

Oneida Seven Generations Corporation

Notes to Financial Statements

Required payments of principal and interest on long-term notes payable, including current maturities, are summarized as follows:

<i>Year ending September 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2013	\$ 668,000	\$ 312,000	\$ 980,000
2014	723,000	295,000	1,018,000
2015	762,000	256,000	1,018,000
2016	757,000	216,000	973,000
2017	2,523,000	149,000	2,672,000
2018-2022	3,421,000	248,000	3,669,000
	\$ 8,854,000	\$ 1,476,000	\$ 10,330,000

The following is a summary of changes in long-term notes of the Corporation for the year ended September 30, 2012:

	<i>Outstanding</i>			<i>Balance</i>	
	<i>September 30,</i>	<i>Issued</i>	<i>Retired</i>	<i>September 30,</i>	<i>Due Within</i>
<i>2011</i>	<i>2012</i>			<i>One Year</i>	
Bank notes	\$ 7,135,497	\$ 2,150,000	\$ (601,991)	\$ 8,683,506	\$ 668,000
Promissory note	170,000	-	-	170,000	-
	\$ 7,305,497	\$ 2,150,000	\$ (601,991)	\$ 8,853,506	\$ 668,000

In conjunction with the long-term debt agreements, the Corporation has agreed to meet various financial covenants.

6. Leases

The Corporation leases various pieces of land from the Tribe under lease agreements with 15 to 25 year terms. Lease expense on the land was \$83,120 and \$81,168 for each of the years ended September 30, 2012 and 2011, respectively.

The Corporation also leases office space and buildings from the Tribe under long-term lease agreements with five to 15 year terms. Lease expense for the office space and buildings was \$74,966 and \$110,908 for the years ended September 30, 2012 and 2011, respectively.

See accompanying independent auditors' report.