

**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, The Constitution of the Three Affiliated Tribes (the "Tribe") 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, Pursuant to Resolution No. 96-212-DSB, the Tribal Business Council hired Roy Galyean, who has more than 30 years experience at many levels of the gaming industry, most of them as the chief operating officer of successful casinos, to become the new General Manager of the Tribe's gaming facilities, including Four Bears Casino and Lodge at the time the Tribe takes over operation and management of its gaming facilities pursuant to a Settlement Agreement between Bruce H. Lien Co., the present manager of the gaming facilities, and the Tribe, which allows the Tribe to buy out Bruce H. Lien Co. for a fixed amount of money; and

WHEREAS, Pursuant to Resolution No. 97-17-EH, the Tribe authorized Director's and Officer's coverage to be provided to Roy Galyean, which will indemnify the General Manager against liability he may incur as a result of actions he may take as General Manager of the Tribe's gaming facilities, within the limits of the policy; and

WHEREAS, It is a requirement of the Director's and Officer's insurance coverage that the Tribe agrees to generally indemnify Roy Galyean for costs and any liability he may incur as a result of his actions while acting in good faith as General Manager of the Tribe's gaming operations, it being understood that such indemnification is usually limited by an appropriate indemnification law, and in this case, will be based on the attached indemnification rule, which general indemnification shall further be limited as follows: 1) Roy Galyean will be indemnified for liability imposed on him in relation to the performance of his duties as General Manager up to the amount of \$1,000,000 for each separate occurrence causing liability, and 2) Roy Galyean will be indemnified for any and all reasonable out-of-pocket legal expenses, including attorney's fees, associated with any lawsuit brought by a third party against Mr. Galyean in relation to the performance of his duties as General Manager; and

**Indemnification of the Board Members
of the Three Affiliated Tribes Gaming Enterprise Board: Rule**

1. For purposes of this rule, the terms defined in this subsection have the meanings given them.
 - a. "Board" means the "Three Affiliated Tribes Gaming Enterprise Board of Directors" as created by Three Affiliated Tribes Resolution No. 97-51 or any successor Board thereto.
 - b. "Official capacity" means:
 - (1) With respect to a director, the position of director the Board;
 - (2) With respect to a person other than a director, the elective or appointive office or position held by an officer, member of a committee of the board, or the employment relationship undertaken by an employee of the Board; and
 - (3) With respect to a director, officer, or employee of the Board who, while a director, officer, or employee of the Board, is or was serving at the request of the Three Affiliated Tribes or whose duties in that position involve or involved service as a director, governor, officer, manager, partner, trustee, or employee of another organization or employee benefit plan, the position of that person as a director, governor, officer, manager, partner, trustee, or employee, as the case may be, of the other organization or employee benefit plan.
 - c. "Proceeding" means a threatened, pending, or completed civil, criminal, administrative, arbitration, or investigative proceeding, including a proceeding by or in the right of the Board or the Three Affiliated Tribes.
 - d. "Special legal counsel" means counsel who has not represented the Board or a related organization, or a director, officer, member of a committee of the Board, or employee whose indemnification is in issue.
 - e. "Tribe" means the Three Affiliated Tribes means the federally recognized Tribes composed of the Mandan, Hidatsa and Arikara Nation as are located on the Fort Berthold Indian Reservation and as are governed by a Tribal Business Council.
2. Subject to subsection 5, the Tribe shall indemnify a person made or threatened to be made a party to a proceeding by reason of the former or present official capacity of the person against judgments, penalties, fines including excise taxes assessed against the person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorneys' fees and disbursements, incurred by the person in connection with the

proceeding, if, with respect to the acts or omissions of the person complained of in the proceeding, the person:

- a. Has not been indemnified by another organization or employee benefit plan for the same judgments, penalties, fines including excise taxes assessed against the person with respect to an enrollee benefit plan, settlements, and reasonable expenses, including attorneys' fees and disbursements, incurred by the person in connection with the proceeding with respect to the same acts or omission;
 - b. Acted in good faith;
 - c. Received no improper personal benefit;
 - d. In the case of a criminal proceeding, had no reasonable cause to believe the conduct was unlawful; and
 - e. In the case of acts or omissions occurring in the official capacity described in paragraph 1 or 2 of subdivision b of subsection 1, reasonably believed that the conduct was in the best interests of the Board or the Enterprise, or in the case of acts or omissions occurring in the official capacity described in paragraph 3 of subdivision b of subsection 1, reasonably believed that the conduct was not opposed to the best interests of the Board or the Enterprise. If the person's acts or omissions complained of in the proceeding related to conduct as a director, officer, trustee, employee, or agent of an employee benefit plan, the conduct is not considered to be opposed to the best interests of the Board or the Enterprise if the person reasonably believed that the conduct was in the best interests of the participants or beneficiaries of the employee benefit plan.
3. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent does not, of itself, establish that the person did not meet the criteria set forth in subsection 2.
 4. Subject to subsection 5, if a person is made or threatened to be made a party to a proceeding, the person is entitled, upon written request to the Tribe, to payment or reimbursement by the Tribe of reasonable expenses, including attorneys' fees and disbursements, incurred by the person in advance of the final disposition of the proceeding:
 - a. Upon receipt by the Tribe of a written affirmation by the person of a good faith belief that the criteria for indemnification set forth in subsection 2 have been satisfied and a written undertaking by the person to repay all amounts so paid or reimbursed by the

Tribe, if it is ultimately determined that the criteria for indemnification have not been satisfied; and

- b. After a determination that the facts then known to those making the determination would not preclude indemnification under this section.

