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**Little River Holdings, LLC**

**EDC Board Meeting**

**Wednesday, December 20, 2023 – 3 P.M.**

**Meeting Minutes**

**Board Members in Attendance:**

Frank Lewis Jr. Scott Wahr

Jim LaPorte Jennifer Clark

**Others Present:**

Eugene Magnuson Mollie Bertrand

Brittney Drake John Bailey

Tyler Leppanen Christine Schubert

Gabrielle Henry

1. **Call to Order**

The meeting was called to order at 3:00 pm by Chairman Frank Lewis.

1. **Opening Prayer –**

Eugene Magnuson provided the opening prayer.

1. **Open Session, Public Comments open to tribal citizens.**

*Lewis:* Thank you for joining us. I wanted to inform everyone we have a hard stop at 5:00pm today. While your public comments are important and valued, we are only allowing 30-45 minutes.   
*Agosa:* I would like to inquire about an update on TBR?

*Magnuson:* We actually got the latest and greatest on the tart cherry extract and I'll kind of walk you through it right now and Tyler will finish up. We bought the intellectual rights to the tart cherry formulation which is called TBR and also the ability to put that tart cherry and protein. So, with the protein part we actually signed a royalty agreement with Wahlburgers at home. We had our proprietary burger which was 10% cherries and 90% protein, called it the flax blend, on the market last year in limited market. That market was in stores here in Michigan and on the East Coast along with a little bit out West. They ceased distribution of the product because there's all sorts of weird stuff going on with COVID and also the marketing to make this product successful was cost prohibitive at this time. So, that is paused but we are in some conversations with a gentleman that works with McDonald's and Burger King. We're trying to get some traction with that. I have a meeting sometime in the beginning of the year. Tyler, would you like to continue with this update?

*Leppanen:* Yes, I'm *trying* to find my memo that I had written right now. However, the most recent update on TBR was in April, Sarah, I don't know how familiar you are with TBR, but the product was being researched with Doctor Gary Dunbar. Dr. Dunbar is a professor at Central Michigan University, and he was also the executive director at Field Neuroscience Institute and then Saginaw Valley State University was also involved. Those three entities were researching TBR at no cost to Little River Holdings. Dr. Dunbar no longer works at Field Neuroscience Institute fortunately that makes it not available to use anymore. When I talked to him about doing the research directly through Central Michigan, he told us they want us to pay them for that. A paper was published in November 2021 on one model of mice which was the second study that was published from their research, the first one being in 2013. So, we were supposed to complete a third round of testing on the most advanced mice models that there are for Alzheimer's. The results of that came back inconclusive. Dr. Dunbar said that he did not feel that from the animal studies at that point to apply for NIH grants for human clinical trials. So, either we continue doing the research, paying Central Michigan for the animal studies to try to generate some more positive research. Or we choose the path we are being advised to go down right now which is to is to move forward with human clinical trials to get the FDA approval as a nutraceutical. So, it wouldn't have to go through the same rigorous testing that FDA approval would require, and we will have an outline of what the human clinical trials done through clinical testing firm. I was told it would be about 30 days, which was the 2nd week of December. I expect that the outline will tell us about the cost per patient. You can do these studies as small as 20 patients. The product we have always compared it to is prevagen which did a study about 250 patients and there's a much smaller timeline for these studies. than going the FDA approval route because you aren't trying to be able to sit and make claims of the effectiveness of your product, you can say the product may do this or you know whatever else, it could be sold next to fish oil and whatnot on the shelves. The first phase of the human clinical trials would be a pilot study that I am told click takes place as soon as late March assuming everything came back to us in a timely fashion and or the board makes the decision if that is something they want to pursue or how long that consideration of that outline takes and then the pilot study would last 30 days approximately. We are told the entire study could be completed by 2024. So, then we would have a product that would have a product with some human research behind it. This allows us to continue to look for a licensing partner, which is what we have been trying to find but then we would have human testing to support and market that product to other companies. If you are going to the nutraceutical route you are going to need a significant amount of marketing dollars to gain any penetration there.

*Lewis:* Did Dr. Dunbar say how much they were looking for to continue to research in Big Rapids?

*Leppanen:* No, he did not give me a hard number because we said okay let us go back and talk with our consultant Luc Hobson and frankly the strategy to market looking at anti-inflammatory, neuro inflammation and pain is a broader market. We thought there was more potential there than continuing the early intervention for Alzheimer’s. Like I said on the Tribal Council call right now the medical industry cannot predict genetically who is going to have Alzheimer’s and who is going to develop it. So, you need to have a long family history of Alzheimer’s and assume you are going to get it and be worried about Alzheimer’s to start taking it early enough for it to have any ethicist in delaying the onset of Alzheimer’s and be effective.

