

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

**Resolution Title: Intermediary Relending Program, USDA -
Small Loans Department and Independence Program Reorganization**

- WHEREAS,** This nation having accepted the Indian reorganization Act of June 18, 1934 and 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 the interest of the welfare and benefit of the Tribes and of the enrolled members thereof; and
- WHEREAS,** Article VI, Section 3 of the Constitution of the Three Affiliated Tribes specifically grants to the Tribal Business Council all necessary sovereign authority for the purpose of exercising the jurisdiction granted by the people of the Three Affiliated Tribes in Article 1 of the Constitution; and
- WHEREAS,** The Tribal Business Council agreed to the “letter of conditions” of the Intermediary Relending Program of United States Rural Development in which the meets the requirements to move forward to the next step which is loan closing to provide \$250,000 in the form of a 1% loan to support business start-ups on the Fort Berthold Reservation; and
- WHEREAS,** The Independence Program, and the Small Loans Department provide similar services pertaining to financing business plans; and
- WHEREAS,** The Tribal Business Council acknowledges that the reservation community will be better served by combining the Independence Program, and the Three Affiliated Tribes Small Loans Department; and
- NOW, THEREFORE, BE IT RESOLVED,** that the Three Affiliated Tribes Small Loans Department and Independence Program Office be established via the attached proposal entitled, “Three Affiliated Tribes Intermediary Relending Program (IRP) USDA \$250,000 1% Loan Implementation and Small Loans and Independence Program Reorganization Plan,” dated August 8, 2002: a proposal to combine the Independence Program and Small Loans Department to develop appropriate policies that will be implemented accordingly subject to the availability of Tribal funds.
- BE IT FURTHER RESOLVED,** that the Three Affiliated Tribes Business Council will match the IRP loan \$50,000 per year for five years beginning in Fy 2003, subject to the availability of funds, to create a stand alone IRP account with all of the conditions met required by USDA and the Three Affiliated Tribes.

CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

44. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL
The purpose of this loan is to establish a Revolving Loan Fund.

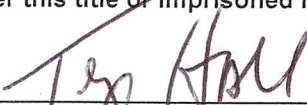
This loan is subject to the conditions set forth in the Letter of Conditions dated July 8, 2002 and to the loan closing instructions provided by the Office of the General Counsel.

45. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For SFH & FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 29 of this form. _____ YES _____ NO

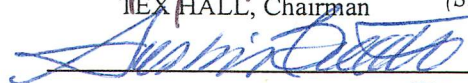
WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date _____, 19_____



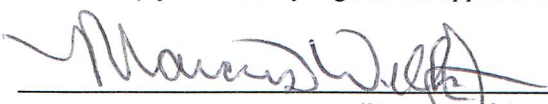
TEX HALL, Chairman (Signature of Applicant)

Date _____, 19_____



MARCUS WELLS, Treasurer (Signature of Co-Applicant)
AUSTIN GILLETTE

46. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.



(Signature of Approving Official)

Date Approved: 8-8-02

Title: SECRETARY-TRIBAL BUSINESS Council

47. TO THE APPLICANT: As of this date _____, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the County Supervisor or District Director. • U.S. Government Printing Office: 1995 - 667-410

**Three Affiliated Tribes
Intermediary Relending Program (IRP) USDA
\$250,000 1% Loan Implementation
and
Small Loans and Independence Program
Reorganization Plan**

August 8th, 2002

Submitted by

Independence Program and Small Loans Department

Contact: Dennis R. Fox, Jr.

