



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

**(Authorization to Enter into a Lease Agreement with Sandia Oil Company
to Operate Gas Station and Convenience Stores)**

- WHEREAS,** pursuant to Article IV, Section 1(a) and 1(s) of the Constitution of the White Mountain Apache Tribe, *inter alia*, the Tribal Council has the authority to represent the Tribe and act in all matters that concern the welfare of the Tribe; and
- WHEREAS,** the White Mountain Apache Tribe owns and operates several gas station and convenience stores including stores located at Carrizo, Cedar Creek, Canyon Day, Seven Mile and North Fork communities; and
- WHEREAS,** for several years the Tribe has operated the stores in a profitable manner that provided employment for tribal members; and
- WHEREAS,** because of the recession in the national and local economies, the Tribe has seen revenue from several enterprises decrease and in response to the decrease in revenue, the Tribe has made significant cuts to social services and employee benefits and has adjusted its economic plan to maintain essential government services while positioning itself for an eventual economic recovery; and
- WHEREAS,** to effectuate this plan the Tribe has had to downsize certain enterprises and reallocate resources and delayed investment in proper security systems and refrigeration equipment for the gas station and convenience stores, and the Tribe has had trouble maintaining fuel supplies and inventory for the stores which has led to complaints from community members; and
- WHEREAS,** the Tribe considered several options for the gas station convenience stores including changing fuel suppliers, discontinuing fuel sales, shutting down certain stores, and leasing the stores to a private company to operate; and
- WHEREAS,** in late 2010, Sandia Oil Company, Inc. approached the Tribe with a proposal to lease and operate five of the Tribe's gas station convenience stores, including the stores located at Carrizo, Cedar Creek, Canyon Day, Seven Mile and North Fork; and
- WHEREAS,** the Tribal Council directed staff to enter into discussions with Sandia Oil Company; and
- WHEREAS,** Sandia Oil Company has significant experience operating gas station and convenience stores in New Mexico and Arizona, including several on the Navajo Nation and staff for the Tribe did visit at least two stores operated by Sandia Oil Company, discussed

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their track record with officials from the Navajo Nation and verified the corporation was in good standing; and

WHEREAS, after several discussions regarding lease terms and other conditions, Doug Adams, President of Sandia Oil Company, has this day presented to the Tribal Council a negotiated proposal to lease the stores; and

WHEREAS, the proposal benefits the Tribe by providing consistent revenue in the form of rent, tax from sales at the stores, and licensing fees; and

WHEREAS, the Tribe will also benefit because the stores will provide employment and a valuable commercial service to Tribal members, many of whom depend on convenient groceries and fuel supplies; and

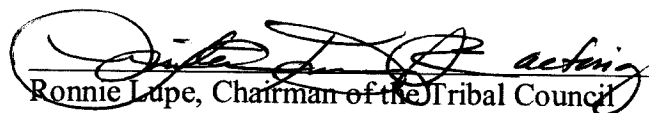
WHEREAS, after extensive discussions with the executives of Sandia Oil Company, the Tribal Council determined that lease of the Carrizo, Cedar Creek, Canyon Day, Seven Mile and North Fork gas stations and convenience stores to Sandia Oil Company is in the Tribe's best interest.

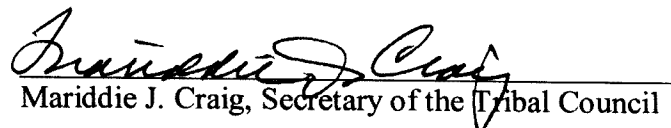
BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby agrees to enter into a lease agreement with Sandia Oil Company, Inc. to operate five of the Tribe's gas station convenience stores, including the stores located at Carrizo, Cedar Creek, Canyon Day, Seven Mile and North Fork communities. The Tribe will receive the benefit of consistent revenue in the form of rent, tax from sales at the stores, and licensing fees. The Tribe will also benefit from employment of several tribal members who otherwise may have been unemployed if the stores were closed. Furthermore, the stores will provide a valuable commercial service to tribal members, many of whom depend on convenient groceries and fuel supplies.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that in the event that this Resolution conflicts with a prior Resolution or Policy, this Resolution shall govern.

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

The foregoing resolution was on **JANUARY 20, 2011** duly adopted by a vote of **SEVEN** for and **THREE** 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), (c), (h), (i), (k), (n) 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).


Ronnie Lupe, Chairman of the Tribal Council


Mariddie J. Craig, Secretary of the Tribal Council