

# **JANUARY 2014 CROW TRIBAL LEGISLATURE**

## **JOINT ACTION RESOLUTION NO. JAR14-03**

INTRODUCED BY DARRIN OLD COYOTE, CHAIRMAN  
CROW TRIBAL EXECUTIVE BRANCH

JOINT ACTION RESOLUTION OF THE CROW TRIBAL LEGISLATURE AND THE  
CROW TRIBAL EXECUTIVE BRANCH ENTITLED:

### **“RESOLUTION APPROVING KLAS ROBINSON FEASIBILITY STUDY AND AUTHORIZING THE EXPENDITURE OF UP TO \$50,000 FROM LOAN FUNDS FROM FIRST INTERSTATE BANK TO COMPLETE THE FEASIBILITY STUDY.”**

**WHEREAS**, the Chairman of the Executive Branch has authority and responsibility pursuant to the “enumerated powers” in Article IV, Section 3 of the Constitution and Bylaws of the Crow Tribe of Indians to represent the Crow Tribe in negotiations with Federal, State and local governments and other agencies, corporations, associations, or individuals in matters of welfare affecting the Crow Tribe; to “negotiate and approve or prevent any sale, disposition, lease or encumbrance of Tribal lands, interests in lands or other Tribal assets, including buffalo, minerals, gas and oil with final approval granted by the Legislative Branch;” and to “negotiate and approve limited waivers of sovereign immunity when such a waiver is necessary for business purposes in accordance with Article V, Section 2(f) of [the] Constitution;” and

**WHEREAS**, the Legislative Branch has authority and responsibility pursuant to its “powers and duties” in Article V, Section 2(d) of the Constitution “to grant final approval or disapproval of items negotiated by the Executive Branch of Government pertinent to the sale, disposition, lease or encumbrance of Tribal lands, interests in lands or mineral assets,” and in Article V, Section 2(f) to “grant final approval or disapproval of limited waivers of sovereign immunity by the Executive Branch when waivers are necessary for business purposes;” and

**WHEREAS**, the Crow Tribal Legislature and the Crow Tribal Executive Branch enacted Joint Action Resolution No. JAR13-19 on October 24, 2013 to approve a loan agreement for a loan from First Interstate Bank in the amount of Ten Million Dollars (\$10,000,000.00), secured by interest from the 107<sup>th</sup> Settlement Trust Fund, for the purposes of funding land purchases and economic development projects, and paying off the 2013 Unsecured Line of Credit (the “Loan”), and such Loan closed on November 1, 2013 and all BIA and OST approvals have been obtained; and

**WHEREAS**, the Joint Action Resolution No. JAR13-19 required additional Joint Action Resolutions to approve all Future Project Expenditures from the Loan funds; and,

**WHEREAS**, the Chairman of the Executive Branch has negotiated an amendment to the Crow Tribe's Class III gaming compact with the State of Montana, and the National Indian Gaming Commission has approved an amendment to the Crow Tribal Gaming Ordinance; and,

**WHEREAS**, the Crow Tribe is considering future developments to improve its existing gaming operations; and,

**WHEREAS**, the Chairman of the Executive Branch has negotiated an agreement with the independent Klas Robinson Hospitality Consulting firm to conduct a feasibility study of considered developments related to the Crow Tribe's gaming operations; and,

**WHEREAS**, the loan agreement approved on October 24, 2013 contemplated future expenditures for such a feasibility study; and,

**WHEREAS**, the feasibility study is necessary to ensure that the Crow Tribe is making sound investments in its gaming operations, and will assist in promoting economic development for the Crow Tribe;

**NOW, THEREFORE, BE IT RESOLVED BY THE CROW TRIBAL LEGISLATURE AND THE CROW TRIBAL EXECUTIVE BRANCH:**

**Section 1.** The agreement between the Crow Tribe and Klas Robinson QED for the conduct of a feasibility study related to the Crow Tribe's gaming operations is hereby approved.