USDA Intermediary Relending Program
\$250,000 1% Loan to the Three Affiliated Tribes
Letter of Conditions Highlights

Major Items:

1. \$250,000 1% loan for 30 years, deferred principal payments for 2 years.
2. Tribe must match 1 to 1, Proposed: \$50,000 per year for next five years from SMALL LOANS line items \$100,000 for business loans.
3. The \$500,000 IRP account must be non-discriminatory, we will provide business development technical assistance to all interested people within the boundaries of the Fort Berthold Reservation.
4. Letter of Conditions must be agreed to by August 31, 2002

Letter of Conditions:

- a. TAT must certify that they are not delinquent on any Federal Government indebtedness
- b. No person shall be discriminated against
- c. Assurance of equal opportunity
- d. Complete RD 1942-46, Letter of intent to meet conditions
- e. Deadline to meet all conditions in letter is July 31,2003
- f. IRP Fund can only fund up to 75% of ultimate recipients' project
- g. Rate and Term 1% for 30 years and principal payment deferred 2 years
- h. Preauthorized debit be set up for payments
- i. Security will be collateral pledged by ultimate recipients
- j. Reserve Funds will be set up for Bad Debts and Debt Service reserve
- k. Financial Statement will be part of reporting process
- l. RD-400-4 Assurance Agreement for non-discriminatory data collection
- m. Compliance Reviews pertaining to Civil Rights requirements
- n. Posters: *and Justice for All* must be displayed
- o. Loan Closing is final step
- p. Fidelity Bond coverage not less than \$10,620
- q. EQUAL OPPORTUNITY and NONDISCRIMINATION requirements
- r. Must set IRP as separate, stand alone account
- s. Must have annual budget for administrative cost approved by USDA
- t. Must do quarterly reporting annual audits and budgets to RBCS
- u. Before loans are made USDA must approve all forms and policies
- v. Service Area is the Fort Berthold Indian Reservation
- w. Ultimate Recipient must certify that they are not delinquent on any federal assistance
- x. USDA Rural Business-Cooperative Service will be part of loan approval process
- y. Ultimate Recipient will conform all nondiscrimination laws
- z. Ultimate Recipient must sign and agree to all nondiscrimination laws
- aa. Intermediary will certify that all particulars of the IRP are met
- bb. Ultimate Recipient must execute an environmental review
- cc. Intermediary will provide any comments received from Division of Community Service
- dd. All new buildings will meet all federal standards
- ee. Ultimate Recipient will employ 30% of workforce from low income community
- ff. IRP will be one account with 50% of funds from USDA and 50% from TAT

- gg. IRP Fund will exceed 75% of total project cost, and Ultimate Recipient must verify the other 25% to complete project
- hh. Loan Closing will happen after conditions are met
- ii. Certification of Loan closing
- jj. Disbursement of Funds: May initially draw up to 25% of total loan at closing
- kk. Must use entire draw down in one 1 year or excess goes toward repaying loan

Small Loans & Independence Program Proposal:

1. Each year the Small Loans Department Budget has a line item of \$100,000 for Small Business Development (currently the \$3500 loan and \$3500 grant).
2. To fund the new IRP money we need a 1 to1 match from the Tribe.
3. As portrayed on the diagram entitled Business Loans Scenarios and Technical Assistance, \$50,000 from the Small Business Line Item be used to match the USDA IRP money each year for 5 years beginning with fiscal year 2003
4. \$50,000 will stay in an account TAT Small Loans: Business that may lend up to \$7000 via a newly formed loan committee rather than the TAT Business Council (as noted on diagram entitled Business Loan Application Process)
5. Independence program will continue to assist with loans up to \$10,000 and provide business technical assistance
6. IRP maximum loan will be \$30,000 (IRP can only fund 75% of entire business plan)
7. Loan Committee will selected by Independence Program's Clientele, 5 members

