

**BOARD OF DIRECTORS REGULAR MEETING
BAY DE NOC COLLEGE
ESCANABA, MICHIGAN
MINUTES
NOVEMBER 6, 2012**

The meeting was opened at 6:44 p.m. by Chairperson Payment.

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

Absent: Lana Causley.

Moved by Director McLeod, supported by Director Pine, to excuse Director Causley from the meeting.

Motion carried unanimously.

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

Motion carried unanimously.

Moved by Director Abramson, supported by Director Malloy, to suspend the rules and add the resolution regarding tattoo parlors.

Motion carried unanimously.

Without Objection, the issue of expenses for the meetings on the constitution will be added to the agenda. No objections.

Moved by Director McKelvie, supported by Director Massaway, to approve the Minutes of 9-18-2012 and 10-2-2012, with corrections.

Motion carried with Director Anderson abstaining for 10-2-2012.

Moved by Director Abramson, supported by Director McLeod, to approve Res. 2012-226, Contribution to Native American Rights Fund.

NOW, THEREFORE, BE IT RESOLVED that Tribal Chairperson and Chief Financial Officer are hereby authorized to contribute the sum of \$5,000 to the Native American Rights Fund in recognition of the services provided by the Fund in the *Nez Perce* litigation and in support the Fund's continued efforts on behalf of tribal governments throughout the United States and \$5,000 to the United South and Eastern Tribes, Incorporated (USET) on behalf of NARF.

Motion carried with Directors Sorenson, Abramson, Anderson, Morrow opposing.

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Moved by Director Abramson, supported by Director Chase, to approve Res. 2012-227, Authorization for Signature Bureau of Indian Affairs Self Governance Annual Funding Agreements.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians hereby authorizes Aaron Payment, Chairperson or designee, to sign, negotiate, amend, and execute any agreement thereof for the Bureau of Indian Affairs Self Governance Program, and Indian Reservation Roads.

Motion carried unanimously.

Moved by Director Malloy, supported by Director Massaway, to approve Res. 2012-228, FY 2013-2016 Sault Ste. Marie Tribe of Chippewa Indians Tribal Transportation Improvement Plan (TIP).

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians supports and adopts the 2013-2016 Tribal Transportation Improvement Plan for the projects listed in the attached CSTIP forms that were developed between us and the BIA for Tribal Shares funding.

BE IT FURTHER RESOLVED, that the Chairperson or his designee, is authorized and directed to execute and deliver such agreements, documents, or instruments to the Bureau of Indian Affairs (BIA) as may be required or to take any and all such action which may be necessary to implement the foregoing and update the Tribal Long Range Transportation Plan approved by Resolution No: _____.

Motion carried unanimously.

Moved by Director Abramson, supported by Director McLeod, to approve Res. 2012-229, Amending Tribal Code Chapter 21: Hunting and Inland Fishing Eliminating Discretionary Bear Permit Transfers.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors amends Tribal Code Chapter 21: Hunting and Inland Fishing by striking 21.705(2)(c).

Motion carried unanimously.

Moved by Director Malloy, supported by Director McLeod, to approve Res. 2012-230, Amending Tribal Code Chapter 21: Hunting and Inland Fishing Tree Stand Identification.

NOW, THEREFORE, BE IT RESOLVED, that Code Chapter 21: Hunting and Inland Fishing at Section 21.516(2) is amended by striking "two inches (2)".

Motion carried unanimously.

Moved by Director McKelvie, supported by Director McLeod, to approve Res. 2012-231, 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 a Loan Agreement ("Loan Agreement") among the Authority, the Tribe, PNC Bank as Administrative Agent, and the Lenders party from time to time thereto (the "Lenders") and 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 Lenders for the purpose of extending the Maturity Date to May 14, 2013 and permit a special one-time Distribution and the Lenders are willing to grant such request.

1.6 In order to obtain the extension of Maturity Date and the Special One-Time Distribution, the Tribe and Authority must request amendment of the Authority Loan Documents.

1.7 It is a condition to the Financing and the Amendment that the Tribe 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 engagement letter, dated _____ 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 confirms its waiver under the Tribe Loan Documents and waives its sovereign immunity from suit in favor of Bank only should an action be commenced under the Tribe Obligations, as Amended.

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, 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 McLeod, supported by Director Sorenson, to approve Res. 2012-232, Referendum FY 2012 Budget Modification.

BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians here by approves the FY 2012 budget modification to establish a budget for Referendum with Tribal Support monies \$13,024.51.

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

Moved by Director McLeod, supported by Director Sorenson, to approve Res. 2012-233, Tribal Gaming Commission FY 2012 Budget Modification.

BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians here by approves the FY 2012 budget modification to Tribal Gaming Commission to change the personnel sheet, reallocate expense, increase Other Revenue \$16,582.65 and reduce Tribal Support \$30,094.43.

Roll Call Vote: Motion carried unanimously.

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Moved by Director McLeod, supported by Director Sorenson, to approve Res. 2012-234, Self Insurance – Health FY 2012 Budget Modification.

BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians here by approves the FY 2012 budget modification to Self Insurance – Health to increase Tribal Support Corporate Tax \$2,939,309.46 and decrease Other Revenue \$836,052.88.

Roll Call Vote: Motion carried unanimously.

Moved by Director McLeod, supported by Director Sorenson, to approve Res. 2012-235, ACFS – Emergency Assistance FY 2012 Budget Modification.

BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians here by approves the FY 2012 budget modification to Emergency Assistance to increase Tribal Support Corporate Tax \$13,578.25. This budget modification will increase direct services.

Roll Call Vote: Motion carried unanimously.