*Lewis:* Do you think if we end up with human clinical trials and they are successful with results it would be easier to get investors and partners.

*Leppanen:* Yes, I would think so. Right now, when we talk to people it is this product that works in mice, but we still have to do human clinical trials.

*Lewis:* My apologies for jumping in there.

*Leppanen:* No problem, I can go back to Dr. Dunbar and get a ballpark number.

*Agosa:* Excuse me, Can I please interrupt? There are people trying to get into the meeting can they be admitted?

*LaPorte:* They need to go back out and pop back in. Sometimes these links into meetings just have issues. They may need to turn it off and turn it back on.

*Leppanen:* So, to sum up, where we are at with TBR is unfortunately the research partners that were working on the product are no longer partners and the latest round of research that came back was inconclusive. I wouldn’t say that is positive or negative, that it leans more negative than positive but the one thing the product has consistently shown over the last decade is that it is great at lowering inflammation. That is a huge market that from a business standpoint makes the most sense.

*Schubert:* Stacy Channey has her hand up.

*Channey:* Yes, can you hear me? Okay my question is I know you met with Tribal Council yesterday and I spoke with several the representatives after the meeting I was wondering after meeting with Council if you could give us an update on where you are with the Gateway Project and if you plan on moving forward how you plan to fund the project.

*LaPorte:* Stacy I would comment and say that I was not present at yesterday's meeting and as a board we haven’t even had an opportunity to visit the topic or their concerns. So, a response from everybody would have to be we haven’t had the opportunity to discuss that entirely. Frank, I don’t know if you have anything else to add.

*Lewis:* Well can we go over the Gateway Presentation that was presented yesterday? That PowerPoint had some pretty exciting things in it that changed the whole downtown area that long term provides that diversification that we are looking for to get away from the Casino revenues. I think Councilor Crampton mentioned that the brick-and-mortar casinos are having issues due to online gaming. That is a great point that leads us to looking into projects to give us diversified long-term income and an investment on the books once all of it is paid off. If we can share that presentation.

*Leppanen:* I am in the airport parking garage near an elevator. So, I don’t have access to that. Does anyone in the office have access to that presentation to share?

*Schubert:* Gabby and Brittney are working on locating a copy of that. While we waited, Sarah’s hand was up first.

*Agosa:* Do we have an investment portfolio, and can we get an update?

*Leppanen:* Are you asking related to the Gateway?

*Agosa:* I thought in general there was an investment portfolio, but I may be mistaken.

*Leppanen:* I guess I am not clear on what you are asking.

*Agosa:* Do we have any investments right now?

*Leppanen:* Yes, Little River Holdings has eight subsidiary companies.

*Lewis:* It is not like investment like stocks. Each business has money reinvested into it.

*LaPorte:* Sarah, which was Sarah that asked that, that is a great question and that has been a great concern of mine on the tribe’s side. I know we have or should have a fair amount of money sitting in a general fund, or wherever it sits. I think it is a great question for the tribe. How is that money being managed. Is that money with an outside firm, is it just sitting in an account that gets swept at night for an increase of rate, which is ridiculous if that is the case. But I don’t know if the tribe even has an investment policy that is relative to funds that are sitting in the tribe’s general fund. I think this is a question that everyone needs to be asking Council and the Tribe. Every tribe around the country invests their money wisely or tries to. We shouldn’t be just sitting on our money. It is not going to grow and benefit the tribe in any way. Even the money that comes from online gaming.

*Schubert:* Tyler or Frank, the presentation you asked for should be shared now.

*LaPorte:* Yes, I can see it.

*Magnuson:* Yes, I can see it now. I can get started on this if Mr. Chairman would like. Just to clarify as far as funding for the EDC. Originally the EDC was supposed to receive funding from the tribe for its first five years and we did not. We haven’t received any funding from the tribe, correct me if I am wrong Tyler, in almost 2 years.

*Leppanen:* No, we received funding last year.

*Magnuson:* So, the skip was prior to that.

*Leppanen:* Yes.

