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

A Resolution entitled, "Approval of Contract Amendment to Contract with Sonosky, Chambers, Sachse, Endreson and Perry, LLP."

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, The Indian Self-Determination and Education Assistance Act, as amended, 25 U.S.C. §450 *et seq.*, and the Dakota Water Resources Act, P.L. 106-554, authorize the Tribes to negotiate and enter into self-determination contracts with the Secretary of the Interior through the Bureau of Reclamation for the planning, design, and construction to provide for the Municipal, Rural and Industrial (MRI) water needs of the Fort Berthold Reservation and Operation, Maintenance, and Replacement (OMR) activities associated with the Fort Berthold Rural Water Supply System; and

WHEREAS, The Tribal Business Council authorized Fort Berthold Rural Water to retain the law firm of Sonosky, Chambers, Sachse, Endreson and Perry, LLP to negotiate comprehensive, five-year self-determination contracts for the Tribes to assume the programs, functions, services, and activities associated with the MRI project and the OMR program in Tribal Business Council Resolution No. 03-095-RP; and

WHEREAS, The Sonosky law firm has reached the contract price limit authorized under its Agreement with the Tribe; and

WHEREAS, Fort Berthold Rural Water continues to need the services of Sonosky, Chambers, Sachse, Endreson and Perry LLP to complete its negotiations with the Bureau of Reclamation in order to develop self-determination contracts for the MRI project and OMR program that respect tribal sovereignty and reserve to the Tribes the full benefits and privileges of the federal policy of tribal self-determination;

Amendment No.1

To Attorney Contract between
the Three Affiliated Tribes of the Fort Berthold Reservation
and Sonosky, Chambers, Sachse, Endreson and Perry, LLP

The Attorney Contract between the Three Affiliated Tribes of the Fort Berthold Reservation (hereinafter the "Tribes") and the law firm of Sonosky, Chambers, Sachse, Endreson and Perry, LLP (hereinafter the "attorneys") for the provision of legal services to the Tribes in connection with the preparation and negotiation of certain Indian self-determination contracts with U.S. Bureau of Reclamation is hereby amended as follows:

Paragraph 2 (**Compensation**) is hereby amended by replacing the phrase "shall not exceed \$60,000 per contract year" with the phrase "shall not exceed \$95,000 per contract year."

The remainder of the contract shall remain unchanged.

August 1, 2003

Date

Three Affiliated Tribes
Tribal Chambers

Place

THE THREE AFFILIATED TRIBES OF
THE FORT BERTHOLD RESERVATION

By: 

Hon. Tex Hall, Tribal Chairman
Mandan, Hidatsa and Arikara Nation

July 22, 2003

Date

Washington, D.C.

Place

SONOSKY, CHAMBERS, SACHSE,
ENDRESON & PERRY, LLP

By: 

James E. Glaze

LAW OFFICES
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July 22, 2003

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*NOT ADMITTED IN D.C.

Hon. Tex Hall, Tribal Chairman
Three Affiliated Tribes of the Fort Berthold Reservation
404 Frontage Road
New Town, N.D. 58763

Dear Chairman Hall:

I write to advise you and the Tribal Business Council that we have reached our current contract limit of \$60,000 for legal fees incurred in connection with our work on behalf of the Three Affiliated Tribes regarding the Fort Berthold Rural Water Supply System. We are still substantially below our expense ceiling of \$15,000. Through June 2003, our legal fees are \$64,832 and our expenses are \$3,299. In order to complete our work during the current budget year, we propose that our contract limit be increased by \$35,000 to \$95,000 and that our expense ceiling remain at \$15,000. In considering this request, please be aware that all legal fees and expenses incurred by the Three Affiliated Tribes in connection with these self-determination contract negotiations are allowable costs of the Tribes' MR&I and OM&R programs and may be paid for out of the federal funds the Tribes receive from the U.S. Bureau of Reclamation to pay these program costs.

Under Tribal Resolution No. 03-095, we were retained to assist Mr. Texx Lone Bear and his staff at the Fort Berthold Rural Water Department in developing long-term self-determination contracts between the Three Affiliated Tribes and the U.S. Bureau of Reclamation. These five-year contracts will allow the Tribes to obtain federal funding and perform overall administration and day-to-day management for the planning, design, construction, operation, maintenance and replacement of the Fort Berthold Rural Water Supply System. In addition to preparing and negotiating these contracts on behalf of the Tribes, we have worked closely with Mr. Lone Bear

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and the Tribal Finance Department to ensure that the Tribes receive the maximum amount of FY 03 federal funding available, including sufficient contract support cost funding, for the Tribes' MR&I and OM&R programs. For example, while Reclamation had originally offered only about \$300,000 in FY 03 funding for the Tribes' MR&I construction project this year, we assisted Mr. Lone Bear in his effort to substantially increase that amount to over \$530,000 in FY 03 funding. The Tribes and Reclamation are also working to establish an annual budget formulation process so that the Three Affiliated Tribes are fully consulted and are able to provide Tribal input when Reclamation develops its "out year" construction budgets for the Fort Berthold Rural Water Supply System.

