

Example #1 – Calendar Year 1

Assumption:

- Land is placed into Trust – January 17, 20xx
- Net Win for 1st quarter (January 17, 20xx-March 31, 20xx) is \$1,000,000
- Net Win for 2nd quarter (April 1, 20xx-June 30, 20xx) is \$6,000,000
- Net Win for 3rd quarter (July 1, 20xx-September 30, 20xx) is \$8,000,000
- Net Win for 4th quarter (October 1, 20xx-December 31, 20xx) is \$15,000,000

Therefore:

- The number of days remaining in Calendar Year 1 including the date the land is placed into trust (January 17, 20xx) through December 31, 20xx is 349 days.
- The applicable payment as a percent of Net Win for Calendar Year 1 is 3%
- The minimum annual payment for Calendar Year 1 is \$1,000,000

Calculation of Net Win Payments to the City for Calendar Year 1-Section 2(A)(1):

	<u>Jan-March</u>	<u>April-June</u>	<u>July-Sept.</u>	<u>Oct-Dec</u>	<u>Total</u>
Net Win (See assumption above)	\$1,000,000	\$6,000,000	\$8,000,000	\$15,000,000	
Payment to City of 3% of Net Win	\$ 30,000	\$ 180,000	\$ 240,000	\$ 450,000	\$900,000

Total of the four quarters of Net Win payments to the City for Calendar Year 1 is \$900,000.

Calculation of Minimum Payment for Calendar Year 1-Section 2(A)(2):

\$1,000,000 (minimum payment for Calendar Year 1) multiplied by 349 (the date the land is placed into federal trust plus the number of days remaining in calendar Year 1) divided by 365 (the total number of days in a calendar year) equals \$956,164.

The prorated minimum annual payment due for Calendar Year 1 therefore is \$956,164.

When Minimum Payment is Due and Payable:

- Compare the calculation of the minimum annual payment for Calendar Year 1 (\$956,164) to the calculation of the total of the four quarters of Net Win payments to the City (\$900,000) for Calendar Year 1.
- Since the minimum payment (\$956,164) is greater than the total of the four quarters of the Net Win payments made to the City (\$900,000) by \$56,164, an additional payment of \$56,164 would be due and payable to the City by February 14 (45 days after the close of the Calendar Year) of Calendar Year 2 under Section 2(A)(2) of this Agreement.
- Any adjustment which may be due under Section 2(A)(4) of this Agreement (Certification of Net Win) is not included in this example.

Example #2 – Calendar Year 2

Assumption:

- Net Win for 1st quarter (January 1, 20yy-March 31, 20yy) is \$65,000,000
- Net Win for 2nd quarter (April 1, 20yy-June 30, 20yy) is \$67,000,000
- Net Win for 3rd quarter (July 1, 20yy-September 30, 20yy) is \$72,000,000
- Net Win for 4th quarter (October 1, 20yy-December 31, 20yy) is \$79,086,000
- CPI-U for January/Calendar Year 2 is 185.2
- CPI-U for January/Calendar Year 1 is 181.7

Therefore:

- The applicable payment as a percent of Net Win for Calendar Year 2 is 3%
- The minimum annual payment for Calendar Year 2 is \$1,000,000 adjusted by the CPI-U as provided in Section 2(A)(2) of this Agreement.

Calculation of Net Win Payments to the City for Calendar Year 2-Section 2(A)(1):

	<u>Jan-March</u>	<u>April-June</u>	<u>July-Sept.</u>	<u>Oct-Dec</u>	<u>Total</u>
Net Win (See assumption above)	\$65,000,000	\$67,000,000	\$72,000,000	\$79,086,000	
Payment to City of 3% of Net Win	\$ 1,950,000	\$ 2,010,000	\$ 2,160,000	\$ 2,372,580	\$8,492,580

Total of the four quarters of Net Win payments to the City for Calendar Year 2 is \$8,492,580.

Calculation of Minimum Payment for Calendar Year 2-Section 2(A)(2):

\$1,000,000 (minimum payment for Calendar Year 1) multiplied by 185.2 (assumed CPI-U for Calendar Year 2) divided by 181.7 (assumed CPI-U for Calendar Year 1) equals \$1,019,263.

When Minimum Payment is Due and Payable:

- Compare the calculation of the minimum payment for Calendar Year 2 (\$1,019,263) to the calculation of the total of the four quarters of Net Win payments made to the City (\$8,492,580) for Calendar Year 2.
- The total of the four quarters of Net Win payments to the City (\$8,492,580) is greater than the annual minimum payment (\$1,019,263), therefore there is no additional payment due and payable to the City for Calendar Year 2 under Section 2(A)(2) of this Agreement.
- Any adjustment which may be due under Section 2(A)(4) of this Agreement (Certification of Net Win) is not included in this example.