



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

A Resolution entitled, " TBCH, Tribal Guarantee "

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, 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, Article VI, Section 5(c) of the Constitution of the Three Affiliated Tribes specifically authorizes and empowers the Tribal Business Council to administer the funds within the exclusive control of the Tribes and to make expenditures from available Tribal funds for public purposes of the Tribes; and

WHEREAS, Twin Buttes Custom Homes, a tribally owned corporation, being in existence since June of 2001, and in the course of business Twin Buttes Custom Homes, has found it necessary to seek financing to continue operations and complete projects; and

WHEREAS, Typically, because TBCH does not have an established credit history, lenders require that TBCH obtain a general guarantee by the Tribe, with a corresponding limited waiver of sovereign immunity, of such as TBCH needs to borrow; and

WHEREAS, TBCH has applied for financing with the Native American Bank for a term loan in the amount of \$675,000.00 and a line of credit in the amount of \$500,000.00 to pay off an existing line of credit with Community First Bank; and



WHEREAS, The Native American Bank has requested that Twin Buttes Custom Homes obtain a BIA guarantee insuring the repayment of the loan; the BIA guarantee will preserve the Three Affiliated Tribe's borrowing capacity with the Native American Bank within prescribed lending limits;

WHEREAS, The Bureau of Indian Affairs Credit Officer has recommended approval for the guaranty request and has forwarded the recommendation for approval to the Regional Director for his approval;

WHEREAS, in order to obtain the aforementioned loan from the Native American Bank, TBCH is required to lease the real property where the manufacturing facility now exists.

NOWHEREFORE, BE IT RESOLVED, that for the benefit of Twin Buttes Custom Homes, the Tribal Business Council of the Three Affiliated Tribes hereby provides assent to any necessary BIA guarantee in order for TBCH to obtain a term loan of \$675,000.00 and a line of credit of \$500,000.00 from the Native American Bank; provided that said guaranty is limited to the amount of the term loan and line of credit and further provided that said term loan and line of credit contain the following:

"Nothing in this agreement is or shall be deemed to be a waiver of the Tribe's sovereign immunity from suit, which immunity is expressly asserted, except to the extent that the Tribe hereby expressly consents to mandatory arbitration under the commercial rules of arbitration of the American Arbitration Association, and consent to be sued in Fort Berthold District Court (Tribal Court) and in the event Tribal Court fails to provide the requested release in a timely manner, the United States District Court for North Dakota and all federal courts to which its decision can be appealed."

Said guarantees are further subject to the following: that for each transaction up to the amount specified: 1.) TBCH obtains, in writing, the approval of the Chairman and Treasurer of the Tribe; 2.) TBCH reviews the loan documents with the Tribal Legal counsel and abides by such legal recommendations as may be made by; and

NOWHEREFORE, BE IT FURTHER RESOLVED, that the Tribal Business Council of the Three Affiliated Tribes hereby agrees to provide for collateral on this financing two (2) Certificates of Deposits, namely CD#6420054819 and CD#6420054818, along with the building and equipment of Twin Buttes Custom Homes; and

BUSINESS LEASE

LEASE NO. _____

THREE AFFILIATED TRIBES
of the
FORT BERTHOLD RESERVATION
Tribal Administration Building
404 Frontage Road, New Town, ND 58763

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF THE INDIAN AFFAIRS
FORT BERTHOLD AGENCY
P.O. Box 370, New Town, North Dakota 58763

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THREE AFFILIATED TRIBES
of the
FIRT BERTHOLD INDIAN RESERVATION
Tribal Administration Building
HC 3 Box 2, New Town, North Dakota 58763

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
FORT BERTHOLD AGENCY
P.O. Box 370, New Town, North Dakota 58763

LEASE NO. _____

BUSINES LEASE

THIS BUSINESS LEASE ("Lease") is made and entered into by and between the THREE AFFILIATED TRIBES of the FORT BERTHOLD RESERVATION ("Lessor"), a federally recognized Indian tribe with an address of Tribal Administration Building, HC 3 Box 2, New Town, North Dakota 58763, and Twin Buttes Custom Homes, INC. ("Lessee"), chartered by the Tribal Business Council of the Three Affiliated Tribes, with an address of 8060 7th Street South West, Halliday, North Dakota 58636, in accordance with the provisions of the Act of August 9, 1955 (69 Stat. 539), as implemented by the regulations contained in 25 C.F.R. Part 162, including all amendments thereto, and other applicable federal laws and regulations.

1. LEASED PREMISES

A. For and in consideration of the rents, covenants and agreements hereinafter set forth, Lessor hereby leases to Lessee the Leased Premises identified in Exhibit A attached hereto, together with all Improvements thereon and all easements appurtenant thereto.

B. The Leased Premises are leased by the Lessor subject to all prior, valid and existing rights-of-way. The Leased Premises are leased by the Lessor subject to a reservation by the Lessor of all mineral rights on or under the Leased Premises and subject to a reservation of rights in the Lessor to grant rights-of-way and other legal grants which do not interfere with the use and occupancy of the Leased Premises by the Lessee.

C. The Lessee hereby agrees to secure utilities needed for its business activities on the Leased Premises from utilities serving the Leased Premises.

D. Lessee has examined the Leased Premises and accepts the same in present condition thereof, acknowledging that Lessor has made no representation regarding the condition thereof.

