration panel to enforce the obligations under the Engagement Documents;
- iv) shall be enforceable only in a court of competent jurisdiction, including courts of the State of Michigan the Sault Ste. Marie Tribal Court and federal courts in Michigan (including the United States Bankruptcy Court) or any arbitrator or arbitration panel; and
- v) shall be enforceable against all assets of the Tribe to the extent necessary to satisfy the Authority's obligation under the Engagement Documents.

3.2 The Engagement Documents, as amended, shall be construed in accordance with and governed by the internal laws of the State of Michigan, as set forth in such documents, except that matters concerning the validity and perfection of a security interest shall be governed by the conflict of law rules set forth in the Michigan Uniform Commercial Code. The Tribe expressly consents 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 controversies arising from this resolution, the Engagement Documents, or to any transactions in connection therewith.

Section 4 WAIVER OF TRIBAL COURT JURISDICTION

The Tribe expressly confirms its waiver under the Tribe Loan Documents and consents to the incorporation of such waiver into the Engagement Documents, and further waives jurisdiction of the Tribal Court over any action arising under the Engagement Documents pursuant to the provisions of Section 44.108 of the Tribal Code, except to the extent that the Engagement Documents may provide for limited jurisdiction for enforcement of an arbitration award under Chapter 95 of the Tribal Code.

Roll Call Vote: Motion carried unanimously.

Moved by Director Massaway, supported by Director McLeod, to approve Res. 2013-57, Approving Outside Counsel Plunkett Cooney, P.C.

Resolved, that the Board of Directors hereby approves the contract between the Sault Ste. Marie Tribe of Chippewa Indians and Plunkett Cooney, P.C., ending December 31, 2013, for the purpose of providing legal and consulting services to the Tribe.

Motion carried unanimously.

Moved by Director Massaway, supported by Director Sorenson, to approve Res. 2013-58, Approving Outside Counsel Frost Brown Todd, L.C.C.

Resolved, that the Board of Directors hereby approves the contract between the Sault Ste. Marie Tribe of Chippewa Indians and Frost Brown and Todd, L.L.C., ending December 31, 2013, for the purpose of providing legal and consulting services to the Tribe.

Motion carried unanimously.

Moved by Director Massaway, supported by Director McLeod, to approve Res. 2013-59, Approving Consultant Contract Mr. Al Lucas.

Resolved, that the Board of Directors hereby approves the contract between the Sault Ste. Marie Tribe of Chippewa Indians and Mr. Al Lucas, ending December 31, 2013, for the purpose of providing consulting services to the Tribe.

Motion carried unanimously.

Moved by Director Abramson, supported by Director Causley, to approve Res. 2013-60, FY 2014 Budget Document 001.

BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians here by approves the FY 2014 Budget Document 001 totaling \$816,806 of which \$32,260 comes from Tribal Support.

Roll Call Vote: Motion carried unanimously.

Moved by Director Malloy, supported by Director Morrow, to approve Res. 2013-61, Renaming Scholarships.

NOW, THEREFORE BE IT RESOLVED, the Sault Ste. Marie Tribe of Chippewa Indians supports the designation of nine (9) tributary scholarships, with names and eligibility criteria identified on Attachment A, in the amount of \$1000 each, from the Sault Tribe Golf Scholarship Fund, replacing nine (9) of the existing Bernard Bouschor scholarships, beginning in 2013 and continuing in perpetuity as long as such funds are available.

Roll Call Vote: Motion carried with Directors Massaway, Hollowell, Anderson, Abramson, Malloy, McLeod, Chase, Causley, Morrow, Sorenson, McKelvie approving, Director Pine abstaining.

Moved by Director Malloy, supported by Director Sorenson, to approve Res. 2013-62, Delegation of Authority for Purposes of Applying for Federal Grant Monies.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians hereby delegates to the Tribal Chairperson or, in the absence of the Chairperson, the Executive Director, the authority to bind the Tribe for purposes of seeking and applying for grants from the state and federal governments and from charitable foundations subject to the requirement that the Board of Directors shall be informed of all such grant applications prior to acceptance of the grant and no grant shall be accepted without Board approval.

BE IT FURTHER RESOLVED, that the Administration shall promptly present all such applications for review and approval by the Board of Directors.

BE IT FURTHER RESOLVED, that this resolution rescinds and replaces Resolution 2006-40 in its entirety with respect to any grant applications submitted on or after the date of this resolution.

Roll Call Vote: Motion carried unanimously.

Moved by Director Malloy, supported by Director Abramson, to approve Res. 2013-63, Health Center – Dental, FY 2013 Budget Modification.

BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians here by approves the budget modification to the FY 2013 budget for Health Center Dental, to change the personnel sheet and reallocate expenses. No effect on Tribal Support.

Roll Call Vote: Motion carried with Director Pine, McLeod, Anderson, Massaway, Malloy, Sorenson, Abramson approving, Directors McKelvie, Hollowell, Causley, Chase, Morrow opposing.

Moved by Director Malloy, supported by Director Abramson, to approve Res. 2013-64, Farm Bill-APHIS Grant Hoop House FY 2013 Budget.

BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians here by approves the request to establish a FY 2013 budget for Farm Bill - APHIS grant, with Federal monies \$27,742.99. No effect on Tribal Support.

Motion carried unanimously.

