

NET GAMING REVENUE ALLOCATION PLAN

SECTION I. PURPOSE AND RESOLUTION

This Revenue Allocation Plan (“Plan”) was adopted pursuant to Joint Session of the Band Assembly Resolution XX-XX-XX-26 and 15 MLBSA § 202(c) of the Mille Lacs Gaming Regulatory Act. This plan shall govern the allocation of available net revenue from the Mille Lacs Band owned gaming establishments, Grand Casino Mille Lacs and Grand Casino Hinckley, including distributions to qualified members of the Mille Lacs Band of Ojibwe (the “Band” or “Mille Lacs Band”).

SECTION II. POLICY

This Plan shall comply with the Indian Gaming Regulatory Act (“IGRA”) of 1988 [25 U.S.C. § 2701 et seq.] and all other applicable federal law. The Mille Lacs Band shall use revenues generated by Mille Lacs Band gaming establishments to primarily strengthen the Band government, Mille Lacs Band self-sufficiency and to support Mille Lacs Band economic development. As used in this Plan, “net gaming revenues” means gross gaming revenues of an Indian gaming operation less: (1) amounts paid out as, or paid for, prizes; and (2) total gaming-related operating expenses, including management fees. The Mille Lacs Band shall allocate 100% of net gaming revenues for the programs and purposes described in this Plan.

The Mille Lacs Band is committed to providing for long-term security for itself and its membership. Accordingly, the Mille Lacs Band shall ensure that net gaming revenues are allocated toward investments, programs and projects that impact not only present needs, but also anticipate future needs. In addition, the Mille Lacs Band shall ensure that investments, programs, and projects funded by net gaming revenues are aimed toward improving Band conditions and opportunities of Band members from generation to generation.

The Mille Lacs Band has and will retain the inherent sovereign authority to determine the best interests of minor and legally incompetent Band members by providing for their future welfare by placing monies into trust for the benefit of those individuals. The Mille Lacs Band shall provide for the future of minors while encouraging parents to fulfill their responsibility of providing for the immediate living needs of their children.

The Mille Lacs Band is committed to the education of our people. To that end, the Band seeks to increase the high school graduation rate of Band members and encourage them to pursue degrees in colleges, universities and vocational schools. Accordingly, the Band shall tailor distributions to Band members so as to encourage minors to continue and complete their schooling.

SECTION III. USE OF NET GAMING REVENUES: MILLE LACS BAND GOVERNMENTAL OPERATIONS, PROGRAMS AND DONATIONS TO CHARITABLE ORGANIZATIONS

- A. The Mille Lacs Band hereby allocates ~~20-30~~25 - 35% of net gaming revenues in order to provide supplemental funding for Band governmental operations, programs and donations to charitable organizations.
1. As it deems necessary, the Band will revise and alter the funding percentage of net gaming revenues allocated for Band government operations, programs and donations to charitable organizations.
 2. Any net gaming revenues allocated for funding Band governmental operations, programs and donations to charitable organizations that have not been expended as of the last date of a fiscal year may, at the Band's discretion, be allocated for any purposes set forth in Sections IV, V or VI, or be allocated to fund Band governmental operations, programs and donations to charitable organizations for a subsequent fiscal year.
- B. Band governmental operations, programs and donations to charitable organizations that will be funded on a supplemental basis from net gaming revenues under this Section shall include, but not be limited to, the following: administration, legislative, judicial, community development, education, natural resources, debt service, justice, housing, workforce and other governmental operations, programs and donations to charitable organizations.
- C. No later than September 1 of each odd numbered year, the Band Assembly shall receive biennium budget reports for the following two fiscal years and requests from each Band governmental operation and program, including requested donations to charitable organizations listed in paragraph B of this Section. The budget reports must, at a minimum include: projected revenues and revenue sources, including the amount of net revenues derived from gaming enterprises, detailed accounting of expenditures, and requests for supplemental funding from net gaming revenues allocated for Band governmental operations, programs, and donations to charitable organizations.
- D. The Band Assembly shall, after receiving all budget reports and requests under this Section, allocate those funds designated for Band governmental operations, programs, and donations to charitable organizations for the following two fiscal years. The Mille Lacs Band government shall be the decision-making body as to any legislative actions taken on budget reports and requests and as to the allocation of funds designated for Band governmental operations, programs, and donations to charitable organizations.
- E. The Band's administrative agents shall disburse those monies allocated for Band governmental operations, programs, and donations to charitable organizations in accordance with the budget referenced in paragraph D above. Any disbursements made hereunder shall be made by the Band governmental operation or program receiving funds and handled in a manner consistent with the Band's generally accepted accounting methods.
- F. Prior to the enactment of the budget, the Band will review budget reports and requests for the prior fiscal year, and any other reports prepared in accordance with generally accepted accounting methods to determine the actual amount of monies expended on Band

