

Little River Band of Ottawa Indians

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

Resolution # 05-0316-114

Adoption of the Casino Resort Board of Directors Act of 2005

WHEREAS, the Little River Casino Resort (“Casino Resort”) has developed into a highly successful business enterprise; and,

WHEREAS, the Casino Resort, a sophisticated and complex business enterprise, continues to grow and expand as the Tribe’s primary source of revenue and jobs; and,

WHEREAS, in order to ensure continued success, the Casino Resort business requires constant monitoring, oversight, and direction by a group of qualified individuals who possess specialized knowledge and expertise in gaming and related businesses; and,

WHEREAS, the Tribal Council has identified the need to establish a Board of Directors for the Casino Resort to provide such monitoring, oversight, and direction regarding the management of the Casino Resort; and,

WHEREAS, the Tribal Council has posted for Public Comment the Casino Board of Directors Act of 2005 on March 2, 2005 in accordance with the Administrative Procedures Act – Ordinance; and

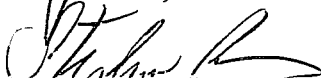
NOW THEREFORE IT IS RESOLVED THAT the Tribal Council of the Little River Band of Ottawa Indians, in accordance with Article IV, Section 7 of the Constitution, and Article V of the Administrative Procedures Act – Ordinances regarding the adoption of emergency action prior to the conclusion of the Public Comment period, adopts the attached law, entitled Casino Board of Directors Act of 2005, Ordinance # 05-800-03, for immediate implementation.

CERTIFICATE OF ADOPTION

We hereby certify that the foregoing Resolution and attached Ordinance was duly presented and adopted by the Tribal Council, with a quorum present, by a vote of 6 FOR, 3 AGAINST, 0 ABSTAINING, and 0 ABSENT, at a Regular Meeting of the Tribal Council of the Little River Band of Ottawa Indians at the Little River Band Dome Room held on March 16, 2005, in Manistee, Michigan.



Janine M. Sam, Council Recorder



Stephen Parsons, Council Speaker

Attest:

BILL

To establish a Board of Directors for the Casino Resort to provide monitoring, oversight, and direction regarding the management of the gaming enterprise.

LITTLE RIVER CASINO RESORT BOARD OF DIRECTORS ORDINANCE

ARTICLE I - TITLE.

1.01. Title. This Ordinance shall be referred to as the “Casino Board of Directors Act of 2005” (“Act”).

ARTICLE II - FINDINGS.

2.01. Findings. The Tribal Council finds:

- (a). The Little River Casino Resort (“Casino Resort”) has developed into a highly successful business enterprise of the Little River Band of Ottawa Indians (“Tribe”); and,
- (b). The Casino Resort, a sophisticated and complex business enterprise, continues to grow and expand as the Tribe’s primary source of revenue and jobs; and,
- (c). The nature of the Casino Resort business, a 24-hour year-round operation, requires constant monitoring, oversight, and direction and would benefit by the assistance of a group of qualified individuals who possess specialized knowledge and expertise in the gaming industry; and,
- (d). The establishment of a Board of Directors for the Casino Resort to provide appropriate monitoring, oversight, and direction regarding the management of the Casino Resort will serve the best interests of the Tribe by maximizing the Casino Resort’s income, reducing expenses where appropriate, and minimizing the potential for political interference of business decision-making, all in accordance with the goals and budgets established by the Tribal Council by law or resolution; and,
- (e). Article IV, §7(f) of the Constitution of the Tribe (“Constitution”), states that the Tribal Council has the power to create subordinate organizations and to delegate to such organizations the power to manage the enterprises of the Tribe; and,
- (f). Article V, §5(a)(8), of the Constitution states that the Ogema has the power to manage the economic affairs and enterprises of the Tribe consistent with ordinances and resolutions enacted by the Tribal Council.

ARTICLE III - PURPOSE.

3.01. Purpose. The purpose of this Act is to establish a Casino Resort Board of Directors ("Board of Directors") to provide monitoring, oversight, and direction regarding the management of the gaming enterprise in order to maximize the income for the Casino Resort and the Tribe.

ARTICLE IV - BOARD OF DIRECTORS.

4.01. Creation of the Board of Directors.

- (a). The Tribal Council hereby creates and establishes the Board of Directors for the Casino Resort.
- (b). The Board of Directors shall be subject to the Constitution, laws, and resolutions of the Tribe, including the legislative authority of the Tribal Council to enact laws and resolutions and the executive authority of the Ogema to carry-out the laws and resolutions enacted by the Tribal Council.
- (c). The previously established Business Board is hereby abolished.

