



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

(Authorizing Terms and Conditions to Finance and Resume Tribal Sawmill Operations)

- WHEREAS,** Tribal staff and representatives are completing steps to secure financing and management expertise to reopen and operate the Tribe's FATCO sawmill; and
- WHEREAS,** through the participation of two community development entities RDP and CCML, the Tribe has received an allocation of federal New Market Tax Credits which will be sold to U.S. Bank, the qualified investor, which will provide a subsidy in the approximate amount of \$10 million after fees and costs to finance the acquisition, capital improvement and initial operational costs to resume Tribal sawmill operations; and
- WHEREAS,** the transaction terms call for the formation of a new company, wholly owned by the Tribe, WMATCO, L.L.C., which will acquire and hold all of the assets, rights and interests of FATCO, including the sawmill and equipment; and
- WHEREAS,** the Tribal Council, by separate resolution, has authorized the long-term lease of the sawmill site to WMATCO, L.L.C., and;
- WHEREAS,** WMATCO will serve as the Qualified Active Low-Income Community Business as that term is defined under New Market Tax Credit regulation; and
- WHEREAS,** WMATCO will operate the sawmill and related business operations, contracting management oversight of the sawmill and the sales department to professional managers with expertise in the lumber and sales industries; and
- WHEREAS,** the financing terms require the Tribe's authorization for and commitment to specific terms and conditions set forth below to comply with federal regulations and to meet the conditions negotiated among the parties to this financing transaction, with such authorizations and commitments to remain in effect for the compliance period of the transaction, as that term is defined by federal regulation, and thereafter until contractual obligations to the investors and other parties are released; and
- WHEREAS,** the Tribal Council has this day reviewed and considered the primary terms and conditions to finance and resume operations at the sawmill and concludes that they are in the Tribe's best interest, and an effective means to reopen and operated the Tribal sawmill, thereby resuming the commercial lumber business for which the Tribe is known and providing good jobs to Tribal members, many of whom are skilled in sawmill and lumber operations.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby authorizes Tribal representatives and officials, and representatives and officials of WMATCO, to

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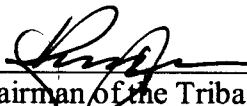
complete the documentation and agreements necessary for the New Market Tax Credits financing to resume operations and related operations and sales at the Tribal sawmill, and for that purpose, the Tribal Council commits to and authorizes the following terms and conditions for the transaction:

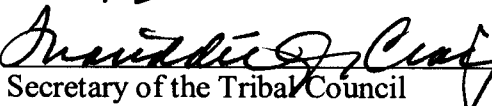
1. The limited waiver of the Tribe's sovereign immunity from suit and the limited waiver of WMATCO's sovereign immunity from suit for an action in the courts of the State of Arizona as set forth in Exhibit A, herein, and the application of Arizona law for the resolution of disputes.
2. Assignment all timber sale rights within the Fort Apache Indian Reservation from FATCO to WMATCO, L.L.C.
3. Assignment of all FATCO business interests, property and rights, including accounts receivables and equipment to WMATCO, L.L.C.
4. The waiver of the collection of royalty and stumpage fees from any timber harvested in the qualifying census tract areas.
5. The waiver of the collection of royalty and stumpage fees from any timber harvested in the non-qualifying census tract areas until WMATCO achieves a break-even position.
6. The waiver of the collection of the Tribal enterprise tax on WMATCO or the sawmill and sales operations.
7. Approval for the pledge and encumbrance of all applicable business rights and interests of WMATCO as security for the financing.
8. The establishment and funding of a reserve account in the amount of \$3 million to be used in accordance with the transaction terms to offset operating deficits.
9. Authorization for the filing of financing statements with any jurisdiction to record security interests granted to parties in the Transaction Documents.
10. Consent and authorization for WMATCO L.L.C.'s commitment to the transaction terms as required under the Transaction Documents.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby directs Tribal and WMATCO officials and representatives to complete the transaction for final review and approval by the Tribal Council in accord with the terms and conditions set forth above.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that the Chairman, or in his absence, the Vice Chairman, and any Tribal representative as designated in the Transaction Documents, is hereby authorized to execute and deliver any and all documents necessary to effectuate the intent of this Resolution.

The foregoing resolution was on MAY 20, 2013 duly adopted by a vote of SEVEN for and ZERO against by the Tribal Council of the White Mountain Apache Tribe, pursuant to the authority vested in it by Article IV, Section 1 (a), (b), (e), (f), (h), (i), (k), (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 (48 Stat. 984).


Chairman of the Tribal Council 5/30/13


Secretary of the Tribal Council 5/28/13