

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

A Resolution entitled, " Permanent Endowment Fund Investment "

WHEREAS, This Nation having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act; and

WHEREAS, The Three Affiliated Tribes Constitution authorizes and empowers the Mandan, Hidatsa & Arikara Tribal Business Council to engage in activity 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, The Tribal Business Council has, by Resolution No. 00-366-DSB, approved a request to the Secretary of Interior to withdraw up to \$30 million of interest from the Economic Recovery Fund for use as a Permanent Endowment Fund. Fifty (50%) percent of the interest earned from the Economic Recovery Fund and Fifty (50%) percent of the interest earned from the Permanent Endowment Fund shall be deposited in and be a part of the Permanent Endowment Fund.

WHEREAS, The Tribal Business Council has previously agreed to invest up to \$30 million equally with two firms, Dane Rauscher and Community First National Bank in accordance with certain “Statement of Investment Objectives and Policy for the Three Affiliated Tribes” which have been drawn up in accordance with the needs of the Tribe and consistent with sound investment advice received from the two investment firms named above, which Statement is attached; and

WHEREAS, The “Statement of Investment Objectives and Policy” set forth components which include: investment objectives, investment policies, a process for evaluation and review; and a process for revisions of the Statement; and

WHEREAS, The provisions include a statement of the primary objective of the fund, which is “to achieve a total investment return that both supports the operating needs of the organization and grows the fund assets at a rate that at a minimum outpaces inflation”, and which includes, as part of the investment policies: 1) A limitation on the percentage of the fund that can be invested in securities in the amount of 50% of the fund; 2) a provisions that as least 50% of the fund shall be comprised of fixed income investments; and 3) a provision that cash equivalents shall be kept at a minimum except as necessary to allow for disbursements from the fund; and that further provide for risk management of investments in equities, fixed income investments, and cash equivalents; and

WHEREAS, The Statement also includes provisions for review of the investments of the Tribe at least quarterly by the financial consultant chosen by the Tribe and that the Statement may be revised from time to time as necessary;

NOW, THEREFORE BE IT RESOLVED, that the Tribal Business Council hereby approves the Statement of Investment Objectives and Policies as attached hereto to be used by the investment firms chosen by the Tribe who will be investing up to \$30 million of interest earned from the Economic Recovery Fund as created by the Equitable Compensation Act of the Three Affiliated Tribes and the Standing Rock Sioux Tibe (the “Act”), Title XXXV of P.L. 102-575, 106 Stat.4731

-3/25/02-

Resolution #02- 49-MWJK

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

AS Amended

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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, The Tribal Business Council has, by Resolution No. 00-366-DSB, approved a request to the Secretary of Interior to withdraw up to \$30 million of the interest from the Economic Recovery Fund for use as a permanent endowment fund, which will have deposited to it interest from the endowment fund and interest from the permanent Economic Recovery Fund in accordance with the results of the referendum election held on April 18, 2000, in an amount of 50% of the interest from each fund; and

WHEREAS, The Tribal Business Council has previously agreed to invest up to \$30 million equally with two firms, Dane Rauscher and Community First National Bank in accordance with certain "Statement of Investment Objectives and Policy for the Three Affiliated Tribes" which have been drawn up in accordance with the needs of the Tribe and consistent with sound investment advice received from the two investment firms named above, which Statement is attached; and

WHEREAS, The "Statement of Investment Objectives and Policy" set forth components which include: investment objectives, investment policies, a process for evaluation and review; and a process for revisions of the Statement; and

WHEREAS, The provisions include a statement of the primary objective of the fund, which is "to achieve a total investment return that both supports the operating needs of the organization and grows the fund assets at a rate that at a minimum outpaces inflation", and which includes, as part of the investment policies: 1) A limitation on the percentage of the fund that can be invested in securities in the amount of 50% of the fund; 2) a provision that at least 50% of the fund shall be comprised of fixed income investments; and 3) a provision that cash equivalents shall be kept at a minimum except as necessary to allow for disbursements from the fund; and that further provide for risk management of investments in equities, fixed income investments, and cash equivalents; and

WHEREAS, The Statement also includes provisions for review of the investments of the Tribe ~~at least semi-annually~~ by the financial consultant chosen by the Tribe and that the Statement may be revised from time to time as necessary;

quarterly

NOW, THEREFORE BE IT RESOLVED, that the Tribal Business Council hereby approves the Statement of Investment Objectives and Policies as attached hereto to be used by the investment firms chosen by the Tribe who will be investing up to \$30 million of interest earned from the Economic Recovery Fund as 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.

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, _____ were present at a _____ Meeting thereof duly called, noticed, convened, and held on the _____ day of _____, 2002; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of _____ members, _____ members opposed, _____ members abstained, _____ members not voting, and that said Resolution has not been rescinded or amended in any way.

Dated this _____ day of _____, 2002.

Secretary, Tribal Business Council

ATTEST:

Chairman, Tribal Business Council

Statement of Investment Objectives and Policy for the Three Affiliated Tribes

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. The objective is to invest in a diversified portfolio of securities to realize an average return over the investment cycle that exceeds the return of U.S. Government securities, as measured by the Lehman Intermediate Government Bond Index.

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 primary objective of the fund is to achieve a total Investment return that both supports the operating needs of the organization and grows the fund assets at a rate that at minimum outpaces inflation.