governmental operations, programs and donations to charitable organizations in the prior fiscal year.

SECTION IV. USE OF NET GAMING REVENUES: MILLE LACS BAND ECONOMIC DEVELOPMENT, GAMING REGULATORY AUTHORITY, AND FINANCIAL INVESTMENT OPPORTUNITIES

- A. The Band hereby allocates **3-8%** of the net gaming revenues in order to provide funding for Mille Lacs Band economic development, Gaming Regulatory Authority, and financial investment opportunities (“Economic, Gaming, and Investment Opportunities”).
 - 1. As it deems necessary, the Band will revise and alter the percentage of net gaming revenues allocated to fund Economic, Gaming, and Investment Opportunities.
 - 2. Any net gaming revenues allocated for Economic, Gaming, and Investment Opportunities that have not been expended as of the last day of a fiscal year may, at the Band’s discretion following review of performance, be allocated for funding such purposes for the subsequent fiscal year.
- B. “Mille Lacs Band economic development” shall include investment of net gaming revenues. Investments of net gaming revenues allocated for Band economic development shall be made pursuant to a sound investment policy to be adopted by the Mille Lacs Band or an agent thereof. The Band, in its discretion, may allocate the return earned on investments made pursuant to this Section in accordance with the provisions of IGRA or any other applicable federal law.
- C. The Band will appropriate and authorize the expenditure of net gaming revenue allocated for economic development to fund proposed economic development projects or financial investments. Band economic development proposals shall be considered in accordance with then existing policy and procedures. The Band shall thereafter allocate net gaming revenues designated for Band economic development for the proposed economic development project or financial investment as it deems necessary and feasible.
- D. The Band will appropriate and authorize the expenditure of net gaming revenue allocated for Band economic development to supplement funding for on-going Band economic development enterprises. Requests for supplemental funding for Mille Lacs Band on-going businesses and enterprises shall be considered in accordance with existing Band law and procedures. The Band will thereafter allocate those net gaming revenues designated for Band economic development to the on-going businesses or enterprises as it deems necessary and feasible.

SECTION V. USE OF NET GAMING REVENUES: GENERAL WELFARE OF THE MILLE LACS BAND AND ITS MEMBERS

- A. The Band hereby allocates **15-25%** of net gaming revenues in order to provide supplemental funding for the general welfare of the Mille Lacs Band and its members. Such funding will

include permanent initiatives and may be used to replace and/or supplement existing programs. The allocation in this Section V is separate from, and in addition to, the set aside for distributions to members for special purposes and programs described in Section VII.

