

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

WHEREAS, by Resolution No. 02-2000-61, the Tribal Council authorized applications to be submitted to the U.S. Department of Agriculture, Rural Development Agency for financial assistance in constructing the Hon-Dah Water and Wastewater Systems; and


WHEREAS, the U.S. Department of Agriculture, Rural Development Agency, has provided a Letter of Conditions in response to the Tribe's application for financial assistance for the Hon-Dah Regional Wastewater System and has offered to provide the Tribe with a grant of \$750,500.00 and a loan of \$917,487.00 for financing Phase I of said project; and

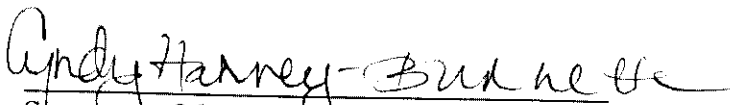
WHEREAS, the U.S. Department of Agriculture, Rural Development Agency, has provided a Letter of Conditions in response to the Tribe's application for financial assistance for the Hon-Dah Regional Water Improvement Project and has offered to provide the Tribe with a grant of \$337,500.00 and a loan of \$412,500.00 for financing Phase I of said project; and

WHEREAS, additional funding for both projects may be available from U.S. Department of Agriculture, Rural Development Agency this year or next year for Phase 2 of each of the two projects.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby authorizes the Tribal Chairman to execute and complete all documents and actions necessary for the Tribe to obtain the financing outlined above and also to apply for and obtain similar financing for Phase 2 of the Hon-Dah Regional Wastewater and Water Improvement Projects, if funding becomes available.

The foregoing resolution was on June 6, 2002 duly adopted by a vote of FIVE for and ZERO against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article IV, Section 1 (a), (b), (c), (h), (i), (j), (k), (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 (48 Stat. 984).


Chairman of the Tribal Council


Secretary of the Tribal Council

SUMMARY OF RURAL DEVELOPMENT GRANT/LOAN

The Tribe has been approved for two Grant/Loan's from Rural Development for Phase 1 of the Hon Dah Regional Water and Wastewater Projects. The Water Project and the Wastewater Project were separately approve and are outlined below:

	Water Project:	Wastewater Project:	Sum of Both:
RD Grant	\$337,500	\$750,500	\$1,088,000
RD Loan	\$412,500	\$917,487	\$1,329,987
EPA Grant	\$300,000	\$300,000	\$ 600,000
WMAHA	\$566,800	\$802,310	\$1,369,110
IHS Grant		\$ 28,000	\$ 28,000
WMAT		\$272,013	\$ 272,013
TOTAL	\$1,616,800	\$3,070,310	\$4,687,110

The loan portion of the above funding is to be repaid over 40 years at an interest rate of 4.75%. *1,329,987 2 yr moratorium pay interest only*

The water project proposed to be constructed with this money under Phase 1, includes a one million gallon steel storage reservoir on Kinney Mountain, a connecting water line from the McNary storage tank to the new Apache Dawn Housing Project and the Casino, and a new well in the Homesites area, including pumps and controls. Phase 2 of the project, which is still under consideration for additional Grant/Loan funds by RD, will complete the connection between the Casino and the new well. That will make it possible to store water from the new well in the tank on Kinney Mountain. Phase 2 is estimated to cost an additional \$1.2 million.

The wastewater project proposed to be constructed with this money under Phase 1, includes constructing a new wastewater treatment facility to serve the region, a sewage lift station, force main and gravity flow main to connect the new Apache Dawn Housing Project to the treatment facility, and a gravity flow sewer main to bring the Casino sewage to this sewer. Phase 2 of the wastewater project, which is still under consideration for additional Grant/Loan funds by RD, will construct sewers in Hon Dah Homesites and convey sewerage to the treatment facility through the sewer main constructed under Phase 1. Phase 2 is estimated to cost an additional \$2.8 million.

An additional project, already fully funded by EPA, will bring the sewage from McNary to the new treatment facility through the lift station and force main constructed under Phase 1.

Approve grant loan - request.