

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

A Resolution entitled, "Tribal Guarantee for Consolidation Loan to Fort Berthold Community College."

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 generally 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(c) of the Constitution of the Tribe specifically authorizes and empowers the Tribal Business Council of the Tribe to administer the funds within the exclusive control of the Tribe and to make expenditures from available tribal funds for public purposes of the Tribe; and

WHEREAS, The Fort Berthold Community College is chartered and sponsored by the Tribe as a postsecondary educational institution that primarily assists Tribal members obtain postsecondary educational opportunities in a reservation setting and is a vital part of the educational efforts of the Tribe; and

WHEREAS, In previous years, the Tribe has assisted FBCC by guaranteeing a loan for the expansion of FBCC, has contributed equity from the earnings on the Economic Recovery Fund established by the Three Affiliated Tribes Equitable Compensation Act, (Title XXXV, P.L. 102-575) (also known as JTAC funds), and has pledged the assets of Judgment Funds obtained pursuant to the Tribe's Judgment against the United States under the Indian Claims Act (also known as Docket Funds) towards the repayment of certain loans obtained by FBCC; and

WHEREAS, FBCC desires to consolidate certain of its indebtedness, repay certain operating costs and in order to obtain such a loan, FBCC will need to obtain a Tribal guarantee for the loan that will include an irrevocable commitment of a portion of the distribution of the earnings from the Economic Recovery Fund of the Equitable Compensation Act received by the Tribe each year in the amount of \$200,000 per year and a commitment by the Tribe that the loan will be repaid regardless of whether the College continues to operate, a commitment made previously by the Tribe to the College as a part of its overall spending plan for

JTAC funds; and a continuation of the payment to the College of \$50,000 per year from the Docket Funds, also a previous commitment of the Tribe to the College,

with the understanding that any excess in the amounts paid by the Tribe to the College as stated above may be used for meeting operational expenses of the College; and

WHEREAS, The College has determined that the approximately terms of the loan with the First International Bank and Trust of Williston, North Dakota, or another equivalent lending institution, will be as follows: The principal amount of the loan will be up to \$1,008,000, including loan closing costs and repayment will be expected over a ten (10) year period at a competitive fixed interest rate, with monthly payments due on a \$1,008,000 loan which is estimated to be an annual payment of approximately \$146,000.00; and

WHEREAS, The Tribe has determined, after careful review with appropriate officials of FBCC and legal counsel for the Tribe, that the FBCC loan and the Tribal loan guarantee are in the best interests of the Tribe and FBCC as it will serve to stabilize the financial condition of FBCC, allowing it to continue to provide quality postsecondary educational opportunities for Tribal members well into the future, with the understanding that the loan will be used as specified in Exhibit B hereto; and

WHEREAS, The terms of the loan will require a limited waiver of sovereign immunity by the Tribe in favor of the First International Bank and Trust of Williston, North Dakota or whichever bank is chosen to provide the loan, in substantially the form as previously provided to Lakeside State Bank under the previous loan guaranteed by the Tribe, which form is attached hereto as Attachment A, subject to review by the legal counsel for the Tribe, with said limited waiver of sovereign immunity being limited to the remedies specified in the loan documents and in an amount not to exceed the amount of the loan outstanding at such time as such waiver would be necessary to apply in order for the bank to collect the loan; and

WHEREAS, The Tribe has determined that the waiver of sovereign immunity in the form as attached hereto, subject to review by legal counsel for the Tribe, is in the best interests of the Tribe; and

WHEREAS, One of the purposes of the loan to be obtained is to replenish the College's endowment fund that was recently used for College operating needs; and

WHEREAS, The Tribe seeks to ensure that the principal in the College's endowment fund will never again be used for operational purposes at the College, and therefore wants to amend the Charter issued to the College so as to make clear that the endowment fund for the College will be established in such a way that the principal of the endowment fund, as may be increased from time to time by the College or by the Tribe, will be permanent and unavailable for any use by the

College, other than for investment as permitted by the Tribally Controlled Community College and Universities Act, with earnings from the endowment fund being available for College use.

