

Little River Band of Ottawa Indians

375 River Street
Manistee, MI 49660
(231) 723-8288

Resolution # 05-0126-35

Adoption of Amendments to Little River Casino Resort Enterprise Ordinance

WHEREAS, the status of the *Gaá Čhing Ziibi Daáwaa Aníshinaábek* (Little River Band of Ottawa Indians) as a sovereign and Treaty-making power is confirmed in numerous treaties, from agreements with the initial colonial powers on this land, to various treaties with the United States; and

WHEREAS, the Little River Band of Ottawa Indians (Tribe) is descended from, and is the political successor to, the Grand River Ottawa Bands, signatories of the 1836 Treaty of Washington (7 Stat. 491) with the United States, as reaffirmed by federal law in P.L. 103-324, enacted in 1994; and

WHEREAS, the Tribe adopted a new Constitution, pursuant to a vote of the membership on May 27, 1998, which Constitution became effective upon its approval by the Assistant Secretary-Indian Affairs on July 10, 1998; and

WHEREAS, the Tribe adopted amendments to the Constitution on April 26, 2004, which became effective upon approval by the Assistant Secretary-Indian Affairs on May 13, 2004; and

WHEREAS, the Tribal Council is authorized under Article IV, Section 7(a) to provide for the public health, peace, morals, education and general welfare of the Little River Band and its members; and

WHEREAS, the Tribe's status as a federally-recognized Indian tribe was reaffirmed and restored by Congress pursuant to Public Law 103-324, 108 Stat. 2156 (25 U.S.C. §1300k et seq.); and

WHEREAS, the Tribe adopted a Constitution, pursuant to a vote of the membership on May 27, 1998, which Constitution became effective upon its approval by the Assistant Secretary-Indian Affairs on July 10, 1998; and

WHEREAS, the Tribe adopted amendments to the Constitution on April 26, 2004, which became effective upon approval by the Assistant Secretary-Indian Affairs on May 13, 2004; and

WHEREAS, the Tribal Council is authorized under Article IV, Section 7(a) to provide for the public health, peace, morals, education and general welfare of the Little River Band and its members; and

WHEREAS, the Tribal Council has created the subordinate entity, the Little River Casino Resort, through adoption of resolution #04-1013-405 and as amended by resolution # 04-1027-432, which superseded the Articles of Organization created by resolutions # 04-0721-307 and #04-0922-380; and

WHEREAS, the Tribal Council, having an opportunity to review the ordinance, the constitutional authority, and the ordinance's effect on the actions of the Board of Directors has determined that amendments are necessary for the purposes of clarification of application and authority;

WHEREAS, the Tribal Council finds that it is necessary to take emergency action to adopt these amendments under authority granted in the Administrative Procedures Act - Ordinances, section 5.01 in order to clarify the constitutional authority to create subordinate entities and delegate authority; and

WHEREAS, the emergency amendments, if not adopted, would not result in unavoidable questions about the authority or authenticity of actions taken during the emergency period, and would result in the Board of Directors operating under clearer authority;

NOW THEREFORE IT IS RESOLVED THAT the Tribal Council of the Little River Band of Ottawa Indians hereby adopts the amendments to the Little River Casino Resort Enterprise Ordinance as identified in the attached document for an emergency period to extend not longer than six months from the date of adoption of this resolution.

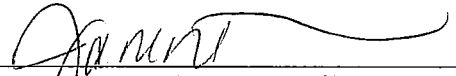
IT IS FURTHER RESOLVED THAT the Tribal Council directs that the amended ordinance be posted for Public Comment.

IT IS FURTHER RESOLVED THAT the Tribal Council, in its actions represented by resolutions #04-0721-307, #04-0922-380, #04-1013-405 and #03-1027-432, intended to, and did, create a single entity, the authority for which has been clarified through adoption of these resolutions, as well as the current resolution, and that any individuals appointed under any one of these resolutions, was appointed to the entity - Board of Directors - created by resolution # 04-0721-307, and as amended by the subsequent and superseding resolutions.

