



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

A Resolution Entitled: “*Authorization for Three Affiliated Tribes to Obtain a \$100,000, sixty (60) day Note from Native American Bank in Favor of Delvin Foote and to Re-lend these Monies to Delvin Foote on a Forty-Five Day Note in Order to Effectuate Resolution No. 06-38-NH.*”

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 to make expenditures from available Tribal funds for public purposes of the Tribes; and

WHEREAS, Pursuant to such powers, the Tribal Business Council passed Resolution NH 38-06 whereby the Tribal Business Council authorized the Tribe to guarantee a loan in the amount of \$100,000 for Delvin Foote to the Native American Bank; and

WHEREAS, The Native American Bank has since indicated that it cannot loan Mr. Foote these monies due to federal regulations governing banking practices but that it would be able and willing to loan Mr. Foote the funds in accordance with Resolution 38-06-NH should Mr. Foote succeed in clearing up the present claims against him; and

WHEREAS, Mr. Foote has demonstrated that he is able to clear up the present claims provided the Tribes lend Mr. Foote the him \$100,000 for a forty-five day period; and



WHEREAS, The Tribal Business Council finds Mr. Foote's situation to be unique and desires to provide Mr. Foote with temporary help in order to effectuate Resolution No. 38-06-NH and obtain a \$100,000, sixty-day note from Native American Bank and re-lend this amount to Mr. Foote for a forty-five day period provided that Delvin Foote grant the Tribe a security interest in all of his collateral that he put up with the People's Bank of Parshall, North Dakota in the event that he should default on his note with the Tribe.

NOW THEREFORE BE IT RESOLVED, that the Tribal Business Council of the Three Affiliated Tribes hereby approves a \$100,000, sixty-day note from Native American Bank and re-lend this amount to Mr. Foote for a forty-five day period provided that Delvin Foote grant the Tribe a security interest in all of his collateral that he put up with the People's Bank of Parshall, North Dakota in the event that he should default on his note with the Tribe.

BE IT FURTHER RESOLVED, that the Tribal Business Council hereby authorizes a limited waiver of the Tribes sovereign immunity for the purposes utilizing the Tribes standard arbitration language as set forth in prior resolutions approving loans; and

BE IT FURTHER RESOLVED, that the authorization to obtain said loan and to re-lend the money to Delvin Foote shall be conditioned upon the Tribe obtaining a security interest in Delvin Foote's collateral in the event that he should default on the loan and the Tribe is required to pay off its loan; and

BE IT FINALLY RESOLVED, that the Tribal Business Council hereby authorizes Tribal Chairman Tex G. Hall, Treasurer Frank White Calfe and Tribal Secretary Nathan Hale to sign and execute all documents necessary to effectuate said loan guarantee and security agreement.

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, 6 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 20th day of March 2006; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 6 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 20th day of March 2006.

Secretary, Nathan Hale
Tribal Business Council

ATTEST:

Chairman, Tex G. Hall
Tribal Business Council

PROMISSORY NOTE

\$100,000.00

March 15, 2006
Browning, Montana

FOR VALUE RECEIVED, the undersigned, the **Three Affiliated Tribes of the Fort Berthold Reservation**, a federally recognized Indian Tribe (the "Borrower"), by executing this promissory note (this "Note"), hereby promises to pay to the order of **Native American Bank, National Association**, a national banking association (the "Lender"), at P O. Box 730, Browning, Montana 59417, or at such other place as Lender may direct, in lawful money of the United States of America constituting legal tender in payment of all debts and dues, public and private, together with interest thereon calculated at the rate and in the manner set forth herein and other charges owed to Lender as provided herein or in the Security Agreement (defined below), the principal amount of **ONE HUNDRED THOUSAND AND NO/100 DOLLARS** (\$100,000 00), or so much thereof as Lender may advance to or for the benefit of Borrower. Payment of principal and interest shall be in accordance with the following provisions:

1. **Principal and Interest.**

- (a) Borrower promises to pay principal interest at Maturity Date (defined below)
- (b) The Maturity Date shall be the earliest to occur of the following: May 15, 2006, such earlier date as may be provided herein, or such extended date as may be established by the mutual agreement of the Borrower and the Lender ("Loan Maturity Date")
- (c) The applicable interest rate hereunder (the "Applicable Rate") shall be fixed at 7 00%, which represents the rate of interest on the CD serving as collateral plus 1 5%

