



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

A Resolution entitled, ("Approval of Buyout Agreement for Casino at Lake Sakakawea")

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, Pursuant to a Participating Lease dated as of December 9th 2002, between the Tribe and Dale Little Soldier d/b/a Lake Sacagawea & Associates ("Lessor"), approved by the United States Department of the Interior on January 9, 2003 and recorded in the Land Title and Records Office of the Bureau of Indian Affairs (the "Lease"), Lessor has leased to the Tribe certain "Site I Premises" described therein located on the "Premises" defined therein near Lake Sacagawea that are held in trust for the benefit of Lessor located within the Tribe's reservation; and

WHEREAS, By Resolution No. 05-138, the Tribal Business Council re-affirmed the Tribe's commitment to a plan for development of a casino and other amenities (the "Project") on the Premises; and

WHEREAS, Lessor, pursuant to the authorization extended by the Tribal Business Council, proposes to construct gaming and related facilities on the Premises, within the Site I Premises being leased to the Tribe for operation of a gaming business; and

WHEREAS, Little Soldier engaged BankFirst, also known as Marshall BankFirst, a South Dakota bank ("BankFirst"), to provide one or more loans to finance the development, design, construction and equipping, opening, and transaction costs, (the "Loan") and Little Soldier and Tribe have received a Financing Proposal from BankFirst, providing for loans of a duration of seven (7) years which do not require the Tribe to incur any liabilities or obligations except those for which recourse is limited to the assets or revenues of the New Facility (to the extent consistent with law and the Tribe's Gaming Compact with the State of North Dakota); and



- WHEREAS,** Little Soldier and BankFirst are in the process of finalizing a term loan in the approximate sum of Ten Million Five Hundred Sixty Thousand Dollars (\$10,560,000) to support Casino construction (“Casino Loan”) and an additional term loan in the approximate amount of Four Million Three Hundred Forty Thousand Dollars (\$4,340,000.00) to support Hotel and related amenity construction (“Hotel Loan”), each with terms under which the first payment of monthly installments, is to be made on October 1, 2006, with payments being made monthly, thereafter, until the maturity date of said loans September 1, 2013.
- WHEREAS,** via Resolution No. 06-26-NH, the Tribal Business Council has approved the Financing Proposal, and authorized the execution, delivery, and performance of Loan Documents by the Tribe and additionally authorized and directed Tribal Officials to execute the Loan Documents and related documents; and
- WHEREAS,** Resolution No. 06-26-NH further provided that Little Soldier and the Tribe “will each in good faith negotiate to reach mutually agreeable terms whereby after seven years of operation of the New Facilities, at the Tribe’s option, the Tribe could acquire all of Lessor’s interest in the New Facilities.”; and
- WHEREAS,** via Resolution No. 06-95-NH, the Tribal Business Council reaffirmed its commitment to the development of a Buyout Agreement that would “at the option of the Tribe, provide for the Tribe to acquire all of the Lessors interests in the gaming and related facilities to be located at Lake Sakakawea” and further provided that said Buyout Agreement would provide that “at the time of its exercise, the Tribe shall assume or pay any remaining debt under the loan documents.”; and
- WHEREAS,** Dale Little Soldier agrees that the Tribe should have the opportunity, at the option of the Tribal Business Council to, at the conclusion of the scheduled seven (7) year loan repayment period as to the Casino Loan and the Hotel Loan, to buy out the remaining term of the Participating Lease, which extends to November 25, 2017, and in connection therewith should further have the opportunity to purchase the Hotel and related amenities owned and operated by Little Soldier, and that additionally, at such time, should have the opportunity to exercise an option to purchase the beneficial interests of Little Soldier in the Trust Lands upon which the Project is situated; and
- WHEREAS,** Resolution No. 06-95-NH provided that “Daylon Spotted Bear, together with legal counsel, shall be authorized to negotiate the Buyout Agreement and present the same to the Tribal Business Council for review” and they have done so.
- WHEREAS,** In conferences and negotiation by and between members of the Tribal Business Council including Daylon Spotted Bear assisted by Tribal attorney Steven Kelly, a consensus was reached that a recommendation should be made to the Tribal



Business Council that an agreement would be fair, reasonable, and acceptable that provides for the Tribe and Dale Little Soldier to enter into a Buyout and Purchase Agreement wherein the Tribe might, upon the delivery to Little Soldier of timely notice, have the opportunity commencing in September 2013 to secure the following upon payment to Dale Little Soldier of the sum of Two Million Dollars (\$2,000,000) to be paid in installments over a three (3) year period of time.

- a) to obtain the remaining interest of Dale Little Soldier in the Participating Lease that otherwise would extend to November 2017; and
- b) to purchase the Hotel and Related Amenities; and
- c) purchase the beneficial interests of Dale Little Soldier as to Trust Lands in his name upon which the Project is located by delivering to Little Soldier the sum of Two Million Dollars (\$2,000,000) paid in accordance with the payment schedule herein, and further assuming outstanding obligations as herein defined upon delivery by Tribe to Little Soldier of timely notice.

WHEREAS, The consensus recommendation would also provide that in addition to paying the specified sums, that the Tribe would assume payment of the remaining balloon payment that would be due and owing on the Hotel Loan with the Tribe likely financing payment of such and, further, that the Tribe would be responsible for future payments on any loans specifically approved by the Tribal Business Council.

WHEREAS, It was also agreed by and between Mr. Little Swallow and Tribal representatives that it would be recommended to the Tribal Business Council that should the Tribe exercise its option to buy out and purchase the above, that the Tribe would also receive transfer of the trust interest of Dale Little Soldier in approximately ten (10) acres of land upon which the lagoon, waste ponds, associated plumbing, and hardware to service the Casino and related facilities are to be located, and in payment thereof the Tribe would transfer land of equal value back to Mr. Little Soldier.

WHEREAS, It was also agreed that a recommendation would be made to the Tribal Business Council that a proposed Buyout and Purchase Agreement would include an option for the Tribe for an early buyout in the event of material default by Little Soldier as to either the Casino or Hotel Loan, or the debt or adjudication of bankruptcy of Dale Little Soldier. Further, various other general agreements were reached as to inclusions in a proposed Buyout Purchase and Release Agreement which would be drafted and presented to the Tribal Business Council for its review.



WHEREAS, A proposed Buyout Purchase and Release Agreement has been drafted and is being presented to the Tribal Business Council for review and approval.

WHEREAS, The Buyout Purchase and Release Agreement, in the form presented, appears to incorporate the provisions negotiated between the parties.

WHEREAS, The proposed Buyout Purchase and Release Agreement appears consistent with prior resolutions of the Tribal Business Council and to be in the best interests of the Tribe to facilitate the Project and to preserve and protect the proposed Casino, and other facilities to be developed, in a manner in which Tribal Members will benefit, while affording fair payment and reimbursement of Dale Little Soldier for his efforts and investment.

NOW THEREFORE BE IT RESOLVED, by the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation, as follows:

1. The content of the proposed Buyout Purchase and Release Agreement is hereby approved and Tribal officials are authorized to execute the same in substantially the form presented, but containing such revisions as may be deemed appropriate by the Tribal attorney, and the Officers executing said document, that are consistent with the major elements of the attached Draft Agreement reviewed by the Tribal Business Council.

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 TBC Meeting thereof duly called, noticed, convened and held on the 24th day of August, 2006, that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 4 members, 0 members opposed, 2 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 24th day of August, 2006.



ATTEST:

for Marcus Welby

Chairman, Tex G. Hall
Tribal Business Council

Nathan Hale

Executive Secretary, Nathan Hale
Tribal Business Council