



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

A Resolution Entitled: "Tribal Business Council Requirement that all Schools on the Fort Berthold Indian Reservation Receiving Funds Under the Tribally Controlled School Grants Act Adopt Travel and Training Policies to Ensure Financial Accountability"

WHEREAS, This Nation having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act and having adopted a Constitution and By-laws pursuant to said Act; and

WHEREAS, Article III of the Constitution of the Three Affiliated Tribes provides that the Tribal Business Council is the governing body of the Tribes; and

WHEREAS, The Constitution of the Three Affiliated Tribes 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 (l) of the Constitution of the Three Affiliated Tribes provides that the Tribal Business Council has the power to adopt resolutions regulating the procedure of the Tribal Business Council and other Tribal agencies and Tribal officials on the Reservation; and

WHEREAS, In 1988 the U.S. Congress passed P.L. 100-297, the Tribally Controlled School Grants Act, codified at 25 U.S.C. 2501 et seq., which authorizes grants to Indian Tribes and tribal organizations for the purpose of defraying costs of education related activities of tribal controlled schools; and

WHEREAS, 25 U.S.C. 2504 (d) requires the submission of grant applications to receive funding under the Tribally Controlled School Grants Act and further requires that submitted applications be accompanied by a document indicating the action taken by the tribal governing body in authorizing such applications; and

WHEREAS, In 1988, the Tribal Business Council passed Resolution #88-236 which authorized the White Shield, Mandaree and Twin Buttes School Boards to individually apply for and be the recipient of tribal funds under the Tribally Controlled School Grants Act as authorized by 25 U.S.C. 2504 (d) to operate their respective local educational programs; and

WHEREAS, Due to recent media coverage regarding the excessive travel expenses and potential discrepancies in travel records of the Twin Buttes School Board, the Tribal Business Council finds that it would be in the best interests of the Tribes



and its members to implement and assert more financial control over the schools receiving funds under the Tribally Controlled Schools Grant Act by requiring said schools to implement policies and procedures that will guarantee financial accountability to the Tribes, its members and the public; and

WHEREAS, The Tribal Business Council has determined that financial accountability in the area of travel and training expenses for the respective schools and the school boards can be best achieved by requiring the schools to adopt the provisions contained within the Three Affiliated Tribes Travel Policies.

NOW THEREFORE BE IT RESOLVED, that the Tribal Business Council of the Three Affiliated Tribes hereby directs the Mandaree, White Shield and Twin Buttes School Boards to adopt policies and procedures governing travel/training expenses for school board members and employees, such policies to include provisions identical to the travel and training policies of the Three Affiliated Tribes including but not limited to the following requirements and restrictions:

1. Submission of pre-travel authorization forms that detail lodging, per diem and mileage rates;
2. Authorize travel expenses based upon federal or state rates;
3. Require submission of a detailed travel/trip report and a travel closeout within two weeks of return that must be accompanied by receipts for actual expenses;
4. Require reimbursement for any amounts received in excess of actual expenses; and
5. Denial of future travel in the event the close out required above is not submitted within the two-week time period.
6. School Board will submit copies of travel records to the Education Administrator and the Chief Financial Officer.

BE IT FURTHER RESOLVED, upon adoption of said policies and procedures, the School Boards shall submit copies thereof to the Tribal Business Council for review; and

BE IT FINALLY RESOLVED, that the failure by any of the School Boards to adhere to this Resolution and the requirements contained herein will result in the Tribal Business Council reconsidering the authority it granted to the School Boards under 25 U.S.C. 2504 (d) and Resolution 88-236.

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, 7 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 6 day of June 2005; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 7 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 [X] voting. [] not voting.

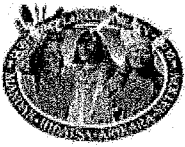
Dated this 6th day of June 2005.

A handwritten signature in black ink, appearing to read 'Nathan Hale', written over a horizontal line.

