



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

A resolution entitled "Housing Division Marshall Group Loan."

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 (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 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, There exists within the several segments of the Fort Berthold Reservation an unmet need for adequate individual family housing including single family units and multifamily dwellings; and

WHEREAS, The unmet need for housing includes low income housing and median income housing; and

WHEREAS, In order to develop housing to fill the needs of the enrolled members of the Three Affiliated Tribes, the Tribal Business Council by previous resolution created a separate Housing Division which lead to the development of the Dreamcatcher program; and

WHEREAS, The Dreamcatcher program by and through the Housing Division will construct up to two hundred and fifty homes for the members of the Three Affiliated Tribes, and the homes will be financed from the proceeds of the Tribes' issuance of the U.S. Department of Housing and Urban Development (HUD) program known as "Section 184", which provides a loan guarantee for tax exempt bonds to be issued by the Tribe; and

WHEREAS, In order to issue bonds, the Three Affiliated Tribes, being the bond issuer, must pay closing costs including: Net Bond Issuance Costs; Negative Arbitrage Costs; and general Bond Costs of Issuance; and

WHEREAS, A description of how the bonds will be used and paid back follows: The



bond proceeds, which will for the first issuance be ten million dollars (\$10,000,000), will be used to satisfy construction loans and eventual BankOne mortgages, for the first one hundred homes; BankOne will finance a substantial portion of the construction loans and tribal mortgages. The Three Affiliated Tribes will be the borrower, BankOne the lender and there will be one loan per housing unit, and the BankOne loans will be characterized as HUD Section 184 loans. The bond proceeds will payoff the loans, and the Three Affiliated Tribes receipt of occupant lessees' payments will be used to pay the principal and interest debt on the bonds. The tax-exempt bonds will be collateralized by HUD Section 184 loans; and

WHEREAS, There are many facets to the sophisticated finance plan of the Dreamcatcher program, however, in order to secure the HUD Section 184 loans the borrower the Tribe is required by HUD to deposit monies at loan closing of each unit; these funds include: Down Payments; Contingency Reserves; and first years Mortgage Payments (also having the character of a reserve); and the Contingency Reserves and the Mortgage Payments will be escrowed and converted to a loan when used; and

WHEREAS, The Housing Division has negotiated a loan from the Native American Bank; the proceeds to be used for the payment of the HUD required loan closing costs and reserves and the amount of the loan from Native American Bank is anticipated to be approximately \$500,000.00, with the proceeds being used to create reserves will be escrowed and any unused portion to be applied toward the payment of the loan reducing the debt service, while the loan will be revolving in nature; and

WHEREAS, Native American Bank has given a preliminary commitment to loan funds to the Tribe for the purpose of funding the HUD Section 184 closing costs and reserves; and

WHEREAS, The above referenced loan from the Native American Bank has been negotiated and the Native American Bank has issued a preliminary commitment in an amount of \$500,000.00 dollars for the purpose of financing the loan closing costs and reserves; however, in order for the Three Affiliated Tribes to meet the full \$1,100,000 bond and loan closing requirements, the tribe must provide financial resources in the amount of \$673,350.

NOW THEREFORE, BE IT RESOLVED, that the Tribal Business Council hereby authorizes a loan to the Housing Division in the amount of \$673,350 to be obtained from other resources of the Tribe, including, but not necessarily limited to, proceeds from a loan being obtained by the Tribe from the Marshall Investments Corporation to be repaid from the project proceeds under the same terms and condition as the Marshall Investments

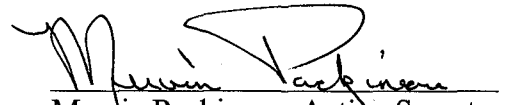


Corporation loan to the Tribe (Resolution No. 03-145-DSB) for the purpose of payment of the closing costs of the HUD Section 184 collateralized tax exempt bonds and to pay any closing costs of HUD Section 184 loans closed prior to issuance of the HUD Section 184 collateralized tax exempt bonds.

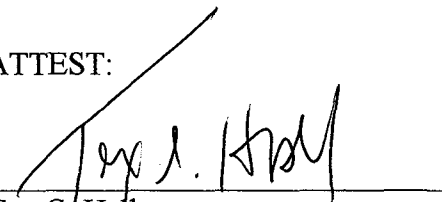
CERTIFICATION

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, Six were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 16 day of May, 2003; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 5 members, 0 members opposed, 0 members abstained, 1 not voting, and that said Resolution has not been rescinded or amended in any way.

Dated this 16 day of May, 2003.


Mervin Packineau, Acting Secretary
Secretary, Tribal Business Council

ATTEST:


Tex G. Hall
Chairman, Tribal Business Council