



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

A Resolution entitled, "ICDBG Application for a Multi-Purpose Building in West Segment"

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 authorizes and empowers the Mandan, Hidatsa & Arikara 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, The West Segment aka Mandaree Community is applying for an ICDBG Grant from HUD to construct a Multi-Purpose Building in the unincorporated City of Mandaree, North Dakota.

NOW, THEREFORE, BE IT RESOLVED, The Three Affiliated Tribes' Tribal Business Council approves the submission of an application for an Indian Community Development Block Grant (ICDBG) to HUD for the Multi-Purpose Building which will aid and enhance the community and its services to the community members and to the enrolled members of the Three Affiliated Tribes in general;

BE IT FURTHER RESOLVED, that all documents necessary, including a lease for the premises, pertinent to this project be coordinated through the office staff of West Segment Council Representative.

BE IT FINALLY RESOLVED, The Tribal Business Council approves a lease for the NW4SW4SE4SE4 of Section 11, Township 149 North, Range 94 West, containing 2.5 acres, more or less in Allotment T-694A.

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 Regular Meeting thereof duly called, noticed, convened and held on the 9 day of December, 2004, that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 7 members, 0 members opposed, 0 members abstained,

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

TRIBAL BUSINESS LEASE

Allotment No.: T0694A
NW4SW4SE4SE4, Sec. 11, T149N, R94W
Lease Contract No. 05-TB01-01

THIS LEASE, made and entered into this 1st day of December, 2004, by and between the Three Affiliated Tribes, 404 Frontage Road, New Town, North Dakota, 58763 hereinafter called the "Lessor" and Three Affiliated Tribes, Mandaree Community Inc., Mandaree, North Dakota 58757, hereinafter called the "Lessee" in accordance with the provisions of existing law and the regulations of the Three Affiliated Tribes, which, by reference, are made a part hereof, and subject to the approval of the Tribal Business Council of the Three Affiliated Tribes or its duly authorized representative acting under delegated authority.

WITNESSETH:

The parties hereto for the consideration hereinafter mentioned do covenant and agree as follows:

- 1) **PREMISES:** The Lessor hereby leases to the Lessee the following real property located in "The Ridge" Subdivision to the Unicorporated City of Mandaree, County of McKenzie, State of North Dakota, described as follows: NW4SW4SE4SE4 of Section 11, Township 149 North, Range 94 West, Unicorporated City of Mandaree, North Dakota, Fifth Principal Meridian, containing 2.5 acres, more or less, including ingress and egress to said property. Water and sewer easements are in place.
- 2) **USE OF PREMISES:** The premises shall be used for the purpose of construction and operation of a Cultural center and multi-purpose building with appurtenances as may be approved by the Lessor. The improvements shall be financed through grants and/or loans from the U.S. Department of Agriculture (hereinafter USDA), Housing and Urban Development (hereinafter HUD), and/or other tribal, state and federal lenders or entities.
- 3) **TERM:** Lessee shall have and hold the described premises for a term of twenty-five (25) years (see 25 U.S.C. ss 415) beginning on December 1, 2004. This lease may not be terminated by either or both parties during the term provided herein if and so long as the lease and/or any improvements on the leased premises, or any interest therein are mortgaged or pledged or encumbered by USDA, HUD or any other lender or their successors as security for any loan pursuant to an authorized encumbrance instrument, in connection with and operation of said project, unless the lenders or their successors consent in writing to such termination as agreed upon by the Lessor and Lessee. This lease shall be automatically renewed for an additional twenty-five (25) years upon expiration of the first twenty-five (25) years.
- 4) **CONSIDERATION OF LEASE:** Rental for this lot shall be at the rate of Fifty Dollars (\$50.00) per year for the first twenty-five (25) years beginning on the first day of December, 2004. Rental shall then be due on the first day of December thereafter and may be subject to rental adjustment as provided for in Provision No. 5, RENTAL ADJUSTMENT. Rental is to be

paid to the Natural Resources Department, Realty Services, Three Affiliated Tribes, 404 Frontage Road, New Town, North Dakota 58763. Any late payments are subject to the penalties as proscribed in Provision No. 6 INTEREST.

