

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

WHEREAS, the Tribal Council, through the McNary Redevelopment Committee and Southwest Forest Industries, Inc. have been negotiating a cancellation of the McNary mill and townsite lease prior to its expiration in 1990; and

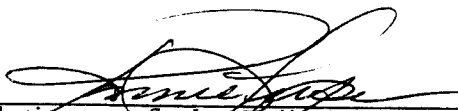
WHEREAS, after a series of proposals and counter-proposals, Southwest Forest Industries, Inc. has proposed a counter offer in response to the McNary Redevelopment Committee's following proposal: that the Tribe receive \$175,000.00 in one payment to initiate the cleanup of the mill site; that the Tribe be deeded in fee simple, wells located off the reservation so that the wells and land necessary to maintain the wells be placed in trust as part of the reservation; that the Tribe be granted the salvage value and title to all property and equipment remaining on the leased premises; that a five-year chip contract be entered into with Fort Apache Timber Company and Southwest Forest Industries, Inc; that Southwest Forest Industries, Inc. foreclose on Galbraith Corporation's interest in the lease and assign all rights against Galbraith to the White Mountain Apache Tribe; and the Tribal Council having considered this counter proposal, and

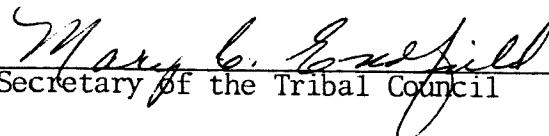
WHEREAS, the Tribal Council accepts the proposal regarding the \$175,000.00; the deed to the wells off the reservation, abandonment of Southwest Forest Industries, Inc. of all equipment and salvage value in the leased area, and foreclosed Galbraith's interest, but in reply proposes that Southwest Forest Industries, Inc. send a legal notice to all lessees of the McNary lease site that their lease are terminated within one year of the termination of the mill site lease and that Southwest Forest Industries, Inc. explain in a letter to each lessee the legal consequences of termination of the master lease, and

WHEREAS, the Tribal Council is aware of the informal policy against entering into a chip contract for more than three (3) years and recommends, instead of five-year chip contract as proposed by Southwest Forest Industries, Inc. that Fort Apache Timber Company enter into a three-year chip contract with an option to renew for two or three-year period.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby directs the Tribal Attorney to contact the negotiating representative for Southwest Forest Industries, Inc., John Greene and advise him that the Tribe accepts the proposal from Southwest Forest Industries, Inc. regarding wells, abandonment of equipment and salvage value and \$175,000.00 as considered for cancellation of the lease, but proposes that the cancellation of the lease be further conditioned upon a notice from Southwest Forest Industries, Inc. to the lessees of the McNary townsite that the master lease has been terminated and that certain legal consequences will flow from the result of the cancellation of the McNary lease and as a further condition that the Fort Apache Timber Company enter into a three-year contract with Southwest Forest Industries, Inc. with an option to renew the contract for a two or three-year period, the details of which to be negotiated between Hal Butler, General Manager of the Fort Apache Timber Company and Southwest Forest Industries, Inc.

The foregoing resolution was on December 02, 1982 duly adopted by a vote of 9 for and 0 against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article V, Section 1 (i) of the Amended Constitution and By-Laws of the Tribe, ratified by the Tribe June 27, 1958 and approved by the Secretary of the Interior on May 29, 1958, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).


Chairman of the Tribal Council


Secretary of the Tribal Council

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DEC 08 1982

FORT APACHE INDIAN
AGENCY
WHITERIVER, ARIZ

Resolution NO. 82-291