

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

WHEREAS, the Tribal Council of the White Mountain Apache Tribe is advised of the Tribe's potential liability for timber severance tax claims, penalties and interest claimed by the Arizona Department of Revenue as being owned by the Tribe dba the Fort Apache Timber Company (FATCO) for off-Reservation timber logged in the National Forest during 1988-89; and

WHEREAS, the Tribal Council is advised that an Administrative Hearing on FATCO's potential timber severance tax liability is scheduled for Wednesday, June 13, 2001, before an Administrative Law Judge of the State of Arizona; and

WHEREAS, the Tribal Council, without admitting liability for said claimed timber severance taxes, penalties and interest, wishes to consider alternatives to litigating its alleged timber severance tax liability and discuss settlement with the State of Arizona respecting said claim; and

WHEREAS, the Tribal Council concludes that earnest settlement discussions with the State Department of Revenue in respect to the timber severance tax claims would be in the best interests of the Tribe; and

WHEREAS, a continuance of the Administrative Hearing on the timber severance tax is necessary to facilitate settlement discussions with the State of Arizona in respect to said tax claim.

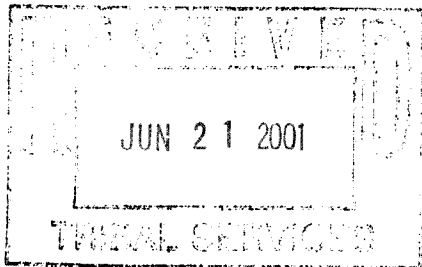
BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby authorizes and directs the Tribe's legal counsel to request a continuation of the June 13, 2001, Administrative Hearing on the State of Arizona's timber sales severance tax claim for the purpose of facilitating earnest settlement discussions with the State Department of Revenue and to achieve, if possible, settlement of said claims on terms mutually agreeable to the Tribe and the State of Arizona.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that this resolution shall not be construed as a waiver of any legal defenses the Tribe may have or could assert in respect to the alleged due and owing timber severance tax, nor shall this resolution be construed as an admission of the Tribe's tax liability or its consent to the subject matter or personal jurisdiction of the State court or State administrative proceedings in respect to said tax, but is adopted to facilitate and formally authorize earnest settlement discussions by its legal counsel with the State Department of Revenue to try and resolve the State's claims.

Resolution No. 06-2001-145

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby directs the Tribe's legal counsel to pursue earnest and expeditious settlement negotiations with the State of Arizona Department of Revenue in respect to the claimed timber severance taxes against the Tribe doing business as the Fort Apache Timber Company and to timely advise the Tribal Council of the progress of said discussions, subject to final approval or rejection thereof by the Tribal Council.

The foregoing resolution was on June 7, 2001 duly adopted by a vote of SEVEN for and ZERO against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article IV, Section 1 (a), (b), (i), (k), (t), 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).



Chairman of the Tribal Council

Andy Harvey-Burnette

Secretary of the Tribal Council