

RESOLUTION OF THE
WHITE MOUNTAIN APACHE TRIBE OF THE
FORT APACHE INDIAN RESERVATION

- WHEREAS, the United States Economic Development Administration has asked the White Mountain Apache Tribe to submit two (2) grant funding pre-applications for the development of a base lodge located at the base of Apache Peak and replacement of the main No. 1 chair lift at the Sunrise Ski Resort, with the total amount for the completion of both projects approximating \$2 million; and
- WHEREAS, the U.S. Economic Development Administration requires a matching fund commitment from the White Mountain Apache Tribe of \$1 million; and
- WHEREAS, the Tribe is engaged in numerous economic development projects including the Cibecue Commercial Center Project which requires \$760,000 to complete the basic construction and start-up working capital requirements of \$500,000; and
- WHEREAS, completion of the Whiteriver Commercial Center Expansion Project is projected at a total cost of \$1 million; and
- WHEREAS, these economic development projects are critical to the future economic growth of the Tribe and it is essential that the opportunities that are now available to secure that growth not be allowed to go untapped; and
- WHEREAS, sufficient FATCO reserves are currently on deposit with commercial banking institutions, which funds can be utilized as collateral to secure loans from commercial lenders for the financing of these reservation based economic development projects, with the FATCO reserves remaining on deposit and earning interest income for the Tribe, and the Council feels that it is in the Tribe's best interest, and is a sound business policy to use the reserves to obtain the maximum amount of financial leverage for the Tribe's long term benefit.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby authorizes the Tribal Chairman to negotiate and execute a \$3 million economic development financing assistance package with the Fort Apache Timber Company Board of Directors for the purpose of utilizing FATCO reserves as security for economic development loans to be obtained from

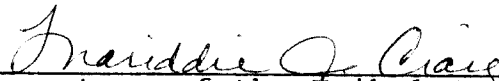
commercial lenders. The assistance package shall be structured on terms which will allow FATCO to receive the maximum return possible on the funds deposited as collateral and shall allow the maximum amount of discretion and flexibility by FATCO in investing the funds.

BE IT FURTHER RESOLVED that the Chairman is authorized to negotiate and execute loans on the most favorable terms possible with appropriate lending institutions for the financing necessary to complete the economic development projects referenced herein.

The foregoing resolution was on March 29, 1988 duly adopted by a vote of six for and zero against by the Tribal Council of the White Mountain Apache Tribe as shown by the attached Exhibit B showing their signatures; this action is taken pursuant to authority vested in it by Article V, Section 1(i) of the Amended Constitution and Bylaws of the Tribe, ratified by the Tribe June 27, 1958, and approved by the Secretary of the Interior on May 29, 1958, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).



Chairman of the Tribal Council



Secretary of the Tribal Council