*Magnuson:* Got it Thank you. This is the old Gateway Project. This was the vision in 2018-2020. It is a condensed version compared to early 2022. It shows the chain hotel and parking lot. It was codeveloper driven meaning we had a partner that was going to assist us with the project. The hotel which you would see on the top of your screen going north. That would be a flag hotel, something like a Fairfield Inn or Radison Inn. On the south side of the street would be on the south side of the property is surface parking. What had happened was we ran into some issues: the gentleman running the Gateway Project who is no longer with us; we were lacking was a master plan for state funding and of course escalating construction cost at that time. Those costs seem to be coming down but at that time they peak high when we were trying to get supplies for construction. Also, interest rates were high, but they seem to be dropping now as well. State funding was mismanaged resulting in a lot of the things that should have been in place, not being in place. A better understanding of environmental status was also missing. At the same time as all of this there was completion on a new hotel on the lake shore. We made some project management changes and some cost recovery. What we did was go back through every invoice for the project and make sure we captured the items that qualified for TIF and Brownfield Plan. This is the new project master plan it is a multifunctional mix use complex. On the north side is the Condo Hotel and on the south side we have townhouses, to the right a parking deck and townhouse in the middle and to the left of that a mix use building. The condominium hotel complex will have a restaurant and rooftop bar. We are looking to put a Wahlburgers on the ground floor and a Wahlburgers bar in the rooftop bar. Hotel operations and towards the front of the hotel will be a heritage venue. I have been collaborating with Johnnie Sam to get some items and artifacts that tell a story for those who visit Manistee and do not know the rich history of Little River Band and to share that story with those who live in the community. We also have a plan to have a conference center of 150 seats that would allow us to host small weddings. This also provides us with the opportunity to capitalize on other opportunities like banquets. This complex will also provide spa and pool amenities. We will have 90 Condo units that we are hoping to presell at least some of those units which will help with the finances as well. Any condo that we sell doesn’t get land rights just the unit itself. What we also require is that any condo purchased has to be put in the rental agreement of the hotel as well. It is hard to see in these photos, but the outside façade has design elements to look like the waves on Lake Michigan. The parking structure complex will have eight townhouses which are 1.5 stories high allowing the parking structure to blend in with the rest of the project. We also have 47 apartments and studies that will be what we decided to do was for 8 townhouses I want to have stories across there so you won't see the parking structure you know blend in with the rest of it we also have 47 apartments and studios which will be market rate for the opportunity that's not present for employers to bring on board and have suitable housing so the rental rates will be somewhere in the neighborhood of $1600 to $2200 per month. The prices haven't been finalized but it'll be about that rate. We will also have 1000 - 1060 square foot of retail space, 6000 square feet. We'll also have offices up there as well and we'll have you know of course we talked about parking deck with 215 spaces some of the parking will be for public yeah but a majority of it will be private for the residents of the condo hotel for the residents of the apartments and the residents of for anybody that has a business there. Tyler, you want to take this.

*Agosa:* Excuse me, I'm so sorry to interrupt but people are still waiting to get in; Tina McClellan, Carol Ann and I believe Jolean is in now in.

*Schubert:* I am admitting them as they pop up currently there is no one in the waiting room.

*Leppanen:* Sarah, you are able to see the same waiting room as us. There is nobody there.

*Agosa:* I don’t see a waiting room.

*Leppanen:* When somebody tries to join the meeting, they will appear in the participant’s section. If you click on people/ participants, you will see on the right-hand side those in the meeting and those waiting to join the meeting. There is nobody waiting to join the meeting at this time.

*Agosa:* Ok, Thank you.

*Wahr:* Hey Sarah, you could send the link you used to the people reaching out to you since you know it works.

*Agosa:* Yeah, I already did that. Thanks.