NOW THEREFORE BE IT RESOLVED, that the Three Affiliated Tribes, acting through its duly elected and authorized Tribal Business Council, hereby approves a guarantee to be issued in favor of the lending institution chosen by Fort Berthold Community College (FBCC) for a loan of up to \$1,008,000 for the benefit of FBCC, using the following funds for the guarantee of repayment: 1) \$200,000 each year to be taken from the distribution of earnings from the Economic Recovery Fund created by the Three Affiliated Tribes Equitable Compensation Act, (Title XXXV, P.L. 102-575) and to be dedicated irrevocably for the purpose of repayment of the loan; and 2) \$50,000 each year from the Docket Funds as previously dedicated to FBCC, again dedicated irrevocably by the Tribe for the purpose of repayment of the loan and for use by FBCC; and

BE IT FURTHER RESOLVED, that the Three Affiliated Tribes, acting through its duly elected and authorized Tribal Business Council, hereby approves the limited waiver of sovereign immunity in substantially the form as attached hereto, subject to review by legal counsel for the Tribe; and

BE IT FURTHER RESOLVED, that the Tribal Business Council hereby directs that the Charter previously issued for FBCC be revised as specified above to reflect the permanency of the College's endowment fund, and that all appropriate procedural safeguards be put in place by the College and, if necessary, the Tribe, to prevent the principal of the endowment fund from ever again being used for operational purposes of the College, with such revisions being done consistent with this resolution with the assistance of legal counsel for the Tribe; and

BE IT FURTHER RESOLVED, that the Tribal Business Council hereby authorizes the Chairman, Vice-Chairman, Secretary or Treasurer, or such other person who is authorized pursuant to the Tribal Constitution and By-laws to act on their behalf, to execute any and all documents necessary for the completion of the loan to FBCC by the Tribe, to submit, if necessary, any part or all of the loan agreement documents to the Department of Interior for approval; and that such authorization shall extend to any revisions needed in the Charter issued to FBCC and any other document needed to be revised in accordance with this resolution.

BE IT FINALLY RESOLVED, that Resolution No. 04-072-RP is hereby rescinded.

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 15th day of July, 2005, that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 5

THE THREE AFFILITED TRIBES HEREBY PROVIDE THE FOLLOWING SPECIFIC LIMITED WAIVER OF SOVEREIGN IMMUNITY:

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 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 Limited Waiver of Sovereign Immunity 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 this Limited Waiver of Sovereign Immunity and Loan Documents. The Tribe expressly submits to and consents to the jurisdictions 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 proceedings.

This Limited Waiver of Sovereign Immunity is intended to allow Lakeside State Bank and the Bank of North Dakota to recover any amounts due and owing under the Loan Documents upon the unlikely event of default on the Promissory Note by Fort Berthold Community College. The Limited Waiver of Sovereign Immunity shall be strictly limited to allow Lakeside State Bank and the Bank of North Dakota to recover said amounts in the event of default.

0.3. Arbitration. Any dispute, claim or controversy arising out of or relating tot his 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 this 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 or 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.


0.4. Term and Modifications to Loan Documents. This Limited Waiver of Sovereign Immunity shall be effective for the term of the loan and shall automatically expire upon full satisfaction of the terms of the Promissory Note. This Limited Waiver of Sovereign Immunity is also conditioned upon the approval by the Tribal Business Council of any amendments to the Loan Documents. Any amendments to the Loan Documents made without

the approval of the Tribal Business Council shall cause automatic revocation of this Limited Waiver of Sovereign Immunity.

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

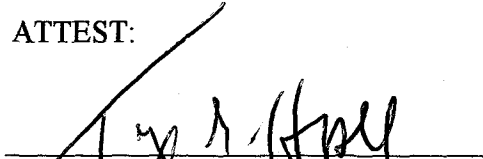
Chairman [X] Voting. [] Not Voting.

Dated this 15th day of July, 2005.



Nathan Hale, Secretary
Tribal Business Council

ATTEST:



Tex G. Hall, Chairman
Tribal Business Council