



NATIVE AMERICAN BANK, NA

March 7, 2006

Mr. Ben Artichoker
Cangleska, Inc.
P.O. Box 638
Kyle, SD 57752

**Re: \$1,000,000 Construction/Permanent Financing of Women/Children
Shelter and Office Space in Kyle, SD**

Dear Mr. Artichoker:

Native American Bank, N.A. ("Bank") is pleased to inform you that it has approved the Construction and Term Loan requested by Cangleska, Inc. ("Borrower") based on the representations made and the information provided by Borrower and our ability to secure USDA participation on the permanent financing totaling a minimum of \$750,000. We appreciate the opportunity to present this proposal to you and welcome any questions you might have regarding the loan and the terms set forth below.

CONSTRUCTION FINANCING

BORROWER: Cangleska, Inc., a South Dakota Non-Profit 501 (c) (3)

AMOUNT: Maximum loan of \$1,000,000

INTEREST RATE: A variable per annum interest rate equal to the Prime Rate (currently 7.50%) as published in the Wall Street Journal on a daily basis plus 1.5%. The interest rate will change from time to time contemporaneously with any change in the published Prime Rate.

FEES: 1.00% Loan Fee to USDA on Guaranteed Portion of Debt
1.00% Loan Fee to Bank for Construction Process

Note: USDA rate is generally 2% however, we will attempt to meet their criteria for a reduction.

Documentation Fee: \$1,000.00. The fee will be collected at closing.

Other: Borrower is responsible for all out-of-pocket expenses incurred by the Bank in good faith in documenting this loan, including recording fees; appraisal; flood search fees; environmental search fees; construction management fees; express mailing costs and legal fees. All such costs will be paid by the Bank and reimbursed by the borrower prior to or at closing as requested by the bank. In the event that the loan does not close, all such expenses incurred prior to closing will be the responsibility of the Borrower and will be paid to the Bank immediately upon the bank providing a complete accounting of all third party costs.

TERM: Twelve (12) months construction draw period.

LOAN PAYMENTS: Interest due monthly, principal due at maturity.

PURPOSE OF LOAN AND USE OF FUNDS: Funds under the Construction Loan will be used for the financing of both soft and hard costs associated with the development of the property known as Cangleska Women/Children Shelter located on the Pine Ridge Reservation near Kyle, South Dakota.

GUARANTOR: USDA Community Funding Program – 90% Guaranty

CONSTRUCTION/PROJECT MANAGEMENT: The Borrower understands that the Bank may hire an outside Construction Management/Inspection firm to handle the disbursements and inspections during the construction phase. Further information regarding this process will be provided as the project proceeds to closing. General terms for both the Borrower and the General Contractor are as follows:

1. Contractor/Borrower will complete detailed breakdown of construction costs based on AIA standards. This should include both the hard costs as well as the soft costs. It is recommended that the fee for the management/inspection service be included in the soft costs. (We would estimate a charge of .50%.) We would also recommend including third party costs for legal, appraisal, recording, etc. (We would estimate a charge of 3% to 3.5% for these items.)
2. Disbursement requests including all invoices and supporting documentation with each draw will be completed using AIA standard forms.
3. Draws will be made not more than twice a month and will be paid within 5 working days providing all information is complete and accepted by the Construction Management/Inspection firm.
4. Lien waivers from the previous draw must be submitted prior to subsequent draws.
5. Borrower/Contractor will provide Bank with all change orders or budget amendments prior to processing. Any changes or amendments will require both Bank and Borrower approval prior to acceptance.
6. Compliance with third party Construction Management/Inspection Contract will be required once agreed upon.
7. Signed copy of fixed price Builders Contract along with resume, references, history, subs. Etc.
8. Resume and references on Architect including a site plan of the project.
9. Existing survey or plat map.
10. Soils Tests (already on file)
11. Such other documents/procedures as shall be required by the Bank.

PERMANENT FINANCING

BORROWER: Cangleska, Inc., a South Dakota Non-Profit 501 (c) (3)

AMOUNT: Loan #1 \$500,000
Loan #2 \$500,000

INTEREST RATE: Loan #1 Fixed rate equal to the three (3) year yield of United States Treasury Securities (currently 4.50%) plus 4.00% in effect at time of closing. At the end of the third year, and every third year thereafter, the loan will automatically convert to a new fixed rate equal to the then current three (3) year United States Treasury Securities plus 4.00%.

