

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

Hon-Dah/McNary Phase 1 Water Improvement Project

WHEREAS, the Tribal Council in Resolution 06-2002-128 approved the long-term financing with United States Department of Agriculture Rural Development Agency for the Hon-Dah/McNary Sewer and Water Project Phase 1; and

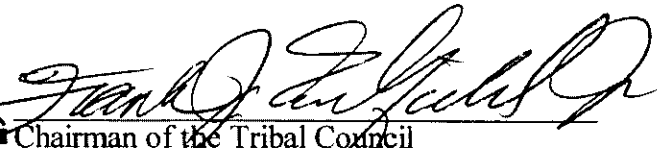
WHEREAS, the White Mountain Apache Tribal Council has been advised that the USDA Rural Development Agency has funding available in the total amount of \$750,000.00, consisting of a grant in the amount of \$337,500.00 and a forty (40) year loan at a 4.75% interest rate in the amount of \$412,500.00, which the White Mountain Apache Tribe wishes to obtain and utilize for the construction of Phase 1 of the Hon-Dah Regional Water Improvement Project to serve the Hon-Dah/McNary communities; and

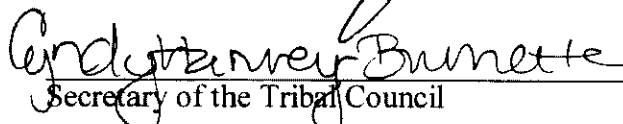
WHEREAS, the Tribal Council wishes to comply with the funding requirements for this grant/loan, one of which is to pledge certain security for the repayment of the loan portion, and another of which is to provide a statement from the Tribal government body evidencing the Tribe's intention to fully repay the loan and to guarantee its repayment with the full faith and credit of the White Mountain Apache Tribe; and

WHEREAS, it has been determined by the Tribal Council to pledge as partial security for the loan the revenues generated by Phase 1 of the Hon-Dah Regional Water System and to provide the requested governing body statement.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby guarantees repayment of the Rural Development loan in a maximum principal amount of \$412,500.00, with the full faith and credit of the White Mountain Apache Tribe and as further security for the payment of the loan does hereby pledge the revenues generated by Phase 1 of the Hon-Dah Regional Water System toward repayment of this loan.

The foregoing resolution was on October 4, 2002 duly adopted by a vote of six 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), (h), (j), (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).


ACTING Chairman of the Tribal Council


Secretary of the Tribal Council