2. PURPOSE

A. Lessee shall develop and use, or cause to be subleased or assigned and developed and used, the Leased Premises for the development, construction and operation of a modular homes manufacturing facility and business and other commercial purposes, with related facilities which may include but not limited to the development of

reasonable and customary utilities, roads, and other amenities, and for other purposes incidental to said manufacturing facility and business and other commercial purposes.

B. Lessee agrees that it will not use or caused to be used any part of the Leased Premises for any unlawful conduct or purpose and any Subleases shall prohibit the use of any part of the Leased Premises for any unlawful conduct or purpose.

3. TERM

The term of this lease shall be twenty-five (25) years which shall begin on the Commencement Date. Lessee shall have the option to renew this Lease for one additional term of twenty-five (25) years on the same terms and conditions. Lessee must notify Lessor, in writing, of its exercise of said option no later than one hundred eighty (180) days prior to the expiration of the initial twenty-five years term of this Lease.

4. DEFINITION

As used in this Lease, unless otherwise expressly stated:

(1) "Approved Encumbrance" shall mean an encumbrance of a leasehold or Subleasehold interest in the Leased Premises and Improvements which has been created pursuant to an Approved Encumbrance Instrument.

(2) "Approved Encumbrance Instrument" shall mean an instrument evidencing a leasehold or Subleasehold encumbrance, the form of which has been approved by Lessor and the Secretary to extent required by paragraph 10 hereof.

(3) "Commencement Date" shall be the date on which the Secretary or his designee gives final approval of this Lease.

(4) "Improvements" shall mean the improvements constructed or caused to be constructed on the Leased Premises.

(5) "Leased Premises" shall mean the real property described in Exhibit "A" attached hereto together with all Improvements thereon and all easements appurtenant thereto.

(6) "Leasehold Mortgagee" shall mean the beneficiary of an Approved Encumbrance Instrument encumbering a leasehold interest under this lease.

(10) "Sublessee" shall mean any sublessee or subsequent sublessee of any portion or all of the Leased Premises and Improvements.

(11) "Term" shall mean the term of this Lease set forth in section 3 thereof.

(12) "Tribe" shall mean the Three Affiliated Tribes of the Fort Berthold Reservation.

5. RENT

Lessee, an entity chartered by the Tribe and wholly-owned by the tribe, has paid over to the Lessor the sum of one dollar (\$1.00), the receipt of which is hereby acknowledged, as well as other good and valuable consideration including the covenants and agreements made by the Lessee herein, rent for the Leased Premises during the Lease Term. The Secretary and the Lessor acknowledge that said rent is in the best interest of the Lessor pursuant to 25 CFR 162.107 and 162.604 (6) (3).

6. IMPROVEMENTS

Any and all Improvements shall be owned by Lessee during the Term of this Lease, but shall become the property of the Lessor and remain on the Leased Premises at the expiration or earlier termination of this Lease.

7. CONSTRUCTION, MAINTENANCE, REPAIR, ALTERATION

A. All Improvements placed on the Leased Premises shall be constructed in a good workmanlike manner and in compliance with applicable federal and Tribal laws and building codes. At all times during the Term of this Lease, the Leased Premises and Improvements are to be maintained in good order and repair and in safe, sanitary, neat and attractive condition, and shall otherwise comply with all laws, ordinance or regulation applicable thereto.

B. Lessee shall indemnify and hold harmless Lessor against liability for all claims arising from Lessee's failure to maintain, repair or alter the Leased Premises and the Improvements thereon, or the construction, alteration or repair of or on the Leased Premises, as hereinbefore provided, or from the nonobservance of any law, ordinance or regulation applicable thereto.

8. CONSRUCTION BOND

Prior to commencement of construction of any Improvements, sufficient security shall be provided to Lessor for completion of said Improvements along with payment in full for claims of all persons for work performed or materials furnished for construction of the Improvements. Such security may take the form of an agreement between Lessee and a third party, or between a Sublessee or assignee and a third party, providing for the funding necessary for construction of the Improvements.

9. SUBLEASE, ASSIGNMENT, TRANSFER

A. Lessee shall have the right to sublet, assign or otherwise transfer all or a portion of Lessee's interest in the Leased Premises under this Lease to any entity

wholly owned by Lessee, or the Tribe without prior written consent of Lessor. Lessee shall have the right to sublet, assign or otherwise transfer all or a portion of Lessee's interest in the Leases Premises under this Lease to an entity not wholly-owned by Lessee or Tribe subject to the prior written consent of Lessor, and if required by an Approved Encumbrance Instrument the Leasehold Mortgagee consent shall not be unreasonably withheld. Any sublessee, assignee or transferee shall become liable for the performance of the obligations of Lessee under this Lease in addition to, and not in substitution for, Lessee unless otherwise provided herein.

B. The Secretary, by approval of this Lease, hereby consents, to the sublease, of all or a portions of Lessee's interest under this Lease without further approval of the Secretary, subject to the terms and conditions of 25 CFR 162.610.

C. Lessor reserves the right to approve or disapprove any sublease, assignment or to transfer to an entity not wholly-owned by Twin Buttes based upon the consideration or economic remuneration received by Lessee for such sublease, assignment or transfer. Lessor may withhold its consent to a sublease, assignment or transfer to an entity not wholly-owned by the Lessee or the Tribe for a use of the Leased Premises not consistent with the purposes set forth in paragraph 2A. of this Lease.