Independence Program Shift

1. Independence Program transitions to TAT Small Loans Department and works with small loans to do creditable business lending and maintenance accounts.
2. Tourism Department is ready to stand alone administering: Tourism, Tribal Business Information Center, Native Arts Cooperative, and all of the National Park Service Cost Share Grants (3, Earth Lodge Village, Signature Event, Signage and Interpretation)
3. The ANA Cultural Interpretive Center Grant administration will be left up to the ANA Project Director
4. Staff will be Independence Director, Small Loans Director, Independence Finance Officer, Small Loans Loan Specialist, and Contract Credit/Collections Officer, therefore two offices will be designated to the Independence Program Staff (see diagram TAT Small Loans and Independence Program organization chart)
5. Together the aforementioned personnel will work towards revamping the Small Business Loans program of the Three Affiliated Tribes and the Independence Program according to this plan.
6. In the mean time, would ask that all business lending cease until Fiscal Year 2003.
7. Small Loans budget and accounts will remain separate from Independence Program's budget and accounts, but the two accounts will support each other.
8. Independence Program has money to support any needs of the current record keeping system/computer software
9. Independence Program will apply for a continuation Grant through HHS - JOLI in 2003 for fy 2004, fy 2005, fy 2006.
10. Independence Program takes more active role in Tribe's businesses.

Three Affiliated Tribes Small Loans & Independence Program Business Loans Scenarios and Technical Assistance

Available to all people who reside within the reservation boundaries (non-discriminatory)

Open to all Native Americans of Federally Recognized Tribes who reside on the Reservation

Tribal Members Only
Living on the Reservation

TAT Small Loans:
Business 9%

Line Item \$100,000
\$50,000 stays

MAX LOAN: \$7,000

USDA IRP LOAN POOL 8%			
	TAT		USDA
yr 1	\$50,000	yr 1	\$50,000
yr 2	\$50,000	yr 2	\$50,000
yr 3	\$50,000	yr 3	\$50,000
yr 4	\$50,000	yr 4	\$50,000
yr 5	\$50,000	yr 5	\$50,000
\$250,000		\$250,000	
TOTAL: \$500,000			

Independence
Loan Pool 7%

\$320,000
Loan Pool

MAX LOAN: \$10,000

\$50,000 per year
for next 5 years

MAX LOAN: \$30,000

Loan can only
accommodate 75%
of total business plan

IF LOANS ARE COMBINED
MAXIMUM TERMS ARE:
35,000 & over - 15 yrs.
15,000 to 34,999 - 10 yrs.
7,001 to 14,999 - 7 yrs.
3,501 to 6,999 - 4 yrs.
0 to 3,500 - 2 years

4 years Max.

7 years Max.

\$7,000

\$10,000

\$28,000
IRP & Small Loans Pool
at 9% highest rate

\$40,000
IRP & Independence
at 8% highest rate

\$47,000
All Loans combined
at highest interest rate 9%

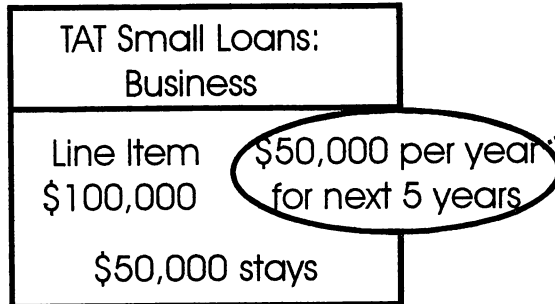
\$17,000
Independence & Small Loans
at 9% highest rate

Technical Assistance will be provided to all those who apply for business loans.
Those who are not tribal members or Native American must get 25% of project financed elsewhere

Three Affiliated Tribes Small Loans & Independence Program Business Loan Application Process

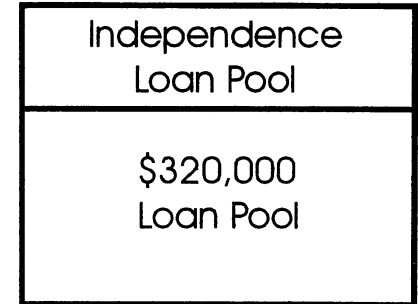
Available to all people who reside within the reservation boundaries (non-discriminatory)

Tribal Members Only
Living on the Reservation



USDA IRP LOAN POOL			
	TAT		USDA
yr 1	\$50,000	yr 1	\$50,000
yr 2	\$50,000	yr 2	\$50,000
yr 3	\$50,000	yr 3	\$50,000
yr 4	\$50,000	yr 4	\$50,000
yr 5	\$50,000	yr 5	\$50,000
	\$250,000		\$250,000
TOTAL: \$500,000			

