

Little River Casino Resort  
And  
United Steel, Paper and Forestry, Rubber,  
Manufacturing, Energy, Allied Industrial and Service  
Workers International Union, AFL-CIO-CLC

Collective Bargaining Agreement  
for  
Security Officers

December 20, 2010  
through  
December 19, 2012

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## **PREAMBLE**

The Little River Casino Resort is a gaming facility of the Little River Band of Ottawa Indians, operated within the jurisdiction of the Band pursuant to the Indian Gaming Regulatory Act ("IGRA"). Congress enacted the IGRA "as a means of promoting tribal economic development, self-sufficiency, and strong tribal governments." The Band relies upon its IGRA gaming operations to support critically needed services and to provide employment opportunities for its members. As part of its established authority to govern such operations and its inherent authority over economic activity within its territory, the Band has enacted Article XVI of its Fair Employment Practices Code to govern labor relations within its jurisdiction.

This Agreement is made between the Little River Casino Resort (the "Resort"), a gaming facility operated on behalf of the Little River Band of Ottawa Indians and located at 2700 Orchard Highway, Manistee, Michigan, and the United Steel, Paper, and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, on behalf of Local Union (hereafter referred to as the "United Steelworkers" or the "Union").

This Agreement is entered into pursuant to Article XVI of the Fair Employment Practices Code. It is the intent of the parties that this Agreement will establish sound relations between the Resort and its employees which will promote genuine cooperation and efficiency by which the Resort, its employees, and the Band may mutually benefit and facilitate peaceful adjustments of grievances which may arise from time to time between the Resort and the Union or between the Resort and any employee covered by the Agreement.

## **ARTICLE I RECOGNITION**

The Resort recognizes the Union as the sole and exclusive bargaining agent as defined in Article XVI of the Band's Fair Employment Practices Code for the purpose of collective bargaining with regard to wages, hours, and other terms and conditions of employment on behalf of the Resort employees in a unit appropriate for collective bargaining consisting of all non-supervisory, Regular Full-Time and Part-Time Security Officers (including "Dual Rates" personnel) working in the Resort's Security Department, located at 2700 Orchard Highway in Manistee, Michigan, and excluding all supervisory, managerial, confidential, temporary, seasonal, pool and casual employees. The meaning of the preceding terms used shall be consistent with the Band-Union Election Procedures Agreement between the Resort and the Union dated August 6, 2008.

## **ARTICLE II EMPLOYMENT STATUS**

**Regular Full-Time Employee** – A Regular Full-Time Employee is an individual who is regularly scheduled to work between 32 to 40 hours per week, and who has successfully completed his/her Probationary Period.

**ARTICLE XXXIX  
DURATION**

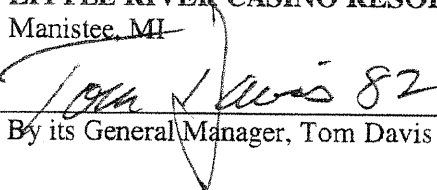
This Agreement shall be in full force and effect from December 20, 2010 through December 19, 2012, unless otherwise amended by mutual agreement. Either party may request to negotiate a successor agreement or extend the current agreement by notifying the other party no less than thirty (30) calendar days or more than ninety (90) calendar days prior to the expiration of this Agreement. Unless mutually agreed otherwise, negotiates for a successor Agreement or extension of the current Agreement shall commence no earlier than sixty (60) calendar days prior to the expiration date of this Agreement.

Should both the Union and the Resort fail to request to bargain collectively for a successor to or an extension of this Agreement, all terms and conditions of this Agreement shall expire on its own accord and shall not be subject to grievance or binding arbitration.

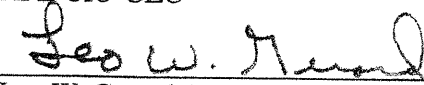
A request to bargain by one party to the other shall be by registered mail. Notice by the Union to the Resort shall be to the General Manager. Notice by the Resort to the Union shall be to the Staff Representative.

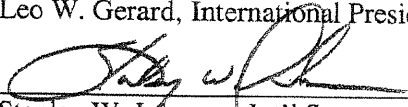
**IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives:**


**LITTLE RIVER CASINO RESORT**  
Manistee, MI

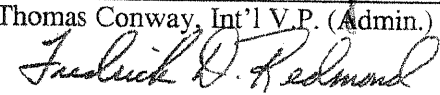
  
By its General Manager, Tom Davis


**UNITED STEELWORKERS,  
AFL-CIO-CLC**

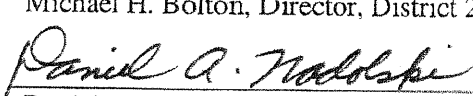
  
Leo W. Gerard, International President


  
Stanley W. Johnson, Int'l Secretary-Treasurer

  
Thomas Conway, Int'l V.P. (Admin.)

  
Frederick Redmond, Int'l V.P. (Human Affairs)

  
Michael H. Bolton, Director, District 2

  
Daniel A. Nadolski, Sub-District Director

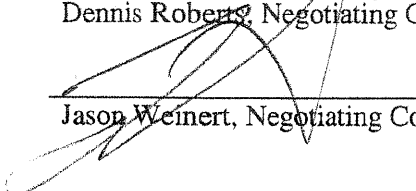
  
\_\_\_\_\_  
William L. Laney, Jr., Staff Representative

\_\_\_\_\_  
Brad Manzollilo, USW Legal Counsel

**LOCAL UNION 9612 (Security Officers)**

  
\_\_\_\_\_  
Roger Belic, Negotiating Committee

  
\_\_\_\_\_  
Dennis Roberts, Negotiating Committee

  
\_\_\_\_\_  
Jason Weinert, Negotiating Committee

A COMPACT BETWEEN  
THE LITTLE RIVER BAND OF OTTAWA INDIANS  
AND  
THE STATE OF MICHIGAN  
PROVIDING FOR THE CONDUCT OF TRIBAL CLASS III GAMING  
BY THE  
LITTLE RIVER BAND OF OTTAWA INDIANS

THIS COMPACT is made and entered into this 3d day of Dec., 1998, by and between the LITTLE RIVER BAND OF OTTAWA INDIANS (hereinafter referred to as "Tribe") and the STATE OF MICHIGAN (hereinafter referred to as "State").

RECITALS

WHEREAS, the State of Michigan is a sovereign State of the United States of America, having been admitted to the Union pursuant to the Act of January 26, ch. 6, 1837, 5 Stat. 144 and is authorized by its constitution to enter into contracts and agreements, including this agreement with the Tribe; and

WHEREAS, the Tribe is a federally recognized Indian Tribe (reaffirmed pursuant to the Little Traverse Bay Bands of Odawa Indians and the Little River Band of Ottawa Indians Act, 25 USC 1300k et seq.) and its governing body, the Tribal Council, is authorized by the tribal constitution to enter into contracts and agreements of every description, including this agreement with the State; and

WHEREAS, the Congress of the United States has enacted the Indian Gaming Regulatory Act of 1988 (25 U.S.C. 2701 et seq.) (hereinafter "IGRA"), which permits Indian tribes to operate Class III gaming activities on Indian reservations pursuant to a tribal-state Compact entered into for that purpose; and

WHEREAS, the Tribe proposes to operate a Class III gaming establishment on eligible Indian lands in the State of Michigan, and by Tribal Council Resolution and Tribal Ordinance will adopt rules and regulations governing the games played and related activities at the Class III gaming establishment; and

WHEREAS, the State presently permits and regulates various types of gaming within the State (but outside Indian lands), including casino style charitable gaming such as craps, roulette, and banking card games, as well as a lottery operating instant scratch games, and "pick number" games,



most of which would be Class III games if conducted by the Tribe; and

WHEREAS, the Michigan Supreme Court in Automatic Music & Vending Corp. v. Liquor Control Comm., 426 Mich 452, 396 N.W.2d 204 (1986); appeal dismissed, 481 U.S. 1009 (1987), and the Michigan Court of Appeals in Primages Int'l of Michigan v. Michigan, 199 Mich App 252, 501 NW2d 268 (1993), have held that the statutory exception found at MCL 750.303(2) allows for the play of electronic gaming devices, which includes computerized or electronic games of chance, albeit subject to specified restrictions regarding the mode of play; and

WHEREAS, said casino style table games and electronic gaming devices are, therefore, permitted "for any purpose by any person, organization or entity," within the meaning of IGRA, 25 U.S.C. 2710(d)(1)(B); and

WHEREAS, at the general election held on November 5, 1996, the electors adopted an initiated law which provides for a licensing and regulatory system under which casino gambling may be operated in the City of Detroit; and

WHEREAS, the State and seven (7) other federally-recognized Indian tribes in the State have previously entered into substantially similar Compacts for the conduct of Class III games; and

WHEREAS, a Compact between the Tribe and the State for the conduct of Class III gaming satisfies the prerequisite, imposed by the United States Congress by enactment of IGRA, for the operation of lawful Class III gaming by the Tribe on eligible Indian lands in Michigan; and

WHEREAS, the State and the Tribe, in recognition of the sovereign rights of each party and in a spirit of cooperation in the interests of the citizens of the State and the members of the Tribe, have engaged in good faith negotiations recognizing and respecting the interests of each party and have agreed to this Compact.

