

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

A RESOLUTION OF THE TRIBAL BUSINESS COUNCIL OF THE THREE AFFILIATED TRIBES AUTHORIZING AND PROVIDING for: (1) THE ISSUANCE OF AN INSTALLMENT PROMISSORY NOTE IN THE PRINCIPAL AMOUNT OF \$300,000 TO FINANCE THE PURCHASE OF LAND, (2) THE GIVING OF SECURITY, (3) THE COLLECTION, HANDLING, AND DISPOSITION OF REVENUES OF THE LAND TO BE PURCHASED AND ANY OTHER LAND TO BE ENCUMBERED AS SECURITY, AND (4) RELATED ACTIONS AND MATTERS.

WHEREAS, The Three Affiliated Tribes (hereafter referred to as "Tribe"), is an Indian Chartered Corporation as defined by the Indian Reorganization Act of June 18, 1934, and authority is granted under said Act; and

WHEREAS, The Tribe wishes to acquire interests in approximately 5,000 acres of real estate within its reservation or community for the use of and the improvement of the economic standing of the Tribe or its members but does not have adequate uncommitted funds for such acquisition; and

WHEREAS, A special meeting of the Tribal Council (hereafter called the "Council") with the required number of Council members present was held at New Town, North Dakota, on the 28th day of June, 1971, pursuant to notice thereof as required by its constitution, bylaws and corporate charter (hereafter called the "constitution") to consider a plan to finance the proposed land acquisition; and

WHEREAS, The Tribe has the authority to acquire lands or interests therein; and

WHEREAS, The Tribe is authorized to mortgage or otherwise hypothecate its land either by its constitution or by a tribal referendum whereby such mortgage or other hypothecation was approved by at least a majority of the qualified voters at an election in which 20 percent of those eligible voted or under such other rules as may be prescribed by the constitution or the Secretary of the Interior; and

WHEREAS, The Secretary of the Interior has approved the mortgaging or hypothecation of the land herein described; and

WHEREAS, As shown by the minutes of the said special meeting, of the 10 members of the Tribal Council of the Three Affiliated Tribes of record of the Tribe there were present and voting seven Council members and by a recorded majority vote, determinations were made and actions authorized as follows:

That in order to acquire the land, the Council was authorized and empowered, in its discretion, for and in the name of the Tribe, to make application to the Farmers Home Administration of the United States Department of Agriculture (hereafter referred to as the "Government") for financial assistance; to cause the execution and delivery of a promissory note or notes or other evidence of indebtedness and a mortgage, or other appropriate security instrument, to secure any loan or loans made, or insured, by the Government; to comply with any requirements, terms or conditions prescribed by the Government or by Government regulations; and to execute contracts or enter into agreements and, without limitation, to take any and all other action as may be necessary, incidental, or appropriate to finance acquisition of the land or interests therein in behalf of the Tribe.

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

Section 1. (Determination of Council). It is necessary to defray all or a portion of the costs of acquiring the land or interests therein by obtaining a loan to be made or insured by the Government in accordance with applicable provisions of the Consolidated Farmers Home Administration Act of 1961 and Public Law 91-229, it being determined that the Tribe is unable to obtain sufficient credit elsewhere to finance the acquisition taking into consideration prevailing private and cooperative rates and terms currently available.

Section 2. (Amount and Terms of Loan). The Tribe shall borrow \$300,000 and issue as evidence thereof an installment promissory note in the form prescribed by the Government for the full principal amount of the loan. The note shall be signed by the Tribal Chairman and attested by the Tribal Secretary and the corporate or other seal of the Tribe affixed thereto, and shall bear interest from its date, which shall be the date of loan closing, at a rate prescribed by the Government in its approval of the loan, but not to exceed five (5) percent per annum. The note shall contain such other, and the security instrument shall contain such, terms and conditions as shall be prescribed by, or by the Government pursuant to, regulations of the Government.

Section 3. (Pledge of Revenue). The indebtedness hereby authorized shall be payable from the gross income and revenue to be derived from the operation of the Tribal land, a portion of which sufficient to pay the principal and interest as and when the same shall become due is hereby pledged and shall be set aside for that purpose.

Section 4. If the revenue pledge in Section 3 is insufficient to pay the principal and interest as and when the same shall become due or if it appears the revenue will be insufficient, the Council hereby pledges its taxing authority for the purpose of making up the deficiency and the sum necessary to make up such deficiency shall be deposited in the Debt Service Account established by Section 5 B (1) hereof and used as therein prescribed.

Section 5. (Protection and Disposition of Funds). The Treasurer of the Tribe shall be the custodian of all loans funds of the Tribe and all revenues pledged for the repayment of the loan. All such funds shall be deposited in a bank which is a member of the Federal Deposit Insurance Corporation. The Treasurer shall execute a fidelity bond in an amount not less than \$20,000 with a surety company approved by the Government. The United States of America shall be named as a co-obligee in such bond, and the amount thereof shall not be reduced without the prior written consent of the Government. The Treasurer is hereby directed to establish the following accounts into which proceeds of the note, the revenues from the land, and any other income pledged for repayment shall be deposited, which accounts shall be continually maintained, except as otherwise provided, so long as the indebtedness hereby authorized remains unpaid:

A. Land Acquisition Account.

The proceeds of the loan hereby authorized shall be deposited in the Land Acquisition Account which shall be established as a "supervised bank account" as required by the Government. Amounts in the supervised bank account exceeding \$20,000 shall be secured by the depository bank in advance in accordance with U. S. Treasury Circular No. 176. Withdrawals from the supervised bank account shall be made only on checks signed by the Chairman and Treasurer of the Tribe as authorized by the Council from time to time and countersigned by the County Supervisor of the Farmers Home Administration, and only for the purposes for which said loan was approved by the Government. When all land acquisition costs have been paid in full, any balance remaining in the Land Acquisition Account shall be applied as a refund (as defined in FHA Instructions) on the loan and the Land Acquisition Account shall be closed.

