



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

(Authorizing Counteroffer to Freeport McMoran Copper & Gold Inc.)

WHEREAS, Freeport McMoran Copper & Gold Inc., formerly known as Phelps Dodge, (hereinafter "Freeport"), made a settlement offer to the White Mountain Apache Tribe on August 22, 2008, to pay for any damages for the cost of restoring land and removing a pipeline from the Show Low Lake right-of-way on the Tribe's reservation and to resolve all Black River trespass claims that the Tribe may have against Freeport from July 25, 1944 through December 31, 2008, for using the Tribe's trust land without tribal consent to build a diversion dam across a Black River; and

WHEREAS, the Tribal Council has met several times since August 2008 with Freeport to discuss resolution of the Tribe's claims and the Tribe has also hired economists to assist the Tribe in analyzing Freeport's settlement offer and to prepare a counteroffer if Freeport's settlement offer was found insufficient to compensate the Tribe; and

WHEREAS, Freeport's settlement offer regarding the Show Low Lake right-of-way was deemed sufficient by the Tribal Council and the Tribal Council's acceptance of that portion of Freeport's settlement offer was communicated to Freeport; that the Tribal Council advised Freeport that it was willing to accept Freeport's Show Low Lake right-of-way settlement offer while continuing to discuss settlement of the Black River diversion dam trespass claim, but Freeport declined and said it wanted a total settlement of all claims; and

WHEREAS, After thorough analysis, review and discussion with Tribe's Special Counsel and the Tribe's consultants, the Tribal Council concludes that a formal counteroffer should be made to Freeport to: (1) , reaffirm acceptance of Freeport's Show Lake-Forestdale right-of-way restoration settlement offer in the amount of \$440,664; (2) resolve the Tribe's Black River Diversion Dam trespass claims from 1944 through 2008 for the amount of \$21,587,409; (3) propose a right-of-way fee to Freeport for use of the Tribe's land for the Black River Diversion Dam for the next 50 years through 2058, for the amount of \$8,283,657; and (4), propose an option to Freeport that the Tribe keep fallow for a period of 50 years, in consideration for receipt of the amount of \$4,565,503, certain irrigable acreage South of the Black River Diversion Dam; and

WHEREAS, the Tribe's counteroffer, without the option to keep fallow land south the Black River Diversion Dam, is \$30,311,730, and with the fallow land option is \$34,877,233; and

WHEREAS, the Tribal Council concludes that the foregoing counteroffer and the fallow land option should be communicated to Freeport.

Resolution No. 07-2009-246

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby authorizes Special Counsel Bob Brauchli to submit the Tribal Council's above-described settlement counteroffer to Freeport.

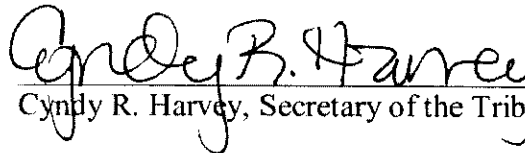
BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it directs the Tribal Council Secretary to keep the contents of this resolution confidential and not to release it for public distribution as it contains privileged and confidential communications involving pending legal claims and premature release thereof would be prejudicial to the best interests of the White Mountain Apache Tribe.

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 documents necessary to effectuate the intent of this Resolution.

The foregoing resolution was on July 10, 2009 duly adopted by a vote of TEN for and ZERO against by the Tribal Council of the White Mountain Apache Tribe, pursuant to the authority vested in it by Article IV, Section 1 (a), (e), (f), (h), (i), (m), (q), (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).



Ronnie Lupe, Chairman of the Tribal Council



Cindy R. Harvey, Secretary of the Tribal Council