Secretary, Nathan Hale
Tribal Business Council

ATTEST:

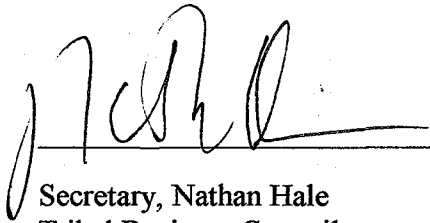
Chairman, Tex G. Hall
Tribal Business Council



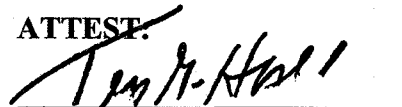
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Chairman [X] voting. [] not voting.

Dated this 6th day of June 2005.


Secretary, Nathan Hale
Tribal Business Council

ATTEST.


Chairman, Tex G. Hall
Tribal Business Council



Resolution No. 05-83-NH

**RESOLUTION OF THE TRIBAL BUSINESS COUNCIL OF
THE THREE AFFILIATED TRIBES OF THE
FORT BERTHOLD RESERVATION**

A Resolution entitled "Authorization for the Chairman and Treasurer to Negotiate and Execute Up to a \$ 15,000,000 Revolving Line of Credit with a Financial Institution for General Operating Purposes of the Tribe."

WHEREAS, This Nation has accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act; and

WHEREAS, Article VI, Sections 3, 5(a), 5(c), and 5(j) of the Constitution of the Three Affiliated Tribes provides that the Tribal Business Council shall have the power to manage the economic affairs of the Three Affiliated Tribes and to administer funds within the exclusive control of the Tribes and thereby has the power to borrow funds that are necessary for the Tribe to continue exercising all of the powers of government; and

WHEREAS, The Tribal Business Council finds that the revenues of the Tribe do not always coincide with expenditures and that revenues owed or coming to the Tribe might not be received by the Tribe at the same pace as Tribal expenses become due; and

WHEREAS, The Tribal Business Council further finds that it would be prudent and a good business practice to obtain a line of credit of up to \$ 15,000,000 from a bank to be utilized by the Tribe for general governmental purposes in order to bridge the gap between the payment of expenses and the receipt of revenues; and

WHEREAS, BNC Bank of Bismarck, North Dakota (hereinafter, the "Bank") has already extended a \$4,700,000 line of credit the Three Affiliated Tribes; and

WHEREAS, The Bank required a Tribal guarantee or JTAC funds held by the United States Department of Interior's Office of Trust Fund Management ("OTFM") provided said line of credit is secured by deposits with said bank; and

WHEREAS, The Tribal Business Council has already transferred \$5,000,000 and could transfer another \$10,000,000 from the Interest Earnings from the Economic Recovery Fund to the BNC Bank of Bismarck, North Dakota or any other financial institution to secure a revolving line of credit provided this amount reflects the approximately the amount of assets the Tribe presently has on account (the Interest Earning from the Economic Recovery Fund) with ("OTFM"); and

RESOLUTION NO. 05-81NH

entity and are legally capable of completing the project and transaction contemplated herein.

Expenses:

The Borrower agrees to pay all reasonable costs, fees, expenses, and legal fees expended by the Bank in connection with the preparation and documentation of the loan, whether or not the loan is closed.

Any fees charged for any investigative report or document in connection with this loan application will be collected by the Bank and paid to third parties. Such expenses are not fees for processing this loan application. The reports or documents and other information used to evaluate the application are the property of the Bank. This application does not establish a legal relationship of any type between the Bank and the applicant. The Bank assumes no obligation or duty to the applicant until after the loan is approved and the Bank and the applicant have signed all the documents necessary, in the Bank's sole and absolute discretion, to evidence the loan. The Bank is processing this application as a service to the applicant, and will make any and all decisions regarding this application based upon the Bank's own underwriting standards, which are subjective and within the Bank's sole and absolute discretion, and which may vary from time to time.

If the financing accommodation described in this proposal is otherwise approved, the Borrower will be required to execute and deliver all loan documents in a form and substance satisfactory to the Bank and/or the Bank's legal counsel.


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 **Special** Meeting thereof duly called, noticed, convened and held on the 20th day of **May**, 2005, that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 6 members, 0 members opposed, 0 members abstained, 1 members not voting, and that said Resolution has not been rescinded or amended in any way.

Chairman [X] Voting. [] Not Voting.

Dated this 20th day of **May**, 2005.

