

**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, including management of the economic affairs of the Tribe; and

**WHEREAS,** The Tribal Business Council (The "Council") has determined that it would be in the best interests of the Tribe and its enrolled members to acquire funds to expand the 4 Bears Casino and Lodge facilities, which will include, among other things, a multi-purpose building, approximately 40 additional rooms for the hotel, a swimming pool, an amphitheater, a marina, a fine dining restaurant and a cruise yacht and other general improvements to the layout of the casino and related facilities, with the total cost of the improvements being capped at \$12,200,000, which improvements will generate significant additional revenue for the Tribe and its members over the next 20 years; and

**WHEREAS,** The Tribal Business Council has determined that the Tribe needs an interim operating loan of \$3,000,000 by the end of October, 1999, to cover existing obligations of the Tribal government for various Tribal governmental programs and services; and

**WHEREAS,** The Tribe has determined that John G. Kinnard & Co., an investment securities firm, (the "Lender") has the ability, as set forth in its engagement letter attached hereto, to provide the necessary financing for a total loan package of \$15,200,000 (the "Loan") plus all costs associated with closing of the Loan and the execution of a promissory note or issuance of bonds, both taxable and non-taxable, to be secured first by revenues from the operation of the 4 Bears Casino and Lodge, second by a general obligation of the Tribe, and third, by a pledge of interest funds that are presently available to the Tribe as a result of the passage of Title XXXV of P.L. 102-575, the Equitable Compensation Act (the "Act") for the Three Affiliated Tribes and Standing Rock Sioux Tribe, in an amount not more as of any date, than the outstanding principal amount of the Loan plus maximum interest coming due in the two months following such date, on that part of the Loan proceeds that are taxable which will be obtained through a promissory note or issue of taxable bonds in the name of the Tribe. Said Act created for the Tribe a fund on deposit with the U.S. Treasury in the amount of \$149.2 million to be held in perpetuity for the benefit of the Tribe, the interest from which became

available to the Tribe on October 1, 1997, and which interest has now accumulated, as of October 15, 1999, in the amount of \$43,446,648.13, according to information obtained and in the possession of the Office of Trust Funds Management of the Department of Interior, and which is now available to the Tribe at its request and upon the approval of the Secretary of the U.S. Department of Interior, in accordance with the provisions of the Act; and

**WHEREAS,** The Tribe has determined that the contemplated uses of the funds to be borrowed through the efforts of John G. Kinnard & Co. through the issuance of both tax-exempt and taxable bonds or the issuance of a promissory note are within the stated purposes for which funds of the Act may be used, such purposes to include economic development and government programs of the Tribe; and

**WHEREAS,** The Loan shall be structured in accordance with the attached term sheets, subject to a revision of the description of collateral in the term sheets in accordance with this Resolution, and the terms are summarized as follows: 1) the term of the taxable portion of the loan, which is approximately \$8,000,000, subject to legal review of the entire loan to determine which portions are taxable and non-taxable, shall be 12 (twelve) years, with a fixed interest rate for the first 5 (five) years of the taxable portion of the loan, and with the interest rate for the remaining period of the taxable portion of the loan to be redetermined at the end of the first 5 (five) years of payments on the loan with said rate to be redetermined on the same basis as the overall interest rate on the entire loan; and 2) the term of the non-taxable portion of the loan, which is the remainder of the loan, or approximately \$7,200,000, shall be 20 (twenty) years. The interest rate for the taxable portion of the loan shall be 75 basis points (.75%) greater than the interest rate on 10-year Treasury bonds determined as of the end of the business day before the date of closing of the loan or the day prior to the date of redetermination of the interest rate of the taxable portion of the loan as described above, and the average interest rate on the tax-exempt portion of the loan shall be established in accordance with market conditions for similar loans and is expected to be lower than the interest rate on the taxable portion of the loan; and

**WHEREAS,** Closing costs of the Loan shall include a 2% fee for John G. Kinnard & Co. on the interim loan of \$3,000,000 and on the entire loan of \$15,200,000, and all other reasonable costs normally associated with a closing of a loan of this kind and magnitude, with the understanding and stipulation that legal fees for lender's counsel, including the \$3,000,000 interim loan, will be capped at no more than \$5,000; and

**WHEREAS,** The interim loan amount of \$3,000,000 will be provided to the Tribe on or before the anticipated date of closing for the interim loan of October 29, 1999, on the condition that the Tribe will provide adequate assurances that pledged funds will be made available within 15 days of a default to satisfy the outstanding balance plus accrued interest owing on the taxable portion of the Loan; and

