

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

Hon-Dah/McNary Phase 2A Water Improvement Project

- WHEREAS,** by Resolution 02-2000-61 the Tribal Council authorized applications to be submitted to the US Department of Agriculture Rural Development Agency for financial assistance in constructing the Hon-Dah/McNary Water and Wastewater Systems; and
- WHEREAS,** by Resolution 06-2002-128, the Tribal Council approved the long-term financing obtained for Phase 1 of the Hon-Dah/McNary Water and Wastewater Systems; and
- WHEREAS,** the Tribal Council in that same resolution authorized the Tribal Chairman to seek additional Rural Development Agency financing for Phase 2 of the Hon-Dah/McNary Water and Wastewater System; and
- WHEREAS,** the USDA - RDA has provided a Letter of Conditions in response to the Tribe's application for the Phase 2, Schedule A program and has offered to provide a total of \$700,000.00 in funding, consisting of a grant in the amount of \$315,000.00 and a forty (40) year loan at a 4.75% interest rate in the principal amount of \$385,000.00; and
- WHEREAS,** the Tribe wishes to utilize these funds for the Phase 2, Schedule A of the Hon-Dah/McNary Regional Water Improvement Project to serve the Hon-Dah/McNary communities; and
- WHEREAS,** repayment of the loan would be secured in part by a pledge of revenues received by the Tribe from the operation of the water and wastewater system; and
- WHEREAS,** in addition to this pledge of revenues the USDA - RDA has requested a statement from the Tribal governing 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 the Phase 2, Schedule A of the Hon-Dah/McNary 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 approves the Letter of Conditions and financing documents for the award of \$315,000.00 in grant funds and \$385,000.00 in loan funds as set forth above from the USDA - RDA for the Hon-Dah/McNary Water System Phase 2, Schedule A.
- BE IT FURTHER 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 \$385,000.00 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

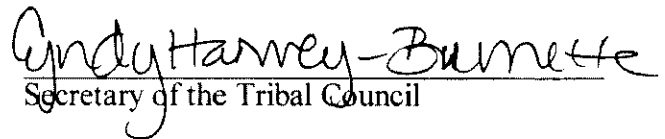
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the revenues generated by the Phase 2, Schedule A of the Hon-Dah Regional Water System toward repayment of this loan.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby authorizes the Tribal Chairman or in his absence the Vice-Chairman to complete and execute the documents necessary to carry out the intent of this resolution.

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