The loan payment may be adjusted periodically thereafter to keep the loan amortizing within the original amount of the scheduled years.

Loan #2 Fixed rate equal to USDA Rural Development Community Funding Loan Program Rate (currently 4.34% as of 01/06/06).

FEES: Loan #1 .25% Loan Servicing Fee

Loan #2 Conversion of Construction to permanent should require no additional fee.

Other: Borrower is responsible for all outside costs incurred by the Bank in underwriting this loan, including recording fees; appraisal; flood search fees; environmental search fees; express mailing costs and legal fees. All such costs will be paid by the bank and reimbursed by the borrower prior to or at closing as requested by the bank. In the event that the loan does not close, all fees incurred prior to closing will be the responsibility of the Borrower and will be paid to the bank immediately upon the bank providing a complete accounting of all third party costs.

TERM: Loan #1 Twenty (20) year term fully amortized
Loan #2 Forty (40) year term fully amortized

LOAN PAYMENTS: Loan #1 and Loan #2 Principal and Interest of approximately \$7,180.00 (based on current rates) due monthly.

PURPOSE OF LOAN AND USE OF FUNDS: Permanent financing of construction loan used to complete Women/Children Shelter and office space for Cangleska, Inc.

PREPAYMENT PREMIUM: None.

Both Loans #1 and 2:

COLLATERAL:

Leasehold Deed of Trust on 8 acres on land and improvements on the Pine Ridge Reservation near Kyle, SD
First Security Interest in Accounts Receivable, Inventory, Furniture, Fixtures and Equipment including intangibles

GUARANTOR: USDA

BOTH CONSTRUCTION AND PERMANENT

INSURANCE REQUIREMENTS: Borrower must maintain builders risk hazard, liability and flood insurance (if applicable) with an established insurance company acceptable to the Bank in an amount that covers this loan during the construction period.

Upon completion of construction, Borrower must maintain hazard, liability and flood insurance (if applicable) with an established insurance company in an amount that covers this loan.

“Native American Bank, N.A., Its successors and assigns” shall be named in the mortgage loss payable clause with the address of Native American Bank, N.A., P.O. Box 730, Browning, MT 59417. Each policy shall provide that it cannot be canceled, reduced or terminated without thirty (30) days written notice to the Bank.

FINANCIAL STATEMENTS: Borrower shall furnish to Bank, as soon as possible, but in no event later than 270 days after the end of each fiscal year, Borrower’s Balance Sheet and Income Statement for the year ended audited by a Certified Public Accountant satisfactory to Bank.

Borrower shall furnish to Bank, as soon as possible, but in no event later than 60 days after the end of each fiscal year, Borrowers’ Balance Sheet and Income Statement for the year ended in an un-audited format.

Borrower shall provide an annual budget to the Bank, as soon as possible, but in no event later than 60 days after the end of each fiscal year.

All financial reports required to be provided by these paragraphs shall be prepared in accordance with generally accepted accounting principals, applied on a consistent basis, and certified by the Chief Financial Officer of Borrower as being true and correct.

Borrower shall furnish such additional information and statements, list of assets and liabilities, tax returns and other reports with respect to such Borrower’s financial condition and business operations as Bank may request from time to time.

COVENANTS: Borrower shall comply with the following covenants:

1. Borrower shall maintain Asset Change plus Depreciation no greater than 0% of Total Revenues;
2. Borrower shall establish and maintain a Repair and Replacement Reserve Account in the amount of \$300 per month to be deposited monthly and held at Native American Bank. Borrower may request funds to replace, upgrade or repair equipment or property from time to time;
3. \$250,000 of grant monies from Mdewakanton will be held in an interest bearing account until construction is complete at which time these funds will be made available under terms of grant. Should construction costs exceed existing projections, these funds will be used to complete the project.

appraiser will be selected and directly engaged by the Bank. The Borrower will pay the cost of the appraisal at the time that the appraisal is ordered.

