

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

A Resolution Entitled: "Authorization for Tribal Chairman Tex G. Hall to Negotiate, Enter into and Execute a Loan in the Amount of \$540,000 to be Used for Payment of Mandaree School Construction Cost Overruns."

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, Article VI, Section 5 (c) of the Constitution of the Three Affiliated Tribes provides the Tribal Business Council has the power to administer any funds within the exclusive control of the Tribes and to make expenditures from available Tribal funds for public purposes of the Tribes; and

WHEREAS, Pursuant to Resolution #02-10 MWJR the Tribal Business Council obligated and authorized the Tribe to provide financial assistance to the Mandaree Public Schools to assist with school construction costs in the amount of \$45,000 per fiscal school year; and

WHEREAS, Due to the fact that the Tribe did not make the payments of \$45,000 for FY 03 and FY 04 to the Marshall Group as agreed to and required by Resolution # 02-10 MWJR and those payment were instead made directly by the Mandaree School, the Tribal Business Council adopted Resolution #05-37 NH in February 2005 whereby the Tribal Business Council agreed to and authorized the payment of \$90,000 dollars from the Tribe to the Mandaree School as reimbursement for the payments that were required to be paid by Resolution #02-10 MWJR for FY 03 and FY 04; and

WHEREAS, To date, the Tribe has not made any payments to the Mandaree School or the Marshall Group pursuant Resolutions #02-10 MWJR and Resolution #05-37 NH; and

WHEREAS, The Tribal Business Council is committed to meeting its obligation to the Mandaree School; and

WHEREAS, The Mandaree School is presently experiencing cost overruns on the construction of the School in the amount of \$540,000 and this amount is needed to cover the final payment to Tooz Construction Company which is expected to be made when construction is completed in mid-July, 2005; and

WHEREAS, The Mandaree School has requested that the Three Affiliated Tribes make a loan in the amount of \$540,000 to cover payment of these construction costs to Tooz Construction Company; and

WHEREAS, The Mandaree School has further requested that the \$45,000 annual payments obligated by the Tribe pursuant to Resolution #02-10 MWJR be used towards payment on any loan the Tribe makes to cover the \$540,000 in cost overruns on the Mandaree School construction; and

WHEREAS, Due to current tribal budget constraints, the Tribal Business Council has determined that it would be in the best interest of the Tribe to borrow funds from a financial institution to pay the total amount of its obligation to the Mandaree School under Resolution #02-10 MWJR and pledge JTAC Revenues as collateral to secure such a loan; and

WHEREAS, The Tribal Business Council desires to obtain a loan in the amount of \$540,000 to cover the overrun costs associated with the Mandaree School construction project and apply the annual payment obligation of \$45,000 under Resolution #02-10 MWJR towards the payments associated with such loan.

NOW THEREFORE BE IT RESOLVED, that the Tribal Business Council of the Three Affiliated Tribes hereby authorizes a loan with an appropriate financial institution in the amount of \$540,000; and

BE IT FURTHER RESOLVED, that the Tribe shall redirect the \$45,000 annual payment obligation to the Mandaree School arising under Resolution #02-10 towards the payment of the Tribe's payment obligations incurred by such a loan; and

BE IT FURTHER RESOLVED, that the Tribal Business Council hereby authorizes the Tribal Chairman to negotiate the terms of a loan in the amount of \$540,000 with an appropriate financial institution at a competitive interest rate; and

BE IT FURTHER RESOLVED, that the Tribal Business Council hereby makes the following authorizations including a limited waiver of sovereign immunity to be included in the terms of the loan in substantially the same format as set out below:

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 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 an 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.

Section 3. Miscellaneous Matters.

- 3.1 Any resolutions or other actions of the Tribal Business Council or of the Tribal Executive Committee, including any prior resolutions regarding the Loans that are in conflict with or inconsistent with the terms of this Resolution are hereby to such extent repealed and annulled. This Resolution shall supersede any prior or currently existing resolutions or other actions of the Tribal Business Council or Tribal Executive Committee that are contrary to the actions authorized or contemplated herein or in a Loan Document.
- 3.2 If any provision of this Resolution or the application of any provision of this Resolution is held to be invalid, the remainder of the Resolution shall not be affected.

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 the jurisdiction of the Tribal Court of The Three Affiliated the 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.

BE IT FURTHER RESOLVED, that the Tribal Business Council authorizes the use of JTAC revenues as collateral to secure the loan; and

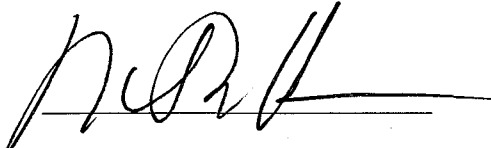
BE IT FINALLY RESOLVED, that the Tribes commitment to obtain such loan is contingent on the Mandaree School formally agreeing to the payment of the \$45,000 towards such a loan and relieving the Tribe of any of its obligations to make these payments to the Mandaree School or the Marshall Investment Corporation.

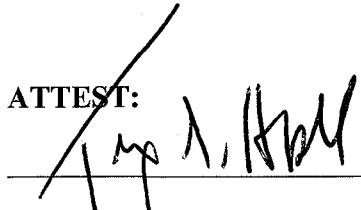
CERTIFICATION

I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Forth Berthold Reservation, hereby certify that the Tribal Business Council is composed of 7 members of whom 5 constitute a quorum, ___ were present at a Regular Meeting thereof duly called, noticed, convened, and held on the ___ 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.


Secretary, Nathan Hale
Tribal Business Council

ATTEST:

Chairman, Tex G. Hall
Tribal Business Council