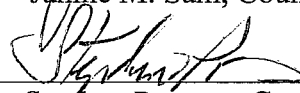
IT IS FINALLY RESOLVED THAT the Tribal Council hereby accepts the resignation of the Business Board carry-over representatives assigned under resolution #04-0922-380, as this assignment is no longer necessary to the functioning of the Board of Directors.

CERTIFICATE OF ADOPTION

I do hereby certify that the foregoing resolution was duly presented and adopted by the Tribal Council with 7 FOR, 1 AGAINST, 1 ABSTAINING, and 0 ABSENT, at a Regular Session of the Little River Band of Ottawa Indians Tribal Council held on January 26, 2005, at the Little River Band's Dome Room in Manistee, Michigan, with a quorum being present for such vote.



Janine M. Sam, Council Recorder



Stephen Parsons, Council Speaker

Attest:

Distribution: Council Records
Tribal Ogema
Tribal Court

LITTLE RIVER CASINO RESORT ENTERPRISE ORDINANCE
04-800-03

Article I. Purpose; Findings

1.01. *Purpose.* It is the purpose of this ordinance to create the subordinate organization for the purposes of managing the Tribe's gaming and resort operations.

1.02. *Findings.* The Tribal Council of the Little River Band of Ottawa Indians finds that:

- a. The legislative powers of the Tribe are vested in the Tribal Council, *Article IV, Section 7*; and
- b. The Tribal Council's powers are exercised through action by ordinance, resolution or motion, *Article IV, Section 6(g)(1)*; and
- c. The Tribal Council is delegated responsibility and authority regarding land and assets, *Article IV, section 7(c and d)*; and
- d. The Tribal Council is responsible for making, holding, and revoking assignments of Tribal property, *Article IV, Section 7(a)(4)*; and
- e. The Tribal Council is delegated authority to create subordinate organizations and to delegate to those subordinate organizations the power to manage the affairs and enterprises of the Tribe, *Article IV, Section 7(f)*; and
- f. The Tribal Council is delegated authority to set forth, by ordinance, how the Ogema may manage the economic affairs, enterprises and property of the Tribe, *Article V, Section 5(a)(8)*; and
- g. Creating the Little River Casino Resort as a subordinate organization and identifying how that economic enterprise may be managed is an important governmental function and authority exercised by the Tribal Council for the benefit of the members and the Tribe.

Article II. Adoption; Amendment; Repeal; Severability

2.01. *Adoption.* This Ordinance is adopted by resolution # 04-1013-405.

a. Amendments to change composition of Board of Directors, Resolution # 04-1027-432.

b. *Amendments to provide clarification, Resolution # _____.*

2.02. *Amendment.* This Ordinance may be amended by the Tribal Council in accordance with the Constitution and any rules set forth governing amendment of laws of the Little River Band of Ottawa Indians.

2.03. *Severability Clause.* If any provision of this Ordinance or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable.

2.04. *Repeal of Business Board Entity.* The entity created under the Management Contract, Business Board, is hereby repealed.

Article III. Definitions.

3.01. *Definitions.* For purposes of this Ordinance, certain terms are defined in this Article. The word "shall" is always mandatory and not merely advisory.

3.02.

Article IV. Creation of Little River Casino Resort

4.01. *Creation; Name.* The subordinate organization, which includes a gaming enterprise authorized under the Indian Gaming Regulatory Act, the Tribal-State Gaming Compact, and the Gaming Ordinance, and resort/conference amenities is created by this ordinance and shall be named the "Little River Casino Resort" and shall be directed by a Board of Directors. ~~The subordinate organization is recognized by the adoption~~

~~of the enterprise charter by resolution of the Tribal Council, and as may be amended from time to time by resolution.~~ *The Board of Directors shall be a semi-independent agent of the Tribe for the purposes of providing guidance for the operation of the Little River Casino Resort.*

4.02. *Scope of Activities.* The Little River Casino Resort is authorized to conduct the following enterprise activities.

- a. Gaming activities authorized under the Tribal-State Gaming Compact.
- b. Hotel and recreational vehicle activities.
- c. Entertainment and conference activities.
- d. Dining and banquet activities.
- e. Activities reasonably related to the above.
- f. Other activities as may be authorized from time to time by resolution of the Tribal Council amending this ordinance.

