

LEGISLATIVE SUMMARY SHEET

Tracking No. 0355-116

DATE: September 30, 2016

SUBJECT: AN ACTION RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE AND NAABIK'IYATI' COMMITTEES AND NAVAJO NATION COUNCIL; ADOPTING THE SIHASIN FUND TWIN ARROWS/GLITTERING MOUNTAIN FAMILY ENTERTAINMENT CENTER ECONOMIC DEVELOPMENT EXPENDITURE PLAN PURSUANT TO RESOLUTION CD-68-14 AND 12 N.N.C. §§2501-2508

PURPOSE: This resolution will approve funding for the construction and development of the Twin Arrows/Glittering Mountain Family Entertainment Center from the Sihasin Fund.

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate review the proposed resolution in detail.

5-DAY BILL HOLD PERIOD: None
Website Posting Time/Date: 5:04pm 10/4/16
Posting End Date: 10/9/2016
Eligible for Action: 10/10/2016

Resources & Development Committee

THENCE

Budget & Finance Committee

THENCE

Naa'bik'iyati' Committee

THENCE

Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION

23RD NAVAJO NATION COUNCIL – Second Year, 2016

INTRODUCED BY


(Prime Sponsor)

TRACKING NO. 0355-16

AN ACTION RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND
FINANCE AND NAABIK'YATI' COMMITTEES AND NAVAJO NATION COUNCIL;
ADOPTING THE SIHASIN FUND TWIN ARROWS/GLITTERING MOUNTAIN FAMILY
ENTERTAINMENT CENTER ECONOMIC DEVELOPMENT EXPENDITURE PLAN
PURSUANT TO RESOLUTION CD-68-14 AND 12 N.N.C. §§2501-2508

BE IT ENACTED:

Section One. Authority

- A. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102 (A).
- B. The Naabik'iyati' Committee of the Navajo Nation Council is empowered to review all proposed legislation which requires final action by the Navajo Nation Council. 2 N.N.C. §164(A)(9).
- C. The Naabik'iyati' Committee additionally has the authority to delegate its authority as appropriate for efficiency and streamlining of government process to appropriate entities and to establish a subcommittee that consists of committee members which the committee selects. 2 N.N.C. §§ 186 and 701 (B).
- D. The Budget and Finance Committee of the Navajo Nation Council is empowered to review and recommend to the Navajo Nation Council the budgeting, appropriation, investment, and management of all funds. 2 N.N.C. §301 (B)(2).

- 1 E. The Resource and Development Committee of the Navajo Nation Council is empowered to
2 exercise oversight authority over economic and community development, commerce and trade,
3 and public utilities and telecommunications. 2 N.N.C. §500 (C).
- 4 F. The Sihasin Subcommittee of the Naabik'iyati' Committee of the Navajo Nation Council was
5 established to recommend to the Naabik'iyati' Committee and Navajo Nation Council financial
6 support and/or financing plans for the purposes designated in the Navajo Nation Trust
7 Settlement Act of 2014, 12 N.N.C. §§ 2501-2508, enacted by CD-68-14. NABIAP-20-15.

8

9 **Section Two. Findings**

- 10 A. On May 30, 2014, the 22nd Navajo Nation Council adopted Resolution No. CMY-28-14
11 accepting a settlement of the Navajo Nation's lawsuit, *Navajo Nation v. United States*, No. 06-
12 945L (United States Court of Federal Claims) against the United States for its historical
13 mismanagement of the tribe's trust assets and its failure to ensure that the Navajo Nation
14 received all funds due and owed under the United States' trust obligations and fiduciary duties.
15 Resolution No. CMY-28-14 was signed into law by the President of the Navajo Nation on
16 June 4, 2014.
- 17 B. The 22nd Navajo Nation Council recognized that during the many decades that the United
18 States was in breach of its trust obligations and fiduciary duties to the Nation, the tribal
19 government was without funds to develop the comprehensive nationwide infrastructures
20 necessary to support and promote community growth and sustainability through the expansion
21 of economic development, as well as to provide the educational opportunities, critical for the
22 prosperity of current and future generations of Dine. See Resolution No. CMY-28-14.
- 23 C. Between October 6, 2014 and November 8, 2014 the Office of the Speaker held seven (7)
24 Public Hearings, as directed by the Navajo Nation Council's Naabik'iyati' Committee on July
25 10, 2014, to receive input from Navajo Nation members on how the net proceeds from *Navajo*
26 *Nation v. United States* should be used. During that same time period, the Office of the
27 President and Vice-President also held five (5) town hall meetings for a similar purpose.
- 28 D. On December 13, 2014, the 22nd Navajo Nation Council adopted Resolution No. CD-68-14
29 enacting the Navajo Nation Breach of Trust Settlement Act of 2014 (hereinafter "2014 Act")
30

1 and establishing the Navajo Nation Sihasin Fund at 12 N.N.C. §2501 et seq.. The President of
2 the Navajo Nation signed Resolution No. CD-68-14 into law on December 31, 2014.

3 E. The 2014 Act mandated that the net proceeds and earnings thereon received by the Navajo
4 Nation from the settlement of *Navajo Nation v. United States* and that, when duly designated,
5 the net proceeds of settlements or judgement awards of other litigation(s) brought against the
6 United States concerning its failure to ensure that the Navajo Nation received all funds due
7 and owing under the United States' trust obligations and fiduciary duties, be deposited into the
8 Sihasin Fund and managed and invested to provide financial support and/or financing for (1)
9 the planning and development of regional infrastructure supporting economic and community
10 development, including housing, within the Navajo Nation; and/or (2) education opportunities
11 for members of the Navajo Nation. See 12 N.N.C. §2502 (A).

12 F. The 2014 Act also established that "leveraging of the [Sihasin] Fund by way of guaranteeing
13 loans, match funding, direct funding in part and other weighted uses of the Fund shall be
14 favored over direct funding in whole". 12 N.N.C. §2502 (B).

15 G. The 2014 Act further established that with the exception of outstanding and accrued litigation
16 costs, Sihasin Fund Principal and Income shall only be expended pursuant to a Fund
17 Expenditure Plan consistent with the purposes set forth in the 2014 Act at 12 N.N.C. §2502
18 and adopted by a two-thirds (2/3) vote of all members of the Navajo Nation Council. 12
19 N.N.C. §2502 (A),

20 H. The 2014 Act states that "Fund Principal" shall consist of all deposits made to the Sihasin
21 Fund and that "Fund Income" shall consist of all earnings (interest, dividends, etc.) generated
22 and realized by the Fund Principal and that Fund Income shall be deposited in and added to
23 Fund Principal until such time as a Fund Expenditure Plan(s) is duly adopted. Pursuant to 12
24 N.N.C. §§2505(C),

25 I. The Office of the Controller reported that as of January 1, 2016, the amount of the Sihasin
26 Fund Principal is four hundred eighty-seven million nine hundred ninety thousand eight
27 hundred forty-one dollars and ninety-one cents (\$487,990,841.91) with interest earnings of
28 four hundred fifty-eight thousand four hundred thirty-one dollars and seventy-five cents
29 (\$458,431.75).
30

- 1 J. On April 9, 2015, the Naabik'iyati' Committee adopted Resolution No. NABIAP-20-15
2 establishing the Naabik'iyati' Sihasin Fund Subcommittee to "review and evaluate the Public
3 Hearing comments and recommendations from the Navajo People" and "recommend to the
4 Naabik'iyati' Committee and Navajo Nation Council financial support and/or financing
5 plan(s) for the purposes designated in CD-68-14 [Navajo Nation Breach of Trust Settlement
6 Act of 2014, establishing the Sihasin Fund]".
- 7 K. Between April 2015 and October 2016, the Naabik'iyati' Sihasin Fund Subcommittee, assisted
8 by the Office of Legislative Services, Office of the Speaker, and Office of Legislative
9 Counsel, met on more than twenty-five (25) occasions in either work sessions or official
10 meetings to review and evaluate the Public Hearing comments and recommendations from the
11 Navajo People; hear proposals from Navajo Nation entities, chapters, programs and officials;
12 and develop an expenditure plan(s) for the Sihasin Fund Principal and Income consistent with
13 the purposes set forth in the 2014 Act.
- 14 L. The Naabik'iyati' Sihasin Fund Subcommittee determined that for an expenditure plan to fully
15 meet the leveraging criteria of the 2014 Act, the expenditure plan shall not rely on Sihasin
16 Funds for full direct project funding, unless such funds are to be repaid under a loan
17 agreement, and instead must utilize the Sihasin Funds for (1) match funding, joint funding,
18 contribution funding, cost-share funding or similar weighted uses of the funds; (2)
19 reimbursement funding; and/or (3) loan or bond financing or guarantee.
- 20 M. The Naabik'iyati' Sihasin Fund Subcommittee also determined that the 2014 Act allowed for
21 the adoption of multiple expenditure plans and that it would be prudent for the Navajo Nation
22 to adopt integrated, yet distinct, expenditure plans for regional-level infrastructure planning
23 and development in four broad infrastructure areas or categories consistent with the purposes
24 of the 2014 Act: Water and Natural Resource Infrastructure Development; Economic
25 Development; Community Development; and Housing Development.
- 26 N. In February of 2016, upon recommendation of the Naabik'iyati' Sihasin Fund Subcommittee,
27 the Navajo Nation enacted Legislation No. CJA-12-16 adopting the Sihasin Fund Bulk Water
28 and Wastewater Development and Sanitation Deficiency System (SDS) Project Expenditure
29 Plans for the planning and development of a comprehensive and cohesive nationwide bulk
30

1 water delivery system necessary to support sustainable economic development, including
2 housing, throughout the Navajo Nation.

3 O. Legislation No. CJA-12-16 specifically set forth that following the adoption of the Bulk Water
4 and Wastewater Development and Sanitation Deficiency System (SDS) Project Expenditure
5 Plans, the Naabik'iyati Sihasin Fund Subcommittee would consider project specific economic
6 and community development expenditure plans for funding under Section 2505 of the 2014
7 Act.

8 P. The Navajo Nation Shopping Centers, Inc. presented the Naabik'iyati' Sihasin Fund
9 Subcommittee with information that since 2013 and the inception of the Twin Arrows Navajo
10 Casino Resort ("TANCR"), the Navajo Nation (which includes the Navajo-Hopi Land
11 Commission and Office, the Division of Economic Development, other Navajo Nation
12 programs, and the Twin Arrows Task Force), the Office of Navajo Hopi Relocation, the
13 Navajo Nation Oil and Gas Company ("NNOGC"), and the Navajo Nation Shopping Centers,
14 Inc. have planned and advocated for a Family Entertainment Center to include a six screen
15 theater, bowling alley, restaurant, child care facility, video arcade and laser tag at the Twin
16 Arrows Interstate 40 interchange; and these parties have worked together to advance the
17 development of the Twin Arrows/Glittering Mountain Family Entertainment Center to initially
18 include egress to TANCR; and this work includes multiple market studies, master plans, a
19 "Retail Site Analysis", environmental studies, archaeological and geotechnical studies and
20 design documents.

21 Q. In December of 2014, the Resources and Development Committee passed Resolution RDCD-
22 106-14, attached as Exhibit A, approving the Twin Arrows Master Plan which includes plans
23 for multiple businesses at Twin Arrows, specifically including the Twin Arrows/Glittering
24 Mountain Family Entertainment Center as a co-anchor tenant adjacent to the TANCR
25 boundary, and directing the Navajo Nation Enterprises to commercially develop the Twin
26 Arrows/Glittering Mountain Commercial Development Site.

27 R. Navajo Nation Shopping Centers, Inc. also presented the Naabik'iyati Sihasin Fund
28 Subcommittee with studies showing that the development and establishment of the Glittering
29 Mountain Family Entertainment Center under the ownership and management of Navajo
30 Nation Shopping Centers, Inc. will:

1. Provide a positive financial return to Navajo Nation Shopping Centers, Inc., as well as attract visitors to and compliment the amenities offered at the TANCR;
 2. Provide a positive return to the Navajo Nation through the creation of permanent jobs, as well as construction jobs for several trades, tax revenues from retail sales and construction, and business site lease fee revenues, as well as expand markets for Navajo goods and opportunities for Navajo entrepreneurs; and
 3. Stimulate capital and economic multiplier effects for the western portion of the Navajo Nation.
- S. Navajo Nation Shopping Centers, Inc. additionally presented the Naabik'iyati' Sihasin Fund Subcommittee with information that the development of essential utilities necessary to operate the Twin Arrows/Glittering Mountain Family Entertainment Center will establish the utilities infrastructure necessary to support future development of approximately 70 acres in the midst of the approximately 400 acres of the TANCR area, including other ancillary businesses such as retail establishments, fast food restaurants, tourism facilities and similar developments.
- T. Navajo Nation Shopping Centers, Inc. assured the Naabik'iytai' Sihasin Fund Subcommittee that as of February 28, 2016, the Glittering Mountain Family Entertainment Center was project ready with the selection of a Design Build Contractor with ongoing Design Phase for the site and building construction to commence in August 2016, with an opening date of late Summer 2017, if funding in the amount of twenty million dollars (\$20,000,000.00) was immediately secured.
- U. Navajo Nation Shopping Centers, Inc., relying on its legal counsel's written opinion, also assured the Naabik'iytai' Sihasin Fund Subcommittee that although Glittering Mountain Family Entertainment Center was to be built on fee land owned by Navajo Nation Shopping Centers, Inc. within the State of Arizona, the fee land was contiguous to the Navajo Nation external boundaries and met the 2014 Act's requirement at 12 N.N.C. §2502 (A) that economic development projects be located *within* the Navajo Nation.
- V. Lastly, Navajo Nation Shopping Centers, Inc. informed the Naabik'iyati' Sihasin Fund Subcommittee that Navajo Nation Shopping Centers, Inc. had so far contributed over three million dollars (\$3,000,000.00) in in-kind development costs supporting the Glittering Mountain Family Entertainment Center project, e.g. feasibility studies, engineering,

1 environmental assessment, electricity and water/wastewater infrastructure studies, land costs,
2 and other development costs.

3 W. As of September 28, 2016, the Naabik'iyati Síhasin Fund Subcommittee has not acted on
4 Navajo Nation Shopping Centers, Inc.'s request to recommend the Glittering Mountain Family
5 Entertainment Center project to the Naabik'iyati' Committee and Navajo Nation Council for
6 financial support and funding through the Síhasin Fund.

7 X. Notwithstanding the responsibilities assigned to the Naabik'iyati' Síhasin Fund Subcommittee
8 to recommend to the Naabik'iyati' Committee and Navajo Nation Council financial support
9 and/or financing plans for the purposes designated in the 2014 Act, the Navajo Nation Council
10 hereby determines that:

- 11 1. The Glittering Mountain Family Entertainment Center Economic Development
12 Expenditure Plan, attached as Exhibit B, submitted by Navajo Nation Shopping
13 Centers, Inc. meets the 2014 Act's requirement at 12 N.N.C. §2502 (A)(1) for the
14 "planning and development of regional infrastructure supporting economic and
15 community development, including housing, within the Navajo Nation";
- 16 2. The substantial in-kind contribution Navajo Nation Shopping Centers, Inc. has already
17 made towards the Glittering Mountain Family Entertainment Center project satisfies
18 the 2014 Act's requirement at 12 N.N.C. §2502(B) that "leveraging of the [Síhasin]
19 Fund by way of guaranteeing loans, match funding, direct funding in part and other
20 weighted uses of the Fund shall be favored over direct funding in whole"; and
- 21 3. The sixty percent (60%) debt obligation to the Síhasin Fund that Navajo Nation
22 Shopping Centers, Inc. is willing to assume in order to finish construction of the
23 Glittering Mountain Family Entertainment Center facilities additionally satisfies the
24 2014 Act's requirement at 12 N.N.C. §2502 (B) that "leveraging of the [Síhasin] Fund
25 by way of guaranteeing loans, match funding, direct funding in part and other
26 weighted uses of the Fund shall be favored over direct funding in whole"

27 Y. Notwithstanding the responsibilities assigned to the Síhasin Fund Subcommittee to
28 recommend to the Naabik'iyati' Committee and Navajo Nation Council financial support
29 and/or financing plans for the purposes designated in the 2014 Act, the Navajo Nation Council
30 hereby further determines that it is in the long-term best interests of the Navajo Nation, as well

1 as in the long-term best interests of economic development on the western portion of the
2 Navajo Nation, that the Glittering Mountain Family Entertainment Center be funded as an
3 economic development expenditure plan through the Síhasin Fund, under 12 N.N.C. § 2505 of
4 the 2014 Act, as the Síhasin Fund Glittering Mountain Family Entertainment Center Economic
5 Development Expenditure Plan, attached as Exhibit B.

6
7 **Section Three. Approval and Adoption of Expenditure Plan**

- 8 A. The Navajo Nation hereby approves and adopts the Síhasin Fund Twin Arrows/Glittering
9 Mountain Family Entertainment Center Economic Development Expenditure Plan, attached
10 and incorporated herein as Exhibit B.
- 11 B. The Navajo Nation hereby approves and adopts total funding for the Síhasin Fund Twin
12 Arrows/Glittering Mountain Family Entertainment Center Economic Development
13 Expenditure Plan in the amount of \$20,500,000.00 (twenty million five hundred thousand
14 dollars) by no later than the end of the second quarter of Navajo Nation Fiscal Year 2017 as
15 follows:
- 16 1. Direct funding from the Síhasin Fund in the amount of \$4,000,000.00 (four million
17 dollars) to the Navajo Nation Shopping Centers, Inc. for the planning, development and
18 construction of infrastructure necessary to support the Twin Arrows/Glittering Mountain
19 Family Entertainment Center and ancillary developments:
 - 20 2. Direct funding from the Síhasin Fund in the amount of \$4,000,000.00 (four million
21 dollars) to the Navajo Nation Shopping Centers, Inc. for the planning, development and
22 construction of the Twin Arrows/Glittering Mountain Family Entertainment Center
23 facilities; and
 - 24 3. Loan funding from the Síhasin Fund Principal in the amount of \$12,500,000.00 (twelve
25 million five hundred thousand dollars) to the Navajo Nation Shopping Centers, Inc. for the
26 planning, development and construction of the Twin Arrows/Glittering Mountain Family
27 Entertainment Center facilities.
- 28 C. The Síhasin Fund funds allocated for the Twin Arrows/Glittering Mountain Family
29 Entertainment Center Economic Development Expenditure Plan may be further leveraged by
30 bond or loan financing pursuant to the Navajo Nation Bond Financing Act, 12 N.N.C. §1300

et seq., as amended, using Síhasin Fund Income for repayment and financing costs upon the recommendation of the Budget and Finance Committee and approval by a two-thirds (2/3) vote of all members of the Navajo Nation Council.

Section Four. Approval and Adoption of Expenditure Plan Administration

- A. The Navajo Nation hereby approves administration of the Síhasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan as follows:
1. Navajo Nation Shopping Centers, Inc. shall have the authority and responsibility to administer and use the Síhasin Funds allocated solely to design, plan and construct the Twin Arrows/Glittering Mountain Family Entertainment Center and the attendant infrastructure as set forth in Exhibit B and shall return any and all cost-savings to the Síhasin Fund once the Twin Arrows/Glittering Mountain Family Entertainment Center is fully constructed;
 2. Navajo Nation Shopping Centers, Inc. shall not use Síhasin Funds, including loan funds, to operate the Twin Arrows/Glittering Mountain Family Entertainment Center;
 3. The Navajo Nation Controller shall determine whether the source of the direct funding and the loan funding to Navajo Nation Shopping Centers, Inc. will be Síhasin Fund Principal or Income or a combination of both;
 4. The loan funds allocated to Navajo Nation Shopping Centers, Inc. shall be administered and repaid, including interest, to the Síhasin Fund through a loan agreement negotiated by the Division of Economic Development and approved by the Navajo Nation Controller and the Budget & Finance Committee with loan terms of fifteen-year term, fifteen-year amortization and 1.5% interest rate; and
 5. The direct funds allocated to Navajo Nation Shopping Centers, Inc. shall be administered through a grant or similar agreement, such as a Memorandum of Understanding ("MOU"), negotiated and overseen by the Division of Economic Development.
- B. Navajo Nation Shopping Centers, Inc.'s Board of Directors shall account for and be held accountable for the expenditure of Síhasin Fund funds and shall account for such funds

1 pursuant to an account or fund management plan approved by the Navajo Nation Shopping
2 Centers, Inc.'s Board of Directors which shall at least include provisions that:

- 3 1. The accounting and financial records for the Síhasin Fund funds, including the loan
4 funds, shall be kept separate from other Navajo Nation Shopping Centers, Inc. funds
5 and accounts; and
- 6 2. The use of the Síhasin Fund funds, including the loaned funds, shall be audited on an
7 annual basis by an independent auditor with such audit report submitted to the
8 Naabik'iyati' Committee, Executive Director of the Division of Economic
9 Development, Office of the Controller, and Office of the President and Vice-President.

10 C. Navajo Nation Shopping Centers, Inc.'s Board of Directors shall report the status of the
11 construction of the Twin Arrows/Glittering Mountain Family Entertainment Center, as well as
12 the status of the Síhasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center
13 Economic Development Expenditure Plan, to the Naabik'iyati' Committee, Division of
14 Economic Development, Office of the Controller and Office of the President and Vice-
15 President on a quarterly basis.

16 17 **Section Five. Effective Date**

18 The Síhasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic
19 Development Expenditure Plan, as set forth above, shall become effective pursuant to 2 N.N.C. § 221.

20 21 **Section Six. Directives**

- 22 A. All Navajo Nation programs and personnel, specifically including, but not limited to, the
23 Division of Economic Development, Office of Controller and Twin Arrows Task Force and
24 Navajo Nation Shopping Centers, Inc.'s Board of Directors and staff shall take all steps
25 necessary to expeditiously implement the Síhasin Fund Twin Arrows/Glittering Mountain
26 Family Entertainment Center Economic Development Expenditure Plan consistent with the
27 provisions set forth above.
- 28 B. The Navajo Nation Shopping Centers, Inc.'s Board of Directors and staff and Navajo Nation
29 programs named in this legislation shall be held accountable for the progress of tasks and/or
30



RDCD-106-14

RESOLUTION OF THE
RESOURCES AND DEVELOPMENT COMMITTEE
Of the 22nd Navajo Nation Council---Fourth Year 2014

AN ACTION

APPROVING THE TWIN ARROWS MASTER PLAN; AND DIRECTING ITS
IMPLEMENTATION AND DEVELOPMENT

BE IT ENACTED

SECTION ONE. FINDINGS

A. Pursuant to 2 N.N.C § 501 (C), the Resource and Development Committee has oversight authority over water, land, grazing, environment, environmental protection, cultural resources, agriculture, livestock, wildlife, roads and transportation, air transportation, communications and utilities, information technology, chapter activities, economic and community development, commerce and trade, gaming, rights-of-way, minerals, public utilities, telecommunication, housing for the Navajo Nation.

B. During 2010, the Navajo Nation Gaming Enterprise purchased and gifted approximately 405 acres, more or less, of fee land near Twin Arrows, AZ to the Navajo Nation, and worked with the Navajo Nation and the U.S. Secretary of the Interior to place such land ("Twin Arrows parcel") in Navajo Nation trust land status on December 23, 2010.

C. In January 2011, the Navajo Nation approved a Business Site Lease to NNGE for the Twin Arrows parcel for the purpose of developing, constructing and operating the Twin Arrows Navajo Casino Resort, hotel, spa and other related facilities.

D. In 2013, pursuant to a request by the Resource and Development Committee to the Navajo Nation (Division of Economic Development, Division of Natural Resources Navajo Land Department, Division of Transportation, Division of Community Development, Office of the Navajo-Hopi Land Commission and Leupp Chapter), Navajo Housing Authority, Navajo Tribal Utility Authority, Navajo Nation Oil and Gas Company, Navajo Nation Shopping Centers Inc., and Navajo Nation Gaming Enterprise (collectively the Navajo Nation enterprises), the Twin Arrows Master Plan Vision was collectively developed and finalized. See Exhibit A.

E. The Twin Arrows Master Plan Vision contemplates the Business Site Lease area and lands around the Twin Arrows parcel to provide for development of tracts for housing, commercial businesses, golf courses, access roads and by-way, governments offices, interstate interchanges.

F. The Navajo Nation and Navajo Nation enterprises support the Twin Arrows Master Plan.

G. It is in the best interest of the Navajo Nation that the Twin Arrows Master Plan Vision be authorized, adopted and developed.

SECTION TWO. APPROVALS

A. The Navajo Nation hereby approves the Twin Arrows Master Plan, attached hereto as Exhibit A.

B. The Navajo Nation hereby approves the road way planning and design of a by-pass highway from Cameron, Navajo Nation (Arizona) through Grand Falls, to Leupp, Navajo Nation (Arizona) and then to Twin Arrows, Navajo Nation (Arizona), and such road way system shall be added to the Long Range Transportation Plan and the TTIP.

SECTION THREE. DIRECTIVES

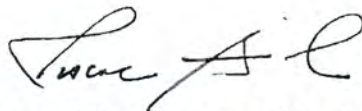
A. The Navajo Nation hereby directs the Navajo Nation Enterprises, consistent with the business site lease, their plans of operation, and business planning, to commercially develop Twin Arrows.

B. The Navajo Nation hereby directs the Navajo Nation Division of Transportation to coordinate and seek an Interstate-40 overpass to connect Interstate-40 to the Twin Arrows location then to the Leupp, Navajo Nation (Arizona) and then to Cameron, Navajo Nation (Arizona).

C. The Navajo Nation hereby directs the Navajo Land Department to pursue the acquisition of private and state lands located within and near the Twin Arrows Master Plan area.

CERTIFICATION

I, hereby, certify that the foregoing resolution was duly considered by the Resources and Development Committee of the 22nd Navajo Nation Council at a duly called meeting at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that same was passed by a vote of 5 in favor, 0 oppose, 0 Abstain this 30th Day of December, 2014.