NOW, THEREFORE, the Tribe and the State agree as follows:

#### **SECTION 1. Purpose and Objectives.**

The purpose and objectives of the Tribe and State in making this Compact are as follows:

- (A) To demonstrate good will and a cooperative spirit between the State and the Tribe;
- (B) To continue the development of effective working relationships between the State and tribal governments;

(C) To Compact for Class III gaming on eligible Indian lands of the Tribe in Michigan as authorized by IGRA;

(D) To fulfill the purpose and intent of IGRA by providing for tribal gaming as a means of generating tribal revenues, thereby promoting tribal economic development, tribal self-sufficiency and strong tribal government;

(E) To provide tribal revenues to fund tribal government operations or programs, to provide for the general welfare of the Tribe and its members and for other purposes allowed under IGRA;

(F) To provide for the operation of Class III gaming in which, except as provided in 25 U.S.C. 2710(b)(4) and (d)(2)(A) of IGRA, the Tribe shall have the sole proprietary interest and be the primary beneficiary of the Tribe's gaming enterprise;

(G) To recognize the State's interest in the establishment by the Tribe of rules for the regulation of Class III gaming operated by the Tribe on eligible Indian lands;

(H) To recognize the State's interest in the establishment by the Tribe of rules and procedures for ensuring that Class III gaming is conducted fairly and honestly by the owners, operators, and employees and by the patrons of any Class III gaming enterprise of the Tribe; and

(I) To establish procedures to notify the patrons of the Tribe's Class III gaming establishment that the establishment is not regulated by the State of Michigan and that patrons must look to the tribal government or to the federal government to resolve any issues or disputes with respect to the operations of the establishment.

## **SECTION 2. Definitions.**

For purposes of this Compact, the following definitions pertain:

(A) "Class III gaming" means all forms of gaming authorized by this Compact, which are neither Class I nor Class II gaming, as such terms are defined in subsections 2703(6) and (7) of IGRA. Only those Class III games authorized by this Compact may be played by the Tribe.

(B) (1) "Eligible Indian lands" means trust and reservation lands acquired under 25 U.S.C. §1300k-4(b) within Manistee or Mason Counties, Michigan. A total of one (1) tribal Class III gaming facility may be located on eligible Indian lands; Provided However, If any tribe which attains federal recognition subsequent to the date of this Compact is granted the right, under a valid Compact with the State of Michigan, to operate more than one (1) Class III gaming facility on its eligible Indian lands, the Tribe shall be afforded the same right subject to the same terms and

conditions imposed on such newly recognized tribe.

(2) Nothing in this subsection 2(B) shall be construed to limit the Tribe's ability to change the location of the Tribe's Class III gaming facility within "eligible Indian lands".

(C) "Tribal Chairperson" means the duly elected Chairperson of the Board of Directors or Tribal Council of the Tribe.

(D) "Person" means a business, individual, proprietorship, firm, partnership, joint venture, syndicate, trust, labor organization, company, corporation, association, committee, state, local government, government instrumentality or entity, or any other organization or group of persons acting jointly.

### **SECTION 3. Authorized Class III Games.**

(A) The Tribe may lawfully conduct the following Class III games on eligible Indian lands:

- (1) Craps and related dice games;
- (2) Wheel games, including "Big Wheel" and related games;
- (3) Roulette;
- (4) Banking card games that are not otherwise treated as Class II gaming in Michigan pursuant to 25 U.S.C. 2703(7)(C), and non-banking card games played by any Michigan tribe on or before May 1, 1988;
- (5) Electronic games of chance featuring coin drop and payout as well as printed tabulations, whereby the software of the device predetermines the presence or lack of a winning combination and payout. Electronic games of chance are defined as a microprocessor-controlled electronic device which allows a player to play games of chance, which may be affected by an element of skill, activated by the insertion of a coin or currency, or by the use of a credit, and awards game credits, cash, tokens, or replays, or a written statement of the player's accumulated credits, which written statements are redeemable for cash;
- (6) Keno;
- (7) Any other Class III game that lawfully may be operated by a person licensed

to operate a casino pursuant to the Initiated Law of 1996, MCL 432.201 et seq.; and

- (8) Games that lawfully may be conducted pursuant to MCL 750.303a and MCL 750.310a.

This Compact shall apply to card games that are considered to be Class II games pursuant to 25 U.S.C. 2703(7)(C) only if those games are expanded beyond their "nature and scope" as it existed before May 1, 1988, and only to the extent of such expansion. The term "nature and scope" shall be interpreted consistent with IGRA, the legislative history of IGRA, any applicable decisions of the courts of the United States and any applicable regulations of the National Indian Gaming Commission.

Any limitations on the number of games operated or played, their location within eligible Indian lands as defined under this Compact, hours or period of operation, limits on wagers or pot size, or other such limitations shall be determined by duly enacted tribal law or regulation. Any state law restrictions, limitations or regulation of such gaming shall not apply to Class III games conducted by the Tribe pursuant to this Compact.

(B) Additional Class III games may be lawfully conducted by mutual agreement of the Tribe and the State as follows:

- (1) The Tribe shall request additional games by letter from the tribal Chairperson on behalf of the Tribe to the Governor on behalf of the State. The request shall identify the additional proposed gaming activities with specificity and any proposed amendments to the Tribe's regulatory ordinance.
- (2) The State acting through the Governor shall take action on the Tribe's request within ninety (90) days after receipt. The Governor's action shall be based on:
  - (a) Whether the proposed gaming activities are permitted in the State of Michigan for any purpose by any person, organization or entity; and
  - (b) Whether the provisions of this Compact are adequate to fulfill the policies and purposes set forth in the IGRA with respect to such additional games.

#### **SECTION 4. Regulation of Class III Gaming.**

(A) Prior to permitting the initiation of any Class III gaming on eligible Indian lands, the Tribe will enact a comprehensive gaming regulatory ordinance governing all aspects of the Tribe's gaming enterprise. The requirements of this Section 4 are intended to supplement, rather than conflict with the provisions of the Tribe's ordinance. To the extent any regulatory requirement of this Compact is more stringent or restrictive than a parallel provision of the Tribe's ordinance, as now or hereafter amended, this Compact shall control.

(B) The regulatory requirements of this Section 4 shall apply to the conduct of all Class III gaming authorized by the Compact. At all times during which it conducts any Class III gaming under this Compact, the Tribe shall maintain, as part of its lawfully enacted ordinances, requirements at least as restrictive as those set forth herein.

(C) The Tribe shall license, operate, and regulate all Class III gaming activities pursuant to this Compact, tribal law, IGRA, and all other applicable federal law. This shall include but not be limited to the licensing of consultants (except legal counsel), primary management officials, and key officials of each Class III gaming activity or operation. Any violation of this Compact, tribal law, IGRA, or other applicable federal law shall be corrected immediately by the Tribe.

(D) The Tribe may not license, hire, or employ as a key employee or primary management official, as those terms are defined at 25 CFR 502.14 and 502.19, in connection with Class III gaming, any person who:

- (1) Is under the age of 18; or
- (2) Has been convicted of or entered a plea of guilty or no contest to a gambling-related offense, fraud or misrepresentation; or
- (3) Has been convicted of or entered a plea of guilty or no contest to any offense not specified in subparagraph (2) within the immediately preceding five years; this provision shall not apply if that person has been pardoned by the Governor of the State where the conviction occurred or, if a tribal member, has been determined by the Tribe to be a person who is not likely again to engage in any offensive or criminal course of conduct and the public good does not require that the applicant be denied a license as a key employee or primary management official; or
- (4) Is determined by the Tribe to have participated in organized crime or unlawful gambling or whose prior activities, criminal records, reputation, habits, and/or associations pose a threat to the public interest or to the

effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods and activities in the conduct of gaming or to the carrying on of the business and financial arrangements incidental to the conduct of gaming.

(E) The terms "fraud or misrepresentation," as used in subsection (D)(2), shall mean a criminal offense committed in Michigan or any other jurisdiction, involving, theft, fraud or misrepresentation, which is a felony or would be a felony if committed in Michigan, and which was committed as an adult or prosecuted as an adult offense, and which has not been effectively removed from the employee's criminal record by executive pardon, state court order, or operation of law.

(F) The term "any offense," as used in subsection (D)(3), shall mean any criminal offense not described in subsection (D)(2), whether committed in this state or any other jurisdiction, that is, or would be, a crime under the provisions of the Michigan Penal Code, Act No. 328 of the Public Acts of 1931, as amended, being MCL 750.1 to 750.568, or the controlled substance provisions of the Public Health Code, Act No. 68 of the Public Acts of 1978, as amended, being MCL 333.7101 to 333.7545, or any other criminal offense not specified in subparagraph (2) involving theft, dishonesty, fraud or misrepresentation arising under the law of Michigan or another state or jurisdiction, that was committed as an adult or prosecuted as an adult offense, and which has not been effectively removed from the employee's criminal record by executive pardon, state court order, or operation of law.

(G) All management contracts entered into by the Tribe regarding its gaming enterprise operated pursuant to this Compact shall conform to all the requirements of IGRA, including 25 U.S.C. 2711, and tribal law. If the Tribe enters into a management contract for the operation of any Class III gaming or component thereof, the State shall be given fourteen (14) days prior written notice of such contract.

(H) All accounting records shall be kept on a double entry system of accounting, maintaining detailed, supporting, subsidiary records. The Tribe shall maintain the following records for not less than three (3) years:

- (1) Revenues, expenses, assets, liabilities and equity for the location at which Class III gaming is conducted;
- (2) Daily cash transactions for each Class III game at the location at which gaming is conducted, including but not limited to transactions relating to each gaming table bank, game drop box and gaming room bank;

- (3) All markers, IOUs, returned checks, hold checks or other similar credit instruments;
  - (4) Individual and statistical game records (except for card games) to reflect statistical drop and statistical win; for electronic, computer, or other technologically assisted games, analytic reports which show the total amount of cash wagered and the total amount of prizes won;
  - (5) Contracts, correspondence and other transaction documents relating to all vendors and contractors;
  - (6) Records of all tribal gaming enforcement activities;
  - (7) Audits prepared by or on behalf of the Tribe; and
  - (8) Personnel information on all Class III gaming employees or agents, including rotation sheets, hours worked, employee profiles and background checks.
- (I) No person under the age of 18 may participate in any Class III game.
- (J) The Tribe shall not conduct any Class III gaming outside of eligible Indian lands.
- (K) The rules of each Class III card game shall be posted in a prominent place in each card room and must designate:
- (1) The maximum rake-off percentage, time buy-in or other fee charged;
  - (2) The number of raises allowed;
  - (3) The monetary limit of each raise;
  - (4) The amount of ante; and
  - (5) Other rules as may be necessary.
- (L) Upon the request of the State, the Tribe will provide to the State the background information compiled by the Tribe on all consultants (except legal counsel), management personnel, suppliers and employees required to be licensed under 25 C.F.R. Part 556 or the Tribes gaming ordinance to allow the State to verify the Tribe's background information and to make an independent determination as to suitability of these individuals, consistent with the standards set forth in Section 4(D) herein.