10. ENCUMBRANCES

A. By approval of this Lease, the Secretary gives his consent, pursuant to 25 CFR 162.610 (c), to Lessee, and any Sublessee, to, from time to time, hypothecate, mortgage, pledge, or alienate Lessee's, or any Sublessee's right to or interest in this Lease, or any Sublease, or any portion of the Leased Premises or Improvements, for the purpose of borrowing capital for the operation, development or improvement of the Leased Premises or for the purpose of refinancing any outstanding debt or a permanent loan, provided that the encumbrance instruments to be used must be approved by the Secretary. The encumbrance instruments to be used must be approved by the Lessor only if the Lessee is not wholly-owned by the Lessee or the Tribe. The form of any encumbrance instrument submitted to the Secretary, and the Lessor if applicable, for approval shall be deemed approval unless the Secretary, and/or the Lessor if applicable, disapproves the form by setting forth the specific objections to such instrument in a writing delivered to Lessee, or Sublessee, within thirty (30) days after receipt of written requests for said approval. Upon approval as provided in this paragraph 10A., such encumbrance instrument shall become an Approved Encumbrance Instrument, Lessee agrees to furnish, as reasonably requested by the Secretary, or Lessor if applicable, any financial statements or other documentation pertinent to any such encumbrance during the thirty (30) day approval period set forth herein.

B. If any Leasehold or Subleasehold Mortgagee shall give Lessor a Written Notice, specifying its name and address and stating that such notice is giving pursuant to this Lease, Lessor shall thereafter give to such Leasehold or Subleasehold Mortgagee a copy of each notice of default by Lessee at the same time as such notice of default shall be given by Lessor or Lessee. Before any termination of this Lease, Lessor

shall give to the Leasehold or the Subleasehold Mortgagee an opportunity to cure equal to any applicable grace period provided in Paragraph 16 of this Lease plus an additional sixty (60) days to remedy or cause to be remedied the defaults complained of pursuant to this Lease. Lessor shall allow such Leasehold or Subleasehold Mortgagee entry onto the Leased Premises in order to cure such Event of Default. In the event the Leasehold or Subleasehold Mortgagee has commenced to cure the Event of Default or has commenced diligently pursuing a foreclosure action to terminate Lessee's or Sublessee's interest in this Lease or Sublease as set forth in this Paragraph 10, Lessor shall not terminate the Lease or Sublease with respect to any interest other than that of Lessee or Sublessee actually in default.

C. In the event of the termination of this Lease or a Sublease, because of any default by Lessee or Sublessee, if the Leasehold or Subleasehold Mortgagee elects within sixty (60) days of the termination, Lessor shall enter into a new lease with the Leasehold or Subleasehold Mortgagee or its nominee, and the Secretary hereby consents to such new lease, for the remainder of the Term of the Lease, effective as of the date of such termination, upon the terms, provisions, covenants and agreements contained within this Lease except that, notwithstanding Paragraph 5 of this Lease, any such new lease shall require the Leasehold or Subleasehold Mortgagee to pay as rent to Lessor or Sublessor the fair market value to be determined by the Secretary, and provided:

(1) The Leasehold or Subleasehold Mortgagee shall provide Lessor with the Written Notice prescribed by subparagraph 10B. prior to such termination;

(2) The leasehold or Subleasehold Mortgagee or its nominee shall make written request upon Lessor for such new lease within sixty (60) days after the date of such termination;

(3) The leasehold or Subleasehold Mortgagee or its nominee shall pay to the Lessor, at the time of execution and delivery of said new lease, any and all sums which would at that time of execution and delivery hereof be due pursuant to this Lease or Sublease before such termination, and in addition thereto, any expenses, including reasonable attorneys' fees, to which Lessor or Sublessor shall have been subjected by reason of such default;

(4) The leasehold or Subleasehold Mortgagee or its nominee shall perform and observe all covenants herein contained within this Lease or Sublease on Lessee's or Sublessee's part to be performed and shall further remedy any other conditions as are capable of being remedied which Lessee or Sublessee under the termination Lease or Sublease were obligated to perform;

(5) Such new lease shall be expressly made subject to the rights, if any, of Lessee under the termination Lease or Sublease; and

(6) The Lessee or Sublessee under such new lease shall have the same right, title and interest in the Improvements on the Leased Premises as the previous Lessee or Sublessee under the termination Lease or Sublease.

D. Nothing contained within this Paragraph 10 shall require the leasehold or Subleasehold Mortgagee to cure any default of Lessee or Sublessee but Lessor agrees to accept the performances and/or compliance by any such Leasehold or Subleasehold Mortgagee or its nominee of and any term, covenant, agreement, provision, condition or limitation on Lessee's or Sublessee's part to be kept, observed and performed by Lessee or Sublessee.

E. After the termination of this Lease or any Sublease and during the period thereafter during which the leasehold or Subleasehold Mortgagee shall be entitled to enter into a new lease of the Leased Premises actually subject to the said mortgage, Lessor or Sublessor shall not terminate any Sublease and the rights of the subtenant thereunder unless the subtenant shall be in default under such Sublease. During such period, Lessor shall receive all basic rent and additional rent and other payments due from subtenants, including subtenants whose attornment the Lessor shall have agreed to accept, as agent of such Leasehold or Subleasehold Mortgagee, and shall deposit such rents and payments in a separate and segregated account in trust for the Leased Premises, but may withdraw such sums, from time to time to pay necessary operations expenses and carry charges of the Leased Premises; and, upon the execution and delivery of such new lease shall account to the Lessee or Sublessee under the new lease for the balance, if any, of the rent made under such Sublease, and said Lessee or Sublessee shall thereupon assign the rent under said Sublease to any Leasehold or Subleasehold Mortgagee of the new lease in the same manner as such rents had been assigned to the leasehold or Subleasehold Mortgagee under this Lease.