ATTEST:


Executive Secretary, Nathan Hale
Tribal Business Council

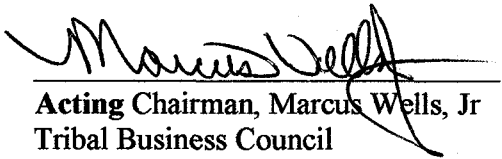

Acting Chairman, Marcus Wells, Jr
Tribal Business Council

EXHIBIT A**CERTAIN LEGAL PROVISIONS**

0.1. Governing Law and Construction. The Loan Documents applicable to the Tribe shall be governed by, and construed in accordance with the laws of the Tribe, provided that in the absence of applicable Tribal law, the substantive laws of the State of North Dakota and applicable federal law shall govern. Whenever possible, each provision of the Loan Documents and any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto shall be interpreted in such manner as to be effective and valid under such applicable law, but, if any provision of the Loan Documents or any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto shall be held to be prohibited or invalid under such applicable law, such provision shall be ineffective only of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of the Loan Documents or any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto. The parties shall endeavor in good-faith negotiations to replace any invalid, illegal or unenforceable provisions with a valid provision the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provision. The provisions of this Section are irrevocable and may not be rescinded, revoked or amended without the prior written consent of the Lender. The Tribe acknowledges the Lender has relied upon them in entering into the Loan Documents.

0.2. Limited Waiver of Sovereign Immunity. Nothing in this Loan Agreement shall be deemed to be a waiver of the Tribe's sovereign immunity from suit, except to the extent that the Tribe hereby provides a limited waiver of its sovereign immunity and consents to be sued should an action be commenced to determine and enforce the obligations of the parties under any Loan Documents; and provided further that the Tribe's consent to suit is only as to arbitration and to court action initiated consistent with the Loan Documents, and provided further, provided that no recourse for the enforcement of remedies for a breach of the Note or this Loan Agreement shall be available except as against Assignment Payments. The Tribe expressly submits to and consents to the court jurisdictions as described in _____, including as provided in such Section the jurisdiction of the Tribal Court of The Three Affiliated Tribes of the Fort Berthold Reservation in the first instance and, after seeking relief in such Tribal Court, to the United States District Court for the District of North Dakota, in connection with any injunctive relief sought prior to arbitration, or to give effect to any relief ordered or award obtained in any arbitration proceeding.

0.3. Arbitration. Any dispute, claim or controversy arising out of or relating to this Loan Agreement or any Loan Document, or the breach thereof, or the making of this Loan Agreement or any Loan Document, including claims of fraud in the inducement (hereinafter referred to as the "Financing Disputes"), shall be settled by arbitration under the rules of commercial arbitration of the American Arbitration Association (the "AAA") and Title 9 of the U.S. Code, as modified by this Section.

Any party may, by written notice to the other parties after such a controversy has arisen hereunder, appoint one arbitrator. The other parties to the controversy shall, by written notice, *within twenty (20) days after the receipt of such notice by the first party, appoint a second*

arbitrator, and in default of such appointment the first arbitrator appointed shall be the sole arbitrator. When two (2) arbitrators have been appointed as hereinabove provided, they shall, if possible, agree on a third arbitrator who shall be appointed by written notice signed by both of them within thirty (30) days thereafter with a copy mailed to each party hereto within ten (10) days after such appointment; provided that if the two arbitrators cannot agree upon a third, they shall apply to the AAA for such appointment.

No arbitrator shall be related to or affiliated with, or shall have represented in a legal capacity any party hereto. The arbitrators shall apply the governing law specified in Section 8.25, and shall follow such rules of discovery and evidence as the United States District Court for the State of North Dakota would apply. Within sixty (60) days of commencement of the arbitration actions, and after receiving evidence and hearing witnesses, if any, the arbitrators shall render their award, accompanied by findings of fact and a statement of reasons for the decision. The arbitrators shall have the authority to award in connection with a Financing Dispute any remedy or relief that a court of competent jurisdiction could order or grant, including, without limitation, equitable remedies, specific performance of any obligation created under this Loan Agreement, the issuance of an injunction. The award of the majority of the arbitrators shall be conclusive and binding upon the parties. Any award rendered therein may be entered in and/or enforced in Tribal Court, or if such court shall not have jurisdiction or shall otherwise fail to timely act in the United States District Court of the State of North Dakota (or any federal appellate court), or if such Court shall not have jurisdiction or shall otherwise fail to timely act, in any other court of competent jurisdiction. Any review of the arbitration decision and award shall be limited to enforcement of the decision and award and the findings of the arbitrator(s) shall not be re-litigated. The parties further acknowledge and agree that any party may apply to the Tribal Court of the Tribe in the first instance and, after seeking relief from such Tribal Court, to the United States District Court for the State of North Dakota, and seek injunctive relief so as to maintain the status quo until such time as the arbitration award is rendered or the controversy is otherwise resolved. Each of the parties hereby agrees that this arbitration provision is valid and enforceable and therefore waives any defense or assertion to the contrary.

