



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

A Resolution entitled "Approval of Rural Development Loan and Grant totaling \$3.5 million for Rural Water Projects"

WHEREAS, The 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, The Three Affiliated Tribes and its members lost more than 155,000 acres of prime bottom lands along the Missouri River as a result of the construction of Garrison Dam in the early 1950's, forcing its members onto much less desirable lands away from the Missouri River, and which also meant the loss of immediate access by Tribal members to the good water of the Missouri River; and

WHEREAS, As documented in the Garrison Unit Joint Tribal Advisory Committee (JTAC) report issued in May, 1986, as a result of the Garrison Dam and the flooding of their prime lands, the Three Affiliated Tribes and its members were promised a water distribution system to allow all rural residents free access to the water of Lake Sakakawea, the reservoir behind the Garrison Dam; and

WHEREAS, In December, 2000, Congress enacted into law the Dakota Water Resources Act of 2000, which authorizes an additional \$70 million for MR&I projects on the Fort Berthold Reservation of the Mandan, Hidatsa and Arikara Nation and \$200 million over all for all Indian MR&I projects within the State of North Dakota, which will allow substantial completion of a rural water system serving all of the Tribal members residing on the Fort Berthold Reservation; and

WHEREAS, Congress has not appropriated sufficient funds for FY 2003 and it is likely it will not authorize sufficient funds in FY 2004 to satisfy the needs of the Three Affiliated Tribes concerning construction of the rural water distribution project, although engineering and construction designs for the initial elements of the project are completed and construction can begin as soon as funds are made available; and

WHEREAS, The Three Affiliated Tribes is eligible to apply for a loan from the United States Department of Agriculture in the amount of \$2.509 million to be used for the construction of selection water supply and distribution projects for the Fort

Berthold Rural Water System of the Three Affiliated Tribes, the principal terms of which are that the loan is amortized over 40 years at an annual interest rate, as of 5-1-03, of 4.50%, provided that the Tribe must show a dedicated source of repayment for the loan, and which terms also include a provision for a deferral of principal payments on the loan for up to two years following the date of funding of the loan; and

WHEREAS, The Tribe is also eligible to apply for a USDA Rural Development grant in the amount of \$1 million; and

WHEREAS, The Tribe believes that the source of repayment of this loan should be, if possible, funds appropriated by Congress and administered by the Bureau of Reclamation of the Department of Interior to fulfill the commitment made to the Tribe in the Dakota Water Resource Act of 2000, and, if such funds are not available, then, to the extent of the annual obligation to Rural Development, funds that are available annually to the Tribe from income from agricultural and grazing leases of Tribal lands within the exterior boundaries of the Fort Berthold Reservation, it being understood that for the purposes of the loan contemplated by this Resolution, the agricultural and grazing lease funds of the Tribe will be listed in the loan documents as the primary source of repayment and it also being understood that such income is sufficient to satisfy the loan debt servicing and loan reserve requirements and is not otherwise encumbered; and

WHEREAS, The Tribe has already submitted all documents required by Rural Development regarding the pre-application process for the previous loan approved by Resolution No. 02-206-MWJR, and those documents should be sufficient for the application for the \$2.509 million loan described above; and

WHEREAS, The Tribe believes that in addition to funds appropriated under the Dakota Water Resources Act for water distribution projects, there are other sources of repayment for the loan, upon which the Tribe may rely either in whole or in part if appropriations under the Dakota Water Resources Act or if income from agricultural and grazing leases are insufficient to meet the need for repayment of this loan: 1) Other users of the water from the project who live off the Fort Berthold Reservation; 2) general funds available to the Tribe after all other current legal obligations of the Tribe have been met; and 3) other state and Federal programs made available to the Tribe for water development; and

WHEREAS, It is the intention of the Tribe in receiving this loan to make maximum effort to secure sufficient appropriations from the Dakota Water Resources Act to repay this loan without the need to use any of the other sources of repayment mentioned in the preceding paragraphs; and

WHEREAS, the Tribe intends by this resolution to make a direct pledge for repayment of the above described loan of any or all of the abovementioned sources of repayment as may be necessary to secure this loan.

NOW THEREFORE BE IT RESOLVED, that the Tribal Business Council hereby approves

the application for a loan and grant with the Rural Development program of the United States Department of Agriculture on the terms as described herein, including a 40 year amortization of the loan in the amount of \$2.509 million, an interest rate of approximately 4.50%, and up to a two year deferral of the principal owing on the loan, and as security for the loan, a direct pledge of the assets of the Tribe as mentioned above, specifically, as a dedicated source of repayment, income from agricultural and grazing leases of Tribal lands within the exterior boundaries of the Fort Berthold Reservation; and

NOW THEREFORE BE IT FURTHER RESOLVED, that the Tribal Business Council hereby rescinds those parts of any resolution that are inconsistent with this Resolution as enacted; and

NOW THEREFORE BE IT FURTHER RESOLVED, following review of all loan documents by legal counsel for the Tribe, the Tribal Business Council hereby authorizes any one of the following to execute, on behalf of the Three Affiliated Tribes, any or all documents that may be necessary to obtain this loan or that are associated with this loan or that may be necessary to obtain the grant mentioned herein: the Chairman, Vice-Chairman, Secretary or Treasurer of the Tribal Business Council.

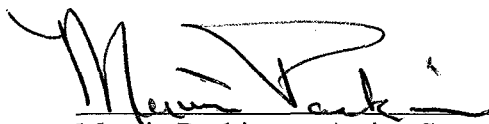
CERTIFICATION

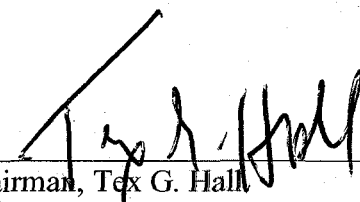
I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Indian Reservation, hereby certify that the Tribal Business Council is composed of seven (7) members of whom five (5) constitute a quorum; 6 members were present at a Regular Meeting thereof duly called, noticed, convened and held on the 16th day of May 2003; that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 6 members, 0 members opposed, 0 abstained, 0 members not voting; and that said Resolution has not been rescinded or amended in any way.

Chairman Voting [] Not Voting

Dated this 16th day of May, 2003.

ATTEST:


Mervin Packineau, Acting Secretary
Tribal Business Council


Chairman, Tex G. Hall
Tribal Business Council