B. Revenue Fund Account.

The gross revenues from the land (and other income, if any) shall be placed in a separate account designated the Revenue Fund Account, from which transfers and expenditures shall be made and used only in the following manner and order:

(1) Debt Service Account.

- (a) There shall be transferred each month from the Revenue Fund Account, before any other expenditure or transfer therefrom, to the Debt Service Account for payment of the annual installment of the note, a sum equal to at least 1/12 (or such larger amount as is necessary) of the annual installment becoming due on the next succeeding January 1 (or other designated date).
- (b) If the Tribe for any reason shall fail to make such monthly transfer, in addition to the transfer required by subsection (1) (a) above an amount equal to the deficiency shall be transferred to the Debt Service Account out of the gross revenues in the ensuing month or months.

(2) Land Development Account. After the transfer required by subsection (1) above there shall be transferred from the Revenue Fund Account annually to the Land Development Account not less than the sum of \$1,500 until the Account has accumulated to \$15,000. The need to maintain the Account will be reviewed by the Tribe and FHA.

(3) Reserve Account. Out of the balance of income and revenue in the Revenue Fund Account remaining after the transfers required in subsection (1) and (2) above, there shall be transferred to the Reserve Account the sum of \$1,800 each month until there is accumulated in that fund the sum of \$18,000, after which no further transfers need be made to said account except that transfers shall be made to replace any withdrawals. Funds in the Reserve Account shall be used only for the purpose of making payments of principal and interest on the loan in the event the amount of the

Debt Service Account is insufficient to meet such payments and with the prior approval of the Government for the purpose of paying the cost of repairing or replacing any damage to the land which may be caused by any unforeseen catastrophe and for making improvements to the land.

Section 6. (Other Covenants and Agreements of the Tribe.) The Tribe covenants and agrees that, so long as the indebtedness hereby authorized remains unpaid, the Tribe will--

- A. Comply with applicable Federal, State and Tribal laws and regulations and maintain the land in good condition.
- B. Impose and collect such rates and charges that gross revenues will be sufficient at all times for the maintenance of the land acquired and payment of the installments on the loan hereby authorized and the maintenance of the various funds herein required.
- C. Cause to be levied and collected such taxes or assessments as may be necessary to maintain the land in good condition, meet payments on the loan, and make the deposits and transfers required by Section 5 B, if for any reason gross revenues are insufficient.
- D. Maintain complete books and records relating to the operation and maintenance of the land and its financial affairs and will cause such books and records to be audited annually at the end of each fiscal year and an audit report prepared, and will furnish the Government without request a copy of each annual audit report. At all reasonable times, the Government shall have the right to inspect the lands and the records, accounts, and data of the Tribe relating thereto.
- E. Maintain such insurance coverage as may be required by the Government.
- F. Not borrow any money from any source or enter into any contract or agreement or incur any other liabilities in connection with making improvements to the land (exclusive of normal maintenance) without obtaining the prior written consent of the Government.
- G. Not cause or permit any voluntary dissolution of its organization; merge or consolidate with any other organization; dispose of, transfer, or convey its title to the land or any part thereof or interest therein, by sale, mortgage, lease or other encumbrance, without obtaining the prior written consent of the Government.

- H. Not modify or amend its constitution without the written consent of the Government.

Section 7. (Security Instrument). In order to secure the payment of the principal and interest of the note any any related obligations of the Tribe to the Government, the Chairman and the Secretary of the Tribe are hereby authorized and directed to execute and deliver a good and sufficient security instrument encumbering said land or other security and containing an assignment of revenues as collateral security and other terms and conditions prescribed by the Government. The lien of said instrument shall have priority over any liens or obligations given or incurred by the Tribe after the effective date of this resolution.

Section 8. (Refinancing). If at any time it shall appear to the Government that the Tribe is able to refinance the loan, in whole or in part, by obtaining a loan for such purposes from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, the Tribe will, upon request of the Government, apply for and accept such loan in sufficient amount to repay the Government and will take such action as may be required in connection with such refinancing loan.

Section 9. In order to secure the payment of the principal and interest of the note and any related obligations, the Tribe hereby waives for the benefit of the Government any immunity from suit or liability which it may possess except that this waiver shall not extend to the levy of any judgment, lien, or attachment upon the property of the Tribe other than property specifically pledged, assigned, or mortgaged to the Government in connection with this loan.

Section 10. (Resolution a Contract). The provisions of this resolution shall constitute a contract between the Tribe and the Government so long as the loan made or insured by the Government remains unpaid.

Section 11. This resolution shall take effect and be in force from and after the date the note is signed and shall remain in effect until this note is paid.

C E R T I F I C A T I O N

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 10 members of whom 7 constituting a quorum were present at a Special meeting thereof duly called, noticed, convened and held on the 28th day of June, 1971; that the foregoing Resolution was duly

adopted at such meeting by the affirmative vote of six members, no members opposed, no abstentions, none passed, and that the said Resolution has not been rescinded or amended in any way. Chairman not voting.

Dated this 28th day of June, 1971.

*Robert Bell*  
Robert Bell, Secretary, Tribal Business Council, Three Affiliated Tribes

ATTEST:

*Nathan Little Soldier*  
Nathan Little Soldier, Chairman  
Tribal Business Council  
Three Affiliated Tribes

Recommended:

Sed J James R. Kent  
Superintendent

*July 8, 1971*  
Date