



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

A Resolution entitled: *“Approval of Renewal of the Existing \$ 14,000,000 Revolving Line of Credit with BNC Bank of Bismarck, North Dakota for General Operating Purposes of the Tribe and Authorization for the Chairman and Treasurer to Execute all Necessary Loan Documents.”*

- 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 under said Act; and
- WHEREAS,** pursuant to Article III, Section 1 of the Constitution and By Laws of the Three Affiliated Tribes, the Tribal Business Council is the governing body of the Tribes; and
- WHEREAS** Article VI, Section 5 (l) of said Constitution provides that the Tribal Business Council has the power to adopt resolutions regulating the procedures of the Tribal Business Council and other Tribal agencies and Tribal officials on the Reservation; and
- WHEREAS,** Article VI, Section 5(a) of the Constitution of the Three Affiliated Tribes provides that the Tribal Business Council shall have the power to manage all economic affairs of the Three Affiliated Tribes; and
- WHEREAS,** Article VI, Section 5 (c) of the Constitution provides that the Tribal Business Council has the power to administer all funds within the exclusive control of the Tribes and to make expenditures from available tribal funds for public purposes of the Tribes; and
- WHEREAS,** The Tribal Business Council finds that the revenues of the Tribe do not always coincide with tribal government expenditures and that incoming revenues are not always received by the Tribe at the same time as Tribal expenses become due and this creates budgetary shortfalls for tribal government operations; and
- WHEREAS,** In order to meet these budgetary shortfalls in funding tribal government operations, the BNC Bank of Bismarck, North Dakota (hereinafter, the “Bank”) extended the Tribe a \$14,000,000 line of credit in 2006 which is secured by \$14 million dollar certificate of deposit with the BNC Bank and said line of credit is scheduled to mature; and



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WHEREAS, The Tribal Business Council further finds that it would be a prudent and good business practice to renew the existing line of credit of \$ 14,000,000 with BNC Bank of Bismarck, North Dakota to be utilized by the Tribe for general governmental purposes in order to bridge the gap between the payment of expenses and the receipt of revenues; and

NOW, THEREFORE, BE IT RESOLVED, that the Tribal Business Council of the Three Affiliated Tribes pursuant to its constitutional authority hereby authorizes the renewal of the \$14 million revolving line of credit with BNC Bank of Bismarck, N.D. under the following terms and conditions:

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 Financing Terms, in so far as they require Tribal approval, and 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 as 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. Minimum Terms of the Loan Documents.

3.1 The Chairman is hereby authorized to negotiate the terms of the revolving line of credit with a financial institution or financial institutions and execute the same along with the other authorized representatives provided that terms are included in the Loan Documents that are similar or competitive with the following:

**Three Affiliated Tribes
Revolving Credit Line
Preliminary Terms and Conditions**

Borrower:	Three Affiliated Tribes of the Fort Berthold Indian Reservation
Purpose:	Renewal - revolving line of credit
Credit Limit:	\$14,000,000.00
Current Balance:	\$13,931,797.74
Available Credit:	\$68,202.26
High Balance:	\$13,931,797.74
Low Balance:	\$13,931,797.74
Average Balance:	\$13,931,797.74
Number of Days Paid Out:	0
Loan Type:	Open-end, multiple-advance line of credit
Term:	12 months
Maturity Date:	Proposing to renew until July 1, 2008
Payments:	Existing accrued interest due at date of renewal. Monthly interest payments beginning September 1, 2007
Bank CD Interest Rate:	5.50% fixed for 12 months



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- Loan Interest Rate:** 6.75% fixed for 12 months
- Origination Fee:** None
- Transaction Fees:** All other hard costs incurred now or in the future relating to the subject financing including but not limited to legal expenses, filing fees, etc.
- Security:** Certificate of deposit held at BNC National Bank with a balance of at least \$14,000,000. The balance of the certificate of deposit today is \$14,776,263.85 after adding the interest income from the previous 12 months. Any balance of the certificate of deposit in excess of the \$14,000,000.00 is available to the Borrower for withdrawal.
- Guarantors:** None
- Prepayment Penalty:** None
- Bank Origination Fee:** None
- Non-use Fee:** None
- Legal Fees:** Renewal documents will be prepared by the Maslon law firm in Minneapolis, MN. The Borrower will be responsible for all of these costs.
- Other Transaction Costs:** None
- Other Conditions:** Mutually agreeable loan documents, including jurisdiction, venue, and application of law to be prepared by legal counsel engaged by the Bank
- Identification Documents:** Prior to the closing of the loan, the Borrower will provide BNC with a copy of all necessary documents demonstrating that the Borrower is a duly formed entity, in compliance with all laws and regulations that are governing the formation and existence of such entity and are legally capable of completing the project and transaction contemplated herein.
- Expenses:** The Borrower agrees to pay all reasonable costs, fees, expenses, and legal fees expended by the Bank in connection with the



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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.



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 and consents to the court jurisdictions as described in _____, including as provided in such Section the jurisdiction 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 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



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preparation and documentation of the loan, whether or not the loan is closed.

Any fees charged for any investigative report or document in connection with this loan application will be collected by the Bank and paid to third parties. Such expenses are not fees for processing this loan application. The reports or documents and other information used to evaluate the application are the property of the Bank. This application does not establish a legal relationship of any type between the Bank and the applicant. The Bank assumes no obligation or duty to the applicant until after the loan is approved and the Bank and the applicant have signed all the documents necessary, in the Bank's sole and absolute discretion, to evidence the loan. The Bank is processing this application as a service to the applicant, and will make any and all decisions regarding this application based upon the Bank's own underwriting standards, which are subjective and within the Bank's sole and absolute discretion, and which may vary from time to time.

If the financing accommodation described in this proposal is otherwise approved, the Borrower will be required to execute and deliver all loan documents in a form and substance satisfactory to the Bank and/or the Bank's legal counsel.


CERTIFICATION

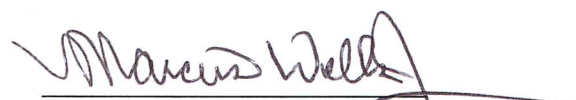
I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation, hereby certify that the Tribal Business Council is composed of 7 members of whom 5 constitute a quorum, 6 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 6th day of August, 2007; 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 6 day of August, 2007.

ATTEST:


Tribal Secretary, V. Judy Brugh
Tribal Business Council


Tribal Chairman, Marcus Wells Jr.
Tribal Business Council