

## Ordinance 57-21

An Ordinance of Supplemental appropriation and authorization of Long-Term Savings Funds for the Red Willow Estates Housing Development for the Fiscal Year Ending September 30, 2021.

The District III Representative introduced the following Bill on the 28<sup>th</sup> day of July, 2021.

### **IT IS ENACTED BY THE BAND ASSEMBLY OF THE NON-REMOVABLE MILLE LACS BAND OF OJIBWE:**

**Section 1: Red Willow Estates Development.** The Band Assembly hereby appropriates and authorizes funds for the Mille Lacs Corporate Ventures Red Willow Estates Development in the form of an equity investment and short-term construction loan for the Fiscal Year Ending September 30, 2021. The purpose of this appropriation and corresponding loan is to fund the development of affordable housing in Onamia, Minnesota, in order to increase supply of affordable and high-quality living units in the local area.

**Section 1.01: Appropriation and authorizations of expenditures.** The Band Assembly hereby appropriates and authorizes the expenditures of Long-Term Savings and American Rescue Plan Act (“ARPA”) funds for the following:

<u>Tribal Operations Fiscal Year 2021</u>	<u>Supplemental</u>	<u>Funding Source</u>
Mille Lacs Corporate Ventures Red Willow Estates Equity Investment	\$3,529,135.00	ARPA
Mille Lacs Corporate Ventures Short-Term Construction Loan	\$8,744,148.00	Long-Term Savings
<b>Total of FY 2021 Long-Term Savings Fund to Construct Housing Development</b>	<b>\$12,273,283.00</b>	

**Section 1.02: Authority to lend.** The Commissioner of Finance, on behalf of the Non-Removable Mille Lacs Band of Ojibwe, is hereby authorized to lend the amounts appropriated herein to Mille Lacs Corporate Ventures for the purpose of funding the Red Willow Estates affordable housing development. The Commissioner of Finance is further authorized to execute the promissory note incorporated herein as Attachment 1 and any documents related thereto.

**Section 1.03: Disbursements.** Disbursements shall occur as follows:

- a. \$3,529,135.00 of ARPA funds upon enactment of this Ordinance.
- b. \$4,372,074.00 of the short-term construction loan upon request by Mille Lacs Corporate Ventures.

- c. \$4,372,074.00 of the short-term construction loan upon request by Mille Lacs Corporate Ventures.

**Section 1.04: Purposes of expenditures.** All funds appropriated are maximum fund amounts and shall not be exceeded. Funds must be utilized for the purposes for which they were requested, notwithstanding any other active Band Ordinance.

**Ordinance 57-21**

**(Band Assembly Bill 19-04-57-21)**


Introduced to the Band Assembly on this  
Twenty-eighth day of July in the year  
Two thousand twenty-one.

Passed by the Band Assembly on this  
Fourth day of August in the year  
Two thousand twenty-one.

  
Sheldon Boyd, Speaker of the Assembly

APPROVED

Date: August 7, 2021

  
Melanie Benjamin, Chief Executive

**OFFICIAL SEAL OF THE BAND**

## ATTACHMENT 1 - PROMISSORY NOTE

Onamia, Minnesota

Dated: \_\_\_\_\_

FOR VALUE RECEIVED, Mille Lacs Corporate Ventures, a tribal corporation and body politic of the Mille Lacs Band of Ojibwe (the "**Borrower**"), does promise to pay to the order of the Mille Lacs Band of Ojibwe, a federally recognized Indian tribe ("**Lender**" or "**Band**"), its endorsees, successors and assigns, at 43408 Oodena Dr., Onamia, Minnesota 56359 or such other place, or in such other manner, as the Lender may from time to time designate, the principal sum of up to \$8,744,148.00 or so much as may from time to time be disbursed hereon at Borrower's request and remain outstanding as the Note Principal Balance (defined below), in coin or currency, which, at the time or times of payment, is legal tender for the payment of public and private debts in the United States of America. This Note shall be payable in the following manner and on all the following terms and at the following times:

- 1. Definitions.** As used in this Note, the following terms have the meanings specified below:

"**Advance**" means an advance of money by the Lender to Borrower pursuant to, and subject to the terms of, this Promissory Note.

"**Event of Default**" has the meaning set forth in Section 7.

"**Holder**" shall mean the named payee of this Note, or any Person to whom this Note is endorsed for payment, with or without recourse, from a prior Holder.

"**Limited Partnership Interest**" means the amount of up to \$8,744,148.00 which will be contributed to the Partnership by the limited partner on completion of construction and final cost certification of the Project.

"**Loan**" means the loan in the maximum principal amount of \$8,744,148.00 made by the Lender to the Borrower, with respect to the funding for the Project. The repayment of Loan is evidenced by this Note.

"**Maturity Date**" means June 30, 2024.

"**Note**" shall mean this Promissory Note.

"**Note Principal Balance**" shall mean at any time with respect to this Note, the total principal amount of advances funded by Lender hereunder reduced by all repayments of principal on such Note.

"**Partnership**" means Mille Lacs Corporate Ventures LIHTC Housing Limited Partnership #2, a partnership with the Borrower as the general partner thereunder.