F. If a sale under an Approved Encumbrance occurs, whether by transfer, by Deed in Lieu of Foreclosure or by power of sale or foreclosure, the purchaser at such sale succeed to all of the rights, title and interest of the Lessee and Sublessee in the leasehold or Subleasehold estate covered by said Approval Encumbrance, provided that, notwithstanding Paragraph 5 of the Lease, any purchaser shall be required to pay as rent to Lessor or Sublessor the fair market value of the Leased Premises during the remainder of the Term, such fair market value to be determined by the Secretary. If the purchaser at such sale is the leasehold or Subleasehold Mortgagee, the Leasehold or Subleasehold Mortgagee may sell and assign the Leasehold and Subleasehold without any further consent of the Lessor or the Secretary; provided, however, that the assignee shall agree in writing to be bound by all of the terms and conditions of the Lease or Sublease. *If the Leasehold or Subleasehold Mortgagee is the purchaser, Lessor's* recourse against the Leasehold or Subleasehold Mortgagee shall be limited to said Leasehold or Subleasehold Mortgagee's interest in this Lease or Sublease, and the Leasehold or Subleasehold Mortgagee shall be required to perform all of the Lessee's or Sublessee's obligations under the Lease or Sublease and shall be liable for said obligations under the Lease or Sublease, as well as the rent obligations set forth in subparagraph F, only as long as it retains title thereto. If a sale under the Approved

Encumbrance occurs and the purchaser is a party other than the Leasehold or Subleasehold Mortgagee, approval by Lessor and the Secretary which shall not be unreasonably withheld, conditioned or delayed, shall be required but shall be granted provide such purchaser, as successor in interest to the Lessee or Sublessee, shall be bound by all of the terms and conditions of the Lease or Sublease, including the rent obligations of this subparagraph F, and shall assume in writing all the obligations thereunder.

G. Lessor hereby consents, if such consent is required by law, to the inclusion of a provision in the Approve Encumbrance Instrument for the assignment of rents from Lessees or Sublessees of the Leased Premises to the Leasehold or Subleasehold Mortgagee, effective upon any default under the Leasehold or Subleasehold Mortgage; provided that nothing in this subparagraph G shall limit Lessor's right to rent under this Lease.

H. No surrender, cancellation or termination (except upon expiration or earlier termination by Lessor of this Lease) by Lessor, Lessee and/or the Secretary, or any modification or amendment of this Lease by joint action or agreement, shall be binding against any Leasehold or Subleasehold Mortgagee without the prior written consent of any such Leasehold or Subleasehold Mortgagee, if such Leasehold or Subleasehold Mortgagees shall have Written Notice (under the term of subparagraph 10B.) prior to any action described in this paragraph H.

I. Lessor hereby agrees to cooperate with Lessee in modifying or amending this Lease and/or executing separate Leases for any portion of the Leased Premises, if requested by Leasehold or Subleasehold Mortgagee, with the consent of the Secretary, provided any such modification or amendment does not materially or adversely affect Lessor's rights hereunder and any such separate Lease is upon the same terms and conditions as provided herein except for such modifications and amendments permitted hereby.

11. LEINS, TAXES, ASSESSMENTS, UTILIY CHARGES

Lessee shall not permit to be enforced against the Leased Premises, or any part thereof, any liens arising form work performed, materials furnished, or obligations incurred by Lessee, and Lessee shall discharge all such liens before any actions is brought to obtain judgment enforcing such liens. Lessee shall pay before delinquent, all taxes, assessments, licenses, fees and other like charges levied during the Term of this Lease upon or against the Leased Premises and all interests therein and property thereon for which either Lessee or Lessor may become liable. Upon written request, Lessee shall furnish Lessor and Secretary written evidence duly certified that any and all taxes required to be paid by Lessee have been paid, satisfied or otherwise discharged. Lessee shall have the right to contest any claim, asserted tax or assessment against the Leased Premises by posting bond to prevent enforcement of any lien resulting therefrom, and Lessee agrees to protect and hold harmless Lessor, the Secretary, the Leased Premises and all the interest therein and Improvements thereon, from any and all claims, taxes, assessments and like charges, and from any lien thereon, or sale or other proceedings to

enforce payment thereof, and all costs in connection therewith. Lessor shall execute and file any and all appropriate documents with reference to real estate tax exemption of the Leased Premises when requested by Lessee.

12. LESSOR'S PAYING CLAIMS

Lessor shall have the option of paying any lien or charge payable by Lessee under this Lease or settling any action is Lessee, within thirty (30) days' written notice from Lessor or the Secretary, fails to pay or post bond against enforcement or any lien or charge. All costs and other expenses incurred by Lessor in doing so shall be paid by Lessee to Lessor upon demand with interest thereon at the prime rate of interest announced by Wall Street Journal from time to time, plus four percent (4%) per annum. Failure to make such repayment on demand shall constitute a breach of the covenants of this Lease.