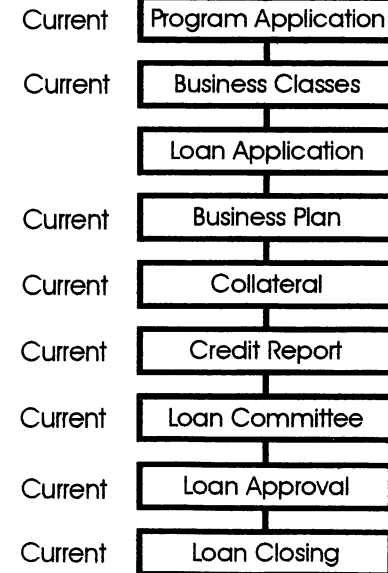
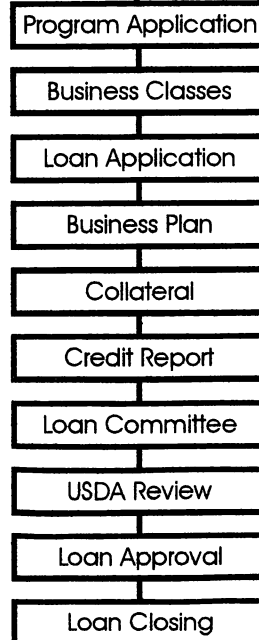
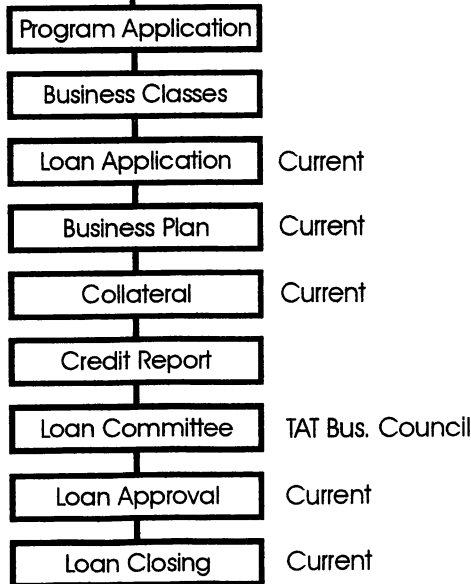
Open to all Native Americans
of Federally Recognized Tribes
who reside on the Reservation