Honorable Roscoe D. Smith, Vice Chairperson
Resources and Development Committee

Motion: Honorable Leonard H. Pete
Second: Honorable George Apachito

EXHIBIT
A

LO RDGD-1006-14

TWIN ARROWS,

A NEW GATEWAY TO THE NAVAJO NATION ARIZONA



TWIN  ARROWS

Prepared by
Swaback Partners pllc, Architecture, Planning, Interiors

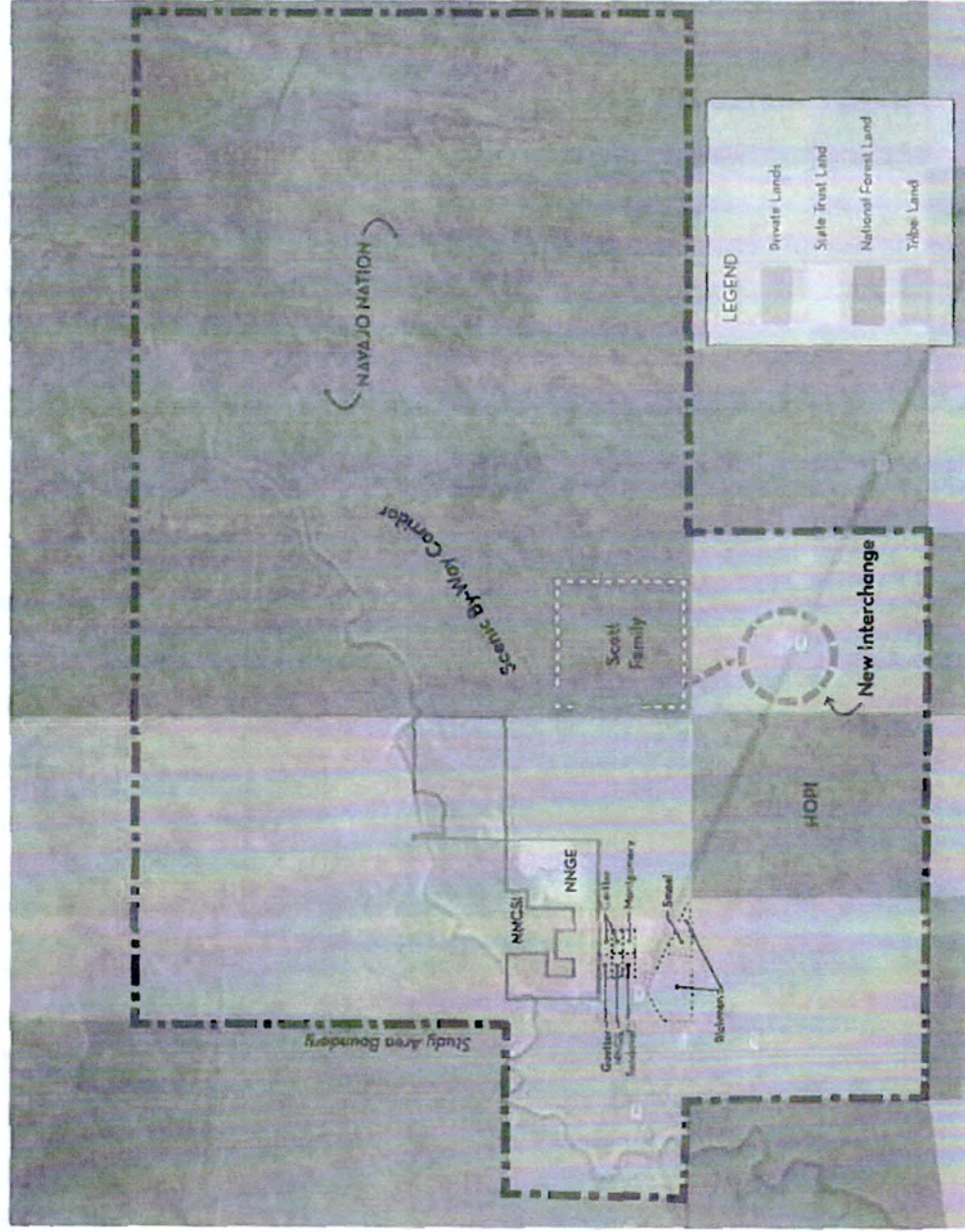
VISION BOOK 2013

4. The Master Plan: The Vision



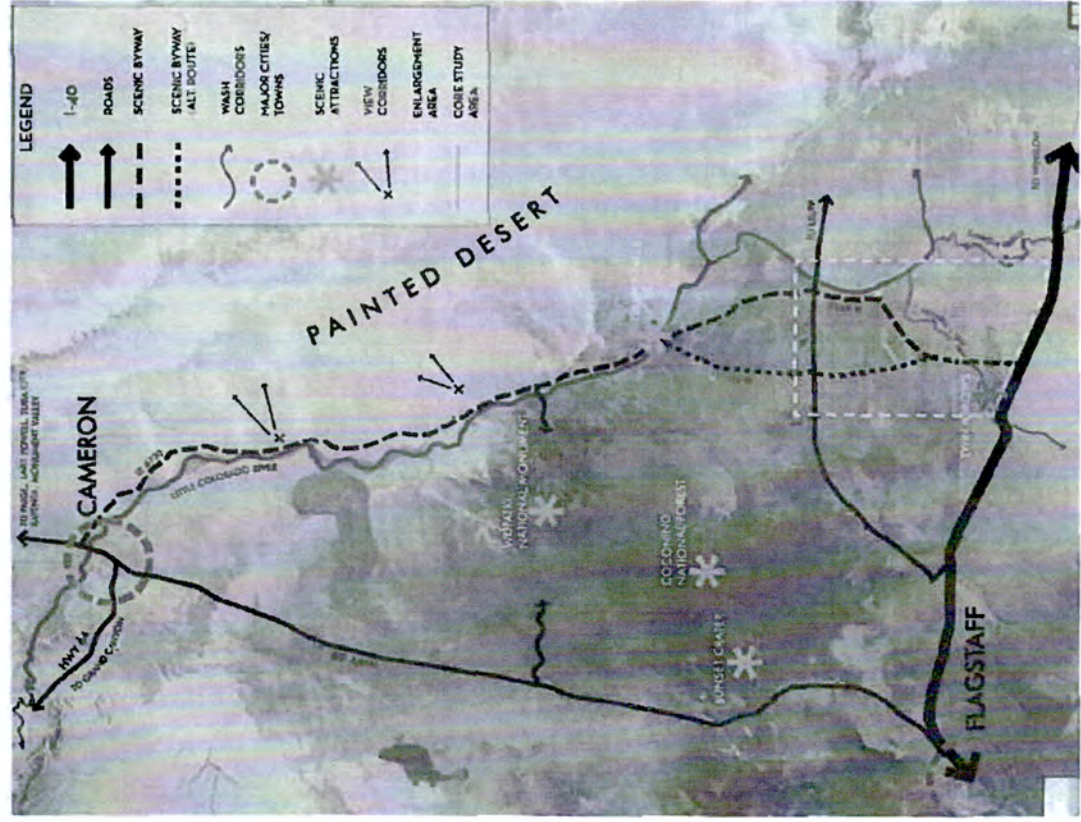
Twin Arrows conceptual master plan for the study area of 10,000 acres.

3. Future: New Interchange Access



This graphic portrays the new interchange and the scenic by-way corridor and the surrounding land ownerships.

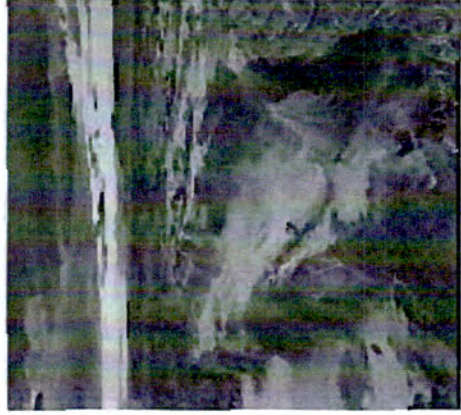
REGIONAL GATEWAY CONNECTION



Grand Canyon



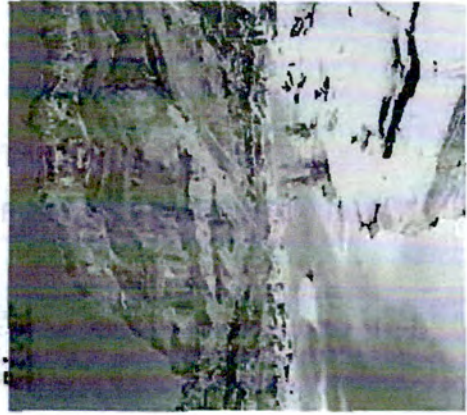
Grand Falls



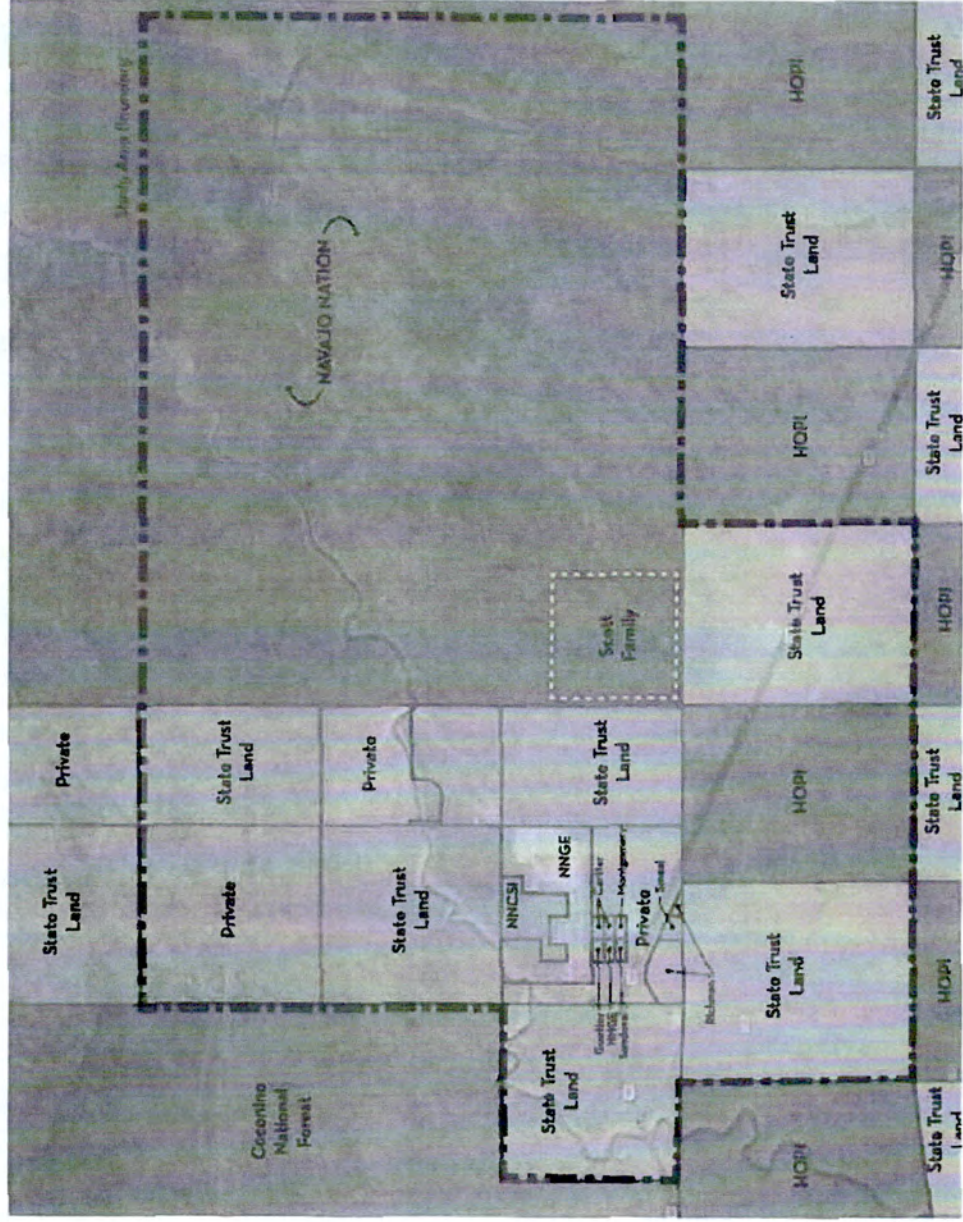
Hupatki National



Little Colorado



3. Future: Land Acquisition



Property ownership map highlights the study area boundary and the land ownership within.

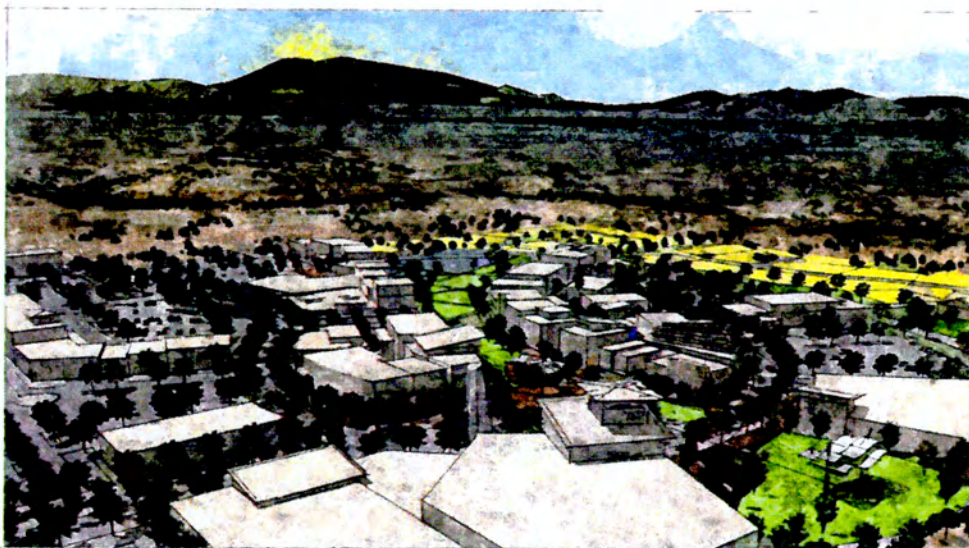
Navajo Nation Shopping Centers, Inc.
Development Funding Memorandum



Glittering Mountain Family Entertainment Center
A development of Navajo Nation Shopping Centers, Inc.

April 10, 2016

Confidential



Disclaimer

Glittering Mountain LLC ("GMLLC"), a subsidiary of Navajo Nation Shopping Centers Inc. ("NNSCI" or "Developer"), makes no representation or warranties as to the accuracy of the information contained in this Funding Memorandum ("Memorandum"). The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective investors of the interest described herein. Neither the materials, nor the information contained herein, are to be used for any other purpose, or made available to any other person without the express written consent of GMLLC or NNSCI.

The enclosed materials are being provided solely to facilitate the prospective lenders/investor's own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by GMLLC or NNSCI or any of their respective representatives, affiliates, officers, employees, shareholders, partners, and directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither Tallsalt Advisors nor NNSCI shall have any liability whatsoever of the accuracy or completeness of the information contained herein, or decision made by the recipient with respect to the investment. Interested parties are to make their own investigations, projections, and conclusions without reliance upon the material contained herein.

This Memorandum contains "forward-looking statements" concerning the business, operations and financial performance and conditions of both NNSCI and GMLLC. When the words "estimates," "expects," "forecasts," "anticipates," "projects," "plans," "intends," "believes," and variations of such words or similar expressions are used in this Memorandum, the Developer intends to identify forward-looking statements. The Developer has based these forward-looking statements on the Developer's current assumptions, expectations and projections. However, the Developer cannot give any assurance that its assumptions, expectations or projections will prove to be accurate. A number of risks and uncertainties could cause the actual results of the Developer to differ materially from the forward-looking statements contained in this Memorandum. These forward-looking statements speak only as of the date of this Memorandum, and the Developer does not undertake any obligation to update or revise these forward-looking statements. The Developer cautions the recipient not to place undue reliance on these forward-looking statements.

All communications, inquiries and requests for information should be directed to the Navajo Nation Shopping Centers, Inc. Chief Executive Officer:

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EXECUTIVE SUMMARY

Investment Opportunity for the Navajo Nation

NNSCI is developing the 68,000 square foot Glittering Mountain Family Entertainment Center ("FEC" or "Entertainment Center") located immediately adjacent to the Twin Arrows Casino Resort. The Entertainment Center will house a 20-lane bowling alley, 6-screen movie theater, laser tag, Kid's Quest child activity center and a sports grill, and is expected to open its doors to the public in late 2017.

NNSCI has signed an engineering, procurement and construction (EPC) contract with A.R. Mays Construction, a construction firm that has successfully completed several similar entertainment venues. The architectural firms of Nelsen Partners and Damon Development Group commenced the three-month design phase in mid-March 2016.

The total funding required to construct and commence operation of the Entertainment Center is estimated to be \$19.3 million. Analysis indicates that the project will generate a competitive internal rate of return ("IRR") for the equity in the range of 11.8% over the life of the project, assuming the project bears the financial burden of all off-site infrastructure. The project's equity IRR increases to 15.9% if the majority of the off-site infrastructure can be funded or financed.



Before seeking funding from other sources, NNSCI is offering the Nation the opportunity to invest at a market rate of return under commercial terms in the debt and/or equity of the Entertainment Center.

A loan from the Navajo Nation (or a bank loan) would augment NNSCI's own equity investment of \$4.3 million. NNSCI has already received a non-binding financing proposal from a commercial bank to provide a \$15 million loan for the construction and permanent financing of the Entertainment Center.

Due to the number of jobs that would be created, the Entertainment Center is a competitive applicant for New Market Tax Credit ("NMTC") investment. Competition for NMTC investors is high, and a loan from the Nation would facilitate the ability of the development to attract NMTC investment due to the Nation's ability to adapt the terms of a loan to the requirements of the NMTC investment structure.

Funding of Vital Infrastructure at Twin Arrows by the Navajo Nation

In addition, NNSCI is also requesting that the Navajo Nation provide funding for essential public safety infrastructure that will support the Entertainment Center, Twin Arrows Casino Resort and other future developments in the immediate vicinity. The estimated cost of police, fire and emergency facilities is estimated to be \$[0.0] million.

These public services are required by Coconino County and benefit all current and future developments in the Twin Arrows vicinity. These services are generally provided and funded by local governments due to the shared public benefit of such services. The build out of these public services will catalyze future growth, allowing the Twin Arrows region to support more development and attain a critical mass of customer traffic.



NNSCI is also requesting that the Navajo Nation provide long-term financing for essential utility infrastructure in the Twin Arrows area that will support the Entertainment Center, Twin Arrows Casino and other future developments on acreage owned by NNSCI and Navajo Gaming Enterprise. Essential utility infrastructure, including water, electric, telecommunications and wastewater facilities, are vital to future growth.

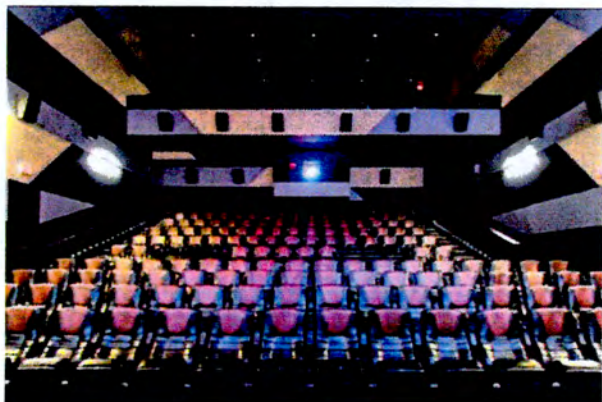
While the economics of any development must ultimately support the investment in such infrastructure, new developments are not typically able to include funding for these large costs in their capital structure and, thus, require assistance from local governments to provide such infrastructure and recoup the cost through local taxes and assessments.

The Opportunity: Glittering Mountain Family Entertainment Center

The Glittering Mountain Family Entertainment Center ("FEC") will be a leading family entertainment destination in the Flagstaff region when its doors open in late 2017. Located immediately adjacent to the new Twin Arrows Casino Resort (the "Casino"), the Entertainment Center development will tap into the traffic of the Casino and further expand the market by creating a critical mass of venues that appeal to a wide range of entertainment preferences for all ages.



Development of The Outlook at Glittering Mountain is to occur in multiple phases. Phase One of The Outlook at Glittering Mountain is the FEC, which will draw customers from the city of Flagstaff, students from Northern Arizona University and residents of surrounding communities as well as the tourist and commuter traffic on Interstate 40.



The combination of the Casino and the Glittering Mountain FEC will create a regional entertainment complex designed to keep a full family entertained with a wide range of venues.

NNSCI acquired all 70 acres of available fee status land adjacent to the Casino in 2012 and 2013 in a series of transactions. Glittering Mountain FEC will occupy approximately 7 acres (of the total 70 acres) located immediately west of the Casino.

The assets and liabilities, including approximately 7 acres of fee land, of the Entertainment Center will be packaged in Glittering Mountain LLC ("GMLLC"), a wholly-owned subsidiary of NNSCI.

NNSCI intends to finance the estimated \$19.3 million development with a combination of land and cash contributions, loans and, potentially, New Market Tax Credit ("NMTC") investment.

NNSCI has received a non-binding indication of interest from a commercial bank, which has significant experience lending in Native America, to provide construction and permanent financing. The bank's proposal provides for up to \$15.0 million of borrowing capacity with the permanent loan amortizing over twenty-five years.

The following table presents the sources and uses of cash for the Entertainment Center through the commencement of operations.

GM LLC Family Entertainment Center Sources and Uses of Cash Inception through Commencement of Operations					
Sources			Uses		
		\$000s % Total		\$000s % Total	
NNSCI Contribution of Land (a)	\$ 300	1.6%	Structural Buildout and Interior FF&E	\$ 13,500	69.9%
NNSCI Already Incurred	-	0.0%	Architectural and Engineering	1,000	5.2%
NNSCI Total To-Be-Incurred	4,006	20.7%	Consulting Fees	190	1.0%
NNSCI Total	4,306	22.3%	Additional Utility Infrastructure (NTUA) (b)	3,000	15.5%
New Market Tax Credit Investment	-	0.0%	Land Value (7 Acres at Pro Rata Cost)	300	1.6%
Bank Loan	15,000	77.7%	Financing - Loan Costs (b)	502	2.6%
Other Loan	-	0.0%	Financing - Interest, Construction Loan (b)	257	1.3%
			Interior Contents & Consumables (Inventory)	92	0.5%
			Pre-Opening Expenses	290	1.5%
			Cash Reserve and Contingency	175	0.9%
Total Sources	\$ 19,306	100.0%	Total Uses	\$ 19,306	100.0%

(a) Land is already owned by NNSCI. Value indicated equals pro rata value of acquisition price of 70 acres.

(b) Actual amount TBD.

As of April 6, 2016, NNSCI's future required equity investment is estimated to be approximately \$4.0 million of cash and a \$300,000 contribution of land for a total equity investment of \$4.3 million. The capitalization of the Entertainment Center at commencement of operations is summarized in the table below.

GM LLC Family Entertainment Center Capitalization Table at Commencement of Operations			
	Capital \$MM	% Total Capital	% Total Debt or Equity
Debt			
Permanent Bank Loan	\$ 15.0	77.7%	100.0%
Other Loan	-	0.0%	0.0%
Total Debt	15.0	77.7%	100.0%
Equity			
NNSCI	\$ 4.3	22.3%	100.0%
Other	-	0.0%	0.0%
Total Equity	4.3	22.3%	100.0%
Total Capitalization	\$ 19.3	100.0%	

Proposed Terms and Conditions

NNSCI has received financing proposals similar to the terms set forth below:

Lender:	Navajo Nation
Borrower:	Glittering Mountain, LLC (the " Borrower ")
Guarantor:	Navajo Nation Shopping Centers, Inc.
Loan Type:	Construction loan converting to term loan
Loan Amount:	\$15,000,000
Loan Conversion:	\$15.0 million plus capitalized interest during construction period
Purpose:	The proceeds of the construction loan shall be used to finance the cost for construction of the Glittering Mountain Family Entertainment Center located adjacent to the Twin Arrows Casino Resort.
Maturity:	25 years following conversion from construction loan to term loan.
Interest Rate:	Approximately 5% as of October, 2015.
Advance Period:	1 year from Closing.
Advance Period Terms:	Monthly interest only payments.
Interest Rate:	Variable rate and reset every 5 years, approximately 5% as of 10/2015.
Repayment Period:	25 years.
Repayment Terms:	Equal monthly mortgage payments of principal and interest
Loan Fee:	Equals cost of due diligence and closing costs of the Navajo Nation.
Collateral:	The obligations of the Borrower shall be secured by a title insured first deed of trust for the subject property, including a first blanket lien position on all accounts, inventory, equipment and furniture.
Construction Advances:	All draw requests and advances will be subject to inspection by a certified inspector.
Financial Covenants:	Debt Coverage Ratio – Greater than 1.5, tested annually. Tangible Net Worth – Greater than \$25,000,000, tested annually.
Covenants:	Borrower CPA prepared Audited annual financial statements. Borrower CPA prepared tax returns. Glittering Mountain internally prepared quarterly financial statements.

Financial Summary

The following table presents selected pro forma financial information for GMLLC for the first five years of operation, including a one-year construction period.

GM LLC Pro Forma Financial Summary

\$000s

	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Income Statement Information</u>					
Revenue	\$ -	\$ 4,857	\$ 5,067	\$ 5,261	\$ 5,462
Revenue % y-o-y change	--	--	4.34%	3.83%	3.82%
Gross Profit	\$ -	\$ 3,614	\$ 3,773	\$ 3,918	\$ 4,068
Operating Exp., Excl. Depreciation & Amort.	\$ 290	\$ 2,126	\$ 2,435	\$ 2,490	\$ 2,553
EBITDA	\$ (290)	\$ 1,489	\$ 1,339	\$ 1,428	\$ 1,515
EBITDA % of Revenue	--	30.65%	26.42%	27.13%	27.73%
EBITDA % y-o-y change	--	--	-10.08%	6.64%	6.11%
<u>Balance Sheet Information</u>					
Cash	\$ -	\$ 399	\$ 544	\$ 774	\$ 1,088
Total Plant, Property & Equipment	\$ 15,492	\$ 14,795	\$ 14,089	\$ 13,374	\$ 12,649
Total Assets	\$ 18,583	\$ 18,182	\$ 17,516	\$ 16,926	\$ 16,410
Bank Loan (Permanent)	\$ -	\$ 14,746	\$ 14,425	\$ 14,088	\$ 13,732
Construction Loan	\$ 14,567	\$ -	\$ -	\$ -	\$ -
Total Debt	\$ 14,970	\$ 14,746	\$ 14,425	\$ 14,088	\$ 13,732
Equity	\$ 3,613	\$ 3,396	\$ 3,050	\$ 2,797	\$ 2,636
Total Liabilities & Equity	\$ 18,583	\$ 18,182	\$ 17,516	\$ 16,926	\$ 16,410
<u>Cash Flow Information</u>					
Cash flow from Operations	\$ (784)	\$ 743	\$ 589	\$ 694	\$ 800
Cash flow from Investing	\$ (18,192)	\$ (120)	\$ (123)	\$ (127)	\$ (130)
Cash flow from Financing	\$ 18,976	\$ (223)	\$ (321)	\$ (338)	\$ (356)
Capital Expenditures	\$ (18,192)	\$ (120)	\$ (123)	\$ (127)	\$ (130)
New Borrowings	\$ 14,970	\$ 15,133	\$ -	\$ -	\$ -
Repayments of Principal	\$ -	\$ (15,356)	\$ (321)	\$ (338)	\$ (356)
<u>Debt Service</u>					
Repayments of Principal	\$ -	\$ (14,872)	\$ (321)	\$ (338)	\$ (356)
Interest Expense	\$ 402	\$ 781	\$ 748	\$ 731	\$ 713
Capitalized Interest	\$ 9	\$ 3	\$ -	\$ -	\$ -
Payment of Interest	\$ (402)	\$ (781)	\$ (748)	\$ (731)	\$ (713)
Debt Service - Principal & Interest	\$ (402)	\$ (15,653)	\$ (1,069)	\$ (1,069)	\$ (1,069)

The following table presents selected pro forma financial information for GMLLC for the first five years of operation, including a one-year construction period.

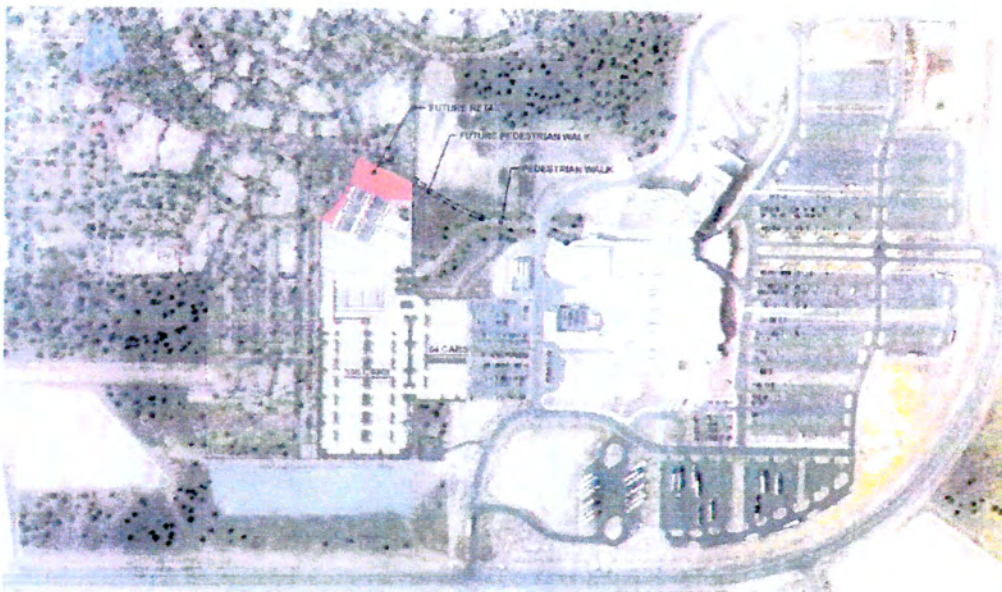
GM LLC
Pro Forma Debt Statistics

\$000s	Year 1	Year 2	Year 3	Year 4	Year 5
EBITDA	\$ (290)	\$ 1,489	\$ 1,339	\$ 1,428	\$ 1,515
CapEx	\$ (18,192)	\$ (120)	\$ (123)	\$ (127)	\$ (130)
EBITDA less CapEx	\$ (18,482)	\$ 1,369	\$ 1,215	\$ 1,301	\$ 1,385
Equity (Book Value)	\$ 3,613	\$ 3,396	\$ 3,050	\$ 2,797	\$ 2,636
Tangible Net Equity	\$ 3,613	\$ 3,396	\$ 3,050	\$ 2,797	\$ 2,636
Net Working Capital excluding Cash	\$ 91	\$ 56	\$ 58	\$ 61	\$ 63
Net Working Capital including Cash	\$ 91	\$ 455	\$ 602	\$ 835	\$ 1,151
Current Ratio excluding Cash	--	2.44x	2.45x	2.47x	2.47x
Current Ratio including Cash	--	12.69x	15.94x	21.15x	27.96x
<u>Debt</u>					
Debt Service (P&I)	\$ -	\$ 1,004	\$ 1,069	\$ 1,069	\$ 1,069
Debt (Bank Loan)	\$ -	\$ 14,746	\$ 14,425	\$ 14,088	\$ 13,732
<u>Debt Service Coverage Ratio (DSCR)</u>					
EBITDA	n.a.	1.48x	1.25x	1.34x	1.42x
EBITDA less CapEx	n.a.	1.36x	1.14x	1.22x	1.30x
DSCR Bank Loan Covenant		1.50x	1.50x	1.50x	1.50x
<u>Debt / Equity</u>					
Debt to Book Equity		4.34x	4.73x	5.04x	5.21x
Debt to Tangible Net Equity		4.34x	4.73x	5.04x	5.21x
Debt / EBITDA	0.00x	9.91x	10.78x	9.87x	9.07x

Analysis indicates that the project will generate a competitive internal rate of return ("IRR") for the equity in the range of 11.8% over the life of the project, assuming the project bears the financial burden of all off-site infrastructure. The project's equity IRR increases to 15.9% if the majority of the off-site infrastructure can be funded or financed. IRR calculations are based on a 30-year pro forma excluding any residual value.