To meet these objectives, the Tribal Business Council will Authorize an investment program for the portfolio that will attempt to maximize the total return on the fund's investments while exposing the portfolio to a level of risk that is reasonable given the nature and time horizon of the fund. The fund shall have an appropriate level of risk, shall generate adequate current income, and shall be diversified at all times to provide reasonable assurance that investment in a single security, a class of securities, or a particular industry will not have an excessive impact on the fund.

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

Recognizing that asset mix is the primary determinant of the fund's portfolio performance, as well as a major determinant of the level of risk, the Tribal Business Council sets parameters for the asset allocation of the fund. The fund's asset allocation shall be within the following parameters:

- Equities shall comprise no more than 50% of the portfolio. Should equities fall outside this range due to market conditions, they shall be brought within the range within one month following the date of non-compliance.

Statement of Investment Objectives and Policy for the Three Affiliated Tribes

- Fixed-income investments shall comprise no less 50% of the portfolio.
- Cash and equivalents are not expected to be a significant part of the normal asset allocation, except to the degree necessary to provide adequate liquidity for fund distributions and except during interim periods when cash is held awaiting reinvestment in equities or fixed income.

The Tribal Business Council reserves the right to change these parameters by notifying the manager in writing. However, within these parameters, the manager is expected to use its discretion in selecting the asset mix.

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
 - Private placements not insured or fully collateralized
 - Letter Stock
 - Options (including covered calls and puts)
 - Futures
 - Forward Contracts
 - Real Estate (except publicly-traded REIT's may comprise up to 10% of the equity portion of the portfolio)

B. Fixed Income Investments

The principal purpose of fixed-income investments is to provide a dependable and predictable source of income. Investments in this category shall follow these guidelines:

- Have an average duration, in the aggregate, of at least 2 years and less than 7 years.
- Individual securities must be rated at least A- by both Moody's and Standard & Poors's at the time of purchase, and any individual security subsequently falling below BBB+ by either service shall be sold immediately.
- High yield (below BBB rating) investments shall comprise no more than 25% of the fixed-income portion of the portfolio, and may only be made utilizing Mutual Funds.
- Investments in foreign fixed-income securities shall only be made through mutual funds and shall not exceed 15% of the fixed income portion of the portfolio.
- Fixed income securities may include US Treasury obligations, obligations of government sponsored enterprises, Federal Agency obligations, corporate

Statement of Investment Objectives and Policy for the Three Affiliated Tribes

bonds, and commercial paper and commercial bank certificates of deposit (CD's).

- 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.
- All investments in bonds that are not U.S. Government or agency issues must be rated ~~with the three highest ratings of~~ at a minimum of A- by the bond rating services.

C. Equity Securities

Equity investments principal purpose is to provide appreciation of the portfolio. Equities are expected to be well diversified. Equity investments shall follow these guidelines:

- Equity securities are defined as common stocks of companies.
- Equity securities are to be selected in accordance with the criteria to be determined by the Three Affiliated Tribes and the investment advisor.
- Investing in equity securities is limited to 50% of the total portfolio subject to Tribal Business Council approval/directive.
- Consist of either/both individual securities or mutual funds.
- The manager may invest in large capitalization U.S equities.
- The manager may invest up to 30% of the equity portion in small/mid capitalization companies.
- The manager may invest up to 30% of the equity portion in foreign companies; however, no more than ¼ of the foreign companies may be domiciled in developing nations.
- The manager shall maintain adequate diversification within any of these broad categories selected for investment.
- Additionally, ~~then~~ the manager should be conscious to monitor the risk level within each category so that it is not excessive when compared to the following recognized industry benchmarks:
 1. Large Capitalization U.S. – Standard & Poor's 500 Index
 2. Small/Mid Capitalization U.S. – ~~Russell 2000~~ or Wilshire 4500 Indices Index
 3. Foreign – MSCI EAFE Index
- Funds available for equity securities may temporality 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 or Money Market Funds.

D. Cash Equivalents

Cash equivalent short term investments are intended to provide a measure of liquidity. Investments shall be in high-quality, well-diversified money market mutual funds. Cash equivalents may include US Treasury Bills, short-term obligation of government sponsored enterprises, commercial paper, commercial bank Certificates of Deposit and money market fund 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.

Statement of Investment Objectives and Policy for the Three Affiliated Tribes

2. For accounts that are utilizing federal funds, diversification can be made according to the investing of federal funds guidelines.
3. Other Restrictions & limitations Applicable to all Investment Categories:
 - No more than 25% of the portfolio shall be invested in any one industry
 - No more than 7% of the portfolio shall be invested in the securities (including debt and equities) of one corporation.
 - No more than 3% of the outstanding securities of one company shall be owned by the fund.

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.



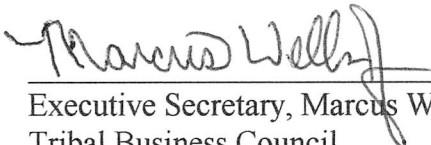
CERTIFICATION

I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Indian Reservation hereby certify that the tribal Business Council is composed of seven (7) members of whom five (5) constitute a quorum, 7 were present at a SPECIAL Meeting thereof duly called, noticed, convened and held on the 25 day of MARCH, 2002, that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 5 members, 1 members opposed, 1 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

Chairman [] Voting. [] Not Voting.

Dated this 25 day of MARCH, 2002.

ATTEST:


Executive Secretary, Marcus Wells, Jr.
Tribal Business Council

Chairman, Tex G. Hall
Tribal Business Council