

TRIBAL COUNCIL RESOLUTION NO. 84-285-C

A RESOLUTION OF THE TRIBAL COUNCIL OF
THE THREE AFFILIATED TRIBES

AUTHORIZING AND PROVIDING FOR: (1) THE
ISSUANCE OF AN INSTALLMENT PROMISSORY
NOTE IN THE PRINCIPAL AMOUNT OF \$1,000,000.00
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 (hereinafter referred to as the "Tribe") is an Indian Tribe recognized by the Secretary of the Interior and is a Tribal corporation established pursuant to the Indian Reorganization Act.

WHEREAS, The Tribe wishes to acquire interests in approximately 2,500 acres of farm land (hereinafter referred to as the "land") within its Reservation for the use by and the improvement of the economic standing of the Tribe and its members, but does not have adequate uncommitted funds for such acquisition.

WHEREAS, A meeting of the Tribal Council (hereinafter referred to as the "Council"), with the required number of Council members present, was held at the Tribal Administration Building on the 10th day of May, 1984 pursuant to notice thereof as required by its Constitution (hereinafter referred to as the "Constitution"), to consider a plan to finance the proposed land acquisition.

WHEREAS, The Tribe has the Constitutional authority to acquire lands or interests therein.

WHEREAS, The Tribe is likewise 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 at least 30 percent of those eligible voted.

WHEREAS, The Secretary of the Interior or his authorized representative has approved the mortgaging or hypothecation of the land.

WHEREAS, As shown by the minutes of said meeting, of eleven (11) Council Members of record of the Tribe, there were present and voting nine (9) Council Members and by a recorded majority vote, determinations were made and actions authorized as follows:

WHEREAS, 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 (hereinafter referred to as the "Government") for financial assistance; to cause the execution and delivery of a promissory note 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 regulation; and to pay, extend or renew any such indebtedness; 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 on behalf of the Tribe.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Tribe, 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 Farm and Rural Development Act 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 \$1,000,000.00 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 Treasurer of the Council and attested by the Chairman of the Council and the Corporate seal of the Tribe shall be 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 11.75 percent per annum. The security instruments shall be in such form and contain the terms and conditions as required by 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. (Pledge of Additional Security). If the revenue pledged 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 and the funds held in the United States Treasury in trust for the Tribe, for the purpose of making up the deficiency and the sum necessary to make up such deficiency or expected deficiency shall be deposited in the Debt Service and Reserve Accounts established by Section 5 B and C hereof and used as therein prescribed.

Section 5. (Protection and Disposition of Funds). The Comptroller of the Tribe shall be custodian of all loan funds of the Tribe and all revenues pledged for the repayment of the loan. All such funds shall be deposited in accordance with Subpart A of Part 1902. The Treasurer of the Council shall execute a fidelity bond in an amount not less than \$1,000,000.00 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 Tribal Comptroller 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. If funds in this account exceed \$100,000.00, it shall be secured by the financial institution in advance in accordance with U.S. Treasury Department Circular No. 176. When all land acquisition costs have been paid in full, any balance remaining in the Land Acquisition Account shall be applied as a refund on the loan and the Land Acquisition Account shall be closed.

B. Debt Service Account. All assigned revenues shall be deposited in the Debt Service Account until there is an amount equal to the next annual installment to become due plus any delinquencies and payments are made to the Reserve Account. The Debt Service Account will be used for making annual installment payments on the loan, payments on any delinquencies that might occur, and payments to the Reserve Account.

C. Reserve Account. Out of the funds in the Debt Service Account, there shall be transferred annually to the Reserve Account the sum of \$7,501.00 (1/10 of an annual payment of principal and interest) until there is accumulated in that fund the sum of \$75,010.00 (one annual installment of principal and interest), 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 in the event the amount in the Debt Service Account is insufficient to meet such payments.

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 and the funding of the Debt Service and Reserve Accounts.

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. The audit will be conducted by independent Certified Public Accountants or by licensed Public Accountants, licensed before December 31, 1970, who are certified or licensed by a regulatory authority of a state or other political subdivision of the United States. At all reasonable times, the Government shall have the right to inspect the land and to inspect and copy 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; nor merge or consolidate with any other organization; not dispose of, transfer, or convey its title to any 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 in any way that would affect the Government's security without the written consent of the Government.

Section 7. (Security Instruments). In order to secure the payment of the principal and interest of the note and any related obligations of the Tribe to the Government, the Treasurer of the Council and the Chairman of the Council are hereby authorized and directed to execute and deliver a good and sufficient security instrument encumbering the land or other property and an assignment of revenues and funds held in the United States Treasury for the Tribe. The security instrument shall give the Government the lien on the land, Tribal revenues, Tribal Treasury funds, or other property and said officials are authorized and directed to acquire such subordination agreements as are necessary to achieve the required priority.

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. (Waiver of Immunity.) 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 acquiring of any judgment, lien, or attachment upon the property of the

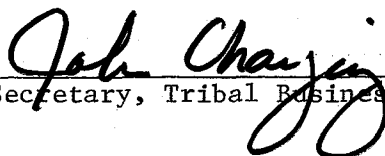
Section 10. (Resolution a Contract). The provisions of this Resolution shall constitute a contract between the Tribe and the Government so long as the loan made or insured by the Government remains unpaid.

Section 11. This Resolution shall take effect and be in force immediately.

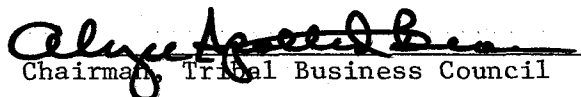
CERTIFICATION

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 11 members of whom 7 constitutes a quorum, 7 were present at a SPECIAL Meeting thereof duly called, noticed, convened, and held on the 3rd day of December, 1984; that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 7 members, 0 members opposed, 0 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

Dated this 3rd day of December, 1984.


Secretary, Tribal Business Council

ATTEST:


Chairman, Tribal Business Council