**Section 2.** The Crow Tribe is authorized to expend not more than \$50,000 of the Loan funds to complete the feasibility study.

**Section 3.** A copy of the feasibility study shall be provided to the Legislature upon completion, subject to any confidentiality requirements.


## CERTIFICATION

I hereby certify that this Joint Action Resolution entitled **“RESOLUTION APPROVING KLAS ROBINSON FEASIBILITY STUDY AND AUTHORIZING THE EXPENDITURE OF UP TO \$50,000 FROM LOAN FUNDS FROM FIRST INTERSTATE BANK TO COMPLETE THE FEASIBILITY STUDY”** was duly enacted by the Crow Tribal Legislature with a vote of 16 in favor 0 opposed, and 0 abstaining and that a quorum was present on this 14<sup>th</sup> day of **January, 2014**.



Senator R. Knute Old Crow, Sr.  
Speaker of the House  
Crow Tribal Legislature

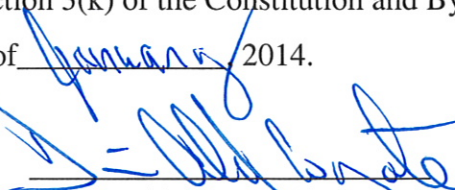
**ATTEST:**

  
Senator Gordon Real Bird, Jr.  
Secretary  
Crow Tribal Legislature

## EXECUTIVE ACTION

I hereby  
  X   approve or  
       veto.

This Joint Action Resolution entitled **“RESOLUTION APPROVING KLAS ROBINSON FEASIBILITY STUDY AND AUTHORIZING THE EXPENDITURE OF UP TO \$50,000 FROM LOAN FUNDS FROM FIRST INTERSTATE BANK TO COMPLETE THE FEASIBILITY STUDY”** pursuant to the authority vested in the Chairman of the Crow Tribe by Article V, Section 8 and Article IV, Section 3(k) of the Constitution and Bylaws of the Crow Tribe of Indians, on this 23 day of January, 2014.



Darrin Old Coyote, Chairman  
Crow Tribal Executive Branch

"RESOLUTION APPROVING KLAS ROBINSON FEASIBILITY STUDY AND Authorizing the EXPENDITURE OF UP TO \$50,000 FROM LOAN FUNDS FROM FIRST INTERSTATE BANK TO COMPLETE THE FEASIBILITY STUDY."

**Bill or Resolution:** JAR14-03 **Introduced by:** Chairman Darrin Old Coyote **Date of Vote:** 1/14/2014  
**Number**

<u><b>Representative:</b></u>	<b>Yes</b>	<b>No</b>	<b>Abstained</b>
G. Three Irons	<u>X</u>	<u>          </u>	<u>          </u>
B. Rogers	<u>X</u>	<u>          </u>	<u>          </u>
C. J. Stewart	<u>X</u>	<u>          </u>	<u>          </u>
P. Hill	<u>X</u>	<u>          </u>	<u>          </u>
E. Birdinground	<u>X</u>	<u>          </u>	<u>          </u>
A.Coyote-Runs, Sr.	<u>          </u>	<u>          </u>	<u>          </u>
(Vacant)	<u>          </u>	<u>          </u>	<u>          </u>
T. Gros Ventre	<u>X</u>	<u>          </u>	<u>          </u>
P. Alden, Jr.	<u>X</u>	<u>          </u>	<u>          </u>
V. Crooked Arm	<u>X</u>	<u>          </u>	<u>          </u>
P. Spotted Horse, Sr.	<u>X</u>	<u>          </u>	<u>          </u>
L. DeCrane	<u>X</u>	<u>          </u>	<u>          </u>
C. Goes Ahead	<u>X</u>	<u>          </u>	<u>          </u>
B. Hugs	<u>X</u>	<u>          </u>	<u>          </u>
B. Good Luck	<u>X</u>	<u>          </u>	<u>          </u>
G. Stewart	<u>X</u>	<u>          </u>	<u>          </u>
G. Real Bird, Jr.	<u>X</u>	<u>          </u>	<u>          </u>
<i>Secretary of the House</i>			
R. K. Old Crow, Sr.	<u>X</u>	<u>          </u>	<u>          </u>
<i>Speaker of the House</i>			
<b>Totals:</b>	<u>16</u>	<u>0</u>	<u>0</u>

