

**RESOLUTION OF THE GOVERNING BODY OF
THE THREE AFFILIATED TRIBES OF THE
FORT BERTHOLD RESERVATION**

- WHEREAS,** This Nation having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act; and
- WHEREAS,** The Constitution of the Three Affiliated Tribes generally authorizes and empowers the Tribal Business Council to engage in activities on behalf of and in the interest of the welfare and benefit of the Tribes and of the enrolled members thereof; and
- WHEREAS,** Since October 1, 1997, the Three Affiliated Tribes have been eligible to receive interest earned on the Economic Recovery Fund created for them under the Act, which now contains approximately \$149.9 million plus the interest earned and not otherwise already requested and used by the Tribe; and
- WHEREAS,** Under the Act, the interest earned on the Economic Recovery Fund may be used by the Tribe for economic development, social welfare, education and other programs; and
- WHEREAS,** Before the Secretary of the U.S. Department of Interior can disburse any or all of the available interest earned on the Economic Recovery Fund to the Tribe, he must determine that the manner in which the Tribe is proposing to expend the funds is consistent with the purposes for expenditure permitted by the Act; and
- WHEREAS,** The Tribal Business Council has, by Resolution No. 00-365-DSB approved a General Plan for expending the interest earned from the Economic Recovery Fund which includes a provision for an Investment Fund whose purpose is to “preserve the real value of the JTAC Funds against the impact of inflation and to become the embodiment of the Tribes’ long term investment strategy.”; and
- WHEREAS,** The Tribal Business Council, has, by a formal motion at a previous duly called and convened Tribal Business Council meeting, approved the investment of up to \$30,000,000 of interest earned from the Economic Recovery Fund in a permanent endowment fund for the benefit of the Tribe, the interest from which will be used, in part, to provide for various Tribal programs for the benefit of all Tribal members; and
- WHEREAS,** On the 15th day of February, 2000, the Secretary of the Tribal Business Council issued formal notice of a previously-authorized referendum election, wherein the Tribal Business Council presented to the eligible voters of the Three Affiliated Tribes the issue to be voted on in the prospective election, to-wit: whether the Tribal government should invest twenty-five percent (25%) or fifty percent (50%) of the income earned each year from the Economic Recovery Fund created by the

Equitable Compensation Act in the approved permanent endowment fund to be professionally managed on behalf of the Tribes; and

WHEREAS, On the 20th day of March, 2000, the Tribal Business Council, via Resolution #00-106- DSB, declared that, in conformity with Part II, Section 6 of the Referendum Election Procedures of the Three Affiliated Tribes, if valid ballots were cast in the April 18, 2000 Extended Special Referendum Election (extended from March 28) by at least thirty percent (30%) of the total number of duly registered voters, the results of the election would be binding on the incumbent Tribal Business Council and successor Councils, and that no change in the investment in the permanent endowment fund could be made, unless changed by the Tribal voters in a subsequent referendum election; and

WHEREAS, On the 18th day of April, 2000, the Tribal Election Board formally certified the results and validity of the April 18th Special Referendum Election, to-wit: 124 votes in favor of investing 50% and 81 votes in favor of investing 25% of the annual income earned from the Economic Recovery Fund in the permanent endowment fund created by the initial investment of the \$30 million previously approved by the Tribal Business Council; and

WHEREAS, The Tribal Business Council has pledged, by completion of an Assignment of Income form, a portion of interest funds earned from the Economic Recovery Fund as collateral on certain loans obtained through and from Miller & Schroeder Financial Co. for the purposes of the expansion of the 4 Bears Casino and Lodge and for the construction and start-up of the Twin Buttes Custom Home modular home building plant located in Twin Buttes; and

WHEREAS, In Resolution No. 00-301-DSB, the Tribal Business Council has approved the formation of two private accounts of up to \$15,000,000 apiece to be managed by reputable investment firms;