4.03. *Assets of Subordinate Organization.* The Little River Casino Resort shall be assigned those assets as existed and increased in value on September 12, 2004, the date of transfer from the Management Agreement to Tribal management. Such assets shall be held by the Little River Casino Resort on behalf of the Tribe and shall be managed to provide long term revenue for Tribal governmental programs and activities. The assets assigned in this ordinance shall be independently managed by the Little River Casino Resort.

4.04. *Property.* The Little River Casino Resort shall be assigned the property described in Tribal Council resolution # 97-0309-04, as amended and corrected; and for which the master plan was approved by Tribal Council resolution # 04-0811-334. Amendments to the master plan shall be accomplished by Tribal Council resolution.

Article V. Management; Structure

5.01. *Management Organization.* The Little River Casino Resort shall be managed by a General Manager, hired by and reporting to a Board of Directors. ~~The Ogema shall sit as ex-officio on the Board of Directors.~~

5.02. *General Manager.* The General Manager shall have sole authority and responsibility for managing the Little River Casino Resort in accordance with the processes and Internal Controls approved by the Board of Directors, gaming laws and regulations by the federal and Tribal government, and other laws and regulations of federal or Tribal government as may be applicable.

5.03. *Board of Directors - Creation.*

a. *Members.* The Board of Directors is ~~made up of 7 members~~, made up of five members who shall ~~make up the quorum and have authority to take action, and 2 ex-officio members.~~ Board members shall meet the following qualifications.

1. Three of the members shall be members of the Little River Band of Ottawa Indians.
2. There shall be a member of the Board of Directors that has one of the following qualifications, and all qualifications shall be represented.

A. 10 years experience in business financial matters, at least 5 of which in a position as a chief accounting officer or chief financial officer.

B. 10 years of management experience in gaming operation or business management matters, at least 5 of which are in top level executive functions such as general manager or chief operating officer, or manager of substantial business activities.

C. 10 years of experience as legal counsel to a business operation or in business related matters, at least 5 of which are as general counsel or top legal advisor.

3. A vacancy in one of the required qualifications must be filled by a candidate meeting the qualifications, and may be a member or non-member of the Little River Band, provided that

under no circumstances may the number of Little River Band members on the Board of Directors be less than three.

4. The following individuals shall be prohibited from being appointed to the Board of Directors.

A. No person employed at the Little River Casino & Resort or in the Little River Band of Ottawa Indians government operations shall be a member of the Board of Directors. For purposes of this section, government operations includes Tribally chartered enterprises, but does not include Tribally, or otherwise, chartered corporations, of the Tribe.

B. No elected official of the Tribe shall sit as a member of the Board of Directors except in an ex-officio manner as set forth in subsection (f).

c. *Appointments.* Board members shall be appointed by the Ogema and those appointments shall be ratified by the Tribal Council. Board members are official upon ratification by Tribal Council and are authorized to attend meetings. Provided that, Board members must swear an oath of office before the Tribal Court prior to being granted authority to act.

d. *Term of Office; Vacancies.* Board members shall serve 4 year terms subject to removal under sections subsections (i) and (j). A term begins on September 1, and ends on August 31 four years later. A vacancy prior to the end of the term shall, if less than 18 months remaining on the last date in office, be filled for the remainder of the term and a full four year term; and, if more than 18 months remaining on the last date in office, shall be filled only for the remainder of the vacant term.

e. *Compensation.* Board members shall receive compensation as set by resolution of the Tribal Council paid in monthly increments which shall be included in the budget of the Little River Casino Resort. Every two years, at the April joint meeting, the Tribal Council shall review the compensation set for the Board of Directors and approve appropriate changes. Compensation shall not be reduced during the two year term after approval, provided that, compensation may be reduced based upon revenue of the Little River Casino Resort and must be approved by resolution of the Tribal Council. Board members shall be reimbursed reasonable expenses related to activity of the Board of Directors for attending meetings or travel.