NNSCI engaged American Family Entertainment Centers to perform a preliminary feasibility study in 2013. NNSCI commissioned a second feasibility study in 2014 to ensure independence in its decision making and financing process. The second feasibility study was conducted by Amusement Entertainment Management, LLC.

The feasibility of the mixed-used development for The Outlook at Glittering Mountain, of which the Entertainment Center is one component, was conducted in 2013 by Klas Robinson Hospitality Consulting. The study concluded that the property has ample room for development, excellent visibility and access from I-40 and long-term potential for mixed-used development. Swaback Partners, an architectural firm based in Scottsdale, AZ, prepared the master plan for The Outlook at Glittering Mountain development.



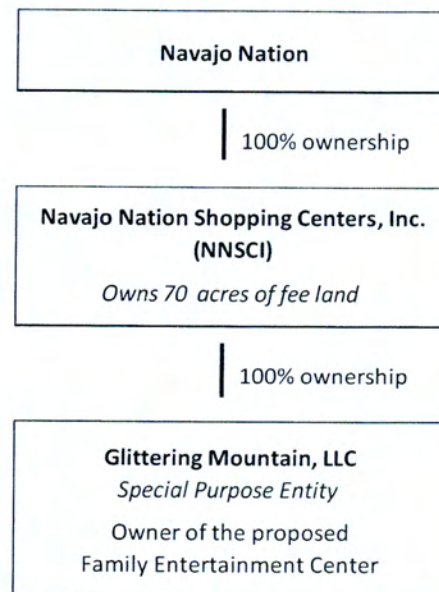
THE DEVELOPMENT PROJECT: ENTERTAINMENT CENTER

NNSCI is a corporation organized under the laws of the Navajo Nation and is wholly-owned by the Navajo Nation.

Glittering Mountain, LLC is a single-member limited liability company organized under the laws of the Navajo Nation and owned by NNSCI.

The 7 acres on which the Entertainment Center will be located will be separated into a new parcel and contributed by NNSCI to GMLLC.

Current Ownership Structure



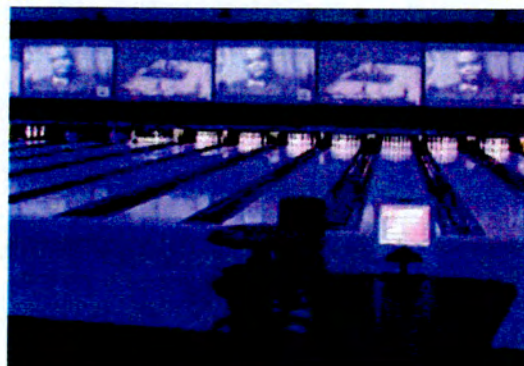
Ownership of Assets

GMLLC will own the estimated 7 acres of fee land that forms the footprint of the entertainment center's buildings and certain infrastructure. GMLLC will maintain ownership of the equipment associated with the FEC and its businesses. The tenant will own its equipment.

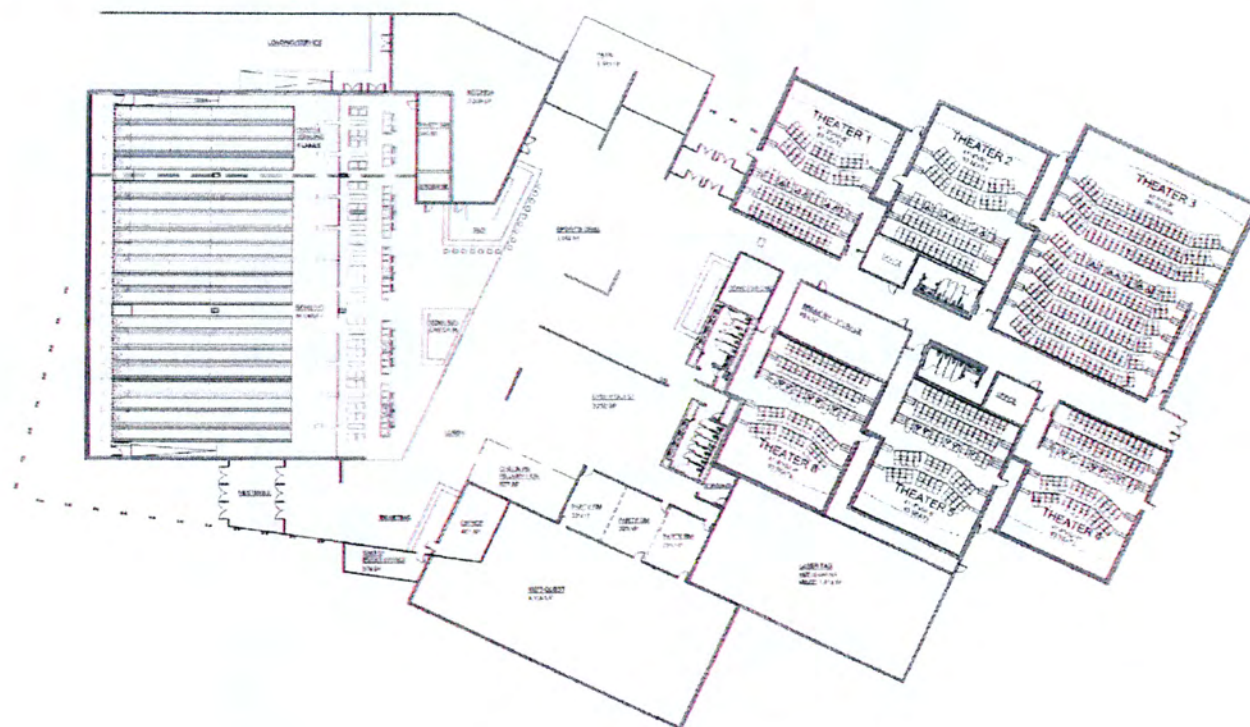
Entertainment Concepts

The following table identifies the concepts that are operated by the GMLLC and those that are operated by third party lessee-operators.

	FEC Concepts	Leased Concepts
Childcare		X
Movie Theater	X	
Bowling	X	
Sports Grill/Restaurant	X	
Food Court/Concession	X	
Party/Meeting Rooms	X	
Laser Tag	X	



The floor plan for the Entertainment Center is presently in the design phase. The preliminary floor plan provided by the architect, Nelsen Partners, is presented below.



Leased Location – Kids Quest

The FEC will lease space to Kids Quest, a national operator of hourly childcare centers specializing in serving the needs of casino patrons. Kids Quest opened its first center in 1992 and now operates 19 centers exclusively in casinos located in 11 states.



Kids Quest centers offer a high level of service, outstanding value, the latest “edutainment” technology, and the best-trained staff around in a safe and kid-friendly environment. Kids Quest centers feature indoor playgrounds, infant/toddler sections, snack bars and movie rooms. The centers charge an hourly rate that varies depending on the age of the child and the day of the week. See www.kidsquest.com for more information.

Kids Quest presently maintains operations in the following casinos.



The preliminary terms of the lease between Kids Quest and GMLLC call for GMLLC to provide the shell space, and for Kids Quest to provide the furnishings and equipment. Kids Quest will manage and operate the childcare center. GMLLC and Kids Quest will share the profits of the childcare operation equally.

The 7-acre property is located adjacent and to the west of the Twin Arrows Navajo Casino Resort, approximately 20 miles east of Flagstaff, Arizona and the junction of I-17 and I-40 (See Appendix for maps and property configuration). The property shares access to I-40 through the Casino property. The entire 70 acres owned by NNSCI is landlocked by the Indian trust land controlled by the Navajo Nation on three sides and by state trust lands to the north.



NNSCI has engaged the services of Swaback Partners, an architectural firm based in Scottsdale, Arizona, to assist in rezoning the property for the intended use. Swaback Partners also prepared the master plan for The Outlook at Glittering Mountain development. On December 17, 2015 the Coconino County Board of Supervisors approved a 70-acre mixed-use development agreement between NNSCI and Coconino County.

Entertainment Center Management

Operations Management

GMLLC will engage the services of a management company ("Management Company") with experience operating family entertainment centers to operate its business operations. The Management Company will be contracted for a period of one to five years. It is anticipated that the Management Company will be compensated with a monthly base rate plus incentive compensation linked to the profit performance of the entertainment center operations.

Property Management

GMLLC will engage the services of NNSCI to provide property management services, including maintenance and management of the building and related infrastructure, and leasing, accounting, financing and other administrative functions. Initially only one location within the entertainment center will be leased, thus leasing activities are expected to be limited. NNSCI is compensated for its services under a cost-plus fee plus a percentage of the rents of future lessees.

GMLLC will enter into a management services agreement with NNSCI. The following table summarizes the functions that will be performed by the Management Company and NNSCI, respectively.

	Management	
	Company	NNSCI
Maintenance		X
Property Management		X
Leasing		X
Financing		X
Daily Operations of Concepts	X	
Marketing, Advertising & Promotions	X	
Purchasing	X	
Transaction Processing Systems	X	
Information Systems		X
AP/AR		X
Accounting & Finance		X
Human Resources Admin.		X

Project Cost

Based on the current EPC Agreement and other estimates prepared by Management, the total investment required to design, construct and commence operations is estimated to be approximately \$19.3 million.

**GM LLC Family Entertainment Center
Estimated Construction and Development Costs**

<u>Cost Category</u>	<u>\$000s</u>
Structural Buildout and Interior FF&E	\$ 13,500
Architectural and Engineering	1,000
Consulting Fees	190 *
Utility Infrastructure (NTUA)	3,000 (b)
Land Value (7 Acres)	300 (a)
Sub-Total - PP&E Installed Cost	\$ 17,990
 Financing - Loan Costs	502 (b)
Financing - Interest, Construction Loan	257 (b)
Interior Contents & Consumables (Inventory)	92 *
Pre-Opening Expenses	290 *
Cash Reserve and Contingency	175 *
 Total	<u>\$ 19,306</u>

* Budget prepared by Amusement Entertainment Management, LLC;
Analysis dated November 15, 2014.

(a) Pro rata at cost of \$242,000 rounded to \$300,000 for proximity premium.

(b) Actual amount TBD.

The 7 acres, more or less, of land to be used for the FEC, were acquired as part of the total 70 acres acquired by NNSCI in the area through three purchase transactions during 2012 and 2013. NNSCI will partition the land needed for the development and contribute the land to GMLLC.

Staffing Summary

AFEC estimates the Entertainment Center will employ approximately 150 part time and full time employees. Staffing will support the theater, bowling alley, laser tag, sports grill, Kid's Quest concepts and the management, administrative, janitorial and security functions. The actual staffing requirements are not final and are subject to change as the FEC specifications are finalized.

Design Build (EPC) Agreement & Contractors

EPC Contract Agreement

NNSCI entered into a design-build agreement with A.R. Mays in mid-March 2016. The design phase of the contract provides for the design and engineering of the FEC for total fees of approximately \$1.0 million. The construction phase is subject to a guaranteed maximum price of \$13.5 million, or \$14.5 million for the entire contract.

The EPC company is A.R. Mays Construction, Inc. Subcontractors include Nelsen Partners (Architects), Damon Development Group, AV Schwan & Associates (Consultant), MSA Engineering Consultants, Shepard Wesnitzer, Inc. (Consultant).

Contractors and Consultants

A.R. Mays Construction

A.R. Mays is an Arizona construction company that has been operating since 1986. The company has over 25 years of experience managing commercial projects throughout the southwest and has completed over \$500 million in commercial construction. Commercial projects completed include various retail centers, medical office buildings, grocery stores, hospitality and theaters/entertainment. In 2012, A.R. Mays completed construction of the Ak-Chin Family Entertainment Center located adjacent to the city of Maricopa, AZ. The Ak-Chin Family Entertainment Center is a 162,000 sq. ft. building featuring a movie theater, bowling alley, arcade, laser tag, restaurants and retail space. The company is currently serving as the general contractor for development of a second family entertainment venue called Main Event Entertainment. The first Main Event Entertainment venue was completed by A.R. Mays in 2013 in the city of Tempe, AZ. Main Event provides entertainment such as an upscale bowling, billiards, laser tag, meeting space and party rooms.

Adam R. Mays *President/LEED AP*

Mr. Mays is the founder and President of A.R. Mays Construction. He has over 15 years of experience in the building industry. He is a graduate of the School of Construction at Arizona State University. Mr. Mays is active in his community supporting many of the local philanthropies as well as community services.

Damon Development Group, LLC
Albert Damon Jr.
Principal

Mr. Damon is a member of the Navajo Nation and resides in Sawmill, Navajo Nation. Mr. Damon provides professional architecture and design services to clients in Native America. His areas of practice include hospitals, schools, residential projects and community planning. Mr. Damon is a graduate of the University of Oklahoma College of Architecture 1988.

Swaback Partners, LLC

Swaback Partners is an architecture, planning and interior design company based out of Scottsdale, Arizona that has been working in the Southwest for over 30 years. Swaback Partners has designed many buildings for hospitality and mixed use, office, commercial, municipal, universities, custom residences and clubhouses.

Jeff Denzak
Partner

Mr. Denzak is a Partner of the Swaback Partner's Planning Studio and is involved in all aspects of the master planning and land development process including: initial site investigation, feasibility studies, master planning, entitlement/jurisdictional processing and design guidelines for a wide range of project types. Mr. Denzak holds a Masters degree from Harvard University's Graduate School of Design. Prior to joining Swaback Partners, Mr. Denzak worked for several distinguished international design firms including: The Architects Collaborative, and Hellmuth, Obata + Kassabaum. Mr. Denzak led the Navajo Nation master planning for the award-winning, "Sustainable Journey of Beauty," the largest tribal master planning initiative ever (19.2 million acres) undertaken in the United States.

INDUSTRY/MARKET/COMPETITION/CUSTOMERS

NNSCI commissioned an independent study to assess the feasibility of establishing a cinema-anchored multi-zone entertainment complex at Twin Arrows. The study, dated November 15, 2014, was prepared by Amusement Entertainment Management LLC ("AEM"). AEM provides early-stage feasibility analysis and business plan development for new-age bowling venues, family entertainment centers, waterparks and amusement parks on a worldwide basis.

Interested parties are encouraged to read the AEM feasibility study to develop a deeper understanding of the industry, the market, competition and the customer base for the Entertainment Center.

Selected information on these topics is provided below.

Market Overview

The city of Flagstaff, Arizona currently does not have a family entertainment center where all the members of a family can come and engage in a wide variety of entertainment venues. The FEC is a unique concept to this region of Arizona. The FEC will offer year-round indoor entertainment to the residents of and visitors of Flagstaff and the Casino. The feasibility analysis conducted by American Family Entertainment Centers determined that the area is presently underserved in both movie theaters and bowling centers. In addition, the area lacks other family-oriented venues such as arcades, child care facilities for patrons to the Casino, birthday party/meeting rooms and laser tag.

Limited competition, a sizable and growing population base, strong employment infrastructure and availability of high-speed road networks all help to enhance the FEC's potential for success. The success of the FEC is directly tied to its ability to consistently reach and attract a significant portion of the local and regional populations and to recognize the potential dilution per capita spending levels should new direct competition enter the region.

Competition

The map below displays the location of existing movie theaters and bowling alleys in the region.



Harkins Theatres is currently constructing a new 72,00 square-foot 16-screen cinema in Flagstaff, Arizona and is expected to open in spring of 2016. The new cinema will be located next to the Flagstaff Mall. The 16-screen cinema will replace the existing Harkins Flagstaff 11 cinema when completed. Although Harkins Theaters is building a new 16-screen cinema next to the Flagstaff Mall, the facility only provides cinema entertainment. The FEC, however, will contain a 6-screen cinema in addition to multiple entertainment options for all family ages to participate in all within a single facility.

THE DEVELOPER: NAVAJO NATION SHOPPING CENTERS

NNSCI is a corporation organized under the laws of the Navajo Nation and is wholly-owned by the Navajo Nation. Established in 1983, NNSCI owns and manages ten shopping centers located across the Navajo Nation. NNSCI is governed by an independent board of directors and management team.

Navajo Nation Shopping Centers, Inc.



Location	Sq. Footage	Anchor Tenants
1 Window Rock	103,504	Lowes Grocery
2 St. Michaels	53,350	Bashas'
3 Pinon	45,425	Bashas'
4 Tuba City	62,531	Bashas'
5 Kayenta	81,567	Bashas'
6 Dilkon	26,170	Bashas'
7 Shiprock	98,546	City Market Grocery
8 Pine Hill	12,000	Pine Hill Market
9 Crownpoint	43,838	Bashas'
10 Navajo Pine	18,000	Navajo Pine Market
Total	544,931	

NNSCI Financials

The following table presents pro forma summary financials for NNSCI, excluding the Entertainment Center (GMLLC), for the first five years of operation of the FEC.

NNSCI Pro Forma Financial Summary

\$000s

	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Income Statement Information</u>					
Revenue	\$ 4,086	\$ 4,189	\$ 4,293	\$ 4,401	\$ 4,511
Revenue % y-o-y change	--	2.50%	2.50%	2.50%	2.50%
Gross Profit	\$ 4,086	\$ 4,189	\$ 4,293	\$ 4,401	\$ 4,511
Operating Exp., Excl. Depreciation & Amort.	\$ 1,737	\$ 1,780	\$ 1,825	\$ 1,870	\$ 1,917
EBITDA	\$ 2,350	\$ 2,408	\$ 2,469	\$ 2,530	\$ 2,594
EBITDA % of Revenue	57.50%	57.50%	57.50%	57.50%	57.50%
EBITDA % y-o-y change	--	2.50%	2.50%	2.50%	2.50%
<u>Balance Sheet Information</u>					
Cash	\$ 5,026	\$ 6,375	\$ 7,754	\$ 9,166	\$ 10,610
Total Plant, Property & Equipment	\$ 24,738	\$ 24,389	\$ 23,962	\$ 23,454	\$ 22,864
Total Assets	\$ 30,837	\$ 31,864	\$ 32,844	\$ 33,776	\$ 34,659
Bank Loan (Permanent)	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Loan	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Equity	\$ 30,489	\$ 31,507	\$ 32,478	\$ 33,401	\$ 34,274
Total Liabilities & Equity	\$ 30,837	\$ 31,864	\$ 32,844	\$ 33,776	\$ 34,659
<u>Cash Flow Information</u>					
Cash flow from Operations	\$ 2,332	\$ 2,390	\$ 2,450	\$ 2,511	\$ 2,574
Cash flow from Investing	\$ (5,020)	\$ (1,042)	\$ (1,070)	\$ (1,100)	\$ (1,130)
Cash flow from Financing	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expenditures	\$ (5,020)	\$ (1,042)	\$ (1,070)	\$ (1,100)	\$ (1,130)
New Borrowings	\$ -	\$ -	\$ -	\$ -	\$ -
Repayments of Principal	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Debt Service</u>					
Repayments of Principal	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Capitalized Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Payment of Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service - Principal & Interest	\$ -	\$ -	\$ -	\$ -	\$ -

The following table presents pro forma debt statistics for NNSCI, excluding the Entertainment Center (GMLLC), for the first five years of operation of the FEC.

NNSCI
Pro Forma Debt Statistics

\$000s	Year 1	Year 2	Year 3	Year 4	Year 5
EBITDA	\$ 2,350	\$ 2,408	\$ 2,469	\$ 2,530	\$ 2,594
CapEx	\$ (5,020)	\$ (1,042)	\$ (1,070)	\$ (1,100)	\$ (1,130)
EBITDA less CapEx	\$ (2,670)	\$ 1,367	\$ 1,398	\$ 1,431	\$ 1,464
Equity (Book Value)	\$ 30,489	\$ 31,507	\$ 32,478	\$ 33,401	\$ 34,274
Tangible Net Equity	\$ 30,489	\$ 31,507	\$ 32,478	\$ 33,401	\$ 34,274
Net Working Capital excluding Cash	\$ 725	\$ 743	\$ 761	\$ 780	\$ 800
Net Working Capital including Cash	\$ 5,751	\$ 7,117	\$ 8,516	\$ 9,946	\$ 11,410
Current Ratio excluding Cash	3.08x	3.08x	3.08x	3.08x	3.08x
Current Ratio including Cash	17.50x	20.93x	24.26x	27.51x	30.67x
<u>Debt</u>					
Debt Service (P&I)	\$ -	\$ 1,004	\$ 1,069	\$ 1,069	\$ 1,069
Debt (Bank Loan)	\$ -	\$ 14,746	\$ 14,425	\$ 14,088	\$ 13,732
<u>Debt Service Coverage Ratio (DSCR)</u>					
EBITDA	n.a.	2.40x	2.31x	2.37x	2.43x
EBITDA less CapEx	n.a.	1.36x	1.31x	1.34x	1.37x
DSCR Bank Loan Covenant	1.50x	1.50x	1.50x	1.50x	1.50x
<u>Debt / Equity</u>					
Debt to Book Equity	0.00x	0.47x	0.44x	0.42x	0.40x
Debt to Tangible Net Equity	0.00x	0.47x	0.44x	0.42x	0.40x
Debt / EBITDA	0.00x	6.12x	5.84x	5.57x	5.29x

Consolidated Financials (NNSCI & GMLLC)

The following table presents pro forma summary financials for NNSCI, including the Entertainment Center (GMLLC), for the first five years of operation of the FEC.

Consolidated Pro Forma Financial Summary

\$000s

	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Income Statement Information</u>					
Revenue	\$ 4,086	\$ 9,045	\$ 9,361	\$ 9,662	\$ 9,973
Revenue % y-o-y change	--	121.35%	3.49%	3.22%	3.22%
Gross Profit	\$ 4,086	\$ 7,803	\$ 8,067	\$ 8,319	\$ 8,579
Operating Exp., Excl. Depreciation & Amort.	\$ 2,027	\$ 3,906	\$ 4,259	\$ 4,361	\$ 4,470
EBITDA	\$ 2,060	\$ 3,897	\$ 3,807	\$ 3,958	\$ 4,108
EBITDA % of Revenue	50.40%	43.09%	40.67%	40.96%	41.20%
EBITDA % y-o-y change	--	89.21%	-2.31%	3.96%	3.80%
<u>Balance Sheet Information</u>					
Cash	\$ 5,026	\$ 6,774	\$ 8,298	\$ 9,940	\$ 11,698
Total Plant, Property & Equipment	\$ 40,230	\$ 39,185	\$ 38,051	\$ 36,828	\$ 35,513
Total Assets	\$ 49,421	\$ 50,046	\$ 50,360	\$ 50,702	\$ 51,069
Bank Loan (Permanent)	\$ -	\$ 14,746	\$ 14,425	\$ 14,088	\$ 13,732
Construction Loan	\$ 14,567	\$ -	\$ -	\$ -	\$ -
Total Debt	\$ 14,970	\$ 14,746	\$ 14,425	\$ 14,088	\$ 13,732
Equity	\$ 34,102	\$ 34,903	\$ 35,528	\$ 36,198	\$ 36,910
Total Liabilities & Equity	\$ 49,421	\$ 50,046	\$ 50,360	\$ 50,702	\$ 51,069
<u>Cash Flow Information</u>					
Cash flow from Operations	\$ 1,549	\$ 3,133	\$ 3,039	\$ 3,206	\$ 3,374
Cash flow from Investing	\$ (23,212)	\$ (1,162)	\$ (1,194)	\$ (1,226)	\$ (1,260)
Cash flow from Financing	\$ 18,976	\$ (223)	\$ (321)	\$ (338)	\$ (356)
Capital Expenditures	\$ (23,212)	\$ (1,162)	\$ (1,194)	\$ (1,226)	\$ (1,260)
New Borrowings	\$ 14,970	\$ 15,133	\$ -	\$ -	\$ -
Repayments of Principal	\$ -	\$ (15,356)	\$ (321)	\$ (338)	\$ (356)
<u>Debt Service</u>					
Repayments of Principal	\$ -	\$ (14,872)	\$ (321)	\$ (338)	\$ (356)
Interest Expense	\$ 402	\$ 781	\$ 748	\$ 731	\$ 713
Capitalized Interest	\$ 9	\$ 3	\$ -	\$ -	\$ -
Payment of Interest	\$ (402)	\$ (781)	\$ (748)	\$ (731)	\$ (713)
Debt Service - Principal & Interest	\$ (402)	\$ (15,653)	\$ (1,069)	\$ (1,069)	\$ (1,069)

The following table presents pro forma debt statistics for NNSCI, including the Entertainment Center (GMLLC), for the first five years of operation of the FEC.

**Consolidated
Pro Forma Debt Statistics**

\$000s	Year 1	Year 2	Year 3	Year 4	Year 5
EBITDA	\$ 2,060	\$ 3,897	\$ 3,807	\$ 3,958	\$ 4,108
CapEx	\$ (23,212)	\$ (1,162)	\$ (1,194)	\$ (1,226)	\$ (1,260)
EBITDA less CapEx	\$ (21,152)	\$ 2,736	\$ 2,614	\$ 2,732	\$ 2,848
Equity (Book Value)	\$ 34,102	\$ 34,903	\$ 35,528	\$ 36,198	\$ 36,910
Tangible Net Equity	\$ 34,102	\$ 34,903	\$ 35,528	\$ 36,198	\$ 36,910
Net Working Capital excluding Cash	\$ 816	\$ 799	\$ 820	\$ 841	\$ 863
Net Working Capital including Cash	\$ 5,842	\$ 7,573	\$ 9,118	\$ 10,781	\$ 12,561
Current Ratio excluding Cash	3.34x	3.02x	3.02x	3.02x	3.02x
Current Ratio including Cash	17.76x	20.12x	23.44x	26.87x	30.40x
<u>Debt</u>					
Debt Service (P&I)	\$ -	\$ 1,004	\$ 1,069	\$ 1,069	\$ 1,069
Debt (Bank Loan)	\$ -	\$ 14,746	\$ 14,425	\$ 14,088	\$ 13,732
<u>Debt Service Coverage Ratio (DSCR)</u>					
EBITDA	n.a.	3.88x	3.56x	3.70x	3.84x
EBITDA less CapEx	n.a.	2.72x	2.45x	2.56x	2.67x
DSCR Bank Loan Covenant		1.50x	1.50x	1.50x	1.50x
<u>Debt / Equity</u>					
Debt to Book Equity		0.42x	0.41x	0.39x	0.37x
Debt to Tangible Net Equity		0.42x	0.41x	0.39x	0.37x
Debt / EBITDA	0.00x	3.78x	3.79x	3.56x	3.34x

TWIN ARROWS NAVAJO CASINO RESORT

Note: For the sake of clarity, the Glittering Mountain Family Entertainment Center is not affiliated with the Twin Arrows Casino Resort. Information regarding the Casino is provided to facilitate the reader's understanding of the existing consumer traffic and the growth potential for a regional entertainment complex that would be created by the addition of an entertainment center.

The Casino opened its doors to the public in May 2013 and is owned and operated by the Navajo Nation Gaming Enterprise ("NNGE"). The Casino features multiple dining areas, gaming, hotel and conference center. The dining options include: Zenith Steakhouse, Four Elements Café, Arrows Sports Bar, and the Food Court Buffet. The gaming area contains over 1,100 slot machines with table games available and a poker room.

The hotel has 200 rooms, including the 110-room expansion that was completed in May 2014. Amenities for the hotel include 24-hour room service, luxury rooms, heated pool and fitness center. The meeting and event space is comprised of a multi-functional ballroom and a flexible meeting room encompassing over 10,000 square feet.



Twin Arrows Casino Resort is one of four casinos owned by the Navajo Nation. NNGE currently operates four casinos:

- Twin Arrows Casino Resort (Flagstaff, AZ)
- Northern Edge Navajo Casino (Farmington, NM)
- Fire Rock Navajo Casino (Gallup, NM)
- Flowing Water Navajo Casino (Shiprock, NM)

FINANCIAL PROJECTIONS

The financial projections contained herein are based on analyses by the management of information available at the time this memorandum was prepared, and contain variability and risks inherent in the creation of projections. The projections are based on NNSCI's views of present and future events outside of NNSCI's control and on assumptions that may prove to be incorrect. If one or more of these assumptions proves to be incorrect, actual results may differ materially from the projections contained in this memorandum. While all available information has been utilized in the creation of these projections, they should not be relied upon entirely, and any party analyzing such projections should undertake their own due diligence investigation.

Presented in the financial tables that follow are Multi-Year projections and Monthly Year 1 projections presented individually for the single entities NNSCI and GMLLC. Financials for the combination of NNSCI and GMLLC are presented in the consolidated financial statements.

