



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

A Resolution Entitled: "Approval of Special Counsel Contract to Retain Fredericks Peebles and Morgan, LLP to Initiate Activities to Quantify the Tribes' Reserved Water Rights"

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, Article VI, Section 3(a) of the Constitution of the Three Affiliated Tribes specifically grants to the Tribal Business Council the power to employ legal counsel; and

WHEREAS, The Tribal Business Council desires to quantify the Tribes' reserved water rights, including but not limited to working with the Army Corps of Engineers to acquire temporary storage rights for water from Lake Sakakawea for the Tribes to utilize for oil and gas development occurring within the boundaries of the Fort Berthold Reservation and for other uses as the Tribal Business Council may determine;

WHEREAS, The Tribal Business Council requires expert legal representation to accomplish the aforesaid quantification of the Tribes' reserved water rights; and

WHEREAS, The Tribal Business Council has negotiated the terms of a Special Counsel Contract under which the law firm of Fredericks, Peebles and Morgan, LLP, ("FPM") will assist the Tribal Business Council by providing the legal services necessary to complete the activities referenced above; and

WHEREAS, Pursuant to the terms of the Special Counsel Contract, the fees paid by the Tribes for such services shall not exceed \$50,000 and expenses shall not exceed \$15,000 without amendment in writing signed by the Tribes and Attorneys.



NOW THEREFORE BE IT RESOLVED, that the Tribal Business Council hereby authorizes and approves the terms of the Special Counsel Contract with FPM, under which FPM will provide the legal services necessary to assist the Tribal Business Council in quantifying the Tribes' reserved water rights, including but not limited to working with the Army Corps of Engineers to acquire temporary storage rights for water from Lake Sakakawea for the Tribes to utilize for oil and gas development occurring within the boundaries of the Fort Berthold Reservation and for other uses as the Tribal Business Council may determine.

BE IT FURTHER RESOLVED, that the Tribal Business Council hereby authorizes the Chairman to sign the Special Counsel Contract with FPM, and any other documents that are necessary to carry out the purpose and intent of the Resolution; and

BE IT FURTHER RESOLVED, that the Tribal Business Council hereby authorizes the Treasurer to issue payments to FPM, according to the payment and deliverable schedule set out in the Special Counsel Contract.

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SPECIAL COUNSEL CONTRACT

This Contract is made and entered into this ____ day of _____, 2012, by and between the Three Affiliated Tribes of the Fort Berthold Indian Reservation (hereafter "the Tribes"), whose governmental headquarters and business address is Tribal Administration Building, HC3 Box 2, 404 Frontage Road, New Town, North Dakota 58763, and Fredericks, Peebles & Morgan, LLP (hereafter "Attorneys"), 1900 Plaza Drive, Louisville, Colorado 80027.

WHEREAS, the Three Affiliated Tribes desire to retain the services of the Attorneys as Special Counsel for the purposes of assisting the Tribal Business Council in an effort to quantify the Tribes' reserved water rights, including but not limited to, initial activities to quantify the Tribes' reserved water rights and working with the Army Corps of Engineers to acquire temporary storage rights for water from Lake Sakakawea for the Tribes to utilize for oil and gas development occurring within the boundaries of the Fort Berthold Reservation and for other uses as the Tribal Business Council may determine;

WHEREAS, the Attorneys are agreeable to representing the Tribes in said activities and possess the necessary expertise to provide the legal representation to the Tribes.

IT IS HEREBY AGREED AS FOLLOWS:

1. Engagement. The Tribes hereby agree to retain the Attorneys as Special Counsel to perform the legal services as set forth in this Contract and the Attorneys, in consideration thereof, hereby agree to faithfully execute their duties in a good and professional manner and to conduct themselves in such a way as shall serve the best interest of the Three Affiliated Tribes.

2. Term. This Special Counsel Contract shall cover all of the legal work and expenses for which the Tribal Chairman and/or Tribal Business Council authorizes and provides funds to complete the work assigned as provided in paragraph 3 below. This Special Counsel Contract may, however, be terminated as hereinafter provided.