2. **Additional Provisions Regarding Interest** In no event shall the Applicable Rate hereunder be less than zero percent (0%) Interest on all principal amounts outstanding from time to time hereunder shall be calculated on the basis of a 365-day year applied to the actual number of days upon which principal is outstanding, by multiplying the product of the principal amount and the applicable rate set forth herein by the actual number of days elapsed, and dividing by 365

3. **Payments.** All principal, unpaid interest and other charges hereunder shall be due and payable on the Loan Maturity Date

4. **Prepayment.** This Note may be prepaid in whole or in part, at any time during the term of this Note, without prepayment penalty There may be a penalty on the CD if released prior to maturity of March 15, 2006

5. **Secured Obligations** This Note is issued pursuant to the terms of the Security Agreement of even date herewith between Lender and Borrower (the "Security Agreement") to which reference is made for a statement of the terms and conditions under which the payment and

Initial

performance of the Borrower's liabilities and obligations to Lender are secured and under which Lender may accelerate Borrower's obligation to make payments hereunder.

6. Use of Proceeds. Borrower shall use proceeds under this Note solely for general commercial purposes.

7. Event of Default. The occurrence of any of the following shall constitute an "Event of Default" under this Note, after written notice by certified mail of default to each of the Chairman, Treasurer and Chief Financial Officer of the Debtor and the expiration of a ten-day cure period:

- (a) The failure to pay any principal, interest, fees or other charges when due hereunder or under any contract, instrument or document executed in connection with this Note.
- (b) If Borrower becomes insolvent, makes a general assignment for the benefit of creditors or is generally not paying its debts as they become due; or any attachment or like levy of the Pledged Account.
- (c) Any violation or breach of any provision of, or any defined event of default under, any addendum to this Note or any pledge agreement or other document executed in connection with or securing this Note;

then, or at any time thereafter during the continuance of any such event, the Lender may give notice of such Event of Default to the Borrower and declare this Note and indebtedness evidenced hereby to be forthwith due and payable, whereupon this Note and the indebtedness evidenced hereby shall become forthwith due and payable, both as to principal and interest, without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Security Agreement or in any other instrument executed in connection with or securing this Note to the contrary notwithstanding. Lender shall be entitled to all remedies under the Security Agreement.

8. Late Payment and Default Rate. Should any payment by Borrower to Lender not be paid when due, or upon the Loan Maturity Date, or upon the occurrence of an Event of Default, such unpaid amounts shall thereafter bear interest at the variable rate of 5% above the Applicable Rate.

9. Usury Interest. Nothing contained herein, nor any transaction related hereto, shall be construed or so operate as to require Borrower to pay, or the Lender to accept, interest at a rate greater than it is lawful in such case to contract for, or to make any payment or to do any act contrary to law. It is understood and agreed that in the event that the payment of any interest due hereunder would subject the Lender hereof to any penalty under applicable law, then *ipso facto* the obligations of the undersigned to make such payment shall be reduced to the highest rate authorized under applicable law, and that if any clauses or provisions contained herein or in the Security Agreement operate or would prospectively operate to invalidate this Note or of the Security Agreement, in whole or in part, then only such clauses or provisions shall be held to be invalid.

10. No Waiver or Release. After an Event of Default, the failure of the Lender hereof promptly to exercise its right to declare the principal remaining unmatured hereunder to be

Initial

immediately due and payable shall not constitute a waiver of such right while such default continues nor a waiver of such right in connection with any future default on the part of the Borrower. It is expressly understood and agreed that the Borrower shall not be released from liability hereon by reason of any forbearance or extension of time granted, with or without notice or consent of the Borrower.

11. Waivers. After an Event of Default or upon the express consent of Borrower, Borrower hereby waives demand, presentment for payment, notice of dishonor, protest, and notice of protest and diligence in collection or bringing suit and agrees that the Lender may accept partial payment, or release or exchange security or collateral, without discharging or releasing any unreleased collateral or the obligations evidenced hereby. Borrower further waives any and all rights of exemption, both as to personal and real property, under the constitution or laws of the United States and any other applicable law.

12. Attorneys' Fees. Borrower agrees to pay reasonable attorneys' fees and costs incurred by the Lender in collecting or attempting to collect this Note, whether by suit or otherwise.