1. As it deems necessary, the Band will revise and alter the percentage of net gaming revenues allocated for funding the general welfare of the Mille Lacs Band and its members.
 2. Any net gaming revenues allocated to funding for the general welfare that has not been expended by the last date of a fiscal year may, at the Band's discretion and after review of performance, be allocated for the purposes prescribed in Sections III, IV or VI, or be allocated for funding the general welfare of a subsequent fiscal year.
- ~~B. In addition to the set aside for distributions to members for special purposes and programs described in Section VII, the Band may establish and fund additional programs for the general welfare of the Band and its members from the allocation of net gaming revenues in Section V.~~ Band general welfare programs that will receive supplemental funding from net gaming revenues pursuant to this Section shall include, but not be limited to, the following: Circle of Health program, housing initiative construction projects, Elder assistance programs, land acquisition, capital facilities construction and future general welfare programs developed by the Band.
- C. The Band shall receive budget reports and requests from each Band governmental program listed in paragraph B of this Section. The budget reports shall, at a minimum detail: past fiscal year revenues, projected revenues, revenue sources, including the amount of net revenues derived from gaming enterprises, and project expenditures, together with a detailed accounting of expenditures. The budget reports shall also include budget requests including requests for supplemental funding from net gaming revenues allocated for funding Band general welfare programs.
- D. The Band shall, after receiving all budget reports and requests for general welfare programs as described in paragraph B of this Section, allocate those funds designated for Band general welfare programs. The allocation shall occur with the enactment of the budget. The Mille Lacs Band government shall be the decision-making body as to any action taken on budget reports and requests and as to the allocation of funds designated for Band general welfare programs.
- E. The Band, through its proper administrative agents, shall disburse those monies allocated to Band general welfare programs in accordance with the budget referenced in paragraph D of this Section. Any disbursements made hereunder shall be received by the appropriate Band general welfare programs and handled in a manner consistent with the Band's generally accepted accounting methods.
- F. Prior to the enactment of the budget, the Band shall review the budget reports and requests required in paragraph C of this Section for the prior fiscal year, and any other reports

prepared in accordance with generally accepted accounting methods, to determine the actual amount of monies expended on Band general welfare programs in the prior fiscal year.

SECTION VI. USE OF NET GAMING REVENUES: GOVERNMENT LONG-TERM SAVINGS

- A. The Band hereby allocates **13-17%** of net gaming revenues in order to accumulate long-term savings for the Mille Lacs Band government.
1. As it deems appropriate, the Band will revise and alter the percentage of net gaming revenue allocated to accumulate long-term savings for the Mille Lacs Band government.
 2. Any net gaming revenues allocated to accumulate long-term savings for the Mille Lacs Band government, that have not been expended as of the last date of a fiscal year may, at the Band's discretion, be allocated to accumulate long-term savings for the Mille Lacs Band government, in the subsequent fiscal year.

SECTION VII. USE OF NET GAMING REVENUES: DISTRIBUTIONS TO BAND MEMBERS

- A. The Band hereby allocates a minimum of **35%** of the net gaming revenues in order to provide funding for distributions to qualified Band members. The Band shall make distributions to members from two categories. First, the Band will set aside funds for payments pursuant to the Band's General Welfare Assistance Programs. Second, if applicable, remaining funds available for member distributions will be distributed to qualified Band members as per capita payments.
1. In accordance with 25 C.F.R. § 290.2 (2000), "per capita payment" means "the distribution of money or other thing of value to all members of the tribe, or to identified groups of members, which is paid directly from the net revenues of any tribal gaming activity. This definition does not apply to payments which have been set aside by the tribe for special purposes or programs, such as payments made for social welfare, medical assistance, education, housing or other similar or specifically identified needs." The Band has established the General Welfare Assistance Programs as set-aside programs to provide for specific needs of the Band community.
 2. Qualified Band members have significant general welfare needs, including but not limited to, education, health and medical assistance, housing, social welfare or other similar needs. The Band shall annually determine, based on an evaluation of community needs, the portion of the amount allocated for member distributions that will be set aside for these purposes and distributed to qualified Band members as General Welfare Assistance Program Payments. In evaluating the needs of the community, the Band shall take into account the needs addressed through the Band's other general welfare programs (including those established and funded pursuant to Section V) and what needs remain unmet.