NOW, THEREFORE BE IT RESOLVED, that the Tribal Business Council hereby resolves to request approval of the Secretary of the U.S. Department of Interior for a withdrawal of up to \$30,000,000 in interest earned from the Economic Recovery Fund created by the Equitable Compensation Act of the Three Affiliated Tribes and the Standing Rock Sioux Tribe (the "Act"), Title XXXV of P.L. 102-575, 106 Stat. 4731, for placement in a private investment account in accordance with the investment plan contained in the General Plan for expenditure of the JTAC Funds as approved in Resolution No. 00-365-DSB, it being understood that this withdrawal fits within the general category of "other programs" allowed by the Equitable Compensation Act, and it being also understood that such withdrawal will not be made in violation of any existing Assignment of Trust Income affecting the interested earned from the Economic Recovery Fund; and

NOW, THEREFORE BE IT FURTHER RESOLVED, that the Tribal Business Council hereby authorizes the Chairman, Vice-Chairman and the Treasurer of the Tribe to execute any and all documents and to take any and all actions as may be necessary to obtain approval from any necessary agencies of the Federal government to withdraw an amount up to the amount stated above for the purpose of placing such funds in a long-term investment endowment fund for the benefit of the Tribe and its members.

CERTIFICATION

I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation, hereby certify that the Tribal Business Council is composed of 7 members of whom 5 constitute a quorum, 6 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 12th day of October, 2000; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 6 members, 0 members opposed, 0 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

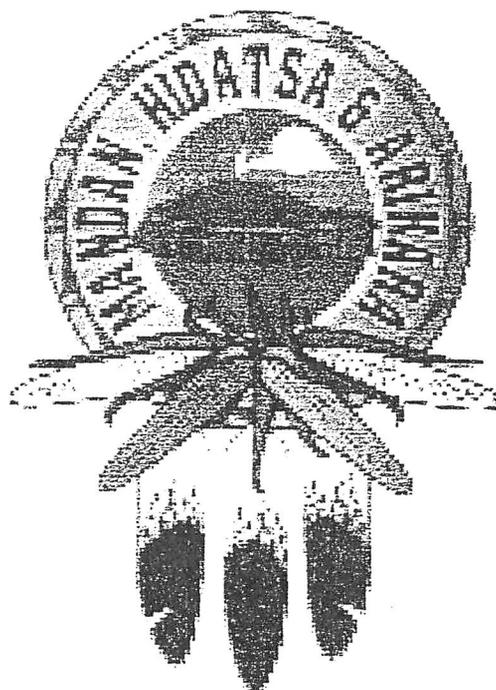
Dated this 12th day of October, 2000.

Daylon Spotted Bull
Secretary, Tribal Business Council

ATTEST:

Tyler Hall
Chairman, Tribal Business Council

Three Affiliated Tribes
Economic Recovery Fund Proposal



Presented to:
U.S Department of Interior

Three Affiliated Tribes Economic Recovery Fund Proposal

Overview

The purpose of this plan is to provide the procedures for accessing funds as they become available as a result of the JTAC reparations settlement to the Three Affiliated Tribes creating a Tribal Economic Recovery Fund as awarded by congress in 1992 as a result of P.L. 102-575. Section 3504 (b) of P.L. 102-575 directs that “only the interest on the monies in such fund shall be available and is hereby appropriated, for use by the Secretary of the Interior in making payments to the Three Affiliated tribes for use for educational, social welfare, economic development, and other programs, subject to the approval of the Secretary”. This plan details the methods to access the funds and the requirements of application to be considered by various entities/individuals.

Definitions

For the purposes of this plan the following classifications of funds are:

- (a) 1st Generation funds - this classification covers the original endowment of \$149.9 Million as approved and appropriated by congress. This funding classification may not be accessed and shall remain on deposit with the U.S. Department of the Treasury.
- (b) 2nd Generation funds - this classification of funds covers all interest earned on the 1st generation funds. This class of funds is the primary subject of this plan and is made available to the Tribe on an annual basis via the Department of the Interior. The annual amount of funds available shall depend upon the prevailing rate of interest provided by the applicable investment securities over that previous year. These funds are restricted in their usage as mandated by congress and shall be utilized in strict accordance with this Access Plan.
- (c) 3rd Generation funds - this classification of funds covers all interest accrued from investments of or security deposits of any and all 2nd generation funds. Such funds shall be deposited to accounts designated by the Tribe or as designated by the respective fund, plan, or proposal.
- (d) Leverage. All funds accessed will be leveraged at a minimum of 1:1. Leverage is defined as using the ERF funds to attract funds from other sources of funding, thereby “pooling” multiple sources of funding to achieve the amount needed for the project.
- (e) Sustainability. All applications to the funds shall incorporate as a facet of the plan provisions for or assurances of the long-term sustainability of the project. Sustainability is defined as the ability of the project to provide the necessary elements to maintain the long term operation and development of the project.
- (f) Needs Based. All applications for projects to the funds will be needs based and demonstrate the documented need for said project.
- (g) Part of a greater plan/vision. All projects/applications shall, in essence, be components of, or at a minimum, lead to the attainment of a long-term strategic plan which conforms to the goals and objectives of the Tribe.

Authority

The Three Affiliated Tribes Tribal Business Council is ultimately responsible for the ERF funds. In that capacity the four standing committees of, Education, Health and Human Resources, Natural Resources, and Executive committees shall be responsible for creating a strategic plan and direction for each funding area based on the needs to be addressed by each funding area (see Acceptable Uses Matrix). Annually at a minimum, or as necessary, each strategic plan and direction shall be reviewed and or modified.

- The Education Committee shall maintain responsibility for the Education area strategic plan and direction.
- The Health and Human Resources Committee shall maintain responsibility for the Social Welfare area strategic plan and direction.
- The Natural Resources Committee shall maintain responsibility for the Other Programs area strategic plan and direction.
- The Executive Committee shall maintain responsibility for the Economic Development area strategic plan and direction.

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The basic tenets of the funds are as follows:

1. The amount of funds allocated to each ERF fund shall be established annually by the Tribal Business Council.
2. The required funding leverage match can come from any source.
3. The Tribe will adhere to the Tribal Uniform Commercial Code.

The respective program Manager/Analyst and their staff responsible for that funding shall administer the operational procedures of the funding. Each administrator shall be responsible at a minimum, to maintain the appropriate documentation to clearly establish goals and objectives of funding. Funding administrators shall clearly establish and communicate the application process of the Funding, qualify and present applications for action, maintain investment records and interim and final reports, compile and present funding statistical information to the Tribal Council.

Accountability

The Three Affiliated Tribes will create an Office of ERF Oversight that will ensure strict accountability in the administration of the funds entrusted to the various funds created.

The minimum qualifications for the Office of ERF Oversight shall be that the office holder(s) shall have a demonstrated broad financial management background.

The Office of ERF Oversight shall ensure that annual financial audits of each fund created are performed. The Office of ERF Oversight shall bring criminal and civil charges as necessary to ensure the full financial accountability of each fund.

The Three Affiliated Tribes shall create an ERF Business Advisory Board comprised of individuals that have extensive demonstrated expertise in the areas of Finance, Planning, Management, or Administration. ERF Business Advisory Board will be required to concur with the funding recommendations of the Office of ERF Oversight in order to fund projects and proposals, and to provide assistance in the operations of the respective funds. None of the members may be Elected Officials of the Tribe nor employed by the Tribe in an executive or director capacity.

Procedure

All applications for funding shall conform to and enhance the long term planning efforts of the District, Department, or Institution applying to the fund. All applications shall conform to the requisite leverage requirements as established. The respective funding administrators shall establish funding application windows. These application “windows” shall be announced a minimum of 3 months in advance of the application deadline.

Technical Assistance

The Tribe shall provide technical assistance to all prospective applicants. In the event the required expertise/experts are not available locally, it shall be the responsibility of the Tribe to acquire that assistance on behalf of the proposed applicant.

Three Affiliated Tribes – Economic Recovery Fund Proposal

Economic Recovery Fund long-term vision and needs

As a result of a reservation-wide needs assessment, the following vision and needs are established for priority for funding. All projects applying for funding that are in concert with attaining this vision and meeting these needs shall receive priority. An initial prioritization is established as follows. The vision and needs shall be reassessed annually at a minimum.