13. Miscellaneous. As used herein, the terms "**Borrower**" and "**Lender**" shall be deemed to include their respective successors, legal representatives and permitted assigns, whether by voluntary action of the parties or by operation of law

14. Governing Law. This Note and Security Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the Three Affiliated Tribes of the Fort Berthold Reservation of North Dakota, and federal law and, to the extent not inconsistent therewith, the laws of the State of North Dakota, including the Uniform Commercial Code adopted by said State, without regard to the conflicts of law rules of such Tribe or State.

15. Limited Waiver of Sovereign Immunity. The Borrower, by this Agreement, agrees to and does hereby expressly and unequivocally waive its sovereign immunity from suit, both as to jurisdiction and liability, against it by the Lender or any successor or assign of the Lender, specifically limited to the terms and remedies contained in this Note or the Loan Agreement, and provided further that the Borrower's consent to suit is only as to arbitration as provided in Section 16 of this Note and to court action initiated pursuant to any award rendered in an arbitration proceeding or as otherwise provided in Section 16 of this Agreement.

16. Binding Arbitration. Any dispute, claim or controversy arising out of or relating to this Note or the Loan Agreement or the breach hereof or thereof, or the making of the Loan (as defined in the Loan Agreement), including claims of fraud in the inducement (hereafter 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 party after such a dispute, claim or controversy has arisen hereunder, appoint one arbitrator. The other party 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)

Initial

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 whose decision shall be final.

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 14, 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 Note or the Loan Agreement, and 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 of the Borrower, or if such court shall not have jurisdiction or shall otherwise fail to timely act, in any 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 Borrower in the first instance and, after seeking relief from such Tribal Court, to any court of competent jurisdiction, 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.

17. Modification. This Note may not be modified except by written agreement signed by the Borrower and the Lender hereof, or by their respective successors or assigns.

[REST OF PAGE LEFT INTENTIONALLY BLANK - SIGNATURE PAGE FOLLOWS]

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement") is made by and between the **Three Affiliated Tribes of the Fort Berthold Reservation**, a federally recognized Indian Tribe ("Debtor") and **Native American Bank, National Association**, a national banking association ("Secured Party").

RECITALS

A. Under the terms of a promissory note of even date herewith between Secured Party and Debtor (the "Note"), Secured Party has agreed to lend and, accordingly, make funds available to Debtor in the amount of One Hundred Thousand and No/100th Dollars (U.S.) (\$100,000.00 U.S.) to be used by Debtor for the purposes specified in the Note. Capitalized terms not otherwise defined herein shall have the meaning ascribed to such term in the Note.

B. This Agreement is executed by the parties to secure the performance and payment when due of all indebtedness, liabilities and obligations of Debtor to Secured Party, now existing or hereafter arising, evidenced by or arising under or pursuant to this Agreement and the Note executed by Debtor to the order of Secured Party.

NOW THEREFORE, in consideration of the foregoing Recitals, the mutual covenants, promises and agreements contained herein and other good and valuable consideration, the receipt, sufficiency and validity of which is hereby acknowledged, Secured Party and Debtor agree as follows:

ARTICLE I – Security Agreement

1.1 Security Interest. To secure the payment and performance of the Debtor's liabilities and obligations to the Secured Party pursuant to the Note and this Agreement, together with all present and future debts of the Debtor that are owed to Secured Party (even if this Agreement is not specifically referenced or if the future debt is unrelated to or of a different type than this debt) (collectively, the "Obligations"), the Debtor hereby grants to the Secured Party a continuing security interest in the "Collateral" which shall consist of all the following described property of the Debtor:

- (a) any and all deposit accounts and certificates of deposits now or at any time hereafter maintained by the Debtor at the Bank, including but not limited to Native American Bank, NA Certificate of Deposit number 5679, and any renewals or substitutions thereof; and
- (b) any proceeds of the foregoing.

1.2 Financing Statements and Other Documents. Debtor shall take all actions and execute all documents required by Secured Party to attach, perfect and maintain Secured Party's security interest in the Collateral and to establish and maintain its right to receive the payment of the proceeds thereof, including but not limited to executing any financing statement, continuation

Initial

statement, notice of security interest and other documents required by the Uniform Commercial Code and other applicable law.

