



WHITE MOUNTAIN APACHE TRIBE

A Sovereign Tribal Nation

(Approving the Unwind of the New Market Tax Credit Financing For WMATCO)

- WHEREAS,** The Constitution of the White Mountain Apache Tribe (“Tribe”) of the Fort Apache Indian Reservation provides, at Article IV, Section 1(i) that the Tribal Council (“Council”) shall exercise the power, “to manage all economic affairs and enterprises of the Tribe”; and
- WHEREAS,** On May 20, 2013, the Tribal Council established White Mountain Apache Timber Company, LLC (“WMATCO”), as a wholly owned company of the Tribe to oversee and operate the Tribe’s sawmill enterprise; and
- WHEREAS,** On September 4, 2013, the Tribal Council approved a financing transaction under the federal New Market Tax Credit (“NMTC”) program to enable WMATCO to fund capital improvements and initial operating expenses to resume operations of the sawmill through a loan agreement from the NMTC funding parties and WMATCO; and
- WHEREAS,** The NMTC transaction imposes a seven-year compliance period during which the Tribe and WMATCO must comply with numerous restrictions and reporting requirements; and
- WHEREAS,** During the compliance period the loan agreement and related transaction documents require that all WMATCO assets and certain assets of the Tribe be pledged as collateral and that WMATCO make interest payments on the outstanding loan amount; and
- WHEREAS,** The NMTC financing was sufficient to provide only limited upgrades to the mill, so that the enterprise has remained unprofitable and requires regular cash infusions from the Tribe to maintain operations; and
- WHEREAS,** In order to increase the funding, the parties entered into a loan amendment with the NMTC funding parties in 2015 to release an additional \$600,000 to WMATCO from funds held to pay transaction fees at the end of the seven-year compliance period, with such loan amendment amount to be repaid at that time; and
- WHEREAS,** After the seven-year compliance period, the Tribe has the option to acquire WMATCO’s loan obligations under an assignment from the NMTC funding parties and “unwind” the NMTC transaction and all compliance provisions; and
- WHEREAS,** The unwind of the NMTC transaction would occur through the exercise of a “Put Option” and result in the assignment of all outstanding loan obligations and collateral rights to the

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Tribe, such that no other party would hold enforcement rights against the Tribe or its assets or WMATCO because of the NMTC financing; and

WHEREAS, The assignment of all loan obligations and collateral rights and the unwind of the transaction requires payment to the NMTC funding parties of outstanding principal of the loan amendment amount, plus remaining fees and interest payments as shown below; and

WHEREAS, The Tribal Council recognizes the importance to the Tribe's long-term economic interest to exercise governance and control over its commercial timber operations without the potential for adverse third-party enforcement action or the continued payment and reporting and related compliance obligations as required under the NMTC transaction terms.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby authorizes the steps and the execution and delivery of documents by the Tribe to unwind the NMTC financing transaction through and including the Put/Call Option Agreement and those identified in Exhibit A to this Resolution (attached and incorporated herein), with the unwind to occur on or about September 11, 2020.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it authorizes and directs the payments in the following approximate amounts be issued by the Tribe when the final exact amounts are known, and to be issued no later than September 11, 2020, to the NMTC funding parties as a condition of the unwind:

\$1,000 for the Put Option transaction;
\$31,000 interest payment and fees and costs to RDP 18; and
\$37,240 interest payment and fees and costs to RDP 19; and
\$664,000 interest and principal payment and fees and costs to CCM; and
For a total of \$733,480 as the approximate full payment amount.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it authorizes the use of electronic signatures by the parties for the execution of the documents for the unwind transaction.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that the Tribal Business Office and WMATCO shall promptly prepare and provide any remaining reporting that is required for compliance with the NMTC conditions, and if not completed by the date of the unwind, that it be completed as soon as possible after the unwind.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that authorizes the WMATCO Board of Directors to execute and deliver any documentation required on behalf of WMATCO to complete the NMTC unwind and to further the intent of this Resolution.

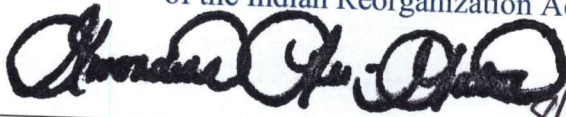
BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that at a later date after the unwind is completed, the Tribal Council will take up consideration about the maintenance of the loan obligations by WMATCO and the continuation of recorded collateral rights pertaining to the loans.

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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 AUGUST 10, 2020 duly adopted by a vote of NINE for, ZERO against, and ZERO 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

8/12/2020
Date



Doreen T. Numkena
Tribal Secretary

8-12-2020
Date

EXHIBIT A

CCML Documents

1. Assignment and Assumption Agreement
2. Assignment of Mortgage and Security Interest
3. PN A-3 Allonge by CCM V
4. PN B-3 Allonge by CCM V
5. Redemption Agreement

RDP Documents

1. Allonge PN A-1, RDP 18
2. Allonge PN A-2, RDP 19
3. Allonge PN B-1, RDP 18
4. Allonge PN B-2, RDP 19
5. Assignment of Loan Docs RDP 18
6. Assignment of Loan Docs RDP 19
7. CDE Redemption Agreement

US Bank Documents

1. Confirmation and Reaffirmation of NMTC Indemnification Agreement
2. Authorization for Electronic Signatures.
3. Lost Note Affidavit
4. Membership Interest Purchase Agreement