NNSCI Historical Financial Information

NNSCI unaudited financial statements for the period ending December 31, 2015 were used as the base for the NNSCI financial projections.

GMLLC Financial Projections

The financial projects for the single entity Glittering Mountain LLC (GMLLC) reflect operations for the Entertainment Center. Projections for the first four years of the FEC operation following commencement of operations were provided in the feasibility report prepared by Amusement Entertainment Management, LLC dated November 14, 2014. In addition to operating projections, the FEC feasibility study also included various capital costs associated with development of the FEC, which have been supplemented with newer information relating to off-site infrastructure costs and the EPC contract with A.R. Mays.

Income Statement

A. Revenue

- Gross revenues for Year 1, Year 2, Year 3 and Year 4 are \$4.9, \$5.0, \$5.3, and \$5.5 million, respectively.
- Annual revenue beyond Year 5 is projected to increase 3.0% annually.

B. Cost of Sales

- Cost of sales for Year 1, Year 2, Year 3 and Year 4 are \$1.2, \$1.3, \$1.3, and \$1.4 million, respectively.
- Annual cost of sales beyond Year 5 is projected to increase 3.0% annually.

C. Operating Expenses

- Annual operating expenses excluding depreciation and amortization beyond Year 4 is projected to increase 3.0% annually from Year 5 to Year 30.

D. EBITDA Assumption(s)

- EBITDA for Year 1, Year 2, Year 3 and Year 4 are \$1.49, \$1.34, \$1.43, and \$1.52 million, respectively.
- EBITDA margin for Year 1, Year 2, Year 3 and Year 4 are 30.7%, 26.4%, 27.1%, and 27.7%, respectively.
- EBITDA margin beyond Year 4 is projected to increase from 28.0% to 31.9% from Year 5 to Year 30.

E. Income Tax Assumption(s)

- The income tax rate is 0% since NNSCI is a non-taxed entity.

Balance Sheet

F. Assets

- NNSCI contributes real property valued at \$300,000 to GMLLC.
- Total PP&E is estimated to be \$18.5 million.

G. Liabilities

- A construction loan in the amount of \$15.0 million will be converted to a permanent loan in the amount of \$15.0 million in June 2017 with a fixed interest rate of 5.12% and with principal amortized over a 25-year period.

H. Equity

- Equity cash contribution from NNSCI to GMLLC is assumed to occur in mid-2016 in the estimated amount of \$4.0 million.

Statement of Cash Flow

- I. Cash Flow from Operations
 - No assumption.
- J. Cash Flow from Investing Activities
 - Total PP&E investment during construction is assumed to be \$18.5 million, including \$3.0 million for off-site infrastructure.
- K. Cash Flow from Financing Activities
 - A cash infusion from NNSCI in the amount of \$4.0 million is assumed to occur in mid-2016.
 - A total of \$15 million is to be drawn from a construction loan during development of the FEC.

**GMLLC- Multi-Year
Income Statement**

**GM LLC
Pro Forma Income Statement**

	Year 1	Year 2	Year 3	Year 4	Year 5
\$000s					
Revenue	\$ -	\$ 4,857	\$ 5,067	\$ 5,261	\$ 5,462
% change	--	--	4.3%	3.8%	3.8%
Cost of Sales	-	1,242	1,294	1,343	1,394
Gross Profit	-	3,614	3,773	3,918	4,068
% of Revenue	--	74.4%	74.5%	74.5%	74.5%
Operating Expenses	290	2,126	2,435	2,490	2,553
% of Revenue	--	43.8%	48.0%	47.3%	46.7%
EBITDA	(290)	1,489	1,339	1,428	1,515
% of Revenue	--	30.7%	26.4%	27.1%	27.7%
Depreciation & Amortization	-	925	937	950	963
EBIT	(290)	564	401	478	552
Interest	402	781	748	731	713
EBT	(692)	(217)	(346)	(253)	(161)
Income Tax	-	-	-	-	-
Net Income	\$ (692)	\$ (217)	\$ (346)	\$ (253)	\$ (161)

**GMLLC – Multi-Year
Balance Sheet**

**GM LLC
Pro Forma Balance Sheet**

	Year 1	Year 2	Year 3	Year 4	Year 5
\$000's					
Assets					
Cash	\$ -	\$ 399	\$ 544	\$ 774	\$ 1,088
Inventory	91	95	99	102	105
Current Operating Assets	91	494	643	876	1,193
Infrastructure	3,000	2,892	2,784	2,676	2,568
PP&E	15,492	14,795	14,089	13,374	12,649
Total PP&E & Investment	\$ 18,492	\$ 17,687	\$ 16,873	\$ 16,050	\$ 15,217
Total Assets	\$ 18,583	\$ 18,182	\$ 17,516	\$ 16,926	\$ 16,410
Liabilities & Member Equity					
Accounts Payable	-	18	18	19	19
Accrued Expenses	-	21	22	23	23
Current Operating Liabilities	\$ -	\$ 39	\$ 40	\$ 41	\$ 43
Bank Loan (Permanent)	-	14,746	14,425	14,088	13,732
Capitalized Interest (Construction Loan)	402	-	-	-	-
Construction Loan	14,567	-	-	-	-
Total Debt	14,970	14,746	14,425	14,088	13,732
Total Liabilities	\$ 14,970	\$ 14,785	\$ 14,466	\$ 14,129	\$ 13,775
Equity	\$ 3,613	\$ 3,396	\$ 3,050	\$ 2,797	\$ 2,636
Total Liabilities & Equity	\$ 18,583	\$ 18,182	\$ 17,516	\$ 16,926	\$ 16,410

**GMLLC – Multi-Year
Statement of Cash Flow**

**GM LLC
Pro Forma Statement of Cash Flow**

\$000s	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Flow from Operations					
Net Income	\$ (692)	\$ (217)	\$ (346)	\$ (253)	\$ (161)
Depreciation & Amortization	-	925	937	950	963
Change in Working Capital:					
Accounts Receivable	-	-	-	-	-
Inventory	(91)	(4)	(4)	(4)	(3)
Other Current Asset	-	-	-	-	-
Accounts Payable	-	18	1	1	1
Accrued Expenses	-	21	1	1	1
Cash Flow from Operations	(784)	743	589	694	800
Cash Flow from Investing Activities	(18,192)	(120)	(123)	(127)	(130)
Cash Flow from Financing Activities					
Borrowings/Cap. Int. - Bank Loan (Permanent)	-	15,051	-	-	-
Borrowings/Cap. Int. - Construction Loan	14,567	-	-	-	-
Capitalized Interest (Construction Loan)	402	82	-	-	-
Repayments - Bank Loan	-	-	-	-	-
Repayments - Bank Loan (Permanent)	-	(305)	(321)	(338)	(356)
Repayments - Loan B	-	-	-	-	-
Repayments - Construction Loan	-	(14,567)	-	-	-
Repayments - Construction Loan Cap. Int.	-	(484)	-	-	-
Cash Infusion from NNSCI	4,006	-	-	-	-
Cash Flow from Financing Activities	18,976	(223)	(321)	(338)	(356)
Change in Cash	\$ -	\$ 399	\$ 145	\$ 230	\$ 314
Cash - Ending Balance	-	399	544	774	1,088

GMLLC – Monthly Year 1 Income Statement

GM LLC Pro Forma Income Statement

	Construction Period											
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
Revenue	-	-	-	-	-	-	-	-	-	-	-	-
% change	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Sales	-	-	-	-	-	-	-	-	-	-	-	-
Gross Profit	-	-	-	-	-	-	-	-	-	-	-	-
% of Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-
% of Revenue	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	-	-	-	-	-	-	-	-	-	-	-	-
% of Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	-	-	-	-	-	-	-	-	-	-	-	-
EBIT	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	1	8	15	22	29	36	43	51	58	65	73
EBT	-	(1)	(8)	(15)	(22)	(29)	(36)	(43)	(51)	(58)	(65)	(73)
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	- \$	(1) \$	(8) \$	(15) \$	(22) \$	(29) \$	(36) \$	(43) \$	(51) \$	(58) \$	(65) \$	(73) \$

GMLLC – Monthly Year 1 Balance Sheet

GM LLC Pro Forma Balance Sheet

	Construction Period											
	Year 1											
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
\$ - \$	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
1,566	2,832	4,098	5,364	6,630	7,896	9,162	10,428	11,694	12,960	14,226	15,492	16,758
\$ 4,566	\$ 5,832	\$ 7,098	\$ 8,364	\$ 9,630	\$ 10,896	\$ 12,162	\$ 13,428	\$ 14,694	\$ 15,960	\$ 17,226	\$ 18,492	\$ 19,758
\$ 4,566	\$ 5,832	\$ 7,098	\$ 8,364	\$ 9,630	\$ 10,896	\$ 12,162	\$ 13,428	\$ 14,694	\$ 15,960	\$ 17,226	\$ 18,492	\$ 19,758
Liabilities & Member Equity												
Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Current Operating Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Bank Loan (Permanent)	-	-	-	-	-	-	-	-	-	-	-	-
Capitalized Interest (Construction Loan)	-	-	-	-	-	-	-	-	-	-	-	-
Construction Loan	260	1,526	2,792	4,058	5,324	6,590	7,856	9,122	10,388	11,654	12,920	14,186
Total Debt	260	1,526	2,792	4,058	5,324	6,590	7,856	9,122	10,388	11,654	12,920	14,186
Total Liabilities	\$ 260	\$ 1,526	\$ 2,792	\$ 4,058	\$ 5,324	\$ 6,590	\$ 7,856	\$ 9,122	\$ 10,388	\$ 11,654	\$ 12,920	\$ 14,186
Equity	\$ 4,306	\$ 4,304	\$ 4,296	\$ 4,281	\$ 4,259	\$ 4,229	\$ 4,193	\$ 4,150	\$ 4,099	\$ 4,001	\$ 3,836	\$ 3,613
Total Liabilities & Equity	\$ 4,566	\$ 5,832	\$ 7,098	\$ 8,364	\$ 9,630	\$ 10,896	\$ 12,162	\$ 13,428	\$ 14,694	\$ 15,960	\$ 17,226	\$ 18,583

**GMLLC – Monthly Year 1
Statement of Cash Flow**

**GM LLC
Pro Forma Statement of Cash Flow**

	Construction Period																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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)	\$	(3,817)	\$	(3,825)	\$	(3,833)	\$	(3,841)	\$	(3,849)	\$	(3,857)	\$	(3,865)	\$	(3,873)	\$	(3,881)	\$	(3,889)	\$	(3,897)	\$	(3,905)	\$	(3,913)	\$	(3,921)	\$	(3,929)	\$	(3,937)	\$	(3,945)	\$	(3,953)	\$	(3,961)	\$	(3,969)	\$	(3,977)	\$	(3,985)	\$	(3,993)	\$	(4,001)	\$	(4,009)	\$	(4,017)	\$	(4,025)	\$	(4,033)	\$	(4,041)	\$	(4,049)	\$	(4,057)	\$	(4,065)	\$	(4,073)	\$	(4,081)	\$	(4,089)	\$	(4,097)	\$	(4,105)	\$	(4,113)	\$	(4,121)	\$	(4,129)	\$	(4,137)	\$	(4,145)	\$	(4,153)	\$	(4,161)	\$	(4,169)	\$	(4,177)	\$	(4,185)	\$	(4,193)	\$	(4,201)	\$	(4,209)	\$	(4,217)	\$	(4,225)	\$	(4,233)	\$	(4,241)	\$	(4,249)	\$	(4,257)	\$	(4,265)	\$	(4,273)	\$	(4,281)	\$	(4,289)	\$	(4,297)	\$	(4,305)	\$	(4,313)	\$	(4,321)	\$	(4,329)	\$	(4,337)	\$	(4,345)	\$	(4,353)	\$	(4,361)	\$	(4,369)	\$	(4,377)	\$	(4,385)	\$	(4,393)	\$	(4,401)	\$	(4,409)	\$	(4,417)	\$	(4,425)	\$	(4,433)	\$	(4,441)	\$	(4,449)	\$	(4,457)	\$	(4,465)	\$	(4,473)	\$	(4,481)	\$	(4,489)	\$	(4,497)	\$	(4,505)	\$	(4,513)	\$	(4,521)	\$	(4,529)	\$	(4,537)	\$	(4,545)	\$	(4,553)	\$	(4,561)	\$	(4,569)	\$	(4,577)	\$	(4,585)	\$	(4,593)	\$	(4,601)	\$	(4,609)	\$	(4,617)	\$	(4,625)	\$	(4,633)	\$	(4,641)	\$	(4,649)	\$	(4,657)	\$	(4,665)	\$	(4,673)	\$	(4,681)	\$	(4,689)	\$	(4,697)	\$	(4,705)	\$	(4,713)	\$	(4,721)	\$	(4,729)	\$	(4,737)	\$	(4,745)	\$	(4,753)	\$	(4,761)	\$	(4,769)	\$	(4,777)	\$	(4,785)	\$	(4,793)	\$	(4,801)	\$	(4,809)	\$	(4,817)	\$	(4,825)	\$	(4,833)	\$	(4,841)	\$	(4,849)	\$	(4,857)	\$	(4,865)	\$	(4,873)	\$	(4,881)	\$	(4,889)	\$	(4,897)	\$	(4,905)	\$	(4,913)	\$	(4,921)	\$	(4,929)	\$	(4,937)	\$	(4,945)	\$	(4,953)	\$	(4,961)	\$	(4,969)	\$	(4,977)	\$	(4,985)	\$	(4,993)	\$	(5,001)	\$	(5,009)	\$	(5,017)	\$	(5,025)	\$	(5,033)	\$	(5,041)	\$	(5,049)	\$	(5,057)	\$	(5,065)	\$	(5,073)	\$	(5,081)	\$	(5,089)	\$	(5,097)	\$	(5,105)	\$	(5,113)	\$	(5,121)	\$	(5,129)	\$	(5,137)	\$	(5,145)	\$	(5,153)	\$	(5,161)	\$	(5,169)	\$	(5,177)	\$	(5,185)	\$	(5,193)	\$	(5,201)	\$	(5,209)	\$	(5,217)	\$	(5,225)	\$	(5,233)	\$	(5,241)	\$	(5,249)	\$	(5,257)	\$	(5,265)	\$	(5,273)	\$	(5,281)	\$	(5,289)	\$	(5,297)	\$	(5,305)	\$	(5,313)	\$	(5,321)	\$	(5,329)	\$	(5,337)	\$	(5,345)	\$	(5,353)	\$	(5,361)	\$	(5,369)	\$	(5,377)	\$	(5,385)	\$	(5,393)	\$	(5,401)	\$	(5,409)	\$	(5,417)	\$	(5,425)	\$	(5,433)	\$	(5,441)	\$	(5,449)	\$	(5,457)	\$	(5,465)	\$	(5,473)	\$	(5,481)	\$	(5,489)	\$	(5,497)	\$	(5,505)	\$	(5,513)	\$	(5,521)	\$	(5,529)	\$	(5,537)	\$	(5,545)	\$	(5,553)	\$	(5,561)	\$	(5,569)	\$	(5,577)	\$	(5,585)	\$	(5,593)	\$	(5,601)	\$	(5,609)	\$	(5,617)	\$	(5,625)	\$	(5,633)	\$	(5,641)	\$	(5,649)	\$	(5,657)	\$	(5,665)	\$	(5,673)	\$	(5,681)	\$	(5,689)	\$	(5,697)	\$	(5,705)	\$	(5,713)	\$	(5,721)	\$	(5,729)	\$	(5,737)	\$	(5,745)	\$	(5,753)	\$	(5,761)	\$	(5,769)	\$	(5,777)	\$	(5,785)	\$	(5,793)	\$	(5,801)	\$	(5,809)	\$	(5,817)	\$	(5,825)	\$	(5,833)	\$	(5,841)	\$	(5,849)	\$	(5,857)	\$	(5,865)	\$	(5,873)	\$	(5,881)	\$	(5,889)	\$	(5,897)	\$	(5,905)	\$	(5,913)	\$	(5,921)	\$	(5,929)	\$	(5,937)	\$	(5,945)	\$	(5,953)	\$	(5,961)	\$	(5,969)	\$	(5,977)	\$	(5,985)	\$	(5,993)	\$	(6,001)	\$	(6,009)	\$	(6,017)	\$	(6,025)	\$	(6,033)	\$	(6,041)	\$	(6,049)	\$	(6,057)	\$	(6,065)	\$	(6,073)	\$	(6,081)	\$	(6,089)	\$	(6,097)	\$	(6,105)	\$	(6,113)	\$	(6,121)	\$	(6,129)	\$	(6,137)	\$	(6,145)	\$	(6,153)	\$	(6,161)	\$	(6,169)	\$	(6,177)	\$	(6,185)	\$	(6,193)	\$	(6,201)	\$	(6,209)	\$	(6,217)	\$	(6,225)	\$	(6,233)	\$	(6,241)	\$	(6,249)	\$	(6,257)	\$	(6,265)	\$	(6,273)	\$	(6,281)	\$	(6,289)	\$	(6,297)	\$	(6,305)	\$	(6,313)	\$	(6,321)	\$	(6,329)	\$	(6,337)	\$	(6,345)	\$	(6,353)	\$	(6,361)	\$	(6,369)	\$	(6,377)	\$	(6,385)	\$	(6,393)	\$	(6,401)	\$	(6,409)	\$	(6,417)	\$	(6,425)	\$	(6,433)	\$	(6,441)	\$	(6,449)	\$	(6,457)	\$	(6,465)	\$	(6,473)	\$	(6,481)	\$	(6,489)	\$	(6,497)	\$	(6,505)	\$	(6,513)	\$	(6,521)	\$	(6,529)	\$	(6,537)	\$</

NNSCI Financial Projections – Multi-Year

NNSCI financials are presented for the single entity managing 10 shopping centers across the Navajo Nation. Financials for the period ending December 31, 2015 are incorporated into the financial projections. The financials do not reflect any known investment amounts or revenues from the newly renovated theater in Window Rock, AZ.

Income Statement

L. Revenue

- Revenue projection for CY 2016 is estimated to total \$4.1 million for the 10 shopping centers.
- Annual revenue beyond CY 2016 is projected to increase 2.5% annually from CY 2017 to CY 2025.
- Annual revenue is projected to increase annually at 0% from CY 2026 to CY 2045.

M. Operating Expenses

- Annual operating expenses excluding depreciation and amortization are estimated to be 42.5% of projected annual revenue for each calendar year from 2016 to 2045.
- Operating expenses for CY 2016 are estimated to total \$1.7 million.
- Annual operating expenses excluding depreciation and amortization beyond CY 2016 are projected to increase 2.5% annually from CY 2017 to CY 2025.
- Annual operating expenses are projected to increase annually at 0% from CY 2026 to CY 2045.

N. EBITDA

- EBITDA for CY 2016 is estimated to be \$2.35 million.
- EBITDA margin is 57.5% of revenue.
- EBITDA beyond CY 2016 is projected to increase 2.5% annually from CY 2017 to CY 2025.

O. Income Tax

- The income tax rate is 0% since NNSCI is a non-taxed entity.

Balance Sheet

P. Asset

- The ending cash balance for Year 1 is estimated to be \$5.0 million.

Q. Liabilities

- As of December 2015, NNSCI does not have any outstanding debt.

R. Equity

- Equity cash contribution to GMLLC is assumed to occur in mid-2016 in the estimated amount of \$4.0 million.

Statement of Cash Flow

S. Cash Flow from Operations

- No assumptions.

T. Cash Flow from Investing Activities

- A cash infusion of \$4.0 million is assumed to occur in 2016.
- Annual maintenance capital expenditures are estimated to be \$1.0 million.

U. Cash Flow from Financing Activities

- No assumptions.

NNSCI – Multi-Year Income Statement

NNSCI Pro Forma Income Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
\$000s					
Revenue	\$ 4,086	\$ 4,189	\$ 4,293	\$ 4,401	\$ 4,511
% change	--	2.5%	2.5%	2.5%	2.5%
Cost of Sales	-	-	-	-	-
Gross Profit	4,086	4,189	4,293	4,401	4,511
% of Revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Expenses	1,737	1,780	1,825	1,870	1,917
% of Revenue	42.5%	42.5%	42.5%	42.5%	42.5%
EBITDA	2,350	2,408	2,469	2,530	2,594
% of Revenue	57.5%	57.5%	57.5%	57.5%	57.5%
Depreciation & Amortization	1,286	1,390	1,497	1,607	1,720
EBIT	1,063	1,018	971	923	873
Interest	-	-	-	-	-
EBT	1,063	1,018	971	923	873
Income Tax	-	-	-	-	-
Net Income	\$ 1,063	\$ 1,018	\$ 971	\$ 923	\$ 873

**NNSCI – Multi-Year
Balance Sheet**

**NNSCI
Pro Forma Balance Sheet**

	Year 1	Year 2	Year 3	Year 4	Year 5
\$000s					
Assets					
Cash	\$ 5,026	\$ 6,375	\$ 7,754	\$ 9,166	\$ 10,610
Accounts Receivable	907	929	953	976	1,001
Inventory	-	-	-	-	-
Other Current Asset	167	171	175	179	184
Current Operating Assets	6,099	7,475	8,882	10,322	11,795
Infrastructure	-	-	-	-	-
Total PP&E & Other	\$ 24,738	\$ 24,389	\$ 23,962	\$ 23,454	\$ 22,864
Total Assets	\$ 30,837	\$ 31,864	\$ 32,844	\$ 33,776	\$ 34,659
Liabilities & Member Equity					
Accounts Payable	237	243	249	255	262
Other Current Liability	111	114	117	120	123
Current Operating Liabilities	\$ 348	\$ 357	\$ 366	\$ 375	\$ 385
Bank Loan (Permanent)	-	-	-	-	-
Capitalized Interest (Construction Loan)	-	-	-	-	-
Construction Loan	-	-	-	-	-
Total Debt	-	-	-	-	-
Total Liabilities	\$ 348	\$ 357	\$ 366	\$ 375	\$ 385
Equity					
	\$ 30,489	\$ 31,507	\$ 32,478	\$ 33,401	\$ 34,274
Total Liabilities & Equity	\$ 30,837	\$ 31,864	\$ 32,844	\$ 33,776	\$ 34,659

**NNSCI – Multi-Year
Statement of Cash Flow**

**NNSCI
Pro Forma Statement of Cash Flow**

	Year 1	Year 2	Year 3	Year 4	Year 5
<i>\$000s</i>					
Cash Flow from Operations	\$ 1,063	\$ 1,018	\$ 971	\$ 923	\$ 873
Net Income	1,286	1,390	1,497	1,607	1,720
Depreciation & Amortization	(22)	(23)	(23)	(24)	(24)
<i>Change in Working Capital:</i>					
Accounts Receivable	-	-	-	-	-
Inventory	(4)	(4)	(4)	(4)	(4)
Other Current Asset	6	6	6	6	6
Accounts Payable	3	3	3	3	3
Other Current Liability	2,332	2,390	2,450	2,511	2,574
Cash Flow from Operations					
Cash Flow from Investing Activities					
Infrastructure	(1,014)	(1,042)	(1,070)	(1,100)	(1,130)
Capital Expenditures	(4,006)	-	-	-	-
Investment in Subsidiary	(5,020)	(1,042)	(1,070)	(1,100)	(1,130)
Cash Flow from Investing Activities					
Cash Flow from Financing Activities					
Borrowings/Cap. Int. - Bank Loan (Permanent)	-	-	-	-	-
Borrowings - Construction Loan	-	-	-	-	-
Capitalized Interest (Construction Loan)	-	-	-	-	-
Repayments - Bank Loan (Permanent)	-	-	-	-	-
Repayments - Construction Loan	-	-	-	-	-
Repayments - Construction Loan Cap. Int.	-	-	-	-	-
Cash Flow from Financing Activities					
Change in Cash	<u>\$ (2,688)</u>	<u>\$ 1,349</u>	<u>\$ 1,380</u>	<u>\$ 1,412</u>	<u>\$ 1,444</u>
Cash - Ending Balance	5,026	6,375	7,754	9,166	10,610

NNSCI – Monthly Year 1 Income Statement

NNSCI Pro Forma Income Statement

	Year 1											
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
\$	336 \$	336 \$	336 \$	336 \$	336 \$	336 \$	345 \$	345 \$	345 \$	345 \$	345 \$	345 \$
Revenue	336	336	336	336	336	336	345	345	345	345	345	345
% change	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Sales	143	143	143	143	143	143	147	147	147	147	147	147
Gross Profit	193	193	193	193	193	193	198	198	198	198	198	198
% of Revenue	42.5%	42.5%	42.5%	42.5%	42.5%	42.5%	42.5%	42.5%	42.5%	42.5%	42.5%	42.5%
Expenses	193	193	193	193	193	193	198	198	198	198	198	198
% of Revenue	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%
EBITDA	107	107	107	107	107	107	107	107	107	107	107	107
% of Revenue	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.3%	31.3%	31.3%	31.3%	31.3%	31.3%
Depreciation & Amortization	86	86	86	86	86	86	91	91	91	91	91	91
EBIT	86	86	86	86	86	86	91	91	91	91	91	91
Interest	-	-	-	-	-	-	-	-	-	-	-	-
EBT	86	86	86	86	86	86	91	91	91	91	91	91
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	86 \$	86 \$	86 \$	86 \$	86 \$	86 \$	91 \$	91 \$	91 \$	91 \$	91 \$	91 \$

**NNSCI- Monthly Year 1
Balance Sheet**

**NNSCI
Pro Forma Balance Sheet**

	Year 1											
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
\$000s												
Assets												
Cash	\$ 2,887	\$ 3,081	\$ 3,274	\$ 3,467	\$ 3,661	\$ 3,854	\$ 4,035	\$ 4,233	\$ 4,431	\$ 4,629	\$ 4,828	\$ 5,026
Accounts Receivable	885	885	885	885	885	885	907	907	907	907	907	907
Inventory	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Asset	162	162	162	162	162	162	167	167	167	167	167	167
Current Operating Assets	3,934	4,128	4,321	4,515	4,708	4,901	5,108	5,306	5,504	5,703	5,901	6,099
Infrastructure												
Total PP&E & Other	\$ 25,917	\$ 25,810	\$ 25,703	\$ 25,596	\$ 25,488	\$ 25,381	\$ 25,274	\$ 25,167	\$ 25,060	\$ 24,953	\$ 24,845	\$ 24,738
Total Assets	\$ 29,852	\$ 29,938	\$ 30,024	\$ 30,110	\$ 30,196	\$ 30,283	\$ 30,382	\$ 30,473	\$ 30,564	\$ 30,655	\$ 30,746	\$ 30,837
Liabilities & Member Equity												
Accounts Payable	231	231	231	231	231	231	237	237	237	237	237	237
Other Current Liability	108	108	108	108	108	108	111	111	111	111	111	111
Current Operating Liabilities	\$ 340	\$ 340	\$ 340	\$ 340	\$ 340	\$ 340	\$ 348	\$ 348	\$ 348	\$ 348	\$ 348	\$ 348
Bank Loan (Permanent)												
Capitalized Interest (Construction Loan)	-	-	-	-	-	-	-	-	-	-	-	-
Construction Loan	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	\$ 340	\$ 340	\$ 340	\$ 340	\$ 340	\$ 340	\$ 348	\$ 348	\$ 348	\$ 348	\$ 348	\$ 348
Equity												
	\$ 29,512	\$ 29,598	\$ 29,684	\$ 29,770	\$ 29,856	\$ 29,943	\$ 30,034	\$ 30,125	\$ 30,216	\$ 30,307	\$ 30,398	\$ 30,489
Total Liabilities & Equity	\$ 29,852	\$ 29,938	\$ 30,024	\$ 30,110	\$ 30,196	\$ 30,283	\$ 30,382	\$ 30,473	\$ 30,564	\$ 30,655	\$ 30,746	\$ 30,837

**NNSCI- Monthly Year 1
Statement of Cash Flow**

**NNSCI
Pro Forma Statement of Cash Flow**

	Year 1											
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
\$000s												
Cash Flow from Operations												
Net Income	\$ 86	\$ 86	\$ 86	\$ 86	\$ 86	\$ 86	\$ 91	\$ 91	\$ 91	\$ 91	\$ 91	\$ 91
Depreciation & Amortization	107	107	107	107	107	107	107	107	107	107	107	107
Change in Working Capital:												
Accounts Receivable	-	-	-	-	-	-	(22)	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Asset	-	-	-	-	-	-	(4)	-	-	-	-	-
Accounts Payable	-	-	-	-	-	-	6	-	-	-	-	-
Other Current Liability	-	-	-	-	-	-	3	-	-	-	-	-
Cash Flow from Operations	193	193	193	193	193	193	181	198	198	198	198	198
Cash Flow from Investing Activities												
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	(1,014)	-	-	-	-	-	-	-	-	-	-	-
Investment in Subsidiary	(4,006)	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Investing Activities	(5,020)	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Financing Activities												
Borrowings/Cap. Int. - Bank Loan (Permanent)	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings - Construction Loan	-	-	-	-	-	-	-	-	-	-	-	-
Capitalized Interest (Construction Loan)	-	-	-	-	-	-	-	-	-	-	-	-
Repayments - Bank Loan (Permanent)	-	-	-	-	-	-	-	-	-	-	-	-
Repayments - Construction Loan	-	-	-	-	-	-	-	-	-	-	-	-
Repayments - Construction Loan Cap. Int.	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-
Change in Cash	\$ (4,826)	\$ 193	\$ 193	\$ 193	\$ 193	\$ 193	\$ 181	\$ 198	\$ 198	\$ 198	\$ 198	\$ 198
Cash - Ending Balance	2,887	3,081	3,274	3,467	3,661	3,854	4,035	4,233	4,431	4,629	4,828	5,026