3. Distributions to qualified Band members shall be made according to an alternative distribution schedule which allows each individual Band Member to select a distribution option. The Band reserves the right to amend this provision to limit or restrict distribution payment options available.
 4. On a monthly basis, at least 35% of the available net revenue shall be ~~placed into an interest-bearing account~~ designated for member ~~distributions and administrative expenses of such~~ distributions. Of the 35% or more designated for member distributions, distributions to qualified minor Band members will be at 75% of the amount of the distributions made to qualified adult Band members.
 5. Any person may refuse to accept distribution(s) from the Band; however such refusal shall result in a permanent forfeiture of any right to receive the refused sum.
 6. Refused distributions shall be ~~placed in the general welfare fund as described in Section V and be used for expenditures~~ allocated to those who accept distributions, in accordance with ~~the provisions contained therein~~ this section.
- B. "Qualified Band member" for purposes of this Plan, shall mean those individuals then living and duly enrolled as a Mille Lacs Band member pursuant to the Revised Constitution of the Minnesota Chippewa Tribe on a pre-designated date. Distributions to minor qualified Band members shall be made in accordance with the provisions of paragraph C of this Section.
1. All persons ~~not previously~~ enrolled and living by the first Friday of the month immediately preceding the month in which the distribution is to occur ~~but who have properly submitted a signed enrollment application and notarized relinquishment form, when applicable, for enrollment to the Mille Lacs Band Enrollment Office by 5:00 p.m. on those respective dates,~~ shall be eligible for that distribution ~~and all subsequent distributions upon the enrollment of that person when subsequently approved by a Band Resolution.~~
 2. All distributions made to "minor qualified Band members" shall be paid to a Minors' Trust Fund for the benefit of a minor upon such minor's completion of the enrollment process, consistent with the terms set forth in paragraph (B)(1) of this Section. All provisions of paragraph C of this Section shall apply.
 3. The Band shall place into trust in a low-risk interest bearing account in a federally insured financial institution it finds satisfactory, the distributions, or any portion or percentage thereof, of any individual who is declared legally incompetent by a court of competent jurisdiction. The Band or its appointed agent shall make disbursements necessary for the health, education and welfare of any individual declared legally incompetent from the proceeds of any distribution placed into trust upon the petition of the legal guardian of the individual declared legally incompetent. The Band or its appointed agent may also require that the petitioning guardian submit receipts of expenditures made from funds disbursed hereunder before any future disbursements are made. The establishment of regular periodic allowances for any individual declared

legally incompetent from the proceeds of any distribution placed into trust under this Section shall remain at the discretion of the Band or its designated agent.

4. Any funds segregated in accordance with the Plan for member distributions, including the Minors' Trust Fund, shall remain subject to claims of the Band's general creditors under applicable law in the event of insolvency until such funds are actually distributed to the qualified Band members entitled to them.
- C. To promote the well-being and improvement of the Band's youth, the Band hereby directs that distributions allocated to "minor qualified Band members" as defined below be deposited into one or more interest bearing or investment accounts, collectively referred to as the "Minors' Trust Fund," which shall be held, managed, and distributed as set forth below and in accordance with the trust agreement established to hold the Minors' Trust Fund. Such trust agreement may contain additional terms consistent with Band law, this Plan and IGRA, including the requirements that such terms are intended to protect and preserve the interests of the beneficiaries and that advance distributions be made for their health, education, and welfare.
1. A "minor qualified Band member" means a "qualified Band member" who, as of the pre-designated date for determining eligibility for a distribution as described in paragraph B of this Section has not yet reached the age of eighteen (18) years.
 2. Payments into the Minors' Trust Fund for particular beneficiaries may be consolidated for management and investment purposes into one or more accounts which may include funds held for multiple beneficiaries. The Band's Commissioner of Finance shall maintain a bookkeeping system by which amounts held for the benefit of individual beneficiaries, including earnings, can be readily determined. Account balance statements for such individuals shall be made available on request only to a parent or legal guardian of the beneficiary and to responsible officials of the Band.
- D. Any person enrolling in the Mille Lacs Band except as otherwise specified herein (see paragraph B of this Section) shall not be entitled to any back payments of member distributions. The first distribution to a new Band member shall be on the first date of a regularly scheduled payment after his or her qualified status is confirmed in accordance with paragraph B of this Section.
- E. If the Band determines to make per capita payments, the Band or its appointed agent shall ensure that notification of the application of federal tax laws to per capita payments authorized by this Plan be made when payments are made. The Band or its appointed agent shall also implement a procedure by which qualified Band members who receive per capita payments shall have applicable taxes automatically deducted from per capita payments.
- F. The Mille Lacs Band shall determine according to Band law the amount of the member distribution that may be withheld from payments for amounts due the Band. The Mille Lacs Band Court of Central Jurisdiction shall have authority to hear such matters as prescribed by