13. PUBLIC LIABILITY INSURANCE

A. At all time during the Terms of this Lease, Lessee shall carry a public liability insurance policy in the minimum amounts of Three Hundred Thousand Dollars (\$300,000.00) for personal injury per person, One Million Dollars (\$1,000,000.00) for personal injury resulting from one occurrence and Three Hundred Thousand Dollars (\$300,000.00) for property damage. Said policy shall be (i) obtained from a reputable and licensed insurance company; (ii) written jointly to protect Lessee, Lessor, and the United States of America; and (iii) provide for notification to Lessor and the Secretary prior to any cancellation of said policy for any reason including nonpayment of premiums. A copy of said policy shall be furnish to Lessor. There shall be periodic reviews, at not less than five (5) year intervals, of all insurance policies and coverage amounts held under this Lease. The review shall give consideration to the economic conditions at the time and may result in an adjustment to the type of insurance coverage or the amounts of any coverage whenever, in the reasonable discretion of Lessor, such adjustment is necessary for the protection of the Lessor or the United States. Neither Lessor nor United States government, nor their officers, agents or employees, shall be liable for any loss, damage, death or injury of any kind whatsoever to the person or property of Lessee or any other person whosoever, caused by any use of the Leased Premises, or by any defect in any structure erected thereon, or arising from any accident or fire, from any other casualty on the Leased Premises or from any other cause whatsoever (unless such loss, damage, death or injury is caused by the gross negligence or intentional misconduct of Lessor or the United States Government). Lessee, as a material part of the consideration for this Lease, hereby waives all claims against Lessor and the Unites States Government and agree to hold Lessor and the United States Government free and harmless from liability for all claims for all loss, damage, injury or death arising from the condition of the Leased Premises, or use of the Leased Premises by Lessee (unless such loss, damage, death or injury is caused by the gross negligence or intentional misconduct of Lessor or the United States Government), together with all costs and expenses in connection therewith.

B. The Public Liability Insurance required herein may be satisfied by the obtaining of such insurance pursuant to a construction loan agreement with a financial institution or other agreement to which Lessee or a Sublessee or assignee is a party so as to avoid double insurance on the Leased Premises.

14. FIRE AND DAMAGE INSURANCE

A. Lessee shall carry fire and casualty insurance with extended coverage endorsements covering not less than full insurable value of all Improvements; provided, however, said obligations of Lessee shall be deemed satisfied to the extent that any Sublease contains provisions therefore. Said policy or policies shall be (i) obtained from a reputable and licensed insurance company, (ii) written to name Lessee, Lessor, the United State of America and any applicable Leasehold or Subleasehold Mortgagee as additional insured parties, (iii) provide for notification to Lessor and any applicable Leasehold or Subleasehold Mortgagee, prior to any change in said policy or policies or cancellation of said policy or policies for any reason, including non-payment of premiums, and (iv) issued together with a Lender's Loss Payable Endorsement (form 438 BFUNS), or its equivalent or a loss payable clause acceptable to the Lessor for the benefit of any Leasehold or Subleasehold Mortgagee. A cop of said policy or policies shall be provided to Lessor and the Secretary.

B. Subject to the terms and conditions of the applicable Approved Encumbrance Instrument, in the event of damage to any of the Improvements for which Lessee is required to carry insurance hereunder, Lessee shall either rebuild, repair or otherwise reinstate the damaged Improvements (except that is Lessee, in its reasonable judgment after taking into account the general economic and other conditions affecting the damaged portion of the Improvements at such time, determines that different use of the damaged Improvements is in order, Lessee may build new Improvements in accordance with such different use with the prior written consent of the Lessor) in a good substantial manner. The repair or the reconstruction shall commence as soon as reasonably possible and shall be pursued diligently upon completion. Insurance proceeds covering said reconstruction shall be deposited in an escrow account with an independent trustee. Lessee may elect to carry insurance only for the value of the Improvements upon notification to Lessor. Should Lessee fail to notify Lessor of its decision to carry only sufficient amounts of insurance to cover the value, Lessee shall be required to deposit with said independent trustee all additional funds required to reconstruct the damaged Improvements. Escrow instructions shall include provisions that all funds so deposited shall be disbursed, during the progress of reconstruction on proper architect's, engineer's or contractor's certificates. All money in escrow after said reconstruction has been completed (including interest thereon) shall be paid to Lessee, if no Event of Default by Lessee remains uncured.

C. In the event of damage to the extent of seventy-five percent (75%) or more of the total value of all Improvements during the last ten (10) years of the Term of this Lease, Lessee shall have the option of using the resulting insurance proceeds to either reconstruct said improvements or remove the damaged improvements from the

Leased Premises. In the event Lessee elects not to reconstruct the damaged Improvements, all insurance proceeds in excess of those used to remove the damaged Improvements and pay any encumbrances shall be paid to Lessor.

D. In the event of loss or damage to the Improvements while an Approval Encumbrance remains unpaid, the amount of such loss or damage (but not exceeding the remaining balance of the Approved Encumbrance) shall be paid to the Leasehold or Subleasehold Mortgagee on the condition that the Leasehold or Subleasehold Mortgagee agree to comply with the reconstruction obligations set forth herein. If such amount paid to the Leasehold or Subleasehold Mortgagee is sufficient to repair the loss or damage with respect to the purpose for which it was paid, or if Lessor or Lessee shall, within six (6) months after such payment by the insurer to the Leasehold or Subleasehold Mortgagee, deposit with the Leasehold or Subleasehold Mortgagee enough money to completely repair the loss or damage when added to the amount paid by the insurer to the Leasehold or Subleasehold Mortgagee, the Leasehold or Subleasehold Mortgagee shall, upon written order of Lessor or Lessee, pay such monies for such repair, and it shall not be deemed a payment or credit on the Approved Encumbrance. If Lessee does not comply with the above, at the expiration of such six (6) months period, the sum so paid by the insurer to the Leasehold or Subleasehold Mortgagee shall be applied and credited towards the Approved Encumbrance. It is understood and agreed that nothing stated herein shall relieve Lessee of its obligations to repair and/or replace the damaged Improvements to a condition as good or better than before than damaged occurred. Breach of this obligation shall be deemed a default of this Lease.