(M) The regulatory requirements set forth in this section of this Compact shall be administered and enforced as follows:

- (1) The Tribe shall have responsibility to administer and enforce the regulatory requirements.
- (2) A representative authorized in writing by the Governor of the State shall have the following right to inspect all tribal Class III gaming facilities and all tribal records related to Class III gaming, including those records set forth in Section 4(H) herein, subject to the following conditions:
  - (a) With respect to public areas, at any time without prior notice;
  - (b) With respect to private areas not accessible to the public, at any time during normal business hours, with 12 hours prior written notice; and
  - (c) With respect to inspection and copying of all tribal records relating to Class III gaming, with 48 hours prior written notice, not including weekends.
- (3) Except as otherwise provided by law or as also allowed by the exceptions defined below, the State agrees to maintain in confidence and never to disclose to any third party any financial information, proprietary ideas, plans, methods, data, development, inventions or other proprietary information regarding the gambling enterprise of the Tribe, games conducted by the Tribe, or the operation thereof which is provided to the State by the Tribe without the prior written approval of a duly authorized representative of the Tribe, provided that the information is marked as confidential information when received by the State. Nothing contained in this Section 4(M)(3) shall be construed to prohibit:
  - (a) The furnishing of any information to a law enforcement or regulatory agency of the United States or State government pursuant to a lawful request of such agency;
  - (b) The State from making known the names of persons, firms or corporations conducting Class III gaming activities pursuant to the terms of this Compact, locations at which such activities are conducted or the dates on which such activities are conducted;
  - (c) Publishing the terms of this Compact;



- (d) Disclosing information as necessary to audit, investigate, prosecute, or arbitrate violations of this Compact;
  - (e) Complying with any law, subpoena or court order. The State shall immediately notify the Tribe of any request or demand for the release of confidential information under this subsection 4(M)(3)(e) to allow the Tribe to initiate proceedings under Section 7 of this Compact or other applicable law to resolve any dispute regarding the State's intention to disclose such information.
- (4) The Tribe shall have the right to inspect State records concerning all Class III gaming conducted by the Tribe consistent with Michigan's Freedom of Information Act.
  - (5) The Tribe shall reimburse the State for the actual costs the State incurs in carrying out any functions authorized by the terms of this Compact, in an amount not to exceed fifty thousand dollars (\$50,000.00) per annum, adjusted annually in accordance with the Consumer Price Index (CPI) annual inflation index. All calculations of amounts due shall be based upon a fiscal year beginning October 1, and ending September 30, unless the parties select a different fiscal year. Payments due the State shall be made no later than sixty (60) days after the beginning of each fiscal year. Payments due the State during any partial fiscal year this Compact is in effect shall be adjusted to reflect only that portion of the fiscal year. Within sixty (60) days after each fiscal year in which this Compact is in effect, the State shall submit to the Tribe an accounting of actual costs incurred in carrying out any functions authorized by the terms of this Compact. Any amount of said sums paid to the State which are not expended by the State on said actual costs shall be returned to the Tribe by the State within sixty (60) days after the fiscal year or treated as a pre-payment of the Tribe's obligation during the subsequent fiscal year.
  - (6) In the event the State believes that the Tribe is not administering and enforcing the regulatory requirements set forth herein, it may invoke the procedures set forth in Section 7 of this Compact.
- (N) The Tribe shall comply with all applicable provisions of the Bank Secrecy Act, P.L. 91-508, October 26, 1970, 31 U.S.C. 5311-5314.

#### **SECTION 5. Employee Benefits.**

The Tribe shall provide to any employee who is employed in conjunction with the operation of any gaming establishment at which Class III gaming activities are operated pursuant to this Compact, such benefits to which the employee would be entitled by virtue of the Michigan Employment Security Act, (Michigan Public Act No. 1 of 1936, as amended, being MCL 421.1 et seq.), and the Worker's Disability Compensation Act of 1969, (Michigan Public Act No. 317 of 1969, as amended, being MCL 481.101 et seq.) if his or her employment services were provided to an employer engaged in a business enterprise which is subject to, and covered by, the respective Public Acts.

#### **SECTION 6. Providers of Class III Gaming Equipment or Supplies.**

(A) No Class III games of chance, gaming equipment or supplies may be purchased, leased or otherwise acquired by the Tribe unless the Class III equipment or supplies meet the technical equipment standards of either the State of Nevada or the State of New Jersey.

(B) Prior to entering into any lease or purchase agreement, the Tribe shall obtain sufficient information and identification from the proposed seller or lessor and all persons holding any direct or indirect financial interest in the lessor or the lease/purchase agreement to permit the Tribe to conduct a background check on those persons. The Tribe shall not enter into any lease or purchase agreement for Class III gaming equipment or supplies with any person or entity if the lessor, seller, or any manager or person holding direct or indirect financial interest in the lessor/seller or the proposed lease/purchase agreement, is determined to have participated in or have involvement with organized crime or has been convicted of or entered a plea of guilty or no contest to a gambling-related offense, fraud or misrepresentation, or has been convicted of or entered a plea of guilty or no contest to any other felony offense within the immediately preceding five years, unless that person has been pardoned.

(C) The seller, lessor, manufacturer, or distributor shall provide, assemble and install all Class III games of chance, gaming equipment, and supplies in a manner approved and licensed by the Tribe.

#### **SECTION 7. Dispute Resolution.**

(A) In the event either party believes that the other party has failed to comply with or has otherwise breached any provision of this Compact, such party may invoke the following procedure:

(1) The party asserting noncompliance shall serve written notice on the other

party. The notice shall identify the specific Compact provision alleged to have been violated and shall specify the factual and legal basis for the alleged noncompliance. The notice shall specifically identify the type of game or games, their location, and the date and time of the alleged noncompliance. Representatives of the State and Tribe shall thereafter meet within thirty (30) days in an effort to resolve the dispute.

- (2) In the event an allegation by the State is not resolved to the satisfaction of the State within ninety (90) days after service of the notice set forth in Section 7(A)(1), the party may serve upon the office of the tribal Chairperson a notice to cease conduct of the particular game(s) or activities alleged by the State to be in noncompliance. Upon receipt of such notice, the Tribe may elect to stop the game(s) or activities specified in the notice or invoke arbitration and continue the game(s) or activities pending the results of arbitration. The Tribe shall act upon one of the foregoing options within thirty (30) days of receipt of notice from the State. Any arbitration under this authority shall be conducted under the Commercial Arbitration rules of the American Arbitration Association except that the arbitrators shall be attorneys who are licensed members of the State Bar of Michigan, or of the bar of another state, in good standing, and will be selected by the State picking one arbitrator, the Tribe a second arbitrator, and the two so chosen shall pick a third arbitrator. If the third arbitrator is not chosen in this manner within ten (10) days after the second arbitrator is picked, the third arbitrator will be chose in accordance with the rules of the American Arbitration Association. In the event an allegation by the Tribe is not resolved to the satisfaction of the Tribe within ninety (90) days after service of the notice set forth in Section 7(A)(1), the Tribe may invoke arbitration as specified above.

- (3) All parties shall bear their own costs of arbitration and attorney fees.

(B) Nothing in Section 7(A) shall be construed to waive, limit or restrict any remedy which is otherwise available to either party to enforce or resolve disputes concerning the provisions of this Compact. Nothing in this Compact shall be deemed a waiver of the Tribe's sovereign immunity. Nothing in this Compact shall be deemed a waiver of the State's sovereign immunity.

#### **SECTION 8. Notice to Patrons.**

In the facility of the Tribe where Class III gaming is conducted the Tribe shall post in a prominent position a Notice to patrons at least two (2) feet by three (3) feet in dimension with the

following language:

## NOTICE

**THIS FACILITY IS REGULATED BY ONE OR MORE OF THE FOLLOWING: THE NATIONAL INDIAN GAMING COMMISSION, BUREAU OF INDIAN AFFAIRS OF THE U.S. DEPARTMENT OF THE INTERIOR AND THE GOVERNMENT OF THE LITTLE RIVER BAND OF OTTAWA INDIANS.**

**THIS FACILITY IS NOT REGULATED BY THE STATE OF MICHIGAN.**

### **SECTION 9. Gaming Outside of Eligible Indian Lands.**

An application to take land in trust for gaming purposes outside of eligible Indian lands, as defined in Section 2(B) of this Compact, shall not be submitted to the Secretary of the Interior in the absence of a prior written agreement between the Tribe and the State's other federally recognized Indian Tribes that provides for each of the other Tribes to share in the revenue of any gaming facility that is the subject of the application to take lands in trust for gaming purposes outside of eligible Indian lands.

### **SECTION 10. Regulation of the Sale of Alcoholic Beverages.**

(A) The Tribe hereby adopts and applies to its Class III gaming establishment as tribal law those State laws, as amended, relating to the sale and regulation of alcoholic beverages encompassing the following areas: sale to a minor; sale to a visibly intoxicated individual; sale of adulterated or misbranded liquor; hours of operation; and similar substantive provisions. Said tribal laws, which are defined by reference to the substantive areas of State laws referred to above, shall apply to the tribal Class III gaming establishment in the same manner and to the same extent as such laws apply elsewhere in the State to off-reservation transactions.

