



WHITE MOUNTAIN APACHE TRIBE

A Sovereign Tribal Nation

(Authorizing Establishment of a Reserve Fund for WMATCO)

- WHEREAS,** the WMATCO tax credit financing in 2013 was instrumental in reopening the Tribe's sawmill facility, but the financing conditions have prevented WMATCO from obtaining a line of credit in the commercial market; and
- WHEREAS,** the WMATCO management team advises that a line of credit, or similar access to funds for periodic cash needs, would be a great enhancement to WMATCO's operational stability; and
- WHEREAS,** most viable commercial enterprises rely on lines of credit for cashflow needs, including the former FATCO sawmill company which had a \$4 million line of credit through the Tribe; and
- WHEREAS,** WMATCO proposes and requests a Tribal reserve fund that it could use as a revolving fund to draw from when needed to support cash flow with interest and repayment terms to restore the fund; and
- WHEREAS,** the reserve fund would operate in a similar manner as a commercial line of credit, with interest paid to the Tribe and draws by WMATCO limited by inventory values as calculated under accepted industry standards; however, due to tax credit restrictions, no lien rights would attach to the inventory; and
- WHEREAS,** the reserve fund will allow the Tribe to receive interest income on the funds, provide substantial benefits to WMATCO, and further carryout the objectives of the tax credit financing.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby authorizes establishment of a reserve fund of \$1 million derived from the carbon credit fund for the benefit of WMATCO, subject to the conditions in the term sheet reviewed this date, and to a written statement and a working budget that must be kept prior to each draw down.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that funds drawn from the reserve may be used for operational costs only, and not salaries, and specifically, the costs for logging for the acquisition of a log supply for the mill.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that in the event of a conflict between the tax credit financing conditions and the reserve fund conditions, the conditions of the tax credit financing shall prevail.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that this authorization for the reserve fund is separate and distinct from prior Council authorization to subsidize

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WMATCO operations, and accordingly, the subsidy authorization remains in effect and unchanged by this Resolution.

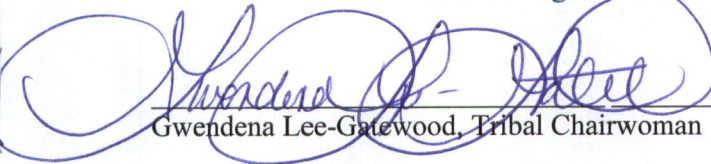
BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it directs and authorizes the Tribal Chairwoman, in consultation with the Attorney General, to complete and execute an agreement on behalf of the Tribe with WMATCO to memorialize the conditions for the reserve fund, provided such conditions are consistent with the term sheet and this Resolution.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that in the event this Resolution directly conflicts with the Tribal Constitution, Tribal Ordinances, or any material facts concerning the issues presented are later found to be false, this Resolution shall be deemed null and void and have no legal effect.

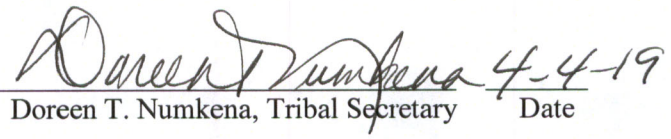
BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby directs that in the event that this Resolution conflicts with a prior Resolution or Policy, this Resolution shall supersede and govern over the conflicting subject matter.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that the Chairwoman, or in her 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 **FEBRUARY 20, 2019** duly adopted by a vote of **TEN** for, **ZERO** against, and **ONE** abstentions by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it under the enumerated powers listed in Article IV, Section 1 of the WMAT Constitution, so ratified on September 30, 1993, and federally recognized pursuant to Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984).


Gwendena Lee-Gatewood, Tribal Chairwoman

4.3.19
Date


Doreen T. Numkena, Tribal Secretary

4-4-19
Date