



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

(Request to Harvest Tribal Wood Biomass of Fort Apache Timber Company Operations)

- WHEREAS,** pursuant to Article IV, Section 1(a) of the Constitution of the White Mountain Apache Tribe, *inter alia*, the Tribal Council has the authority to represent the Tribe and act in all matters that concern the welfare of the Tribe; and
- WHEREAS,** the Fort Apache Timber Company no longer receives the diameter and quality of logs from approved timber sales pursuant to approved Annual Allowable Cut allowances that can economically support the saw mill under prevailing; and
- WHEREAS,** FATCO needs to develop markets and produce raw wood materials for its unused or underutilized wood within its commercial timber sales; and
- WHEREAS,** FATCO is in the process of identifying investors and options for the developing alternative systems and processes in support of the small diameter underutilized wood; and
- WHEREAS,** FATCO has identified a potential group that would supplement its income while processing such residual waste materials (i.e. slash, limbs, tops, and other wood waste including non-marketable round wood) while providing the necessary investment and equipment; and
- WHEREAS,** FATCO has entered into preliminary discussions with a consortium of Enviro Energy, Industrial Strand Board, John Deere Green Energy, and Fort Apache Restoration, LLC that could harvest.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that Fort Apache Timber Company be directed to evaluate the potential of entering into, but not limited to the following relationships:

1. Negotiating a long term (20 year) raw materials contract for unused or underutilized wood within the commercial timber sales including slash, limbs, tops, and round wood that would not normally be harvested resulting in cost savings as well as potential revenues back to FATCO.
2. Negotiating a harvesting contract for the 2009 harvest season to supply FATCO a portion of their annual wood supply needs with and escalation clause based on performance criteria to be stipulated to upon execution.
3. Evaluate an energy audit to be conducted by the consortium of all other major electrical power users and heating and cooling users on the Reservation and determine the needs of self-contained power producing facilities sourced by such wood biomass and or other renewable sources such as solar or wind.
4. Evaluate and negotiate any related wood products development to best use Small Diameter Under utilized (SDU) materials from timber management or fire management projects into such products as industrial strand beam production.

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5. Work with the consortium in support of a work force training and development program with local Apache School to develop a skilled work force for the future.
6. Assist the consortium in developing wood supply from regional wood sources (i.e. Stewardship Contracts and White Mountain Apache Reservation WUI) to increase the economic value and job availability that will benefit the Fort Apache Indian Reservation.
7. Negotiate an exit strategy for investors along with a transition plan to allow for a reasonable capital recovery plan with the objective of 100% ownership by the Tribe (approximately 10-20 year period).
8. Negotiate a lease on the FATCO mill site for necessary renewable energy power plant and industrial stand beam operations.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that the Chairman, or in his absence, the Vice Chairwoman, is hereby authorized to execute any and all document necessary to effectuate the intent of this Resolution.

The foregoing resolution was on July 21, 2008, duly adopted by a vote of NINE for and ONE against by the Tribal Council of the White Mountain Apache Tribe, pursuant to the authority vested in it by Article IV, Section 1 (a), (b), (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



Secretary of the Tribal Council