



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

**(Approving the Updated Master Lease for Project AZ 16-34 and authorizing the Housing Authority to sublease the Project Leasehold Property to the Tax Credit Partnership)**

**WHEREAS**, the White Mountain Apache Tribe ("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 the White Mountain Apache Tribal Council ("Tribal Council") is the governing body of the Tribe; and

**WHEREAS**, the White Mountain Apache Housing Authority ("Housing Authority") as the Tribally Designated Housing Entity of the Tribe is responsible for carrying out the Housing Plans of the Tribe (collectively, "IHP") and undertaking the development and operation of housing, pursuant to the provisions of the Native American Housing Assistance and Self-Determination Act of 1996 ("NAHASDA"); and

**WHEREAS**, the Housing Authority, in furtherance of its approve IHP, as adopted and amended to date under NAHASDA, has received an allocation of Tax Credits ("Tax Credits") from the Arizona Department of Housing ("ADOH"); which will permit the Housing Authority to cause the rehabilitation of forty one (41) dwelling units, comprising a portion of its previously developed housing project, known as Project No. AZ 16-34 ("Project"); and

**WHEREAS**, the Housing Authority has selected and approved the forty one (41) dwelling units within the Project to be rehabilitated, which dwelling units are located upon certain of the existing leasehold property of the Housing Authority, as more particularly described and set forth in Exhibit A attached hereto and incorporated herein ("Project Leasehold Property"); and

**WHEREAS**, in connection with the Tax Credit program as administered by ADOH under the applicable provisions of Section 42 of the Internal Revenue Code of 1986, as amended, it is necessary for the Housing Authority to sublease the Project Leasehold Property to an Arizona limited partnership to be known and identified as WMAHA Rehabilitation Limited Partnership #2 ("Tax Credit Partnership"), within which the Housing Authority will act as General Partner; and

**WHEREAS**, the Tribal Council, as the duly empowered and authorized governing body of the Tribe, believes it to be clearly in the best interests of the Tribe to adopt this Resolution (1) to permit and authorize the updated Master Lease for the forty one (41) dwelling units; and (2) to permit and authorize the sublease of the Project Leasehold Property from the Housing Authority to the Tax Credit Partnership.

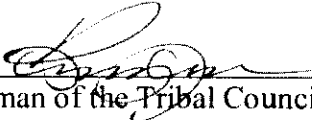
**BE IT RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that it hereby approves (1) the updated Master Lease for the forty one (41) dwelling units known as Project

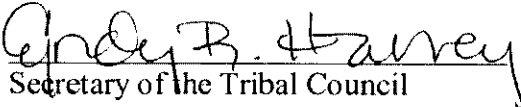
**Resolution No. 01-2007-26**

AZ 16-34 is hereby ratified, confirmed, and adopted, and (2) authorizes the Housing Authority to sublease the Project Leasehold Property to the Tax Credit Partnership.

**BE IT FURTHER RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that the Chairman, or in his absence the Vice-Chairwoman, is hereby authorized and directed to execute such documents, and to take such further actions, as he may deem necessary or appropriate in order to carry out the stated intent and purpose of this Resolution.

The foregoing resolution was on February 2, 2007, duly adopted by a vote of SIX 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), (c), (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).

  
Chairman of the Tribal Council

  
Secretary of the Tribal Council

Signatures of the members of the Tribal Council represent their approval of Tribal Council Resolution No. 02-2007-26 initiated the 2nd day of February 2007.

Presented Personally by Tribal Council Secretary (TCS)-Indicated by Initials

\_\_\_\_\_  
 Ronnie Lupe  
 Tribal Chairman

\_\_\_\_\_  
 Date Signed

\_\_\_\_\_  
 TCS Initials

\_\_\_\_\_  
 Margaret Baha-Walker  
 Vice Chairwoman

\_\_\_\_\_  
 Date Signed

\_\_\_\_\_  
 TCS Initials



02-02-07



Arnold Beach, Sr.  
 District I Council Member

\_\_\_\_\_  
 Date Signed

TCS Initials

\_\_\_\_\_  
 Evangeline Gatewood  
 District I Council Member

\_\_\_\_\_  
 Date Signed

\_\_\_\_\_  
 TCS Initials

\_\_\_\_\_  
 Lafe Altaha  
 District II Council Member

\_\_\_\_\_  
 Date Signed

\_\_\_\_\_  
 TCS Initials



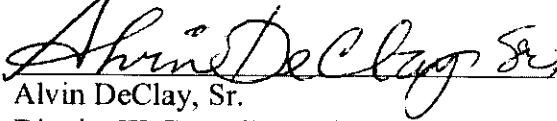
02-02-07



Victoria Brewer  
 District II Council Member

\_\_\_\_\_  
 Date Signed

TCS Initials



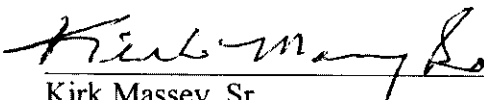
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Alvin DeClay, Sr.  
 District III Council Member