law. Such withholdings may be done by voluntary consent of the debtor or pursuant to the Band's administrative process, which may be contested in the Court of Central Jurisdiction.

- G. The Minors' Trust Fund shall not distribute funds to creditors other than those creditors of the Mille Lacs Band in accordance with paragraph F of this Section.
- H. Judgments for amounts owed to creditors other than the Band may only be withheld in full accordance with applicable Band law.
- I. In its discretion, the Band may establish a special needs trust for ~~those~~any qualified Band ~~members~~member who ~~have~~has a disability or ~~have~~has been declared to be legally incompetent. Any such special needs trust shall be formed to provide for the beneficiary's health, education, and welfare. After the formation of a special needs trust, the Band shall place all member distributions ~~of any legally incompetent person or person with a disability~~allocable to the beneficiary into such special needs trust.
- J. The Band may offer additional trust arrangements pursuant to which a qualified Band member may elect to defer all or a portion of their member distributions. The Band also has the discretion to reallocate contributions of net gaming revenues and trust assets for the purpose of providing general welfare distributions in lieu of per capita payments to the extent consistent with the Band's general welfare laws and programs, resolutions of the Band Assembly, and requirements of the general welfare doctrine, including the Tribal General Welfare Exclusion Act of 2014 and IRS guidance issued thereunder.
- K. The Mille Lacs Band Court of Central Jurisdiction shall be the exclusive forum for disputes with respect to this Plan, including but not limited to a particular individual's eligibility to receive a ~~share of a declared per capita~~-distribution under this Plan. The Court shall have no jurisdiction over any claim that the overall amount of a declared distribution is incorrect or untimely.

SECTION VIII. SEVERABILITY

If any Section, or any part of this Plan or the application thereof to any party, person, or entity, in any circumstances, shall be held invalid for any reason whatsoever by a court of competent jurisdiction, or by the U.S. Department of the Interior ("Interior"), the remainder of the Section or part of this Plan shall not be affected thereby and shall remain in full force and effect as though no Section, or part thereof, had been declared to be invalid.

SECTION IX. NO WAIVER OF SOVEREIGN IMMUNITY

Nothing in this Plan shall provide or be interpreted to provide a waiver of the Mille Lacs Band or any of its governmental officers and/or agents' sovereign immunity from suit.

SECTION X. AMENDMENT OR REPEAL OF PLAN

This Plan, or any Section or part thereof, may be amended or repealed by the Band only and in accordance with the provisions of the Mille Lacs Band statutes and subject to approval by the Secretary of the Interior.

SECTION XI. AUTOMATIC READOPTION IF NO PLAN FOR SUBSEQUENT FISCAL YEAR

If no Revenue Allocation Plan is prepared for the subsequent fiscal year(s), the terms of this Plan shall automatically be adopted, without any further Band action, to govern the allocation of net gaming revenues for the subsequent fiscal year.

SECTION XII. EFFECTIVE DATE

~~This Plan governs the distribution of any and all net gaming revenues beginning on January 1, 2026, and shall remain in effect until otherwise amended.~~ This Plan becomes effective upon adoption by the Band pursuant to resolution and approval by the Secretary of the Interior. Following ~~the receipt of all necessary approvals~~such approval, this Plan shall ~~have a retroactive date of January 1, 2026~~remain in effect until otherwise amended in accordance with Section X.

Summary report:	
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