Consolidated Financial Projections – Multi-Year Income Statement

Consolidated Pro Forma Income Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
\$000s					
Revenue	\$ 4,086	\$ 9,045	\$ 9,361	\$ 9,662	\$ 9,973
% change	--	121.4%	3.5%	3.2%	3.2%
Cost of Sales	-	1,242	1,294	1,343	1,394
Gross Profit	4,086	7,803	8,067	8,319	8,579
% of Revenue	100.0%	86.3%	86.2%	86.1%	86.0%
Operating Expenses	2,027	3,906	4,259	4,361	4,470
% of Revenue	49.6%	43.2%	45.5%	45.1%	44.8%
EBITDA	2,060	3,897	3,807	3,958	4,108
% of Revenue	50.4%	43.1%	40.7%	41.0%	41.2%
Depreciation & Amortization	1,286	2,315	2,435	2,557	2,683
EBIT	773	1,582	1,373	1,400	1,425
Interest	402	781	748	731	713
EBT	371	801	625	670	712
Income Tax	-	-	-	-	-
Net Income	\$ 371	\$ 801	\$ 625	\$ 670	\$ 712

Consolidated Financial Projections – Multi-Year Balance Sheet

Consolidated Pro Forma Balance Sheet

	Year 1	Year 2	Year 3	Year 4	Year 5
\$000s					
Assets					
Cash	\$ 5,026	\$ 6,774	\$ 8,298	\$ 9,940	\$ 11,698
Accounts Receivable	907	929	953	976	1,001
Inventory	91	95	99	102	105
Other Current Asset	167	171	175	179	184
Current Operating Assets	6,190	7,969	9,525	11,198	12,988
Infrastructure	3,000	2,892	2,784	2,676	2,568
PP&E	40,230	39,185	38,051	36,828	35,513
Investment in Subsidiary	-	-	-	-	-
Total PP&E & Other	\$ 43,230	\$ 42,077	\$ 40,835	\$ 39,504	\$ 38,081
Total Assets	\$ 49,421	\$ 50,046	\$ 50,360	\$ 50,702	\$ 51,069
Liabilities & Member Equity					
Accounts Payable	237	261	268	274	281
Accrued Expenses	-	21	22	23	23
Other Current Liability	111	114	117	120	123
Current Operating Liabilities	\$ 348	\$ 396	\$ 406	\$ 417	\$ 427
Bank Loan (Permanent)	-	14,746	14,425	14,088	13,732
Capitalized Interest (Construction Loan)	402	-	-	-	-
Construction Loan	14,567	-	-	-	-
Total Debt	14,970	14,746	14,425	14,088	13,732
Total Liabilities	\$ 15,318	\$ 15,143	\$ 14,832	\$ 14,504	\$ 14,159
Equity	\$ 34,102	\$ 34,903	\$ 35,528	\$ 36,198	\$ 36,910
Total Liabilities & Equity	\$ 49,421	\$ 50,046	\$ 50,360	\$ 50,702	\$ 51,069

Consolidated Financial Projections – Multi-Year Statement of Cash Flow

Consolidated Pro Forma Statement of Cash Flow

	Year 1	Year 2	Year 3	Year 4	Year 5
\$000s					
Cash Flow from Operations					
Net Income	\$ 371	\$ 801	\$ 625	\$ 670	\$ 712
Depreciation & Amortization	1,286	2,315	2,435	2,557	2,683
Change in Working Capital:					
Accounts Receivable	(22)	(23)	(23)	(24)	(24)
Inventory	(91)	(4)	(4)	(4)	(3)
Other Current Asset	(4)	(4)	(4)	(4)	(4)
Accounts Payable	6	24	7	7	7
Accrued Expenses	-	21	1	1	1
Other Current Liability	3	3	3	3	3
Cash Flow from Operations	1,549	3,133	3,039	3,206	3,374
Cash Flow from Investing Activities					
Infrastructure	(3,000)	-	-	-	-
PP&E - Construction Building	(10,413)	-	-	-	-
PP&E - Construction Equipment & CapEx	(5,793)	(1,042)	(1,070)	(1,100)	(1,130)
Investment in Subsidiary & CapEx	(4,006)	(120)	(123)	(127)	(130)
Cash Flow from Investing Activities	(23,212)	(1,162)	(1,194)	(1,226)	(1,260)
Cash Flow from Financing Activities					
Borrowings/Cap. Int. - Bank Loan (Permanent)	-	15,051	-	-	-
Borrowings/Cap. Int. - Construction Loan	14,567	-	-	-	-
Capitalized Interest (Construction Loan)	402	82	-	-	-
Repayments - Bank Loan (Permanent)	-	(305)	(321)	(338)	(356)
Repayments - Construction Loan	-	(14,567)	-	-	-
Repayments - Revolver - Capitalized Interest	-	(484)	-	-	-
Cash Infusion from NNSCI into GMLLC	4,006	-	-	-	-
Cash Flow from Financing Activities	18,976	(223)	(321)	(338)	(356)
Change in Cash	\$ (2,688)	\$ 1,748	\$ 1,524	\$ 1,641	\$ 1,758
Cash - Ending Balance	5,026	6,774	8,298	9,940	11,698

Consolidated Financial Projections – Monthly Year 1 Income Statement

Consolidated Pro Forma Income Statement

	Year 1											
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
\$	336 \$	336 \$	336 \$	336 \$	336 \$	336 \$	345 \$	345 \$	345 \$	345 \$	345 \$	345 \$
% change	--	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost of Sales	-	-	-	-	-	-	-	-	-	-	-	-
Gross Profit	336	336	336	336	336	336	345	345	345	345	345	345
% of Revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Expenses	143	143	143	143	143	143	147	147	147	187	247	297
% of Revenue	42.5%	42.5%	42.5%	42.5%	42.5%	42.5%	42.5%	42.5%	42.5%	54.1%	71.5%	86.0%
EBITDA	193	193	193	193	193	193	198	198	198	158	98	48
% of Revenue	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	45.9%	28.5%	14.0%
Depreciation & Amortization	107	107	107	107	107	107	107	107	107	107	107	107
EBIT	86	86	86	86	86	86	91	91	91	51	(9)	(59)
Interest	-	1	8	15	22	29	36	43	51	58	65	73
EBT	86	85	78	71	64	57	55	48	41	(7)	(74)	(132)
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	\$ 86 \$	\$ 85 \$	\$ 78 \$	\$ 71 \$	\$ 64 \$	\$ 57 \$	\$ 55 \$	\$ 48 \$	\$ 41 \$	\$ (7) \$	\$ (74) \$	\$ (132) \$

Consolidated Financial Projections – Monthly Year 1 Balance Sheet

Consolidated Pro Forma Balance Sheet

	Year 1											
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
\$000s												
Assets												
Cash	\$ 2,887	\$ 3,081	\$ 3,274	\$ 3,467	\$ 3,661	\$ 3,854	\$ 4,035	\$ 4,233	\$ 4,431	\$ 4,629	\$ 4,828	\$ 5,026
Accounts Receivable	885	885	885	885	885	885	907	907	907	907	907	907
Inventory	-	-	-	-	-	-	-	-	-	-	-	91
Other Current Asset	162	162	162	162	162	162	167	167	167	167	167	167
Current Operating Assets	3,934	4,128	4,321	4,515	4,708	4,901	5,108	5,306	5,504	5,703	5,901	6,190
Infrastructure	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
PP&E	22,877	24,036	25,195	26,354	27,513	28,672	29,830	30,989	32,148	33,307	34,466	35,625
Investment in Subsidiary	4,606	4,606	4,606	4,606	4,606	4,606	4,606	4,606	4,606	4,606	4,606	4,606
Total PP&E & Other	30,483	31,642	32,801	33,960	35,119	36,277	37,436	38,595	39,754	40,913	42,072	43,230
Total Assets	\$ 34,418	\$ 35,770	\$ 37,122	\$ 38,474	\$ 39,826	\$ 41,179	\$ 42,544	\$ 43,901	\$ 45,258	\$ 46,615	\$ 47,972	\$ 49,421
Liabilities & Member Equity												
Accounts Payable	231	231	231	231	231	231	237	237	237	237	237	237
Accrued Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Liability	108	108	108	108	108	108	111	111	111	111	111	111
Current Operating Liabilities	340	340	340	340	340	340	348	348	348	348	348	348
Bank Loan (Permanent)	-	-	-	-	-	-	-	-	-	-	-	-
Capitalized Interest (Construction Loan)	-	1	10	25	47	76	113	156	207	264	330	402
Construction Loan	260	1,526	2,792	4,058	5,324	6,590	7,856	9,122	10,388	11,654	13,060	14,567
Total Debt	260	1,528	2,802	4,083	5,372	6,667	7,969	9,279	10,595	11,959	13,390	14,970
Total Liabilities	600	1,868	3,142	4,423	5,711	7,007	8,318	9,627	10,944	12,307	13,738	15,318
Equity	\$ 33,817	\$ 33,902	\$ 33,980	\$ 34,051	\$ 34,115	\$ 34,172	\$ 34,227	\$ 34,274	\$ 34,315	\$ 34,308	\$ 34,234	\$ 34,102
Total Liabilities & Equity	\$ 34,418	\$ 35,770	\$ 37,122	\$ 38,474	\$ 39,826	\$ 41,179	\$ 42,544	\$ 43,901	\$ 45,258	\$ 46,615	\$ 47,972	\$ 49,421

Consolidated Financial Projections – Monthly Year 1
Statement of Cash Flow

Consolidated
Pro Forma Statement of Cash Flow

	Year 1											
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
\$000s												
Cash Flow from Operations												
Net Income	\$ 86	\$ 85	\$ 78	\$ 71	\$ 64	\$ 57	\$ 55	\$ 48	\$ 41	\$ (7)	\$ (74)	\$ (132)
Depreciation & Amortization	107	107	107	107	107	107	107	107	107	107	107	107
Change in Working Capital:												
Accounts Receivable	-	-	-	-	-	-	(22)	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Asset	-	-	-	-	-	-	(4)	-	-	-	-	(91)
Accounts Payable	-	-	-	-	-	-	6	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Liability	-	-	-	-	-	-	3	-	-	-	-	-
Cash Flow from Operations	193	192	185	178	171	164	144	155	148	101	33	(116)
Cash Flow from Investing Activities												
Infrastructure	(3,000)	-	-	-	-	-	-	-	-	-	-	-
PP&E - Construction Building	(868)	(868)	(868)	(868)	(868)	(868)	(868)	(868)	(868)	(868)	(868)	(868)
PP&E - Construction Equipment & CapEx	(1,412)	(398)	(398)	(398)	(398)	(398)	(398)	(398)	(398)	(398)	(398)	(398)
Investment in Subsidiary & CapEx	(4,006)	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Investing Activities	(9,286)	(1,266)	(1,266)	(1,266)	(1,266)	(1,266)	(1,266)	(1,266)	(1,266)	(1,266)	(1,266)	(1,266)
Cash Flow from Financing Activities												
Borrowings/Cap. Int. - Bank Loan (Permanent)	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings/Cap. Int. - Construction Loan	260	1,266	1,266	1,266	1,266	1,266	1,266	1,266	1,266	1,306	1,366	1,507
Capitalized Interest (Construction Loan)	-	1	8	15	22	29	36	43	51	58	65	73
Repayments - Bank Loan (Permanent)	-	-	-	-	-	-	-	-	-	-	-	-
Repayments - Construction Loan	-	-	-	-	-	-	-	-	-	-	-	-
Repayments - Revolver - Capitalized Interest	-	-	-	-	-	-	-	-	-	-	-	-
Cash Infusion from NNSCI into GMLLC	4,006	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Financing Activities	4,266	1,267	1,274	1,281	1,288	1,295	1,302	1,309	1,317	1,364	1,431	1,580
Change in Cash	\$ (4,826)	\$ 193	\$ 193	\$ 193	\$ 193	\$ 193	\$ 181	\$ 198	\$ 198	\$ 198	\$ 198	\$ 198
Cash - Ending Balance	2,887	3,081	3,274	3,467	3,661	3,854	4,035	4,233	4,431	4,629	4,828	5,026

Appendix A

Due Diligence Documents

- a) Coconino County Development Agreement
- b) Signed EPC Contract Agreement
- c) Contractor Bonding Certificates and Insurance
- d) Final Appraisals of Property Land
- e) Completed Environmental Assessments/Studies and Permits
- f) Infrastructure Development Plans
- g) The Outlook at Glittering Mountain Master Plan
- h) NNSCI 2015 Unaudited Financials
- i) Glittering Mountain LLC Articles of Organization
- j) Glittering Mountain FEC Feasibility Studies
- k) Bank Loan Financing Proposal(s)

Appendix B

NNSCI Board Members

Peggy Francis Scott (Navajo), Board Chairperson

Mrs. Scott has been the NNSCI Board Chairperson for 9 years. She earned her Bachelor's degree at the University of Arizona and went on to obtain a Master's degree from Northern Arizona University in Community College Educational Administration. Mrs. Scott worked with Dine College as the Director of Native American Research and Resource Department. She has served as Chairperson for the Navajo and Indian studies program and as the Director of Navajo Curriculum Development Center. Mrs. Scott has also served as the grant writer and Economic Director for Apache County and served as the District Manager for Apache Country District One.

Denise Canyon (Navajo), Vice Chairperson

Ms. Canyon holds an MBA from the University of Phoenix and a Bachelor's from Northern Arizona University. In addition to serving on the NNSCI Board, she is also involved with contract analysis for the Salt River Project/Navajo Generating Station in Page, AZ. Ms. Canyon has worked in the areas of education, health, social programs and private sector businesses. She also has extensive experience in contracting, procurement, finance, grant writing, and small/large business operations. Ms. Canyon has represented the NNSCI's Western Agency since 2007.

James Henry (Navajo), Secretary/Treasurer

Mr. Henry is the Controller for Navajo Engineering & Construction Authority (NECA), Finance & Administration, Mr. Henry is responsible for all accounting functions, data processing, office administration, insurance, and pension administration. Mr. Henry is a graduate of the Fort Lewis College, Durango, CO, with a BA in Accounting (1974). His accomplishments included special emphasis in accounting and some considerable studies in business and government related courses. James represents the NNSCI's Northern Agency and has served as a NNSCI Board Member since 2002.

Casey Watchman (Navajo), Board Member

Mr. Watchman is a Navajo Interpreter and Instructor at the University of Arizona. Mr. Watchman is a certified Navajo Court Interpreter. He currently maintains a private practice that spans 20 plus years in the legal field specializing in criminal, civil, family, and administrative law. Professional memberships include: Navajo Nation Bar Association since November 1980. Navajo Nation Labor Commission, Chairman. Member since October 1997. Navajo Nation Shopping Centers, Inc., Board Member since November 2004 and a Federally Certified Court Interpreter, since November 1990.

Exhibit A

Tracts Acquired

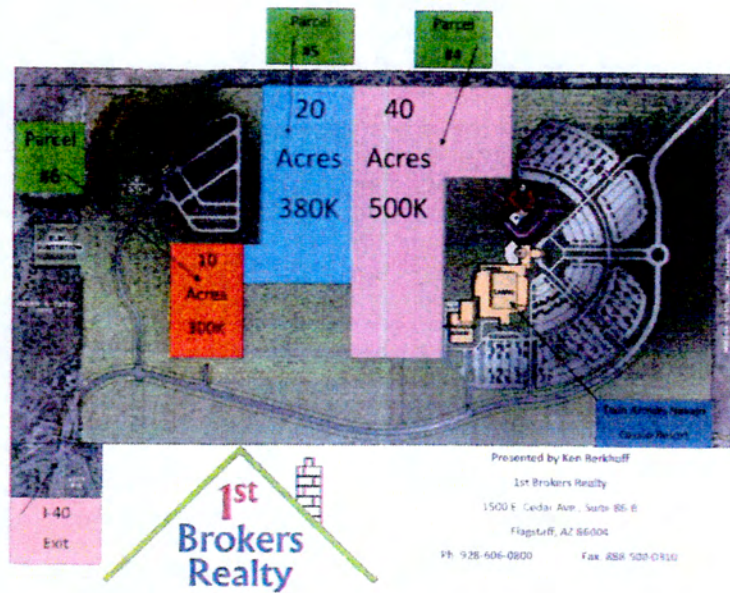
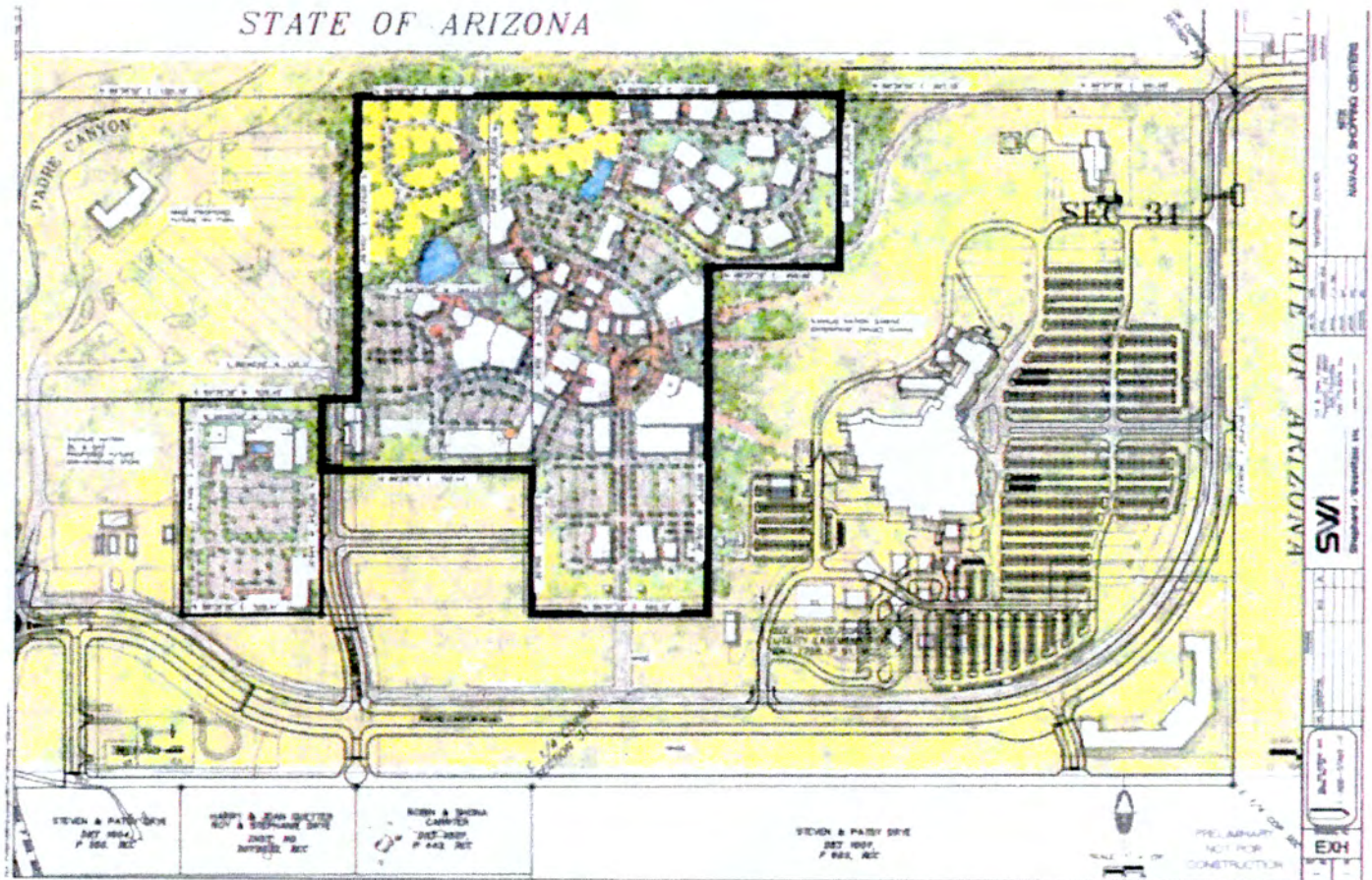
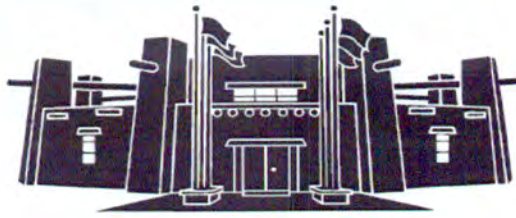


Exhibit B
The Outlook at Glittering Mountain
Master Plan





MEMORANDUM

TO: Honorable Jonathan Hale
The 23rd Navajo Nation Council

FROM: K.A. Lowell
Kristen A. Lowell, Attorney
Office of Legislative Counsel

DATE: September 30, 2016

SUBJECT: AN ACTION RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE AND NAABIK'IYATI' COMMITTEES AND NAVAJO NATION COUNCIL; ADOPTING THE SIHASIN FUND TWIN ARROWS/GLITTERING MOUNTAIN FAMILY ENTERTAINMENT CENTER ECONOMIC DEVELOPMENT EXPENDITURE PLAN PURSUANT TO RESOLUTION CD-68-14 AND 12 N.N.C. §§2501-2508

As requested, I have prepared the above-referenced proposed resolution and associated legislative summary sheet pursuant to your request for legislative drafting. Based on a review of the existing law and the documents submitted, the legislation is legally sufficient.

The resolution as drafted is legally sufficient; however, as with any action of government it may be subject to review by the courts in the event of proper challenge. **Please ensure that this particular resolution is precisely what you want.** You are encouraged to review the proposed resolution to ensure that it is drafted to your satisfaction.

The Office of Legislative Counsel confirms the appropriate standing committee(s) based on the standing committees powers outlined in 2 N.N.C. §§301, 401, 501, 601 and 701. Nevertheless, "the Speaker of the Navajo Nation Council shall introduce [the proposed resolution] into the legislative process by assigning it to the respective oversight committee(s) of the Navajo Nation Council having authority over the matters for proper consideration." 2 N.N.C. §164(A)(5).

If the proposed resolution is unacceptable to you, please contact me at the Office of Legislative Counsel and advise me of the changes you would like made to the proposed resolution.

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0355-16_

SPONSOR: Jonathan Hale

TITLE: An Action Relating To Resources And Development, Budget And Finance And Naabik'iyati' Committees And Navajo Nation Council; Adopting The Sihasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan Pursuant To Resolution CD-68-14 And 12 N.N.C. §§ 2501-2508

Date posted: October 4, 2016 at 5:04pm

Digital comments may be e-mailed to comments@navajo-nsn.gov

Written comments may be mailed to:

**Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515
(928) 871-7590**

Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.

Please note: This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. §374 *et. seq.*

**THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW SUMMARY**

LEGISLATION NO.: 0355-16

SPONSOR: Honorable Jonathan L. Hale

TITLE: An Action Relating To Resources And Development, Budget And Finance And Naabik'iyati' Committees And Navajo Nation Council; Adopting The Sihasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan Pursuant To Resolution CD-68-14 And 12 N.N.C. §§ 2501-2508.

Posted: October 4, 2016 at 5:04 pm

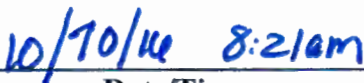
5 DAY Comment Period Ended: October 9, 2016

Digital Comments received:

Comments Supporting	<i>None</i>
Comments Opposing	<i>None</i>
Inclusive Comments	<i>None</i>



**Policy Analyst
Office of Legislative Services**



Date/Time

**THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW SUMMARY**

LEGISLATION NO.: 0355-16

SPONSOR: Honorable Jonathan L. Hale

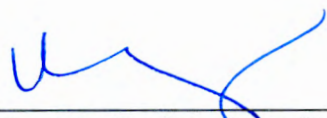
TITLE: An Action Relating To Resources And Development, Budget And Finance And Naabik'iyati' Committees And Navajo Nation Council; Adopting The Sihasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan Pursuant To Resolution CD-68-14 And 12 N.N.C. §§ 2501-2508.

Posted: October 4, 2016 at 5:04 pm

5 DAY Comment Period Ended: October 9, 2016

Digital Comments received:

Comments Supporting	<i>None</i>
Comments Opposing	<i>None</i>
Inclusive Comments (1)	1. Navajo Nation Shopping Centers, Inc. Board of Directors Resolution No. NNSCI-246-17



**Legislative Secretary II
Office of Legislative Services**

10/4/2017 8:49am

Date/Time

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NAVAJO NATION SHOPPING CENTERS, INC.**

No. NNSCI-246-17

**RECOMMENDING THE SECOND SET OF
AMENDMENTS OR MODIFICATIONS TO
LEGISLATION 0355-16 AND APPROVING THE
UPDATED FINANCIAL PLAN FOR THE
GLITTERING MOUNTAIN FAMILY
ENTERTAINMENT CENTER**

WHEREAS:

1. In 2002, the Navajo Nation Council established the Navajo Nation Shopping Centers, Inc. (hereinafter "NNSCI") and approved the Articles of Incorporation for the NNSCI. See, CO-63-02.
2. The NNSCI is authorized to initiate and implement the planning, developing, financing, designing, and constructing shopping centers within or near the Navajo Nation. Article V, section 4 (A), (B), (C) and (D).
3. The NNSCI is authorized to borrow funds, pledge non-restricted assets and execute contracts for the repayment of funds and such authorization is appropriate if the NNSCI obligation does not exceed the NNSCI's ability to repay the funds and pledge assets that are not disallowed by the Bylaws of the NNSCI or disallowed by the NNSCI Board. Article V, Section 8 of the Bylaws of the NNSCI.
4. The Navajo Nation Council tabled Legislation 0355-16 during its winter session of 2016. On June 19, 2017, the NNSCI then approved amendments to Legislation 0355-16. On July 18, 2017, the Sponsors of Legislation Number 0355-16 and the NNSCI presented this legislation to the council. The council deferred the legislation to the Winter Session of 2017.
5. Since July 2017, new plans have emerged necessitating a need to amend Legislation Number 0355-16. The new plan is to develop the GMFEC on the property of the Navajo Nation Gaming Enterprise (NNGE). The land upon which the GMFEC will be built is on Navajo Nation Trust Land. The NNSCI will sublease trust land from the NNGE to build the GMFEC.
6. The new plan comes with new financial information that needs to be inputted into Legislation 0355-16. See attached document which provides as follows: \$15.0 million loan, \$1.0 million for infrastructure grant with pay back, \$1.0 million Community Development Financial Institution (short term loan), \$100,000.00 Navajo Nation Sales Tax Revenue, \$6.0 million NNSCI contribution and \$4.0 million New Market Tax Credit. Also, included are the Financing Analysis, and proposed changes are attached.

7. It is in the best interest of the NNSCI to update Legislation Number 0355-16 and continued with the plans of the GMFEC.

NOW, THEREFORE, BE IT RESOLVED THAT:

A. The Board of Directors of the Navajo Nation Shopping Centers, Inc. hereby recommends amendments or modifications to Legislation Number 0355-16 as they are reflected in the attached documentation and approves an update of the financial information concerning infrastructure development on trust land.

B. The Board of Directors of the Navajo Nation Shopping Centers, Inc. authorizes the management of the NNSCI, financial adviser and legal counsel to work with appropriate offices, entities, subcommittees and committees to finalize the Legislation Number 0355-16 for council consideration and such authorization includes updating new financial information and other information that are necessary to continue with the project to secure funds for the GMFEC. Attached is the resolution and Financial Analysis.

C E R T I F I C A T I O N

I, hereby certify that the foregoing resolution was considered and approved by the Board of Directors of the Navajo Nation Shopping Centers, Inc., at a duly called Special Board Meeting at Twin Arrows Navajo Casino Resort Conference Room in Flagstaff, Arizona, on this 14th day of November 14 2017, and was approved by a vote of 5 in favor, 0 opposing, and 0 abstaining.

