

**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 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,** the Tribes are authorized and empowered by Section 7871 of the Internal Revenue Code of 1986, as amended (the "Code"), to issue private activity bonds and use the proceeds from the sale of said bonds to defray all or a portion of the cost of acquiring, constructing, improving and equipping a "manufacturing facility" as that term is defined in the Code; and
- WHEREAS,** Twin Buttes Manufacturing Company ("TBMC"), a wholly owned subsidiary of Twin Buttes Community Association ("TBCA"), has heretofore been chartered by the Tribal Business Council to undertake the financing, development, construction and operation of a manufacturing facility for the welfare and benefit of the Tribes; and
- WHEREAS,** TBMC proposes to acquire, construct, equip and improve a manufacturing facility for modular-home products to be located on land which TBCA has leased from the Tribes in the Twin Buttes Community on the Fort Berthold Reservation (the "Project"); and
- WHEREAS,** the Tribal Business Council has heretofore adopted Resolution No. 97-141-DSB on June 16, 1997 which determined that the Project would be in the best interest of the general welfare of the Tribes and that the Tribes should assist TBMC in financing the Project; and
- WHEREAS,** the Tribes have been requested by TBMC to authorize and issue Industrial Development Revenue Bonds pursuant to the provisions of the Code for the purpose of defraying all or a portion of the cost of acquiring, constructing, improving and equipping the Project, which Project will be located on land leased to TBCA and thereafter subleased to TBMC; and
- WHEREAS,** said Project will create additional employment opportunities for enrolled members of the Tribes; will constitute a revenue-producing enterprise; and

will provide and induce other public benefits flowing from the availability of employment opportunities which will add to the welfare and prosperity of the Tribes and their enrolled members; and

**WHEREAS,** the Tribes have determined that the amount necessary to defray all or a portion of the cost of acquiring, constructing, improving and equipping the Project, including necessary expenses incidental thereto, will require the issuance by the Tribes (or any lawfully authorized subdivision of the Tribes) of not to exceed \$5,000,000 aggregate principal amount of Industrial Development Revenue Bonds pursuant to the provisions of the Code, and it is proposed that the Tribes use such Bond proceeds to finance the costs of the Project, lease the Project site to TBCA, who in turn will sublease the Project to TBMC under a Sublease Agreement pursuant to which rental payments will be made by TBMC in amounts sufficient to pay the principal of, interest and premium, if any, on said Bonds, as and when the same shall be due; and

**WHEREAS,** regulations promulgated under Section 103 of the Code require that the issuer of such Bonds (the Tribes or any lawfully authorized subdivision thereof) adopt an "official intent" Resolution with respect to such Bonds within sixty (60) days of any expenditure related to the acquisition or improvement of the proposed Project, and it is intended that Resolution No. 97-141-DSB, as ratified and approved by this Resolution, shall constitute the Tribes "official intent" toward the issuance of the Bonds within the meaning of said federal income tax regulations; and

**WHEREAS,** before the Bonds may be issued, it is necessary to conduct a public hearing on the proposal to issue the Bonds, all as required and provided by Section 147(f) of the Code.

**NOW, THEREFORE, BE IT RESOLVED,** that the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation that: Thomas P. Bird Bear, a member of the Tribal Business Council, shall, with the concurrence of the Chairman, schedule a public hearing to be conducted on such date and at such time and such place as shall be posted and published in a Notice of Public Hearing on the proposal to issue not to exceed \$5,000,000 aggregate principal amount of the Tribes Industrial Development Revenue Bonds (Twin Buttes Manufacturing Company Project) Series 1997, pursuant to the provisions of the Code, for the purpose of defraying all or a portion of the cost of acquiring, constructing, improving and equipping the Project, including necessary expenses incidental thereto, and all enrolled members of the Tribes who appear at said hearing shall be given an opportunity to express their view for or against the proposal to issue the Bonds; and following a report of said hearing to the Tribal Business Council by Thomas P. Bird Bear, this Tribal Business Council shall

consider a Resolution determining whether or not to proceed with the issuance of the Bonds.

**BE IT FURTHER RESOLVED** that the Secretary of the Tribal Business Council shall, upon direction from Thomas P. Bird Bear, not less than fourteen (14) days prior to the date fixed for said hearing, publish in the official newspaper(s) of general circulation on the Fort Berthold Reservation and post in the customary and usual places, a Notice of Public Hearing on Intention to issue the Bonds in substantially the form attached hereto as Exhibit A and incorporated herein by reference.

**BE IT FURTHER RESOLVED**, that the Tribes recognize that regulations promulgated under Section 103 of the Code require the adoption by the Tribal Business Council of an "official intent" resolution if interest on the Bonds, issued by the Tribes and used to acquire, construct, improve and equip the Project, be exempt from federal income taxes. In order to preserve such exemption, Resolution No. 97-141-DSB, as ratified and approved by this Resolution, is intended to constitute solely for federal income tax purposes official intent with respect to the issuance of the Bonds.

**BE IT FURTHER RESOLVED**, that Resolution No. 97-141-DSB, adopted on June 16, 1997, shall be and hereby is ratified and approved.

