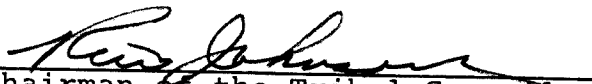


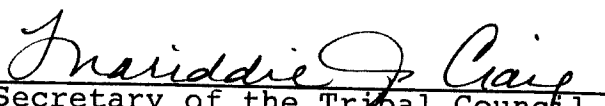
RESOLUTION OF THE
WHITE MOUNTAIN APACHE TRIBE OF THE
FORT APACHE INDIAN RESERVATION

WHEREAS, Resolution No. 73-100, and contracts prepared pursuant thereto, requires at least an annual revaluation of the stumpage rates for the Fort Apache Timber Company.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that Fort Apache Timber Company continue to be charged at those rates made effective May 1, 1988 by Tribal Resolution No. 05-88-152.

The foregoing resolution was on September 20, 1989, duly adopted by a vote of SIX for and ONE 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 Bylaws 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

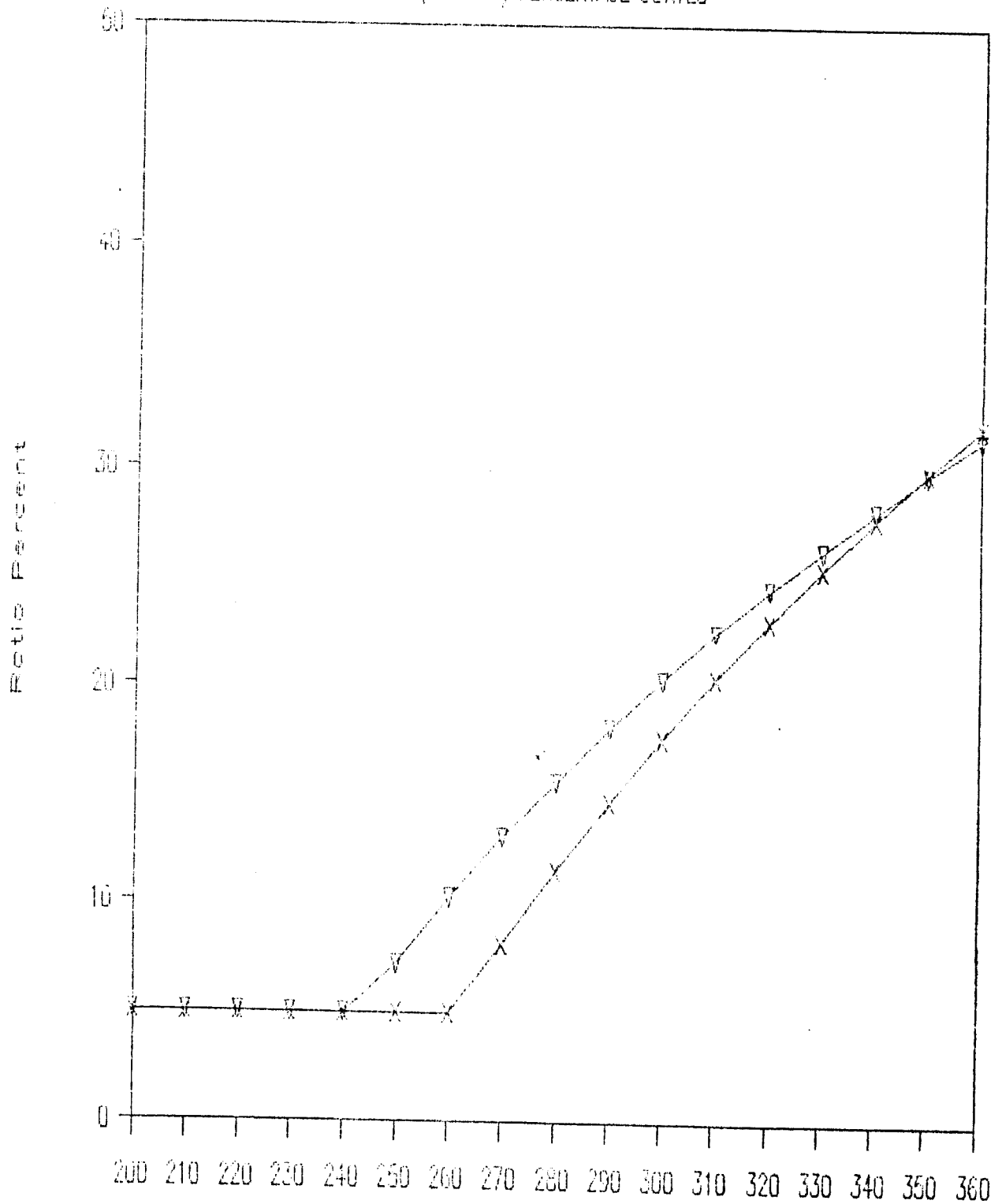
RECEIVED

OCT - 5 1989

Fort Apache Indian Agency
Winteriver, Arizona

COMPARISON OF 1989 PROPOSED vs EXISTING

RATIO (ROYALTY) PERCENTAGE CURVES



Selling Value (L.T.)

x PROPOSED

▽ 1988 (Existing)

EFFECT OF CHANGING TO PROPOSED RATIO RATES
(from those currently in effect)

Assumptions:

1. Selling Value = \$305
2. 75 million board feet sold during the year

If calculated under current rates, (those in effect now):

Stumpage would be: \$5,124,000

Minus 10% and 13%: \$4,012,092

If calculated under proposed rates:

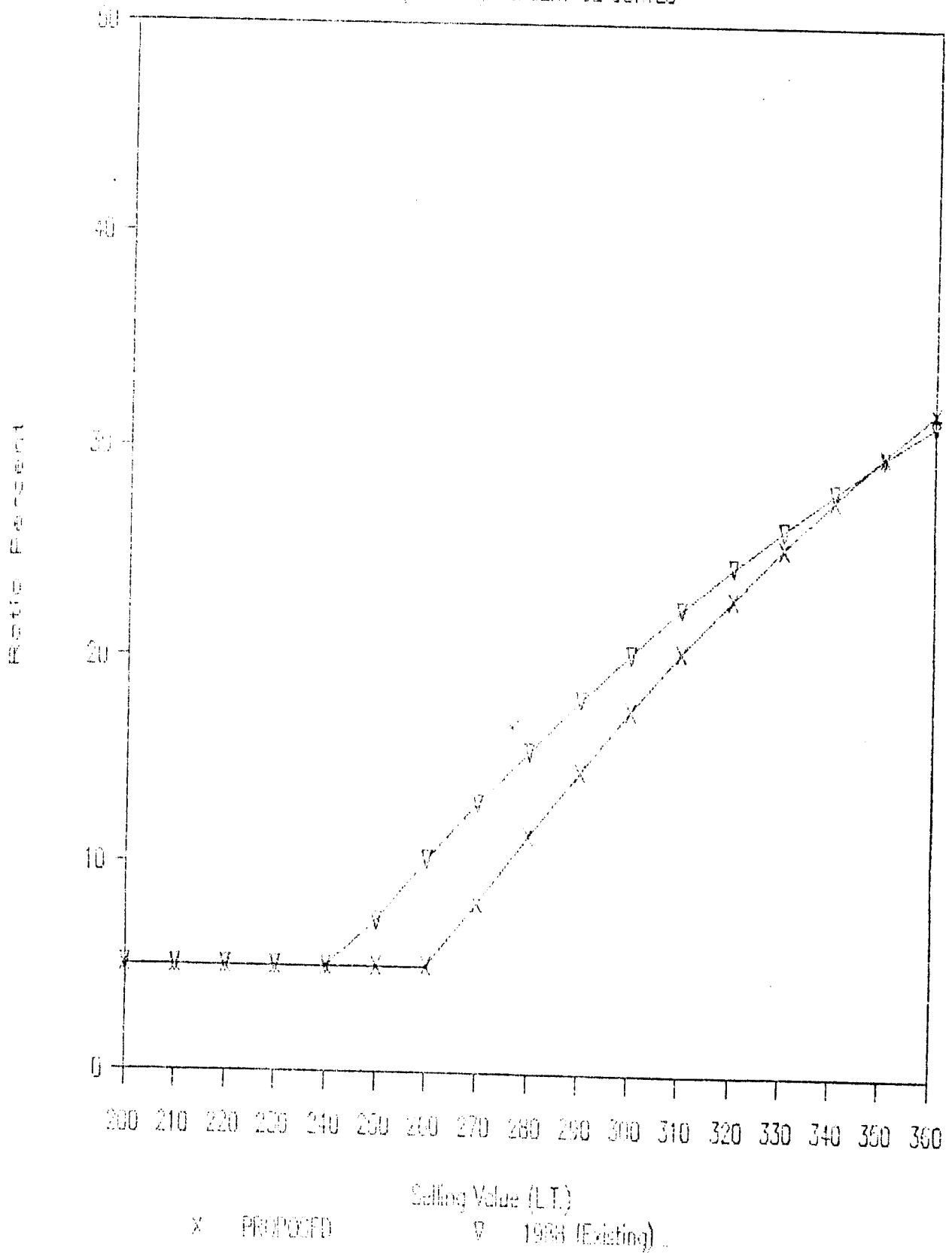
Stumpage would be: \$4,643,625

Minus 10% and 13%: \$3,635,958

| NET DIFFERENCE TO THE TRIBE: \$376,134 |

COMPARISON OF 1989 PROPOSED vs EXISTING

WIND (ROYALTY) PERCENTAGE CURVES



EFFECT OF CHANGING TO PROPOSED RATIO RATES
(from those currently in effect)

Assumptions:

1. Selling Value = \$305
2. 75 million board feet sold during the year

If calculated under current rates, (those in effect now):

Stumpage would be: \$5,124,000

Minus 10% and 13%: \$4,012,092

If calculated under proposed rates:

Stumpage would be: \$4,643,625

Minus 10% and 13%: \$3,635,958

| NET DIFFERENCE TO THE TRIBE: \$376,134 |

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

WHEREAS, Resolution No. 73-100, and contracts prepared pursuant thereto, requires at least an annual revaluation of the stumpage rates for the Fort Apache Timber Company and

WHEREAS, the Bureau of Indian Affairs, after considering the determination of an equitable stumpage rate, recommends that Fort Apache Timber Company be charged effective May 1, 1988, at appraised rates that are less than those currently in effect; and

WHEREAS, the Tribal Council recognizes a need to charge FATCO at stumpage rates that are higher than those currently in effect.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that Fort Apache Timber Company be charged, effective May 1, 1988, the following stumpage rates:

Lumber Prices less
purchased lumber
and cut stock sales.

Ratio (Royalty) Percentage to
be charged for lumber and
chip sales. F.O.B. Mill

Less than \$245.00
\$245.00 - \$254.99
\$255.00 - \$264.99
\$265.00 - \$274.99
\$275.00 - \$284.99
\$285.00 - \$294.99
\$295.00 - \$304.99
\$305.00 - \$314.99
\$315.00 - \$324.99
\$325.00 - \$334.99
\$335.00 - \$344.99
\$345.00 - \$354.99
\$355.00 - \$359.99

	PROPOSED 1989	1988	1989	Diff.
		\$/MBF	\$/MBF	\$/MBF
5.0%				
7.2%				
10.2%	5.0	26.52	13.00	-13.5
13.0%	8.1	35.10	21.87	-13.2
15.5%	11.4	43.40	31.92	-11.4
18.0%	14.6	52.20	42.34	-9.8
20.2%	17.5	60.60	52.50	-8.10
22.4%	20.3	69.44	62.93	-6.51
24.4%	22.9	78.08	73.28	-4.80
26.2%	25.3	86.46	83.49	-2.97
28.0%	27.6	95.20	93.84	-1.36
29.7%	29.8	103.95	104.30	+.35
31.3%	31.9	109.55	111.65	+2.10

BE IT FURTHER RESOLVED that the stumpage valuation system herein specified shall supersede any other pricing arrangement for forest products not covered by specific contract reference, under the terms and conditions of several contracts between the White Mountain Apache Tribe and its subsidiary enterprise, the Fort Apache Timber Company.

ROUTING REQUEST

DW, DM

30-File 22.0

TRC

At an average lumber sales rate of \$320/MBF and an annual allowable cut of 67.6 MMBF, the ratio/royalty would drop about \$362,000; (\$362,120)