**"Person"** means an individual, a corporation, a partnership, an association, a business trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

**"Project"** means the project entitled "Red Willow Estates Housing" for the construction of 30 residential units in Onamia, Minnesota, for rent to low-income families in conjunction with Partnership that qualifies for low-income housing credits under Section 42 of the Internal Revenue Code.

**"Project Costs"** means costs incurred in connection with the Project.

2. **Disbursements.** Disbursements for the loan shall consist of the following:
  - a. Upon request by the Borrower, a first disbursement of \$4,372,074.00 by the Lender.
  - b. Upon request by the Borrower, a second disbursement of \$4,372,074.00 by the Lender.

The Borrower shall submit to the Lender a Draw Request in substantially the form of Exhibit A hereto, duly executed on behalf of the Borrower, setting forth the information requested therein. Subject to all other terms and conditions herein the Lender shall fund the amount of a properly submitted Disbursement Request no later than five (5) Business Days after receipt of the Disbursement Request.

3. **Interest Rate.** The Principal Balance of this Note shall bear no interest.
4. **Terms of Payment.** Until the Maturity Date of June 30, 2024, no payments of principal shall be due. On the Maturity Date, the Borrower will repay the Note Principal Balance outstanding on such date in full. Notwithstanding the foregoing, the Note Principal Balance shall be payable on such earlier date as payment hereunder shall have been accelerated by virtue of the occurrence of an Event of Default hereunder at which time the entire unpaid Note Principal Balance of this Note, and all other charges payable pursuant to the terms hereof shall in any event be fully due and payable.
5. **Application of Payments.** So long as an Event of Default does not exist, all payments shall be applied first to any costs of collection, then to late charges, then to interest and then to Note Principal Balance.
6. **Prepayment.** The Note Principal Balance may be prepaid in whole or in part at any time without penalty, except as otherwise provided below, and any amounts prepaid may not be re-borrowed.
7. **Events of Default.** The occurrence of any one or more of the following events

shall constitute an "Event of Default" hereunder:

- a. The Borrower shall fail to pay the Note Principal Balance in full on the Maturity Date.
  - b. The Borrower shall be or become insolvent, however defined.
  - c. A case or other proceeding shall be commenced, without the application or consent of the Borrower, in any court of competent jurisdiction, seeking the liquidation, reorganization, dissolution, winding up, or composition or readjustment of debts of the Borrower, the appointment of a trustee, receiver, custodian, liquidator or the like of the Borrower or of all or any substantial part of its assets, or any similar action to the Borrower under the federal bankruptcy laws (as now or hereafter in effect) or any other laws relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such case or proceeding shall continue undismissed, or unstayed and in effect, for a period of 60 days, or an order for relief against the Borrower shall be entered in an involuntary case under such bankruptcy laws.
  - d. A default occurs under any evidence of indebtedness, loan agreement, credit agreement, security agreement, mortgage or deed of trust, bond, debenture, note, securitization agreement or other evidence of indebtedness or similar obligation of the Borrower or under any indenture or other instrument under which any such evidence of indebtedness or similar obligation has been issued or by which it is governed with respect to an aggregate principal amount of \$1,000,000.00 or more with recourse against the Borrower's assets, and any applicable period of grace specified in such evidence of indebtedness, indenture or other instrument expires.
- 8. Remedies of the Lender.** Upon the occurrence of an Event of Default, the Lender may, at its option, by written notice to the Borrower, declare immediately due and payable the entire Note Principal Balance, and the same shall thereupon be immediately due and payable without presentment or other demand, protest, notice of dishonor or any other notice of any kind, all of which are hereby expressly waived.
- 9. Time of Essence; No Waiver.** Time is of the essence. No delay or omission in the exercise of any right hereunder shall operate as a waiver of such right or of any other remedy under this Note. A waiver on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on a future occasion.
- 10. Costs of Collection.** In the event of any Default hereunder the Borrower agrees to pay the costs of collection, including the costs of the Lender, court costs and reasonable attorney's fees (prior to a hearing or trial, at a hearing or trial, on appeal and otherwise) and all costs and expenses incurred by the Lender or Holder in collecting the indebtedness secured hereby, or in exercising or defending, or obtaining

the right to exercise, the rights of the Lender or the Holder hereunder.

- 11. Waiver of Presentment, Etc.** Demand for payment, presentment for payment, protest, notice of protest, notice of non-payment, notice of dishonor, notice to accelerate maturity, notice of acceleration of maturity, all other notices, diligence in collection as to each and every payment due hereunder, and all other requirements necessary to charge or hold the Borrower to any obligation hereunder are waived. Consent is given to any renewal or any release of all or any part of the security given for the payment hereof, and any acceptance of additional security of any kind.
- 12. Governing Law.** This Note shall be governed by, and construed in accordance with, the laws of the Non-Removable Mille Lacs Band of Ojibwe.
- 13. Integration.** This Note comprises the entire agreement of the parties on the subject matter hereof and supersedes and replaces all prior agreements, oral and written, on such subject matter.

**Executed as of the date first above written.**

**BORROWER:**

**MILLE LACS CORPORATE VENTURES**

**By:** \_\_\_\_\_

**Name: Joseph Nayquonabe Jr.**  
**Title: Commissioner of Corporate Affairs**

**LENDER:**

**MILLE LACS BAND OF OJIBWE**

**By:** \_\_\_\_\_

**Name: Mel Towle**  
**Title: Commissioner of Finance**