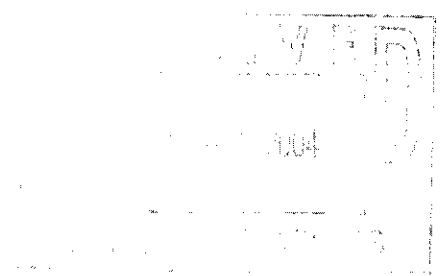


**RESOLUTION OF THE  
WHITE MOUNTAIN APACHE TRIBE OF THE  
FORT APACHE INDIAN RESERVATION**

- WHEREAS,** Tribal Council Resolution 12-2003-277, dated December 15, 2003, approved the salvage sale for the Kinishba Fire to be salvaged and processed by FATCO; and
- WHEREAS,** the resolution further directs that the higher grade material be transported and processed at FATCO's Whiteriver sawmill and the lower grade material be transported and processed at Cibecue sawmill; and
- WHEREAS,** the Tribe has terminated FATCO logging under Tribal Council Resolution 12-2003-283 until FATCO management presents to the Council and receives Council approval for a plan to address its severe budget shortages and operational losses, notwithstanding the financial status of the Tribe itself; and
- WHEREAS,** the Tribal Council approved the use of the trust fund account accrued from the Rodeo-Chediski fire stumpage account to pay for the logging costs for the Kinishba Salvage Sale in the approximate amount of Five Hundred Thousand Dollars (\$500,000.00); and
- WHEREAS,** FATCO has provided the Tribal Controller with revised budget estimates for the remainder of the fiscal year without further action by the Tribal Council pursuant to the December 15, 2003 resolution above; and
- WHEREAS,** FATCO provided the Tribal Council with an economic analysis of the Kinishba Fire indicating that to log this salvage sale and to transport it to Cibecue would result in losses equivalent to the costs of logging while providing less than 60 days additional work for the sawmill and based on this analysis FATCO recommended to the Tribal Council that this sale be approved for outside sales bid by the Bureau of Indian Affairs; and
- WHEREAS,** FATCO has as its priority to return to the East side green harvest to obtain the highest value possible while terminating any further salvage operations due to the degrade in value due to stain and checking of the material, creating a situation of higher operating losses for FATCO.
- BE IT RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that it hereby rescinds Tribal Council Resolution 12-2003-277 approving FATCO to log the Kinishba Fire Salvage Sale.
- BE IT FURTHER RESOLVED** by the Tribal Council of the White Mountain Apache Tribe acknowledges that it has received a revised budget from FATCO under Tribal Council Resolution 12-2003-283 and that logging is authorized to continue as planned under the new fiscal year by FATCO.

**BE IT FURTHER RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that the Bureau of Indian Affairs be directed to place the Kinishba Salvage Sale up for public bid immediately.

The foregoing resolution was on MAY 20, 2004 duly adopted by a vote of FIVE 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), (c), (f), (g), (h), (i), (s), (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).



*Frank J. [Signature]*  
ACTING Chairman of the Tribal Council

*Andy B. Harney*  
Secretary of the Tribal Council