Mrs. Peggy F. Scott, Chairperson

Date

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION

2 23RD NAVAJO NATION COUNCIL – Second Year, 2016

3 INTRODUCED BY

4
5 _____
6 (Prime Sponsor)

7
8 TRACKING NO. _____
9

10 AN ACTION RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND
11 FINANCE AND NAABIK'IYATI' COMMITTEES AND NAVAJO NATION COUNCIL;
12 ADOPTING THE SIHASIN FUND TWIN ARROWS/GLITTERING MOUNTAIN FAMILY
13 ENTERTAINMENT CENTER ECONOMIC DEVELOPMENT EXPENDITURE PLAN
14 PURSUANT TO RESOLUTION CD-68-14 AND 12 N.N.C. §§2501-2508
15

16 **BE IT ENACTED:**

17
18 **Section One. Authority**

- 19 A. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102 (A).
20 B. The Naabik'iyati' Committee of the Navajo Nation Council is empowered to review all
21 proposed legislation which requires final action by the Navajo Nation Council. 2 N.N.C.
22 §164(A)(9).
23 C. The Naabik'iyati' Committee additionally has the authority to delegate its authority as
24 appropriate for efficiency and streamlining of government process to appropriate entities and
25 to establish a subcommittee that consists of committee members which the committee selects.
26 2 N.N.C. §§ 186 and 701 (B).
27 D. The Budget and Finance Committee of the Navajo Nation Council is empowered to review
28 and recommend to the Navajo Nation Council the budgeting, appropriation, investment, and
29 management of all funds. 2 N.N.C. §301 (B)(2).
30

- 1 E. The Resource and Development Committee of the Navajo Nation Council is empowered to
2 exercise oversight authority over economic and community development, commerce and trade,
3 and public utilities and telecommunications. 2 N.N.C. §500 (C).
- 4 F. The Síhasin Subcommittee of the Naabik'iyati' Committee of the Navajo Nation Council was
5 established to recommend to the Naabik'iyati' Committee and Navajo Nation Council financial
6 support and/or financing plans for the purposes designated in the Navajo Nation Trust
7 Settlement Act of 2014, 12 N.N.C. §§ 2501-2508, enacted by CD-68-14. NABIAP-20-15.

8

9 **Section Two. Findings**

- 10 A. On May 30, 2014, the 22nd Navajo Nation Council adopted Resolution No. CMY-28-14
11 accepting a settlement of the Navajo Nation's lawsuit, *Navajo Nation v. United States*, No. 06-
12 945L (United States Court of Federal Claims) against the United States for its historical
13 mismanagement of the tribe's trust assets and its failure to ensure that the Navajo Nation
14 received all funds due and owed under the United States' trust obligations and fiduciary duties.
15 Resolution No. CMY-28-14 was signed into law by the President of the Navajo Nation on
16 June 4, 2014.
- 17 B. The 22nd Navajo Nation Council recognized that during the many decades that the United
18 States was in breach of its trust obligations and fiduciary duties to the Nation, the tribal
19 government was without funds to develop the comprehensive nationwide infrastructures
20 necessary to support and promote community growth and sustainability through the expansion
21 of economic development, as well as to provide the educational opportunities, critical for the
22 prosperity of current and future generations of Dine. See Resolution No. CMY-28-14.
- 23 C. Between October 6, 2014 and November 8, 2014 the Office of the Speaker held seven (7)
24 Public Hearings, as directed by the Navajo Nation Council's Naabik'iyati' Committee on July
25 10, 2014, to receive input from Navajo Nation members on how the net proceeds from *Navajo*
26 *Nation v. United States* should be used. During that same time period, the Office of the
27 President and Vice-President also held five (5) town hall meetings for a similar purpose.
- 28 D. On December 13, 2014, the 22nd Navajo Nation Council adopted Resolution No. CD-68-14
29 enacting the Navajo Nation Breach of Trust Settlement Act of 2014 (hereinafter "2014 Act")
- 30

1 and establishing the Navajo Nation Síhasin Fund at 12 N.N.C. §2501 et seq.. The President of
2 the Navajo Nation signed Resolution No. CD-68-14 into law on December 31, 2014.

3 E. The 2014 Act mandated that the net proceeds and earnings thereon received by the Navajo
4 Nation from the settlement of *Navajo Nation v. United States* and that, when duly designated,
5 the net proceeds of settlements or judgement awards of other litigation(s) brought against the
6 United States concerning its failure to ensure that the Navajo Nation received all funds due
7 and owing under the United States' trust obligations and fiduciary duties, be deposited into the
8 Síhasin Fund and managed and invested to provide financial support and/or financing for (1)
9 the planning and development of regional infrastructure supporting economic and community
10 development, including housing, within the Navajo Nation; and/or (2) education opportunities
11 for members of the Navajo Nation. See 12 N.N.C. §2502 (A).

12 F. The 2014 Act also established that "leveraging of the [Síhasin] Fund by way of guaranteeing
13 loans, match funding, direct funding in part and other weighted uses of the Fund shall be
14 favored over direct funding in whole". 12 N.N.C. §2502 (B).

15 G. The 2014 Act further established that with the exception of outstanding and accrued litigation
16 costs, Síhasin Fund Principal and Income shall only be expended pursuant to a Fund
17 Expenditure Plan consistent with the purposes set forth in the 2014 Act at 12 N.N.C. §2502
18 and adopted by a two-thirds (2/3) vote of all members of the Navajo Nation Council. 12
19 N.N.C. §2502 (A),

20 H. The 2014 Act states that "Fund Principal" shall consist of all deposits made to the Síhasin
21 Fund and that "Fund Income" shall consist of all earnings (interest, dividends, etc.) generated
22 and realized by the Fund Principal and that Fund Income shall be deposited in and added to
23 Fund Principal until such time as a Fund Expenditure Plan(s) is duly adopted. Pursuant to 12
24 N.N.C. §§2505(C),

25 I. The Office of the Controller reported that as of January 1, 2016, the amount of the Síhasin
26 Fund Principal is four hundred eighty-seven million nine hundred ninety thousand eight
27 hundred forty-one dollars and ninety-one cents (\$487,990,841.91) with interest earnings of
28 four hundred fifty-eight thousand four hundred thirty-one dollars and seventy-five cents
29 (\$458,431.75).
30

- 1 J. On April 9, 2015, the Naabik'iyati' Committee adopted Resolution No. NABIP-20-15
2 establishing the Naabik'iyati' Sihasin Fund Subcommittee to "review and evaluate the Public
3 Hearing comments and recommendations from the Navajo People" and "recommend to the
4 Naabik'iyati' Committee and Navajo Nation Council financial support and/or financing
5 plan(s) for the purposes designated in CD-68-14 [Navajo Nation Breach of Trust Settlement
6 Act of 2014, establishing the Sihasin Fund]".
- 7 K. Between April 2015 and October 2016, the Naabik'iyati' Sihasin Fund Subcommittee, assisted
8 by the Office of Legislative Services, Office of the Speaker, and Office of Legislative
9 Counsel, met on more than twenty-five (25) occasions in either work sessions or official
10 meetings to review and evaluate the Public Hearing comments and recommendations from the
11 Navajo People; hear proposals from Navajo Nation entities, chapters, programs and officials;
12 and develop an expenditure plan(s) for the Sihasin Fund Principal and Income consistent with
13 the purposes set forth in the 2014 Act.
- 14 L. The Naabik'iyati' Sihasin Fund Subcommittee determined that for an expenditure plan to fully
15 meet the leveraging criteria of the 2014 Act, the expenditure plan shall not rely on Sihasin
16 Funds for full direct project funding, unless such funds are to be repaid under a loan
17 agreement, and instead must utilize the Sihasin Funds for (1) match funding, joint funding,
18 contribution funding, cost-share funding or similar weighted uses of the funds; (2)
19 reimbursement funding; and/or (3) loan or bond financing or guarantee.
- 20 M. The Naabik'iyati' Sihasin Fund Subcommittee also determined that the 2014 Act allowed for
21 the adoption of multiple expenditure plans and that it would be prudent for the Navajo Nation
22 to adopt integrated, yet distinct, expenditure plans for regional-level infrastructure planning
23 and development in four broad infrastructure areas or categories consistent with the purposes
24 of the 2014 Act: Water and Natural Resource Infrastructure Development; Economic
25 Development; Community Development; and Housing Development.
- 26 N. In February of 2016, upon recommendation of the Naabik'iyati' Sihasin Fund Subcommittee,
27 the Navajo Nation enacted Legislation No. CJA-12-16 adopting the Sihasin Fund Bulk Water
28 and Wastewater Development and Sanitation Deficiency System (SDS) Project Expenditure
29 Plans for the planning and development of a comprehensive and cohesive nationwide bulk
30

1 water delivery system necessary to support sustainable economic development, including
2 housing, throughout the Navajo Nation.

3 O. Legislation No. CJA-12-16 specifically set forth that following the adoption of the Bulk Water
4 and Wastewater Development and Sanitation Deficiency System (SDS) Project Expenditure
5 Plans, the Naabik'iyati Sihasin Fund Subcommittee would consider project specific economic
6 and community development expenditure plans for funding under Section 2505 of the 2014
7 Act.

8 P. The Navajo Nation Shopping Centers, Inc. presented the Naabik'iyati' Sihasin Fund
9 Subcommittee with information that since 2013 and the inception of the Twin Arrows Navajo
10 Casino Resort ("TANCR"), the Navajo Nation (which includes the Navajo-Hopi Land
11 Commission and Office, the Division of Economic Development, other Navajo Nation
12 programs, and the Twin Arrows Task Force), the Office of Navajo Hopi Relocation, the
13 Navajo Nation Oil and Gas Company ("NNOGC"), and the Navajo Nation Shopping Centers,
14 Inc. have planned and advocated for a Family Entertainment Center to include a six screen
15 theater, bowling alley, restaurant, child care facility, video arcade and laser tag at the Twin
16 Arrows Interstate 40 interchange; and these parties have worked together to advance the
17 development of the Twin Arrows/Glittering Mountain Family Entertainment Center to initially
18 include egress to TANCR; and this work includes multiple market studies, master plans, a
19 "Retail Site Analysis", environmental studies, archaeological and geotechnical studies and
20 design documents.

21 Q. In December of 2014, the Resources and Development Committee passed Resolution RDCD-
22 106-14, attached as Exhibit A, approving the Twin Arrows Master Plan which includes plans
23 for multiple businesses at Twin Arrows, specifically including the Twin Arrows/Glittering
24 Mountain Family Entertainment Center as a co-anchor tenant adjacent to the TANCR
25 boundary, and directing the Navajo Nation Enterprises to commercially develop the Twin
26 Arrows/Glittering Mountain Commercial Development Site.

27 R. Navajo Nation Shopping Centers, Inc. also presented the Naabik'iyati Sihasin Fund
28 Subcommittee with studies showing that the development and establishment of the Glittering
29 Mountain Family Entertainment Center under the ownership and management of Navajo
30 Nation Shopping Centers, Inc. will:

1. Provide a positive financial return to Navajo Nation Shopping Centers, Inc., as well as attract visitors to and compliment the amenities offered at the TANCR;
 2. Provide a positive return to the Navajo Nation through the creation of permanent jobs, as well as construction jobs for several trades, tax revenues from retail sales and construction, and business site lease fee revenues, as well as expand markets for Navajo goods and opportunities for Navajo entrepreneurs; and
 3. Stimulate capital and economic multiplier effects for the western portion of the Navajo Nation.
- S. Navajo Nation Shopping Centers, Inc. additionally presented the Naabik'iyati' Sihasin Fund Subcommittee with information that the development of essential utilities necessary to operate the Twin Arrows/Glittering Mountain Family Entertainment Center will establish the utilities infrastructure necessary to support future development of approximately 70 acres in the midst of the approximately 400 acres of the TANCR area, including other ancillary businesses such as retail establishments, fast food restaurants, tourism facilities and similar developments.
- T. Navajo Nation Shopping Centers, Inc. reassured the Naabik'iytai' Sihasin Fund Subcommittee that as of February 28, 2016, the Glittering Mountain Family Entertainment Center was project ready with the selection of a Design Build Contractor with the Design Phase for the site and building construction/architectural design near 100% complete to commence in two months from the allocation of funds per section 4(A)(4) above and opening should be within a reasonable time after completion of the construction, if funding in the amount of sixteen million dollars (\$16,000,000) was immediately secured.
- U. The Glittering Mountain Family Entertainment Center will be built on trust land of the Navajo Nation and meets the 2014 Act's requirement at 12 N.N.C. §2502 (A) that economic development projects be located *within* the Navajo Nation.
- V. Lastly, Navajo Nation Shopping Centers, Inc. informed the Naabik'iyati' Sihasin Fund Subcommittee that Navajo Nation Shopping Centers, Inc. had so far contributed over three million dollars (\$3,000,000.00) in in-kind development costs supporting the Glittering Mountain Family Entertainment Center project, e.g. feasibility studies, engineering, environmental assessment, electricity and water/wastewater infrastructure studies, land costs, and other development costs.

1 W. On September 28, 2016, the Naabik'iyati Sihasin Fund Subcommittee has accepted the update
2 report of the revised Financial Plan for the Navajo Nation Shopping Centers, Inc.'s request to
3 recommend the Glittering Mountain Family Entertainment Center project to the Naabik'iyati'
4 Committee and Navajo Nation Council for financial support and funding through the Sihasin
5 Fund.

6 X. Notwithstanding the responsibilities assigned to the Naabik'iyati' Sihasin Fund Subcommittee
7 to recommend to the Naabik'iyati' Committee and Navajo Nation Council financial support
8 and/or financing plans for the purposes designated in the 2014 Act, the Navajo Nation Council
9 hereby determines that:

- 10 1. The Glittering Mountain Family Entertainment Center Economic Development
11 Expenditure Plan, attached as Exhibit B, submitted by Navajo Nation Shopping
12 Centers, Inc. meets the 2014 Act's requirement at 12 N.N.C. §2502 (A)(1) for the
13 "planning and development of regional infrastructure supporting economic and
14 community development, including housing, within the Navajo Nation";
- 15 2. The substantial in-kind contribution Navajo Nation Shopping Centers, Inc. has already
16 made towards the Glittering Mountain Family Entertainment Center project satisfies
17 the 2014 Act's requirement at 12 N.N.C. §2502(B) that "leveraging of the [Sihasin]
18 Fund by way of guaranteeing loans, match funding, direct funding in part and other
19 weighted uses of the Fund shall be favored over direct funding in whole"; and
- 20 3. The sixty percent (60%) debt obligation to the Sihasin Fund that Navajo Nation
21 Shopping Centers, Inc. is willing to assume in order to finish construction of the
22 Glittering Mountain Family Entertainment Center facilities additionally satisfies the
23 2014 Act's requirement at 12 N.N.C. §2502 (B) that "leveraging of the [Sihasin] Fund
24 by way of guaranteeing loans, match funding, direct funding in part and other
25 weighted uses of the Fund shall be favored over direct funding in whole"

26 Y. Notwithstanding the responsibilities assigned to the Sihasin Fund Subcommittee to
27 recommend to the Naabik'iyati' Committee and Navajo Nation Council financial support
28 and/or financing plans for the purposes designated in the 2014 Act, the Navajo Nation Council
29 hereby further determines that it is in the long-term best interests of the Navajo Nation, as well
30 as in the long-term best interests of economic development on the western portion of the

Navajo Nation, that the Glittering Mountain Family Entertainment Center be funded as an economic development expenditure plan through the Síhasin Fund, under 12 N.N.C. § 2505 of the 2014 Act, as the Síhasin Fund Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan, attached as Exhibit B.

Section Three. Approval and Adoption of Expenditure Plan

- A. The Navajo Nation hereby approves and adopts the Síhasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan, attached and incorporated herein as Exhibit B.
- B. The Navajo Nation hereby approves and adopts total funding for the Síhasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan in the amount of \$16,000,000 (sixteen million dollars) as follows:
 1. Direct funding from the Síhasin Fund in the amount \$1,000,000 (one million dollars) to the Navajo Nation Shopping Centers, Inc. for the planning, development and construction of infrastructure necessary to support the Twin Arrows/Glittering Mountain Family Entertainment Center and ancillary developments and such funding payable to the Síhasin Funds as negotiated per section 4(A)(4) above; and,
 2. Loan funding from the Síhasin Fund Principal in the amount of \$15,000,000 (fifteen million dollars) to the Navajo Nation Shopping Centers, Inc. for the planning, development and construction of the Twin Arrows/Glittering Mountain Family Entertainment Center facilities and such funding payable to the Síhasin Fund as negotiated per section 4(A)(4) above.
- C. The Síhasin Fund funds allocated for the Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan may be further leveraged by bond or loan financing pursuant to the Navajo Nation Bond Financing Act, 12 N.N.C. §1300 et seq., as amended, using Síhasin Fund Income for repayment and financing costs upon the recommendation of the Budget and Finance Committee and approval by a two-thirds (2/3) vote of all members of the Navajo Nation Council.

Section Four. Approval and Adoption of Expenditure Plan Administration

- 1 A. The Navajo Nation hereby approves administration of the Síhasin Fund Twin
2 Arrows/Glittering Mountain Family Entertainment Center Economic Development
3 Expenditure Plan as follows:
- 4 1. Navajo Nation Shopping Centers, Inc. shall have the authority and responsibility to
5 administer and use the Síhasin Funds allocated solely to design, plan and construct the
6 Twin Arrows/Glittering Mountain Family Entertainment Center and the attendant
7 infrastructure as set forth in Exhibit B and shall return any and all cost-savings to the
8 Síhasin Fund once the Twin Arrows/Glittering Mountain Family Entertainment Center is
9 fully constructed;
 - 10 2. Navajo Nation Shopping Centers, Inc. shall not use Síhasin Funds, including loan funds,
11 to operate the Twin Arrows/Glittering Mountain Family Entertainment Center;
 - 12 3. The Navajo Nation Controller shall determine whether the source of the direct funding and
13 the loan funding to Navajo Nation Shopping Centers, Inc. will be Síhasin Fund Principal
14 or Income or a combination of both;
 - 15 4. The loan funds allocated to Navajo Nation Shopping Centers, Inc. shall be administered
16 and repaid, including interest, to the Síhasin Fund through a loan agreement negotiated by
17 the Division of Economic Development and approved by the Navajo Nation Controller
18 and the Budget & Finance Committee with loan terms of 25 (twenty five) year term,
19 twenty fiveyear amortization and 1.50% fixed interest rate; and
 - 20 5. The direct funds allocated to Navajo Nation Shopping Centers, Inc. shall be administered
21 through a grant or similar agreement, such as a Memorandum of Understanding ("MOU"),
22 negotiated and overseen by the Division of Economic Development.
- 23 B. Navajo Nation Shopping Centers, Inc.'s Board of Directors shall account for and be held
24 accountable for the expenditure of Síhasin Fund funds and shall account for such funds
25 pursuant to an account or fund management plan approved by the Navajo Nation Shopping
26 Centers, Inc.'s Board of Directors which shall at least include provisions that:
- 27 1. The accounting and financial records for the Síhasin Fund funds, including the loan
28 funds, shall be kept separate from other Navajo Nation Shopping Centers, Inc. funds
29 and accounts; and
30

- 1 2. The use of the Síhasin Fund funds, including the loaned funds, shall be audited on an
2 annual basis by an independent auditor with such audit report submitted to the
3 Naabik'iyati' Committee, Executive Director of the Division of Economic
4 Development, Office of the Controller, and Office of the President and Vice-President.

- 5 C. Navajo Nation Shopping Centers, Inc.'s Board of Directors shall report the status of the
6 construction of the Twin Arrows/Glittering Mountain Family Entertainment Center, as well as
7 the status of the Síhasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center
8 Economic Development Expenditure Plan, to the Naabik'iyati' Committee, Division of
9 Economic Development, Office of the Controller and Office of the President and Vice-
10 President on a quarterly basis.

11
12 **Section Five. Effective Date**

13 The Síhasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic
14 Development Expenditure Plan, as set forth above, shall become effective pursuant to 2 N.N.C. § 221.

15
16 **Section Six. Directives**

- 17 A. All Navajo Nation programs and personnel, specifically including, but not limited to, the
18 Division of Economic Development, Office of Controller and Twin Arrows Task Force and
19 Navajo Nation Shopping Centers, Inc.'s Board of Directors and staff shall take all steps
20 necessary to expeditiously implement the Síhasin Fund Twin Arrows/Glittering Mountain
21 Family Entertainment Center Economic Development Expenditure Plan consistent with the
22 provisions set forth above.
- 23 B. The Navajo Nation Shopping Centers, Inc.'s Board of Directors and staff and Navajo Nation
24 programs named in this legislation shall be held accountable for the progress of tasks and/or
25 projects under their responsibility and control and shall report on a semi-annual basis to the
26 Naabik'iyati' Committee on the progress of their respective tasks and projects.

**THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW SUMMARY**

LEGISLATION NO.: 0355-16

SPONSOR: Honorable Jonathan L. Hale


TITLE: An Action Relating To Resources And Development, Budget And Finance And Naabik'iyati' Committees And Navajo Nation Council; Adopting The Sihasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan Pursuant To Resolution CD-68-14 And 12 N.N.C. §§ 2501-2508.

Posted: October 4, 2016 at 5:04 pm

5 DAY Comment Period Ended: October 9, 2016

Digital Comments received:

Comments Supporting	<i>None</i>
Comments Opposing	<i>None</i>
Inclusive Comments (1)	1. Dominic Beyal, Executive Director; Office of Management and Budget.



**Legislative Secretary II
Office of Legislative Services**

12/12/2017 4:53 pm

Date/Time



THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

MEMORANDUM

TO : Reviewers/Sponsors/NN Council Delegates

FROM : 
Dominic Beyal, Executive Director
Office of Management & Budget

DATE : November 20, 2017

SUBJECT : Legislation #0335-16, Approving Supplemental Funding From the Unreserved, Undesignated Fund Balance in the Amount of Three Million Dollars (\$3,000,000) to the Navajo Nation Chapter Veterans Organizations.

The Office of Management & Budget (OMB) has updated a October 13, 2016, memorandum as follows:

1. Because of the limited availability of funds, OMB advises the Branch Chiefs to prioritize all supplemental funding proposals pursuant to the FY 2018 Budget Resolution CS-53-17 paragraph "L"), the FY 2018 Budget Instructions Manual (Section XIV), and the Appropriations Act, 12 N.N.C. §800 A. This activity should be completed by the three branches to determine priorities. In a memorandum dated October 2, 2017, OMB informed the Branch Chiefs and the Navajo Nation Council that there are 30 UUFB proposals totaling more than \$46 million. Since then, there are more than 45 and the new total amount requested is \$59.8 million. Again, what are the priorities?
2. The Navajo Nation Veterans Administration (NNVA) received the following amounts for Fiscal Year 2018:

1) NNVA General Fund	\$1,422,392
2) NNVA Trust Fund - Chapter Veteran Organizations	<u>\$4,208,528</u>
Total: \$5,702,920	
3. The Fiscal Year 2018 Budget Instructions Manual (BIM) Section XIV, Supplemental Funding Request Policies and Procedures explains the requirements for funding. Missing from the proposed legislation is the Supplemental Funding Proposal Summary (Appendix K).
4. The balance available in the UUFB as of October 13, is \$31,258,217. The Office of the Controller has not completed the financial close out for FY 2017, so the current FY 2018 UUFB amount is not finalized at this time. The Exhibit "A" is old and obsolete (dated 9/21/16).
5. The legislation was prepared during the Fiscal Year 2016, more than a year ago. OMB recommends the information be updated using FY 2018 budget forms.

If there are any questions, contact OMB, Miriam Davis, SBA at 928.871.6571.

xc: OMB File
OP/VP, NNVA



**RESOURCES AND DEVELOPMENT COMMITTEE
23rd NAVAJO NATION COUNCIL**

SECOND YEAR 2016

COMMITTEE REPORT

Mr. Speaker,

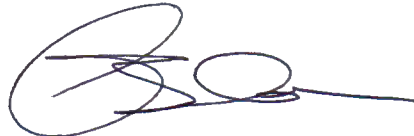
The **RESOURCES AND DEVELOPMENT COMMITTEE** to whom has been assigned:

Legislation # 0355-16: An Action Relating to Resources and Development, Budget and Finance and Naabik'Iyati Committees and Navajo Nation Council; Adopting the Sihasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan Pursuant to Resolution CD-68-14 and 12 N.N.C. §2501-2508. *Sponsor: Honorable Jonathan Hale*

Has had it under consideration and report the same with a **DO PASS** with the no amendment.

And thereafter referred to Budget and Finance Committee.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Alton Joe Shepherd', with a stylized flourish extending to the right.

Alton Joe Shepherd, Chairperson
Resources and Development Committee of
the 23rd Navajo Nation Council

Date: October 25, 2016
Main Motion: Honorable Leonard Pete
Second: Honorable Benjamin Bennett
Vote: 4-0-1

23rd NAVAJO NATION COUNCIL
Budget and Finance Committee Report
Second Year 2016

The **BUDGET AND FINANCE COMMITTEE** to whom has been assigned:

NAVAJO LEGISLATIVE BILL #0355-16

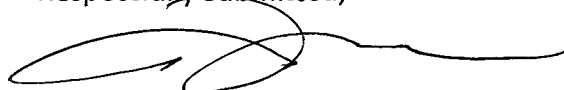
An Action Relating to Resources and Development, Budget and Finance and Naabik'íyáti' Committees and Navajo Nation Council; Adopting the Síhasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan Pursuant to Resolution CD-68-14 and 12 N.N.C. §§ 2501-2508

Sponsored by: Honorable Jonathan L. Hale

Has had it under consideration and reports the same with the recommendation that it **DO NOT PASS**

And therefore, referred to the **NAABIK'ÍYÁTI' COMMITTEE**

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Seth Damon', written over a horizontal line.

Honorable Seth Damon, Chairman
BUDGET AND FINANCE COMMITTEE

15 NOVEMBER 2016

Motioned: Honorable Dwight Witherspoon
Seconded: Honorable Lee Jack, Sr.

VOTE: 01 in Favor and 02 Opposed (Chairman Damon not voting)

23rd NAVAJO NATION COUNCIL
Naabik'íyáti' Committee Report
Second Year 2016

The **NAABIK'ÍYÁTI' COMMITTEE** to whom has been assigned:

NAVAJO LEGISLATIVE BILL #0355-16

An Action Relating to Resources and Development, Budget and Finance and Naabik'íyáti' Committees and Navajo Nation Council; Adopting the Síhasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan Pursuant to Resolution CD-68-14 and 12 N.N.C. §§ 2501-2508

Sponsored by: Honorable Jonathan L. Hale

Has had it under consideration and reports the same with the recommendation that it **DID NOT PASS**

And therefore, referred to the **NAVAJO NATION COUNCIL**

Respectfully Submitted,

A handwritten signature in dark ink, appearing to read 'LoRenzo C. Bates', written over a horizontal line.

Honorable LoRenzo C. Bates, Chairman
NAABIK'ÍYÁTI' COMMITTEE

17 NOVEMBER 2016

Motioned: Honorable Benjamin Bennett
Seconded: Honorable Davis Filfred

VOTE: 09 in Favor and 10 Opposed (Chairman Bates broke tie)

NAVAJO NATION

RCS# 613

Naa'bik'iyati Committee

11/17/2016

02:58:08 PM

Amd# to Amd#

Legislation No. 0355-16

FAILED

MOT Bennett

Adopting the Sihasin Fund Twin

SEC Filfred

Arrows/Glittering Mountain

Familt Entertainment Center...

Yea : 9

Nay : 10

Not Voting : 5

Yea : 9

BeGaye, N
Bennett
Damon

Filfred
Hale

Jack
Pete

Slim
Yazzie, P

Nay : 10

Bates
Begay, K
Begay, NM

Chee
Daniels
Perry

Smith
Tsosie

Witherspoon
Yazzie

Not Voting : 5

Brown
Crotty

Phelps

Shepherd

Tso

23rd NAVAJO NATION COUNCIL COMMITTEE REPORT Third Year 2017

The **NAVAJO NATION COUNCIL** to whom has been assigned:

NAVAJO NATION LEGISLATION #0355-16

An Action Relating to Resources and Development, Budget and Finance and Naabik'íyáti' Committees and Navajo Nation Council; Adopting the Síhasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan Pursuant to Resolution CD-68-14 and 12 N.N.C. §§ 2501-2508

Sponsored by: Honorable Jonathan L. Hale

Has had it under consideration and reports the same was **TABLED**

Respectfully Submitted,



Honorable LoRenzo C. Bates, Speaker
NAVAJO NATION COUNCIL

25 JANUARY 2017

TABLING MOTION:

Motion to Table to have three (3) entities meet before 2017 Spring Session

Motioned by: Honorable Edmund Yazzie

Seconded by: Honorable Norman M. Begay

Vote: 16 in Favor, 02 Opposed (Speaker Bates not voting)

MAIN MOTION:

Motioned: Honorable Norman M. Begay

Seconded: Honorable Lee Jack. Sr.

