



STATE OF MICHIGAN
TERRI LYNN LAND, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

November 13, 2007

Kelly Keenan
Governor's Legal Division

Dear Mr. Keenan:

This letter acknowledges receipt and filing on November 13, 2007 with the Secretary of State, an Addendum to Settlement of Land Claim signed by Governor Jennifer M. Granholm and Jeff Parker, President Executive Council Bay Indian Community, for property located on or near Charlotte Beach, Chippewa County, Michigan.

Sincerely,

A handwritten signature in cursive script that reads 'Joanie Kollek'.

Joanie Kollek
Office of the Great Seal
(517) 335-0718

ADDENDUM TO SETTLEMENT OF LAND CLAIM

WHEREAS, on August 23, 2002, John M. Engler, acting as Governor on behalf of the state of Michigan, and L. John Lufkins, acting as President of the Executive Council on behalf of the Bay Mills Indian Community, entered into a written Settlement Agreement intended to fully and finally resolve the Tribe's outstanding land claims to property located on or near Charlotte Beach, Chippewa County, Michigan, that had been deeded in trust to the Governor of Michigan in 1857 for the use and benefit of the Tribe's predecessors;

WHEREAS, the August 23, 2002 Settlement Agreement is subject to the approval of the United States Congress and becomes effective only when Congress acts to approve the Settlement Agreement, making its terms binding and effective, resolving and extinguishing the Tribe's land claim to the Charlotte Beach lands, and providing that the alternative land described in paragraph 4 of the Settlement Agreement be taken in trust for the benefit of the Tribe as land obtained in settlement of a land claim under section 20 of the Indian Gaming Regulatory Act, 25 USC § 2719(b)(1)(B)(i);

WHEREAS, Congress has not yet acted to grant such approval;

WHEREAS, the parties to that Settlement Agreement have mutually agreed that it is in their respective best interests to modify that Agreement in the manner set forth below;

NOW, THEREFORE, the parties stipulate and agree as follows:

1. The August 23, 2002 Settlement Agreement entered into between the parties is hereby amended as follows:

A. Paragraph 4 of the August 23, 2002 Settlement Agreement is amended to read as follows:

4. The Governor specifically concurs in the provision by the United States of America of one of the following two alternative parcels of land, located within the City of Port Huron, St. Clair County, Michigan, to be held in trust for the benefit of the Tribe in lieu of the Charlotte Beach lands:

***Parcel 1:** A parcel of land being land outside Fort Gratiot Military Reservation, according to the plat thereof as recorded in Liber B of Plats, Page 17, St. Clair County Register of*

Deeds Office, described as: Beginning at a point of the South Right-of-Way line of State Street (66 feet wide) and the East line of a public alley (20 feet wide) adjacent to Block 11, Port Huron and Northwestern Railway Plat, said point bearing North 85 degrees 26 minutes 46 seconds East 122.79 feet along the extended North line of Lot 1, said Block 11, from its Northwest corner; thence North 83 degrees 10 minutes 11 seconds East 410.22 feet along said South line of State Street; thence South 72 degrees 55 minutes 17 seconds East 176.09 feet; thence South 44 degrees 32 minutes 48 seconds West 40.00 feet; thence South 46 degrees 27 minutes 08 seconds East 130.00 feet; thence South 27 degrees 28 minutes 45 seconds West 24.59 feet; thence South 62 degrees 31 minutes 15 seconds East 88.80 feet; thence South 46 degrees 39 minutes 21 seconds West 59.66 feet to a point of curvature, concave to the East, said curve having a radius of 810 feet and a long chord which bears South 38 degrees 02 minutes 54 seconds West 242.46 feet; thence Southwesterly 243.37 feet along the arc of said curve to its point of tangency; thence South 29 degrees 26 minutes 27 seconds West 178.90 feet to the point of curvature, concave to the East, said curve having a radius of 2210 feet and a long chord bearing South 26 degrees 08 minutes 51 seconds West 253.91 feet; thence Southerly 254.05 feet along the arc of said curve; thence North 73 degrees 10 minutes 00 seconds West 331.26 feet to the East line of said 20 foot alley; thence North 00 degrees 02 minutes 24 seconds East 703.47 feet to the point of the beginning.