(B) The Tribe, for resale at its Class III gaming establishment, shall purchase spirits from the Michigan Liquor Control Commission, and beer and wine from distributors licensed by the Michigan Liquor Control Commission, at the same price and on the same basis that such beverages are purchased by Class C licensees.

### **SECTION 11. Effective Date.**

This Compact shall be effective immediately upon:

(A) Endorsement by the tribal chairperson and concurrence in that endorsement by resolution of the Tribal Council;

(B) Endorsement by the Governor of the State and concurrence in that endorsement by resolution of the Michigan Legislature;

(C) Approval by the Secretary of the Interior of the United States; and

(D) Publication in the Federal Register.

**SECTION 12. Binding Effect, Duration, and Severability.**

(A) This Compact shall be binding upon the State and the Tribe for a term of twenty (20) years from the date it becomes effective unless modified or terminated by written agreement of both parties.

(B) At least one year prior to the expiration of twenty (20) years after the Compact becomes effective, and thereafter at least one year prior to the expiration of each subsequent five (5) year period, either party may serve written notice on the other of its right to renegotiate this Compact. The parties agree that 25 U.S.C. §2710 (d)(3) through (8), or any successor provisions of law, apply to successor Compacts.

(C) In the event that either party gives written notice to the other of its right to renegotiate this Compact pursuant to subsection (B), the Tribe may, pursuant to the procedures of IGRA, request the State to enter into negotiations for a successor Compact governing the conduct of Class III gaming activities. If the parties are unable to conclude a successor Compact, this Compact shall remain in full force and effect pending exhaustion of the administrative and judicial remedies set forth in IGRA and/or any other applicable federal law.

(D) The Tribe may operate Class III gaming only while this Compact or any renegotiated Compact is in effect.

(E) In the event that any section or provision of this Compact is disapproved by the Secretary of the Interior of the United States or is held invalid by any court of competent jurisdiction, it is the intent of the parties that the remaining sections or provisions of this Compact, and any amendments thereto, shall continue in full force and effect. This severability provision does not apply to Sections 17 and 18 of this Compact.

**SECTION 13. Notice to Parties.**

Unless otherwise indicated, all notices, payments, requests, reports, information or demands which any party hereto may desire or may be required to give to the other party hereto, shall be in writing and shall be personally delivered or sent by first-class, certified or registered United States Mail, postage prepaid, return receipt requested, and sent to the other party at its address appearing below or such other address as any party shall hereinafter inform the other party hereto by written notice given as aforesaid:

Notice to the Tribe shall be sent to:

Chairperson  
Little River Band of Ottawa Indians  
310 9th Street  
P.O. Box 314  
Manistee, MI 49660

Notice to the State shall be sent to:

Governor's Office  
State of Michigan  
P.O. Box 30013  
Lansing, MI 48909

Office of Attorney General  
Treasury Building  
First Floor  
Lansing, MI 48922

Every notice, payment, request, report, information or demand so given shall be deemed effective upon receipt, or if mailed, upon receipt or the expiration of the third day following the day of mailing, whichever occurs first, except that any notice of change of address shall be effective only upon receipt by the party to whom said notice is addressed.

**SECTION 14. Entire Agreement.**

This Compact is the entire agreement between the parties and supersedes all prior agreements, whether written or oral, with respect to the subject matter hereof. Neither this Compact nor any provision herein may be changed, waived, discharged, or terminated orally, but only by an instrument in writing signed by the Tribe and the State.

**SECTION 15. Filing of Compact with Secretary of State.**

Upon the effective date of this Compact, a certified copy shall be filed by the Governor with the Michigan Secretary of State and a copy shall be transmitted to each house of the Michigan State

Legislature and the Michigan Attorney General. Any subsequent amendment or modification of this Compact shall be filed with the Michigan Secretary of State.

**SECTION 16. Amendment.**

This Compact may be amended by mutual agreement between the Tribe and the State as follows:

(A) The Tribe or the State may propose amendments to the Compact by providing the other party with written notice of the proposed amendment as follows:

(i) The Tribe shall propose amendments pursuant to the notice provisions of this Compact by submitting the proposed amendments to the Governor who shall act for the State.

(ii) The State, acting through the Governor, shall propose amendments by submitting the proposed amendments to the Tribe pursuant to the notice provisions of this Compact.

(iii) Neither the tribe nor the State may amend the definition of "eligible Indian lands" to include counties other than those set forth in Section 2(B)(1) of this Compact. The tribe's right to conduct gaming under this Compact shall be terminated if any of the following events occur:

- (I) the tribe applies to the United States Department of the Interior to have land taken into trust which would qualify for gaming under Section 20 of IGRA (25 U.S.C. Section 2719) and which is within 150 miles of the City of Detroit, other than eligible Indian lands described in Section 2(B)(I) of this Compact,
- (II) the tribe requests the United States Department of the Interior to approve a Compact for gaming within 150 miles of the City of Detroit which Compact has not been executed by the State of Michigan, or
- (III) the Tribe conducts gaming on land within 150 miles of the City of Detroit, other than eligible Indian lands described in Section 2(B)(I) of this Compact.

Termination of tribal gaming under this Section shall be effective as of the date on which the State learns or receives notice of any tribal action identified in this Paragraph 16(A)(iii), including notice from any person or entity (including any unit of government) which is given to the addressees identified at Section 13 of this Compact.

(B) The party receiving the proposed amendment shall advise the requesting party within thirty (30) days as follows:

- (i) That the receiving party agrees to the proposed amendment; or
- (ii) That the receiving party rejects the proposed amendment as submitted and agrees to meet concerning the subject of the proposed amendment.

(C) Any amendment agreed to between the parties shall be submitted to the Secretary of the Interior for approval pursuant to the provisions of the IGRA.

(D) Upon the effective date of the amendment, a certified copy shall be filed by the Governor with the Michigan Secretary of State and a copy shall be transmitted to each house of the Michigan Legislature and the Michigan Attorney General.

**SECTION 17. Tribal Payments to State for Economic Benefits of Exclusivity.**

(A) The State and the Tribe have determined that it is in the interests of the people of the State and the members of the Tribe to maximize the economic benefits of Class III gaming for the Tribe and to minimize the adverse effects of Class III gaming by providing a mechanism to reduce the proliferation of Class III gaming enterprises in the State in exchange for the Tribe providing important revenue to the State.

(B) So long as there is a binding Class III Compact in effect between the State and Tribe and no change in State law is enacted which is intended to permit or permits the operation of electronic games of chance or commercial casino games by any other person (except a person operating such games in the City of Detroit pursuant to the Initiated Law of 1996, MCL 432.201 et seq.) and no other person (except a federally-recognized Indian Tribe operating pursuant to a valid Compact under IGRA or a person operating in the City of Detroit pursuant to the Initiated Law of 1996, MCL 432.201) within the State lawfully operates electronic games of chance or commercial casino games, the Tribe shall make payments to the State as provided in subsection (C).

(C) From and after the effective date of this Compact (as determined pursuant to Section 11 of this Compact), and so long as the conditions set forth in subsection (B) remain in effect, the Tribe will make semi-annual payments to the State as follows:

(i) Payment to the Michigan Strategic Fund, or its successor as determined by State law, in an amount equal to eight percent (8%) of the net win at the casino derived from all Class III electronic games of chance, as those games are defined in this Compact.

(ii) As used in this subsection, "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.

(iii) For purposes of these payments, all calculations of amounts due shall be based upon a fiscal year beginning October 1 and ending September 30 of the following calendar year, unless the parties agree on a different fiscal year, and all payments due the State pursuant to the terms of this Section shall be paid no later than sixty (60) days after October 1 and March 31 of each year. Any payments due and owing from the Tribe in the year this Compact is approved, or the final year the Compact is in force, shall reflect the actual net win but only for the portion of the year the Compact is in effect.

(D) The operation of electronic games of chance by persons or entities other than federally-recognized Indian tribes pursuant to a valid Compact under IGRA shall not violate the tribe's exclusive right to operate such machines so long as such machines:

- (i) Reward a player only with the right to replay the device at no additional costs;
- (ii) Do not permit the accumulation of more than fifteen (15) replays at any one time;
- (iii) Allow the accumulated free replays to be discharged only by activating the device for one additional play for each accumulated free replay; and
- (iv) Make no permanent record, directly or indirectly, of the free replays awarded.

#### **SECTION 18. Tribal Payments to Local Governments.**

(A) From and after the effective date of this Compact (as determined pursuant to Section 11 of this Compact), the Tribe will make semi-annual payments to the treasurer for the county described in paragraph (ii)(1) of this subsection 18(A) to be held by said treasurer for and on behalf of the Local Revenue Sharing Board described below, as follows:

(i) Payment in the aggregate amount equal to two percent (2%) of the net win at each casino derived from all Class III electronic games of chance, as those games are defined in this Compact. The county treasurer shall disburse the payments received as specified by lawful vote of the Local Revenue Sharing Board.

(ii) It is the State's intent, in this and its other Compacts with federally recognized tribes, that the payments to local governments provided for in this section provide financial resources to those political subdivisions of the State which actually experience increased operating costs associated with the operation of the Class III gaming facility. To this end, a Local Revenue Sharing Board shall be created by those local governments in the vicinity of the Class III gaming facility to

receive and disburse the semi-annual payments from the Tribe as described below. Representatives of local governments in the vicinity of the Class III gaming facility shall be appointed by their respective elected body and shall serve at the pleasure of such elected body. The Local Revenue Sharing Board shall consist of representatives from each of the following jurisdictions:

- (1) One (1) representative from the county in which the Class III gaming facility is located;
- (2) One (1) representative from the village, city, or township in which the Class III gaming facility is located;
- (3) One (1) representative from a third local unit of government determined by the representatives identified in sub-paragraphs (1) and (2), above, to be most impacted by the Class III gaming facility.