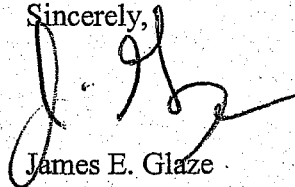
We have been engaged in this effort since March 2003 and have generally made good progress toward developing two mutually agreeable contracts that will provide substantial financial and administrative benefits to the Three Affiliated Tribes. Working closely with Mr. Lone Bear and the Tribal Finance Department, we nearly completed our contract negotiations with the Bureau of Reclamation back at the end of May 2003. However, as we reported in Client Memoranda No. 66-03 and 75-03, shortly after we concluded these contract negotiations and were preparing the documents for review by you and the Tribal Business Council, Reclamation staff became concerned about two "boil orders" that were issued for the Fort Berthold Rural Water Supply System. These "boil orders" led to a subsequent effort by the Environmental Protection Agency (EPA) to impose an administrative consent decree on the Bureau of Reclamation for claimed violations of the federal Safe Drinking Water Act. This unexpected development has caused us to incur more legal costs than we originally anticipated in developing our initial budget estimate for these negotiations.

While the Tribes' self-determination construction contract is essentially complete, subject only to a high-level Interior Department review of the interest repayment clause (a clause that will allow the Tribes to be compensated for interest on its FDA loan), the OM&R contract has been delayed. As you directed in your June 27, 2003 letter to Regional Director Maryanne Bach, the Tribes have scheduled a meeting with Reclamation staff at the Four Bears Casino on August 1, 2003 to overcome these obstacles to a mutually agreeable OM&R contract. At Mr. Lone Bear's request, I have made arrangements to travel to New Town for this meeting. Prior to this meeting, I would like to ensure that our contract budget ceiling is adjusted to cover this additional legal work and has a sufficient cushion to cover any other new developments that may arise this year. While it is impossible to fully predict future costs in advance, I believe a \$35,000 increase in the contract ceiling will be adequate to meet most new contingencies. I have enclosed a proposed contract amendment (Amendment No. 1) and draft Tribal Business Council resolution making this change to the contract for your review. I would be more than pleased to answer any questions you or the Tribal Business Council may have regarding this matter.

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We are honored to have this opportunity to serve the Mandan, Hidatsa, and Arikara Tribes on this important project and look forward to working with you and your excellent staff in future endeavors. Warm personal regards.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Glaze', with a long horizontal flourish extending to the right.

James E. Glaze

JEG:sjw
Enclosure

cc: Mr. Texx Lone Bear, Director
Fort Berthold Rural Water



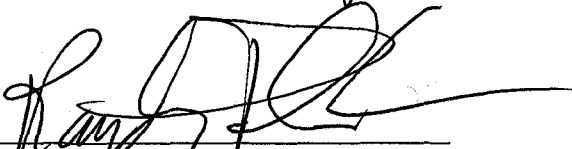
NOW, THEREFORE, BE IT RESOLVED, the Three Affiliated Tribes' Tribal Business Council hereby authorizes the Tribal Chairman to sign a contract amendment increasing the attorney compensation annual contract ceiling from \$60,000 to \$95,000 per contract year, with all other terms and conditions of the contract to remain the same.

CERTIFICATION

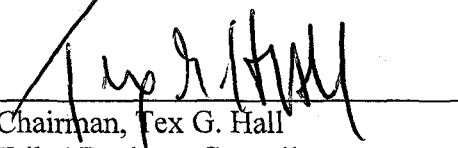
I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Indian Reservation hereby certify that the tribal Business Council is composed of seven (7) members of whom five (5) constitute a quorum, 6 were present at a Regular Meeting thereof duly called, noticed, convened and held on the 14th day of August, 2003, that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 6 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 Voting. [] Not Voting.

Dated this 14th day of August, 2003.


Executive Secretary, Randy Phelan
Tribal Business Council

ATTEST:


Chairman, Tex G. Hall
Tribal Business Council