OR

Parcel 2: *A parcel of land situated in the Southeast $\frac{1}{4}$ of Section 10 and the South $\frac{1}{2}$ of fractional Section 11, T.6N., R.17E., City of Port Huron, St. Clair County, Michigan; said parcel is described as: Lots A, 39, 40, and B inclusive, part of Lots 25 and 26, and all of Lots 33 and 34, Block 90, Part of Lot 24 and all of Lot 32, Block 91, part of Lot 32, Block 92, together with vacated First Street, part of vacated Court Street, part of vacated Wall Street and Part of vacated Water Street, all situated in the "Harrington Plat" recorded in Liber 3, Page 24, St. Clair County Records; said parcel completely described and encompassed by the following description: Commencing at the Southeast Corner of said Section 10; thence N.03°32'40" W. 33.0' along its East line to the North line of Griswold Street (66.00' wide); thence S.86°29'13" W.*

6.36' along said North line to its intersection with the proposed East line of Third Street (66.00' wide); thence N.03°14'06" W. 735.04' along said East line to the Easterly extension of the North line of proposed Chestnut Street (66.00' wide) and the point of beginning of this description; thence S.86°28'03" W. 293.90' along said North line to the East line of platted Fourth Street (66.00' wide); thence N.03°16'39" W. 747.12' along said East line to the South line of Court Street as established (100.00' wide); thence N.86°29'43" E. 294.45' along said extended South line to the East line of said proposed Third Street right-of-way (66.00' wide); thence N.03°14'06" W. 17.00' along said East line to the South line of Court Street as established (66.00' wide); thence N.86°29'43" E. 196.94' along said South line; thence N.03°30' 17" W. 66.00' to the Southeast Corner of Lot 17, Block 77, "Harrington Plat (L.3, P.24); thence N.86°29'43" E. 77.11' to a point on the South line of said Lot 26, Block 90, "Harrington Plat"; thence N.08°26'32" E. 364.87' to a point on the Northeast line of said Lot 32, Block 91, "Harrington Plat"; thence S.46°49'27" E. 75.49' to its Southeast Corner; thence N.43°10'33" E. 66.00' to a point on the Southwest line of said Lot 32, Block 92, "Harrington Plat"; thence S.46°49'27" E. 12.57' along said Southwest line; thence N.07°52'29" E. 194.55' to the Black River; thence along its water's edge the following two (2) courses; S.79°13'01" E. 33.04' and S.07°52'29" W. 33.41'; thence N.87°30'09" W. 6.74'; thence S.08°40'45" W. 44.15' to a point on the Southwest edge of a concrete walkway; thence along said walkway the following nine-(9) courses:

said point is on a curve concave to the South, said curve having a radius of 98.85' and a long chord which bears S.71°24'25" E. 35.93'; thence Southeasterly 36.13' along the arc of said curve to the P.C. of a non-tangent continuous curve concave to the West,

said curve having a radius of 452.37' and a long chord which bears S.56°23'11" E. 106.48'; thence Southeasterly 106.72' along the arc of said curve to the P.C. of a non-tangent continuous curve concave to the West,

said curve having a radius of 110.93' and a long chord which bears S.34°33'15" E. 38.00'; thence Southeasterly

38.19' along the arc of said curve to the P.C. of a non-tangent reverse curve concave to the East,

said curve having a radius of 500.49', and a long chord which bears S.28°22'55" E. 50.57'; thence Southeasterly 50.59' along the arc of said curve to the P.C. of a non-tangent continuous curve concave to the East,

said curve having a radius of 203.94' and along chord which bears S.41°44'50" E. 81.05'; thence Southeasterly 81.60' along the arc of said curve to the P.C. of a non-tangent continuous curve concave to the East,

said curve having a radius of 500.29' and a long chord which bears S.54°52'21" E. 52.26'; thence Southeasterly 52.28' along the arc of said curve to the P.C. of a non-tangent reverse curve concave to the West,

said curve having a radius of 77.24' and a long chord which bears S.23°35'09" E. 81.06'; thence Southeasterly 85.33' along the arc of said curve to its non-tangent P.C.;