4.02. Appointment by Nomination and Confirmation, and Removal.

- (a). The Members of the Board of Directors shall be selected upon nomination by the Ogema and confirmation by the Tribal Council.
- (b). Article V, §5(a)(4), of the Constitution states that the Ogema has the power, with the approval of the Tribal Council, to appoint heads of subordinate organizations created by ordinance.
- (c). Article IV, §7(h), of the Constitution states that the Tribal Council has the power to approve appointments of heads of subordinate organizations created by ordinance.
- (d). The Ogema shall have the power to remove a Board Member for good cause, as defined by regulation promulgated by the Ogema, after providing the Board Member with due process unless such removal will result in the inability of the Board to establish a quorum of the Board of Directors; provided, that only one Member of the Board of Directors shall be subject to removal at a time, and; provided, further, that any vacancy in a seat on the Board of Directors shall be filled before the Ogema initiates the process to remove a Member of the Board of Directors. The Tribal Council may overturn a decision by the Ogema to remove a Member of the Board of Directors by a two-thirds majority vote of the Tribal Council.

4.03. Composition of the Board of Directors.

- (a). The Board of Directors shall be comprised of five (5) Members.
- (b). Notwithstanding any other provision of this Act, if the Ogema fails to nominate an individual(s) to fill any vacancy on the Board of Directors, then, in the following order of preference, the following individuals shall serve as an interim Member(s) of the Board of Directors until such time as the Ogema nominates a qualified individual to serve as a Member of the Board of Directors and such individual is confirmed by the Tribal Council:
 - (i). Comptroller General; and,
 - (ii). Director of the Department of Public Safety; and,
 - (iii). Director of the Department of Health.

4.04. Qualifications of Members of the Board of Directors.

- (a). All five (5) Members of the Board of Directors shall be enrolled Members of the Tribe.
- (b). The Board of Directors shall include the following qualified individuals:
 - (i). One Member of the Board of Directors shall have at least five (5) years experience in business or financial matters;
 - (ii). One Member of the Board of Directors shall have at least five (5) years experience in the management of a gaming or hospitality enterprise(s); and,
 - (iii). One Member of the Board of Directors shall be a licensed attorney and have at least five (5) years experience as legal counsel to a business enterprise.
- (c). If a vacancy occurs on the Board of Directors in one or more of the seats which require a minimum qualification as set by Sections 4.04 (a) and (b) above, the remaining Members of the Board of Directors may continue to conduct business.
- (d). All Members of the Board of Directors shall possess and maintain a Gaming License issued by the Gaming Commission of the Tribe.
- (e). The Tribal Council may elect to secure a bond and/or insurance covering activities of Members of the Board of Directors. All Members of the Board of Directors shall cooperate fully with Tribe to secure bonding and/or insurance covering his or

her activities as a Member of the Board of Directors.

(f). The following individuals shall be prohibited from serving as a Member of the Board of Directors:

(i). any person employed by the Casino Resort or the Tribe; and,

(ii). any elected official of the Tribe.

4.05. Terms of Office. Each Member of the Board of Directors shall serve a four (4) year term of office.

4.06. Quorum. A quorum of the Board of Directors shall consist of any three (3) Members of the Board of Directors. A quorum shall be required to conduct business.

4.07. Meetings. The Board of Directors shall hold meetings at least once a month.

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

4.09. Compensation. Each Member of the Board of Directors shall be paid reasonable compensation as authorized by the Tribal Council; provided, that such compensation shall be subject to the power of the Tribal Council to appropriate funds for such purposes.

ARTICLE V - RESPONSIBILITIES AND DUTIES.

