

A RESOLUTION OF THE TRIBAL COUNCIL OF THE WHITE MOUNTAIN APACHE TRIBE OF THE FORT APACHE INDIAN RESERVATION, ARIZONA AUTHORIZING THE ISSUANCE OF ITS (A) ESSENTIAL GOVERNMENTAL FUNCTION REVENUE BONDS, SERIES 1999A, AND (B) REVENUE BONDS, SERIES 1999B (FEDERALLY TAXABLE), IN AN AGGREGATE PRINCIPAL AMOUNT NOT IN EXCESS OF \$21,000,000 (THE "BONDS"), AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, the White Mountain Apache Tribe of the Fort Apache Indian Reservation, Arizona (the "Tribe") is a federally recognized Indian tribe organized pursuant to Sections 16 and 17 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984); and

WHEREAS, the Tribal Council (the "Council") of the Tribe, pursuant to the provisions of Article IV of the Constitution of the Tribe (the "Constitution") is authorized and empowered, among other things, to (a) incur indebtedness and issue obligations such as the Bonds, (b) to assign chattels or future tribal income as security therefor, and (c) to otherwise manage all economic affairs and enterprises of the Tribe; and

WHEREAS, the Tribe has previously incurred certain indebtedness pursuant to (a) a Master Credit Agreement with Wells Fargo Bank, National Association dated as of December 23, 1997, as supplemented by (i) a Supplemental Credit Agreement (1997 Term Loan) dated as of December 23, 1997, under which \$5,597,592 is currently outstanding; (ii) a Supplemental Credit Agreement (1997 Tax-Exempt Term Note) dated as of December 23, 1997, under which \$5,892,377 is currently outstanding; and, (iii) a Supplemental Credit Agreement (Tax-Exempt Lease Facility) dated as of December 23, 1997, under which \$548,485 is currently outstanding; and (b) Tribal Facilities Bonds Series 1995, dated May 5, 1995 of which \$4,225,000 is currently outstanding (items (a) and (b) above are hereinafter collectively referred to as the "Outstanding Obligations"); and

WHEREAS, the Tribe proposes to issue the Bonds for the purpose of (a) refunding the Outstanding Obligations, (b) to fund a debt service reserve for the Bonds, and (c) to pay the costs of issuance of the Bonds; and

WHEREAS, there has been presented to this meeting the proposed substantially final forms of an Indenture of Trust (the "Indenture") between the Tribe and Norwest Bank, N.A., as Trustee (the "Trustee"), a Private Placement Agreement (the "Bond Placement Agreement") between the Tribe and Crews & Associates, Inc. (the "Placement

Agent") and a Preliminary Private Placement Memorandum (the foregoing documents are hereinafter collectively referred to as the "Issuer Documents"); and

WHEREAS, the Council has concluded that it is in the best interests of the Tribe to grant a limited waiver of the sovereign immunity of the Tribe for the purposes of enforcement of the Issuer Documents.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe of the Fort Apache Indian Reservation, Arizona, as follows:

- Section 1.** The Council hereby finds and determines that the issuance and sale of the Bonds pursuant to the terms of the Issuer Documents is in furtherance of the purposes of the Tribe.
- Section 2.** The Bonds are hereby authorized as revenue bonds to be designated "The White Mountain Apache Tribe of the Fort Apache Indian Reservation, Arizona Essential Governmental Function Revenue Bonds, Series 1999A"(the "Series A Bonds") and "The White Mountain Apache Tribe of the Fort Apache Indian Reservation, Arizona Revenue Bonds, Series 1999B (Federally Taxable)" (the "Series B Bonds" and together with the Series A Bonds, the "Bonds"), which shall be issued in an aggregate principal amount not in excess of \$21,000,000. The Bonds shall be in substantially the form set forth in the proposed form of Indenture and will mature on the dates and in the amounts set forth in the Indenture. The Series A Bonds will be sold at a rate that results in an All Inclusive Cost for such Series A Bonds of not to exceed 7.25% per annum. The Series B Bonds will be sold at a rate that results in an All Inclusive Cost for such Series B Bonds of not to exceed 10.5% per annum. "All Inclusive Cost" shall mean gross interest expense, Placement Agent fees and other costs of issuance. The Bonds shall be payable and subject to redemption prior to maturity as provided in the Indenture. The maximum annual Bond Service (after taking into account interest earnings under the Indenture) in any Bond Year (as such terms are defined in the Indenture) shall not exceed \$2,100,000.
- Section 3.** The Bonds shall be payable solely from the revenues received by, or on behalf of, the Tribe pursuant to the Indenture. The Bonds shall not constitute general or moral obligations of the Tribe, and the full faith and credit of the Tribe are not pledged to the payment of the principal of, premium, if any, or interest on the Bonds. No holder of the Bonds shall have the right to compel the exercise of the taxing power of the Tribe to pay the Bonds or the interest or premium, if any, thereon.