E. The Fire and Damage Insurance, and other obligations of the Lessee, required herein may be satisfied by the obtaining of such insurance pursuant to a construction loan agreement with a financial institution or other agreement to which the Lessee or Sublessee is a party as so is to avoid double insurance on the Leased Premises.

15. EMINENT DOMAIN

If, at any time during the term of this Lease, the Leased Premises or any part thereof is taken or condemned under the laws of eminent domain, then and in every such case, the leasehold estate and interest of the Lessee in the Leased Premises or part thereof taken shall forthwith cease and terminate. All compensation awarded by reason of any taking of or injury to the Improvements shall be awarded to the Lessee and Lessor as their interest appear at the time of such taking; provided, however, that the Lessee's rights to such awards shall be subject to the rights of a Leasehold or Subleasehold Mortgagee to receive such awards pursuant to the relevant Approved Encumbrance.

16. DEFAULT

A. Should Lessee fail to make any payment of Rent within ten (10) days after Lessee's receipt from Lessor of notice thereof, or fail to cure any material non-monetary provisions of this Lease within ten (10) days after Lessee's receipt from Lessor of notice

thereof (provided, however, that Lessee shall not be in default under this Lease if Lessee shall within such ten (10) day period commence to cure such non-monetary violation and thereafter diligently prosecute the cure to completion) (each of which shall constitute an "Event of Default"), said Event of Default may be acted upon by the Secretary in accordance with 25 CFR Part 2 of the Code or revised regulations or any amendments thereto. In addition to the rights and remedies provided by the aforementioned regulations, Lessor or the Secretary may exercise the following options upon Lessee's default;

- 1) To collect, by suit or otherwise, all monies as they become due hereunder, or enforced, by suit otherwise, Lessee's compliance with all terms of this Lease through the date of expiration or termination of this Lease;
- 2) To re-enter the Leased Premises and remove all persons and property therefrom, excluding the property belonging to Sublessee; or
- 3) Take another legally authorized action deemed necessary to protect any interest of Lessor, including but not limited to reletting the Leased Premises and/or termination of this Lease.

B. No waiver of a breach of any of the covenants of this Lease shall be constructed to be a waiver of any succeeding breach of the same or any other covenant of this Lease.

C. Exercise of any of the remedies outlined in this paragraph 16 shall not exclude recourse to any other remedies, by suit or otherwise, which may be exercised by Lessor or the Secretary, or any other rights or remedies now held or which may be held by Lessor or the Secretary in the future.

17. ATTORNEY'S FEES

The non-prevailing party agrees to pay and discharge all reasonable costs, attorney's fees and expenses that may be incurred by any prevailing party in enforcing the provisions of this Lease.

18. NO PARTNERSHIP

No term of this Lease shall be construed so as to provide that a partnership exists between Lessor and Lessee. The only relationship between the parties hereto is that of Lessor and Lessee.

19. TERMINATION OF FEDERAL TRUST

Nothing contained in this Lease shall operate to delay or prevent a termination of Federal Trust responsibilities with respect to the Leased Premises by the issuance of a fee

patent or otherwise during the Term of this Lease; provided, however, that such termination shall not serve in any way to abrogate this Lease. The owners of the Leased Premises, Lessee and its surety or sureties shall be notified of any such change in the status of the Leased Premises.

20. OBLIGATIONS OF LESSEE

While the Leased Premises are in trust or restricted status pursuant to the terms and conditions of any relevant federal statute or regulation, all of the Lessee's obligations under this Lease, and the obligations of its sureties, are to the United States as well as to the Lessor. Any obligations of Lessee set forth in this Lease shall be deemed satisfied with respect to Lessee to the extent that Subleases to third parties contain substantially the same obligations to be performed by Sublessees. Lessor and Lessee shall exercise all due diligence taking all reasonable steps to enforce the obligations of the Sublessee and/or the rights of Lessor or Lessee pursuant to any or all Subleases.

21. STATUS OF SUBLEASES

Termination of this Lease, by cancellation or otherwise, shall not serve to cancel Subleases, but shall operate as an assignment to Lessor of any and all such Subleases. Payment of rent by a Sublessee to Lessee shall preserve the tendency of the Sublessee until termination of this Lease and receipt by Sublessee of notice of same and notice of pay rent directly to Lessor.

22. INSPECTION

The Secretary and the Lessor and their authorized representatives shall have the right, at any reasonable time during the Term of this Lease, to enter upon the Leased Premises, or any part thereof, and to inspect the same and all Improvements thereon.

23. HOLDING OVER

Holding over by the Lessee after the expiration or termination of this Lease shall not constitute a renewal or extension thereof or give Lessee any rights hereunder in or to the Leased Premises.

24. DELIVERY OF PREMISES

At the termination of this Lease, Lessee will peaceably, and without legal process, deliver the possession of the Leased Premises in good condition, usual wear and tear excepted.

25. EMPLOYMENT OF MEMEBERS OF THE TRIBE

During the Term of this Lease, Lessee shall give preference in employment arising in connection with the purpose of this Lease to qualify, willing and available members of

the Tribe as allowed by tribal and federal law. Lessor's remedy with respect to any breach by Lessee of the terms and conditions of this paragraph shall be limited to specific enforcement or monetary damages and shall specifically exclude the right of Lessor to terminate the Lease.