5. **RENTAL ADJUSTMENT:** The rental provisions in all leases which are granted for a term of more than five years shall be subject to review and adjustment by Realty Services of the Natural Resources Department at not less than five-year intervals in accordance with the regulations of the Three Affiliated Tribes. However, an adjustment may not be made on this lease until the beginning of the second twenty-five year interval. Any such adjustment may be set or capped by the Natural Resources Committee or the Tribal Business Council of the Three Affiliated Tribes.

6. **INTEREST:** It is understood and agreed between the parties that, if any installment of rental is not paid within thirty (30) days after becoming due, interest will be assessed based on the average prime rate in effect on the last day of each month, plus three (3) percent based on the prime rate in effect at the Bank of the West, Dickinson, North Dakota. Interest assessed pursuant to this provision will become due and payable from the date such rental becomes due and will run until said rental is paid.

7. **MORTGAGE:** The Lessor consents to the Lessee's granting a mortgage on its leasehold interest to the United States of America acting through USDA, HUD or any other federal, state, tribal and local lenders for the purpose of improvements to the leased premises.

8. **SUBLEASES:** A sublease may not be granted without the consent of the Lessor, lending agencies or sureties.

9. **ASSIGNMENTS:** This lease shall not be assigned in whole or part without the prior written consent of the Lessor or any lenders during the period that the lenders have a financial interest in the project, provided that the Lessee may assign this lease or deliver possession of the premises to the United States of America without substantial breach of any financial assistance contract between the Lessee and the United States.

10. **IMPROVEMENTS:** All improvements shall remain the property of the Lessee, sublessee or assignee until the expiration of the lease. All such improvements shall become the property of the Lessor at the expiration of termination of the lease, unless the Lessee has made prior arrangements with the Lessor.

11. **INSURANCE:** Lessee agrees to obtain and maintain property damage and premises liability insurance at no cost to and in amounts acceptable to the Lessor, USDA, HUD and any other federal, tribal or any other lenders; it is understood and agreed that the term "owners" includes both the United States and the Lessor. The Lessee and its assigns shall hold the Lessor and the United States harmless from any claim of whatsoever nature arising out of the use or occupancy of the leasehold. Lessee also agrees to obtain fire insurance at no cost to and in amounts acceptable to the Lessor and any lending agencies. Professional Insurance shall also be obtained for the protection of the Lessor, the Lessee and employees of the Lessee. The Lessor shall be named insured on all insurance policies obtained by Lessee pursuant to this provision. Lessee shall provide Lessor with proof of insurance upon request by Lessor.

12. **ADHERANCE TO CODES OF THE THREE AFFILIATED TRIBES:** Lessee agrees to adhere to all zoning, land use, environmental and any other code of the Three Affiliated Tribes that may pertain to lands owned by the Three Affiliated Tribes. Lessee agrees that proper storage of hazardous materials such as car batteries, small propane tanks, gasoline and oil containers shall be properly stored and/or disposed of. Car batteries, old tires, disabled vehicles, white goods such as refrigerators, washers, dryers, stoves shall not be permanently

stored on the premises and must be removed within a reasonable time frame. Landscaping must be maintained and the premises kept in good condition. Failure to adhere to this provision shall be cause for cancellation.

13. **RELINQUISHMENT OF SUPERVISION BY THE SECRETARY:** Nothing contained in this lease shall operate to delay or prevent a termination of federal trust responsibilities with respect to the land by the issuance of a fee patent or otherwise during the term of the lease; however, such termination shall not serve to abrogate the lease. The owners of the land and the Lessee and his surety or sureties shall be notified by the Secretary of any such change in the status of the land.

