



MILLE LACS BAND OF CHIPPEWA INDIANS

Legislative Branch of Tribal Government

RESOLUTION 07-02-144-96

- WHEREAS, the Mille Lacs Reservation Band Assembly ("Assembly") is the duly elected governing body of the Mille Lacs Band of Ojibwe, a/k/a Mille Lacs Band of Chippewa Indians ("Band"), a Federally-recognized Indian Tribe, and;
- WHEREAS, pursuant to 16 MLBSA Sub. Section 101-111, the Band has established The Corporate Commission of the Mille Lacs Band of Ojibwe (the "Commission") as an instrumentality and political subdivision of the Band. The Commission is authorized and empowered by the Act and its Charter to issue obligations to finance the cost of acquisition, construction, maintenance, management and improvement of economic developments within the territorial jurisdiction of the Band; and to pledge revenues, income, receipts and profits of the Commission from projects operated by it and revenues of any business conducted by the Commission to pay the principal of, premium, if any, and interest on such obligations when due. All obligations so issued are special, limited obligations of the Commission only and payable solely from the revenues and assets so pledged and shall not constitute a debt, liability or obligation of the Band, and;
- WHEREAS, pursuant to Resolution #0826.15 of the Commission, dated August 26, 1996 (the "Commission Resolution"), the Commission has determined that it shall issue its Revenue Notes (Grand Casino Hinckley Project), Series 1996H-1, in the aggregate principal amount not to exceed \$40 million (the "Hinckley Notes") to finance the acquisition, construction and equipping of a hotel adjacent to Grand Casino Hinckley, an adjoining convention hall, and related facilities and equipment (the "Hinckley Project") and its Revenue Notes (Grand Casino Mille Lacs Project), Series 1996M-1, in the aggregate principal amount not to exceed \$16 million (the "Mille Lacs Notes" and together with the Hinckley Notes, the "Notes") to finance the acquisition construction and equipping of an expansion to the Grand Casino Mille Lacs hotel and related facilities and equipment (the "Mille Lacs Project" and together with the Hinckley Project, the "Projects"). The Series 1996-1 Notes will be issued under authorization of the Master Indenture described below, and constitute "Secured Obligations" of the Commission (as defined in the Master Indenture). All Secured Obligations, including the Series 1996-1 Notes, will be secured by a pledge of "Pledged Amounts" including Gross Revenues of the Casino Facilities defined in the Master Indenture; and,
- WHEREAS, the Chief Executive has approved the actions of the Commission taken in the Commission Resolution and approved the execution of the Consent described below; and,
- WHEREAS, the following documents relating to the Projects and the Notes have been prepared, which documents in proposed form are before this Assembly at this meeting and shall be places on file with the Band:

- (a) **a Placement Agency Agreement** to be entered into by Dougherty Dawkins, Inc. and Miller & Schroeder Financial, Inc., as the placement agents (collectively, the "Placement Agents"), and the Commission, which authorizes the Commission to engage the Placement Agents on a best efforts basis to sell the Series 1996-1 Notes to investors; and,

(b) **a Note Purchase Agreement** between the Commission and John Hancock Mutual Insurance Company and others ("Hancock"), whereby Hancock agrees to purchase all of Tranche C of the Hinckley Notes and Mille Lacs Notes; and,

(c) **a Master Trust Indenture** (the "Master Indenture"), between the Commission and First Trust National Association, as trustee (the Trustee"), which provides for a continuation of the collection of casino revenues as provided for in the existing Depository Agreement (entered into with respect to bonds issued in 1992), and further authorizes the issuance of "Secured Obligations" from time to time; and,

(d) **a Related Supplemental Indenture No. 1** (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), between the Commission and the Trustee, which authorizes the issuance of the Hinckley Notes and the Mille Lacs Notes (as well as the Hinckley Land Note, which provides for contingent payments to the extent Mille Lacs Gaming Corporation does not continue to receive the same management fees currently payable under existing agreements); and,

(e) the forms of the **Mille Lacs Notes**, the **Hinckley Notes** and the **Hinckley Land Note** (the "Notes"); and,

(f) **a Disbursing Agreement**, between the Commission, the Trustee and the title insurance company named therein, as disbursing agent, providing for the procedures to disburse proceeds of the Series 1996-1 Notes; and,

(g) **a Consent Agreement** (the "Consent"), between the Commission, the Band and the Trustee, whereby the Band agrees not to terminate the business leases in favor of the Commission for the casinos and hotels; and,

(h) **a Preliminary Private Placement Memorandum** describing the Series 1996-1 Notes, the Projects, the Commission, the Band and other matters; and,

(i) **the Design/Build Cost Plus Construction Contract** between the Commission and Shingobee Builders, Inc., providing for the construction of the Mille Lacs Project (the "Mille Lacs Construction Contract"); and,

(j) a form of construction contract between the Commission and Ryan Construction Company and Shingobee Builders, Inc., providing for the construction of the Hinckley Project (the "Hinckley Construction Contract"); and,

(k) **a First Supplemental Indenture**, relating to the Indenture of Trust, dated as of May 1, 1994, between the Commission and Colorado National Bank, as trustee, **a First Amendment to Loan Agreement (Hinckley X)**, and **a First Amendment to Loan Agreement (Mille Lacs XIV)**, all of which substitute the Master Indenture revenue collection procedures for those in the Depository Agreement; and,