- Section 4.** The Bonds shall not be issued or sold unless and until all agreements, certificates, documents or instruments requiring the execution or consent of the Tribe are in a form and substance acceptable to the Tribal Attorney, and the Tribe receives such opinions, certificates or other documents in connection with the Bonds as the Tribal Attorney may deem necessary or appropriate, in form and substance satisfactory to the Tribal Attorney.
- Section 5.** Subject to the terms and conditions set forth in Section 2 hereof, the forms, terms and provision of the Bonds, in substantially the form contained in the Indenture and presented at this meeting are hereby approved, with such insertions, omissions and changes as shall be approved by the Tribal Chairman, the execution of such documents being conclusive evidence of such approval, and the Tribal Chairman and the Tribal Treasurer are hereby authorized and directed, subject to the satisfaction of Section 4 hereof, for and on behalf of the Tribe to sign and countersign the Bonds. The signatures of the Tribal Chairman and Tribal Treasurer on the Bonds may be by facsimile.
- Section 6.** Subject to the terms and conditions set forth in Section 2 hereof, the Bonds are sold to the persons who have provided investor certificates to the Placement Agent and the forms, terms and provisions of the Issuer Documents in substantially the forms of such documents presented at this meeting are hereby approved, with such insertions, omissions and changes as shall be approved by the Tribal Chairman, the execution of said documents being conclusive evidence of such approval, and the Tribal Chairman and the Secretary of the Council are hereby authorized and directed, for and on behalf of the Tribe, to sign and attest the Issuer Documents.
- Section 7.** The Council hereby waives the Tribe's sovereign immunity to legal action brought against the Tribe arising from or in connection with the transactions contemplated by the Issuer Documents (an "Action"). For the trial of any Action, the Council on behalf of the Tribe, hereby consents and submits to the jurisdiction and venue as set forth in Section 6.02 of the Indenture and in the Private Placement Agreement.
- Section 8.** The officers of the Tribe and the Council are hereby authorized and directed to take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby and by the Issuer Documents, including without limitation, the execution and delivery of the closing and other documents required to be delivered in connection with the execution and delivery of the Issuer Documents.

Section 9. (A)(i) In consideration of the purchase of the Bonds by the investors selected by the Placement Agent and of retaining the exclusion from gross income for federal income taxes of the interest income on the Series A Bonds, the Tribe covenants, and the appropriate officials of the Tribe and the Council are hereby directed, to take all action required, or to refrain from taking any action prohibited, by the Code, which would adversely affect in any respect such exclusion, including, particularly, but not by way of limitation, (1) to cause the Series A Bonds to not be a "private activity bond" within the meaning of the code (Section 141(a) of the Code), (2) to cause the Series A Bonds to not be an "arbitrage bond" within the meaning of the Code (Section 148(a) of the Code), (3) to comply with the provisions of the Code relating to rebate (Section 148(f) of the Code), (4) to cause the Series A Bonds not to be "federally guaranteed" within the meaning of the Code (Section 149(b) of the Code), (5) to make the required information filing pursuant to the Code (Section 149(e) of the Code), and (6) to do all other things necessary to preserve the tax-exempt status of the interest income of the Series A Bonds.

(ii) The Series A Bonds are part of an issue substantially all of the proceeds of which are to be used in the exercise of essential governmental functions of the Tribe, being functions which are customarily performed by state and local governments with general taxing power.

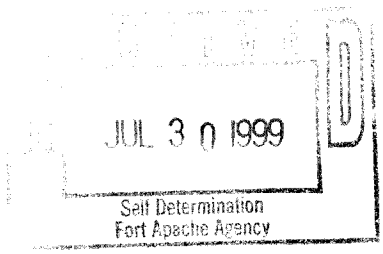
(B) The Council further authorizes the employment of such experts and consultants to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of the Code.

Section 10. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 11. All ordinances, resolutions or parts thereof, inconsistent herewith, are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any ordinance or resolution or any part thereof.

The foregoing resolution was on June 25, 1999, adopted by a vote of five for, four against, and one abstention by the Council of The White Mountain Apache Tribe, pursuant to authority vested in it by Article IV, Section 1 (a), (b), (e), (h), (i), (l), (s), (t), and (u) of the Constitution of the Tribe, ratified by the Tribe September 30, 1993, and approved by the Secretary of the Interior on November 12, 1993, pursuant to Section 16 of the Act of June 18, 1934 (43 Stat. 984).

ACTING *Frank J. Eubank Jr.*
Chairman of the Tribal Council



Cindy Harvey-Burnette
Secretary of the Tribal Council