



MANDAN, HIDATSA, & ARIKARA NATION

Three Affiliated Tribes • Fort Berthold Indian Reservation

HC3 Box 2 • New Town, North Dakota 58763-9402

SPECIAL COUNCIL MEETING

MINUTES OF AUGUST 21, 1996

TRIBAL BUSINESS COUNCIL

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- A. CALL TO ORDER AND OPENING PRAYER.** A Special Meeting of the Three Affiliated Tribes' Tribal Business Council was held on Wednesday, August 21, 1996, in the Tribal Council Chambers, to discuss the terms of the casino negotiations with Bruce H. Lien & Company. Chairman Russell D. Mason, Sr., called the meeting to order at 3:35 p.m., and asked that a moment of silent prayer and meditation be held.
- B. ROLL CALL.** Secretary Spotted Bear called roll. Five members present, Mr. Fast Dog and Mr. Johnson on travel. Quorum established. In attendance were TAT Gaming Attorney Henry Buffalo, NIGC Member Doris Poppler, TAT Auditor Joseph Eve (via conference call), TAT Financial Consultant David Brendsel, TAT Staff Attorney Thomas Disselhorst, TAT Gaming Commission Members and TAT Casino Liaison.
- C. SUMMARY OF NEGOTIATION PROCESS.** TAT Gaming Attorney, Mr. Henry Buffalo, summarized the many negotiation meetings that had been held with the management company (BHL&C). A negotiated settlement has now been reached for us to buy out BHL&C by the end of January 1997, at a cost of approximately \$8.65 million. Under the original terms of the management contract signed by former chairman Wilbur Wilkinson, the buy-out amount was more than \$18 million dollars. This settlement of \$8.65 million is \$10 million less than the \$18 million demanded by BHL&C, which felt this is what they would have received under the contract terms signed by former chairman Wilbur Wilkinson. The Tribes' will take over management of the casino in February 1997.
- Ms. Doris Poppler, a member of the National Indian Gaming Commission, discussed her involvement as a mediator in the negotiation process, and complimented the Tribal Council on their patience, fervor, dedication and commitment to achieving a settlement. Mr. Fox, Mr. Gillette, and Mr. Hall spoke on their disappointments concerning the whole negotiation process, with Mr. Gillette emphasizing that he was especially disappointed that the National Indian Gaming Commission did not rule on the validity of the gaming contract. However, he said "This was negotiated as best as we could, under the circumstances".
- D. DISCUSSION ON PLAN FOR TRIBES' TO MANAGE CASINO.** Chairman Mason commented that the council would need to organize a casino enterprise as a separate entity from the tribe, with a governing board of directors, who have a strong business background, are depoliticized, and are appointed on staggered terms. The casino management team would be composed of a general manager and a casino manager. Financial Consultant David Brendsel said the Tribes and BHL&C have 30

days maximum from August 11 to put together a settlement agreement. BHL&C will continue to get their 40% distribution and category 1 payments, as they exist, from June 30 to September 30. From October 1 through January 31, they will continue to get distributions at a rate of 40% and category 1 principal payments, both items being credited against the 8.65 million. If the Tribes cannot buy out the company by January 31, an 18% rate of interest will be imposed on the Tribes, by the company, on the 8.65 million. Mr. Brendsel presented three options for achieving the short-range goals for buy-out and management. The options were presented on a 48-month basis vs. a 52-month period. Mr. Brendsel's recommendation was that council go with Option 2, with a 48-month period. Before any action was taken, Mr. Edmund White Bear, Chairman of the Gaming Commission, and Carol Good Bear, Casino Liaison, were afforded an opportunity to make comments. After which, Mr. Gillette stressed that any management plan set up for the casino would have to be by referendum vote of tribal members, to preclude future councils from disbanding it.

E. MOTION ON FINANCIAL PLAN FOR BUY-OUT OF GAMING CONTRACT.

Chairman Mason asked for a motion to carry out Option 2 of the buy out for financing the amount of 8.5 million dollars, with the working capital of 1/2 million, and also to carry out the needs to facilitate the management buy out in terms of the business organization, and that the chairman of the gaming committee be given the responsibility to oversee this plan. Asked for clarification by Mr. Fox, Chairman Mason said, in Mr. Fox's capacity as chairman of the Gaming Commission, he felt Mr. Fox should have the responsibility to carry this out and act on the recommendations made by Mr. Gillette on a management plan. Discussion. Mr. Fox asked if the motion could be for Option 2, with 52 months rather than 48 months, to adjust for any contingency that might arise, and that it all be conditioned upon an interim governing body with our assurances that we have a major role in making any decisions over there. Mr. Buffalo said part of this consideration does include the creation of an interim management team to interface with the company, and that it was the company's own suggestion that this should be done as early as 1 week to 2 weeks from now.

MOTION made by Mr. Gillette that we accept Option 2, along with the stipulation that we will have a management team of our choice as co-managers for the interim until January 31, 1997. Second to motion, Daylon Spotted Bear. Discussion. Mr. Fox said there has been a 40% reduction in casino revenues, which could continue, therefore, he felt 52 months would create a little more security. Mr. Gillette unwilling to amend his motion. Chairman called for the vote: Chairman Mason, Vice Chairman Hall, Austin Gillette, Daylon Spotted Bear, all in favor; Mr. Fox opposed. (Note: Roll call vote requested by Mr. Fox.) Motion Passed.

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- F. **NEXT MEETING.** Regular Council Meeting scheduled for second Thursday, September 12, 1996.
- G. **ADJOURNMENT.** Motion to adjourn made by Mr. Gillette. Second to motion, Mr. Hall. Meeting adjourned at 5:25 p.m.


CERTIFICATION OF MINUTES

As Executive Secretary of the Tribal Business Council of the Mandan Hidatsa & Arikara Nation, Three Affiliated Tribes of the Fort Berthold Reservation, I hereby certify that:

The Tribal Business Council is composed of seven members, of whom five members constitute a quorum. Six members were present at a **Regular Meeting** thereof duly called, noticed, convened, and held on the 12th day of September 1996, whereupon the Special Council Meeting Minutes of **August 21, 1996**, were presented for approval by the Three Affiliated Tribes' Recording Secretary.


Said minutes were duly approved by the affirmative vote of 4 members, with 2 members abstaining, and 1 member absent.

Minutes Approved and Certified, 9-12-96.



Daylon Spotted Bear, Executive Secretary
Three Affiliated Tribes' Tribal Council

Attest:



Russell D. Mason, Sr., Chairman
Tribal Business Council