



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

A Resolution entitled, "Settlement of Judgment in Totten Builders and Supply Claim – Lake Sakakawea and Associates, LLC"

WHEREAS, This Nation has accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act and has adopted a Constitution and By-laws pursuant to said Act; and

WHEREAS, The Constitution and By-laws of the Three Affiliated Tribes ("Tribe") was adopted by membership of the Tribe on May 15, 1936 pursuant to the Indian Reorganization Act of 1934 and duly approved by the Secretary of the Interior; and

WHEREAS, Article III of the Constitution of the Tribe provides that the Tribal Business Council is the governing body of the Tribe; and

WHEREAS, The Constitution of the Tribe 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 Tribe and of the enrolled members thereof;

WHEREAS, Pursuant to a Participating Lease dated as of December 9, 2002, between the Tribe and Tribal member Dale Little Soldier, later assigned by Mr. Little Soldier to a company controlled by him, Lake Sakakawea & Associates, LLC ("LSA"), LSA was to develop, obtain financing for, and construct a gaming and entertainment complex (the "Casino Project") on land held in trust for Mr. Little Soldier; and

WHEREAS, On July 2, 2008, the Tribal Business Council approved Resolution 08-100-BLB, "Rescission of Tribal Council Resolutions 07-229-VJB and 08-22-MP Concerning Approval of the Proposed Twin Buttes/Little Soldier Casino Project," thereby rescinding approval of the Casino Project; and

WHEREAS, On July 11, 2008, LSA and Mr. Little Soldier sent the Tribe a Notice of Default, Specification of Dispute, and Appointment of Arbitrator, asserting breach of the Participating Lease, seeking damages of over \$20 million for such breach, and commencing arbitration pursuant to Section 33 of the Participating Lease; and

WHEREAS, The arbitration panel held a hearing on the dispute on April 21-24, and issued an award on May 22, 2009, which was amended on June 5, 2009; and



WHEREAS, The arbitration panel, with one arbitrator dissenting, awarded LSA and Mr. Little Soldier \$6,145,743.95 plus interest, and ordered the Tribe to indemnify Mr. Little Soldier and LSA from a suit brought against them by Totten Builders; and

WHEREAS, LSA filed an action against the Tribe in the district court for Burleigh County, North Dakota, to confirm the award, *Lake Sakakawea & Associates, LLC v. Three Affiliated Tribes*, 08-09-C-01308; and

WHEREAS, On August 5, 2009, the court entered a judgment against the Tribe and in favor of plaintiff LSA in the amount of \$6,307,138.95, plus interest at 7% per annum; and

WHEREAS, On August 21, 2009, the Tribal Business Council adopted Resolution No. 09-132-VJB, "Forbearance Agreement and Waiver of Appeal Rights," which authorized the Chairman to execute an agreement with LSA entitled "Forbearance Agreement and Waiver of Appeal Rights" which agreement provided that LSA would forbear from executing upon the judgment or initiating garnishment proceedings to enforce the judgment until September 1, 2009; and

WHEREAS, The Tribe wishes to obtain further forbearance of execution of the judgment; and

WHEREAS, on August 25, 2009, Dale Little Soldier, on behalf of LSA, executed a Confession of Judgment in *Dallas Delorme d/b/a Totten Builders and Supply vs. Dale Little Soldier, individually, and Lake Sakakawea & Associates, LLC* (Benson County Civil No. 03-09-C-18-1) (the "Totten Builders Action"), and on August 27, 2009, judgment was entered in that case in favor of plaintiff Dallas Delorme and against defendant LSA in the amount of \$875,000 plus accrued interest of \$62,424.65, for a total of \$937,424.65, on which interest is accruing at \$167.81 per day from August 25, 2009; and

WHEREAS, The Tribe, as the indemnitor, did not authorize the Confession of Judgment agreed to by Mr. Little Soldier, and so is not responsible for it; and

WHEREAS, The Tribe could litigate its liability for the judgment in the Totten Builders Action, but that would be costly, and could prevent the Tribe from obtaining a further forbearance agreement with LSA; and

WHEREAS, LSA may agree to a further forbearance of execution of the judgment and garnishment proceedings, but has indicated that it will require as a condition of the such forbearance that the Tribe agree to pay the reduced amount of \$700,000.00 (plus interest accruing from September 1, 2009, in the amount of \$134.25 per day) in full satisfaction of the judgment in that case; and



WHEREAS, It is in the Tribe's best interest to obtain a further forbearance, and to agree to a reduced amount as full satisfaction of the judgment in the Totten Builders Action;

NOW THEREFORE BE IT RESOLVED, that the Tribal Business Council states that it is the Tribe's position that it will agree that its liability for the judgment in the Totten Builders Action is \$700,000.00 (plus interest accruing from September 1, 2009, in the amount of \$134.25 per day), subject to the following terms and conditions:


1. This action is taken in anticipation of execution of a further forbearance agreement with LSA, in which LSA will agree to further forbear from garnishment proceedings and execution of the judgment against the Tribe in *Lake Sakakawea & Associates, LLC v. Three Affiliated Tribes*, 08-09-C-01308 through October 15, 2009, and has no force and effect if the parties do not enter into such agreement. The Tribe reserves all rights to challenge the judgment in the Totten Builders Action if LSA and the Tribe do not enter into such further forbearance agreement.
2. This action is subject to documentation satisfactory to the Tribe providing assurance that the Tribe will not be held liable, and cannot be sued by LSA, Mr. Little Soldier, or Dallas Delorme d/b/a Totten Builders and Supply, for the difference between the judgment rendered in the Totten Builders Action and the \$700,000 agreed upon by the Tribe.

CERTIFICATION

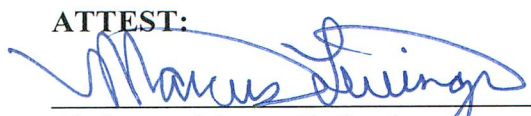
I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Indian Reservation hereby certify that the tribal Business Council is composed of seven (7) members of whom five (5) constitute a quorum, 6 were present at a Special Meeting thereof duly called, noticed, convened and held on the 2nd day of September, 2009, 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 2nd day of September, 2009.



Executive Secretary, V. Judy Brugh.
Tribal Business Council

ATTEST:


Chairman, Marcus D. Levings
Tribal Business Council