



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

(Authorization for WMATCO Management Agreements Waiving Sovereign Immunity)

- WHEREAS,** the Tribal Council, by separate resolution has authorized the formation of WMATCO, L.L.C., a Tribal owned company, and the establishment of the WMATCO, L.L.C. Operating Agreement, to set in place duties and authorities for the new company; and
- WHEREAS,** WMATCO representatives are negotiating terms with two entities, FATCO Management Partners, ("FMP"), a wholly owned subsidiary of Affiliated Timber Investment Conversion Advisors, Inc., and Ochoco Management, Inc.; and
- WHEREAS,** the agreements would enable WMATCO to obtain professional assistance in the rehabilitation and operation of the sawmill and product sales, which would be instrumental in the economic success of the operation and a requirement of the project financing; and
- WHEREAS,** WMATCO's Operating Agreement requires that the company obtain Tribal approval for any transaction which allows a waiver of the company's sovereign immunity from suit; and
- WHEREAS,** the agreements with FMP and Ochoco Management employ terms for dispute resolution which are similar to those approved this day by separate resolution for the financing for the sawmill financing, including the potential for an action in the courts of the State of Arizona, as identified below.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby authorizes WMATCO, L.L.C., to enter into agreements with FATCO Management Partners, a wholly owned subsidiary of Affiliated Timber Investment Conversion Advisors, Inc., and Ochoco Management, Inc., which allow for the limited waiver of WMATCO's sovereign immunity from suit, including an action in the courts of the State of Arizona, in terms which are similar to those as follows:

Limited Waiver of Immunity

- WMATCO expressly agrees to a limited waiver of its sovereign immunity for an action by the contracting party for resolution of disputes to enforce or defend any rights under its contract agreement.
- WMATCO does not waive any defense of sovereign immunity against, and does not consent to be sued for any action by third persons or persons or entities not a party to the contract agreement.
- The waiver is expressly limited to the contract agreement and shall not be deemed to waive the sovereign immunity of the White Mountain Apache Tribe.

Dispute Resolution

- Governing Law. Except as may be otherwise expressly provided, the contract agreement shall be construed in accordance with and governed by the laws of the State of Arizona (excluding conflicts of law provisions) and applicable federal law. Whenever possible, each provision of the agreement shall be interpreted in such manner as to be effective and valid under such applicable law, but, if any provision of the agreement shall be held to be prohibited or invalid under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of the agreement. The parties shall endeavor in good-faith negotiations to replace any invalid, illegal or unenforceable provisions with a valid provision the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provision.

- Jurisdiction/Enforcement. The parties acknowledge and agree that after utilization of mandatory mediation, as set forth below, this Agreement and the duties and obligations of the parties hereto shall be enforceable in any of the following forums: (1) the United States District Court for the District of Arizona; (2) the Superior Court for Navajo County, Arizona, or (3) if the parties mutually agree, the Tribal Courts of the White Mountain Apache Tribe, (the "Permitted Courts"). If a party seeks enforcement of a duty or obligation hereunder by suit or injunction or other legal proceeding, the following provisions apply:
 - actions filed in either of the Permitted Courts shall be governed by the laws of the forum in which they are initiated;

 - each party hereby submits to the jurisdiction of the Permitted Courts, waives its rights to bring any action or proceeding against the other in any court except the Permitted Courts, waives any objection, including, without limitation, any objection to the laying of venue on the grounds of forum non conveniens, which either may have or hereafter have to the bringing of any action or proceeding in any court except the Permitted Courts, and agrees that all claims in respect to this Agreement may only be heard and determined in the Permitted Courts; and

 - each party irrevocably consents to the service of process of any of the Permitted Courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the party at its address provided herein. Nothing contained in this section shall affect the right of a party to serve process in any other manner permitted by law. The parties hereby explicitly consent to the jurisdiction of each of the Permitted Court systems for proceedings brought pursuant to this Section.

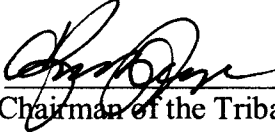
- Mandatory Mediation. Prior to the initiation of a court action, the parties agree that if there is a dispute between them as to any of the terms of the agreement, that they will submit any dispute that cannot be resolved among themselves through discussion to mediation with a mutually acceptable mediator. The parties agree that they will equally

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share the costs of such mediator. No party shall have the right to litigate any term of the agreement or any other dispute without first submitting to mediation. The parties agree to not unreasonably withhold approval of a mediator or do anything to delay a mediation. The parties agree to attempt to mediate any matter that requires mediation within ten (10) days of a party requesting mediation, but in no event more than thirty (30) days after such request. Unless otherwise agreed by the parties, the mediation shall be held in Whiteriver, Arizona.

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

The foregoing resolution was on MAY 20, 2013 duly adopted by a vote of SEVEN 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), (f), (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).



Chairman of the Tribal Council 5/20/13



Secretary of the Tribal Council 5/28/2013