In lieu of filing security agreements and financing statements containing original signatures, Secured Party shall be entitled to perfect its security interests in the Collateral by filing carbon, photographic or other reproductions of the aforementioned documents with any authority required by the Uniform Commercial Code or other applicable law.

1.3 Inquiries and Notification to Third Parties. Debtor hereby authorizes Secured Party to contact any third party and make any inquiry pertaining to the Collateral. In addition, Secured Party is authorized to provide oral or written notice of its security interest in the Collateral to any third party.

1.4 No Encumbrances. Debtor will not pledge, mortgage or otherwise encumber, or create or permit a security interest in and of the Collateral to anyone other than the Secured Party.

1.5 Power of Attorney. Debtor hereby appoints Secured Party as its attorney-in-fact to (a) receive all instruments and other remittances from any third party payable to Debtor; (b) endorse Debtor's name on all instruments and other remittances payable to Debtor with respect to the Collateral; and (c) perform any action or execute any document required to be taken or executed by Debtor under this Agreement or any other Transaction Document. Secured Party's performance of such action or execution of such documents shall be taken or not taken in Secured Party's sole discretion and shall not relieve Debtor from any obligations or cure any default under this Agreement or the other Transaction Documents. The powers of attorney described in this paragraph are coupled with an interest and are irrevocable.

1.6 Events of Default. The occurrence of any of the following shall constitute an "Event of Default" under this Security Agreement, after written notice by certified mail of default to each of the Chairman, Treasurer and Chief Financial Officer of the Debtor and the expiration of a ten-day cure period:

- a. Failure by Debtor to pay or perform when due any of the Obligations.
- b. Failure by Debtor in the performance of any covenant, provision or term of this Agreement.
- c. The occurrence of an Event of Default specified in the Note or in any other instrument executed in connection with the Obligations which is not cured within any cure period, if any, provided with respect thereto.
- d. Debtor does, or permits to be done, anything that in any way may impair the security and lien of this Agreement or impair the value of the Collateral, or any part thereof, or weaken or diminish the security intended to be given under and by virtue of this Agreement.
- e. The making of any levy, seizure or attachment against the Collateral.

Initial

f. Sale, transfer, conveyance or other disposition of all or any part of the Collateral without Secured Party's prior written consent.

g. Debtor's title to the Collateral, or any part thereof, becomes the subject matter of litigation which would, in Secured Party's reasonable opinion, upon final determination, result in substantial impairment or loss of the security intended to be provided by this Security Agreement.

1.7 Remedies Upon Default Time is of the essence of this Agreement. Upon the occurrence of any Event of Default by Debtor under this Agreement and at any time thereafter, Secured Party shall be entitled, without notice to Debtor, to declare all of the Obligations to be immediately due and payable, whereupon the same shall become immediately due and payable, without presentation, demand, protest, notice or protest, or other notice of dishonor of any kind, all of which are expressly waived. In addition, upon the occurrence of any Event of Default under this Agreement, and at any time thereafter, Secured Party shall have authority to withdraw all or any part of the Collateral and apply the withdrawal toward the payment of the Obligations even if the withdrawal causes a penalty, and shall have all the remedies of a secured party under the Uniform Commercial Code or other applicable law. All remedies of Secured Party shall be cumulative to the full extent provided by law. Pursuit with respect to the Collateral, and pursuit of certain remedies with respect to all or some of the Collateral shall not bar other remedies with respect to the Obligations or to other portions of the Collateral.

1.8 Nonwaiver, Expenses, Proceeds of Collateral. No waiver by Secured Party of any of its rights or of any Event of Default shall be effective unless in writing, and in no event shall it operate as a waiver of any other of its rights or any other Event of Default nor of the same rights or Event of Default on any future occasion. Debtor shall pay to Secured Party on demand any and all expenses, including but not limited to reasonable attorneys' fees, incurred or paid by Secured Party in protecting or enforcing its rights upon or under the Obligations or the Collateral.

ARTICLE II – Governing Law and Limited Waiver of Sovereign Immunity

2.1 Governing Law. This Note and Security Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the Three Affiliated Tribes of the Fort Berthold Reservation of North Dakota, and federal law and, to the extent not inconsistent therewith, the laws of the State of North Dakota, including the Uniform Commercial Code adopted by said State, without regard to the conflicts of law rules of such Tribe or State.