Section 3. Minimum Terms of the Loan Documents.

3.1 The Chairman is hereby authorized to negotiate the terms of the revolving line of credit with a financial institution and execute the same along with the other authorized representatives provided that terms are included in the Loan Documents that are similar or competitive with the following:

3.2 terms are included in the Loan Documents:

Borrower:	Three Affiliated Tribes of the Fort Berthold Indian Reservation
Purpose:	Revolving line of credit
Loan Amount:	Up to \$15,000,000 aggregate (can be one note or divided into two notes of \$5,000,000 and \$10,000,000 or any variation of sums up to \$15,000,000)
Loan Type:	Open-end, multiple-advance line of credit
Term:	12 months
Payments:	Monthly interest beginning August 1, 2005
Bank CD Interest Rate:	4.00% fixed for 12 months
Loan Interest Rate:	5.25% fixed for 12 months
Origination Fee:	None or minimal
Transaction Fees:	All other hard costs incurred now or in the future relating to the subject financing including but not limited to legal expenses, filing fees, etc.
Security:	Certificate(s) of Deposit to be held at BNC National Bank ("Bank CD") with minimum balances of up to the Line of Credit at said Bank.
Guarantee:	None
Prepayment Penalty:	None
Other Conditions:	Mutually agreeable loan documents, including jurisdiction, venue, and application of law to be prepared by legal counsel engaged by the Bank

WHEREAS, The Tribal Business Council has determined that obtaining a revolving line of credit is in the best interests of the Tribe and is necessary to sustain the stable operation of the Tribal government; and

WHEREAS, The Tribal Business Council desires to increase the revolving line of credit from BNC or any other financial institution that is willing to provide the Tribe the most competitive rates.

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 Terms, in so far as they require Tribal approval, and the Tribe's execution, delivery and performance of all Loan Documents, Assignment Agreements and any other related documents reasonably necessary to effect the Loans (the "Loan Documents") in such forms as are approved by the 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, or Treasurer of the Tribe, individually or together with any other person who under the laws of the Tribe are permitted to act on behalf of the Tribe, (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.

entity and are legally capable of completing the project and transaction contemplated herein.

Expenses:

The Borrower agrees to pay all reasonable costs, fees, expenses, and legal fees expended by the Bank in connection with the preparation and documentation of the loan, whether or not the loan is closed.

Any fees charged for any investigative report or document in connection with this loan application will be collected by the Bank and paid to third parties. Such expenses are not fees for processing this loan application. The reports or documents and other information used to evaluate the application are the property of the Bank. This application does not establish a legal relationship of any type between the Bank and the applicant. The Bank assumes no obligation or duty to the applicant until after the loan is approved and the Bank and the applicant have signed all the documents necessary, in the Bank's sole and absolute discretion, to evidence the loan. The Bank is processing this application as a service to the applicant, and will make any and all decisions regarding this application based upon the Bank's own underwriting standards, which are subjective and within the Bank's sole and absolute discretion, and which may vary from time to time.

If the financing accommodation described in this proposal is otherwise approved, the Borrower will be required to execute and deliver all loan documents in a form and substance satisfactory to the Bank and/or the Bank's legal counsel.

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 June, 2005, that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 7 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 9 day of June, 2005.

ATTEST:

[Signature]
Chairman, Tex G. Hall
Tribal Business Council

[Signature]
Executive Secretary, Nathan Hale
Tribal Business Council