

Cherokee Council House
Cherokee, North Carolina

Date

Resolution No. _____ (2025)

- WHEREAS, The Charter authorizes and empowers Tribal Council to adopt laws and regulations for the general government of the Tribe. Charter and Governing Document, sec. 23; and
- WHEREAS, the Eastern Band of Cherokee Indians filed Articles of Incorporation to create Qualla Enterprises, LLC ("Qualla Enterprises") on March 16, 2022; and
- WHEREAS, the Eastern Band of the Cherokee Indians is and remains the sole Member of Qualla Enterprises; and
- WHEREAS, the Eastern Band of the Cherokee Indians has duly appointed a Board of Managers for Qualla Enterprises who enjoy the authority to manage, direct, oversee, and approve actions on behalf of Qualla Enterprises; and
- WHEREAS, the Board of Managers authorized Qualla Enterprises to enter into an Operating Agreement in 2024 with the Eastern Band of the Cherokee Indians that governs certain terms of Qualla's business operations, and such Operating Agreement remains in effect today; and
- WHEREAS, prior to opening its doors to the public, Qualla Enterprises received a series of loans from the Eastern Band of the Cherokee Indians totaling \$54,000,000 to capitalize and develop its operations; and
- WHEREAS, the Eastern Band of the Cherokee Indians and Qualla Enterprises agreed that the repayment of these funds would be and was secured by a Promissory Note in February 2024; and
- WHEREAS, Since the execution of that Note, Qualla Enterprise has opened to the public, is operating at a profit, and remains a viable going concern with annual audits demonstrating its best practices and compliance with all applicable standards; and
- WHEREAS, Qualla Enterprises now seeks flexibility to provide for additional capital considerations and distributions to be made to its Member, the Eastern Band of the Cherokee Indians, for the benefit of its enrolled members; and

WHEREAS, The Eastern Band of the Cherokee Indians similarly supports and seeks to promote commercial endeavors of Cherokee Corporations for the benefit of the Tribe's enrolled members and the Eastern Band of the Cherokee Indians.

NOW THEREFORE BE IT RESOLVED by the Eastern Band of Cherokee Indians Tribal Council assembled, at which a quorum is present, that the financial arrangement between the Eastern Band of the Cherokee Indians and Qualla Enterprises, and the Promissory Note in particular and the associated accrued interest, be addressed to facilitate the distribution of funds from Qualla Enterprises to its Member, the Eastern Band of the Cherokee Indians.

BE IT FURTHER RESOLVED that the funds provided to Qualla Enterprises by the Eastern Band of the Cherokee Indians which are currently governed by the Promissory Note dated February 2024 and total \$50,000,000 be converted in its entirety into equity in Qualla Enterprises, LLC, which shall continue to be wholly-owned by the Eastern Band of the Cherokee Indians, and that such conversion of debt into equity in Qualla Enterprises additional equity be reflected in the records of Qualla Enterprises and the Eastern Band of Cherokee Indians..

BE IT FURTHER RESOLVED that Qualla Enterprises shall commit to revise the Operating Agreement so as to provide for preferred dividend distributions to its sole Member, the Eastern Band of the Cherokee Indians, in an annual amount no less than \$5,000,000 per calendar year beginning in 2025 and continuing until this Resolution is no longer in effect.

BE IT FURTHER RESOLVED that the terms of this resolution shall be adopted through the necessary agreements between the Eastern Band of the Cherokee Indians and Qualla Enterprises, LLC which are in place, shall be put into place, or which shall be amended to give effect to this Resolution and that all such agreements between the Eastern Band of the Cherokee Indians and Qualla Enterprises, LLC shall not be inconsistent with the terms of this Resolution.

BE IT FINALLY RESOLVED that all resolutions inconsistent are rescinded and this resolution shall become effective when ratified.

Submitted By: EBCI Finance Director Brandi Claxton and the Qualla Enterprises, LLC Board of Manager