3. Legal Services. It shall be the duty of the Attorneys to advise, assist, and represent the Tribes in any and all matters assigned to the Attorneys by the Tribes through its Tribal Business Council and/or their Chairman in quantifying the Tribes' reserved water rights, including, but not limited to, initial activities to quantify the Tribes' reserved water rights and working with the Army Corps of Engineers to acquire temporary storage rights for water from Lake Sakakawea for the Tribes to utilize for oil and gas development occurring within the boundaries of the Fort Berthold Reservation and for other uses as the Tribal Business Council may determine.

Where necessary or desirable in the performance of legal services hereunder, the Attorneys are authorized to enter into an association with local counsel in the State of North Dakota only for the specific purpose of moving the admission of the law firm of Fredericks, Peebles & Morgan LLP and for filing routine documents in the North Dakota or tribal courts, who shall be paid out of the compensation provided under paragraphs 4 and 9 of this Contract.

4. Compensation. The Attorneys shall receive compensation for services rendered pursuant to the terms of this Contract at the hourly rate of \$300.00 for partners, \$250.00 for senior associates, \$200.00 for junior associates, and \$100.00 for law clerks and paralegals. The billing for such services shall be accomplished in the manner described in paragraph 7.

5. Expenses. The Attorneys shall be allowed necessary and proper travel expenses paid or incurred in connection with the performance of the duties under this Contract. When such travel is in automobiles, they shall be allowed 55 cents per mile therefore or the federal rate that is in effect at the time of travel. When in the performance of such duties they are away from their residences overnight, they shall be allowed the actual, reasonable cost of meals and hotel or motel accommodations. In addition, the Attorneys shall be allowed the following expenses: copy expense, expert assistance and witness fees, expense of preparation of exhibits, transcripts, long distance telephone calls, facsimiles, telegrams, court costs and fees, and printing, postage and outside contracted stenographic expenses.

6. Contract Ceiling on Fees and Expenses. The fees paid by the Tribes under this Contract shall not exceed \$50,000 for the duration of this Contract and expenses shall not exceed \$15,000 without amendment in writing signed by the Tribes and Attorneys.

7. Payment of Fees and Expenses. All fees and expenses shall be paid upon the basis of vouchers prepared and supported as prescribed by the Tribes, each voucher to be accompanied by a statement showing that the services were performed and the expenses incurred by the Attorneys. Unless specifically requested, vouchers need not be accompanied by receipts or sub-vouchers for individual items.

8. Non-assignability. It is agreed that no assignment of the obligations of this Contract in whole or in part shall be made without the consent of the Tribes. No assignment of said obligation shall be effected by the mere employment or association of expert assistance, including, without limitation, legal assistance pursuant to paragraph 3 and 5 of this Contract. In addition, no assignment or encumbrance of any interest of the Attorneys in the compensation agreed to be paid under this Contract shall be made without the approval of the Tribes. Any assignment of the obligations of this Contract or any assignments or encumbrances of any interest in the compensation agreed to be paid made in violation of the provisions of this paragraph shall operate to terminate this Contract. In the event that an assignment is made in violation of the provisions of this Contract, the Attorneys shall not be entitled to any compensation whatever for any services rendered from the date of assignment of the Contract.

9. Termination. This Contract may be terminated by either party giving sixty (60) days notice in writing to the other party. In the event of termination as herein provided, the Attorneys shall receive compensation on a quantum meruit basis for their services to the date of termination. In the event of the termination of this Contract as herein provided and in the further event that the Tribes shall retain or employ other counsel to continue any of the matters which may theretofore have been undertaken pursuant to the provisions of this Contract, the Attorneys agree to make available to the subsequent attorneys for the Tribes any and all files pertinent to

the prosecution of such matters and to disclose to such counsel or attorneys any and all facts and information requested pertinent to such matters, it being understood and agreed that the time and expenses, if any, expended by the Attorneys in such activity as well as the Attorneys' outstanding and reasonable bills shall be subject to reimbursement in the matter hereinbefore specified as to services.