The written undertaking required by subdivision a is an unlimited general obligation of the person making it, but need not be secured and shall be accepted without reference to financial ability to make the repayment.

5. The laws of the Tribe either may prohibit indemnification or advances of expenses otherwise required by this section or may impose conditions on indemnification or advances of expenses in addition to the conditions contained in subsections 2, 3, and 4 including monetary limits on indemnification or advances for expenses, so long as the conditions apply equally to all persons or to all persons within a given class. A prohibition or limit on indemnification or advances may not apply to or affect the right of a person to indemnification or advances of expenses with respect to any acts or omissions of the person occurring prior to the effective date of the Tribal law or ordinance, or the date of adoption of such a law or ordinance establishing the prohibition or limit on indemnification or advances.
6. This section does not require, or limit the ability of, the Tribe, the Board or the Enterprise to reimburse expenses, including attorneys' fees and disbursements, incurred by a person in connection with an appearance as a witness in a proceeding at a time when the person has not been made or threatened to be made a party to a proceeding.
7. All determinations whether indemnification of a person is required because the criteria provided in subsection 2 have been satisfied and whether a person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subsection 4 must be made:
 - a. By the Tribe by a majority of a quorum of the Tribal Business Council;
 - b. If an adverse determination is made under subdivision a, or under subsection 8, or if no determination is made under subdivision a, or under subsection 8, within sixty days after:
 - (1) The later to occur of the termination of a proceeding or a written request for indemnification to the corporation; or
 - (2) A request for an advance of expenses, as the case may be, by the Tribal Court or any other court of appropriate jurisdiction, which may be the same court in

which the proceeding involving the person's liability took place, upon application of the person and any notice the court requires.

The person seeking indemnification or payment or reimbursement of expenses pursuant to this subdivision has the burden of establishing that the person is entitled to indemnification or payment or reimbursement of expenses.

8. With respect to a person who is not, and who was not at the time of the acts or omissions complained of in the proceedings, a director, officer, or person possessing, directly or indirectly, the power to direct or cause the direction of the management or policies of the Board or the Enterprise, the determination whether indemnification of this person is required because the criteria set forth in subsection 2 have been satisfied and whether this person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subsection 4 may be made by an annually appointed committee of the board, having at least one member who is a director. The committee shall report at least annually to the board concerning its actions.
9. The Tribe or the Board may purchase and maintain insurance on behalf of a person in that person's official capacity against any liability asserted against and incurred by the person in or arising from that capacity, whether or not the Tribe or the Board would have been required to indemnify the person against the liability under the provisions of this section.
10. Nothing in this section may be construed to limit the power of the Tribe or the Board to indemnify other persons by contract or otherwise.

NOW, THEREFORE BE IT RESOLVED, That for the specific purpose of providing a general indemnification to Roy Galyean as General Manager of the gaming operations of the Three Affiliated Tribes, the Tribal Business Council of the Three Affiliated Tribes hereby adopts the attached indemnification rule, whose purposes make it plain that the Three Affiliated Tribes will indemnify Roy Galyean, as an employee of the Tribe, according to the limitations set forth in the rule, along with the following additional limits on such general indemnification: 1) Roy Galyean will be indemnified for liability imposed on him in relation to the performance of his duties as General Manager up to the amount of \$1,000,000 for each separate occurrence causing liability, and 2) Roy Galyean will be indemnified for any and all reasonable out-of-pocket legal expenses, including attorney's fees, associated with any lawsuit brought by a third party against Mr. Galyean in relation to the performance of his duties as General Manager; and

THEREFORE BE IT FURTHER RESOLVED, That the Tribal Business Council of the Three Affiliated Tribes hereby agrees to indemnify Roy Galyean, as an employee of the Tribe, in accordance with the attached indemnification rule as limited by this resolution, retroactive to the date Mr. Galyean assumed his duties as general manager of the Tribe's gaming operations, which date is February 13, 1997.

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, 6 were present at a Special Meeting thereof duly called, noticed, convened, and held on the 3rd day of March, 1997; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 4 members, 2 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 March, 1997.

Daylon Spotted Bear
Secretary, Tribal Business Council

ATTEST:

Austin Dillotte
for/ Chairman, Tribal Business Council