2.2 Limited Waiver of Sovereign Immunity. The Borrower, by this Agreement, agrees to and does hereby expressly and unequivocally waive its sovereign immunity from suit, both as to jurisdiction and liability, against it by the Lender or any successor or assign of the Lender, specifically limited to the terms and remedies contained in this Note or the Loan Agreement, and provided further that the Borrower's consent to suit is only as to arbitration as provided in Section 16 of this Note and to court action initiated pursuant to any award

Initial

rendered in an arbitration proceeding or as otherwise provided in Section 16 of this Agreement.

2.3 Binding Arbitration. Any dispute, claim or controversy arising out of or relating to this Note or the Loan Agreement or the breach hereof or thereof, or the making of the Loan (as defined in the Loan Agreement), including claims of fraud in the inducement (hereafter 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 party after such a dispute, claim or controversy has arisen hereunder, appoint one arbitrator. The other party 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 whose decision shall be final.

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 14; 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 Note or the Loan Agreement, and 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 of the Borrower, or if such court shall not have jurisdiction or shall otherwise fail to timely act, in any 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 Borrower in the first instance and, after seeking relief from such Tribal Court, to any court of competent jurisdiction, 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.

2.4 Modification. This Agreement may not be modified except by written agreement signed by the Debtor and Secured Party, or their respective successors or permitted assigns.

Initial

PROMISSORY NOTE

\$100,000.00

March 15th, 2006
Fort Berthold, North Dakota

FOR VALUE RECEIVED, the undersigned, **Delvin Foote**, (the "Borrower"), by executing this promissory note (this "Note"), hereby promises to pay to the order of the **Three Affiliated Tribes**, a federally recognized Indian Tribe (the "Lender"), at 404 Frontage Rd, New Town, North Dakota 58763, or at such other place as Lender may direct, in lawful money of the United States of America constituting legal tender in payment of all debts and dues, public and private, together with interest thereon calculated at the rate and in the manner set forth herein and other charges owed to Lender as provided herein or in the Security Agreement (defined below), the principal amount of **ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00)**, or so much thereof as Lender may advance to or for the benefit of Borrower. Payment of principal and interest shall be in accordance with the following provisions:

1. Principal and Interest.

- (a) Borrower promises to pay principal and interest at the Maturity Date (defined below).
- (b) The Maturity Date shall be the earliest to occur of the following: April 1, 2006, such earlier date as may be provided herein, or such extended date as may be established by the mutual agreement of the Borrower and the Lender ("Loan Maturity Date").
- (c) The applicable interest rate hereunder (the "Applicable Rate") shall be fixed at 7.00%, which represents the rate of interest on the CD serving as collateral plus 1.5%.

2. Additional Provisions Regarding Interest. In no event shall the Applicable Rate hereunder be less than zero percent (0%). Interest on all principal amounts outstanding from time to time hereunder shall be calculated on the basis of a 365-day year applied to the actual number of days upon which principal is outstanding, by multiplying the product of the principal amount and the applicable rate set forth herein by the actual number of days elapsed, and dividing by 365.

3. Payments. All principal, unpaid interest and other charges hereunder shall be due and payable on the Loan Maturity Date.

4. Prepayment. This Note may be prepaid in whole or in part, at any time during the term of this Note, without prepayment penalty. There may be a penalty on the CD if released prior to maturity of March 15, 2006.

5. Secured Obligations. This Note is issued pursuant to the terms of the Security Agreement of even date herewith between Lender and Borrower (the "Security Agreement") to which reference is made for a statement of the terms and conditions under which the payment and performance of the Borrower's liabilities and obligations to Lender are secured and under which Lender may accelerate Borrower's obligation to make payments hereunder.

Initial

with this agreement, if incorrect in any material respect shall operate as a default under this agreement.

- d) **Insolvency:** If the Debtor becomes insolvent or becomes subject to any proceeding under bankruptcy or insolvency laws, including the assignment for the benefit of creditors.
- e) **Alteration of Debtor's Operating Condition:** Death, dissolution, or any other termination of the existence of Debtor or any forfeiture of Debtor's right to do business, as well as any merger, consolidation, or the like with another, shall operate as a default under this agreement.
- f) **Loss or Destruction of Collateral:** The theft, loss, destruction, or substantial damage to or alteration of the collateral, whether in whole or in part.
- g) **Unauthorized Use of Collateral or Proceeds:** The sale, transfer, or use of the collateral or its proceeds except as authorized under this agreement.