thence S.12°00'53" W. 366.41' to the P.C. of a curve concave to the West,

said curve having a radius of 463.68' and a long chord which bears S.15°36'33" W. 63.30'; thence Southwesterly 63.34' along the arc of said curve to its P.C. a point on the Southwest edge of said concrete walk;

thence S.24°21'58" W. 169.83' to the P.C. of a curve concave to the West, said curve having a radius of 250.00', and a long chord which bears S.37°04'09" W. 109.95'; thence Southwesterly 110.85' along the arc of said curve to a point of reverse curve, said curve concave to the East, said curve having a radius of 110.00', and a long chord which bears S.23°28' 11" W. 97.48'; thence Southwesterly 100.99' along the arc of said curve to its point of tangency; thence S.02°49'57" E. 73.06' to the P.C. of a curve concave to the West, said curve having a radius of 110.00', and a long chord which bears S.20°40'04" W. 87.73'; thence Southwesterly 90.23' along the arc of said curve to its point of tangency; thence S.44°10'05" W. 71.85' to the P.C. of a curve concave to the East, said curve having a radius

*of 60.00', and a long chord which bears S.36°43'24"
W.15.55'; thence Southwesterly 15.59' along the arc of said
curve to its point of tangency; thence N.86°28'03" E.
373.92' to the point of the beginning of this description.
This entire parcel contains 19.6070 acres more or less.*

B. Paragraph 6 of the August 23, 2002 Settlement Agreement is amended to read as follows:

6. *The Tribe and the State agree as follows:*

(A) *The State and the Tribe have determined that:*

(1) it is in their mutual best interests to maximize the economic benefits of Class III gaming for the Tribe as well as for the larger community and to work cooperatively toward that end;

(2) the successful operation of the Tribe's Class III gaming enterprises necessarily depends to a significant degree on a wide variety of governmental services provided by State government that directly and indirectly benefit the tribal gaming enterprises and this is particularly true in the case of an enterprise that may be located far from the Tribe's own existing governmental infrastructure in the Upper Peninsula;

(3) the economic value to the Tribe of a Class III gaming facility located in Port Huron, outside of the Tribe's existing reservation and trust lands in the Upper Peninsula, is substantially greater than that of its existing facilities;

(4) by concurring in and supporting the Tribe's proposal to take land into trust in Port Huron, the State is necessarily forgoing alternative economic developments at that location that would be available if the land were to remain out of trust and under State jurisdiction;

(5) it is in the best interests of the Tribe to provide the State with an economic incentive intended to encourage the State to promote economic policies and activities that are beneficial to the Tribe's Class III gaming business and to discourage the State from authorizing adverse competition or other economic policies or activities that are harmful to the Tribe's Class III gaming business.

(B) In consideration for the agreements contained in this Settlement Agreement, and in furtherance of the determinations identified in subparagraph (A) of this paragraph, the Tribe agrees that it shall make the following annual payments:

(1) For the Tribe's licensed Class III gaming operations located on its existing reservation and trust lands near Brimley Michigan:

(a) Commencing on the date upon which Congress approves this Settlement Agreement, and subject to the provisions of subparagraph (B)(1)(c) of this paragraph, the Tribe shall make an annual payment equal to 2% of the combined Net Win for those facilities to the Michigan Strategic Fund or to its successor as determined by State law.

(b) Commencing on the date upon which the gaming facility in Port Huron, Michigan, contemplated by this Agreement begins operation, and subject to the provisions of subparagraph (B)(1)(c) of this paragraph, the Tribe shall make an additional annual payment equal to 4% of the combined Net Win for those facilities to the General Fund of the State of Michigan.

(c) Prior to making the payments described in subparagraphs (B)(1)(a) and (B)(1)(b) of this paragraph, the Tribe may calculate the average annual combined Net Win of these two facilities for the three fiscal periods immediately preceding the fiscal period for which payment is due. If the combined Net Win for the immediately preceding fiscal period is equal to or greater than the average annual combined Net Win for the preceding three fiscal periods, the Tribe shall make payment in full at the rates specified in subparagraphs (B)(1)(a) and (B)(1)(b) of this paragraph. However, if the combined Net Win for the immediately preceding fiscal period is less than the average annual combined Net Win for the three preceding periods, the Tribe may calculate its payment, as follows:

The Tribe shall subtract the combined Net Win for the immediately preceding fiscal period from the average annual combined Net Win for the preceding three fiscal periods to determine the difference, shall calculate the ratio of that difference to the average annual combined Net Win for the preceding three fiscal periods to determine the percentage of reduction, and may reduce its payments for the immediately preceding fiscal period by twice that percentage.