\_\_\_\_\_  
 Date Signed

TCS Initials



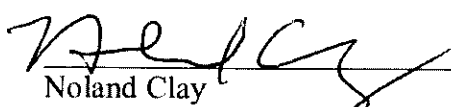
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Kirk Massey, Sr.  
 District III Council Member

\_\_\_\_\_  
 Date Signed

TCS Initials



2/2/07



Noland Clay  
 District IV Council Member

\_\_\_\_\_  
 Date Signed

TCS Initials

\_\_\_\_\_  
 Wayne Colelay, Jr.  
 District IV Council Member

\_\_\_\_\_  
 Date Signed

\_\_\_\_\_  
 TCS Initials



2-2-07

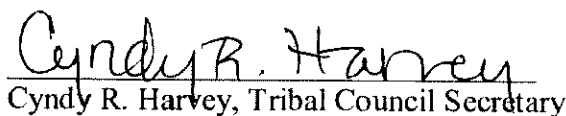


Reno Johnson, Sr.  
 District IV Council Member

\_\_\_\_\_  
 Date Signed

TCS Initials

ATTEST:

  
 Cyndy R. Harvey, Tribal Council Secretary

2.2.07

\_\_\_\_\_  
 Date Signed



**Memo**

**To:** Dallas Massey, Executive Director, WMAHA;  
WMA Tribal Council ; WMAHA Housing Board

**From:** Robin M. Thorne, Director of Asset Management

**Subject:** WMAHA Rehabilitation LP #2 (AZ 16-34)  
Low Income Housing Tax Credit Project

**Date:** 1/12/07

WMAHA Rehabilitation LP #2 (AZ 16-34) is a 41 unit Low Income Housing Tax Credit ("LIHTC") project that has been awarded \$492,480 in annual tax credits. This project is identical in its structure to the now completed WMAHA Rehabilitation LP (AZ 16-26).

In order to successfully close with the equity investor on the AZ 16-34 LIHTC project, it is necessary to establish that a long term lease exists between White Mountain Housing Authority ("WMAHA") and WMAHA Rehabilitation LP #2. The long term lease is accomplished by a Sublease between WMAHA and WMAHA Rehabilitation LP #2. The industry standard for the term of the lease is 50 years. Investors will not invest in LIHTC projects (i.e. purchase the tax credits) if the lease term is for less than 50 years.

Before the 50 year sublease can be executed between the housing authority and the limited partnership, the existing Master Lease must be valid for a term of 50 years. The current Master Lease for the AZ 16-34 was originally executed on 4/23/86 for two 25 year terms - a total of 50 years. However, 20 years have passed so the lease is now only effective for 30 years. Thus, the Master Lease must be redone in order to have the required 50 year term.

The estimated total investor contribution to the project is \$4.5 million dollars. This is not a loan - it is the price the investor will pay to purchase the tax credits. The project is currently under construction and several units have already had the rehabilitation work completed. As stated above, the Master Lease and Sublease that have been drafted for the AZ 16-34 are identical in format to the Master Lease and Sublease that were approved by the White Mountain Apache Tribe and the BIA for the successfully completed AZ 16-26 LIHTC project.

Please let us know if we can provide any additional documentation with regards to this issue. It is imperative that the lease documents be resolved as soon as possible in order to ensure closing with the investor in the 1<sup>st</sup> quarter of 2007. This project was originally scheduled to close with the investor in the first quarter of 2006. Closing was eventually extended through the last quarter of 2006, but due to the problems relating to the lease we have been unable to complete the due diligence requirements necessary to complete the closing with the investor. The investor has been very patient but they will not continue to indefinitely extend their closing deadlines. The lease issue must be resolved as soon as possible.

