

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
STATE BANKING BOARD

ORDER

This matter having come before the North Dakota State Banking Board ("board") by way of the North Dakota Department of Financial Institutions, for consideration and approval of an ORDER authorizing North Dakota chartered banks to purchase and hold real property, including fixtures of real property, for the purpose of providing lease financing of a public facility.

The board takes notice of a federally chartered bank's ability to provide lease financing of public facilities under 12 C.F.R. § 7.1000(d)(1), which states:

(d) Other real property — (1) Lease financing of public facilities. A national bank may purchase or construct a municipal building, school building, or other similar public facility and, as holder of legal title, lease the facility to a municipality or other public authority having resources sufficient to make all rental payments as they become due. The lease agreement must provide that the lessee will become the owner of the building or facility upon the expiration of the lease.

See also O.C.C. Interpretive Letter No. 847(1998)

The board, having reviewed the supporting materials, and otherwise being fully advised of the issues, makes the following ORDER pursuant to N.D.C.C. § 6-03-02.3:

A North Dakota chartered bank may provide lease financing of a public facility in the same manner, and subject to the same limitations as would apply to a federally chartered bank providing lease financing of a public facility under federal law. However, if a lease agreement authorized under this ORDER should terminate for any reason, and as a result of such termination the bank becomes the sole and

unconditional owner of the subject real property, the bank shall sell the real property no later than five years from the date of termination of the lease agreement, unless such time has been extended by certificate of the commissioner.

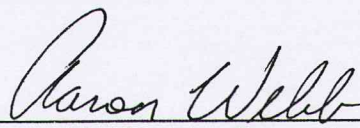
Dated this 10th day of March, 2011.



Robert J. Entringer, Chairman
State Banking Board

Signed on behalf of the State Credit Union Board pursuant to a duly approved motion of the Board on March 10, 2011.

ATTEST:



Aaron K. Webb, Secretary
State Banking Board