By way of example, if the average annual combined Net Win for the preceding three fiscal periods for these facilities is \$50 million per year, and the combined Net Win for the preceding period falls to \$45 million, the difference would be \$5 million, the percentage difference would be 10%, and the Tribe may therefore reduce the payments otherwise due for the preceding year by twice that rate or 20%.

(2) For the Port Huron site contemplated by this agreement:

(a) Subject to the provisions of subparagraph (B)(2)(c), the Tribe shall make an annual payment equal to 3% of the Net Win of the Port Huron facility to the Michigan Strategic Fund or to its successor as determined by State law provided, however, that:

(i) the payment obligation under this subparagraph (B)(2)(a) shall not take effect until the Port Huron facility has completed its first full twelve month fiscal period following the opening of the facility and the first payment due will therefore be based on the second full twelve-month fiscal period for that facility;

(ii) for each of the first fifteen full fiscal periods following the opening of the Port Huron facility, the Tribe may reduce the payment otherwise due to the Strategic Fund under this subparagraph (B)(2)(a) by an amount not to exceed 50% if the Tribe demonstrates that it has contributed or invested a portion of its Net Win for that period equal to or greater than the amount of the proposed reduction to

non-casino economic development activity within the City of Port Huron;

(iii) beginning with the sixteenth full fiscal period following the opening of the Port Huron facility, the Tribe may reduce the payment otherwise due to the Strategic Fund under this subparagraph (B)(2)(a) by an amount not to exceed 25% if the Tribe demonstrates that it has contributed or invested a portion of its Net Win for that period equal to or greater than the amount of the proposed reduction to non-casino economic development activity within the City of Port Huron.

(b) Subject to the provisions of subparagraph (B)(2)(c), the Tribe shall make an annual payment to the General Fund of the state of Michigan based on the Net Win at that site on the following scale: 6% of that portion of Net Win less than \$150 million; 8% of that portion of annual Net Win between \$150 million and \$300 million; and 10% of any portion of annual Net Win of \$300 million or more.

(c) The annual payments provided for in subparagraphs (B)(2)(a) and (B)(2)(b) are subject to the following additional provisions:

(i) For the first full twelve-month fiscal period following the opening of the Port Huron facility, and for any partial fiscal period preceding that first full twelve-month fiscal period, the Tribe shall make only the payment in subparagraph (B)(2)(b) at the rate specified therein.

(ii) For the second full twelve-month fiscal period following the opening of the Port Huron facility, prior to making the payments described in subparagraphs (B)(2)(a) and (B)(2)(b) of this paragraph, the Tribe may adjust its payments as follows: If the Net Win for the second full fiscal period is equal to or greater than the Net Win for the first full fiscal period, the Tribe shall make payment in full at the rates specified in subparagraphs (B)(2)(a) and (B)(2)(b) of this

paragraph. However, if the Net Win for the second full fiscal period is less than the Net Win for the first full fiscal period, the Tribe may calculate its payment, as follows:

The Tribe shall subtract the Net Win for the second full fiscal period from the Net Win for the first full fiscal period to determine the difference, shall calculate the ratio of that difference to the Net Win for the first full fiscal period to determine the percentage of reduction, and may reduce its payments for the second full fiscal period by twice that percentage.

By way of example, if the Net Win for the Port Huron facility for the first full fiscal period is \$200 million, and the Net Win for the second full fiscal period falls to \$180 million, the difference would be \$20 million, the percentage difference would be 10%, and the Tribe may therefore reduce the payments otherwise due for the second full fiscal period by twice that rate or 20%.