ENVIRONMENTAL COMPLIANCE ANALYSIS: The approval of this loan is subject to the completion of an Environmental Checklist (enclosed with this letter) and such other follow-up analysis that may be determined to be necessary. All site assessments, audits or other analyses shall be paid by Borrower and shall be performed by a qualified environmental consulting firm.

If the results of any site assessments reveal that environmental problems exist, the Bank may, at Bank's sole option, declare this letter to be void.

OTHER CONDITIONS:

- a. Satisfactory UCC-11 search to be performed by Bank;
- b. Satisfactory flood hazard determination to be performed by Bank;
- c. Executed copy of Cangleska, Inc. Borrowing Resolution;
- d. Executed copy of lease agreement term modification with the Oglala Sioux Tribe;
- e. American Engineering Testing will be on hand for the foundation work due to soils issues and will sign off based upon their report;
- f. Verification that Grant funds from the Mdewakanton Sioux Community be used prior to loan advances;
- g. Resolution from the Oglala Sioux Tribe authorizing the leasehold deed of trust;
- h. Authorization in writing from Mdewakanton Sioux Community regarding grant split between equity into this project of \$250M and additional \$250M in separate account to be used for cost overruns on this project or Direct Mail program;
- i. This loan is subject to Bank securing guaranty and approval from the USDA;
- j. Such other information customary for loans of this type as bank shall reasonably request;

LEGAL COUNSEL: The loan documents must be satisfactory to the Bank's legal counsel, including, without limitation, provisions and requirements not specifically set forth herein, and other reasonable requirements of Bank's legal counsel must be met.

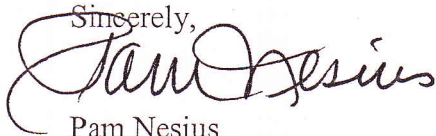
ACCEPTANCE & EXPIRATION: This proposal letter has been issued in response to Borrower's request and shall not become effective until such time as the Bank has received Borrower's unconditional written acceptance thereof. If the proposal letter is not returned within 30 days of the date of this letter signed by Borrower, it shall be of no further force or effect. This proposal is made to Borrower and is not assignable or transferable to any other party or entity. The terms and conditions of this proposal may not be modified, changed, waived, or extended unless agreed to in writing and executed by all parties. The Bridge loan must close within 90 days from the date the proposal is accepted and returned by Borrower or it shall be of no further force and effect.

MATERIAL ADVERSE CHANGE: Notwithstanding any other provision of this letter to the contrary, this proposal shall be void if there is any material adverse change in the Borrower or the Guarantor, or if any material inaccuracy becomes apparent in any information delivered to Bank regarding the Borrower prior to the closing of this loan.

If this proposal letter is acceptable, please sign, date and return a copy of this letter to the undersigned along with your check in the amount of \$1,000. This fee is nonrefundable in the event the loan does not close but will be credited to fees of the Borrower at closing. Your acceptance hereof will be presumptive evidence of your authorization for us to begin the documentation process and incur the expenses related thereto as previously covered in this letter.

We are pleased to offer this financing and thank you for choosing Native American Bank N.A. for this loan and relationship opportunity. We look forward to working with you and appreciate the opportunity you have granted us to be a part of your proposed project to assist in the service needs of the Pine Ridge Reservation. If you have any questions please let me know.

Sincerely,



Pam Nesius
Senior Vice President

Cc: Mr. Joe Dean, Economic Development
Mdewakanton Shakopee Sioux
2300 Sioux Trail N.W.
Prior Lake, MN 55372

The terms and conditions of this proposal letter are accepted and agreed to on this _____ day of _____, 2006.

Cangleska, Inc.

By: _____

Name: _____

Title: _____

Cangleska, Inc.

By: _____

Name: _____

Title: _____

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Sincerely,

Pam Nesius
Senior Vice President

Cc: Mr. Joe Dean, Economic Development
Mdewakanton Shakopee Sioux
2300 Sioux Trail N.W.
Prior Lake, MN 55372

The terms and conditions of this proposal letter are accepted and agreed to on this
23rd day of March, 2006.

Cangleska, Inc.

By:

Karen Artichoker

Name:

Karen Artichoker

Title:

Director

Cangleska, Inc.

By:

Greg L. Smith Jr.

Name:

Director