*Leppanen:* On the screen now, the construction estimates that is not a whole lot to explain with the numbers there. These numbers show you that the condo hotel is estimated at 36 million. $840,000 for the townhomes which are in front of the parking garage, 2.6 million for the east mixed-use building, 8.6 million the west apartment building, 8.4 million parking deck, 9.6 million for site work architectural and engineering and for a total of projected $71 million. What this slide is showing you is that to date there has been $956,300 spent on the project and does not include the land and whatnot. So, there's additional acquisition cost things like that the reimbursable TIF which means it is tax increment financing. The project will have the taxes frozen at the level they are at now than when there's investment into the property such as buildings being constructed your taxes go up. The taxes will be frozen where they are right now and then when there's an increase in those taxes, they will be captured by the brownfield authority and then dispersed back to the developer which is Little River Holdings. The eligible expenses currently are $261,100 that has been spent and $1.5 million grant loan combination. So, it's a split but one is paid back through the tax increment financing as well but the eagle, portion which is the $71 million, used to be the Department of Environmental quality but now it stands for environment Great Lakes and I can't remember the last E is so there's $449,500 that the state has covered moving forward there's $710,000 left on the grant one the brownfield will be $14,520,000 in reimbursable expenses and then the MEDC grant loan financing. We are being told to plan for approximately $5,000,000 and we are being told that it will be split between two fiscal years. We are currently working on those applications. So, we received approval for the PUD which is a planned unit development. The reason we did a PUD is because the buildings planned to be five stories tall city ordinances do not allow for buildings to be that tall. So, you can apply for a PUD and get different variances to the ordinances. So that's completed in August. I think we've been working on the brownfield plan and should be submitting that shortly and that has to be agreed to by the city eagle and MDC and it'll ultimately go to the Michigan strategic fund board for approval grant loan application. They'll be submitted at the same time as the brownfield plan, they're typically considered by the MDC and the MSF board at the same time as the bank and private financing. So, I you know we have continually heard how you are going to finance the project so there's the one the TIF financing the bank will take an assignment on that TIF financing 65% possibly up to 70% of the project would be covered by bank finance. That is where the majority of your financing comes from is the bank then there is the eagle grant loan that we received and there's part of that bringing the cost to $70 million. You can apply the acquisition costs and whatnot towards there's we're projecting $2,000,000 Ish in developer fees that's just we're saying Little River Holdings time on this project is worth a $2,000,000 in that goes into the project it's a deferred developer I think right now we're sitting at about $3,000,000 that would be privately financed and we would do that either through equity investment and we're also having conversations with the lending institution that's a global agency for potential line of credit finance offer the closing costs and whatnot but that's all to be determined and then construction. Any questions or concerns?

*Magnuson:* So, Tyler, I wanted to say that the liabilities to this Gateway Project do not go beyond the holdings company, so the tribe is not on the hook for anything it stops at the holdings company.

*Leppanen:* That is correct in order if anything happened like in order for a bank or anybody to have any recourse against the tribe we would have to go to tribal council and have them waive your sovereign immunity which we would not even approach that. So, financially it's down at the holding company level and then in the environmental contamination environmental liabilities we've done our baseline environmental assessments and according to the laws in in the in the state if you do the baseline environmental assessment uh within a certain period of time anyway it's reported uh we are no longer liable for the existing contamination on the property and that's why the state and funds projects because uh to offset the additional environmental remediation costs. Alright, any questions?

*Schubert:* Sarah and Stacy had their hands up.

*Channey:* Well, I know that when we met last you guys said that you so far had spent $2.8 million um that was already invested in $700,000 that was already invested. So, that is where you stand? Has anything else been spent that you are on the hook for?

*Leppanen:* Yeah, so in in in the breakdown of those costs around 900 some thousand and then there was the another amount there but that adds up to about $1.4ish million and then when you add in the acquisition costs and the cost of the land that's how you get up to that $2.8 million.

*Channey:* OK and then my other question. Right now, you are still at the same amount you have not signed anything or acquired anymore cost at this point without incurring more costs since we last spoke in October. Then, well first of all thank you for the slide presentation, it is very informative, and it's put together very well. I hope you showed it to the council because it is informative. My other question is this on our land? I mean what you are building on is it on land that we own.

*Leppanen:* So, it's not trust land, but it would be fee land because Little River holding owns the land. *Channey:* When you say Little River or Little River Holdings owns the land is that land that you purchased or is it land that Little River or tribe owns.

*Leppanen:* So yeah, when the enabling resolution there should be available on the on the government's website, details out exactly what cash investment when Little River holdings was created and the value of the properties that were transferred to Little River holdings along with the land that was transferred to Little River Holdings from the tribal government. Thes properties include the House of flavors property and then where Edward Jones was. This would be the Northside where the condo hotel is going.

*Channey:* So, this is land that was transferred to Little River Holdings but it's land that our tribe owned initially the north side of the project?

*Leppanen:* Yes, the north side.

*Channey:* So, my question is are you able to get a tax break? Because you're talking about taxes.

*Leppanen:* So, I mean that's a decision beyond our capabilities that we don't transfer the land back to the tribal government to put it in the trust if you wanted to go that route and have it be trust land. I don't know the legal details of any of that but the brownfield like I said captioned it freezes the taxes where they're at right now and then then we get reimbursed on the increase in taxes.

*Channey:* So, it is a freeze on taxes, but you are still having to pay some taxes.

*Leppanen: Y*es, what is being taxed today is what we will continue to pay.

*Channey:* OK that was my question I have more, but I will let Sarah go.

*Agosa:* My first question is who was running the Gateway Project what is the manager no longer with us?

*Magnuson:* That would be Tom St. Dennis

*Agosa:* I need clarification on one other part of the presentation. I believe it said something like state funding was mismanaged. Can we get a better explanation of that? What does that mean exactly? Thank you.