Reservation-wide Vision

1. Our Healthcare systems (hospital, doctors, clinics, services, etc.) are providing excellent quality care and services.
2. Our educational systems are excellent. Our high school drop out rate is very low and many people are going to Ft. Berthold Community College and other colleges.
3. Our unemployment rate is under 10% and higher paying jobs are available for people who want to work.
4. Our Elderly and Disabled are well cared for.
5. Our reservation is still intact and we have a strong tribal government system that provides excellent leadership to our members.
6. I own my own home.
7. Our culture/heritage has been preserved (language, history, arts, etc.) and continues to be the most important part of the Tribe.
8. Our communities are self-supporting and they are a good place to live and raise our families.
9. Our reservation no longer has a drug/alcohol abuse problem.
10. We have many new tribal member-owned businesses and services available for shopping and things we need.
11. My community is a safe place with a low crime rate and good public safety services.
12. The welfare programs have been reduced and people are much more self-sufficient.
13. I am very comfortable where I live and doing well economically.

Areas of need

1. Health Care Services
2. Economic Development
3. Housing Programs and Support
4. Better Planning for our community future
5. Education programs for all ages
6. Infrastructure (roads, utilities, lights)
7. Expand our community center and facility
8. Sovereignty, jurisdiction treaty rights protection and self governance
9. Social Services for all ages
10. Culture programs for my community

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Economic Development Needs

1. Develop Long-term Economic Development Plan
2. Loan programs for Housing renovations - Private Homes
3. Jobs Development and support programs for individuals seeking employment
4. Develop Savings and Investment programs that benefit Tribal members
5. Private enterprise development (creation of small cottage businesses)
6. Land use resources and Land use planning
7. Minerals development programs
8. Tribally owned enterprise development
9. Bank - Tribally owned/managed
10. Casino development and expansion
11. Tourism programs for tribe and individuals
12. Continue to develop the Buffalo Project
- *** Cattle Re-lending program
- *** Technical Assistance support to help in the development of business

*** Asked only on the OFF RESERVATION Survey

Social Welfare Needs

1. Health Care Services
2. Housing Services - More Homes needed
3. Youth Programs
4. Health Care for Elderly
5. Law and Order systems for community
6. Burial Plan for Tribal members
7. Comprehensive Mental health programs
8. Services for victims of child abuse/neglect
9. Housing Services - Renovation programs
10. Daycare Programs
11. Independent Assisted living for Elderly
12. Strengthen Food Services for Needy and Elderly
13. Welfare Reform Programs
14. Health and Fitness Center
15. Handicap Services
16. Centralized Jail in New Town

Education Needs

1. Educational Scholarships (grants)
2. Education programs in our schools
3. Native language and tribal culture
4. Education loans for students
5. Special education needs for all ages
6. Early childhood education programs for children/families
7. Vocational programs (age 16 to adult)
8. Support for Ft. Berthold College
9. Tribal School
10. Adult Education (GED), Basic Skills
11. Health Education Awareness/prevention
12. Tribal education plan and education codes
13. Fine arts program for young and old
14. Tribal language immersion schools

Other Needs

1. Emergency Services/Facilities (Police, fire, ambulance)
2. Infrastructure Support (water sewer, utilities, lights)
3. Funeral Services Support and Cemetery Maintenance
4. Road Improvement and Maintenance
5. Legal Aid Lawyers to aid tribal members
6. Individual water systems need to be improved
7. Land purchase to increase Tribal land base
8. Community improvement programs in my district
9. Public Transportation System
10. Communications and technology enhancement system
11. Community building for my district
12. Tribal museum and programs to preserve history/culture
13. Veterans program support
14. Tribal archives/document (place to keep tribal records)
15. Libraries for all community members