The procedures for the functioning of the Local Revenue Sharing Board, guidelines for establishment of criteria or a formula for the distribution of revenues, and all other matters not specified in this Compact, shall be determined by the Local Revenue Sharing Board. Decisions of the Local Revenue Sharing Board concerning the distribution of revenues shall require the unanimous vote of the three (3) representatives. The Local Revenue Sharing Board's sole function shall be to determine and make allocations of the tribal payments for the purposes described and subject to the limitations in subsection (iii)-(v) below.

(iii) Of the payments made to local units of government, not less than one-eighth of the aggregate payment described in subsection (i) shall be paid to local public safety organizations for public safety purposes.

(iv) Out of the aggregate payments to local units of government, each local unit of government shall receive no less than an amount equivalent to its share of ad valorem property taxes that would otherwise be attributed to the Class III Gaming Facility if that site were subject to such taxation.

(v) Out of the aggregate payments to local units of government, after deducting the payment provided in subparagraphs (iii) and (iv), the Board shall allocate an additional portion of such payments to local units of government to offset the actual costs incurred by such local units of government as a result of the development of a Class III gaming facility in the vicinity. The balance of such payments remaining after reimbursement of such actual costs may be utilized for any other lawful local government purposes.

(vi) As used in this subsection, "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.

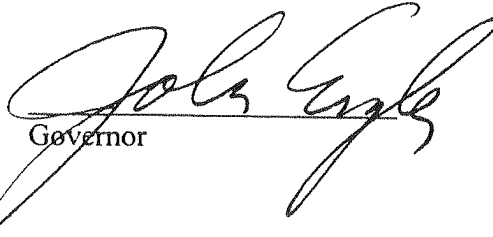
(vii) For purposes of these payments, all calculations of amounts due shall be based upon a fiscal year beginning October 1 and ending September 30 of the following calendar year, unless the parties agree on a different fiscal year, and all payments due the local units of government pursuant to the terms of this Section shall be paid no later than sixty (60) days after October 1 and March 31 of each year. Any payments due and owing from the Tribe in the year this Compact is approved, or the final year the Compact is in force, shall reflect the actual net win but only for the portion of the year the Compact is in effect.

IN WITNESS WHEREOF, the Tribal Chairperson acting for the Little River Band of Ottawa Indians and the Governor acting for the State of Michigan have hereunto set their hands and seals.

Date: 11/27/98  
LITTLE RIVER BAND  
OF OTTAWA INDIANS

By:   
Chairperson

Date: 12/3/98  
STATE OF MICHIGAN

By:   
Governor

2000 APR 24 AM 10:59

**AMENDMENT TO  
A COMPACT BETWEEN  
THE LITTLE RIVER BAND OF OTTAWA INDIANS  
AND  
THE STATE OF MICHIGAN  
PROVIDING FOR THE CONDUCT OF TRIBAL CLASS III GAMING  
BY THE LITTLE RIVER BAND OF OTTAWA INDIANS**

The Compact made and entered on the 3<sup>rd</sup> day of December, 1998 by and between the LITTLE RIVER BAND OF OTTAWA INDIANS (hereinafter referred to as "Tribe") and the STATE OF MICHIGAN (hereinafter referred to as "State") approved by the Secretary of the Interior by publication in the Federal Register on February 18, 1999 at 64 Fed. Reg. 8111, is hereby amended in accordance with Section 16 of the Compact. All provisions of the Compact not explicitly added or amended herein shall remain in full force and effect.

**Section 3 (Authorized Class III Games) is amended by adding the following new language as subsection A(9):**

(9) Lotteries, raffles, and similar games offered on the premises of the casino as a promotional activity designed to attract additional customers to the premises.

**Section 4(M)(5) is amended to read as follows:**

(5) The Tribe shall make an annual payment in the amount of \$50,000 or .05% of the annual Net Win at the Tribe's Class III gaming facility, 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 this Compact. Such payments shall be based on a twelve month fiscal period beginning on October 1 and ending on September 30. Any payment due and owing for that fiscal period shall be made within 45 days of the end of that fiscal period.

**Section 12 (A) and 12 (B) is amended to read as follows:**

(A) This Compact shall be binding upon the State and the Tribe until October 31, 2028 unless modified or terminated by written agreement of both parties.

(B) At least one year prior to the expiration of this Compact, and thereafter at least one year prior to the expiration of each subsequent five (5) year period, either party may serve written notice on the other of its right to renegotiate this Compact. The parties agree that 25 U.S.C. § 2710(d)(3) through (8), or any successor provisions of law, apply to successor Compacts.

**Section 17 is amended to read as follows:**

Section 17. Economic Incentive Payments to State

(A) The State and the Tribe have determined that it is in their mutual best interests to maximize the economic benefits of Class III gaming for the Tribe and to work cooperatively toward that end. The Tribe has further determined that 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 of the agreements contained in the Stipulation Settling Lawsuit and Distributing Funds Held in Escrow entered into by the parties on January 24, 2008 in *Little River Band of Ottawa Indians et al v State of Michigan et al*, 6<sup>th</sup> Cir. No 07-1913 (W.D. Mich. No. 5:05CV0095) and in furtherance of the determinations described in subsection (A) of this section, the Tribe agrees that it shall make an annual payment of 6% of the Net Win at its Class III gaming facility to the Michigan Strategic Fund, or its successor as determined by State law, subject to all of the following conditions:

(1) Such payments shall be based on a twelve month fiscal period beginning on October 1 and ending on September 30. Any payment due and owing for that fiscal period shall be made within 45 days of the end of that fiscal period.

(2) Prior to making any payment under this subsection, the Tribe shall calculate the average annual Net Win for the three fiscal periods immediately preceding the fiscal period for which payment is due. If the Net Win for the period for which payment is due (the "Payment Period") is equal to or greater than the average annual Net Win for the three fiscal periods that preceded the Payment Period, the Tribe shall make payment in full at the rate specified by this section. However, if the Net Win for the Payment Period is less than the average annual

Net Win for the three fiscal periods that preceded it, the Tribe may reduce its payment as follows:

The Tribe shall subtract the Net Win for the Payment Period from the average annual Net Win for the three fiscal periods that preceded the Payment Period to determine the difference, shall calculate the ratio of that difference to the average annual Net Win for the three fiscal periods that preceded the Payment Period to determine the percentage of that reduction, and may reduce the payment otherwise due by twice that percentage.

By way of example, if the annual average Net Win for the three fiscal periods that preceded the Payment Period is \$100 million and the Net Win for the current Payment Period falls to \$90 million, the difference would be \$10 million, the percentage difference would be 10%, and the Tribe would therefore be entitled to reduce the payment otherwise due by twice that rate or 20%.

(3) If the State authorizes or consents to the opening of a new Commercial Gaming Facility within the Tribe's Competitive Market Area by any person or entity, or fails to take action to challenge or prohibit the opening of a new Commercial Gaming Facility in violation of state law within the Tribe's Competitive Market Area by any person or entity, the Tribe's payment obligation shall be suspended for the fiscal period in which such new facility opens to the public and shall remain suspended indefinitely thereafter until the first fiscal period during which the Tribe's Net Win equals or exceeds 110% of the Net Win for the fiscal period immediately preceding the period in which the payment was suspended at which time the Tribe's payment obligation will be reinstated at the rate of 4% of Net Win and shall continue at that rate for the remaining term of the Compact. This subsection may be invoked by the Tribe only once during the term of this Compact but payments at the reduced 4% rate continue to be subject to the provisions of section 17(B)(2).

(C) As used in this subsection:

(1) "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) "Commercial Gaming Facility" means a facility operated by any person or entity including the State that contains 85 or more electronic wagering devices that are electronic games of chance as defined in Section 3(A)(5) of this Compact or other similar electronic devices designed and intended to closely simulate an electronic game of chance, regardless of how a device is categorized under IGRA or whether the device operates independently or through any type of common server, including video lottery terminals, stand alone keno devices, and other similar devices. "Commercial Gaming Facility" shall also include multiple facilities that are adjoining or located in close walking distance to each other if they participate in a coordinated marketing arrangement that represents them collectively as a single gaming district or destination. "Commercial Gaming Facility" does not include:

(a) charitable gaming conducted under the provisions of the Traxler-McCauley-Law-Bowman Bingo Act, MCL 432.101 et seq, or

(b) a Class III gaming facility operated by a federally-recognized or acknowledged Indian Tribe (other than the Little River Band of Ottawa Indians) unless:

(i) the facility is operated by such tribe pursuant to IGRA with the approval of the state under a compact or compact amendment with the State; and

(ii) the compact or amendment permits that tribe to conduct gaming simultaneously in more than one location; and

(iii) the facility is such tribe's second or subsequent simultaneous location; and

(iv) the facility is located within the "Competitive Market Area" defined by subsection (3) below; and

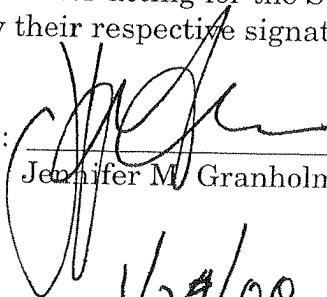
(v) The Little River Band of Ottawa Indians have not consented in writing to the opening of that tribe's second or subsequent site within its "Competitive Market."



(3) "Competitive Market Area" means the counties of Manistee, Wexford, Mason, Lake, Oceana, Newaygo, Muskegon, Ottawa, and Kent.

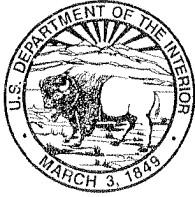
IN WITNESS WHEREOF, the Tribal Ogema acting for the Little River Band of Ottawa Indians and the Governor acting for the State of Michigan have signified their approval by their respective signatures.