MAX LOAN: \$7,000

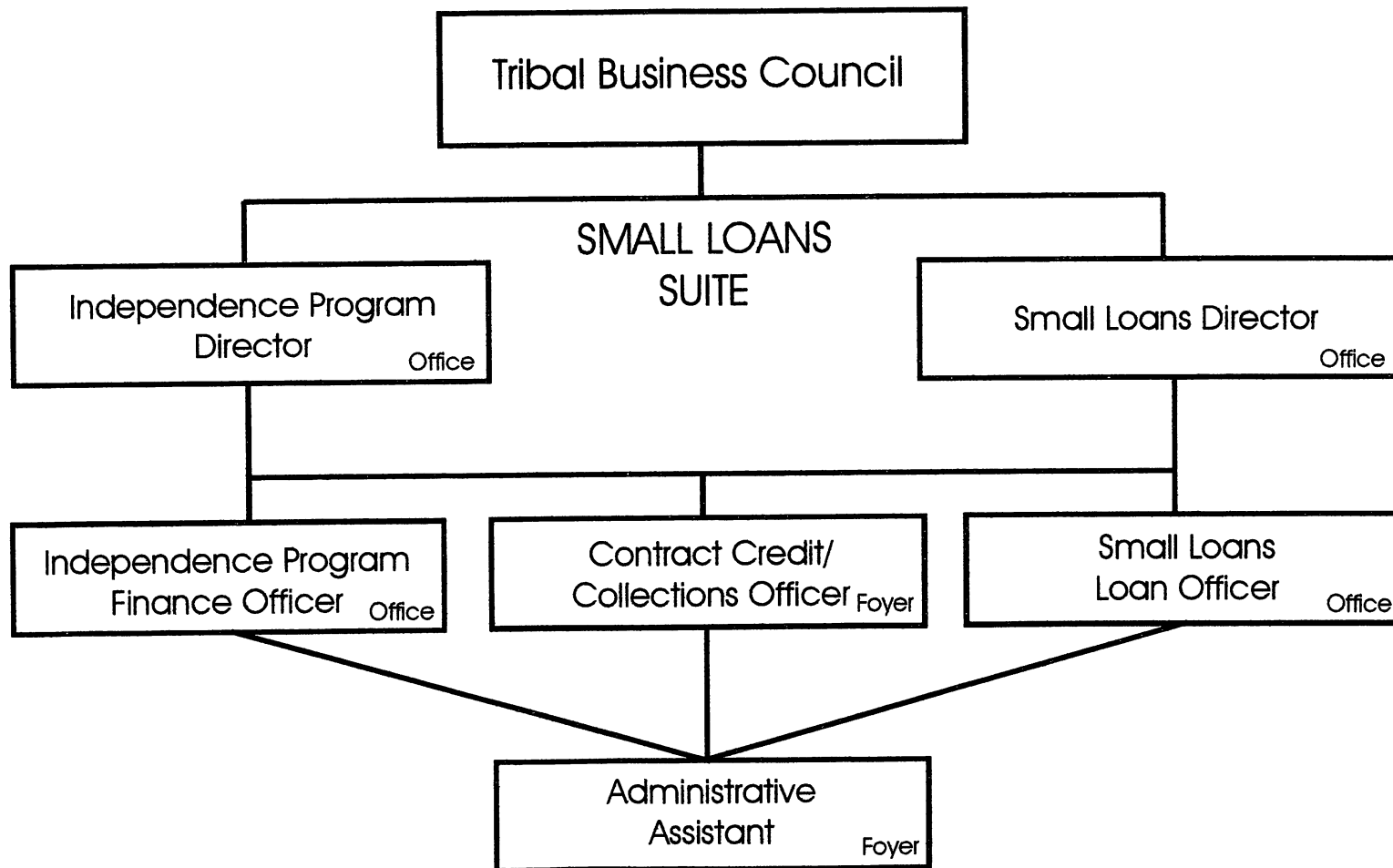
MAX LOAN: \$30,000

MAX LOAN: \$10,000



Three Affiliated Tribes Small Loans & Independence Program Organizational Chart & Office Setup

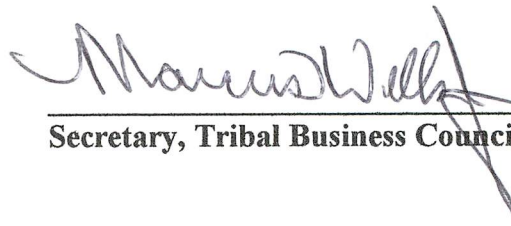
Note: Independence Program and Small Loans Department will keep separate accounts for administration and loan pool maintenance, but both will support each other.

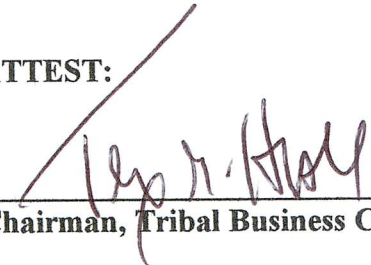


CERTIFICATION

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, 7 were present at a Regular Meeting thereof duly called, noticed, convened, and held on 8 day of August, 2002; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 7 members, 0 opposed, 0 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

Dated this 8 day of August, 2002.
Chairman voting [] not voting


Secretary, Tribal Business Council

ATTEST:

Chairman, Tribal Business Council