5.01. Responsibilities. The Board of Directors shall be responsible for the following:

- (a). to ensure compliance with the laws and resolutions enacted by the Tribal Council including any goals for the Casino Resort established by the Tribal Council; and,
- (b). to ensure compliance with all applicable laws and regulations including the Indian Gaming Regulatory Act, the Tribal-State Gaming Compact, the Gaming Ordinance of the Tribe, and all applicable internal operating procedures and minimum internal control standards; and,
- (c). to account for and transfer, or to direct the accounting and transfer of, all revenues generated by the Casino Resort, excluding authorized operating funds, on at least a 48-hour basis to an account or accounts authorized and established by the Tribal Council by law or resolution and maintained by the Chief Financial Officer of the Tribe; provided, that such transfers shall be made according to written procedures established by the Board of Directors which shall be subject to modification by the Tribal Council by law or resolution; and,
- (d). to maintain and increase the number of Members of the Tribe employed by the

- Casino Resort; and,
- (e). to maintain and increase the number of Members of the Tribe employed by the Casino Resort in management level positions; and,
- (f). to provide oversight and direction to the General Manager of the Casino Resort; and,
- (g). to maintain a consistent and regular attendance record; and,
- (h). to be held accountable, to the highest degree, for the accuracy and thoroughness of the records and reports of the Casino Resort; and,
- (i). to be responsible for the successful overall direction and operation of all activities of the Casino Resort in accordance with the laws and resolutions enacted by the Tribal Council.

5.02. General Duties. The Board of Directors shall:

- (a). create, develop, and implement an effective strategy of business organization for the Casino Resort including setting objectives for future growth and expansion in accordance with the Annual Operating Plan and Annual Budget approved by the Tribal Council; and,
- (b). ensure the quality of management activities and operations in all areas of the Casino Resort; and,
- (c). have all duties and responsibilities customary for a Board of Directors of a gaming, restaurant, hotel, and entertainment enterprise including, without limitation, responsibility for the overall operation of the Casino Resort.

5.03. Specific Duties.

- (a). Annual Budget: The Board of Directors shall prepare a proposed Annual Budget for the Casino Resort in accordance with the power of the Ogema to prepare and present an annual budget to the Tribal Council under Article V, §5(a)(5) of the Constitution, and in accordance with the power of the Tribal Council to approve or amend the annual budget; provided, that the Annual Budget shall include at a minimum:
 - (i). operating funds for the Casino Resort; and,
 - (ii). any proposed capital expenditures; and,
 - (iii). short-term and long-term profit goals, and,

- (iv). operating funds for the Board of Directors including funds for office space, staff, consultants, and compensation for Members of the Board of Directors.
- (b). Annual Operating Plan: The Board of Directors shall prepare an Annual Operating Plan for the Casino Resort, including financial goals and other goals, which shall be subject to approval by the Tribal Council by law or resolution.
- (c). General Manager: The Board of Directors shall have the power to hire a General Manager for the Casino Resort in accordance with the laws and resolutions of the Tribe. The Board of Directors may enter into an employment contract with the General Manager; provided, that such contract shall be subject to ratification by the Tribal Council. The Board of Directors shall evaluate the performance of the General Manager on an annual basis or more frequently as needed. The Board of Directors shall have the power to terminate the employment of the General Manager in accordance with the laws and resolutions of the Tribe.
- (d). Personnel Manual: The Board of Directors shall have the power to approve and amend the Personnel Manual for the Casino Resort, subject to the overriding authority of the Tribal Council to alter such Personnel Manual by law or resolution. The Board of Directors shall provide at least a 30-day advance notice to the Ogema and Tribal Council of all proposed amendments to the Personnel Manual.
- (e). Appeals Board: The Board of Directors shall serve as an appeals body to decide the final outcome of all decisions to hire, transfer, suspend, lay-off, evaluate, promote, discharge, assign, reward, or discipline any employee of the Casino Resort, except the General Manager, in accordance with applicable personnel laws and regulations. A decision by the Board of Directors shall be final for purposes of Judicial review.
- (f). Reporting: The Board of Directors shall prepare and submit a written report to the Ogema and Tribal Council on monthly basis. The monthly report shall summarize the status of all material aspects of the operation of the Casino Resort. The Board of Directors shall prepare and submit a comprehensive written annual report to the Ogema and Tribal Council by October 1st of each year. The annual report shall address all material aspects of the casino operation for the preceding twelve-month period and shall include information on the status of all Departments within the Casino Resort.

ARTICLE VI - REPEAL OF RESOLUTIONS

6.01. Repeal. The following Resolutions are hereby repealed: Resolution #04-0721-307, Resolution #04-0922-380, Resolution #04-1013-405, and Resolution #04-1027-432.

ARTICLE VII - SEVERABILITY

7.01. Severability. If any provision of this Act is held to be void, invalid, or unenforceable, it shall be considered deleted from this Act and the invalidity of such provision shall not affect the validity or enforceability of any other provision which shall be given effect in the absence of the invalid provision. The remaining provisions shall continue in full force and effect without being invalidated.