By:   
Larry Romanelli, Ogema

By:   
Jennifer M. Granholm, Governor

Dated: 1-24-08

Dated: 1/24/08



# United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240



MAR 11 2008

Honorable Jennifer M. Granholm  
Governor  
State of Michigan  
P.O. Box 30013  
Lansing, Michigan 48909

Dear Governor Granholm:

On January 25, 2008, we received an amendment to the 1998 class III gaming compact between the Little River Band of Ottawa Indians (Tribe) and the State of Michigan (State), executed on January 24, 2008 (Amendment).

Pursuant to Section 11(d)(8)(c) of the Indian Gaming Regulatory Act of 1988 (IGRA), 25 U.S.C. 2710(d)(8)(C), the Secretary may approve or disapprove the Amendment within 45 days of its submission. If the Secretary neither approves nor disapproves the Amendment within 45 days, IGRA provides that the Amendment is considered to have been approved, "but only to the extent the [Amendment] is consistent with the provisions of [IGRA]. The Amendment takes effect when notice of its approval is published in the Federal Register pursuant to Section 11(d)(3)(B) of IGRA, 25 U.S.C. § 2710(d)(3)(B).

We neither approved nor disapproved the Tribe's Amendment within the 45 day period. Therefore, the Amendment is considered to have been approved pursuant to IGRA. We chose not to affirmatively approve the Amendment because of concerns with amended language included in Section 17 of the Compact as explained below.

## Background

The Amendment is the result of a negotiated settlement of litigation between the Tribe and the State over the obligation of the Tribe to continue making revenue-sharing payments of 8% of net win from electronic games of chance to the State under its existing compact notwithstanding the State's decision to operate Club Keno. The U.S. District Court for the Western District of Michigan, in *Little River Band of Ottawa Indians and Little Traverse Bay Bands of Odawa Indians v. Michigan*, held that the State, as a party to the compact, was not an "other person" within the meaning of the compact's exclusivity language and its operation of Club Keno, therefore, did not terminate the Tribe's revenue-sharing payment obligation.

Under the Amendment, the revenue-sharing payment is reduced to 6% of net win, and the exclusivity provision will apply to state-run gaming operations as well as to other commercial gaming operations. However, the exclusivity zone is no longer state wide,

but limited to ten counties included in the Tribe's "competitive market area." If a commercial or state-run gaming facility is authorized in the competitive market area, the payments cease immediately, and only resume at a lower rate of 4% of net win if net win from the Tribe's gaming facility climbs to 110% of what it was before the exclusivity breach. However, the term "gaming facility" does not include a facility that operates fewer than 85 electronic gaming devices. The Amendment also provides for a reduction in payment should the profits of the Tribe decrease below the average of the previous three years. In addition, should the Tribe open a second gaming establishment, the payment to the State for that facility would be 6% of net win as compared to the current compact payment of 10% to 12% of net win.

#### Analytical framework

Our analysis of this revenue sharing agreement begins with section 25 U.S.C. § 2710(d)(4). This section provides that "nothing in this section shall be interpreted as conferring upon a State or any of its political subdivisions authority to impose any tax, fee, charge or other assessment upon an Indian tribe . . . to engage in Class III gaming activity." As a result, the Department of the Interior has sharply limited the circumstances under which Indian tribes can make direct payments to a state for purposes other than defraying the costs of regulating Class III gaming activities.

As our previous compact decision letters have stated, in order to determine whether revenue sharing violates 25 U.S.C. § 2710(d)(4), we first look to whether the State has offered meaningful concessions. We have traditionally viewed this concept as one where the State concedes something that it was otherwise not required to negotiate and it provides a benefit to the Tribe, i.e. exclusivity or some other benefit. In other words, we examine whether the State has made meaningful and significant concessions in exchange for receiving revenue sharing.

The next step in our analysis is to determine whether these concessions result in a substantial economic benefit to the Tribe. The payment to the state must be appropriate in light of the value of the economic benefit conferred on the Tribe. This analysis (meaningful concessions by the State and substantial economic benefit conferred on the tribe) allows us to ascertain that revenue-sharing payments are the product of arms-length negotiations, and not tantamount to the imposition of a tax, fee, charge or other assessment prohibited under 25 U.S.C. § 2710(d)(4).

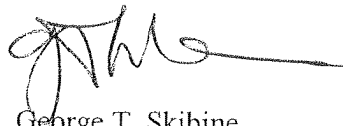
#### Conclusion

There is no question that the Tribe has provided sufficient documentation to show that it is in a far better position under the terms of the Amendment than it would be under the terms of the existing compact as interpreted by the U.S. District Court for the Western District of Michigan. For that reason, we do not believe that the Amendment should be disapproved. However, we are sufficiently troubled by the reduction in the exclusivity zone, the 85 gaming-device exemption within that zone, and the contingent 4% net win continued payment to be unable to determine with certainty that new Section 17 of the

Compact meets the two-prong test articulated in the analytical framework section of this letter so as to warrant an affirmative approval of the Amendment. This Amendment is entered into in connection with the settlement of pending litigation, and thus presents a set of unique circumstances resulting in our decision to neither approve nor disapprove the Amendment within the 45-day statutory time frame.

We wish the Tribe and the State success in their economic venture. An identical letter is being sent to the Chairman, Little River Band of Ottawa Indians.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Skibine', with a long horizontal flourish extending to the right.

George T. Skibine  
Acting Deputy Assistant Secretary –  
Policy and Economic Development

**GAMING COMMISSION ORDINANCE**  
Ordinance # 04-400-04

**Article I. Purpose; Findings**

1.01. *Purpose.* The Tribal Council of the Little River Band enacts this ordinance for the purposes of creating a regulatory agency to carry out licensing and oversight responsibilities regarding gaming activities governed by the Gaming Ordinance, # 02-400-01, and as may be directed in this ordinance.

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

- a. the Constitution of the Little River Band of Ottawa Indians delegates to the Tribal Council the responsibility to "...exercise the inherent powers of the Little River Band by establishing laws through the enactment of ordinances and adoption of resolutions not inconsistent with this Constitution:
  1. to govern the conduct of members of the Little River Band and other persons within its jurisdiction;
  2. to promote, protect and provide for public health, peace, morals, education and general welfare of the Little River Band and its members[.]" *Article IV, Section 7(a)*.
- b. the regulation and licensing of gaming activities is an important regulatory function that can be best carried out through the creation of a regulatory commission by a separate ordinance under authority of Article IV, Section 7(f).

**Article II. Adoption; Amendment; Repeal; Severability**

2.01. *Adoption.* This ordinance is adopted by the Tribal Council through resolution # 02-0508-09.

- a. Amended by resolution # 05-0406-135 - regarding removal of management contract references and coordinating definitions with the Gaming Ordinance.
- b. Amended by resolution # 06-0621-420 - increasing the number of members from three to five.
- c. Emergency Amendments by resolution # 08-0826-274 – allowing for a variation in the number of Commissioners from no less than three to no more than five and establishing that a quorum consists of the majority of duly appointed Commissioners remaining on the Commission; establishing mandatory appointment when there are less than three sitting Gaming Commissioners.
- d. Permanent Adoption of emergency amendments by Resolution #09-0121-\_\_\_\_\_.

2.02. *Amendment.* This Ordinance may be amended from time to time as set forth in the Constitution or in procedures adopted by the Tribal Council.

2.03. *Severability.* 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.

**Article III. Definitions**

3.01. *General.* In this Ordinance, except where otherwise specifically provided or the context otherwise requires, or as may be defined in the Gaming Ordinance, # 02-400-01, the following terms and expressions shall have the following meanings.

**Article IV. Creation of Gaming Commission**

4.01. *Establishment.* The Tribal Council hereby creates a Gaming Commission as the regulatory agency of the Tribe as defined in section 3.26 of the Gaming Ordinance. The Gaming Commission is delegated the right to exercise one or more of the substantial governmental functions of the Tribe as defined in this ordinance. In creating the Gaming Commission, it is the purpose and intent of the Tribal Council that the Gaming Commission ensure the integrity, honesty and fairness of all gaming activities conducted on the Tribe's Reservation and that such gaming activities be conducted in conformance with Tribe-State Gaming Compact, Gaming Ordinance, this ordinance, federal, applicable state and Tribal laws, and any regulations promulgated by the Gaming Commission, the Indian Gaming Regulatory Act, and any applicable Class III gaming compact or Class III gaming rules.

4.02. *Sovereign Immunity of the Gaming Commission.* The Gaming Commission is clothed by federal and tribal law with all the privileges and immunities of the Tribe including sovereign immunity from suit in any state, federal or tribal court, except as may be specifically provided for in the Gaming Ordinance for the purposes of hearings and appeals of licensing determinations and the issuance of fines.

a. Nothing in this ordinance shall be deemed or construed to be a waiver of sovereign immunity of the Gaming Commission from suit.

b. Nothing in this ordinance shall be deemed or construed to be a consent of the Gaming Commission to the jurisdiction of the United States or any state or of any other tribe with regard to the business or affairs of the Gaming Commission.

4.03. *Waiver of Sovereign Immunity of the Gaming Commission.* The sovereign immunity of the Gaming Commission may be waived only by express resolution of the Tribal Council. Neither the power to sue and be sued provided in section 6.01(k), nor the consent to jurisdiction and waiver of sovereign immunity regarding licensing determinations or the issuance of fines, nor any express waiver of sovereign immunity by resolution of the Tribal Council shall be deemed a consent to levy of any judgment, lien or attachment upon property of the Tribe, whether or not under the control and management of the Gaming Commission.