~~f. *Ex-Officio Members.* There shall be ex-officio members. An ex-officio member shall be notified of all meetings, receive meeting packages and materials, and shall be authorized to attend all meetings whether public meetings or confidential session discussion. An ex-officio member shall be authorized to participate in all discussions, but shall have no powers to make motions, vote, or be counted to meet quorum requirements. The individuals sitting in the following offices shall sit as ex-officio members:~~

~~1. Ogema;~~

~~2. Little River Casino Resort General Manager.~~

g. *Quorum.* A quorum of the Board of Directors shall consist of 3 members, two of which must be Board members who are members of the Little River Band, where there are at least two members of the Little River Band seated as Board members.

h. *Meetings.* The Board of Directors is authorized to meet as often as necessary to carry out the responsibilities set forth in this Article.

i. *Removal - by Board.* A member of the Board of Directors may be removed for the following reasons by a vote of 4 of the Board of Directors.

1. Failure to attend four meetings of the Board of Directors, including special or emergency meetings, within a 12 month period.

2. Revocation of a professional license, permit or certification that reflects on the

qualifications of the member to sit on the Board or reflects on the professional responsibilities and integrity of the member.

3. Conviction of a felony, or conviction of a misdemeanor act that impinges on the professional responsibilities and integrity of the member.

j. *Removal - Tribal Council.* A member of the Board of Directors may be removed by the Tribal Council only for the following reasons.

1. Failure to attend six meetings of the Board of Directors, including special or emergency meetings, within a twelve month period.

2. Disenrollment from the Tribe of a member seated on a restricted membership position.

3. Failure of the Board of Directors to carry out any removal under the reasons set forth under subsection (i).

5.04. *Procedures.* The Board of Directors shall be authorized to establish its own procedures.

Article VI. Board of Directors

6.01. *Board of Directors - Policy; Purpose.*

a. *Policy.* It is the policy of the Board of Directors to monitor the Little River Casino Resort activities and operations to provide guidance to the management of the operations.

b. *Purpose.* The Little River Casino Resort is granted its enterprise charter by the Tribal Council for the purposes of generating revenues to support member services and programs of the Tribal government. The purpose of the Little River Casino Resort Board of Directors is to provide guidance and support to the management of the Little River Casino Resort to –

1. maintain and increase the number of Tribal members in employment and management level positions.

2. provide insight, advice, and support to the General Manager and management team;

3. participates and encourages communication with the General Manager and management team to discuss and make informed decisions regarding key decisions of the Little River Casino Resort; and

4. participates and encourages communication with the Ogema through ex officio membership, as well as with Tribal Council through reporting and development of annual operating plan.

6.02. *Board of Directors - Authority.* The Board of Directors is delegated the following authority.

a. *Operating Plan.* The Board of Directors has the authority to review and approve the operating plan of the Little River Casino Resort, *subject to approval by the Tribal Council*, which includes the annual budget for the organization.

1. Including required interaction with the Ogema and Tribal Council to clarify the role of the Little River Casino Resort in the overall goals of the tribe.

2. Taking a strong role in defining the performance expectations of the Little River Casino Resort in accordance with the overall goals of the Tribe.

b. *Critical Goal Guidance and Direction.* The Board of Directors must work to accomplish critical goals in relation to financial matters.

1. Develop the trust of elected officials in the quality management and oversight of the Little River Casino Resort.

2. Develop processes that document and track financial performance measures in a way that can be used to communicate the results of the business clearly.

3. Develop processes that identify the goals and policies of the Tribal government integrated and applied to the Little River Casino Resort and reporting on those goals and

policies to the Tribal government at levels which identify needed information or as directed by Tribal law.

c. *Capital Expenditures.* Capital expenditures are not authorized by the approval of the operating plan nor any part or portion of the budget. The Board of Directors is authorized to approve all capital expenditures, subject to the limitations set forth in subsection (d).

d. *Financing of Little River Casino Resort Activities.* The Board of Directors shall approve all requests for financing activities of the Little River Casino Resort. Financing activities as used in these Articles of Organization means purchases, remodeling, construction, and other activities that require the utilization of loan documents, letters of credit, and other banking and non-banking activities which require borrowing funds. Such Board of Directors approval shall be required prior to forward to the Ogema and Tribal Council. Neither the Little River Casino Resort, nor the Board of Directors, is authorized to enter into financing approval without prior ratification by both the Board of Directors and the Tribal Council.

e. *Personnel.* The Board of Directors is delegated the limited responsibility in regards to personnel matters as specifically identified in this section.

