

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

- WHEREAS, the Tribal Council of the White Mountain Apache Tribe has been advised by the First Interstate Bank of Arizona that Loan No. 7043 in the amount of \$1.1 million dollars, Loan No. 7044 in the amount of \$1.5 million dollars and Loan No. 7070 in the amount of \$930,371.26, plus interest on the foregoing loans was due and payable by April 30, 1990 and are now past due; and
- WHEREAS, said loans were established as lines of credit by the First Interstate Bank of Arizona for the Sunrise Ski Area, overdraft protection and tribal operations; and
- WHEREAS, said loans must be cleared for a minimum period of thirty (30) days prior to renewal; and
- WHEREAS, First Interstate and the Tribal Council have met and discussed a means by which the foregoing indebtedness of approximately \$3.6 million dollars may be collateralized in order to secure payment of the outstanding loans; and
- WHEREAS, First Interstate is presently holding collateral in the form of bonds and securities valued as of April 24, 1990, at \$6,955,288.00 to secure a previous bond loan with a present outstanding balance of \$3,537,216.77; and
- WHEREAS, the Tribal Council and First Interstate Bank have met and discussed securing the past due \$3.6 million credit line by pledging excess collateral now held by the bank in order to attain full collateralization of the total debt of \$7,137,216.77 owed to the bank; and
- WHEREAS, the bank is willing to delay requiring full collateralization of the debt until July 15, 1990 so that payment of \$466,071.30 may be credited to the secured bond at which time the required collateral margin could then be computed; and
- WHEREAS, subject to said computation, the Tribe has the option of either paying down the outstanding debt or pledge additional acceptable collateral to properly margin the debt in the approximate amount of \$458,000.00 additional collateral; and

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WHEREAS, the Tribal Council concludes that the excess collateral for the prior bond issue presently in the custody of First Interstate should be pledged to secure the \$3.6 million dollar line of credit loans presently past due and owing to the bank; and

WHEREAS, pursuant to the Tribal Constitution the Tribal Council has the authority to borrow money from any source and pledge or assign chattels or future tribal income as security therefore, to appropriate tribal funds for tribal purposes, and to manage all economic affairs and the enterprises of the Tribe including tribal lands, timber, and sawmills; specifically the Fort Apache Timber Company; and

WHEREAS, the United States Supreme Court and Arizona State Supreme Court have both recognized that the Fort Apache Timber Company is a governmental entity of the White Mountain Apache Tribe; and

WHEREAS, as such, and pursuant to the Tribal Constitution of the White Mountain Apache Tribe, the Tribal Council has plenary authority to pledge FATCO's securities, bonds, and monies now in possession of First Interstate to secure the \$3.6 million dollar line of credit indebtedness; and

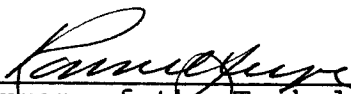
WHEREAS, pursuant to that authority, the Tribal Council concludes that said excess collateral now in the possession of the First Interstate Bank in the form of FATCO securities, bonds and funds should be immediately transferred as collateral security for the \$3.6 million dollar indebtedness.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby authorizes the First Interstate Bank to collateralize the \$3.6 million dollar credit line indebtedness arising from Loan Nos. 7043, 7044, and 7070 totalling \$3.6 million dollars with collateral presently held by the bank valued as of April 24, 1990, at \$6,955,288.

BE IT FURTHER RESOLVED by the Tribal Council that it hereby authorizes the Tribal Chairman and in his absence, the Vice Chairman, and the Tribal Treasurer and any other tribal official necessary, to sign any and all revision agreements or documents necessary to carry out the purposes of this resolution.

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The foregoing resolution was on May 31, 1990, duly adopted by a vote of eight for and zero against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article V, Section 1 (a) (b) (h) (i) (l) of the Amended Constitution and Bylaws of the Tribe, ratified by the Tribe June 27, 1958, and approved by the Secretary of the Interior on May 29, 1958, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat.984)

  
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Chairman of the Tribal Council

  
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Secretary of the Tribal Council

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JUN -5 1990

Fort Apache Indian Agency  
Whiteriver, Arizona