Economic Recovery Fund Financial Parameters

1. Legislative Guidelines – Public Law 102-575 – Oct. 30, 1992 (see Tab VIII, Appendix A)
 - A. Section 3504. Funds. Subsection (4) The Secretary of the Treasury shall deposit the interest which accrues on deposits to the Three Affiliated Tribes Economic Recovery Fund in a separate account in the Treasury of the United States. Such interest shall be available, without fiscal year limitation, for use by the Secretary of the Interior, commencing with fiscal year 1998, and each fiscal year thereafter, in making payments to the Three Affiliated tribes for use for educational, social welfare, economic development, and other programs, subject to the approval of the Secretary. No part of the principal of the Three Affiliated Tribes Economic Recovery Fund shall be available for making such payments.
 - B. Section 3505. Eligibility for other Services not affected. No payments pursuant to this title shall result in the reduction, or the denial, of any Federal services or programs that the Three Affiliated Tribes or the Standing Rock Sioux Tribe, or any of their members, are otherwise entitled to, or eligible for, because of their status as a federally recognized Indian tribe or member pursuant to Federal Law. No payments pursuant to this title shall be subject to Federal or State income tax, or affect Pick-Sloan Missouri River Basin lower rates in any way.
 - C. Section 3506 Per Capita payments prohibited. No part of any moneys in any fund under this title shall be distributed to any member of the Three Affiliated Tribes or the Standing Rock Sioux Tribe on a per capita basis.
2. Other financial Parameters for Economic Recovery Fund programs: In addition to the regulations specified in the Equitable Compensation Act, the following guidelines that will be incorporated into all programs and services that are provided financial support through the Economic recovery Fund include, but are not limited, to:
 - A. Economic Recovery funds must be used for projects designed to strengthen the economic recovery of members of the Three Affiliated Tribes. Funding will go to projects with greatest impact for tribal membership (i.e. scholarships, tribal language, land purchase, and projects which will leverage funding from other sources).
 - B. Economic Recovery fund programs cannot supplant any existing resources (federal, tribal, county, state, city, etc.) that currently or traditionally have supported services to the Tribal members, reservation, or the communities; particularly financial support that is obligated by Federal/State legislation and treaty obligations (i.e. health care, trust responsibilities, land resources, and others). (See limits outlined in Section 3505 of the Legislation)
 - C. Economic Recovery funds directed for specific programs/services should not cause that particular service/program to reduce its normal financial support to the Tribal members and the reservation community (i.e. social services for children, families, elderly, handicapped, etc.).
 - D. Accountability of all expenditures shall be ensured by:
 - a. All personnel who are responsible for the financial management of Economic Recovery funds shall be bonded and have training and skill in financial management. Appropriate insurance services shall be secured to protect property and personnel as outlined by the ERF administration and approved by the ERF Board of Directors (i.e. property insurance, errors and omissions, liability, etc.).
 - b. A yearly audit, performed under the authority of this plan and results will be made available to all Tribal members for review and will be included in the yearly oversight report to the people of the Three Affiliated Tribes.
 - c. The evaluation/monitoring processes will be implemented yearly by the staff.
 - d. Bonds will be required on all contracts using Economic Recovery funds.
 - E. All personnel hired by Economic Recovery Fund programs shall have fringe benefits.
 - F. Qualified tribal enrolled members shall have preference in hiring for Economic Recovery Fund positions.

Investment Fund

The Investment Fund shall be invested, as directed by the Tribe, to preserve the real value of the JTAC Funds against the impact of inflation and to become the embodiment of the Tribes long-term investment strategy.

- The investment practices utilized shall be clearly identified in an objectives and policy plan (Investment Plan). This plan shall outline as a minimum the following: Investment objectives, Investment policies, Evaluation and Review procedures and policies, Plan revision policies.
- The Investment Fund will utilize a combination of investment options to realize a minimum return that exceeds the maximum Government Security Rate of Return.

A. Statement of Investment Objectives and Policy for the Three Affiliated Tribes

I. Introduction

The purpose of this statement is to express the objectives of the fund and to establish its investment policies.