8. **Secured Parties Remedies:** On default, Secured Party shall have the following rights and remedies, which are cumulative in nature and are immediately available to secured party:

- a) All rights and remedies provided by law, including but not limited to, those provided by the Uniform Commercial Code as enacted in North Dakota, especially those rights and remedies provided in Chapter 41-09 of the North Dakota Century Code.
- b) All rights and remedies provided in this agreement

9. **Waiver of Rights:** All rights or remedies of secured party as provided in this agreement or in any other instrument executed in connection with this agreement, or arising by operation of law, shall continue in full force and effect during the full course of this agreement unless specifically waived by the Secured Party in a signed writing to that effect. Forbearance, failure or delay on the part of the Secured Party in the exercise of any such right or remedy shall not constitute a waiver of that right or remedy. The exercise or partial exercise of any right or remedy shall not preclude the further exercise of such right or remedy.

10. **Governing Law:** This agreement shall be governed by, and interpreted in accordance with the laws of the Three Affiliated Tribes, provided however, that the parties specifically agree that until such time as the Three Affiliated Tribes adopts a uniform commercial code governing secured transactions, the North Dakota Uniform Commercial Code applicable to secured transaction shall apply.

11. **Severability:** If any provision of this agreement shall be found to be unenforceable in any legal proceeding, the remaining provisions shall remain in force and effect.

12. **Effective Date:** This agreement becomes effective when signed by Debtor.

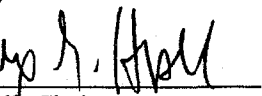
In witness where of the parties hereto attach their seals and signatures.

DEBTOR:

BY 
Delvin Foote

5-15-06
Date

SECURED PARTY:

BY 
Tex G. Hall, Chairman
Three Affiliated Tribes

3-20-06
Date

Witness:



3-15-06

SECURITY AGREEMENT

This SECURITY AGREEMENT made and entered into this 15th day March, 2006, by and between the Three Affiliated Tribes (hereinafter referred to as Secured Party), 404 Frontage Road, New Town, N.D., and Delvin Foote (hereinafter referred to as Debtor), Parshall, N.D.

1. **Grant of Security Interest:** In consideration of the Secured Party's agreement to provide a loan guarantee for the Debtor for a loan in the amount of \$100,000 from the Native American Bank, the Debtor hereby grants to Secured Party a security interest in the collateral described in Section 2 of this Agreement.
2. **Collateral:** The property serving as collateral and subject to the security interest granted in Section 1, is as follows:
 - a) SEE ATTACHMENT 1 which is hereby incorporated into and made a part of this Agreement.
 - b) Any monies received by way of increase, disbursement, satisfaction, or profit from the sale of the collateral, however, shall be applied in reduction of the secured obligation.
3. **After-Acquired Collateral:** All property subject to this security agreement and the grant of a security interest acquired after this agreement shall be added to the collateral and become subject to this security interest granted in section 1.
4. **Debtor's obligations:** The Debtors obligation that is subject to this security agreement is the Debtors note and/or loan agreement with Native American Bank in the amount of \$100,000. The Secured Party signed a loan guarantee with Native American Bank on behalf of the Debtor. This Security Agreement and the grant of a security interest set out in Section 1 secures the Secured Party's liability to the Native American Bank under that note and loan guaranty and in the event the Debtor defaults on the note and the Secured Party is required to pay off the note according to the terms of the loan guarantee, the Secured Party shall have the right to enforce this security agreement and take possession of the property according to applicable law.
5. **Debtors Warranties and Commitments.** The Debtor makes the following warranties and commitments:
 - a) The Debtor warrants that Debtor is the lawful owner of the collateral, which is free and clear of all liens, encumbrances, and the like, except those taken by the Native American Bank, and has full authority to use the same as collateral. Debtor agrees to defend the collateral against all other persons, other than the Native American Bank, who at any time claim an interest in it.