Resolution No. \_\_\_\_\_

**BOARD OF COMMISSIONERS OF THE  
WHITE MOUNTAIN APACHE HOUSING AUTHORITY**

**APPROVING THE UPDATED PROJECT AZ 16-34 MASTER LEASE  
AND SUBLEASE OF LEASEHOLD PROPERTY  
TO TAX CREDIT PARTNERSHIP**

**WHEREAS**, the White Mountain Apache Housing Authority ("Housing Authority") as the Tribally Designated Housing Entity ("TDHE") of the White Mountain Apache Tribe ("Tribe") is responsible for carrying out the Housing Plans of the Tribe (collectively, "IHP") and undertaking the development and operation of housing, pursuant to the provisions of the Native American Housing Assistance and Self-Determination Act of 1996 ("NAHASDA"); and

**WHEREAS**, the Housing Authority, in furtherance of its approved IHP, as adopted and amended to date under NAHASDA, has received an allocation of Tax Credits ("Tax Credits") from the Arizona Department of Housing ("ADOH"); which will permit the Housing Authority to cause the rehabilitation of forty one (41) dwelling units, comprising a portion of its previously developed housing project, known as Project No. AZ 16-34 ("Project"); and

**WHEREAS**, the Housing Authority, has selected and approved the forty one (41) dwelling units within the Project to be rehabilitated, which dwelling units are located upon certain of the existing leasehold property of the Housing Authority, as more particularly described and set forth in Exhibit A attached hereto and incorporated herein ("Project Leasehold Property"); and

**WHEREAS**, in connection with the Tax Credit program, as administered by ADOH under the applicable provisions of Section 42 of the Internal Revenue Code of 1986, as amended, it is necessary for the Housing Authority to sublease the Project Leasehold Property to an Arizona limited partnership to be known and identified as WMAHA Rehabilitation Limited Partnership #2 ("Tax Credit Partnership"), within which the Housing Authority will act as General Partner; and

**WHEREAS**, the Board of Commissioners ("Board") of the Housing Authority, as its duly empowered and authorized governing body, believes it to be clearly in the best interests of the Housing Authority to adopt this Resolution (1) to permit and authorize the updated Master Lease for the forty one (41) dwelling units;

and (2) to permit and authorize the sublease of the Project Leasehold Property from the Housing Authority to the Tax Credit Partnership.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the White Mountain Apache Housing Authority that (1) the updated Master Lease for the forty one (41) dwelling units know as Project AZ 16-34 is hereby ratified, confirmed, and adopted, and (2) the Housing Authority is hereby authorized, empowered, and directed to sublease the Project Leasehold Property to the Partnership.

**BE IT FURTHER RESOLVED** that Dallas Massey Sr., the Executive Director of the Housing Authority be, and he hereby is, authorized and directed, on behalf of the Housing Authority or the Partnership, as appropriate, (1) to execute any and all documents, including, without limitation a Sublease to the Partnership for the Project Leasehold Property, in the event the Tax Credits are awarded and allocated by ADOH for the Project, and (2) to execute such further documents, and to take such further actions, as he may deem necessary or appropriate in order to carry out the stated intent and purpose of this Resolution.

#### CERTIFICATION

I, the undersigned, hereby certify that the Board of Commissioners of the White Mountain Apache Housing Authority, at Whiteriver, Arizona, composed of five (5) members of whom \_\_\_\_ ( ) were present at a regular meeting held on the \_\_\_\_ day of January, 2007; and that this foregoing Resolution was duly adopted by the affirmative vote of \_\_\_\_ ( ) members of the Board of Commissioners.

\_\_\_\_\_  
Reno Johnson, Chairman

ATTEST:

Harriet Goklish  
Administrative Secretary

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
Bureau of Indian Affairs**

**LEASE**

Lease No. \_\_\_\_\_

THIS LEASE ("Lease") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2007, in Whiteriver, Arizona, by and between the WHITE MOUNTAIN APACHE TRIBE, a federally recognized tribe ("Lessor"), and the WHITE MOUNTAIN APACHE HOUSING AUTHORITY, the tribally designated housing entity of the Lessor ("Lessee"). This Lease shall be subject to the approval of the SECRETARY OF THE INTERIOR, or his authorized representative ("Secretary").

**RECITALS**

With respect To that certain rental housing Project owned and operated by the Lessee, and known and identified as Project AZ 16-34 ("Project AZ 16-34"), the Lessee desires to undertake its substantial rehabilitation through the vehicle of tax credit-assisted financing, pursuant to a tax credit allocation being made to the Lessee from the Arizona Department of Housing ("Project AZ 16-34 Tax Credit Financing"). In order to consummate the Project AZ 16-34 Tax Credit Financing, the Lessee will be required to Sub-lease Project AZ 16-34, and the lots comprising same ("Leased Premises"), to WMAHA Rehabilitation Limited Partnership #2, an Arizona limited partnership ("WMAHA Partnership"), within which the Lessee shall be designated, and act, as the General Partner. Upon completion of its substantial rehabilitation of Project AZ 16-34, the WMAHA Partnership desires to sub-lease the lots comprising the Leased Premises to qualified members of the White Mountain Apache Tribe.