26. MINERALS

All minerals, with the exception of rock, sand and gravel obtained in the normal course of development of the Leased Premises, contained in or on the Leased Premises, in whatever concentration, are hereby reserved for the use of Lessor, together with the right of Lessor or its authorized agents or representatives at any time, to enter upon the Leased Premises and prospect for, mine and removed the same; provided, however, that Lessor shall not allow the removal or development of any such minerals during the term of this Lease without the consent of Lessee and Sublessees which would be influenced by such development or removal.

27. PROCEDURE FOR RESOLUTION OF DISPUTES BETWEEN LESSOR AND LESSEE

It is the intention of the parties to establish a successful working relationship through open communication and to cooperate as fully as reasonably as possible. However, should any dispute arise under this Lease which cannot be resolved between the parties through their continuing communication, the following procedure for resolution of all disputes arising hereunder shall apply:

A. The parties shall each appoint an arbitrator within thirty (30) days of notice by one of the parties that a dispute under this Lease exists. Lessor's remedy with respect to any breach of lessee of the terms and conditions of this paragraph 27 shall be limited to specific enforcement or monetary damages and shall specifically exclude the right of Lessor to terminate this Lease.

B. Once the two arbitrators have been appointed, they shall agree upon and appoint, within thirty (30) days, a third arbitrator, and if the two arbitrators cannot agree upon a third arbitrator, the third arbitrator will be appointed in accordance with the rules and procedures then in existence of the American Arbitration Association.

C. Such arbitrators shall hold an arbitration hearing at a mutually agreed upon location, within forty-five (45) days after the third arbitrator appointment. The hearing will be conducted in accordance with the Commercial Arbitration Rules then in existence for the American Arbitration Association. The three arbitrators shall allow each party to present its case, evidence and witnesses, if any, in the presence of the other parties, and shall render their determination within ten (10) days. Each party shall bear the cost of its own arbitrator, its own attorney's fees and costs, and one-half the costs of the third arbitrator.

D. The award of the majority of the arbitrators shall be binding on the parties, except that either party may commence an action in the Fort Berthold Tribal Court determination shall be limited to the interests to which the Tribe of Lessee has under this Lease as provided in Paragraph 39 hereof.

28. FORCE MAJEURE

Whenever a is stated under this Lease within which materials are to be submitted, original construction, repairs or reconstruction of any Improvements to be constructed hereunder are to be completed, and such performance is delayed or becomes impossible because of any act of God, war, civil insurrection, riot, earthquake, fire, weather, sickness, accidents, epidemic, act of government or government regulations, general or sympathetic strike or lockout, unavailability of labor or materials, or some other event occurs that is beyond Lessee's reasonable power to control, including, but not limited to, delays caused by changes in economic conditions, the period of delay so caused shall be added to the period allowed herein for the submittal or completion of such work. In the event that a portion of the Leased Premises upon notice to the Tribe and shall incur no further obligations hereunder as to the noticed lands.

29. ENVIRONMENTAL PROTECTION REQUIREMENTS

Lessee shall have the responsibility for fully complying with all federal environmental protection requirements applicable to the Leased Premises and all tribal environmental protection requirements in existence at the Commencement Date.

30. ANTIQUITIES

Lessee shall follow and comply with the National Antiquities Act, the National Historic Preservation Act of 1966, and the Archeological Resources Protection Act of 1979, and any amendments to these acts, or any other applicable federal and tribal laws relating to Antiquities and historical sites.

31. NOTICES

Any notice or demand required to be given pursuant to this Lease, or desired to be given in connection with this Lease, shall be in writing, sent by registered or certified mail with a return receipt requested, postage prepaid, and shall be deemed to have been received forty-eight (48) hours after it deposit with the United States Postal Service at the postmarked point of mailing. Any notice intended for any party shall be addressed to it at the address specified below unless such address is subsequently changed in writing:

LESSOR: Three Affiliated Tribes
of the Fort Berthold Reservation
Tribal Administration Building
HC Box 2, New Town, North Dakota 58763

LESSEE: Twin Buttes Custom Homes, Inc.
8060 7th Street SW
Halliday, ND 58636

32. EASEMENTS

Lessor agrees to provide Lessee with any easements for utilities, roads, streets, bridges, waterways, and such other ingress and egress rights to and from other properties owned by Lessor and agrees to assist Lessee in obtaining rights-of-way.

33. BINDING LEASE

This Lease and the covenants, conditions and restrictions herein shall extend to and be binding upon the successors, heirs, assigns, executors and administrators of the parties hereto.

34. INTEREST OF MEMBER OF CONGRESS

No member of or delegate to the United States Congress, or Resident Commissioner shall be admitted to any share or part of this Lease or to any benefit that may arise herefrom.

35. VALIDITY

This Lease and any modifications or amendments hereto shall not be valid or binding upon either party hereto until approved by the Secretary.

36. USE OF GOODS AND SERVICES PRODUCED BY THE MEMBERS OF THE TRIBE

The Lessee agrees to give businesses owned by members of the Tribe preference when making purchases of materials, equipment, goods, services and transportation needed for development or management of the Leased Premises, provided, however, that it is understood and agree that this clause shall not be used by Lessor or the members of the Tribe in a manner which would place Lessee at a financial disadvantage in developing the property, or when the Tribal member fails to adequately perform under the contract or agreement, (For example, a situation where a tribal member insisted on the right to sell lumber). Lessor's remedy with respect to the terms and conditions of this paragraph 36 shall be limited to specific performance or monetary damages and shall specifically excluded the right of Lessor to terminate this Lease.

