

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

- WHEREAS,** This Nation having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act; and
- WHEREAS,** Pursuant to Section 16 of the Indian Reorganization Act the Three Affiliated Tribes (the "Tribe") has adopted a Constitution and By-laws which 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 Tribe and its members, and Article VI, Sections 5(b) and 5(c) of which specifically authorize the Tribal Business Council to do business; and
- WHEREAS,** The Three Affiliated Tribes now owns gaming facilities in which Class III gaming is conducted pursuant to a Tribal state gaming compact approved by the Secretary of Interior and pursuant to the Indian Gaming Regulatory Act [P.L. 100-497, 25 U.S.C. §§ 2701 et seq.]; and
- WHEREAS,** The Tribe's gaming facilities, operated under the name of Four Bears Casino and Lodge, are presently managed by Bruce H. Lien Co. pursuant to a disputed Management Contract; and
- WHEREAS,** The Tribal Business Council has previously approved engaging Miller Schroeder Investments Corporation (hereinafter Miller Schroeder) to obtain financing to fund the buyout of Bruce H. Lien Co. pursuant to the settlement agreement between the Tribe and Bruce H. Lien Co. executed September 27, 1996, and approved by the Tribal Business Council in Resolution No 96-196-DSB; and
- WHEREAS,** Miller Schroeder and the Tribe have reached an agreement concerning the financing of the buyout of Bruce H. Lien Co in which, pursuant to the attached Promissory Note and Loan Agreement, the Tribe will borrow \$9.5 million from Miller Schroeder, at a fixed annual interest rate of one and one-half points above the "prime rate" as of the date of closing of the loan, to be paid over a 51 month period, with the first three payments being interest only; and
- WHEREAS,** To secure its payments on the loan, the Tribe will pledge certain revenues from its "Casino Facilities", as that term is defined in the Depository Agreement, including the Four Bears Casino and Lodge, which the Tribe will operate following the date of closing; and
- WHEREAS,** The pledged revenues will be placed in a depository bank agreed upon by the parties, and shall be distributed according to a Depository Agreement which will be in substantial form as the copy attached hereto; and
- WHEREAS,** The Tribal Business Council is authorized by Article VI, Section 5(c) of the Constitution to administer any funds within the exclusive control of the Tribe and to make expenditures from Available Tribal funds for public purposes of the Tribe; and