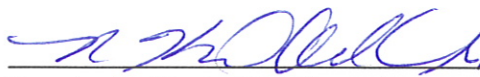
Result of Vote:


**Passed**

**Not Passed**

**Tabled**

**Veto-Override**

  
\_\_\_\_\_  
Senator R. Knute Old Crow, Sr.      Date  
Speaker of the House

  
\_\_\_\_\_  
Senator Gordon Real Bird, Jr.      Date  
Secretary of the House

# Project Budget

Crow Tribe Gaming

December-13

Project Summary				
<p>The Crow Tribe is considering the development of a casino in Yellowstone County, MT. The Tribe has identified three sites within the historic boundaries and/or contiguous to the Crow Reservation. We are looking for a thorough independent evaluation of the existing operations, site and surrounding area, the needs and opportunities of the market, the range and scale of facilities best suited to meeting those needs within the unique context of the Tribes and the likely performance potential for such facilities.</p>				
Personnel	Budget	Actual	Difference (\$)	Difference (%)
Office			\$ -	0.0%
Store			-	0.0%
Salespeople			-	0.0%
Others			-	0.0%
Operating	Budget	Actual	Difference (\$)	Difference (%)
Advertising			\$ -	0.0%
Computer			-	0.0%
Contract Svc	30,000		(30,000)	0.0%
Cultural Events			-	0.0%
Promotions			-	0.0%
Donations			-	0.0%
Dues			-	0.0%
Student Assistance			-	0.0%
Employee Exp			-	0.0%
Equipment over \$5000			-	0.0%
Fees			-	0.0%
Food			-	0.0%
GSA Vehicles			-	0.0%
Insurance			-	0.0%
Land/Lease			-	0.0%
Maintenance/Repair			-	0.0%
Mileage			-	0.0%
Postage			-	0.0%
Printing			-	0.0%
Rental			-	0.0%
Office Supplies			-	0.0%
Supplies - Other			-	0.0%
Telephone			-	0.0%
Training			-	0.0%
Travel - Off Reservation	4,000		(4,000)	0.0%
Utilities			-	0.0%
Vehicle Repairs & Mtnce			-	0.0%
Vehicle Fuel Costs			-	0.0%
Others			-	0.0%
Total Expenses	Budget	Actual	Difference (\$)	Difference (%)
	\$ 34,000	\$ -	\$ (34,000)	0.0%



December 6, 2013

\*\*\* ACCEPTANCE COPY \*\*\*

Mr. Darrin Old Coyote  
Chairman  
Crow Tribe  
P.O. Box 159  
Bacheeitché Avenue  
Crow Agency, MT 59022

Dear Chairman Old Coyote:

Pursuant to a recent conversation and subsequent e-mail correspondences with Bryan Newland, we are pleased to present this revised proposal to provide consulting services on behalf of the Crow Tribe of Montana. This proposal outlines our understanding of the engagement, the scope of services we propose to provide, the timing and fees required and the conditions and limitations under which we will work.

## **HISTORY & PURPOSE**

The Crow Tribe of Montana is considering the development of a casino in Yellowstone County, Montana. The Tribe has identified three sites within the historic boundaries and/or contiguous to the Crow Reservation, several miles to the south and east of Billings, Montana.

Rather than simply duplicating what has been built or proposed by the competition, you are following the prudent course of undertaking a thorough independent evaluation of the existing operations, site and surrounding area, the needs and opportunities of the market, the range and scale of facilities best suited to meeting those needs within the unique context of the Tribes and the likely performance potential for such facilities.