- (l) **a Termination Agreement**, terminating the Depository Agreement; and
- (m) **a Stock Purchase Agreement** relating to the commission's purchase of the common stock of Hinckley Holding Co., a Minnesota Corporation in order to acquire certain land adjacent to Hinckley Grand Casino (the "Hinckley Land"); and
- (n) **a Continuing Guaranty** from Hinckley Holding Co. to Grand Casinos, Inc., a Minnesota Corporation guaranteeing the Commission's performance of obligations under the Hinckley Land Note; and
- (o) **a Mortgage, Security Agreement and Fixture Financing Statement** by Hinckley Holding Co. to Grand Casinos, Inc., which places a mortgage lien on the Hinckley Land to secure the payment of amounts due under the Hinckley Land Note; and
- (p) **a Subordination Agreement** between Grand Casino, Inc. and the Trustee (the "Subordination Agreement"), preventing foreclosure under the Stock Pledge Agreement and the Mortgage so long as Secured Obligations are outstanding; and
- (q) **an Assignment and Agreement Regarding Design/Build Contract** assigning to the Trustee the right, upon a default by the Commission, to enforce the Mille Lacs Construction Contract; and
- (r) **an Assignment and Agreement (- Regarding Design/Build Contract)**, assigning the Trustee the right, upon a default by the Commission, to enforce the Hinckley Construction Contract; and
- (s) **a First Amendment to Business Lease**, extending lease term on the Mille Lacs Hotel lease.

All forgoing listed documents, other than the Subordination Agreement, are herein collectively referred to as the "Commission Agreements."

NOW, THEREFORE, BE IT RESOLVED, that the actions by the Commission and the Chief Executive heretofore taken or proposed to be taken or contemplated to be taken in accordance with the Commission Agreements in connection with the issuance of the Notes and the undertaking of the Projects are hereby approved and ratified. The Commission is hereby authorized and direct to finance, construct and equip the Projects, to enter into (either directly or through a subsidiary) and perform its obligations under the Commission Agreements, and to issue the Notes in the form and upon the terms provided in the Commission Resolution and the Indenture to defray the costs of the Projects. The forms of the Commission Agreements and the Subordination Agreement are hereby approved subject to such additions thereto, or deletions therefrom which do not substantially alter the present forms that are approved by the Commissioner, which approval shall

be conclusively presumed by his execution thereof. The Assembly specifically authorized the Commission (or a subsidiary Commission) to enter into those provisions of the Commission Agreements concerning the law governing the Commission Agreements, the Commission's waiver of its own sovereign immunity, and the Commission's consent to court jurisdiction.

BE IT FURTHER RESOLVED, the Chief Executive is hereby authorized and directed to execute and deliver the Consent in the name and on behalf of the Band upon execution thereof by the other parties thereto. The Consent shall be executed in substantially the form hereinabove approved, subject to such additions thereto, or deletions therefrom as are approved by the Chief Executive, which approval shall be conclusively presumed by here execution thereof.

BE IT FURTHER RESOLVED, the Chief Executive and the Commissioner are authorized and directed to prepare and furnish to the Placement Agents and their counsel certified copies of all proceedings and records of the Assembly, the Chief Executive and the Commission relating to the Notes or the Commission Agreements, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the Notes as such facts appear from the books and records in their custody and control or as otherwise known to them, or as may be necessary or desirable to accomplish the issuance and sale of the Notes, and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, shall constitute representations of the Commission or the Chief Executive as to the truth of all statements of fact contained therein.

BE IT FURTHER RESOLVED, that the Notes and Commission's Secured Obligations under the Financing Agreements shall be special, limited obligations of the Commission and only payable solely from and secured by the "Pledged Amounts" as defined in the Indenture, which include certain gross revenues from certain casino facilities, among other amounts; provided that no Secured Obligations shall ever constitute or give rise to any other pecuniary liability of the Commission or a charge against its general credit or the general credit or taxing powers of the Band.


BE IT FURTHER RESOLVED, that the Band hereby covenants for the benefit of the holders from time to time of the Notes, that so long as the Notes are outstanding and unpaid, and to the extent permitted by law, the Band will continue to own and operate through an instrumentality or agency of the Band, its existing gaming facilities to the extent the Commission is required to operate the same under the Commission Agreements.

BE IT FURTHER AND FINALLY RESOLVED, the the Band hereby approves the use of land subject to a Business Lease between the Band and the Commission for hotel as well as casino purposes.

WE DO HEREBY CERTIFY, that the foregoing resolution was duly concurred with and adopted at a regular session of the Band Assembly in Legislative Council assembled, a quorum of legislators being present held on the 27th day of August, 1996 at Vineland, Minnesota by a vote of 3 FOR, 0 AGAINST, 0 SILENT.

RESOLUTION 07-02-144-96
PAGE 5

IN WITNESS WHEREOF, we, the Band Assembly hereunto cause to have set the signature of the Speaker of Assembly to be affixed to this resolution and forwarded to the Chief Executive for concurred



David Matrious, Speaker of Assembly

IN CONCURRENCE, with the action of the Speaker of Assembly, we, the Administrative Policy Board hereunto cause to have set the hand of the Chief Executive to this resolution.



Marge Anderson, Chief Executive

OFFICIAL SEAL OF THE BAND