4.04. *Sovereign Immunity of the Tribe.* All inherent sovereign rights of the Tribe as a federally-recognized Indian tribe with respect to the existence and activities of the Gaming Commission are hereby expressly reserved, including sovereign immunity from suit in any state, federal or tribal court. Nothing in this Ordinance, nor any action of the Gaming Commission, shall be deemed or construed to be a waiver of sovereign immunity from suit of the Tribe; or to be a consent of the Tribe to the jurisdiction of the United States or of any state or any other tribe with regard to the business or affairs of the Gaming Commission or the Tribe; or to be a consent of the Tribe to any cause of action, case or controversy, or to the levy of any judgment, lien or attachment upon any property of the Tribe; or to be a consent to suit with respect to any lands in the Tribe's Reservation, or to be a consent to the alienation, attachment or encumbrance of any such land.

4.05. *Assets of the Gaming Commission.* The Gaming Commission shall have only those assets specifically assigned to it by the Tribal Council or acquired in its name by the Tribe. No activity of the Gaming Commission nor any indebtedness incurred by it shall implicate or in any way involve assets of the Tribe not assigned in writing to the Gaming Commission.

## **Article V. Appointment of Gaming Commissioners; Qualifications**

5.01. *Number of Gaming Commissioners.* The Gaming Commission shall be composed of not less than three but no more than five Commissioners.

5.02. *Quorum; Reduced Number of Gaming Commissioners.* If there are fewer than five members of the Gaming Commission, a majority of the remaining duly appointed Commissioners shall constitute a quorum. If the number of Gaming Commissioners on the Gaming Commission is reduced to less than three due to the death, resignation or removal of the other members of the Gaming Commission; quorum shall consist of all the Gaming Commissioners remaining on the Gaming Commission.

5.03. *Appointment of Gaming Commissioners.*

a. The members of the Gaming Commission shall be appointed by the Ogema and approved by the Tribal Council. Members may be reappointed for additional terms without limitation. The term of office is four years.

b. *Future Appointments.* At least 4 weeks prior to any meeting during which appointments to the Gaming Commission will be made, the Ogema shall publicize that he/she will be making such nominations for appointments and is seeking applications from individuals to be considered for appointment.

c. *Less than Three Gaming Commissioners; Mandatory Appointment.* If the number of individuals on the Gaming Commission is reduced to less than three due to death, resignation or removal of the

other members of the Gaming Commission the mandatory appoint provision described in this subsection shall become effective. The Ogema shall, within 120 calendar days from the date the number of Gaming Commissioners is reduced to less than three members, appoint the number of individuals necessary to raise the number of Gaming Commissioners sitting on the Gaming Commission to at least three. The Tribal Council shall approve any individual nominated pursuant to this provision so long as they satisfy all of the qualifications for Gaming Commissioners set forth in this Ordinance.

5.04.. *Qualifications of Commissioners.* Any enrolled member of the Tribe, at least twenty-one years of age or older who is not an elected member of the Tribal Council or the Ogema, or an appointed member of the Tribal Court, or employee reporting directly to the Office of Ogema, the Tribal Court, or Tribal Council, but does not include program employees, who is qualified to serve as a Commissioner under sections 5.05 and 5.06 may be appointed to serve on the Gaming Commission. Each newly appointed Commissioner must attend training on the Indian Gaming Regulatory Act, regulations promulgated by the National Indian Gaming Commission, federal revenue laws relating to gaming, the Gaming Ordinance, any regulations adopted by the Gaming Commission, and gaming operations and structures.

5.05.. *Background Investigation.* Before any applicant may be appointed to serve on the Gaming Commission, the Ogema shall perform or arrange to have performed a comprehensive background check on each prospective member. The results of the background checks shall be submitted to the Tribal Council when the Ogema submits his/her request for appointment. No person shall serve as a Commissioner if:

- a. *Activities.* That person's prior activities within the past 15 years, including criminal records, reputation, habits or associations:
  1. Pose a threat to the public interest; or
  2. Threaten the effective regulation and control of gaming; or
  3. Enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the conduct of gaming; or
- b. *Criminal Convictions.*
  1. *Felony; Gaming Offense.* That person has been convicted of, or entered a plea of guilty or no contest to any gaming related offense, fraud or misrepresentation at any time;
  2. That person has been convicted of or entered a plea of guilty or no contest to any offense not specified in paragraph (b)(1) within the immediately preceding five years; or
  3. *Misdemeanor.* Has been convicted or entered a plea of nolo contendere to a misdemeanor involving dishonesty or moral turpitude within the past 5 years; or
- c. That person has a present financial interest in the conduct of any gaming enterprise in which the person has the ability to change or affect the conduct of any gaming enterprise; or
- d. That person is an employee of the Gaming Commission;
- e. That person has a member of his immediate family and residing in the same household, who is employed as a key employee or primary management official by any gaming enterprise.
- f. Fails to disclose a conflict of interest, as defined in section 5.06.

In the event a disqualifying event, as defined in paragraph (c), (d) or (e) of this section, occurs after the date a person's appointment to the Gaming Commission has been confirmed by the Tribal Council, that Commissioner may continue to serve on the Commission for up to 120 days after the date the disqualifying event occurred so that the Ogema may begin the process of submitting a new candidate for appointment to the Gaming Commission. In the event of any other disqualifying event, as defined in this section, the Tribal Council may take immediate steps to remove that Commissioner.

5.06. *Conflict of Interest.* Persons nominated for appointment to the Gaming Commission must, prior to his/her appointment, disclose the names and addresses of his/her immediate family members, whether such immediate family members are employed at any gaming enterprise regulated by the Gaming Commission, and whether he/she or a member of his/her immediate family has a financial interest in any gaming service business. Gaming Commissioners are prohibited from participating in making decisions, which involve balancing personal financial interests or the interests of members of that Commissioner's immediate family, other than interests held in common by all Tribal members, against the interests of the Gaming Commission or the Tribe. Failure to disclose a conflict of interest, or to refrain from participating in decisions that involve a conflict of interest, shall be grounds for removal of a Commissioner pursuant to section 5.0706.

5.07.06. *Removal of Members or Vacancies.*

a. *Removal; Causes For.* A Commissioner may be removed for the following reasons, and as may be set forth in the Commissions Ordinance, # 01-100-06:

1. serious inefficiency,
2. neglect of duty, malfeasance, misfeasance, nonfeasance, misconduct in office, or
3. for any conduct which threatens the honesty and integrity of the Gaming Commission or otherwise violates the letter or intent of this Ordinance.

b. *Removal; Process.* A Commissioner may be removed as set forth in the Removal Rules and Procedures Ordinance, # 01-100-07, or by a resolution in favor of removal supported by seven members of the Tribal Council for the reasons set forth in section 5.07(a).

c. *Vacancies.* If any Commissioner shall die, resign, be removed or for any reason be unable to serve as a Commissioner, the Gaming Commission shall notify the Ogema who shall declare the position vacant and shall appoint another person to fill the position in accordance with the Commissions Ordinance.

## **Article VI. Powers and Responsibilities of Gaming Commission**

6.01. *Powers of the Gaming Commission.* In furtherance, but not in limitation, of the Gaming Commission's purposes and responsibilities, and subject to any restrictions contained in this ordinance or other applicable law, the Gaming Commission shall have and is authorized to exercise by majority vote, the following powers:

- a. To regulate all day-to-day gaming activity within the jurisdiction of the Tribe to ensure the integrity thereof, which includes, but is not limited to the adoption, review and approval of internal controls, procedures, processes, policies and other documents which relate to the operation of the gaming enterprise and businesses conducted under the gaming enterprise.
- b. To promote the full and proper enforcement of all tribal civil and criminal gaming laws.
- c. To issue, deny, suspend or revoke any gaming license necessary to operate, manage, conduct business with or be employed at any gaming activities authorized by this ordinance, or other tribal laws, and to establish a schedule of fees as may be necessary to defray expenses of license processing and background investigations.
- d. To conduct or cause to be conducted, background investigations of persons or business entities applying for any gaming license.
- e. To enact and enforce such regulations consistent with this ordinance regarding its activities as the Gaming Commission may deem necessary and proper to effectuate the powers granted by this ordinance and duties imposed by applicable law.
- f. To arrange for and direct such inspections and investigations as it deems necessary to ensure compliance with this ordinance, the Gaming Ordinance, any federal law, or other gaming related law, and regulations. In undertaking such investigations, the Gaming Commission may request the assistance of gaming staff, federal, state and tribal law enforcement officials, legal counsel and other third parties.
- g. To administer oaths, conduct hearings, and by subpoena compel any licensee or license applicant, any person employed by a gaming enterprise, and any person doing business with a gaming enterprise to appear before it and to provide such information, documents or other materials as may be in their possession to



assist in any investigation conducted by the Gaming Commission relating to the enforcement of gaming laws and regulations.

h. To make, or cause to be made by its agents or employees, an examination or investigation of the place of business, equipment, facilities, tangible personal property, and the books, records, papers, vouchers, accounts, documents and financial statements of any gaming enterprise operating, or suspected to be operating, within the jurisdiction of the Tribe.

i. When necessary or appropriate, to request the assistance and utilize the services of the courts, law enforcement and government officials and agencies, and private parties, in exercising its powers and carrying out its responsibilities.

j. To close, after notice and a hearing, any game or games which are operating in violation of tribal or federal law.

k. To sue or be sued in courts of competent jurisdiction within the United States subject to the provisions of this ordinance and other laws relating to sovereign immunity; provided, that no suit shall be brought by the Gaming Commission without the prior explicit written approval of the Tribal Council.

l. Where it is in the best interest of the Tribe, to develop a cooperative working relationship with federal, state and other Indian tribes, agencies and officials.