*Magnuson:*  yeah it would it really means here is that uh when we first initially pursued this project with Tom Saint Denis he didn't capture all the expenses so that we could put it towards the brownfield so we had actually had to recreate the invoices and then uh submit a new brownfield proposal Tyler if I've missed anything that you can clarify.

*Leppanen:* Yes, I will go into as much detail as I can. So, when you when you do a brownfield plan you have to detail how all what all of your costs are going to be then it gets approved then you do the work and get reimbursed there was a I don't know it was roughly, again I'm telling you this off the top of my head, but it was roughly $400,000 that wasn't accounted for prior to the work beginning. But we were able to have that factored into the state financing for some of it and then the rest of it has already been agreed to be reimbursed through the tax and finance net we captured.

*Agosa:* Roughly $400,000 that was lost because of errors. I really didn't understand any of it. Loss because of errors. So, are you saying that the money has been recovered and everything has been reconciled.

*Magnuson:* Absolutely.

*Agosa:* OK thank you.

*Leppanen:* Thank you.

*Agosa:* You can keep going, Eugene. I didn't mean to cut you off.

*Magnuson:* I'm saying that yes there was roughly $400,000 of expenses that we did not declare for the brownfield. So, then when we got ahold of project Tyler and myself and T, we were able to go back through all the expenses and find some expenses that were not a part of the original proposed brownfield. We went ahead and corrected the brownfield. We were actually able to capture all those dollars.

*Agosa:* That is what you mean by had done properly or correctly.

*Magnuson:* Correct.

*Agosa:* Thank you.

*Channey:* I'm going to ask some tough questions as Shannon spoke in the meeting yesterday, I heard you say um we know our brick and mortar is suffering and that right now we are depending on our online gaming to keep us afloat. So, my question one is why are we trying to build up Manistee and keep working on Manistee when we know that Manistee is not where we're getting our money from?

*Leppanen:* So, I did have an article that I can share with you, but it is a published paper on how casinos and commercial hotels are not really comparable. I'd love to distribute that one around. Our goal here is not to beautify Manistee. Our market studies show that there's a need for demand for everything that's included in this project. I think a good example of that is if you've driven by the Hampton on the beach that when they open for reservations back in June, they were completely booked up all the way through August beyond the casino there's nowhere in Manistee as far as, until the Hampton came, for quality hotel stays or anything like that. You look at tourism numbers in Manistee county they've been growing every year since 2013 and a lot of that's being driven by you know the Pure Michigan commercials and all. All of northern Michigan has experienced growth and tourism. In the last 10 years minimum wage and I shared a lot of data with Eugene the other uh yes yesterday that he distributes but the population continues to increase in amnesty it's increased roughly 2% over that period of time per capita incomes increased.

*Channey:* So, do you feel like the market is showing that there is potential for this type of project?

*LaPorte:* Stacy I'd say too it probably benefits us on some level I would think to make Manistee more desirable. I mean at the end of the day if we let Manistee just dry up and blow away in the wind it's not going to be good for our facility either. So, I think development investment in the areas that's where we are I think potentially can only help us.

*Leppanen:* The casino during peak times instead of sending those people the Microtel why not send them to your own facility and we are also looking at how do we transport people to the casino that are staying at the condo hotel.

*LaPorte:* Stacy I wanted to I wanted to cover something with you too because we had had a conversation and I just wanted to clarify something for you I did uh verify the online gaming revenue is not being utilized by the casino to fund payroll or to do those types of things so that money is being distributed to the tribe now where that's going I don't know. but I can assure you that it is not being used to take care of payroll at the facility.

*Channey:* well actually the online gaming what's happening is the check goes straight to well we had a GM it's an interim GM right now right and what they're doing is they cover all their expenses on the casino side and right now our brick and mortar does not cover all of the expenses. so they're having to dip into the online gaming and still much as it's sometimes 50 to 70% and we can say it's for salaries and for benefits we can say it's for upkeep of the casino whatever it is but all we know is that before it comes over to the government side it's it is being utilized and then whatever comes over to the government side is what's ever left of the online gaming. So, technically you could say that the online gaming is we are getting a portion of that and our per cap.

*LaPorte:* Right.

*Channey:* I can tell you that our per cap has not increased by a penny if anything gets dropped and then they have to figure out how cause 50% comes out of well once it gets to the government then 50% goes to per cap and 50% goes to the government operations that's right so.