14. **SHARE OF BENEFIT FROM LEASE:** No members of Congress or any delegate thereto or any resident Assistant Secretary for Indian Affairs shall be admitted to any share or part of this lease or to any benefit that may arise should this land ever be granted fee status by the United States Government.

15. **VIOLATIONS OF LEASE:** It is understood and agreed that violations of this lease shall be acted upon in accordance with the regulations in 25 CFR 162 if land is held in trust status by the United States of America; however, if in tribal fee status, the laws, regulations and or policies of the Three Affiliated Tribes shall prevail.

16. **QUIET ENJOYMENT:** Lessor agrees to defend the title of the leased premises and also especially agrees that Lessee and shall peaceable and quietly hold, enjoy and occupy the leased premises for the duration of this lease without any hindrance, interruptions, ejections or molestation by Lessor or by any other person or persons whomsoever.

17. **SURRENDER OF POSSESSION:** Upon the expiration or other termination date of this lease, the Lessee, Sublessee or assignee shall, without further action by Lessor, remove themselves from any surrender to the Lessor complete and peaceable possession of the premises. No further occupancy or use rights are implied or granted by the provisions of this lease.

18. **UNLAWFUL CONDUCT:** The Lessee agrees not to use or cause to be used any part of said premises for any unlawful conduct or purposes.

19. **ASSENT NOT WAIVER OF FUTURE BREACH OF COVENANTS:** No assent expressed or implied to any breach of any of the Lessee covenants shall be deemed a waiver of any succeeding breach of any covenants.

20. **UPON WHOM BINDING:** It is understood and agreed that the covenants and agreements hereinbefore mentioned shall extend to and be binding upon the heirs, assigns, successors, executors and administrators of the parties of this lease.

21. **ENCUMBRANCE:** The parties recognize the rights of the Lessee in the event of default or inability to continue with the Lease or a USDA loan, other federal loan and/or loans with other lenders, to transfer the leasehold subject to any USDA mortgage or other federal lender mortgage or any other lender, to an eligible transferee with an assumption of a USDA debt, or other federal debt and to include assumption of debts of other lenders. Lessee may, without consent of Lessor, mortgage, pledge or otherwise encumber the lease or improvements on leased premises as may be necessary and appropriate under a federal financial assistance contract between the Lessee and USDA and/or any other lenders, federal or private. Provided, that Lessee shall not, without prior written consent of the Lessor and written approval of USDA or other lenders, mortgage, pledge or encumber this lease or any interest in this lease or improvements on the leased premises when a prior existing mortgage, pledge or encumbrance is in force and effect with USDA or any other lender under an authorized encumbrance. The lenders shall not be prohibited from taking the

necessary foreclosure or other action provided in the encumbrance instrument except for the following options:

OPTIONS: (A) *In the event a default by the Lessee under an authorized encumbrance remains uncured for ninety (90) days, Lessor shall have first right of refusal to acquire the Lessee's interest under the encumbrance upon (a) payment of all sums then in arrears or (b) entering into any assumption of the encumbrance. Said right of first refusal may be exercised at any time within thirty (30) days after notice in writing from the lender of Lessee's default, which notice shall be given before the lender invokes any other remedies provided under the encumbrance instrument or by law and shall be exercised by notice in writing from the Lessor to the Lessee and lender; provided, however, that the Lessee shall have fifteen days (15) days from the date of the latter notice to cure the default. The estate acquired by the Three Affiliated Tribes shall remain subordinate to any valid and subsisting mortgage or other security instrument as long as this lease and/or any improvements on the premises or any interest therein are encumbered or otherwise pledged as security for any loan.*

(B) *If a sale or foreclosure under a USDA or other lending agency mortgage occurs or if USDA or other lending agency accepts a voluntary conveyance of the leasehold in lieu of foreclosure or if the Lessee abandons the leasehold interest, the Lessor shall have the right of first refusal subject to the following terms and conditions:*