(iii) For the third full twelve-month fiscal period following the opening of the Port Huron facility, prior to making the payments described in subparagraphs (B)(2)(a) and (B)(2)(b) of this paragraph, the Tribe may adjust its payments as follows: Prior to making the payments described in subparagraphs (B)(2)(a) and (B)(2)(b) of this paragraph, the Tribe may calculate the average annual Net Win at the Port Huron facility for the first two full fiscal periods. If the Net Win for the third full fiscal period is equal to or greater than the average Net Win for the first two full fiscal periods, the Tribe shall make payment in full at the rates specified in subparagraphs (B)(2)(a) and (B)(2)(b) of this paragraph. However, if the Net Win for the third full fiscal period is less than the average Net Win for the first two full fiscal periods, the Tribe may calculate its payment, as follows:

The Tribe shall subtract the Net Win for the third full fiscal period from the average annual Net Win for the first two full fiscal periods to determine the difference, shall calculate the ratio of that difference to the average annual Net Win for the first two full fiscal periods to determine the percentage of reduction, and may reduce its payments for the third full fiscal period by twice that percentage.

By way of example, if the average annual Net Win for the Port Huron facility for the first two fiscal periods is \$200 million, and the Net Win for the third full fiscal period falls to \$180 million, the difference would be \$20 million, the percentage difference would be 10%, and the Tribe may therefore reduce the payments otherwise due for the third fiscal period by twice that rate or 20%.

(iv) Beginning with the fourth complete one year fiscal period following the opening of the Port Huron facility, the Tribe may thereafter adjust its payments under subparagraphs (B)(2)(a) and (B)(2)(b) as follows: Prior to making the payments described in subparagraphs (B)(2)(a) and (B)(2)(b) of this paragraph, the Tribe may calculate the average annual Net Win at the Port Huron facility for the three fiscal periods immediately preceding the fiscal period for which payment is due. If the Net Win for the immediately preceding fiscal period is equal to or greater than the average Net Win for the preceding three periods, the Tribe shall make payment in full at the rates specified in subparagraphs (B)(2)(a) and (B)(2)(b) of this paragraph. However, if the Net Win for the immediately preceding fiscal period is less than the average Net Win for the three preceding periods, the Tribe may calculate its payment, as follows:

The Tribe shall subtract the Net Win for the immediately preceding fiscal period from the average annual Net Win for the preceding three fiscal periods to determine the difference, shall calculate the ratio of that difference to the

average annual Net Win for the preceding three fiscal periods to determine the percentage of reduction, and may reduce its payments for the immediately preceding fiscal period by twice that percentage.

By way of example, if the average annual Net Win for the Port Huron facility for the preceding three years is \$200 million, and the Net Win for the preceding period falls to \$180 million, the difference would be \$20 million, the percentage difference would be 10%, and the Tribe may therefore reduce the payments otherwise due for that facility by twice that rate or 20%.

(3) Effective upon approval by the U.S. Congress of this Settlement Agreement, as amended by this Addendum, and in lieu of the provisions of § 4(K)(5) of the Compact made and entered into between the parties on August 20, 1993, the Tribe shall make annual payment in the amount of \$50,000 per year or .05% of the combined annual Net Win at all of the Tribe's Class III gaming facilities, whichever amount is greater, to the Michigan Gaming Control Board, or to its successor as determined by law, to be applied by the State toward the costs it incurs in carrying out functions authorized by the terms of the Compact.

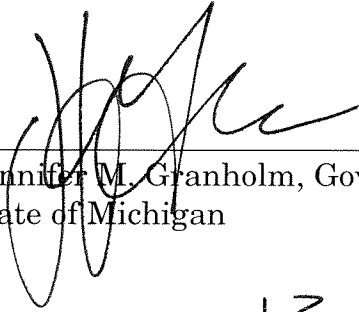
(C) All calculations of amounts due under this paragraph shall be based on a calendar year beginning January 1 and ending December 31 each year. Payment of amounts due shall be made within 60 days from the end of each such period.

(D) As used in this paragraph "Net Win" means the total amount wagered on each electronic game of chance, minus the total amount paid to players for winning wagers at such machines.

2. The parties hereby ratify and affirm their August 23, 2002 Settlement Agreement as modified by this Addendum.

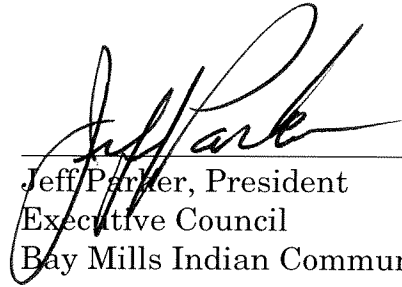
3. This Addendum shall be filed with the Michigan Secretary of State and shall be transmitted to the United States Congress by the Governor, together with a copy of the original August 23 Settlement Agreement, in the same manner as provided in paragraph 15 of that August 23 Settlement Agreement.