**WHEREAS,** The terms of the interim loan shall be in accordance with the engagement letter attached hereto, and are summarized as follows: the interim loan shall be for not more than a one year period, and shall be at an interest rate to be determined later, but in any event, the interim loan and any interest due thereon shall be considered a part of, and be rolled into, the total Loan in the total amount of \$15,200,000 plus costs, as described above, and the payments of such loan shall become part of the payments on the total Loan; and

**WHEREAS,** The Loan agreement, including the loan agreement for the \$3,000,000 interim loan, will require that the Tribe provide a limited waiver of sovereign immunity, limited to the amount owing pursuant to the Loan agreement and associated documents at the time the Lender seeks to invoke the limited waiver and limited also to whatever remedies are available to the Lender pursuant to the Loan agreement and related documents; and in addition, will require that the Tribe consent to the jurisdiction of either Federal court or Tribal court, whichever is appropriate; and

**WHEREAS,** The Tribal Business Council has determined that the limited waiver of sovereign immunity and the consent to jurisdiction described in the foregoing paragraph are in the best interests of the Tribe and the Council represents that it has been advised by legal counsel regarding these matters; and

**NOW, THEREFORE, BE IT RESOLVED,** that the Tribal Business Council hereby approves the Placement letter attached hereto, describing the duties and responsibilities of John G. Kinnard & Co. in relation to the \$15,200,000 Loan and interim loan authorized by this Resolution; and

**NOW, THEREFORE BE IT FURTHER RESOLVED,** that the form, terms and provisions of the entire Loan agreement and related documents relating to the issuance of taxable and non-taxable bonds or promissory notes relating to the Loan contemplated by this Resolution shall be subject to final approval by the Tribal Business Council at or before the date of closing of the entire Loan; and

**NOW, THEREFORE BE IT FURTHER RESOLVED,** that the Chairman of the Tribe and of the Council, Tex G. Hall, and the Treasurer thereof, Marcus Wells, Jr., be and

hereby are, authorized and directed to execute those documents necessary to obtain the interim loan as described above in the amount of \$3,000,000 that may be necessary to secure such loan, subject to the term and conditions as described , above and which shall include a limited waiver of sovereign immunity and consent to jurisdiction as described above, and further that the signatures of both of the above-named officers shall be sufficient to bind the Tribe; and

**NOW, THEREFORE BE IT FURTHER RESOLVED**, that the Tribal Business Council hereby authorizes and directs the Chairman and Treasurer of the Council to arrange for and enter into an Assignment of interest income derived from the Economic Recovery Fund created by the Equitable Compensation Act, Title XXXV of P.L. 102-575, said assignment to allow John G. Kinnard & Co., or their successors or assigns, within 15 days of an event of default as defined and described in the Loan documents, access to the amount of the principal and maximum interest owing to them at the time of the event of default, with interest accumulated to the date of final payment of the funds to John G. Kinnard & Co. by the U.S. Government, and further, the Tribal Business Council authorizes and directs the Chairman and Treasurer of the Council to seek approval for such Assignment of the interest income derived from the Economic Recovery Fund from appropriate officials of the U.S. Department of Interior, and that the signature of both the above-named Tribal officers shall be sufficient to bind the Tribe on the Assignment and on any other document associated with this Loan as may be described or mentioned herein; and

**NOW, THEREFORE BE IT FURTHER RESOLVED**, that the Chairman and the Treasurer of the Tribe are hereby authorized and directed to take all such further actions as may be necessary to seek and obtain any additional required approval for this transaction from the Secretary of the Department of Interior and to execute and deliver any and all such supplemental documents as may be required to obtain such approval, which in their sole judgment be necessary, proper or advisable in order to obtain such approval; and

**NOW, THEREFORE BE IT FURTHER RESOLVED**, that the obligations incurred by the Tribe in the Loan documents as may be prepared both for the entire Loan of \$15,200,000 plus costs and the interim loan of \$3,000,000 are general obligations of the Tribe, secured as stated above and in accordance with the attached Term Sheet and as will be stated more fully in the Loan documents.

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

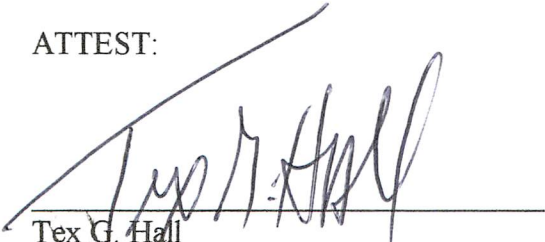
I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation, hereby certify that the Tribal Business Council is composed of 7

members of whom 5 constitute a quorum, 7 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 15<sup>th</sup> day of October, 1999; 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 15<sup>th</sup> day of October, 1999.

Daylon Spotted Bear  
Daylon Spotted Bear  
Secretary, Tribal Business Council

ATTEST:

  
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Tex G. Hall  
Chairman, Tribal Business Council