By that certain Lease dated April 23, 1986, ("Prior Lease") the Lessor and the Lessee restated, ratified, confirmed, adopted, memorialized, and otherwise evidenced their prior leasehold arrangement for Project AZ 16-34, comprising the Leased Premises. However, subsequent to the execution by the Lessor and the Lessee of the Prior Lease, the parties have been made aware that additional provisions, including the extension of the term of the Prior Lease, are required in order for the Lessee to undertake the Project AZ 16-34 Tax Credit Financing.

Therefore, it is the present desire and intent of the parties to enter into this Lease, which (a) shall be deemed to restate, and supersede in its entirety, the terms and conditions of the Prior Lease, as well as any other previous leasehold arrangements that may have been in effect, from time to time, by and between the Lessor and the Lessee with respect to the Leased Premises, and (b) shall set forth the required additional provisions referenced above, in order to enable the Lessee to undertake the Project AZ 16-34 Tax Credit Financing.

**WITNESSETH:**

The parties hereto, for the consideration hereinafter mentioned, do covenant and agree as follows:

1. **LEASED PREMISES.** The Lessor hereby leases to the Lessee the following real property for Project AZ 16-34, situated within the Fort Apache Indian Reservation ("Leased Premises") and described as follows:

See Exhibit A attached hereto  
and incorporated herein ("Legal Description")

The above property, upon which Project AZ 16-34 has been developed by the Lessee, is comprised of rental dwellings for housing for qualified members of the White Mountain Apache Tribe.

2. **EFFECTIVE DATE OF LEASE FOR THE PREVIOUS PROJECTS.** Notwithstanding any term or condition of the Prior Lease, or any previous leasehold arrangements that may have been in effect, from time to time, by and between the Lessor and the Lessee with respect to the Leased Premises, the effective date of this Lease shall be the date upon which this Lease is fully executed by the parties and approved by the Secretary ("Effective Date").
3. **PURPOSE AND USE OF PREMISES.** Lessee shall use the Leased Premises for the sole purpose of owning, operating, and maintaining single unit residential rental housing for qualified members of the White Mountain Apache Tribe ("Occupants"), and for such other purposes, not inconsistent with the foregoing, as may be approved by the Lessor. Such housing units shall be located upon individual lots that, in the aggregate, constitute Project AZ 16-34 comprising the Leased Premises. It is further agreed by the parties that the Lessee may enter, or has entered, into Residential Rental Lease Agreements for Project AZ 16-34 with occupants who shall rent, or have rented the lots, and residential improvements constructed thereon, from the Lessee. Because the Lessee desires to undertake the substantial rehabilitation of Project AZ 16-34 through the vehicle of tax credit-assisted financing, the Lessee is hereby further authorized and permitted to sub-lease the Leased Premises constituting Project AZ 16-34, and the lots comprising same, to the WMAHA Partnership. Thereafter, the WMAHA Partnership is hereby authorized and permitted to sublease the lots comprising Project AZ 16-34 to qualified members of the White Mountain Apache Tribe.
4. **TERM.** Lessee shall have and hold the Leased Premises with its appurtenances for a term of 25 years commencing on the Effective Date. This Lease shall automatically and without notice renew for an additional term of 25 years on the same terms and conditions contained therein. So long as the Lessee remains obligated in any extent under the terms and conditions of the Amended and Restated Limited Partnership Agreement ("Partnership Agreement") for the WMAHA Partnership, and so long as any other obligation of the Lessee remains outstanding with respect to the Tax Credit-Assisted Financing, this Lease may not be terminated by either or both, parties, during the initial or renewal term of the Lease, without the prior written consent and approval of the WMAHA Partnership, its lender or tax credit investor limited partners, or any other financing entity which has provided or facilitated such tax credit financing (Collectively, "Project AZ 16-34 Tax Credit Entity").