m. To investigate any aspect of any gaming enterprise in order to protect the public interest in the integrity of gaming and to prevent improper and unlawful conduct. The Gaming Commission shall investigate any report of a failure of any gaming enterprise to comply with this Ordinance, the Gaming Ordinance, or any tribal laws, or any regulations adopted by the Gaming Commission, IGRA, or the Compact. The Gaming Commission may issue an order requiring any gaming enterprise to take any corrective or remedial action deemed necessary.

n. To arbitrate, compromise, negotiate or settle any dispute to which it is a party relating to the Gaming Commission's authorized activities.

o. To make application and accept grants and other awards from private and governmental sources in carrying out or furthering the purposes of the Gaming Commission.

p. To exercise all authority delegated to it or conferred upon it by law and to take all action which shall be reasonably necessary and proper for carrying into execution the foregoing powers and all of the powers vested in this ordinance as permitted by the purposes and powers herein stated, which are deemed to be in the best interests of the Tribe and in compliance with applicable law.

q. Pursuant to the tribal law, to initiate a suspension or revocation proceeding of a liquor license issued to a gaming enterprise.

r. Record-keeping requirements, the Gaming Commission shall approve the accounting system and record keeping controls of each gaming enterprise conducting Class III gaming

#### 6.02. *Additional Powers and Duties.*

a. The Gaming Commission shall require the general manager of each gaming facility licensed by the Tribe to prepare a plan for the protection of public safety and the physical security of patrons of gaming facilities, setting forth the respective responsibilities of the Gaming Commission, the security department of the gaming facility(ies), and any applicable or appropriate police agency(ies). Such plan, and any subsequent modifications thereof, shall be submitted to the Gaming Commission annually for its review and approval.

b. The Gaming Commission shall enforce all tribal health and safety standards applicable to gaming facilities licensed by the Tribe.

c. The Gaming Commission shall establish a list of persons barred from gaming facilities because of their criminal history or association with career offenders or career offender organizations which pose a threat to the integrity of gaming.

d. The Gaming Commission shall publish and distribute copies of this ordinance, Gaming Commission regulations, and any Tribal Council, Gaming Commission or Tribal Court decisions regarding gaming matters.

- e. The Gaming Commission shall maintain and keep current a record of new developments in the area of Indian gaming.
  - f. The Gaming Commission shall obtain and publish a summary of federal revenue laws relating to gaming and to ensure compliance with the same.
  - g. The Gaming Commission shall arrange for training of Gaming Commissioners, Gaming Commission employees and others in areas relating to the regulation of gaming.
  - h. The Gaming Commission shall consult with and make recommendations to the Tribal Council regarding changes in gaming laws.
- 6.03. *Annual Budget.* The Gaming Commission shall prepare an annual operating budget for all Gaming Commission activities and present it to the Ogema and the Tribal Council in accordance with budget and appropriation procedures established by the Constitution and ordinances adopted by the Tribal Council.
- a. *Expenditures.* Any and all expenditures from the Gaming Commission budget shall be in conformance with the policies of the Tribe in regards to the expenditure of tribal funds. Provided that, the Tribal Council shall determine on an annual basis the appropriate spending level authority of the Gaming Commission which shall be reduced to writing and submitted to the Tribal Council for adoption and approval by resolution. Provided further, that whenever Tribal Council approval is necessary to make an expenditure or to enter into an agreement, that approval shall be approved by the Tribal Council by resolution and approvals for expenditure of funds shall not be unreasonably withheld.
  - b. *Budget Not to be Amended.* The annual budget approved by the Ogema and the Tribal Council for the Gaming Commission shall not be amended to reduce the budget. Provided that, the Ogema and the Tribal Council may make amendments to supplement the budget of the Gaming Commission in accordance with approved processes.
- 6.04. *Gaming Commission Regulations.*
- a. Gaming Commission shall promulgate regulations consistent with this ordinance and necessary to carry out the orderly performance of its duties and powers which shall include, but shall not be limited to the following:
    - 1. Internal operational procedures of the Gaming Commission and its staff;
    - 2. Interpretation and application of gaming related laws and regulations as may be necessary to carry out the Gaming Commission's duties and exercise its powers;
    - 3. A regulatory system for all gaming activity, including accounting, contracting, and surveillance, to ensure the integrity, honesty and fairness of all gaming activities;
    - 4. The conduct of inspections, investigations, hearings, enforcement actions and other powers of the Gaming Commission.
  - b. No regulation of the Gaming Commission shall be of any force or effect unless it is adopted by the Gaming Commission by written resolution and filed with the Tribal Council Recorder, which shall then be placed on the Tribal Council agenda for approval.
  - c. The Tribal Court and any other court of competent jurisdiction shall take judicial notice of all Gaming Commission regulations adopted pursuant to and consistent with this ordinance and other requirements for the adoption of regulations as may be set in place by the Tribal Council.
- 6.05. *Right of Entrance.* The Gaming Commission and properly authorized employees and representatives of the Gaming Commission may enter upon any premises of any gaming enterprise for the purpose of making inspections and examining the accounts, books, papers, and documents, of any such gaming enterprise during any operating period of the gaming enterprise. The general manager of each gaming enterprise shall facilitate such inspection or examinations by giving every reasonable aid to the Gaming Commission and to any properly authorized officer or employee or representative of the Gaming Commission. A Commissioner or a Gaming Commission employee shall visit each gaming enterprise for the purpose of monitoring its gaming enterprise, such visits may be unannounced.
- 6.06. *Investigations.* The Gaming Commission, upon complaint or upon its own initiative or whenever it may deem it necessary in the performance of its duties or the exercise of its powers, may investigate and examine the operation

and premises of any gaming enterprise subject to the provisions of this ordinance, the Gaming Ordinance, or regulations of the Gaming Commission. In conducting such investigation, the Gaming Commission may proceed either with or without a hearing as it may deem best, but it shall make no order without first affording any affected party notice and an opportunity for a hearing pursuant to Gaming Commission regulations.

6.07. *Hearings; Examiner.* Pursuant to regulations, the Gaming Commission may hold any hearing it deems to be reasonably required in the administration of its powers and duties.

The Gaming Commission may designate one of its members to act as examiner for the purpose of holding any such hearing or the Gaming Commission may appoint another person to act as examiner under section 6.08. The Gaming Commission hearing regulations shall, at a minimum, afford any affected party, and all people interested therein as determined by the Gaming Commission, the right to appear personally before the Gaming Commission, the right to be represented by counsel at the affected party's own expense, the right to face and question witnesses against the affected party, and the right to present oral or documentary evidence in support of the affected party's support.

6.08. *Appointment of Examiner.* The Gaming Commission may appoint any person qualified in the law or possessing knowledge or expertise in the subject matter of the hearing to act as examiner for the purpose of holding any hearing which the Gaming Commission, or any member thereof, has power or authority to hold. Examiners appointed under this section shall not have the power to make findings or issue orders.

6.09. *Gaming Commission Employees.* Subject to the approval of an appropriation of funds therefore, the Gaming Commission may employ such staff as may be required to fulfill the Gaming Commission's responsibilities under this Ordinance. Employees of the Gaming Commission shall be required to obtain a gaming employee license and shall be required to maintain that license throughout their employment.

6.10. *Gaming Commission Department Organization.* The Gaming Commission shall be required to submit to the Tribal Council, for acceptance, the organizational chart of the Gaming Commission Department on an annual basis. At a minimum, the organization of employees of the commission shall include departments or responsibilities that include surveillance; compliance; and background investigations/licensing which shall be identified in regulations of the Gaming Commission.

6.11. *Personnel Procedures.* The Director over the Gaming Commission Department shall hire and manage employees in accordance with the Tribe's personnel ordinances or regulations. The Gaming Commission shall be responsible for employment related decisions as the final appeal body, or the final decision maker under the Tribe's personnel laws or regulations.

## **Article VII. Audit Required; Report to National Indian Gaming**

7.01. *Annual Audit.* In accordance with the Gaming Ordinance, the Gaming Commission shall conduct or have conducted an independent audit of all gaming enterprises on an annual basis and shall submit the resulting audit reports to the Tribal Council and the National Indian Gaming Commission.

7.02. *Audit to Include Gaming Service Contracts.* The Gaming Commission shall identify, prior to beginning an audit and retaining an audit, which vendor contracts shall be specifically included within the scope of the audit if inclusion is deemed necessary to protect the public interest in the integrity of Indian gaming. Provided that, all contracts with gaming vendors and service vendors shall be included in the audit.

## **Article VIII. Licensing**

8.01. *Licensing Regulations.* In accordance with the Gaming Ordinance, the Gaming Commission shall promulgate rules, approve forms, and provide notice for licensing.

8.02. *Hearing Processes.* As identified in this ordinance, and in accordance with the Gaming Ordinance, the Gaming Commission shall promulgate procedures for holding hearings. Provided that, the rules of evidence as adopted by the Tribal Court shall apply to hearings held by the Gaming Commission.

8.03. *Fees.* The Gaming Commission shall promulgate, after public notice and comment, the fee schedule for the next fiscal year.

## CERTIFICATE

I hereby certify that the foregoing documents in the Appendix are properly part of the record before the National Labor Relations Board in *Little River Band of Ottawa Indians Tribal Government and Local 406, International Brotherhood of Teamsters*, Case 07-CA-051156

Dated: July 8, 2013

/s/ Kaighn Smith, Jr.

Kaighn Smith, Jr.

Drummond Woodsum

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Attorney for Petitioner/Cross-Respondent,  
Little River Band of Ottawa Indians  
Tribal Government

## **CERTIFICATE OF SERVICE**

I hereby certify that on July 8, 2013, I served this Appendix to Brief of  
Petitioner/Cross-Respondent Little River Band of Ottawa Indians Tribal  
Government by means of the Court's ECF system upon the following through their  
counsel, who have entered appearances in this matter:

Counsel for the Respondent/Cross-Petitioner, National Labor Relations  
Board:

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Dated: July 8, 2013

/s/ Kaighn Smith, Jr.

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