Accordingly, you have requested KlasRobinson Q.E.D. to prepare a proposal to assist you in this endeavor.

## **QUALIFICATIONS**

KlasRobinson Q.E.D.\* has extensive experience in analyzing the financial feasibility of Indian gaming operations and related ancillary developments.

For additional information on our background and qualifications, please visit our website at: [www.klasrobinsonqed.com](http://www.klasrobinsonqed.com)

The principals of KlasRobinson Q.E.D., Jim Klas and Matt Robinson, have been at the forefront of Indian gaming developmental and financial analysis throughout their careers, working with some 200 different Tribes over the past decade.

Mr. Robinson recently completed his second consecutive two-year term as NIGA Associate Member Representative on the National Indian Gaming Association Executive Board and currently serves on NIGA's Spirit of Sovereignty Scholarship Committee. He is also the recipient of NIGA's "Outstanding Service Award".

Feasibility studies and other expert counseling provided by the principals of KlasRobinson Q.E.D. have been used to successfully attract almost \$10.0 billion in financing and investment from bank financing, capital leases, private placements, registered securities and IPO's.

Our expertise in Indian Country extends beyond casinos to hotels and resorts, restaurants and nightclubs, spas, entertainment, convention space, golf, RV parks, gas station/convenience stores and grocery stores, travel plazas and truck stops, retail and multi-use office complexes, banks, water parks, movie theaters, bowling centers, equine events centers, big game hunts and other commercial and leisure developments.

We are members of IAAPA, ISPA, NACS, NATSO, NGF, NIGA, WWA and other gaming and leisure industry trade organizations. We have also published numerous articles in trade journals on the unique characteristics of development and operation of the above mentioned types of facilities and amenities in the particular environment of Indian gaming.

KlasRobinson Q.E.D. is familiar with Indian gaming operations and other Tribal developments throughout Montana, including the **Crow Tribe**, having worked on preliminary analyses for both the existing Crow Agency and proposed Indian Creek Road sites. IN addition, we have completed market analyses on behalf of the **Blackfeet Nation, Chippewa Cree Tribe, Fort Belknap Indian Community, Fort Peck Assiniboine and Sioux Tribes** and the **Northern Cheyenne Nation**.

All work related to the feasibility analysis including meetings, market research, analysis, report writing and presentation will be conducted by Mr. Klas and Mr. Robinson, the founders and principals of KlasRobinson Q.E.D.

## **SERVICES PROPOSED**

We have divided the services that we propose to provide to assist you with this project into phases to give you greater control over timing and cost factors:

### PHASE I ANALYSIS – Preliminary Market Analysis:

Our market studies are based not only on in-depth analysis of the economic and demographic characteristics of the resident population base, but also upon the preferences and travel patterns of existing and potential tourism in the region.

- ∴ We will meet with you and/or other representatives of the project team to obtain a full understanding of the parameters and phasing of the project(s) and any information that you may already have available. This will include on-site interviews with management and key personnel.
- ∴ We will tour the site(s) and the surrounding area to evaluate their relative suitability for the planned project. Our evaluation will focus upon the natural amenities of the site(s), accessibility, transportation infrastructure, proximity to supporting development and other issues affecting the appeal of the complex to existing and potential customers. We will not evaluate the site from an engineering, structural, environmental or geological perspective.
- ∴ We will review historic operating data for existing gaming operations, player's club and customer profile data, as well as any other relevant studies – based on availability.
- ∴ We will analyze pertinent economic and demographic data for the immediate and broader market areas for each site for the planned casino, by both linear radii and actual drive time.
- ∴ We will analyze the competitive environment within which the planned gaming project will operate, including existing and potential Indian and non-Indian competitors for the local and regional markets by linear radii and actual drive time.
- ∴ We will analyze the tourism industry in Montana in general and the Billings area in particular, including historical trends, origins of demand, transportation infrastructure and other factors affecting the overall appeal of the region as a tourism destination.
- ∴ We will analyze the traffic patterns and the surrounding highway infrastructure as it pertains to demand for the project
- ∴ Based upon the information obtained in our market study, we will make recommendations for the best-suited site for the planned casino development.