5. **CONSIDERATION FOR LEASE.** In consideration of the Lessor entering into the Lease, the Lessee shall pay the Lessor for the use of the premises rent at the rate of One Dollar (\$1.00) for each 25 year term, payment to be made for each term in advance. It is agreed that there shall be no adjustment of the payments in the event that any part of the Leased Premises is taken by condemnation for highway or other public purposes. It is further agreed that this Lease or any part thereof including this paragraph shall not be construed to prejudice the rights or impair the prosecution of any claim of the Lessee arising out of such condemnation proceeding.
6. **ASSIGNMENT.** Except as otherwise provided herein, the Lessee shall not encumber or assign this Lease without the prior written approval of Lessor. The Lessor shall not execute a mortgage, declaration of trust or other security instrument pledging any portion of the Lessee's interest in this Lease or any Improvements on the Leased Premises ("Lessee's Interest") without the prior written consent of the Lessor and approval of the Secretary; except that, with the Lessor's and Secretary's approval, the Lessee or the WMAHA Partnership may execute and record mortgages, declarations of trust and/or other security instruments encumbering Lessee's Interest or the interest of WMAHA Partnership, as may be necessary to obtain and secure the tax credit financing for project AZ 16-34. The Project AZ 16-34 Tax Credit Financing may permit any Project AZ 16-34 Tax Credit Entity to foreclose or institute other appropriate proceedings under law in the event of default on any leasehold mortgage or other loan agreement by the Lessee or the WMAHA Partnership.

With respect to any leasehold mortgage or other loan agreement that secures the Project AZ 16-34 Tax Credit Financing, the following additional requirements shall be applicable:

- (a) The Lessee or the WMAHA Partnership shall not sell or otherwise assign this Lease without the prior written consent of the Lessor.
- (b) In the event the Project AZ 16-34 Tax Credit Entity acquires any leasehold mortgage and subsequently acquires any portion of the Lessee's Interest or the interest of the WMAHA Partnership by foreclosure, or by the assignment of any portion of the Lessee's Interest or the interest of the WMAHA Partnership, for which the approval of the Lessor is not required, then: (1) the Project AZ 16-34 Tax Credit Entity will notify the Lessor of the availability of such Lessee's Interest, or the interest of the WMAHA Partnership, for sale, the sales prices and other terms of sale; (2) The Project AZ 16-34 Tax Credit Entity may sell and/or transfer such portion of the Lessee's interest, or the interest of the WMAHA Partnership, held by it to the Lessor, the Lessee, or an enrolled member of the White Mountain Apache Tribe; (3) if a purchaser cannot be found, the Project AZ 16-34 Tax Credit Entity shall be entitled to sublease such portion of the Lessee's interest, or the interest of the WMAHA Partnership, held by it to the Lessor, the Lessee, or an enrolled member of the White Mountain Apache Tribe, in which event the term of the initial sublease period shall not exceed one (1) year each, and any purchaser must wait (where such portion of the Leased Premises are sublet) until the expiration of any current sublease, before occupying the same; (4) the Project AZ 16-34 Tax Credit Entity may not sell and/or transfer any portion of the Lessee's Interest, or the interest of the WMAHA Partnership, to any person or entity other than the Lessor, the Lessee, or an enrolled member of the White

Mountain Apache Tribe; and (5) no mortgagee, including any Project AZ 16-34 Tax Credit Entity, as assignee of any leasehold mortgage, may obtain title to any interest created by this Lease without prior written consent of the Lessor.

7. **LESSOR COVENANTS AND AGREEMENTS.** So long as the Lessee remains obligated in any extent under the terms and conditions of the Partnership Agreement for the Partnership, and so long as any other obligation of the Lessee remains outstanding with respect to the Project AZ 16-34 Tax Credit Financing, the Lessor agrees:

- (a) that it will not schedule a referendum of initiative to the Tribe's qualified voters for consideration of, or otherwise present or introduce to its Tribal Council, any statute, law, ordinance or rule, the effect of which, Or the compliance with which, would cause the dissolution or disincorporation of the Lessee, or otherwise cause the termination or suspension of the activities of the Lessee, as General Partner of the WMAHA Partnership,
- (b) that it will not schedule a referendum or initiative to the Tribe's qualified voters for consideration of, or otherwise present or introduce to its Tribal Council, any statute, law, ordinance or rule, the effect of which, or the compliance with which, would have a material adverse effect upon the rights of the Limited Partner of the WMAHA Partnership under the Partnership Agreement, or under any other document by which the Lessee remains bound, with respect to the Project AZ 16-34 Tax Credit Financing.
- (c) that it, and any of its representatives, political sub-units, agencies, instrumentalities, and councils, will not attempt to exercise, nor carry out, any power of eminent domain over the Leased Premises or any other property of the WMAHA Partnership.