37. AGREEMENTS TO ABIDE B Y TRIBAL LAWS

Lessee and Lessee's employees, agents, sublessees and their employees and agents agree to abide by all laws, regulations and ordinances of the Tribe now in force and effect, or as may hereafter be in force and effect.

38. JURISDICTION AND GOVERNING LAW

The laws of the Tribe shall govern the construction, performance and enforcement of this Lease. Jurisdiction for the enforcement of the provisions of this Lease shall lie exclusively in the courts of the Tribe. Lessee, Lessee's employees, agents and successors in interest hereby consent to the jurisdiction of such courts. In no event shall any claim or controversy arising out of or relating to this Lease be commenced or adjudicated in a North Dakota state court or any state court.

39. LIMITED WAIVER OF SOVEREIGN IMMUNITY

A. With approval of this Lease by the Tribe, the Lessor expressly waives its sovereign immunity and consents to be sued and to arbitration as provided in Paragraph 27 hereof for the limited purpose of permitting enforcement of its obligations and responsibilities arising under or out of this Lease; provided, however, that such waiver shall be limited to the Lessor's income under this Lease. In no event shall any money damages be paid from any income of the Tribe derived from any source other than this Lease, nor shall any tribal trust resources or other assets of the Tribe be subjected to attachment, execution or similar process.

B. With approval of this Lease, the Lessee expressly waives its sovereign immunity and consents to be sued and to arbitration as provided in paragraph 27 hereof for the limited purpose of permitting enforcement of its obligations and responsibilities arising under or out of this Lease; provided, however, that such waiver shall be limited to the Lessee's assets and income under this Lease.

40. APPROVALS

Whenever the approval of the Lessor is required hereunder, such approval shall be neither unreasonably withheld or delayed.

41. ESTOPPEL CERTIFICATE

If at any time, or from time to time, Lessor or Lessee requests of the other, an Estoppel Certificate, then within ten(10) days, the party to whom said request has been made shall execute an Estoppel Certificate certifying (i) this Lease is in full force and effect, (ii) the existence of any modifications or amendments hereto, (iii) whether there are any defaults by either party hereunder, and (iv) whether there are any offsets or counterclaims against the other party.

42. SEVERABILITY

In the event that any term or covenant of this Lease is held invalid or void by a court of competent jurisdiction, the invalidity of any such term or covenant shall in no way affect any other term or covenant of this Lease.

43. ENTIRE AGREEMENT

This Lease embodies the entire understanding and agreement between the parties concerning the Leased Premises and/or the matters addressed herein and supersedes any and all prior negotiations, understanding or agreements in regard thereto

IN WITNESS WHEREOF, the parties hereto set their hands on the date and year below written.

LESSOR: THREE AFFILIATED TRIBES OF THE FORT BERTHOLD RESERVATION

By: [Signature]
Its: Chairman
Date: 2-5-03

LESSEE: Twin Buttes Custom Homes, Inc

By: [Signature]
Its: CEO
Date: 2/5/03

STATE OF North Dakota
COUNTY OF M. Kenzie)ss.

On this 5th day of February, 2003, before DIANA POITRA the undersigned officer, personally appeared Casey Endric ^{tax & legal} known to me to be the person(s) whose name (s) is/are subscribed to the within instrument and acknowledge the he/she/they execute the same for the purpose therein contained.

In witness whereof, I hereinto set my hand and official seal.

My commission expires: April 9, 2004.

[SEAL]

[Signature]
Notary Public
70. Box 84, Roseston, ND
address 58715

DIANA POITRA
Notary Public, State of North Dakota
My Commission Expires April 9, 2004

STATE OF _____)

)ss.

COUNTY OF _____)

On this __ day of _____, 200__, before _____ the undersigned officer, personally appeared _____, known to me to be the person(s) whose name (s) is/are subscribed to the within instrument and acknowledge the he/she/they execute the same for the purpose therein contained.

In witness whereof, I hereinto set my hand and official seal.

My commission expires: _____.

[S E A L]

Notary Public

address

Approved pursuant to Secretarial Delegation:

By: _____
Superintendent, Fort Berthold Agency
Bureau of Indian Affairs

Exhibit A

The legal description of the leased premises is as follows:

The NE1/4 of the NE1/4, Section 34, Township 147 North, Range 91 West of the Fifth Prime Meridian, all located in Dunn County, North Dakota and held in trust for the benefit of the Three Affiliated Tribes by the United States Department of Interior, containing 40 acres, more or less.



NOWHEREFORE, BE IT FURTHER RESOLVED, that the Tribal Chairman and the Tribal Treasurer of the Tribal Business Council of the Three Affiliated Tribes are hereby authorized to execute any and all such documents as may be necessary to obtain the term loan and line of credit on behalf of Twin Buttes Custom Homes including but not limited to the execution of a long term Lease with Twin Buttes Custom Homes for the lease of the real property whereon the manufacturing facility now exists.

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 5th day of February, 2003, that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 7 members, 0 members opposed, 0 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

Chairman [X] Voting. [] Not Voting.

Dated this 5th day of February, 2003.

Randy Phelan
Executive Secretary, Randy Phelan
Tribal Business Council

ATTEST:
Tex G. Hall
Chairman, Tex G. Hall
Tribal Business Council