- b) Debtor warrants that there are no outstanding security interests in the collateral with the exception of the security interest granted to Native American Bank.
- c) Debtor agrees that during the course of this agreement, and as long as any obligation that is subject to it remains outstanding, debtor will not grant a security interest in the collateral to any person without the prior written consent of the Secured Party.
- d) Debtor agrees that during the course of this agreement, Debtor will keep the collateral free from any and all liens, encumbrances and the like.
- e) Debtor will not sell, offer for sale, transfer, or dispose of the collateral or any interest in the collateral without the prior written consent of the Secured Party.
- f) Debtor will procure insurance insuring the collateral against loss through theft, fire or casualty. Such insurance policies shall name the Secured Party as a co-insured and be delivered to the Secured Party.
- g) Debtor will make all payments on his loan to Native American Bank and will take all actions necessary to ensure that the Secured Party will not be required assume financial responsibility for said loan in accordance with the Loan Guarantee.

6. **Financing Statements:** If in the judgment of the Secured Party the filing of a financial statement is deemed necessary or helpful to the perfection, maintenance, or continuation of any security interest granted by this agreement, Debtor agrees to cooperate fully in the preparation and execution of such financing statement, and to that effect Debtor agrees to execute one or more financing statements in a form satisfactory to the Secured Party, who is authorized to file a financing statement in any location deemed necessary or advisable to perfect the Secured Party's security interest in the collateral. Debtor agrees to sign such financing statements on request of the Secured Party, and Debtor authorizes and appoints secured party, in case of need, to sign in Debtor's place and stead with full power of attorney of attorney in fact.

7. **Default:** Any of the following will constitute events of default under this agreement:

- a) **Non Payment:** Any failure of the Debtor to pay when due Debtor's obligation to Native American Bank.
- b) **Non-performance:** Any failure of the Debtor to perform or observe fully and in a satisfactory manner the terms of this agreement.
- c) **Warranties and Representations Prove False:** Any warranty or representation made to the Secured Party in order to induce the Secured Party to guarantee the Loan, whether made by Debtor or by others on behalf of Debtor, and whether such representations are contained in this agreement or in related materials, such as financial statements, loan applications, supporting documentation, and guarantees, or in any financial instrument, such as a promissory note, executed in connection

with this agreement, if incorrect in any material respect shall operate as a default under this agreement.

- d) **Insolvency:** If the Debtor becomes insolvent or becomes subject to any proceeding under bankruptcy or insolvency laws, including the assignment for the benefit of creditors.
- e) **Alteration of Debtor's Operating Condition:** Death, dissolution, or any other termination of the existence of Debtor or any forfeiture of Debtor's right to do business, as well as any merger, consolidation, or the like with another, shall operate as a default under this agreement.
- f) **Loss or Destruction of Collateral:** The theft, loss, destruction, or substantial damage to or alteration of the collateral, whether in whole or in part.
- g) **Unauthorized Use of Collateral or Proceeds:** The sale, transfer, or use of the collateral or its proceeds except as authorized under this agreement.

8. **Secured Parties Remedies:** On default, Secured Party shall have the following rights and remedies, which are cumulative in nature and are immediately available to secured party:

- a) All rights and remedies provided by law, including but not limited to, those provided by the Uniform Commercial Code as enacted in North Dakota, especially those rights and remedies provided in Chapter 41-09 of the North Dakota Century Code.
- b) All rights and remedies provided in this agreement

9. **Waiver of Rights:** All rights or remedies of secured party as provided in this agreement or in any other instrument executed in connection with this agreement, or arising by operation of law, shall continue in full force and effect during the full course of this agreement unless specifically waived by the Secured Party in a signed writing to that effect. Forbearance, failure or delay on the part of the Secured Party in the exercise of any such right or remedy shall not constitute a waiver of that right or remedy. The exercise or partial exercise of any right or remedy shall not preclude the further exercise of such right or remedy.

10. **Governing Law:** This agreement shall be governed by, and interpreted in accordance with the laws of the Three Affiliated Tribes, provided however, that the parties specifically agree that until such time as the Three Affiliated Tribes adopts a uniform commercial code governing secured transactions, the North Dakota Uniform Commercial Code applicable to secured transaction shall apply.

11. **Severability:** If any provision of this agreement shall be found to be unenforceable in any legal proceeding, the remaining provisions shall remain in force and effect.

12. **Effective Date:** This agreement becomes effective when signed by Debtor.

In witness where of the parties hereto attach their seals and signatures.

DEBTOR:

BY

Delvin Foote
Delvin Foote

3-15-06

Date

SECURED PARTY:

BY

Tex G. Hall
Tex G. Hall, Chairman
Three Affiliated Tribes

3-20-06

Date

Witness:

Mark Jack

3-15-06