8. **LEASEHOLD IMPROVEMENTS.** All improvements or construction on the Leased Premises shall be at the expense of the Lessee or its sublessee including the WMAHA Partnership. During the term of this Lease, all improvements on the Leased Premises shall be the property of the Lessee or for so long as the WMAHA Partnership is the Lessee's sublessee, the WMAHA Partnership. In addition to the installations and improvements, which Lessor has already placed on the Leased Premises, if any, the Lessee or its sublessee, the WMAHA Partnership, shall have the right to place on the Leased Premises at their own expense, such improvements as they may deem necessary to carry on the purposes authorized by this Lease or any sublease. Upon termination of this Lease, the Lessee and any Sublessee, shall have ninety (90) days to remove the improvements from the Leased Premises. Lessor agrees to give Lessee and its sublessees, reasonable access to the Leased Premises for such removal. If Lessee or its sublessees, does not remove the improvements within such ninety (90) day period, the improvements shall become the property of the Lessor.

9. **INSURANCE.** Lessee or its sublessee, shall obtain and pay for Owners', Landlords', and Tenants' Insurance adequate to cover public liability, excluding property damage, in amounts acceptable to the Lessor; and, as appropriate, to the Project AZ 16-34 Tax Credit Entity. It is understood and agreed that the term "Owners" includes both the United States and the Lessor. The Lessee and its assigns shall hold the Lessor and the United States harmless from any claim of whatsoever nature arising out of use or occupancy of the Leased Premises.
10. **RELINQUISHMENT OF SUPERVISION BY THE SECRETARY OF THE INTERIOR.** Nothing contained in this Lease shall operate to delay or prevent a termination of Federal trust responsibilities with respect to the land by the issuance of a fee patent or otherwise during the term of this Lease; however, such termination shall not serve to abrogate this Lease. The owners of the land and the Lessee shall be notified by the Secretary of any such change in the status of the land.
11. **SHARE BENEFIT FROM LEASE.** No member of Congress or any delegate thereto or any resident Commissioner shall be admitted to any share or part of this Lease or to any benefit that may arise from this Lease.
12. **VIOLATIONS OF LEASE.** It is understood and agreed that violation of this Lease shall be acted upon in accordance with the Regulations in 25 CFR 162, Leasing and Permitting.
13. **QUIET ENJOYMENT.** Lessor agrees to defend the title to the Leased Premises and also especially agrees that Lessee and its tenants shall peaceably and quietly hold, enjoy and occupy the Leased Premises for the duration of this Lease without any hindrance, interruption, ejection or molestation by Lessor or by any other person or persons whomsoever.
14. **SURRENDER OF POSSESSION.** If, upon expiration or other termination of this Lease, further use rights are not granted to the Lessee or its assigns by the Lessor, said Lessee or its assigns shall, upon demand, surrender to the Lessor complete and peaceable possession of the Leased Premises.
15. **UNLAWFUL CONDUCT.** The Lessee agrees not to use or cause to be used any part of said Leased Premises for any unlawful conduct or purposes.
16. **ASSENT NOT WAIVER OF FUTURE BREACH OF COVENANTS.** No assent, express or implied, to any breach of any of the Lessee's covenants, shall be deemed to be a waiver of any succeeding breach of any covenants.
17. **UPON WHOM BINDING.** It is understood and agreed that the covenants and agreements hereinbefore mentioned shall extend to and be binding upon the heirs, assigns, successors, executors, and administrators of the parties of this Lease. While the Leased Premises are in trust or restricted status, all of the Lessee's obligations under this Lease, and the obligations of its sureties, are to the United States as well as to the Lessor.
18. **APPROVAL.** It is further understood and agreed between the parties hereto that this Lease shall be valid and binding only after approval by the Secretary of the Interior, or his authorized representative.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands on the date first above written.

WHITE MOUNTAIN APACHE TRIBE  
("Lessor")

Attest:

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Its Chairman

WHITE MOUNTAIN APACHE HOUSING  
AUTHORITY ("Lessee")

By: \_\_\_\_\_  
Dallas Massey Sr., Executive Director

APPROVED:  
SECRETARY OF THE INTERIOR

Date: \_\_\_\_\_

\_\_\_\_\_  
Superintendent, Fort Apache Agency  
UNITED STATES DEPARTMENT OF THE INTERIOR  
Pursuant to the Authority delegated to the Assistant  
Secretary-Indian Affairs by 209DM 8, 230 DM 1, and  
to the Western Regional Director by 3 IAM 4  
(Release No. 99-03), and to the Superintendent/  
Field Representative by 10 BIAM 11, as amended  
by Western Regional Release No. 97-1, including any  
authority that may have been delegated by the  
Issuance of the new Departmental Manual (release number  
3569 through 3589), dated April 21, 2003.

