

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

A Resolution Entitled: "Authorization and provision for: (1) the issuance of a promissory note in the principal amount of \$2,000,000 to finance purchase of land; (2) the giving of security; and (3) related actions and matters."

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, Article IX of the Constitution of the Three Affiliated Tribes authorizes and empowers the Tribal Business Council to manage and lease or otherwise deal with Tribal lands and resources in accordance with law; and

WHEREAS, Pursuant to Section 6 of Article IX of the Constitution, the Tribal Business Council of the Three Affiliated Tribes is hereby authorized and empowered to acquire by purchase, exchange of Tribal land, relinquishment, or otherwise any lands or interests in land for and on behalf of the Three Affiliated Tribes under such terms as may be agreed upon provided the acquisition approved by the Secretary of the Interior; and

WHEREAS, The Tribe wishes to acquire interests in approximately 5,500 acres of real estate, (hereafter called "land") within the exterior boundaries of the Fort Berthold Reservation as recognized by the Secretary of the Interior for the use of the Tribe and its members; and

WHEREAS, The United States Department of Agriculture has a loan program in which the Tribes can borrow \$2,000,000.00 to purchase trust and fee lands subject to a low rate of interest over forty (40) years; and

WHEREAS, Pursuant to said program, it is necessary to defray all or a portion of the costs of acquiring the land or interests therein by obtaining a loan to be made by the Government in accordance with applicable provisions of 25 U.S. C. 488-494, and it being determined that (1) the Tribe is unable to obtain sufficient credit elsewhere at reasonable rates and terms to finance the acquisition taking into consideration prevailing private and cooperative rates and terms currently available (the denial letters are attached to the application); and (2) the Tribe lacks uncommitted funds, based on



MANDAN, HIDATSA, & ARIKARA NATION

Three Affiliated Tribes • Fort Berthold Indian Reservation

404 Frontage Road • New Town, North Dakota 58763-9402

NATURAL RESOURCES DEPARTMENT

NRD – Realty Services

Annette Young Bird, Realty Officer

Noreen Two Crow, Adm. Asst.

Edward Fox, Realty Specialist

Lorry Little Swallow, Realty Specialist

J. Jack Rabbithead, Realty Specialist

April 24, 2006

Mr. David Hilleran
Farm Service Agency, USDA
New Town, North Dakota 58763

Re: Application for \$2,000,000 USDA Loan

Dear Mr. Hilleran:

Enclosed is an application from the Three Affiliated Tribes for a loan in the amount of \$2 million for land purchases and authorizing resolution No. 06-34-NH. The monies will be used to make land purchases from individuals who own fractionated land interests and from individuals who own whole interests. The Tribe wishes to build its land base within the Fort Berthold Reservation and to keep lands from becoming so fractionated that it may become unmanageable.

Should you have any questions or need additional information, please do not hesitate to contact me at 701/627-4781, extension 8057.

Sincerely,

Tex G. Hall, Chairman
Mandan, Hidatsa & Arikara Nation

Enclosures

xc: Frank White Calfe, Treasurer



generally acceptable accounting principles or another accounting method acceptable to the Secretary of the Interior, to acquire the land.

WHEREAS, Upon the affirmative recommendation of the Natural Resources Department, the Tribal Business Council desires to participate in this USDA Loan Program and borrow \$2,000,000.00 from the USDA at favorable terms and conditions to purchase trust and fee land within the Fort Berthold Reservation.

NOW THEREFORE BE IT RESOLVED, that the Tribal Business Council of the Three Affiliated Tribes hereby authorizes the following:

1. It authorizes the Natural Resources Department or any other proper department of the of the Three Affiliated Tribes to:
 - a. make application to the Farm Service Agency of the United States Department of Agriculture (hereafter referred to the "Government") for financial assistance in the amount of \$2,000,000.00;
 - b. to cause the execution and delivery of a promissory note or notes or other evidence of indebtedness and a mortgage, or other appropriate security instrument, to secure any loan or loans made by the Government;
 - c. to comply with any requirements, terms, or conditions prescribed by the Government or by Government regulations; and
 - d. to pay, extend, or renew any such indebtedness; and
 - e. to have the Chairman and Treasurer to execute contracts or enter into agreements and, without limitation, take any and all other actions as may be necessary, incidental, or appropriate to finance acquisition of the land or interests therein on behalf of the Tribe.
2. The Tribe shall borrow Two Million Dollars (\$2,000,000) and issue as evidence thereof promissory notes in the form prescribed by the Government for the full principal amount of the loan. The note shall be signed by the Chairman and attested by the Treasurer and the corporate or other seal by the tribes affixed thereto, and shall bear interest from its date, which shall be the date of loan closing, at a rate prescribed by the Government in its approval of the loan. The security instruments shall be in such form and contain the terms and conditions required by the Government.
3. Authorization of use of Tribal Revenue. The indebtedness hereby authorized shall be payable from the gross income and revenue to be derived from all



Tribal land and other tribal activities, a portion of which sufficient to pay the principal and interest as and when the same shall become due is hereby pledged and shall be set aside for that purpose.