- ∴ Based upon the information obtained in our market study, we will confirm the facility components as planned or make alternative recommendations regarding the size and range of gaming and ancillary facilities appropriate for the project and consistent with the identified needs of the market for the recommended site.
- ∴ We will prepare preliminary estimates of utilization for the planned casino complex for its initial five years of operation.
- ∴ Based upon historic operations and the actual performance of comparable facility components in other gaming developments, adjusted to reflect the particular market and operating characteristics of Montana, we will prepare preliminary estimates of revenue and expenses to the level of cash flow available for debt service for the initial five years of operation at the planned project

Upon completion of our Phase I analysis, we will prepare a brief summary letter describing our conclusions and recommendations regarding the project and our preliminary utilization estimates and financial projections based upon the facilities recommended. We will then contact you to discuss the implications of our recommendations and conclusions. If you choose to proceed with the project and wish to complete the engagement, we will complete our full feasibility study and final report as described below under Phase II.

#### PHASE II ANALYSIS – Full Feasibility Study:

Our completed feasibility study provides you and potential lenders with the debt coverage and sensitivity analyses required to meet underwriting criteria.

- ∴ We will expand our economic and demographic analysis to include detailed information on residential locations and income levels, age, occupations, trades, actual and potential gaming customers and other relevant demographic data necessary to support casino and ancillary development decisions. We will also provide projections of demographic trends for the next five years of operation.

- We will expand our discussion of the competitive environment with detailed information on individual competitors including:
  - Name
  - Location
  - Number and Type of Gaming Devices
  - Food and Beverage Facilities
  - Hotel Rooms
  - Entertainment Facilities
  - Meeting and Convention Facilities
  - Other Ancillary Facilities
  - Published information on competitive casinos
  - Discussion of Location, Market Position and relevant Competitive Issues
- We will expand our analysis of the tourism industry to include a discussion of local and regional attractions such as state and national parks and forests, as well as man-made attractions.
- We will prepare estimates of future gaming market potential based upon gambling propensity, participation rates, tourism potential, extrapolation of current performance and comparison to verifiable information on the performance of other markets or properties of similar size and makeup.
- We will revise our facility assumptions, utilization estimates and financial projections to reflect any changes in the final facility plan from the recommendations in our Phase I analysis.
- We will review project cost estimates with members of the project team, or provide reasonable assumptions if necessary.
- We will prepare an analysis of ROI (Return on Investment) for the planned property for its initial five years of operation.
- We will analyze the impact of changes in sensitive assumptions on projected cash flow and project costs.

Upon completion of our Phase II analysis, if commissioned, we will revise our facility recommendations, utilization estimates and financial projections as necessary. Upon your authorization, we will prepare a draft version of our final report, documenting our revised findings and conclusions for the project and detailing the assumptions used, based upon the final project plan. Upon receiving your authorization, we will then complete the final production version of our written report, suitable for distribution, in as many copies as you require.

## **FEE PROPOSAL & TIMING**

Our fees for this engagement, divided according to the phases described above, are listed below:

Phase I Analysis & Recommendations	<u>\$20,000</u>
Phase II Analysis & Final Report	<u>10,000</u>
Total - Including Phase II (if commissioned)	<u>\$30,000</u>

*Expenses, such as travel, subsistence, telephone, postage, purchased data and other out of pocket costs are not included in the fees quoted above and will be billed in addition, at cost. The quoted fees include three bound copies of our final report, one unbound copy and one electronic copy. You may purchase additional bound copies of the report from us at the cost of \$200 per report.*

The fees quoted will not be exceeded unless the scope of our work is changed or significant difficulties occur which were not foreseen at the start of the project. Should such circumstances arise we will discuss the matter with you to reach a mutually satisfactory solution. Of course, you may terminate the engagement at any time by so notifying us, in which case you would only be responsible for fees and expenses incurred to that point.