**EXHIBIT A**

**Description of Leased Premises  
(Project AZ 16-34)**

## SUBLEASE

THIS SUBLEASE is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2006, between **WMAHA REHABILITATION LIMITED PARTNERSHIP #2**, an Arizona limited partnership (the "Sublessee"), and **WHITE MOUNTAIN APACHE HOUSING AUTHORITY**, a tribally designated housing entity (the "Sublessor").

### RECITALS

- A. Sublessor is the tenant under that certain lease dated as of April 23, 1986 (the "Master Lease") by and between White Mountain Apache Housing Authority and the **WHITE MOUNTAIN APACHE TRIBE** (the "Landlord") pursuant to which Sublessor leases the premises described therein consisting of land legally described on Exhibit A attached hereto (the "Leased Premises").
- B. Sublessor and Sublessee desire to enter into a sublease arrangement, whereby Sublessor leases the Leased Premises to Sublessee.

NOW, THEREFORE, in consideration of the foregoing, the covenants of the parties hereinafter expressed, and other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

1. **Premises/Term.** Sublessor hereby leases to Sublessee and Sublessee hereby leases from Sublessor, the Leased Premises. This Sublease shall become effective, and the term hereof shall commence as of the effective date hereof provided that (a) all parties hereto have executed this Sublease, and (b) Landlord has consented, in writing, to this Sublease. The term of this Sublease shall end upon the expiration hereof or earlier termination of the lease term under the Master Lease.
2. **Rent.** As rent for the Leased Premises, Sublessee agrees to pay to Landlord all amounts due under the Master Lease.
3. **Quiet Enjoyment.** Sublessor covenants and agrees with Sublessee that, subject to the terms of the Master Lease, upon Sublessee's paying rent and keeping, paying and performing all terms, covenants and conditions of this Sublease to be kept, paid and performed by Sublessee, Sublessee shall and may, except for reasons beyond the control of Sublessor, peaceably and quietly have and hold the Subleased Premises for the term hereof.

Notwithstanding the above, Landlord and Sublessor, and their respective agents and representatives, shall, upon reasonable notice to Sublessee, have the right to enter the Leased Premises, (excluding the interior of any housing unit), for the purpose of inspecting the Leased Premises.

4. **Incorporation of Master Lease.** This Sublease is subject and subordinate to the Master Lease and Sublessee agrees to observe and be bound by all of the

terms of the Master Lease as fully as if Sublessee were the tenant named therein. In case of any breach hereof by Sublessee, Sublessor shall have all the rights against Sublessee as would be available to the landlord against the tenant under the Master Lease if such breach were by the lessee thereunder, and Sublessor shall also have any other rights or remedies available to lessors at law or in equity.

It is agreed that (i) Sublessor's obligations to Sublessee hereunder with respect to the Subleased Premises shall be no greater than the Landlord's obligation to Sublessor under the Master Lease with respect thereto; (ii) Sublessor shall be required to perform its obligations to Sublessee hereunder with respect to the Leased Premises only to the extent that the Landlord has performed its similar obligations to Sublessor under the Master Lease with respect thereto; (iii) Sublessee shall have no greater rights against Sublessor hereunder with respect to the Leased Premises than Sublessor has against the Landlord under the Master Lease with respect thereto; and (iv) in the event that Sublessee shall be entitled to recover damages for Sublessor's failure to perform Sublessor's obligations to Sublessee hereunder caused by Landlord's failure to perform Landlord's obligations under the Master Lease, Sublessee may so recover only to the extent that Sublessor has succeeded in recovering from the Landlord for Landlord's failure to perform its obligations to Sublessor under the Master Lease.

5. **No Mortgages.** Sublessee shall not have the right to mortgage, hypothecate or otherwise encumber any estate, interest or equity Sublessee may have in any building, substructures, or improvements constructed on the Subleased Premises, without prior written consent of Sublessor and, to the extent required by the Master Lease, Landlord. Sublessor hereby consents to a mortgage on the Leased Premises in favor of White Mountain Apache Housing Authority securing a loan in the original principal amount of \$1,656,000 for the acquisition of the forty-one (41) buildings on the Leased Premises.
6. **Assignment of Sublease.** Sublessee may not assign its interest in this Sublease or sublet the Subleased Premises or any part thereof or interest therein without prior, written consent of Sublessor.
7. **Default.** If (i) Sublessee fail to pay Sublessor the Rent or any other sum due under this Sublease when due, or (ii) any default under the Master Lease occurs, then Sublessee shall be in default under this Sublease. In such event, Sublessor shall have all rights and remedies against Sublessee as the Landlord has against Sublessor under the Master Lease. In addition to the remedies set forth in the Master Lease, Sublessor shall have the right, but not the obligation, to cure any default of Sublessee, and to charge the cost thereof to Sublessee, with interest accruing thereon at the rate of twelve percent (12%) per annum.