4. Additional Source of Funds. If the revenue described in Section 3 is insufficient to pay the principal and interest and when the same shall become due or if it appears the revenue will be insufficient, the Tribal Council hereby pledges revenues from taxes imposed on the lands or proceeds thereof, if any, and its reserve IIM accounts holding proceeds from land income identified as Account 301S000700-TAT Land Development, 301S000701-TAT Reserve, and 301S000702-TAT Debt Service.
5. Protection and Disposition of Funds. The Chairman and the Treasurer of the Tribal Business Council of the Three Affiliated Tribes shall be the custodians of all loan funds.
6. The proceeds of the loan hereby authorized shall be deposited in a Land Acquisition Account which shall be established as a "supervised bank account" as required by the Government. If funds are deposited in a bank and the amount exceeds \$100,000, it shall be secured in advance by the depository bank in accordance with U. S. Treasury Department Circular No. 176. When all land acquisition costs have been paid in full, the Balance remaining in the Land Acquisition Account shall be applied as a refund on the Loan and the Land Acquisition Account shall be closed.
7. Other Covenants and Agreements of the Tribe. The Tribe covenants and agrees that as long as the indebtedness hereby authorized remains unpaid, the Tribe will:
 - a. Comply with applicable laws and regulations and maintain the land in good condition; and
 - b. Impose and collect such rates and charges that gross revenues will be sufficient at all times for the maintenance of the land and the funding of the debt service; and
 - c. Cause to be levied and collected such taxes or assessments as may be necessary to maintain the land in good condition and meet payments on the loan.
 - d. At all reasonable times, the Government shall have the right to inspect the land and to inspect and copy the records, accounts and data of the Tribe relating thereto; and



- e. Not borrow any funds from any source or incur any other liabilities in connection with making improvements to the land acquired with loan funds (exclusive of normal maintenance) without obtaining the prior written consent of the Government; and
 - f. Not cause or permit any voluntary dissolution of its organization, merge or consolidate with any other organization, dispose of, transfer, or convey its title to any part thereof or interest therein, by sale, mortgage, lease with an option to purchase, lease with a term of greater than three years or other encumbrances, without obtaining the prior written consent of the Government; and
 - g. If any land purchased with loan funds is sold, it will be sold at its market value as determined by the Government and any receipts there from will be applied to the Borrower's account as an extra payment or used to purchase additional land of like value which will be subject to the same type and priority of security as on the land sold' and
 - h. Not modify or amend its constitution in any way that would affect the Government's security without the written consent of the Government; and
8. **Default.** Default under any note evidencing indebtedness to the Government shall constitute default under all notes executed or assumed by the Tribe and held by the Government. Should default occur, the Government may declare the debt immediately due and payable. The Government may pay costs and expenses for the preservation and protection of the Government's interest. All such advances will be charged to the borrower's account, become immediately due and payable and shall bear interest at the rate borne by the note that has the highest interest rate.
9. **Security Instruments.** To secure the payment of the principal and interest of the note and any related obligations of the Tribe to the Government, the Chairman and the Treasurer of the Tribal Business Council are directed to execute and deliver a good and sufficient security instrument encumbering the land and other property, as required, or an assignment of revenues and funds held in IIM Accounts 301S00700, 301S000701 and 301S000702 for the Tribe. The security instruments shall give the Government the lien on the land, tribal revenues, and or other property and said officials are authorized and directed to acquire such subordination agreements as are necessary to achieve the required priority.
10. **Refinancing.** If at any time it shall appear to the Government that the Tribe is able to refinance the loan, in whole or in part, by obtaining a loan for such



BE IT FURTHER RESOLVED, that the Tribal Business Council authorizes the provisions of this Resolution to constitute its agreement to the inclusion of these provisions and conditions in a contract between the Three Affiliated Tribes and the Government so long as the loan made by the Government remains unpaid.

BE IT FINALLY RESOLVED, This Resolution shall take effect and be in force immediately.

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, 5 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 10th day of February 2006; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 5 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 10th day of February, 2006.

Secretary, Nathan Hale
Tribal Business Council

ATTEST:

Chairman, Tex G. Hall
Tribal Business Council