

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

Ratification and Endorsement of WMAHA WIFA Loans

- WHEREAS,** the White Mountain Apache Tribe of the Fort Apache Indian Reservation, Arizona (the "Tribe") is a federally recognized Indian Tribe organized pursuant to Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984); and
- WHEREAS,** the White Mountain Apache Housing Authority ("Housing Authority"), a non-profit corporate body organized and existing by virtue of the laws and ordinances of the Tribal Council of the Tribe, pursuant to the Constitution of the Tribe and the White Mountain Apache Housing and Construction Code (the "Housing Code"), is the "tribally designated housing entity" for the Tribe under NAHASDA and is authorized to issue obligations, from time to time, in furtherance of an essential public and governmental purpose; and
- WHEREAS,** the Housing Authority proposes to issue its obligations pursuant to Chapter 6 of the Housing Code, such obligations to be in the form of two loans (the "Loans") to the Authority from the Water Infrastructure Finance Authority of Arizona ("WIFA"), one (1) Loan to be in the amount of up to \$2,000,000 from WIFA's Clean Water Revolving Fund to obtain payment and reimbursement funds for upgrading and expanding the existing sewer system, and the other Loan to be in an amount of up to \$3,000,000 from WIFA's Drinking Water Revolving Fund to provide payment and reimbursement funds for upgrading and expanding the existing water system, in each case to support the affordable housing community clusters that the Housing Authority has developed and is developing, as part of its Apache Dawn Development; and
- WHEREAS,** the Loans (a) are to be payable from and secured by a pledge and assignment of, lien on, and security interest in, the administrative fees and rental payments due to the Housing Authority from all of its mutual help and rental housing units, excluding those rental payments on Apache Dawn housing units financed by HUD Section 184 mortgage loans (collectively, "Rental Payments") and (b) are to be guaranteed against default by the National Office of Native American Programs of the United States Department of Housing and Urban Development ("HUD/NONAP") under Title VI of NAHASDA; and
- WHEREAS,** on March 14, 2003, the Housing Authority resolved to approve the Loans; such Resolution (the "Loan Resolution") has been made available to the Tribal Council of the Tribe, and such Loan Resolution has been duly considered this date; and
- WHEREAS,** the Loan Resolution authorizes, among other things, the incurrence of the obligations represented by the Loans and the execution and delivery by the Housing Authority of

two (2) Loan Agreements, two (2) Promissory Notes, Cash Collateral Agreements for each of the Loans, and a Pledge, Assignment, and Security Agreement for both of the Loans, and such other documents as required by WIFA in connection with the Loans (the "Loan Documents"); and

WHEREAS, the Loan Documents also require that the Tribe's Utility Authority will operate and maintain the improvements as part of its utility infrastructure system in compliance with applicable laws and standards, and to make available records of the improvements funded through this transaction for inspection by WIFA representatives; and

WHEREAS, the terms, security and sources of payment for the Loans are as set forth in the Loan Documents; and

WHEREAS, the Tribal Council has received a briefing from Housing Authority staff concerning the loan transaction including a summary description of the Loan Documents and the terms and provisions thereof; and

WHEREAS, the Tribe, having previously delegated authority to the Housing Authority, pursuant to the Housing Code is not a party to the transaction, nor is it responsible or obligated under any term of the Loan Documents, but has nevertheless been requested by Housing Authority to reply and endorse the proposed transaction; and

WHEREAS, the Tribal Council supports the proposed transaction for the Housing Authority.

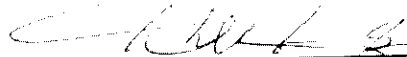
BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby endorses and ratifies the following:

Section 1. The borrowing by the Housing Authority of up to \$2,000,000 from WIFA's Clean Water Revolving Fund and of up to \$3,000,000 from WIFA's Drinking Water Revolving Fund by means of the Loans pursuant to the provisions of the Loan Documents, including, without limitation, the Loans being payable from and secured by a pledge and assignment of, lien on, and security interest, in the Rental Payments, and being guaranteed by HUD/NONAP under Title VI of NAHASDA, and the limited waiver of sovereign immunity by the Housing Authority as provided in the Loan Agreement, pursuant to the Housing Code.

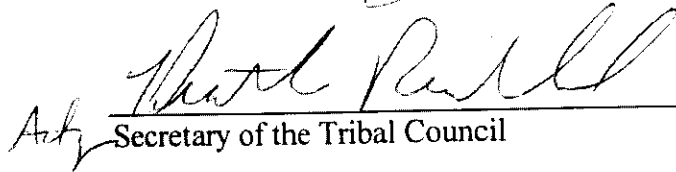
Section 2. The appropriate members of the Tribal Council of the Tribe are hereby authorized and directed to do all such things to execute and delivery all such documents on behalf of the Tribe as may be desirable or necessary to effectuate the intent of this Resolution and the Loan Resolution of the Housing Authority in connection with the Loans, including, without limitation, the Loan Documents.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that nothing within this Resolution shall be deemed to waive the sovereign immunity of the White Mountain Apache Tribe for any purpose, nor to make the Tribe a party to the transaction, nor to assume any obligations under the Loan Documents, except for the authorization hereby provided to agree to and sign the Utility Operating Agreement.

The foregoing resolution was on March 19, 2003 duly adopted by a vote of four for, three against and one abstention by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article IV, Section 1 (a), (i), (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