10. Dispute Resolution. Upon the demand of any party, any dispute arising under or in connection with this Contract shall be resolved in the Tribal Courts of the Three Affiliated Tribes, in accordance with the laws of the Three Affiliated Tribes of the Fort Berthold Reservation. The Tribal Business Council agrees to waive the sovereign immunity of the Three Affiliated Tribes for the limited purpose of enforcement of the terms and conditions set forth in this Contract. Damages shall be limited to the payment of fees and/or costs associated with the terms of this Contract. All disputes submitted to Tribal Court shall be resolved in accordance with substantive laws of the Three Affiliated Tribes or to the extent that Tribal law is not applicable, the substantive law of the State of North Dakota.

11. Notices. Any notice required by this Contract shall be given as follows: (a) If by the Tribes to the Attorneys, by delivery thereto to the Attorneys personally or by mailing thereof to the address of the Attorneys last shown on the records of the Tribes; and (b) If by the Attorneys to the Tribes, by delivery at or mailing to the Three Affiliated Tribes, Tribal Administration Building, HC3 Box 2, New Town, ND 58763.

12. Attorneys' Standing. The undersigned Attorney stipulates that he is a fully licensed member in good standing of the bar of the State of North Dakota and to the best of his knowledge, no disciplinary proceedings have been instituted against him or any Attorneys employed by the firm by any bar association of any jurisdiction of the United States or its territories which are pending or unresolved and they have not been disbarred or suspended from the practice of law in any jurisdiction in the United States or its territories to the best of their knowledge.

13. Severability. If any part or provision of this Contract or the application thereof shall be adjudged invalid, the validity of any other parts or provisions hereof shall not be affected thereby.

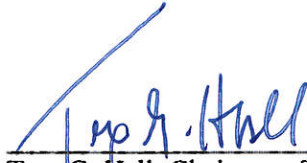
14. Amendment by Written Endorsement. It is expressly understood and agreed that this instrument embodies all agreements existing between the Tribes and the Attorneys and that no term, provision or condition of this Contract shall be held to be altered, amended, changed or waived in any respect except by written endorsement attached hereto.

15. Contract Authorization of Tribes. This Contract has been duly authorized by the Business Council of the Three Affiliated Tribes as set forth in Resolution No. _____ of the Mandan, Hidatsa, and Arikara Nation, attached hereto and incorporated herein, and the Chairperson of the Tribes is duly authorized to sign this Contract and to legally bind the Tribes in accordance with its terms.

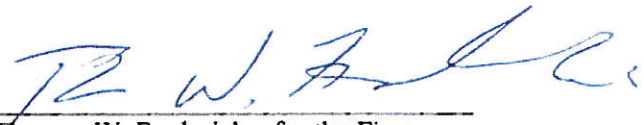
DATED this _____ day of _____, 2012.

THE THREE AFFILIATED TRIBES

FREDERICKS, PEEBLES &
MORGAN, LLP



Tex. G. Hall, Chairman, Tribal
Business Committee



Thomas W. Fredericks, for the Firm




CERTIFICATION

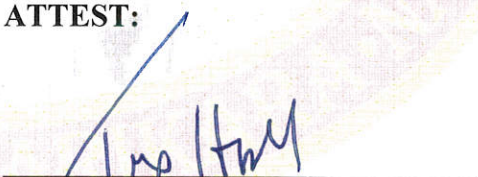
I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Indian Reservation hereby certify that the tribal Business Council is composed of seven (7) members of whom five (5) constitute a quorum, 5 were present at a Regular Meeting thereof duly called, noticed, convened and held on the 12th day of July, 2012, 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 12th day of July, 2012.



Tribal Secretary V. Judy Brugh
Tribal Business Council
Three Affiliated Tribes

ATTEST:


Tribal Chairman, Tex Hall
Tribal Business Council
Three Affiliated Tribes