A retainer in the amount of \$12,500 will be required to initiate this engagement. The remaining \$7,500 in fees for Phase I, plus expenses will be due upon presentation of our summary letter. If commissioned, a retainer of \$2,500 will be required to initiate Phase II of this engagement. The remaining \$7,500 in fees, plus any additional expenses for Phase II will be due upon presentation of our feasibility study in final draft form. Invoices are due upon receipt. All outstanding invoices must be paid in full prior to release of our feasibility study in final, presentation form.

Based upon the scope of work proposed and our current scheduling, we anticipate completion of our market study, facility recommendations and preliminary financial analysis within approximately two weeks of visiting the site to conduct our fieldwork and receipt of any requested information.

Following agreement on the facilities to be included in our full feasibility analysis, we expect to complete our financial analysis and a draft of our final report within approximately one additional week. Completion of our report in final presentation form will require approximately one week from the time any comments or corrections to our draft report are received.

***Of course we will do our best to work with you to meet whatever deadlines you may face.***

The proposed fees are valid for a period of three months from the date of this proposal, after which time we may require additional fees and/or a new engagement letter.

### **LIMITING CONDITIONS**

Our report will be based on estimates, assumptions and other information developed from our research of the market, knowledge of the industry and meetings with representatives of the project team. The sources of information and bases of our estimates and assumptions will be stated in the report.

The terms of this engagement are such that we will have no obligation to revise the report or the projected operating results to reflect events or conditions which occur subsequent to the completion of our fieldwork. However, we will be available to discuss the necessity for future revision because of changes in the economic or market factors affecting the proposed project. No effort will be made to ascertain the impact of energy shortages or the legal and regulatory requirements applicable to this project.

Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our prospective analyses will vary from those described in our report, and the variations may be material.

Our preliminary summary letter and full final report are intended for the information of the Crow Tribe of Montana and other members of the project team. ***Our preliminary summary letter is for internal use only and may not be used to obtain financing from outside sources.***

Our final report may be used, only in its entirety, to obtain financing for the proposed project. If, however, you wish to make references to or use quotations from our report in an offering document or private placement memorandum, we will require the opportunity to review any such reference or quotation in advance.



Chairman Old Coyote  
December 6, 2013  
Page 8

The proposed fees include one visit to the site for fieldwork. As stated previously, expenses are not included and will be billed in addition, at cost. Should the need arise, we will be happy to make additional trips. Fees for additional trips will require reimbursement at our standard hourly rates for all meeting and travel time, plus associated expenses, at cost. Our hourly rate is \$450.00 per hour.

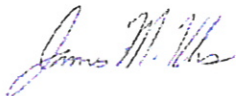
In addition, the proposed fees do not include the cost of KlasRobinson Q.E.D. or its principals giving testimony, attending any deposition or court proceeding, or attending any governmental hearing with reference to our work. Should the need arise, we will require reimbursement at our standard hourly rates for any such attendance or testimony, including preparation time, and for the associated expenses, including attorney's fees. Expenses for any such attendance or testimony are not included and will be billed in addition to any related fees, at cost.

### **ACCEPTANCE PROCEDURES**

If this proposal meets with your approval, please sign the letter below where indicated and return it to us with your retainer check as authorization to proceed. Please contact us immediately with any questions.

Sincerely,

**KlasRobinson Q.E.D.**



James M. Klas  
Founder & Principal

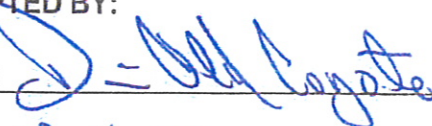


Matthew S. Robinson  
Founder & Principal

**ACCEPTED BY:**

**NAME:**

**DATE:**



12-11-13