1. *USDA or other lending agency shall notify the Lessor in writing of the availability of the leasehold interest.*

2. *The Lessor's right of first refusal must be exercised within thirty (30) days of the notice in writing from USDA or other lender of the availability of the leasehold interest by paying USDA or other lender all sums then in arrears and executing any documents necessary to assume the Lessee's obligation to USDA or any other lender.*

3. *If the Lessor fails or refuses to exercise its right of first refusal as set forth above, USDA or any other lender may:*

- a) Assign the leasehold without the approval of the Secretary of the Interior or the consent of the other parties; provided, however, that the assignee accepts in writing to be bound by all the terms and conditions of the lease; or*
- b) Sell the leasehold interest for cash or by credit sale secured with a mortgage; provided, however, that the purchaser accepts and agrees in writing to be bound by all terms and conditions of the lease.*

(C) *If a sale or foreclosure under a USDA Mortgage or other lending agency mortgage occurs and the purchaser is a party other than USDA or other lending agency, the Secretary must approve the assignment and the purchaser will be bound by the terms of the lease and will assume in writing all the obligations thereunder. The parties agree that the Lessee shall be liable for unpaid rentals or other charges which may have accrued at the time USDA or other lender(s) acquire(s) possession of the property or title to the leasehold. Any unpaid rentals other charges that accrue during the period in which USDA or other lender possesses or owns the leasehold shall be the liability of USDA or other lender.*

22. **MINERALS:** Lessor excepts and reserves to itself, its successors, and its assigns, all oil, gas, coal and minerals whatsoever already found or which may hereafter be found upon or under the premises with the right to prospect for, mine and remove the same. Lessor agrees not to exercise or allow others to exercise its rights to enter upon the surface of the premises or use within a depth of 200 feet, the subsurface of the premises; provided, however, that the Lessor

shall have the rights to explore, develop and extract minerals, gas or oil, from the premises by operations carried on from adjoining lands.

23. **DEFINITIONS:** "Secretary" as used in this lease means the Secretary of the Interior or his duly authorized representative acting under delegated authority; "Three Affiliated Tribes" and "Tribal Business Council" as used in this lease means the governing body of the MHA Nations of the Fort Berthold Indian Reservation.

IN WITNESS WHEREOF, the Lessee and Lessor have affixed their signatures the day and year as written.

Dated this _____ day of December , 2004.

MANDAREE INC.
THREE AFFILIATED TRIBES
LESSEE:

THREE AFFILIATED TRIBES
LESSOR:

By:

By: Tex G. Hall, Chairman, or
His Designated Representative

UNITED STATES DEPARTMENT
OF THE INTERIOR

APPROVED BY:

Superintendent, Fort Berthold Agency
Pursuant to and authority delegated to the
Assistant Secretary-Indian Affairs by 209 DM 8,
230 DM 1 and to the Great Plains Regional
Director by 3 IAM 4 (release No. 00-03) and
To the Superintendent by Great Plains Regional
Addendum 3 IAM (Release No. 0113)

Date

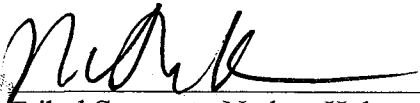




0 members not voting, and that said Resolution has not been rescinded or amended in any way.

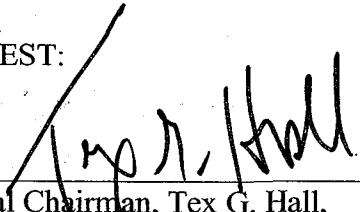
Chairman () Voting () Not Voting

Dated this 9 day of December, 2004.



Tribal Secretary Nathan Hale
Tribal Business Council
Three Affiliated Tribes

ATTEST:



Tribal Chairman, Tex G. Hall,
Tribal Business Council
Three Affiliated Tribes