Moved by Director McLeod, supported by Director Sorenson, to approve Res. 2012-236, Big Bear FY 2012 Budget Modifications.

BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians here by approves the FY 2012 budget modifications to Big Bear Administration, Youth Programs, Events Management, Building Operations, Fitness Center, Pro Shop, Concessions, and Blades Bar to decrease Other Revenue \$26,859. These budget modifications represent actual expenditures, the closure of Blades Bar and the reallocation of expenditures that will allow for the purchase of additional equipment.

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

Moved by Director McLeod, supported by Director Sorenson, to approve Res. 2012-237, ACFS – LIHEAP Leveraging 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 FY 2013 budget modification to LIHEAP Leveraging to establish a budget with Federal Revenue HHS of \$59,821.00. These funds will be utilized for heating direct services. There is no effect on tribal support.

Roll Call Vote: Motion carried unanimously.

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Moved by Director McLeod, supported by Director Sorenson, to approve Res. 2012-238, Healthy Active Communities FY 2012 Budget Modification.

BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians here by approves the FY 2013 budget modification to establish a budget for Healthy Active Communities with Other Revenue \$2,500 received from the Association of American Indian Physicians. No effect on Tribal Support.

Roll Call Vote: Motion carried unanimously.

Moved by Director McLeod, supported by Director Sorenson, to approve Res. 2012-239, Public Health Nursing Grant (PHN) 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 FY 2013 budget modification to establish a budget for the Public Health Nursing Grant (PHN) with Federal – Indian Health Services monies of \$160,000. No effect on Tribal Support.

Roll Call Vote: Motion carried unanimously.

Moved by Director McLeod, supported by Director Sorenson, to approve Res. 2012-240, Contract Health Cost Savings 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 FY 2013 budget modification to change the personnel sheet and increase Federal – Indian Health Services monies \$75,997.63. No effect on Tribal Support.

Roll Call Vote: Motion carried unanimously.

Moved by Director McLeod, supported by Director Sorenson, to approve Res. 2012-241, FY 2012 Budget Document 003.

BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians here by approves the FY 2013 Budget Document 003 totaling \$26,877,863 of which \$12,522,197 comes from Tribal Support.

Roll Call Vote: Motion carried unanimously.

Moved by Director McLeod, supported by Director Sorenson, to approve Res. 2012-242, Fiscal Year 2013 Budget Document 004 Enterprises.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians hereby approves the attached Fiscal Year 2013 Budget Document 004 Enterprises for revenue of \$14,025,356 and expenses of \$13,911,311.

Roll Call Vote: Motion carried unanimously.

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Moved by Director McLeod, supported by Director Sorenson, to approve Res. 2012-243, Fiscal Year 2013 Enterprises Capital Purchases Budget.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians hereby approves a total of \$467,571 as the Enterprises Fiscal Year 2013 Capital Purchases Budget.

Roll Call Vote: Motion carried unanimously.

Moved by Director Morrow, supported by Director Chase, to approve Res. 2012-244, Efficiency Auditor.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors authorizes Chairperson Aaron A. Payment, William Connelly, CFO, Angeline Bouley, Asst. Membership/Internal Services Executive Director, & John Wernet, General Counsel to hire an outside independent Efficiency Auditor with experience working with casinos, enterprises, and all subordinate governmental programs, services and operations.

BE IT FURTHER RESOLVED, the above said efficiency auditor will provide the Sault Tribe Board of Directors with a list of recommendations for improving efficiencies.

BE IT FURTHER RESOLVED, that the Board of Directors shall review and act on the list of identified recommendations for improving efficiencies.

Motion carried unanimously.

Moved by Director Abramson, supported by Director McLeod, to approve Res. 2012-245, Temporary Moratorium Tattooing, Body Piercing, and other Similar Body Modification Services on Tribal Land.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Sault Ste. Marie Tribe of Chippewa Indians hereby temporarily declares tattooing, body piercing, and other similar body modification services, within the jurisdiction of the Tribe, to be illegal, and orders all persons within the jurisdiction of the Tribe to immediately cease administering tattoos, body piercing or other similar body modification services; and

BE IT FURTHER RESOLVED that this Board of Directors mandates that the administration of tattoos, body piercing, and other similar body modification services, within the jurisdiction of the Tribe, is a Public Nuisance as that term is used in section 71.1201 of the Tribal Code, and shall be prosecuted and punished as such by the Tribal Court and Prosecutor; and

BE IT FURTHER RESOLVED, that the Tribe's Law Enforcement Division shall investigate all persons within the jurisdiction of the Tribe who are currently administering tattoos, body piercing, and other similar body modification services and inform each such person within the next five days that continued operations will be illegal.

Motion carried unanimously.

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Moved by Director Chase, supported by Director Malloy, to approve the Constitution Ad Hoc Committees expenses, including motel, meals, mileage, not to exceed \$5,000, coming out of the Board budget.

Motion carried unanimously.

Moved by Director Massaway, supported by Director McLeod, to accept the recommendation of the Great Lakes Conservation Committee and appoint Todd Preseau, to the Committee in the Small Boat License position, for a term of four years, expiring November 2016.

Motion carried unanimously.

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


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

Moved by Director Morrow, supported by Director Sorenson, to adjourn the meeting.

Motion carried with Directors Pine, Massaway, McKelvie opposing.

Meeting adjourned: 7:43 p.m.

Date: 12-18-12

Secretary: 

Others present: John Wernet, Bill Connolly, Angeline Bouley, Russ McKerchie, Sheryl McKerchie, Eric Clark, Bob DeRusha, Officer Schlabach, Joanne Carr.