II. Investment Objectives

The principal investment objectives of the fund are to invest in assets in a manner which:

- A. Provides safeguards and diversity to which a prudent investor would adhere.
- B. All transactions must be in the sole interest of the Three Affiliated Tribes.
- C. Provides for income for those accounts with the objective of income.
- D. Provides for growth of capital for those accounts with the objective of growth.
- E. Consistent year to year results is preferred to large fluctuation in return.

III. Investment Policies

A. General

1. Assets must be invested in compliance with the objectives of each account.
2. Appropriate due diligence will be conducted prior to entering into agreements with brokers or like investment entities as well as prior to making particular investments in specific securities.
3. Only 2nd and 3rd generation JTAC funds will be invested under the Investment Fund.
4. Prohibited investments shall include:
 - unrecognized or restricted stock
 - the use of foreign headquartered corporations
 - commodities including futures contracts
 - stock or index options
 - margin buying
 - short-selling
 - initial public offerings of stock

B. Fixed Income Investments

1. Fixed income securities may include US Treasury obligations, obligations of government sponsored enterprises, Federal Agency obligations, corporate bonds, and commercial paper and commercial bank certificates of deposit (CD's).
2. Fixed income securities are to be selected and managed so as to assure appropriate balance of quality, maturity and coupon rate consistent with current money market and economic conditions.
3. All investments in bonds that are not U.S. Government or agency issues must be rated with the three highest ratings of the bond rating services.

C. Equity Securities

1. Equity securities are defined as common stocks of companies.
2. Equity securities are to be selected in accordance with the criteria to be determined by the Three Affiliated Tribes and the investment advisor.
3. Investing in equity securities is limited to 10% of the total portfolio subject to Tribal Business Council approval/directive.
4. Funds available for equity securities may temporarily be invested in short-term US Treasury bills, short-term obligations of government sponsored enterprises, Federal Agencies, commercial paper and commercial bank Certificates of Deposit.

D. Cash Equivalents

Cash equivalents may include US Treasury Bills, short-term obligation of government sponsored enterprises, commercial paper, commercial bank Certificates of Deposit and money market accounts.

E. Diversification

1. The asset mix of fixed income investments, equity investments and cash equivalents will be established based on each account's objective.
2. For accounts that are utilizing federal funds, diversification can be made according to the investing of federal funds guidelines.

IV. Evaluation and Review

- A. It is expected that the financial consultant will meet with the Tribal Business Council at least semi-annually.
- B. It is expected that the financial consultant will report to the Tribal Treasurer at least monthly. Performance results, portfolio listing and valuations, and transaction summaries should be provided monthly.
- C. Any significant changes in the market value of the investments should be communicated to the Tribal Business Council.

V. Revisions

- A. The Three Affiliated Tribes', Tribal Business Council may make changes in this statement from time to time. It shall be the responsibility of the Tribal Treasurer to communicate such revisions, in writing, to the financial consultant immediately.

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Three Affiliated Tribes Economic Recovery Fund Acceptable Uses Matrix		
Education (Strategic Plan & Direction – Education Committee)	Schools	Preschool Elementary/Secondary Post-Secondary Continuing Education Literacy Leadership
	Training	Entrepreneurship Training Vocational Education Job Training/Retention
	Programming	Planning Facilities
	Language & Culture	Immersion Preservation
Social (Strategic Plan & Direction – Health & Human Resources Committee)	Health & Human Service	Elder Health Mental Health Health Care Child Care Low Income Services Special Needs Services
	Housing	Private/Public Subsidized/non-subsidized Elderly/Congregate Single Family Multi Family
	Law & Order	Courts Enforcement Codes
Economic Development (Strategic Plan & Direction – Executive Committee)	Jobs Development	Creation Expansion Unemployment Underemployment
	Planning	Recruitment Retention/Expansion Start-up
	Finance	Investment Availability Cost
	Business Development	Private Public
	Community Development	Roads/Highways/Bridges Rail Transportation Air Transportation Utilities Public Facilities Public Transportation
Other (Strategic Plan & Direction – Natural Resources Committee)	Community Amenities	Cultural Recreational
	Environmental	Water Quality Waste Management Air Quality Land Management