*LaPorte:* yes that's correct so it's still that revenue that revenue technically speaking that revenue is the casinos revenue starting but it's not the tribes revenue that's revenue that's driven because we can game right and so where it's being utilized I don't know I mean I can only tell you that it's not being fully used to take care of payroll the casino does wash its face yeah so and I and I think I you know I think I verified it to in a source that I believe in so it we haven't seen our per cap checks have fallen so I'm for sure but we're still there's still enough being distributed from the casino obviously we're all still getting checks so

*Channey:* correct I was under the impression because we haven't done a new RAP that they couldn't even give well technically they're not even supposed to be giving us online gaming but that's a whole mother story but they're working on a new RAP right now so they'll be proportioning it correctly and that's what's being worked on right now between the executive side and the government side or the legislative side so that will all be worked out but we didn't have a attorney when the online gaming started so there was that there was nothing that happened between the two of them that that negotiated that to make a new RAP. so I agree with you no it's not all going towards salary but some of it is to cover the salary the Ogema actually made a video on it two weeks ago saying that it's to offset some of the expenses but so that leads me to my next concern. if you are worried about you know bringing in some more people to get to Manistee. then and we know that right now our casino isn't full then why aren't we working on updating our hotel and because I'm all for you guys doing the condos and everything but the hotel is basically a competitor to our hotel and our hotel is not in good shape right now we can't rent out all of our rooms because

*LaPorte:* I don't know that that's necessarily related to from what I understand I don't know that that's necessary related to the condition of his rooms as it is the employment right I think they were lacking they were lacking people that could work and turn their rooms on a on a you know quick enough to function in the hotel properly but I can tell you yes investment into the facility is absolutely needed there's no question about it. I stayed at soaring eagle last week we had a meeting up there I can tell you it's we're like the Super 8 I mean that if you compared our facility to soaring eagle. it's people are going to choose to go there before they go to our place they're also going to choose to go to gun lakes new casino or new hotel when it gets put up so if we want to stay competitive you have to you have to invest in what we've got there's no absolutely no question about it or we will continue to just that market will continue to erode.

*Channey:* I just know that right now when we had the membership meeting that there were at least 50 rooms that didn't have that the tubs were filled with water and that the plumbing was an issue so that's an issue people weren't happy and they didn't want to go back so I don't know if Little River holdings can like um contract with our tribe and you guys could do an investment with our hotel to get it up and running where you guys could still make a profit and it would be like everybody's working for a common cause versus making a competitive hotel where it's taking away from our hotel it's just a thought*.*

*LaPorte:* they're going through renovations now on a lot of the rooms so I know there's some investment going back I if it was me Stacy and I don't really know the financial condition of the of the casino that make an absolute comment with regard to this but if we've got lending up if we've got you know debt availability within our cash flow at the casino we should be borrowing money to update that facility

*Channey:* absolutely I mean there's just no question about it so but again that's that stuff that's outside of our view I guess I was just looking at it if you're willing to take out a $70 million investment you could work as an outside company coming in and then doing an investment for our tribe and updating because right now our agama is always talking about how we don't have the money to compete with gun lake or GTB and firekeepers but if we had Little River holdings coming in and making that investment then then that just seems like it would be more common sense that's just my comment thank you.

*LaPorte:* Thank you.

*Lewis:* Any other questions from the members.

*Schubert:* Stacy, your hand is back up.

*Channey:* Thank you. I don’t mean to be talking too much but I know that from talking to the representatives yesterday, and I spoke with them individually, because I'm really trying to understand why they are still against Little River holdings and I think you guys have some really good ideas but they were telling me. Well, when I went back to them because we had a discussion in October and you guys said that you don't work for tribal council you work for the Ogema. Can I get some clarification on that first?