1. *General Manager.* The Board of Directors is delegated authority to hire the General Manager. In addition, the Board of Directors shall be responsible for reviewing the General Manager's performance and providing direction and guidance to the General Manager in improving that performance. This authority does not delegated responsibility for daily decision making of the General Manager.

2. *Directors.* The Board of Directors shall approve Director position job descriptions prior to posting and hiring, and any changes that may be requested during the employment of a Director position. 'Director positions' as used in this section refer to the second level of management within the Little River Casino Resort operational structure.

3. *Approving Personnel Manuals.* The Board of Directors shall be responsible for approving the personnel manuals of the Little River Casino Resort.

4. *Approving Internal Controls.* The Board of Directors shall be responsible for approving the internal controls of the Little River Casino Resort.

f. *Receiving and maintaining the Standard Operating Procedures and Internal Controls of the Resort.* The Board of Directors shall receive signed originals of all Standard Operating Procedures and Internal Controls of the Little River Casino Resort. These documents shall be the official procedures and controls of the Little River Casino Resort and all changes must be submitted to *and approved by* the Board of Directors to be effective.

g. *Reporting Requests.* The Board of Directors is authorized to request reports regarding all aspects of the Little River Casino Resort, including by way of description, not limitation –

1. Audits, whether internal or external;
2. Financial;
3. Personnel, including Indian preference, hiring, retention, disciplinary actions, grievances, etc.;
4. Compliance reports, whether internal or external; and
5. Gaming Commission notices of noncompliance, licensing activities of the Little River Casino Resort or regarding employees, and other Gaming Commission actions.

h. *Responsibilities.* The Board of Directors is responsible for setting the direction and goals of the Little River Casino Resort. This shall include approval of one-year and five-year plans of the Little River Casino Resort, as well as mission and goal statements. These documents shall be forwarded to the Ogema and Tribal Council upon approval by the Board.

- 6.03. *Approval Required.* The Board of Directors shall obtain Tribal Council approval of the following items.
- a. Operating By-laws of the Board of Directors after adoption by the Board.
 - b. Little River Casino Resort Annual Business Plan.
 - c. Little River Casino Resort Annual Budget.
 - d. Personnel manuals.
- 6.04. *Notice Required.* The Board of Directors shall provide notice, by filing with the Tribal Council Recorder, to be presented at a Tribal Council meeting for acceptance, the following items.
- a. Standard Operating Procedures.
 - b. Internal Controls.
- 6.05. *Budget.* The Board of Directors shall create an annual budget, which shall be included within the budget of the Little River Casino Resort, sufficient to maintain appropriate office space, compensation, and other activities of the Board.
- 6.06. *Staffing.* The Board of Directors shall have the authority to engage support staff for the purposes of maintaining the books and records of the Board.
- 6.07. *Contracting.* The Board of Directors shall have the authority to engage consultants for the purposes of carrying out the responsibilities of the Board.
- 6.08. *Reporting to Ogema and Tribal Council in April and October.* The Board of Directors shall submit a report to the Ogema and Tribal Council *on a monthly basis. Further, at the first Tribal Council meeting in April and October, the Board of Directors shall be present to answer questions and respond to concerns presented by the Ogema, Tribal Council, or membership.* The *monthly* reports shall include the information listed in this section. ~~A member of the Board of Directors, or all members, shall attend to present the materials and respond to questions and concerns.~~
- a. Financial Statements.
 - b. Marketing plans.
 - c. Human Resources.
 - d. *Meeting minutes.*
- 6.09. *Annual Funding Needs.* On July 15th of each year, the Board of Directors shall forward to the Ogema the estimated revenues for the next fiscal year and the estimated budget needs of the operations in accordance with the Budget and Appropriations Ordinance. This report shall be sufficiently detailed so as to allow the Ogema to develop and present the governmental budget to the Tribal Council.
- 6.10. *Monthly Reports.* The Board of Directors shall receive from the Little River Casino Resort the monthly financial reports, which may be reviewed and commented upon prior to submission to the Tribal Council and forwarded to the Ogema. If not reviewed and completed prior to submission, the monthly financial reports shall be commented upon as soon as reasonable after submission.