- WHEREAS,** The Tribal Business Council finds that this transaction with Miller Schroeder is providing funds for a public purpose of the Tribe, and as such, the debt incurred by this transaction is considered an obligation of the Tribe; and
- WHEREAS,** The Tribal Business Council has determined that in the event that the revenues specifically pledged to repay this indebtedness are insufficient, in recognition of the Tribe's obligation, the Tribal Business Council will cure any deficiency; and
- WHEREAS,** The Loan Agreement, Promissory Note and Depository Agreement require that the Tribe to execute a limited waiver of sovereign immunity, limited to the extent necessary to enforce the terms of the various agreements; and
- WHEREAS,** That previous Resolution of the Tribal Business Council, No. 95-191-DSB, concerning the possible effect of a referendum concerning resolutions of the Tribe which obligate it to repay indebtedness and which provide for a limited waiver of sovereign immunity, has not been amended, revoked or in any other way modified; and
- WHEREAS,** The Tribal Business Council believes that this agreement with Miller Schroeder Investments Corporation represents the best possible terms as are currently available for the amount needed to be borrowed; and
- WHEREAS,** The Tribal Business Council has determined that it is in the best interests of the Tribe to enter into this agreement with Miller Schroeder, because: 1) the agreement will allow the Tribe to take over sole responsibility for the operation and management of the Four Bears Casino and Lodge, keeping more than 300 persons employed, 85% of which are Tribal members, and 2) will end the present costly disputes with Bruce H. Lien Co., disputes, which if continued, could have led to the closure of the Tribes' gaming operations or made the gaming operations substantially less profitable;
- NOW, THEREFORE, BE IT RESOLVED,** That the form, terms and provisions of that certain Loan Agreement, regarding a loan of up to \$9,500,000 (the "Loan"), between the Tribe and Miller Schroeder Investments Corporation, a Minnesota corporation, ("Miller Schroeder"); that certain related \$9,500,00 Promissory Note, payable to the order of Miller Schroeder; and that certain Depository Agreement between the Tribe, Miller Schroeder and the Depository Bank (collectively referred to as the "Loan Documents"), substantially in the form as reviewed by the undersigned and the Tribe's performance of its obligations under the Loan Documents, be, and hereby are, in all respects, approved; and
- NOW, THEREFORE, BE IT FURTHER RESOLVED,** That the Chairman and the Treasurer of the Three Affiliated Tribes Tribal Business Council be, and hereby are, authorized and empowered to execute and deliver said Loan Documents in the name and on behalf of the Tribe, substantially in the form approved, with such changes therein and modifications and amendments thereto as they may in their sole discretion approve, which approval shall be conclusively evidenced by their execution thereof, and that the signature of any one of the above-named officers shall be sufficient to bind the Tribe; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, That the Chairman and the Treasurer of the Three Affiliated Tribes Tribal Business Council be, and hereby are, authorized and empowered to take all such further action including, without limitation, to arrange for and enter into supplemental agreements, instruments, certificates, or documents relating to the transactions contemplated by the Loan Documents and to execute and deliver all such supplemental agreements, instruments, certificates or documents in the name and on behalf of the Tribe, which shall in their sole judgment be necessary, proper or advisable in order to perform the Tribe's obligations under or in connection with the Loan Documents and the transaction contemplated therein, and to carry out fully the intent and effectuate the purposes of the foregoing resolution and that the signature of both of the above-named officers shall be sufficient to bind the Tribe; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, That the Tribe hereby covenants that so long as the Loan is outstanding and unpaid, and to the extent permitted by law, (i) it will continue to own and operate (through itself or an instrumentality or agency of the Tribe) gaming facilities in New Town, North Dakota on its Reservation; (ii) it will continue to conduct Class III Gaming (as defined in the Indian Gaming Regulatory Act, [P.L. 100-497, 25 U.S.C. Sections 2701 et seq.]) and federal regulations promulgated pursuant thereto at such gaming facility; and (iii) it will contribute the money necessary to fund the Debt Service Reserve Fund required by the Loan Documents; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, That the foregoing resolutions shall be effective as of the date of these resolutions and shall remain in full force and effect thereafter and may be relied upon by Miller Schroeder, its assigns and participants, thereafter until such entities have received written notification from the Tribe of rescission of such authority; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, That the Tribe hereby directs that the Loan Documents be submitted to the Director of the Aberdeen Area Office of the United States Bureau of Indian Affairs in compliance with 25 U.S.C. Section 81, to the extent applicable, along with a copy of this resolution; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, That after consultation with legal counsel who explained the ramifications of waiving sovereign immunity, the Tribal Business Council, on behalf of the Tribe, hereby expressly waives the Tribe's sovereign immunity from suit, and consents to jurisdiction, as provided for in the Loan Documents; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, That in determining the amount required under Article VII of the Tribal State Gaming Compact to be directed to, and utilized within, economic development and social welfare programs of the Tribe, the Tribe will allocate to economic development such amounts of the debt service on this loan as are not directly related to gaming;

NOW, THEREFORE, BE IT FURTHER RESOLVED, That the obligations incurred by the Tribe in the Loan Documents are obligations of the Tribe, payable from revenues specifically pledged in the Loan Documents and the Tribe Business Council agrees to cure any deficiency.

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 7 members of whom 5 constitute a quorum, 7 were present at a Special Meeting thereof duly called, noticed, convened, and held on the 31st day of January, 1997; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 6 members, 1 members opposed, 0 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

Dated this 31st day of January, 1997.

Daylon Spotted Bear
Secretary, Tribal Business Council

ATTEST:



Chairman, Tribal Business Council