Moved by Director Abramson, supported by Director Hollowell, to approve Res. 2013-65, Building – Grimes Property and Tribal Operations Establishment of a Budget and FY 2013 Budget Modification.

BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians here by approves the establishment of a FY 2013 budget for Buildings – Grimes Property with Other Revenue of \$10,290.00.

BE IT FINALLY RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians here by approves the FY 2013 budget modification to Tribal Operations for an increase in Tribal Support monies of \$10,290.00. These funds will be used to maintain the Grimes Property.

Motion carried unanimously.

Moved by Director Malloy, supported by Director Chase, to table the resolution regarding the Cultural – Ojibwe Language.

Roll Call Vote: Motion carried with Directors Sorenson, Abramson, Anderson, Malloy, Morrow, Chase approving, Directors Hollowell, McLeod, Morrow, McKelvie, Causley, Massaway opposing, Chairperson Payment approving to table, thus breaking the tie vote.

Moved by Director Malloy, supported by Director Sorenson, to reappoint Diane Moore and appoint Sheila Hammock to the Child Welfare Committee, for terms of 4 years, expiring March 2017.

Motion carried unanimously.

Moved by Director Causley, supported by Director Hollowell, to table the issue of the Research Request by Theresa Lewis.

Roll Call Vote: Motion carried with Directors Massaway, Hollowell, Pine, Anderson, Abramson, Malloy, McLeod, Chase, Causley, Morrow, Directors Sorenson, McKelvie opposing.

Moved by Director Malloy, supported by Director Abramson, to place on the April 23, 2013 meeting agenda, proposal by Johnson, Long, and McGinty to analyze/evaluate our Sault Casino, after the Audit Committee has a chance to review.

Roll Call Vote: Motion denied with Directors Abramson, Pine, Massaway, McKelvie, Chase, McLeod approving, Directors Anderson, Causley, Hollowell, Sorenson, Morrow, Malloy opposing, Chairperson Payment opposing, thus breaking the tie vote.

Moved by Director Malloy, supported by Director Sorenson, to approving a maximum of \$10,000 for the Johnson, Long, and McGinty proposal.

Roll Call Vote: Motion carried with Directors Massaway, Pine, Anderson, Abramson, Malloy, Chase, Morrow, Sorenson, McKelvie approving, Directors McLeod, Causley opposing. Director Hollowell was out of the room at the time of the vote.

Moved by Director Hollowell, supported by Director Causley, to refer to the May Audit Meeting, then bring back recommendations to the Board at the meeting following the Audit Meeting.

Roll Call Vote: Motion denied, with Directors McKelvie, McLeod, Anderson, Massaway, Malloy, Chase, Sorenson, Morrow, Abramson opposing. Directors Pine and Hollowell were out of the room at the time of the vote.

Moved by Director Malloy, supported by Director Morrow, to allow the Chairperson to enter into negotiations for the proposal and then bring back to the Board.

Roll Call Vote: Motion denied with Directors Sorenson, Abramson, Anderson, Malloy, Morrow approving, Directors Hollowell, McLeod, McKelvie, Causley, Chase, Massaway opposing. Director Pine was out of the room at the time of the vote.

Moved by Director Malloy, supported by Director Morrow, to approve up to \$10,000 for the Johnson, Long, McGinty proposal, for the Kewadin Casino analysis, adding a confidentiality and non disclosure clause to the agreement, with the \$10,000 coming out of the casino budget. The \$10,000 will be for reimbursement of travel, meals, hotel for the three.

Roll Call Vote: Motion carried with Directors Abramson, Anderson, Pine, Massaway, McKelvie, Chase, Sorenson, Morrow, Malloy, McLeod approving, Directors Causley, Hollowell opposing.

Minutes
3-26-2013

Moved by Director Chase, supported by Director Morrow, to approve up to \$3,500 to purchase the court transcripts from Delta County regarding the Jensen Fishing Case, with the funds to come out of the Legal Budget.

Roll Call Vote: Motion carried with Directors Hollowell, McLeod, Sorenson, Abramson, Anderson, Malloy, Pine, Morrow, Causley, Chase approving, Directors McKelvie, Massaway opposing.

Moved by Director Massaway, supported by Director McLeod, to move into closed session.

Motion carried unanimously.

Without Objection, will move back into open session. No objections.

Moved by Director Abramson, supported by Director Causley, to authorize General Counsel, John Wernet, to make an offer, within the parameters that we discussed for the ACFS attorney.

Roll Call Vote: Motion carried with Directors McLeod, Anderson, Massaway, Causley, Malloy, Sorenson, Abramson approving, Directors Pine, Chase, Morrow opposing, Director McKelvie abstaining. Director Hollowell was not in the room at the time of the vote.

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

Roll Call Vote: Motion denied with Directors Massaway, Abramson, Causley approving, Directors Pine, Anderson, Malloy, McLeod, Chase, Morrow, Sorenson opposing, Director McKelvie abstaining.

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

Motion carried.

Meeting adjourned: 9:48 p.m.

Date: 5-7-13

Secretary: Cathy Abramson

Others present: John Wernet, Bill Connolly, Christine McPherson, Tony Goetz, Mike McCoy, Angeline Boulley, Tony Abramson, Cecil Pavlat, Carol Eavou, Jennifer Tadgerson, Joanne Carr.