Vote:

9

23rd Navajo Nation Council

Winter Session

DATE: January 25, 2017

Table Legislation: 0355-16

Motion: EYazzie

Second: NM Begay

ALL DELEGATES:

	Yea	Nay
BATES, LoRenzo		
BEGAY, Kee Allen Jr.		
BEGAY, Norman M.	✓	
BEGAYE, Nelson		✓
BENNETT, Benjamin L.	✓	
BROWN, Nathaniel	✓	
CHEE, Tom T.	✓	
CROTTY, Amber K.		
DAMON, Seth	✓	
DANIELS, Herman	✓	
FILFRED, Davis	✓	
HALE, Jonathan L.	✓	
JACK, Lee Sr.	✓	
PERRY, Jonathan		
PETE, Leonard H.	✓	
PHELPS, Walter	✓	
SHEPHERD, Alton Joe		
SLIM, Tuchoney Jr.	✓	
SMITH, Raymond Jr.	✓	
TSO, Otto		✓
TSOSIE, Leonard		✓
WITHERSPOON, Dwight	✓	
YAZZIE, Edmund	✓	
YAZZIE, Peterson	✓	

Excused: Hon. Kee Allen Begay, Jr.
Hon. Alton Joe Shepherd

GRAND TOTAL

16.3

CERTIFICATION:



Honorable LoRenzo Bates
Speaker

**23rd NAVAJO NATION COUNCIL
COUNCIL REPORT
Third Year 2017**

The **NAVAJO NATION COUNCIL** to whom has been assigned:

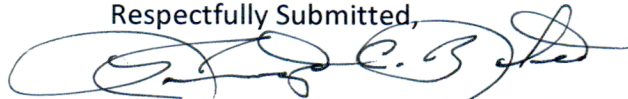
NAVAJO NATION LEGISLATION #0355-16

An Action Relating to Resources and Development, Budget and Finance and Naabik'íyáti' Committees and Navajo Nation Council; Adopting the Síhasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan Pursuant to Resolution CD-68-14 and 12 N.N.C. §§ 2501-2508

Sponsored by: Honorable Jonathan L. Hale

Has had it under consideration and reports the same was **REFERRED TO THE NAABIK'ÍYÁTI' COMMITTEE**

Respectfully Submitted,



Honorable LoRenzo C. Bates, Speaker
NAVAJO NATION COUNCIL

18 APRIL 2017

REFERRAL MOTION:

Motion to Refer to the Naabik'íyáti' Committee

Motioned by: Honorable Seth Damon

Seconded by: Honorable Leonard Pete

Vote: 13 in Favor, 07 Opposed (Speaker Bates not voting)

MAIN MOTION:

Motioned: Honorable Norman M. Begay

Seconded: Honorable Lee Jack. Sr.

Vote:

RCS# 723

NAVAJO NATION

NNC Spring Session

4/18/2017
02:15:35 PM

Amd# to Amd#

Recall Legislation No. 0355-16

PASSED

MOT Hale

SEC Jack

Yea : 11

Nay : 9

Not Voting : 4

Yea : 11

Begay, S
BeGaye, N
Chee

Crotty
Damon
Hale

Jack
Pete
Phelps

Shepherd
Witherspoon

Nay : 9

Begay, K
Begay, NM
Bennett

Filfred
Perry

Smith
Tso

Tsosie
Yazzie

Not Voting : 4

Brown

Daniels

Bates

Slim

NAVAJO NATION

RCS# 724

NNC Spring Session

4/18/2017

02:19:22 PM

Amd# to Amd#

Refer to NABI Legislation

PASSED

MOT Damon

No. 0355-16

SEC Pete

Yea : 13

Nay : 7

Not Voting : 4

Yea : 13

Begay, NM
Begay, S
Bennett
Chee

Crotty
Damon
Filfred

Hale
Jack
Pete

Phelps
Tso
Tsosie

Nay : 7

Begay, K
BeGaye, N

Perry
Shepherd

Smith
Witherspoon

Yazzie

Not Voting : 4

Bates

Daniels

Slim

Brown

23rd NAVAJO NATION COUNCIL
Naabik'íyáti' Committee Report
Third Year 2017

The **NAABIK'ÍYÁTI' COMMITTEE** to whom has been assigned:

NAVAJO LEGISLATIVE BILL #0355-16

An Action Relating to Resources and Development, Budget and Finance and Naabik'íyáti' Committees and Navajo Nation Council; Adopting the Síhasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan Pursuant to Resolution CD-68-14 and 12 N.N.C. §§ 2501-2508

Sponsored by: Honorable Jonathan L. Hale

Has had it under consideration and reports the same with the recommendation that it **PASSED**

And therefore, referred to the **NAVAJO NATION COUNCIL**

Respectfully Submitted,



Honorable LoRenzo C. Bates, Chairman
NAABIK'ÍYÁTI' COMMITTEE

6 JULY 2017

Motioned: Honorable Edmund Yazzie

Seconded: Honorable Benjamin Bennett

*VOTE: 10 in Favor and 01 Opposed (Chairman Bates not voting) **

** Pursuant to 2 N.N.C. § 700(D), two members from each committee*

9

23rd Navajo Nation Council Naabik'iyati' Committee

Date: July 6, 2017

Legislation No. 0355-16

Motion: Edmund Yazzie

Second: Benjamin L. Bennett

ALL DELEGATES:

	Yea	Nay
BATES, LoRenzo C.		
BEGAY, Kee Allen Jr.		
BEGAY, Norman M.		
BEGAY, Steven		
BEGAYE, Nelson		
BENNETT, Benjamin L.		
BROWN, Nathaniel		
CHEE, Tom T.		
CROTTY, Amber K.		
DAMON, Seth		
DANIELS, Herman		
FILFRED, Davis		
HALE, Jonathan L.		
JACK, Lee Sr.		
PERRY, Jonathan		
PETE, Leonard H.		
PHELPS, Walter		
SHEPHERD, Alton Joe		
SLIM, Tuchoney Jr.		
SMITH, Raymond Jr.		
TSO, Otto		
TSOSIE, Leonard		
WITHERSPOON, Dwight		
YAZZIE, Edmund		

BY COMMITTEE:

	Yea	Nay	TOTAL
BFC:			
CHEE, Tom T.	✓		
DAMON, Seth			
JACK, Lee Sr.	✓		
SLIM, Tuchoney Jr.			
WITHERSPOON, Dwight			
TSOSIE, Leonard			2
HEHSC:			
BEGAY, Norman M.	✓		
BEGAY, Steven			
BEGAYE, Nelson			
BROWN, Nathaniel			
CROTTY, Amber K.	✓		
HALE, Jonathan L.			2
LOC:			
BEGAY, Kee Allen Jr.			
DANIELS, Herman			
SMITH, Raymond Jr.		✓	
TSO, Otto	✓		
YAZZIE, Edmund	✓		3
RDC:			
BENNETT, Benjamin L.	✓		
FILFRED, Davis			
PERRY, Jonathan	✓		
PETE, Leonard H.			
PHELPS, Walter	✓		
SHEPHERD, Alton Joe	✓		4
SPEAKER:			
BATES, LoRenzo C.	10	1	
(Votes only in a tie)			11

GRAND TOTAL

CERTIFICATION:

Honorable LoRenzo C. Bates
Speaker

23rd NAVAJO NATION COUNCIL ACTION REPORT Third Year 2017

The **NAVAJO NATION COUNCIL** to whom has been assigned:

NAVAJO NATION LEGISLATION #0355-16

An Action Relating to Resources and Development, Budget and Finance and Naabik'íyáti' Committees and Navajo Nation Council; Adopting the Síhasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan Pursuant to Resolution CD-68-14 and 12 N.N.C. §§ 2501-2508

Sponsored by: Honorable Jonathan L. Hale

Co-Sponsored by: Honorable Alton Joe Shepherd

Has had it under consideration and reports the same was **REFERRED TO THE NAABIK'ÍYÁTI' COMMITTEE**

Respectfully Submitted,



Honorable LoRenzo C. Bates, Speaker
NAVAJO NATION COUNCIL

18 July 2017

REFERRAL MOTION:

Motion to Refer back to the Naabik'íyáti' Committee to revise Expenditure Plan by 2018 Winter Session

Motioned by: Honorable Edmund Yazzie

Seconded by: Honorable Otto Tso

Vote: 15 in Favor, 06 Opposed (Speaker Bates not voting)

MAIN MOTION:

Motioned: Honorable Norman M. Begay

Seconded: Honorable Lee Jack. Sr.

Vote:

NAVAJO NATION

RCS# 781

NNC Summer Session

7/18/2017

01:10:17 PM

Amd# to Amd#

Refer back to Naabik'iyati'

PASSED

MOT Yazzie

Committee *Legis. No. 0355-16*

SEC Tso

Yea : 15

Nay : 6

Not Voting : 3

Yea : 15

Begay, NM
Begay, S
Brown
Chee

Damon
Daniels
Hale
Jack

Pete
Phelps
Slim
Tso

Tsosie
Witherspoon
Yazzie

Nay : 6

Begay, K
BeGaye, N

Crotty
Perry

Shepherd

Smith

Not Voting : 3

Bennett

Bates

Filfred

**23rd NAVAJO NATION COUNCIL
Naabik'íyáti' Committee Report
Third Year 2017**

The **NAABIK'ÍYÁTI' COMMITTEE** to whom has been assigned:

NAVAJO LEGISLATIVE BILL #0355-16

An Action Relating to Resources and Development, Budget and Finance and Naabik'íyáti' Committees and Navajo Nation Council; Adopting the Síhasin Fund Twin Arrows/Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan Pursuant to Resolution CD-68-14 and 12 N.N.C. §§ 2501-2508

Sponsored by: Honorable Jonathan L. Hale

Co-Sponsored by: Honorable Alton Joe Shepherd

Has had it under consideration and reports the same with the recommendation that it **ACCEPTED THE REPORT IN COMPLIANCE WITH THE COUNCIL REFERRAL**. Compliance was achieved by attached document: Navajo Nation Shopping Centers, Inc. Glittering Mountain, LLC, Preliminary Financing Analysis dated December 4, 2017 (revised Expenditure plan).

And therefore, referred to the **NAVAJO NATION COUNCIL**

Respectfully Submitted,



Honorable LoRenzo C. Bates, Chairman
NAABIK'ÍYÁTI' COMMITTEE

4 DECEMBER 2017

Motioned: Honorable Alton Joe Shepherd

Seconded: Honorable Jonathan Perry

VOTE: 12 in Favor and 06 Opposed (Chairman Bates not voting)

NAVAJO NATION

RCS# 657

Naa'bik'iyati Committee

12/4/2017

01:24:48 PM

Amd# to Amd#

Accept report by Nathan Begay

PASSED

MOT Shepherd

SEC Perry

Yea : 12

Nay : 6

Not Voting : 6

Yea : 12

Bennett
Chee
Daniels

Hale
Perry
Pete

Phelps
Shepherd
Slim

Tso
Witherspoon
Yazzie

Nay : 6

Begay, K
Begay, S

Brown
Crotty

Damon

Smith

Not Voting : 6

Bates
Begay, NM

BeGaye, N
Filfred

Jack

Tsosie



**Navajo Nation Shopping Centers, Inc.
Glittering Mountain, LLC
Preliminary Financing Analysis**

CONFIDENTIAL



December 4, 2017

Executive Summary

Financial Analysis Overview

The following document provides an analysis of a proposed financing scenario for Glittering Mountain, LLC ("GMLLC"), a wholly-owned subsidiary of Navajo Nation Shopping Centers Inc. ("NNSCI").

The financing plan covers all estimated construction, development and startup costs/capital related to a proposed entertainment center (the "Project") located in Twin Arrows, Arizona. The total investment to be funded through the date operations commence ("Commencement Date") is estimated to be **\$26.8 million**.

1. NNSCI will own 100% of GMLLC and will fund the Project through a combination of equity contributions (land, cash, expenses already paid), Navajo Nation grants and loans from Navajo Nation entities.
2. NNSCI borrows **\$15.0 million** from the Sihasin Fund in the form of a one-year construction loan. The Sihasin Fund takeout/permanent loan is structured as a 25-year amortizing loan. The monthly payments during the first **18 months** are customized. NNSCI is the guarantor and source of repayment for the loan. The Sihasin loan interest rate equals **1.5%** for Years 1-25.
3. NNSCI borrows **\$1.0 million** from the NCDFI in the form of a one-year construction loan. The NCDFI takeout/permanent loan is structured as a 7-year amortizing loan. The monthly payments during the first **18 months** are customized. NNSCI is the guarantor and source of repayment for the loan. The NCDFI loan interest rate equals **5.0%** for Years 1-7.
4. Grant of **\$1.0 million** from the Sihasin Fund. Grant will be repaid from the profits (after debt service) of the Project.
5. Grant of **\$100,000** from the Sales Tax Trust Fund. Grant will be repaid from the profits (after debt service) of the Project.
6. Total NNSCI equity contributions of **\$5.7 million**, consisting of (i) the contribution of approximately 7 acres of trust land with an estimated market value of **\$300,000**, (ii) additional cash contribution of **\$3.4 million**, and (iii) **\$2.0 million** already invested.
7. New Market Tax Credit investment of approximately **\$4.0 million**. NMTCs, if available to the Project, will be employed at the earliest possible date. Until NMTC funding is available, NNSCI will provide the additional equity.

The financial proforma for the Project incorporates estimated revenues and operating costs presented in the AEM feasibility study, dated 11/15/14, for the first four years of operations.

The financial pro forma for NNSCI incorporate unaudited financials for the period ending June 30, 2017 and reasonable growth and margin assumptions in future years.

One purpose of this document is to capture all of the costs to develop the Project. The total development costs are preliminary and will change. The costs are presented for the purpose of validating and tracking such costs as NNSCI seeks financing and the development proceeds forward. This analysis will be updated as new information becomes available, such as engineering cost estimates, contractor bids, appraisals, financing offers, clarifications of Project scope/terms and utility proposals.

CONFIDENTIAL

Pro Forma Assumptions

Financial Projection Assumptions

The financial projections contained herein are based on analyses by Management of information available at the time this document was prepared. The projections are based on NNSCI's views of present and future events outside of NNSCI's control and on assumptions that may prove to be incorrect. If one or more of these assumptions proves to be incorrect, actual results may differ materially from the projections contained in this document. While all available information has been utilized in the creation of these projections, they should not be relied upon entirely, and any party analyzing such projections should undertake their own due diligence investigation.

Presented in the financial tables that follow are *multi-year* projections and *monthly construction year* projections presented individually for the single entities NNSCI and GMLLC. Financials for the combination of NNSCI and GMLLC are presented in the consolidated financial statements.

The financial proforma for the Project incorporate estimated revenues and operating costs presented in the AEM feasibility study, dated 11/15/14, for the first four years of operations.

The financial pro forma for NNSCI incorporate unaudited financials for the period ending June 30, 2017 and reasonable growth and margin assumptions in future years.

One purpose of this document is to capture all of the costs to develop the Project. The total development costs are preliminary and will change. The costs are presented for the purpose of validating and tracking such costs as NNSCI seeks financing and the development proceeds forward.

This analysis must be updated as new information becomes available, such as engineering cost estimates, contractor bids, appraisals, financing offers, clarifications of Project scope/terms and utility proposals.



Pro Forma Assumptions

GMLLC

The financial projections for the single entity Glittering Mountain LLC ("GMLLC") reflect operations for the Entertainment Center ("FEC"). Projections for the first four years of the FEC operation following commencement of operations were provided in the feasibility report prepared by Amusement Entertainment Management, LLC ("AEM") dated November 14, 2014. In addition to operating projections, the FEC feasibility study also included various capital costs associated with development of the FEC, which have been supplemented with newer information relating to off-site infrastructure costs and the engineering, procurement and construction ("EPC") contract with A.R. Mays.

A. FEC Development

- GMLLC does not incur Coconino county sales tax for construction of the FEC.
- Development occurs on trust land and is subject to applicable Navajo Nation taxes.
- GMLLC does not arrange for any debt financing nor is the entity responsible for repayment. NNSCI is the sole borrowing entity for both construction and permanent loans and is responsible for debt repayment.
- New Market Tax Credits are directly infused into GMLLC as equity funding. New Market Tax Credits do not pass through NNSCI.

Pro Forma Assumptions

NNSCI

NNSCI financials are presented for the single entity managing 10 shopping centers across the Navajo Nation. Unaudited financials for the period ending June 30, 2017 are incorporated into the financial projections.

A. Timing of Financing

- Investment into NNSCI's subsidiary, GMLLC, occurs in one lump sum cash transaction one month prior to start of FEC construction.
- NNSCI is the sole borrowing entity for both construction and permanent loans.
- Construction loan amounts are drawn down prior to start of FEC construction.



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Sources & Uses

Summarized

The following table presents a summarized Statement of Sources and Uses for the Project covering the period from inception through the Commencement Date. See Sources and Uses detailed table for more information regarding Uses. The capital structure scenario assumes:

- NNSCI has already invested \$2.3M of cash into pre-development expenses.
- An additional \$3.4M of cash (of \$5.7M total equity) will be infused by NNSCI into GMLLC to provide the necessary equity funding for the Project.
- Navajo Nation financing is the only other source of funding.
- 100% of the equity of GMLLC is owned by NNSCI. NNSCI will be the only equity partner in the Project, unless NMTC investment is obtained.
- NNSCI will contribute the partitioned acreage (approx. 7 acres) utilized by the Project to GMLLC as part of its equity contribution (est. \$300K).
- Note that some of the Project costs have already been incurred and paid by NNSCI.
- New Market Tax Credit (NMTC) investment of \$4.0M, if available, will be directly infused into GMLLC as part of equity funding.
- Additional funding sources being considered are: NCDFI, commercial banks and NN Division of Economic Development Sales Tax Fund.

The following table must be updated as new information becomes available, such as engineering cost estimates, contractor bids, appraisals, financing offers, clarifications of Project scope/terms, utility proposals.

Sources and Uses as of 12/4/2017			
Sources	(\$ MM)	Uses	(\$ MM)
NNSCI Contributed Equity	\$ 2.3	AR Mays - FEC Construction Cost	\$ 21.5
NNSCI Additional Equity	3.4	Taxes - Navajo Nation	1.1
Total NNSCI	\$ 5.7	AR Mays - Design Fees	1.1
		Total - FEC Buildout	(a) \$ 23.6
Navajo CDFI Loan	\$ 1.0	Childcare/Arcade - FEC Construction Cost	0.7
Navajo Sales Tax Loan	-	Land	0.3
Navajo Sales Tax Grant	0.1	Consulting Fees	1.0
Navajo Sihasin Loan	15.0	Financing Costs	0.6
Navajo Sihasin Grant, Infrastructure	1.0	Pre-Opening Expenses	0.4
Total Navajo Nation	\$ 17.1	Fee to Trust Land Conversion Cost	0.1
		Building Permit & Fees	0.0
New Market Tax Credit Investment	\$ 4.0		
Total Sources	\$ 26.8	Total Uses	\$ 26.8

(a) ARM 1/19/17 construction cost budget of \$22.5M excluding Coconino county sales tax for construction.

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Sources & Uses

Detailed

GMLLC - Navajo Nation Financing for FEC Sources and Uses 2012 - Opening Day as of 12/4/2017

Sources		Uses	
	\$		\$
NNSCI Contribution of Land	(a) \$ 300,000	Structural Buildout & On-Site	(b) \$ 13,668,438
NNSCI Already Paid: A&E	982,762	Entertainment and Attractions FF&E	(b) 3,226,972
NNSCI Already Paid: Consulting Fees	1,009,560	Theater FF&E Costs (Interior)	(b) 1,286,500
NNSCI Total Incurred	2,292,322	Childcare/Arcade	700,000
		Architectural and Engineering	(b) 1,108,250
		Consulting Fees	(d) 1,009,560
		Additional Utility Infrastructure	(b) 1,103,290
		Land Value (7 acres at est. market value)	300,000
		Financing - Loan Costs	(c) (f) 340,000
NNSCI Cash (REMAINDER)	3,424,300	Financing - Interest, Construction Loan	301,128
NNSCI Total To-Be-Incurred	3,424,300	Interior Contents & Consumables (Inv.)	(c) 91,500
NNSCI Total	\$ 5,716,622	Pre-Opening Expenses	(c) 290,000
		Cash Reserve and Contingency	(b) 579,249
Navajo CDFI Loan	(i) \$ 1,000,000	Contractors Fee	(b) 994,378
Navajo Sales Tax Loan	-	Builders Risk	(b) 23,095
Navajo Sales Tax Grant	100,000	General Liability	(b) 250,583
Navajo Sihasin Loan	(e) 15,000,000	Performance Bond	(b) 347,054
Navajo Sihasin Grant, Infrastructure	(h) 1,000,000	Taxes - Coconino County (4.485%)	(b) -
Navajo Sihasin Grant, Matching (Econ. Dev.)	-	Taxes - Navajo Nation (5.000%)	(b) 1,056,625
Total Navajo Nation	\$ 17,100,000	Building Permit & Fees	(c) 40,000
		Fee to Trust Land Conversion Cost	(c) 100,000
Bank Loan	-	FEC Redesign Fee	(c) -
New Market Tax Credit Investment	\$ 4,000,000	Other Site Costs	(c) (g) -
Total Sources	\$ 26,816,622	Total Uses	\$ 26,816,622

(a) Land owned by NNSCI. Value indicated equals estimated market value of 7 acres.

(b) Cost Budget prepared by AR Mays Construction dated 1/19/2017

(c) Actual amount TBD

(d) NNSCI costs incurred as of 1/24/2017

(e) Assuming a 25-year fixed rate loan at 1.50% APR.

(f) Loan fees includes \$100K estimated consultant/legal fee, \$240K BIA loan guarantee fee

(g) Tallsalt estimate of FEC site costs.

(h) Infrastructure from Resort Blvd. to FEC only.

(i) Assuming a 7-year fixed rate loan at 5.00% APR.

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GMLLC FEC Capitalization

At Commencement of Operations

The following initial capitalization tables present the same capital structure from two perspectives:

Table A (left) presents the source of funds categorized in to (i) debt and (ii) equity/grant.

Table B (right) presents the source of funds categorized in to (i) Navajo Nation sources and (ii) NNSCI and/or NMTCs.

GM LLC Family Entertainment Center

at Commencement of Operations

as of 12/4/2017

	Capital \$MM	% Total Capital	% Total Debt or Equity
Debt			
NCDFI Loan	\$ 1.0	3.7%	6.3%
Navajo Sihasin Loan	15.0	55.9%	93.8%
Navajo Sales Tax Loan	-	0.0%	0.0%
Total Debt	\$ 16.0	59.7%	100.0%
Equity			
Navajo Sihasin Grant	\$ 1.0	3.7%	9.2%
Navajo Sales Tax Grant	0.1	0.4%	0.9%
NNSCI	5.7	21.3%	52.9%
New Market Tax Credit	4.0	14.9%	37.0%
Total Equity	10.8	40.3%	100.0%
Total Capitalization	\$ 26.8	100.0%	

GM LLC Family Entertainment Center

	Capital \$MM	% Total Capital
Navajo Nation		
Navajo Sihasin Loan	\$ 15.0	55.9%
Navajo Sihasin Grant	1.0	3.7%
Navajo Sihasin Grant Matching (Econ. Dev.)	-	0.0%
Navajo Sales Tax Grant	0.1	0.4%
NCDFI Loan	1.0	3.7%
Total Navajo Nation	17.1	63.8%
NNSCI		
NNSCI Equity	5.7	21.3%
Other Sources		
New Market Tax Credit	4.0	14.9%
Total Capitalization	\$ 26.8	100.0%

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Pro Forma Financial Information

Financial Statements

NNSCI

GMLLC FEC

NNSCI & GMLLC FEC (Consolidated)



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Pro Forma Financial Information

Financial Statements

NNSCI

Annual Detail

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Pro Forma Financials – NNSCI

Annual Detail

The following pro forma financial statement presents the prospective annual financial statements for NNSCI during the construction period and the first 10 years following commencement of FEC operations Year 1.

NNSCI Pro Forma Income Statement

\$000s	Pre-Const Year	Construction Year	FEC Operation									
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	\$ 4,264	\$ 4,371	\$ 4,480	\$ 4,592	\$ 4,707	\$ 4,825	\$ 4,945	\$ 5,069	\$ 5,196	\$ 5,326	\$ 5,459	\$ 5,595
% change	--	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Cost of Sales	-	-	-	-	-	-	-	-	-	-	-	-
Gross Profit	4,264	4,371	4,480	4,592	4,707	4,825	4,945	5,069	5,196	5,326	5,459	5,595
% of Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Expenses	1,834	1,880	1,927	1,975	2,024	2,075	2,127	2,180	2,234	2,290	2,347	2,406
% of Revenue	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%
EBITDA	2,431	2,491	2,554	2,618	2,683	2,750	2,819	2,889	2,962	3,036	3,111	3,189
% of Revenue	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%
Depreciation & Amortization	1,063	1,131	1,202	1,273	1,347	1,423	1,500	1,579	1,661	1,744	1,830	1,917
EBIT	1,368	1,360	1,352	1,344	1,336	1,327	1,319	1,310	1,301	1,291	1,282	1,272
Interest												
Navajo Nation Loan (Construction)	19	227	-	-	-	-	-	-	-	-	-	-
Navajo CDFI Loan	4	51	52	49	42	33	25	15	5	(0)	(0)	(0)
Navajo Nation Loan (Permanent)	-	-	228	225	217	209	201	192	184	175	166	157
Navajo Sales Tax Fund Loan	-	-	-	-	-	-	-	-	-	-	-	-
Total Interest	23	278	281	274	259	242	225	208	189	175	166	157
EBT	1,345	1,082	1,072	1,070	1,077	1,085	1,094	1,102	1,112	1,116	1,116	1,115
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	\$ 1,345	\$ 1,082	\$ 1,072	\$ 1,070	\$ 1,077	\$ 1,085	\$ 1,094	\$ 1,102	\$ 1,112	\$ 1,116	\$ 1,116	\$ 1,115



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Pro Forma Financials – NNSCI

Annual Detail

The following pro forma financial statement presents the prospective annual financial statements for NNSCI during the construction period and the first 10 years following commencement of FEC operations Year 1.

NNSCI Pro Forma Balance Sheet

\$000s	Pre-Const.	Construction	FEC Operation									
	Year	Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assets												
Cash	\$ 5,926	\$ 7,379	\$ 8,428	\$ 9,174	\$ 9,775	\$ 10,416	\$ 11,097	\$ 11,818	\$ 12,582	\$ 13,596	\$ 14,653	\$ 15,756
Accounts Receivable	159	163	167	171	176	180	184	189	194	199	204	209
Inventory	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Asset	66	67	69	71	73	74	76	78	80	82	84	86
Current Operating Assets	6,151	7,610	8,665	9,416	10,023	10,670	11,357	12,086	12,856	13,876	14,941	16,051
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
PP&E - Real Property	1,406	1,406	1,406	1,406	1,406	1,406	1,406	1,406	1,406	1,406	1,406	1,406
PP&E	16,861	15,832	14,802	13,773	12,744	11,715	10,686	9,657	8,627	7,598	6,569	5,540
Capital Expenditures	980	1,917	2,810	3,657	4,458	5,212	5,916	6,571	7,175	7,726	8,223	8,665
Investment in Subsidiary	22,817	22,817	22,817	22,817	22,817	22,817	22,817	22,817	22,817	22,817	22,817	22,817
Total PP&E & Other	\$ 42,063	\$ 41,971	\$ 41,834	\$ 41,663	\$ 41,425	\$ 41,149	\$ 40,825	\$ 40,450	\$ 40,025	\$ 39,546	\$ 39,016	\$ 38,428
Total Assets	\$ 48,214	\$ 49,581	\$ 50,499	\$ 51,068	\$ 51,448	\$ 51,819	\$ 52,182	\$ 52,536	\$ 52,881	\$ 53,423	\$ 53,956	\$ 54,479
Liabilities & Member Equity												
Accounts Payable	122	125	128	132	135	138	142	145	149	153	157	160
Other Current Liability	136	138	143	147	150	154	158	162	166	170	174	179
Current Operating Liabilities	\$ 260	\$ 266	\$ 273	\$ 279	\$ 286	\$ 293	\$ 301	\$ 308	\$ 316	\$ 324	\$ 332	\$ 340
Navajo Nation Loan (Construction)	15,019	15,246	-	-	-	-	-	-	-	-	-	-
NCDFI Loan	1,004	1,056	1,023	910	746	573	392	201	(0)	(0)	(0)	(0)
Navajo Nation Loan (Permanent)	-	-	15,118	14,723	14,183	13,635	13,078	12,513	11,940	11,358	10,767	10,167
Navajo Sales Tax Fund Loan	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt	16,023	16,301	16,141	15,634	14,929	14,208	13,470	12,714	11,940	11,358	10,767	10,167
Total Liabilities	\$ 16,282	\$ 16,567	\$ 16,414	\$ 15,913	\$ 15,215	\$ 14,501	\$ 13,771	\$ 13,022	\$ 12,258	\$ 11,681	\$ 11,098	\$ 10,507
Equity	\$ 30,832	\$ 31,914	\$ 32,985	\$ 34,055	\$ 35,132	\$ 36,218	\$ 37,311	\$ 38,414	\$ 39,525	\$ 40,642	\$ 41,757	\$ 42,872
Equity - New Market Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Navajo Sales Tax Grant	100	100	100	100	100	100	100	100	100	100	100	100
Equity - Sihasin Grant	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Equity	\$ 31,932	\$ 33,014	\$ 34,085	\$ 35,155	\$ 36,232	\$ 37,318	\$ 38,411	\$ 39,514	\$ 40,625	\$ 41,742	\$ 42,857	\$ 43,972
Total Liabilities & Equity	\$ 48,214	\$ 49,581	\$ 50,499	\$ 51,068	\$ 51,448	\$ 51,819	\$ 52,182	\$ 52,536	\$ 52,881	\$ 53,423	\$ 53,956	\$ 54,479


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Pro Forma Financials – NNSCI

Annual Detail

The following pro forma financial statement presents the prospective annual financial statements for NNSCI during the construction period and the first years following commencement of FEC operations in FEC Ops. Year 1.