If any default is not cured within thirty (30) days after notice from Sublessor, in the case of a monetary default, or within ninety (90) days after notice to Sublessee and the limited partner of Sublessee ("Limited Partner") from Sublessor, in the case of a non-monetary default, in addition to all other rights and remedies Sublessor may have, Sublessor may terminate this Sublease and may take possession of the Subleased Premises. Sublessor agrees that Limited Partner shall have the right but not the obligation to cure any default hereunder.

8. **Notices.** All notices, demands or requests shall be in writing, and shall be effectively served when delivered personally to an officer of the relevant corporation or at the time of mailing by certified or registered mail, postage prepaid to the following addresses, or at such other address as either party may hereinafter designate by like notice. Any notice, demand or request to the Landlord shall be in accordance with the Master Lease.

If to Sublessor:            White Mountain Apache Housing Authority  
                                         50 W. Chinatown Street, P.O. Box 1270  
                                         Whiteriver, Arizona 85941  
                                         Attention: Dallas Massey Sr.

If to Sublessee:            WMAHA Rehabilitation Limited Partnership  
                                         c/o White Mountain Apache Housing Authority  
                                         50 W. Chinatown Street, P.O. Box 1270  
                                         Whiteriver, Arizona 85941  
                                         Attention: Dallas Massey Sr.

If to Limited Partner:    Washington Mutual Bank  
                                         350 South Grand Avenue  
                                         Suite 3400  
                                         543CLCA  
                                         Los Angeles, CA 90071  
                                         Attention: Deloris Clarke

With a copy to:

Washington Mutual Bank  
9200 Oakdale Avenue  
7<sup>th</sup> Floor  
Chatsworth, CA 91311  
Attention: Anward Kim

9. **Severability.** If the application of any provision of this Sublease, or any paragraph, sentence, clause, phrase or word in any circumstance is held invalid, the validity of the remainder of this Sublease shall not be affected



thereby, and the remainder shall be construed as if such invalid part were never included in the Sublease.

10. **Captions.** The captions in this Sublease are for convenience and reference only, and in no way define, limit or describe the scope or intent of this Sublease nor in any way affect this Sublease.
11. **Entire Agreement.** This Sublease contains the entire agreement of the parties, and may not be modified or amended except by a writing signed by all of the parties hereto.
12. **Successors and Assigns Bound.** This Sublease shall be binding upon and inure to the benefit of the heirs, representatives, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Sublease to be executed as of the day and year first above written.

<b>SUBLESSOR:</b>	WHITE MOUNTAIN APACHE HOUSING AUTHORITY
	By: _____ Name: Dallas Massey Sr. Its: Executive Director
<b>SUBLEESSEE:</b>	WMAHA REHABILITATION LIMITED PARTNERSHIP #2
	By: White Mountain Apache Housing Authority Its: General Partner
	By: _____ Name: Dallas Massey Sr. Its: Executive Director

STATE OF ARIZONA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2006 by Dallas Massey Sr., the Executive Director of White Mountain Apache Housing Authority, a tribally designated housing entity, on behalf of the housing entity.

\_\_\_\_\_  
Notary Public

STATE OF ARIZONA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2006 by Dallas Massey Sr., the Executive Director of White Mountain Apache Housing Authority, a tribally designated housing entity, General Partner of WMAHA Rehabilitation Limited Partnership #2, an Arizona limited partnership, on behalf of the limited partnership.

\_\_\_\_\_  
Notary Public

The within sublease is hereby approved:

SECRETARY OF THE INTERIOR

Title: \_\_\_\_\_

Agency: \_\_\_\_\_

Date: \_\_\_\_\_, 2006

**CONSENT TO SUBLEASE**

The undersigned, as Landlord under the aforementioned Master Lease, hereby consents to the subletting of the Leased Premises described herein on the terms and conditions contained in this Sublease.

This consent shall apply only to this Sublease and shall not be deemed to be a consent to any other sublease.

	<b>LANDLORD:</b>
	<b>WHITE MOUNTAIN APACHE TRIBE</b>
	By: _____ Name: _____ Its _____

**EXHIBIT A**

**Legal Description of the Leased Premises**