**BE IT FURTHER RESOLVED**, that in order that the Project will not be unduly delayed, TBMC is hereby authorized to make such commitments, expenditures and advances toward payment of the costs of the Project as it considers appropriate, subject to reimbursement from the proceeds of the Bonds when and if delivered, but otherwise without liability on the part of the Tribes.

**BE IT FURTHER RESOLVED**, that officials of the Tribes are hereby authorized to take such further action as may be necessary to carry out the intent and purposes of this Resolution.

**BE IT FURTHER RESOLVED**, that all Resolutions and Orders or parts thereof, in conflict herewith are, to the extent of such conflict, hereby repealed, and this Resolution shall be in full force and effect immediately upon its adoption.

## EXHIBIT A

**NOTICE OF PUBLIC HEARING ON  
INTENTION TO ISSUE  
INDUSTRIAL DEVELOPMENT REVENUE BONDS  
(TWIN BUTTES MANUFACTURING COMPANY PROJECT)**

Notice is hereby given that a public hearing will be conducted before a duly designated representative of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation (the "Tribes"), in the Council Room of the Tribal Business Council at the Admin. Bldg. in the community of Four Bears, North Dakota, at 10:30 clock a.m., on December 3, 1997, on the proposal to issue Industrial Development Revenue Bonds (Twin Buttes Manufacturing Company Project) Series 1997, pursuant to the provisions of Section 7871 of the Internal Revenue Code of 1986, as amended, for the purpose of defraying all or a portion of the cost of acquiring, constructing, improving and equipping a manufacturing facility to manufacture and process modular homes. The proposed facility will be constructed on land owned by the Tribes and leased to Twin Buttes Community Association, a nonprofit corporation chartered and approved by the Tribal Council of the Three Affiliated Tribes ("TBCA"), who will then sublease the facility to Twin Buttes Manufacturing Company, a corporation chartered and approved by the Tribal Business Council of the Three Affiliated Tribes ("TBMC"), a wholly owned subsidiary of TBCA and located at the intersections of Hwy 8 & Mossett Bay Road, Twin Buttes, North Dakota. It is contemplated that a Lease Agreement will be entered into between the Tribes and TBCA, under which the Tribes would use the proceeds from the sale of the Bonds to finance costs of the Project, lease the Project site to TBCA, and cause TBCA to sublease the Project to TBMC pursuant to a Sublease Agreement in return for rental payments from TBMC sufficient to pay the principal of, interest and premium, if any, on the Bonds as the same shall fall due.

The Bonds, if issued, and the interest thereon, will be payable out of the revenues derived from the Lease Agreement and Sublease Agreement.

All enrolled members of the Three Affiliated Tribes who appear at the hearing shall be given an opportunity to express their view for or against the proposal to issue the Bonds, and at a subsequent meeting, upon receipt of a report regarding the hearing, the Tribal Business Council of the Three Affiliated Tribes shall consider the adoption of a resolution determining whether or not to proceed with the issuance of the Bonds.

By Order of the Tribal Business Council  
of the Three Affiliated Tribes of the  
Fort Berthold Reservation.

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Secretary of the Tribal Business Council

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October 28, 1997

VIA FEDERAL EXPRESS

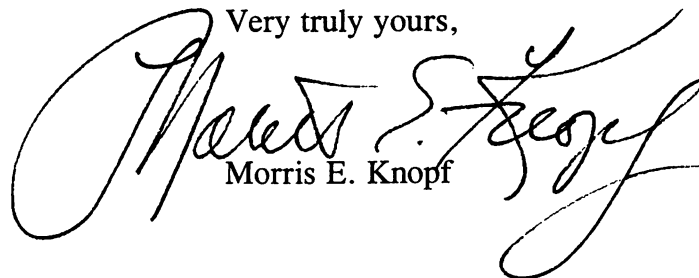
Mr. Tom Disselhorst  
The Three Affiliated Tribes  
HC3 Box 2  
Tribal Administration Building  
New Town ND 58763-9402

Dear Tom:

I am enclosing four hard copies of the inducement Resolution and form of Notice of Hearing which I have revised to reflect the action taken by the Tribal Business Council on Friday, October 24. Please arrange to have three executed copies returned to me for inclusion in a Transcript of Proceedings which would be assembled following the issuance of the Bonds.

I have been talking to Thomas Bird Bear regarding the setting of the public hearing and will continue to work with him on that matter. If you have any questions, please be sure to give me a call. Thank you for your assistance last Friday and I look forward to working with you on this financing.

Very truly yours,



Morris E. Knopf

MEK:gw

Enclosures

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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 (seven) members of whom 5 (five) constitute a quorum, and that 7 members were present at a SPECIAL Meeting thereof duly called, noticed, convened, and held on the 24 day of OCTOBER, 1997; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 5 members for, 1 members opposed, 1 members abstained, 0 members not voting; and that said Resolution has not been rescinded or amended in any way.

Dated this 24 day of OCTOBER, 1997.

  
Secretary, Tribal Business Council

ATTEST:

  
Chairman, Tribal Business Council