4. By his signature below, Bay Mills Executive Council President Jeff Parker represents and warrants that this Addendum has been approved by a Resolution of the Tribe's Executive Council as specified and required by paragraph 10 of the August 23, 2002 Settlement Agreement.



Jennifer M. Granholm, Governor
State of Michigan

Dated: November 13, 2007



Jeff Parker, President
Executive Council
Bay Mills Indian Community

Dated: November 13, 2007



Bay Mills Indian Community
12140 West Lakeshore Drive
Brimley, Michigan 49715
(906) 248-3241 Fax-(906) 248-3283



RESOLUTION NO. 07-11-05

Approval of Addendum to the Settlement of the Charlotte Beach Land Claim

WHEREAS, the Bay Mills Indian Community is a federally recognized Indian Tribe with a Constitution enacted pursuant to the Indian Reorganization Act of 1934, 25 U.S.C. sec. 461 et seq., and

WHEREAS, Article VI, section 1 of the Constitution of the Bay Mills Indian Community provides the power to the General Tribal Council to act in the interests of the public, and

WHEREAS, pursuant to Article IV, section 2 as amended, this power has been delegated to the Executive Council, and

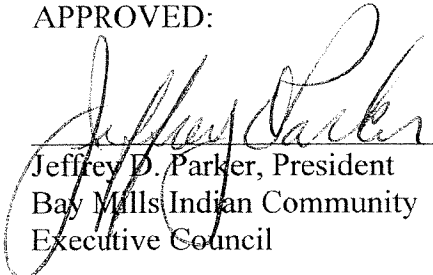
WHEREAS, on August 23, 2002, the State of Michigan and the Bay Mills Indian Community, entered into a written Settlement Agreement intended to fully and finally resolve the Tribe's outstanding land claims to property located on or near Charlotte Beach, Chippewa County, Michigan ("the Settlement"), and

WHEREAS, Paragraph 10 of the Settlement provides that the Executive Council of the Tribe approve by resolution any modification of the terms of the August 23, 2002 Settlement Agreement, and

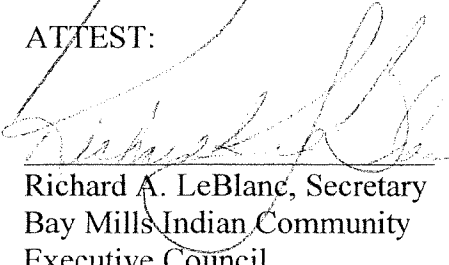
WHEREAS, after consultation and negotiation with Governor Jennifer Granholm, the Tribe and the State of Michigan have agreed to modify the existing terms of the Settlement to better serve each Party's respective interests.

NOW THEREFORE BE IT RESOLVED that the Executive Council, on behalf of the Bay Mills Indian Community hereby elects to approve the Addendum to the Settlement as that Addendum is presented and attached hereto and authorizes the President to execute the same.

APPROVED:

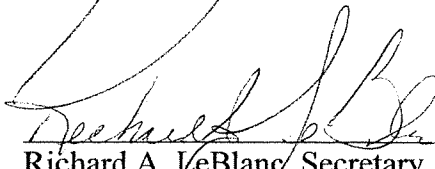

Jeffrey D. Parker, President
Bay Mills Indian Community
Executive Council

ATTEST:


Richard A. LeBlanc, Secretary
Bay Mills Indian Community
Executive Council

CERTIFICATION

I, the undersigned as Secretary of the Bay Mills Indian Community Executive Council, do hereby certify that the above Resolution was adopted and approved at the meeting of the Executive Council held at Bay Mills, Michigan, on the 5th day of November, 2007, with a vote of 3 for, 0 opposed, 1 absent and 1 abstaining. As per the provisions of the Bay Mills Constitution, the President must abstain except in the event of tie.



Richard A. LeBlanc, Secretary
Bay Mills Indian Community