NNSCI Pro Forma Statement of Cash Flow

\$000s	Pre-Const. Year	Construction Year	FEC Operation									
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash Flow from Operations												
Net Income	\$ 1,345	\$ 1,082	\$ 1,072	\$ 1,070	\$ 1,077	\$ 1,085	\$ 1,094	\$ 1,102	\$ 1,112	\$ 1,116	\$ 1,116	\$ 1,115
Depreciation & Amortization	1,063	1,131	1,202	1,273	1,347	1,423	1,500	1,579	1,661	1,744	1,830	1,917
Change in Working Capital:												
Accounts Receivable	(0)	(4)	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(5)
Inventory	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Asset	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Accounts Payable	0	3	3	3	3	3	3	4	4	4	4	4
Accrued Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Accrued Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Liability	(0)	3	3	4	4	4	4	4	4	4	4	4
Cash Flow from Operations	2,408	2,214	2,274	2,345	2,425	2,509	2,565	2,683	2,773	2,862	2,946	3,033
Cash Flow from Investing Activities												
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
PP&E - Net	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	(1,014)	(1,039)	(1,065)	(1,092)	(1,119)	(1,147)	(1,176)	(1,205)	(1,235)	(1,266)	(1,296)	(1,330)
Investment in Subsidiary	(20,524)	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Investing Activities	(21,538)	(1,039)	(1,065)	(1,092)	(1,119)	(1,147)	(1,176)	(1,205)	(1,235)	(1,266)	(1,296)	(1,330)
Cash Flow from Financing Activities												
Borrowings/Cap. Int. - NN Loan (Construction)	15,019	227	-	-	-	-	-	-	-	-	-	-
Borrowings/Cap. Interest - NCDFI Loan	1,004	51	-	-	-	-	-	-	-	-	-	-
Borrowings/Cap. Int. - NN Loan (Permanent)	-	-	15,246	-	-	-	-	-	-	-	-	-
Borrowings/Cap Int. - NN Loan (Sales Tax)	-	-	-	-	-	-	-	-	-	-	-	-
Grants	1,100	-	-	-	-	-	-	-	-	-	-	-
New Market Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-
Repayments - NN Loan (Construction)	-	-	(15,246)	-	-	-	-	-	-	-	-	-
Repayments - NCDFI Loan	-	-	(33)	(113)	(164)	(173)	(182)	(191)	(201)	-	-	-
Repayments - NN Loan (Permanent)	-	-	(127)	(395)	(540)	(548)	(557)	(565)	(574)	(582)	(591)	(600)
Repayments - NN Loan (Sales Tax)	-	-	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Financing Activities	17,123	278	(160)	(508)	(704)	(721)	(738)	(756)	(774)	(582)	(591)	(600)
Change in Cash	\$ (2,007)	\$ 1,453	\$ 1,049	\$ 745	\$ 602	\$ 641	\$ 681	\$ 722	\$ 764	\$ 1,013	\$ 1,058	\$ 1,103
Cash - Ending Balance	5,926	7,379	8,428	9,174	9,775	10,416	11,097	11,818	12,582	13,596	14,653	15,756

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Pro Forma Financial Information

Financial Statements

GMLLC FEC – Construction Year

Monthly Detail

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Pro Forma Financials – GM LLC

Construction Year - Monthly

The following pro forma financial statement presents the prospective monthly financials during the construction year of the FEC for GMLLC.

GM LLC Pro Forma Income Statement

	Construction Year												
	Pre-Const. Month 12	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
\$000s													
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
% change	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Profit	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-	-	-	40	100	150
% of Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	-	-	-	-	-	-	-	-	-	-	(40)	(100)	(150)
% of Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
EBIT	-	-	-	-	-	-	-	-	-	-	(40)	(100)	(150)
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Navajo Nation Loan (Construction)	-	-	-	-	-	-	-	-	-	-	-	-	-
Navajo CDFI Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Navajo Nation Loan (Permanent)	-	-	-	-	-	-	-	-	-	-	-	-	-
Navajo Sales Tax Fund Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
EBT	-	-	-	-	-	-	-	-	-	-	(40)	(100)	(150)
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(40) \$	(100) \$	(150)



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Pro Forma Financials – GM LLC

Construction Year - Monthly

The following pro forma financial statement presents the prospective monthly financials during the construction year of the FEC for GMLLC.

GM LLC Pro Forma Balance Sheet

\$000s

	Pre-Const.	Construction Year											
	Month 12	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Assets													
Cash	\$ 24,524	\$ 21,583	\$ 19,744	\$ 17,906	\$ 16,068	\$ 14,230	\$ 12,391	\$ 10,553	\$ 8,715	\$ 6,877	\$ 4,998	\$ 3,060	\$ 980
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	92
Other Current Asset	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Operating Assets	24,524	21,583	19,744	17,906	16,068	14,230	12,391	10,553	8,715	6,877	4,998	3,060	1,072
Infrastructure	-	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103
PP&E - Real Property	300	300	300	300	300	300	300	300	300	300	300	300	300
PP&E	-	1,838	3,677	5,515	7,353	9,191	11,030	12,868	14,706	16,544	18,383	20,221	22,059
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures - Bldg Pre-constr.	1,992	1,992	1,992	1,992	1,992	1,992	1,992	1,992	1,992	1,992	1,992	1,992	1,992
Total PP&E & Investment	\$ 2,292	\$ 5,234	\$ 7,072	\$ 8,910	\$ 10,749	\$ 12,587	\$ 14,425	\$ 16,263	\$ 18,102	\$ 19,940	\$ 21,778	\$ 23,616	\$ 25,455
Total Assets	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,777	\$ 26,677	\$ 26,527
Liabilities & Member Equity													
Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Operating Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Navajo Nation Loan (Construction)	-	-	-	-	-	-	-	-	-	-	-	-	-
Navajo CDFI Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Navajo Nation Loan (Permanent)	-	-	-	-	-	-	-	-	-	-	-	-	-
Navajo Sales Tax Fund Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity	\$ 22,817	\$ 22,817	\$ 22,817	\$ 22,817	\$ 22,817	\$ 22,817	\$ 22,817	\$ 22,817	\$ 22,817	\$ 22,817	\$ 22,777	\$ 22,677	\$ 22,527
Equity - New Market Tax Credit	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Equity - Navajo Sales Tax Grant	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Sishain Grant	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,777	\$ 26,677	\$ 26,527
Total Liabilities & Equity	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,817	\$ 26,777	\$ 26,677	\$ 26,527

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Pro Forma Financials – GM LLC

Construction Year - Monthly

The following pro forma financial statement presents the prospective monthly financials during the construction year of the FEC for GMLLC.

GM LLC Pro Forma Statement of Cash Flow

	Pre-Const.	Construction Year											
	Month 12	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
\$000s													
Cash Flow from Operations													
Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (40)	\$ (100)	\$ (150)
Depreciation & Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Working Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	(92)
Other Current Asset	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Liability	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Operations	-	-	-	-	-	-	-	-	-	-	(40)	(100)	(242)
Cash Flow from Investing Activities													
Infrastructure	-	(1,103)	-	-	-	-	-	-	-	-	-	-	-
PP&E - Building	-	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)
PP&E - Equipment	-	(434)	(434)	(434)	(434)	(434)	(434)	(434)	(434)	(434)	(434)	(434)	(434)
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Investing Activities	-	(2,942)	(1,838)	(1,838)	(1,838)	(1,838)	(1,838)	(1,838)	(1,838)	(1,838)	(1,838)	(1,838)	(1,838)
Cash Flow from Financing Activities													
Borrowings/Cap. Interest - NN Loan (Const.)	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings/Cap. Interest - NCDFI Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings/Cap. Int. - NN Loan (Permanent)	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings/Cap Int. - NN Loan (Sales Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
New Market Tax Credit	4,000	-	-	-	-	-	-	-	-	-	-	-	-
Repayments - NN Loan (Construction)	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayments - NCDFI Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayments - NN Loan (Permanent)	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayments - NN Loan (Sales Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Infusion from NNSCI	20,524	-	-	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Financing Activities	24,524	-	-	-	-	-	-	-	-	-	-	-	-
Change in Cash	\$ 24,524	\$ (2,942)	\$ (1,838)	\$ (1,838)	\$ (1,838)	\$ (1,838)	\$ (1,838)	\$ (1,838)	\$ (1,838)	\$ (1,838)	\$ (1,878)	\$ (1,938)	\$ (2,080)
Cash - Ending Balance	24,524	21,583	19,744	17,906	16,068	14,230	12,391	10,553	8,715	6,877	4,998	3,060	980

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Pro Forma Financial Information
Financial Statements

GMLLC FEC
Annual Detail



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Pro Forma Financials – GM LLC

Annual Detail

The following pro forma financial statement presents the prospective annual financial statements for GMLLC during the construction year and the first ten years following commencement of FEC operations in Year 1.

GM LLC Pro Forma Income Statement

\$000s	Pre-Const Year	Construction Year	FEC Operation									
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	\$ -	\$ -	\$ 4,857	\$ 5,067	\$ 5,261	\$ 5,462	\$ 5,626	\$ 5,795	\$ 5,969	\$ 6,148	\$ 6,332	\$ 6,522
% change	-	-	-	4.3%	3.8%	3.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cost of Sales	-	-	1,242	1,294	1,343	1,394	1,436	1,479	1,523	1,569	1,616	1,665
Gross Profit	-	-	3,614	3,773	3,918	4,068	4,190	4,316	4,445	4,579	4,716	4,857
% of Revenue	-	-	74.4%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%
Operating Expenses	-	290	2,126	2,199	2,260	2,328	2,398	2,470	2,544	2,620	2,699	2,780
% of Revenue	-	-	43.8%	43.4%	42.9%	42.6%	42.6%	42.6%	42.6%	42.6%	42.6%	42.6%
EBITDA	-	(290)	1,489	1,575	1,658	1,740	1,792	1,846	1,901	1,959	2,017	2,078
% of Revenue	-	-	30.7%	31.1%	31.5%	31.9%	31.9%	31.9%	31.9%	31.9%	31.9%	31.9%
Depreciation & Amortization	-	-	1,202	1,214	1,227	1,240	1,253	1,266	1,280	1,295	1,310	1,325
EBIT	-	(290)	287	360	432	500	539	580	621	664	708	753
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Navajo Nation Loan (Construction)	-	-	-	-	-	-	-	-	-	-	-	-
Navajo CDFI Loan	-	-	-	-	-	-	-	-	-	-	-	-
Navajo Nation Loan (Permanent)	-	-	-	-	-	-	-	-	-	-	-	-
Navajo Sales Tax Fund Loan	-	-	-	-	-	-	-	-	-	-	-	-
Total Interest	-	-	-	-	-	-	-	-	-	-	-	-
EBT	-	(290)	287	360	432	500	539	580	621	664	708	753
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	\$ -	\$ (290)	\$ 287	\$ 360	\$ 432	\$ 500	\$ 539	\$ 580	\$ 621	\$ 664	\$ 708	\$ 753

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Pro Forma Financials – GM LLC

Annual Detail

The following pro forma financial statement presents the prospective annual financial statements for GMLLC during the construction year and the first ten years following commencement of FEC operations in Year 1.

GM LLC Pro Forma Balance Sheet

\$000s	Pre-Const Year	Construction Year	FEC Operation									
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assets												
Cash	\$ 24,524	\$ 980	\$ 2,384	\$ 3,833	\$ 5,362	\$ 6,970	\$ 8,627	\$ 10,334	\$ 12,092	\$ 13,903	\$ 15,769	\$ 17,692
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	92	95	99	103	106	109	112	116	119	123	127
Other Current Asset	-	-	-	-	-	-	-	-	-	-	-	-
Current Operating Assets	24,524	1,072	2,480	3,932	5,465	7,076	8,736	10,446	12,208	14,023	15,892	17,818
Infrastructure	-	1,103	1,064	1,024	984	944	905	865	825	786	746	706
PP&E - Real Property	300	300	300	300	300	300	300	300	300	300	300	300
PP&E	-	22,059	20,983	19,908	18,832	17,757	16,681	15,605	14,530	13,454	12,378	11,303
Capital Expenditures	-	-	113	217	312	398	474	540	595	641	675	699
Capital Expenditures - Bldg Pre-constu.	1,992	1,992	1,913	1,833	1,753	1,674	1,594	1,514	1,434	1,355	1,275	1,195
Total PP&E & Investment	\$ 2,292	\$ 25,455	\$ 24,373	\$ 23,282	\$ 22,182	\$ 21,072	\$ 19,953	\$ 18,824	\$ 17,685	\$ 16,535	\$ 15,375	\$ 14,203
Total Assets	\$ 26,817	\$ 26,527	\$ 26,852	\$ 27,214	\$ 27,647	\$ 28,148	\$ 28,689	\$ 29,270	\$ 29,893	\$ 30,558	\$ 31,267	\$ 32,022
Liabilities & Member Equity												
Accounts Payable	-	-	18	18	19	19	20	21	21	22	22	23
Accrued Expenses	-	-	21	22	23	23	24	25	25	26	27	28
Current Operating Liabilities	\$ -	\$ -	\$ 39	\$ 40	\$ 41	\$ 43	\$ 44	\$ 45	\$ 47	\$ 48	\$ 49	\$ 51
Navajo Nation Loan (Construction)	-	-	-	-	-	-	-	-	-	-	-	-
Navajo CDFI Loan	-	-	-	-	-	-	-	-	-	-	-	-
Navajo Nation Loan (Permanent)	-	-	-	-	-	-	-	-	-	-	-	-
Navajo Sales Tax Fund Loan	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ 39	\$ 40	\$ 41	\$ 43	\$ 44	\$ 45	\$ 47	\$ 48	\$ 49	\$ 51
Equity	\$ 22,817	\$ 22,527	\$ 22,813	\$ 23,174	\$ 23,605	\$ 24,106	\$ 24,645	\$ 25,225	\$ 25,846	\$ 26,510	\$ 27,217	\$ 27,971
Equity - New Market Tax Credit	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Equity - Navajo Sales Tax Grant	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Silhasin Grant	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	\$ 26,817	\$ 26,527	\$ 26,813	\$ 27,174	\$ 27,605	\$ 28,106	\$ 28,645	\$ 29,225	\$ 29,846	\$ 30,510	\$ 31,217	\$ 31,971
Total Liabilities & Equity	\$ 26,817	\$ 26,527	\$ 26,852	\$ 27,214	\$ 27,647	\$ 28,148	\$ 28,689	\$ 29,270	\$ 29,893	\$ 30,558	\$ 31,267	\$ 32,022

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Pro Forma Financials – GM LLC

Annual Detail

The following pro forma financial statement presents the prospective annual financial statements for GMLLC during the construction year and the first ten years following commencement of FEC operations in Year 1.

GM LLC Pro Forma Statement of Cash Flow

\$000s	Pre-Const Year	Construction Year	FEC Operation									
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash Flow from Operations												
Net Income	\$ -	\$ (290)	\$ 287	\$ 360	\$ 432	\$ 500	\$ 539	\$ 580	\$ 621	\$ 664	\$ 708	\$ 753
Depreciation & Amortization	-	-	1,202	1,214	1,227	1,240	1,253	1,266	1,280	1,295	1,310	1,325
Change in Working Capital:												
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	(92)	(4)	(4)	(4)	(3)	(3)	(3)	(3)	(3)	(4)	(4)
Other Current Asset	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable	-	-	18	1	1	1	1	1	1	1	1	1
Accrued Expenses	-	-	21	1	1	1	1	1	1	1	1	1
Other Current Liability	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Operations	-	(382)	1,524	1,572	1,856	1,738	1,790	1,844	1,899	1,956	2,015	2,076
Cash Flow from Investing Activities												
Infrastructure	-	(1,103)	-	-	-	-	-	-	-	-	-	-
PP&E - Building	-	(16,846)	-	-	-	-	-	-	-	-	-	-
PP&E - Equipment	-	(5,213)	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	-	-	(120)	(123)	(127)	(130)	(134)	(137)	(141)	(145)	(149)	(153)
Cash Flow from Investing Activities	-	(23,162)	(120)	(123)	(127)	(130)	(134)	(137)	(141)	(145)	(149)	(153)
Cash Flow from Financing Activities												
Borrowings/Cap. Interest - NN Loan (Const.)	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings/Cap. Interest - NCDFI Loan	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings/Cap. Int. - NN Loan (Permanent)	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings/Cap Int. - NN Loan (Sales Tax)	-	-	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-	-	-
New Market Tax Credit	4,000	-	-	-	-	-	-	-	-	-	-	-
Repayments - NN Loan (Construction)	-	-	-	-	-	-	-	-	-	-	-	-
Repayments - NCDFI Loan	-	-	-	-	-	-	-	-	-	-	-	-
Repayments - NN Loan (Permanent)	-	-	-	-	-	-	-	-	-	-	-	-
Repayments - NN Loan (Sales Tax)	-	-	-	-	-	-	-	-	-	-	-	-
Cash Infusion from NNSCI	20,524	-	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Financing Activities	24,524	-	-	-	-	-	-	-	-	-	-	-
Change in Cash	\$ 24,524	\$ (23,544)	\$ 1,404	\$ 1,449	\$ 1,529	\$ 1,608	\$ 1,657	\$ 1,707	\$ 1,758	\$ 1,811	\$ 1,866	\$ 1,922
Cash - Ending Balance	24,524	980	2,384	3,833	5,362	6,970	8,627	10,334	12,092	13,903	15,769	17,692

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Pro Forma Financial Information

Financial Statements

NNSCI & GMLLC FEC - Consolidated

Annual Detail



CONFIDENTIAL

Pro Forma Financials – Consolidated

Annual Detail

The following consolidated pro forma financial statement presents the prospective annual financial statements for both NNSCI and GMLLC during the construction year and the first ten years following commencement of FEC operations Year 1.

Consolidated Pro Forma Income Statement

\$000s	Pre-Const. Year	Construction Year	FEC Operation									
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	\$ 4,264	\$ 4,371	\$ 9,337	\$ 9,660	\$ 9,968	\$ 10,287	\$ 10,571	\$ 10,864	\$ 11,164	\$ 11,473	\$ 11,791	\$ 12,117
% change	-	2.5%	113.8%	3.5%	3.2%	3.2%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Cost of Sales	-	-	1,242	1,294	1,343	1,394	1,436	1,479	1,523	1,569	1,616	1,665
Gross Profit	4,264	4,371	8,095	8,366	8,625	8,893	9,135	9,385	9,641	9,904	10,175	10,453
% of Revenue	100.0%	100.0%	86.7%	86.6%	86.5%	86.4%	86.4%	86.4%	86.4%	86.3%	86.3%	86.3%
Operating Expenses	1,834	2,170	4,052	4,173	4,284	4,403	4,524	4,649	4,778	4,910	5,046	5,186
% of Revenue	43.0%	49.8%	43.4%	43.2%	43.0%	42.8%	42.8%	42.8%	42.8%	42.8%	42.8%	42.8%
EBITDA	2,431	2,201	4,043	4,192	4,341	4,490	4,611	4,735	4,863	4,994	5,129	5,267
% of Revenue	57.0%	50.4%	43.3%	43.4%	43.6%	43.6%	43.6%	43.6%	43.6%	43.5%	43.5%	43.5%
Depreciation & Amortization	1,063	1,131	2,404	2,488	2,574	2,662	2,753	2,846	2,941	3,039	3,139	3,242
EBIT	1,368	1,070	1,639	1,705	1,768	1,828	1,858	1,890	1,922	1,955	1,990	2,025
Interest												
Navajo Nation Loan (Construction)	19	227	-	-	-	-	-	-	-	-	-	-
Navajo CDFI Loan	4	51	52	49	42	33	25	15	5	(0)	(0)	(0)
Navajo Nation Loan (Permanent)	-	-	228	225	217	209	201	192	184	175	166	157
Navajo Sales Tax Fund Loan	-	-	-	-	-	-	-	-	-	-	-	-
Total Interest	23	278	281	274	259	242	225	208	189	175	166	157
EBT	1,345	792	1,358	1,431	1,509	1,586	1,633	1,682	1,733	1,780	1,823	1,868
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	\$ 1,345	\$ 792	\$ 1,358	\$ 1,431	\$ 1,509	\$ 1,586	\$ 1,633	\$ 1,682	\$ 1,733	\$ 1,780	\$ 1,823	\$ 1,868



CONFIDENTIAL

Pro Forma Financials – Consolidated

Annual Detail

The following consolidated pro forma financial statement presents the prospective annual financial statements for both NNSCI and GMLLC during the construction year and the first ten years following commencement of FEC operations Year 1.

Consolidated Pro Forma Balance Sheet

\$000s	Pre-Const. Year	Construction Year	FEC Operation									
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assets												
Cash	\$ 30,451	\$ 8,360	\$ 10,813	\$ 13,007	\$ 15,137	\$ 17,386	\$ 19,724	\$ 22,152	\$ 24,674	\$ 27,499	\$ 30,423	\$ 33,448
Accounts Receivable	159	163	167	171	176	180	184	189	194	199	204	209
Inventory	-	92	95	99	103	106	109	112	116	119	123	127
Other Current Asset	86	87	89	71	73	74	76	78	80	82	84	86
Current Operating Assets	30,875	8,882	11,144	13,348	15,488	17,746	20,093	22,532	25,064	27,899	30,833	33,870
Infrastructure	-	1,103	1,084	1,024	984	944	905	865	825	786	746	706
PP&E - Real Property	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706
PP&E	16,861	37,891	35,786	33,681	31,576	29,471	27,367	25,262	23,157	21,052	18,947	16,843
Capital Expenditures	980	1,917	2,923	3,874	4,770	5,609	6,390	7,111	7,770	8,367	8,898	9,384
Investment in Subsidiary	22,817	22,817	22,817	22,817	22,817	22,817	22,817	22,817	22,817	22,817	22,817	22,817
Total PP&E & Other	\$ 42,363	\$ 65,433	\$ 64,294	\$ 63,101	\$ 61,853	\$ 60,547	\$ 59,184	\$ 57,760	\$ 56,275	\$ 54,727	\$ 53,114	\$ 51,435
Total Assets	\$ 73,038	\$ 74,115	\$ 75,439	\$ 76,450	\$ 77,341	\$ 78,294	\$ 79,277	\$ 80,292	\$ 81,339	\$ 82,626	\$ 83,947	\$ 85,305
Liabilities & Member Equity												
Accounts Payable	122	125	146	150	154	158	162	166	170	175	179	184
Accrued Expenses	-	-	21	22	23	23	24	25	25	26	27	28
Other Current Liability	136	138	143	147	150	154	158	162	166	170	174	179
Current Operating Liabilities	\$ 280	\$ 286	\$ 312	\$ 320	\$ 328	\$ 336	\$ 345	\$ 354	\$ 363	\$ 372	\$ 381	\$ 391
Navajo Nation Loan (Construction)	15,019	15,248	-	-	-	-	-	-	-	-	-	-
Navajo CDFI Loan	1,004	1,056	1,023	910	746	573	392	201	(0)	(0)	(0)	(0)
Navajo Nation Loan (Permanent)	-	-	15,118	14,723	14,183	13,635	13,078	12,513	11,940	11,358	10,767	10,167
Navajo Sales Tax Fund Loan	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt	16,023	16,301	16,141	15,634	14,929	14,208	13,470	12,714	11,940	11,358	10,767	10,167
Total Liabilities	\$ 16,282	\$ 16,567	\$ 16,453	\$ 15,953	\$ 15,257	\$ 14,544	\$ 13,815	\$ 13,067	\$ 12,302	\$ 11,726	\$ 11,148	\$ 10,558
Equity	\$ 51,856	\$ 52,448	\$ 53,886	\$ 55,396	\$ 56,985	\$ 58,650	\$ 60,363	\$ 62,124	\$ 63,937	\$ 65,796	\$ 67,700	\$ 69,647
Equity - New Market Tax Credit	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Equity - Navajo Sales Tax Grant	100	100	100	100	100	100	100	100	100	100	100	100
Equity - Sihasin Grant	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total	\$ 56,756	\$ 57,548	\$ 58,986	\$ 60,496	\$ 62,085	\$ 63,750	\$ 65,463	\$ 67,224	\$ 69,037	\$ 70,896	\$ 72,800	\$ 74,747
Total Liabilities & Equity	\$ 73,038	\$ 74,115	\$ 75,439	\$ 76,450	\$ 77,341	\$ 78,294	\$ 79,277	\$ 80,292	\$ 81,339	\$ 82,626	\$ 83,947	\$ 85,305

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Pro Forma Financials – Consolidated

Annual Detail

The following consolidated pro forma financial statement presents the prospective annual financial statements for both NNSCI and GMLLC during the construction year and the first ten years following commencement of FEC operations Year 1.

Consolidated Pro Forma Statement of Cash Flow

\$000s	Pre-Const Year	Construction Year	FEC Operation									
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash Flow from Operations												
Net Income	\$ 1,345	\$ 792	\$ 1,358	\$ 1,431	\$ 1,509	\$ 1,586	\$ 1,633	\$ 1,682	\$ 1,733	\$ 1,780	\$ 1,823	\$ 1,868
Depreciation & Amortization	1,063	1,131	2,404	2,488	2,574	2,662	2,753	2,846	2,941	3,039	3,139	3,242
Change in Working Capital:												
Accounts Receivable	(0)	(4)	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(5)
Inventory	-	(92)	(4)	(4)	(4)	(3)	(3)	(3)	(3)	(3)	(4)	(4)
Other Current Asset	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Accounts Payable	0	3	21	4	4	4	4	4	4	4	4	5
Accrued Expenses	-	-	21	1	1	1	1	1	1	1	1	1
Other Accrued Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Liability	(0)	3	3	4	4	4	4	4	4	4	4	4
Cash Flow from Operations	2,408	1,833	3,798	3,917	4,081	4,247	4,385	4,527	4,673	4,818	4,961	5,109
Cash Flow from Investing Activities												
Infrastructure	-	(1,103)	-	-	-	-	-	-	-	-	-	-
PP&E - Building	-	(16,846)	-	-	-	-	-	-	-	-	-	-
PP&E - Equipment	-	(5,213)	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	(1,014)	(1,039)	(1,185)	(1,215)	(1,246)	(1,277)	(1,309)	(1,342)	(1,376)	(1,411)	(1,447)	(1,483)
Investment in Subsidiary	(20,524)	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Investing Activities	(21,538)	(24,202)	(1,185)	(1,215)	(1,246)	(1,277)	(1,309)	(1,342)	(1,376)	(1,411)	(1,447)	(1,483)
Cash Flow from Financing Activities												
Borrowings/Cap. Int. - NN Loan (Constr.)	15,019	227	-	-	-	-	-	-	-	-	-	-
Borrowings/Cap. Interest - NCDFI Loan	1,004	51	-	-	-	-	-	-	-	-	-	-
Borrowings/Cap. Int. - NN Loan (Permanent)	-	-	15,246	-	-	-	-	-	-	-	-	-
Borrowings/Cap. Int. - NN Loan (Sales Tax)	-	-	-	-	-	-	-	-	-	-	-	-
Grants	1,100	-	-	-	-	-	-	-	-	-	-	-
New Market Tax Credit	4,000	-	-	-	-	-	-	-	-	-	-	-
Repayments - NN Loan (Construction)	-	-	(15,246)	-	-	-	-	-	-	-	-	-
Repayments - NCDFI Loan	-	-	(33)	(113)	(164)	(173)	(182)	(191)	(201)	-	-	-
Repayments - NN Loan (Permanent)	-	-	(127)	(395)	(540)	(548)	(557)	(565)	(574)	(582)	(591)	(600)
Repayments - NN Loan (Sales Tax)	-	-	-	-	-	-	-	-	-	-	-	-
Cash Infusion from NNSCI into GMLLC	20,524	-	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Financing Activities	41,647	278	(160)	(506)	(704)	(721)	(738)	(756)	(774)	(582)	(591)	(600)
Change in Cash	\$ 22,517	\$ (22,091)	\$ 2,453	\$ 2,194	\$ 2,131	\$ 2,249	\$ 2,337	\$ 2,429	\$ 2,522	\$ 2,825	\$ 2,924	\$ 3,025
Cash - Ending Balance	30,451	8,360	10,813	13,007	15,137	17,386	19,724	22,152	24,674	27,499	30,423	33,448

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