*Lewis:* I believe that it’s all related by that lawsuit that went on between the Ogema and Tribal Councilors and I believe these business enterprises fall under the Ogema’s provision. I don't know what that part is, and I don't really want to give us to get involved in that we're doing the business side of this for the tribe or trying to get to diversification. We made great progress. When we try to get our 8A certification and it was delayed because the US government shut down back in 2018-2019 somewhere in there. We finally got the certification when COVID hit for a couple years and then we've been in the business downturn and we're making a profit. We are finally getting contraction out here even though we've had reduced or limited funding or support from the RAP program that should have been there. Anyway, we're trying to build these businesses. We just got that government contract for $50 million. We don’t get $50 million but we get a percentage of profit on there we might make 400 K a year off of that project for the next five years. As we keep building that if we can get to the point where we've got a $500 million government contract it will open more doors. Or now that TBR is growing; once we get TBR out there and get this downtown project out there we will be at the point where we're making enough money that any RAP program that's coming in here at some point we turn around those dollars and we're able to pay that back at the end of that year. We’ve got to be able to get enough money to go in there and reinvesting in business to keep them afloat and then diversify go get away from the gaming in the in the reliance on those revenues build these businesses. I look at this they came out of the corporation we had 10 to 12,000 people all going for the same cost effective but increase their bonus goal if we could do that with 4000 tribal citizens promoting our businesses, we got great opportunity here to propel us into the next level. It's just getting some of these apples you know what would be reluctant to resistance to trying different businesses and getting out there and trying to grow it and again none of this is a get rich situation. The only options for something close to that are Government Contracting and TBR. IF somebody would have come to us with that TBR and said it’s got great potential to get through those clinical trials we'll probably have it picked up by Pfizer or some other corporation coming out they're trying to partner with us and buy us right out. You want to hang on to it using the investor and manufacture produce and keep 25% of it or something like that. That's a huge potential to get rich quick if you will it depending on you know if you start. We're five years in now after all those obstacles that we work through and getting a dividend program until we can start taking part of our profit and pay that back. We're not making a lot of money or a lot of profit yet but we're getting there. We've got a great year this year and you know eventually that amount that we're paying back every year through the dividend program will get bigger and I would see that as being one of our first goal. Get these businesses running, getting where they're standing on their own to the point where if we get it RAP dollars invested into businesses that we can turn around and pay that back. We need to fill our town area Manistee and get that, so people want to go. I have a lot of friends that golf, and they love going up there and golfing, but they don't want to do anything with the casino. They don’t want to be associated with it or want to go to hang out. If we can capture that kind of market people go fishing with 37 years in the corporation and there's people that I know that travel worker all the time with outside activities that don't want to go to the casino that's that. They love the area I don't know I'm excited about it. I'm retired and have been retired for three years and then on this board since inception and I'm excited about what we got in front of us. We'll get around it we'll turn the tables on this at some point and get all these points that you're bringing up getting factored into what's the best thing for us to do but we have to keep trying we have to go outside look potentially. These are good points that you're bringing up should we be doing a workshop with the tribal citizens. Due to us being in a time crunch tonight we have to go through everything and cover all the other business pieces.

*LaPorte:* To Frank's great points which they all were it's like dealing with divorced parents I mean we're stuck in this who we're answering to and they're fighting about it in court. So, I mean at the end of the day I don't know if we have an answer for that I mean it's a great question but I don't know that we've been given complete clarity on our side either and we've asked so we just continue to do the business side the best we can and let whatever's going to happen in the court system.

*Lewis:* I've never run into anything like this in my corporate life where we had that kind of a situation with teams fighting against each other, everybody marching promoting these businesses this is going to be huge. The Holdings staff has some young folks in there and I kept telling them I want to be you. I went and did this for a major corporation did my part of business up and running network and telecommunications infrastructure locations around the world they were really part of that right and we got this young staff members in here young employees that are in there and they got a chance to run the business from the ground up and I can see these getting to the point where all the thing you got 25 employees in each one it has that potential and these folks are there from day one helping them build this is incredible. I would love to have that opportunity.

*Channey:* Well another note that I took is that of course for the first five years nobody you know you weren't profitable but you guys were becoming profitable and then I have that in 2022 Little River holdings that was your first year with the net profit and I believe that I wrote down that you were $1.2 million at the end of the year and then in 2023 you are projecting a significant profit. So, my question is if you go and get into this gateway project then you're going to not be profitable again because you're getting into the $70 million project can you explain that.

*Leppanen:* I’m sorry to interrupt you. So, last year if you I don't know where you saw the $1.2 million or whatnot, we squeaked by with our net profitability last year it's like 9000 something dollars overall just slid in there this year hopefully significantly higher than that. I mean it goes back to financing the $70 million not like Little River Holdings has $70 million. We go to a bank get the funding from the bank that goes on your balance sheet as an asset and a liability and whatnot. we could walk through what a P&L statement, the profit and loss statement, is in the balance sheet and how that works. However, I think that'll be a lot longer conversation, but I mean I'd be happy to do that for you at some point.

*Magnuson:* Also, Tyler we should point out that this project is going to be done in phases we're going to do the parking garage the apartments in the multi use building first. So, that we can use utilize the where the old House of flavors used to be as a staging for that. Then have that side of the road will start generating income as soon as we complete and then that'll be all under construction loan and then the payment of that that would be tiered and then after we get that project done then we would start concentrating on the condo hotel at that time. We will be preselling condominiums and so how many we have yet to determine. So, we will also have cash that will offset the need for whatever loan vehicle we will need.

*Leppanen:* Yes, a lot of that will be driven by the UC funding.

*Schubert:* Jolene has a hand up.

