

Headline News:

5/28/13: Oneida County approves deal with Oneida Indian Nation
(www.uticaod.com)

5/27/13: Twin Arrows Navajo Resort & Casino Opens Its Doors
(indiancountrytoday.com)

5/25/13: Washburn Proposes Changes to Land-into-Trust Procedures to Achieve Greater Transparency, Clarity and Certainty for Tribes
(www.pechanga.net)

5/10/13: Muscogee Nation hosts opening for \$2.8mm casino renovation
(www.indianz.com)

5/07/13: NIGC Publishes Final Rule for Tribal Self-Regulation
(www.mondq.com)

5/02/13: Assembly Approves Off-Reservation Tribal Casino
(www.latimes.com)

Savvy Borrowing

by Kristi Jackson

We've heard of the savvy investor. What about the savvy borrower? What are the top ten things every Tribe needs to know when looking to borrow money? TFA has compiled a list that we think will serve borrowers large and small quite well as they approach the marketplace.

1. Plan carefully - Build a model of your situation, soliciting input from your subject-matter experts (market research professionals, your departmental managers, legal counsel, construction team, etc). This should take time. Leaving the modeling to the finance team alone will not produce the result you are looking for.

2. Be realistic - A "hockey-stick" trend line is not a common growth path. Nor is it realistic to be up and running at a mature cash flow level immediately after opening any new business. It takes time for customers to come and for the operations to run at full speed.

3. Contingency planning - What if the construction budget is increased mid-stream? What if a government grant isn't renewed? What if inclement weather causes damage or a delay? What happens if the economy slows and your business is affected? Understanding potential stress points and the impact on borrowings is key to planning for contingencies.

4. Hire experienced counsel - Make sure you hire an attorney who has plenty of experience with the particular type of financing you are about to incur. If it's a tax-exempt bond, work with a municipal finance attorney who offers a resume of many recent and similar Tribal bond financings. Using your in-house counsel can be risky as typically an in-house attorney only sees your Tribe's deals. Using a specialist attorney for the transaction can

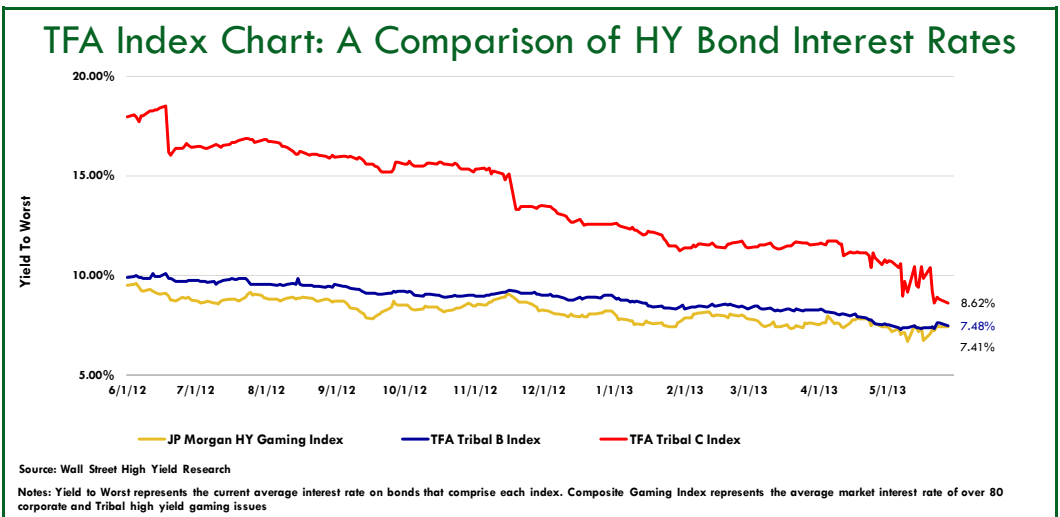
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Our results just keep stacking up.

Over the past two years alone, we've saved our clients over \$100 million dollars in interest and fees on their financings. See how your savings can start to pile up.



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save you millions in future amendment and restructuring costs.

5. *Solidify your team* - As with making sure you have the right counsel for the job, using an owner's representative for construction projects, a proper PR firm for new project launching, or a financial advisor to work with you on the financing organization and execution, all will improve your bottom line.

6. *Foster competition* - Get at least three bids from firms with directly relevant experience. You will learn more about the current marketplace as well as getting an improvement in execution. This process should be handled carefully though - approaching a group of bidders with an uncoordinated plan can produce apples and oranges in responses.

7. *Know the comparables* - The "comps" will offer boundaries for what is currently being done elsewhere in the marketplace. You will know what investors are willing to buy, on what terms, and at what price. This is invaluable in terms of working within realistic expectations.

8. *Test the structure* - Use your financial model and run multiple scenarios for each bid. How do they work? Which is the most flexible? Which leaves you most vulnerable? Something that appears to read most com-

petitively won't always yield model results that you are looking to achieve.

9. *Build in cushion* - Leave room in your structure for unplanned occurrences. What if your business cash flow falls? We like to see as much cushion as possible in new financings - this will save money down the road. AND Finally, and most importantly,

10. *Buyer beware* - The devil is most often in the details. What works for the lenders may not always be in your best interest. If you follow the nine steps above, you will know what works best for you.

We look forward to an opportunity to expand on any of these points with you as you plan for your next financing.

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