



**RESOLUTION OF THE TRIBAL BUSINESS COUNCIL OF
THE THREE AFFILIATED TRIBES OF THE
FORT BERTHOLD RESERVATION APPROVING INTERIM XIV LOAN AND
ASSIGNMENT OF TRUST INCOME AS SECURITY**

- WHEREAS,** This Nation has accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act; and
- WHEREAS,** The Constitution of the Three Affiliated Tribes (the "Tribe") 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 Tribe and of the enrolled members thereof; and
- WHEREAS,** Article VI, Section 5(c) of the Constitution of the Tribe specifically authorizes and empowers the Tribal Business Council of the Tribe to administer the funds within the exclusive control of the Tribe and to make expenditures from available tribal funds for public purposes of the Tribe; and
- WHEREAS,** In accordance with Public Law 102-575, entitled "Three Affiliated Tribes and Standing Rock Sioux Tribe Equitable Compensation Act," as amended (the "Act"), income from the Recovery Fund therein defined ("Trust Income") is permitted to be paid to the Tribe for educational, social welfare, economic development and other programs, subject to the approval of the Secretary; and
- WHEREAS,** The Tribal Business Council has determined that it would be in the best interests of the Tribe to borrow approximately \$13,000,000 for purposes permitted to be funded from Trust Income under the Act to (i) refinance prior interim loans to the Tribe arranged by Marshall Investments Corporation ("Marshall") that are presently secured by or intended to be paid from Trust Income, (ii) finance other Tribal working capital and capital projects, and (iii) pay costs associated with such financing (the "Financing"); and
- WHEREAS,** The Tribal Business Council has determined that to the extent legally permitted, and consistent with the intended uses of the loan proceeds, the Tribe should borrow in a manner permitting the interest to be excluded from gross income for federal income tax purposes in order to reduce the borrowing costs of the Tribe; and
- WHEREAS,** The Tribal Business has determined that to further reduce borrowing costs, the Financing should be structured as a general obligation of the Tribe, with Trust Income pledged to secure the Financing or with a grant of authorization to the lenders of to apply to the Office of Trust Fund Management for payment of principal and interest due, but only in an amount each year that does not exceed the scheduled principal and interest due; and
- WHEREAS,** Marshall has submitted a proposal to arrange the Financing (the "Financing Proposal");

WHEREAS, Under the Financing Proposal, the Financing would be structured to include both a taxable and a tax exempt loan (the "Loans") totaling up to approximately \$13,000,000 in aggregate principal amount, and including the following terms:

(i) for the portion of the Financing bearing taxable interest, two options are proposed—(A) a seven-year Loan bearing interest at an annual interest rate of 6.50% (to the extent consistent with prevailing market conditions), with principal fully amortizable over the seven year term, and (b) a seven-year Loan bearing interest at the annual interest rate of 6.75% (to the extent consistent with prevailing market conditions), with principal being amortized over a fifteen year term, with a balloon payment at maturity; and

(ii) for the portion of the Financing bearing tax exempt interest, an interest rate equal to 70-75% of the taxable rate described above for the applicable maturity and amortization structure (to the extent consistent with prevailing market conditions); and

(iii) a servicing fee would be payable to Marshall in an amount equal to 1/8th % of the outstanding balance of the Loans; and

(iv)) the payment obligation of the Tribe on the Loans would be evidenced by promissory notes of the Tribe payable to the various lenders located by Marshall (the "Lenders");

(iii) in addition to the pledge of the Tribe's full faith and credit, either Trust Income would be pledged by a written agreement (the "Pledge Agreement") or the Tribe will authorize the Lenders to request payments from Trust Income in a manner similar to previous agreements securing loans arranged by Marshall, with the Tribe having the option under the loan agreements related to the Loans (the "Loan Agreements") to prepay monthly payments fifteen days in advance to avoid using Trust Income for such payment; and

(iv) upon the closing of the Loans all or a portion of the proceeds of the Loans shall be advanced into one or more escrow account to be held by Marshall, any affiliate of Marshall or a third party financial institution or trustee, with funds to be disbursed from the escrow account under customary conditions solely for application to the purposes described in the Loan Agreements; and

NOW, THEREFORE, BE IT RESOLVED, by the Tribal Business Council of the Three Affiliated Tribes as follows:

Section 1. Approval and Authorizations

1.1 The Tribal Business Council hereby determines that the foregoing proposed actions are in the public interest and promote the welfare of the Tribe.

- 1.2 The Tribal Business Council hereby approves the Financing Proposal and the Tribe's execution, delivery and performance of Loan Agreements, Notes, Pledge Agreements and any related documents reasonably necessary to effect the Loans (the "Loan Documents") in such forms as are approved by the an Authorized Representative (defined below) and legal counsel for the Tribe, which approvals shall be deemed to have been conclusively given upon the execution of the Loan Document by an Authorized Representative.
- 1.3 The Chairman, Secretary, and Treasurer of the Tribe, together with any other person who under the laws of the Tribe are permitted to act on behalf of the Tribe in the event of the absence or incapacity of the Chairman, Secretary or Treasurer (each, an "Authorized Representative") are hereby authorized and directed to execute the Loan Documents, and to execute such other documents and take such actions as are required or desirable to effect the purposes of this Resolution.

Section 2. Limited Waiver of Sovereign Immunity; Jurisdiction and Arbitration. Provisions in the Loan Documents relating to the following matters are hereby expressly authorized, approved and adopted as the law of the Tribe with respect to the Loans; so long such provisions substantially comply with the terms set forth in Exhibit A attached hereto:

- 2.1 The choice of governing laws, the limited waivers of sovereign immunity, the consents to jurisdiction and waivers of the doctrines of abstention and exhaustion of tribal remedies; and
- 2.2 The obligation to resolve disputes related to the Loans by binding arbitration.

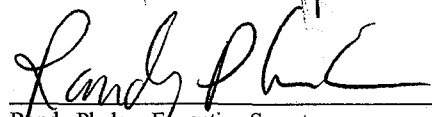
Section 3. Miscellaneous Matters.

- 3.1 Any resolutions or other actions of the Tribal Business Council or of the Tribal Executive Committee, including any prior resolutions regarding the Loans that are in conflict with or inconsistent with the terms of this Resolution are hereby to such extent repealed and annulled. This Resolution shall supersede any prior or currently existing resolutions or other actions of the Tribal Business Council or Tribal Executive Committee that are contrary to the actions authorized or contemplated herein or in a Loan Document.
- 3.2 If any provision of this Resolution or the application of any provision of this Resolution is held to be invalid, the remainder of the Resolution shall not be affected.

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 Executive Committee of 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 the 10th day of April, 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 not voting, and that said Resolution has not been rescinded or amended in any way.

Dated this 10th day of April, 2003.


 Randy Phelan, Executive Secretary
 Tribal Business Council

ATTEST:


 Tex G. Hall, Chairman
 Tribal Business Council