*Jolene:* Yes, thank you. I'm sorry I was had to join late I wasn't able to get out of the waiting room for a while I'm not sure what the problem was but glad to be here. I'm going back to the slide before the one currently up where it kind of showed the property and the layout and this may have been covered but the white buildings, I’m assuming those are owned by someone else.

*Leppanen:* Yes, that's just the rendering of the area and then the white buildings are just existing buildings that are not part of the project right now.

*Jolene:* What does that currently consist of? What are the neighboring properties I'm just trying to get a feel for it.

*Leppanen:* Yes, on the north side you have US 31 and you have where House of Flavors and Edward Jones was those buildings are gone. The next building over is Spicer engineering. The next building over past that used to be Hopkinson camera, can't think of what's in there right now maybe a distiller, the next building over would be the Blue Fish and I probably could go down the entire black or the entire river street. Jumping over to the other side there's no other buildings next to it because US 31 then division street that whole block is part of the project. So, it's not it's not direct it's not abutting any other properties on the South side.

*Jolene:* Ok, I wasn't so much concerned with that but it's helpful to know what's there. What is the condition of the buildings, are they in need of updating or they've been updated?

*Leppanen:* No, the buildings that needed updating are the buildings that Little River buildings knocked down.

*Jolene:* Ok so putting these structures up we're not going to make the neighboring properties look shabby. These are pretty nice-looking renderings. The rest of my question really goes to are we overbuilding in an area that your hopeful is up and coming but are we in fact overbuilding the area.

*Leppanen:* We've had a number of Realtors look at the condo values and things like that. It would be our opinion that at this point that no we're not. We can get they got some investment numbers and in the city of Manistee over the last handful of years but the I would say two buildings over would be Blue Fish which is fine dining is probably the best restaurant that is in the Manistee. That opened in 2013; I don't know how familiar you are with that exact area.

*Jolene:* I think I've eaten there before.

*Leppanen:* I mean personally my biggest concern is just blocking the view on the other side of the river which was proposed back in 2016 to be a senior housing and a nice pharmacy and it was going to be about a $15 million renovation there there's some issues with the tax abatements that were being requested and never happened. Save a lot open now the save-a-lot closed. So, is building is being designed in the way that struck the view on that side if you've eaten at the blue fish especially in the winter when the leaves are down that's what I'm talking about is that view back there but the views to the east and the West are great especially where the rooftop bar will be.

*Jolene:* OK well I appreciate that. It kind of was setting the scene for me. Cause with the structure is shown in in your rendering one of the things that popped to mind is would they build up and block that view.

*Leppanen:* Yes, and we've looked into that. We've had our architect model what if the neighboring property owner bought or sold and somebody else built a couple story structure different things like that but there's no neighboring properties on the east side of the project and the west side again we've modeled it out and I think none of that would be could ever be obstructed. At the intersection of US 31 and River Street there was an abandoned gas station that has since been remodeled as well completely so it looks a lot better there as well.

*Jolene:* OK I appreciate that insight thanks so much.

*Lewis:* Do we have any other questions then from the tribal members? If not we're going to go ahead and move this meeting into the closed session.

*Channey:* Ok thank you.

*Lewis:* Thank you.

1. **Discuss/Vote to move into closed session.**

A motion was made to move the 12/20/2023 Board Meeting into closed session, supported, the board voted and approved unanimously.

**CLOSED SESSION**

1. **Review/vote on closed Session agenda**

Motion was made to approve the agenda; supported; the board approved and voted unanimously.

1. **Review/vote on previous month’s board minutes for August 23, 2023, meeting.**

Motion to approve the November 29, 2023, minutes, as presented, supported, board voted and approved unanimously.

1. **Financial report presentation:**
   1. **Review monthly financial –Tyler – vote as necessary.**
   2. **Review management financial reports – Tyler - vote as necessary.**
   3. **2024 Draft Budget & Operating Plan – Tyler - vote as necessary.**

Motion to approve the Monthly and Management Financial Reports, as presented, supported, board voted three to one. Motion approved.

1. **Old Business:**
   1. **Vacant Board Seat – Eugene – vote as necessary.**
2. **New Business:**
   1. **River Rouge DTE Site (NAUC) – Eugene**
3. **Approve 2024 Annual Board Calendar – Eugene – Vote as Necessary**

Motion to approve the 2024 Annual Board Calendar, as presented, supported, board voted and approved unanimously.

1. **Communication:**
2. **Adjourn:**

No Items moved from closed session were moved into open session during this meeting.

Meeting adjourned at 5:13 PM

Next meeting January 24, 2024, at 3:00PM