

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

WHEREAS, historically, beef cattle have been an important economic/cultural unit on the Fort Apache Indian Reservation, with beef animals owned by at least five hundred tribal households through the nine tribal cattle associations, with such cattle assets having an estimated valuation of seven million dollars and an annual income effect through the many households of at least two million dollars, and

WHEREAS, as in the national beef cattle industry, the straight breed type of beef cattle (i.e. Shorthorn, Hereford), while an excellent animal, is not generating high unit profits due to changes in consumer beef product preferences, and such straight breed type is producing animals for market yielding average about \$375.00 at point of sale, and

WHEREAS, the crossbred beef type (i.e. Beefmaster) is generating high unit profits because of its lean, relatively fat-free meat which is responsive to consumer meat product preferences, while simultaneously producing individual animals for market averaging yields of over \$500.00 at point of sale, and

WHEREAS, the Fort Apache Indian Reservation offers extraordinary advantages to the beef cattle industry, including: a) capacity to graze an additional 18,000 animals annually; b) abundant water; c) an excellent tax status environment; d) existing cattle handling facilities available for exclusive and immediate use; e) available, experienced technical assistance from the Fort Apache Indian Agency, as well as, competent tribal managerial expertise in the beef cattle industry, available locally.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that a new tribal beef cattle enterprise be immediately established, utilizing the Beefmaster beef cattle breed type, such enterprise to be known as Apache Beefmaster, Inc. until otherwise designated, with a formal management/operations plan to be prepared by the Manager, Mr. Billy Perez, with the assistance of a Beefmaster cattle expert, then reviewed by the Tribal Council; a Board of Directors with at least two members having proven crossbred beef cattle expertise, to be selected by the Tribal Council, and Articles of Incorporation reviewed by the Tribal Attorney and Tribal Chairman, before final review by the Tribal Council.

BE IT FURTHER RESOLVED by the Tribal Council that, to capitalize said enterprise, an Economic Development Grant Application to the Bureau of Indian Affairs for \$496,550.00 is hereby authorized for FY/85 funding consideration, with matching funding from the White Mountain Apache Tribe as follows:

- 1) Operating budgets for first three enterprise business years of \$767,550.00;
- 2) Administrative overhead services of \$161,485.00, computed at 18.7% of the above-operating budgets, the federally approved tribal indirect cost rate;

- 3) Animal feeding services (cash transactions in Tribal Finishing Project) of \$153,620.00 in the first three business years);
- 4) In kind donations of \$521,935.00, represented by foregone grazing fees and exclusive use of existing cattle handling range facilities.

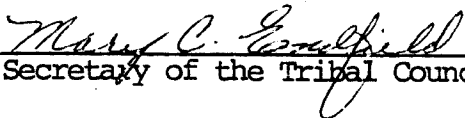
Said enterprise is to begin repayment to the White Mountain Apache Tribe of all deficits incurred on operating budgets in the first three business years on a long-term note payable beginning not later than Business Year Five, and all donations of beef products to tribal events or organizations shall occur from resources outside of the enterprise.

BE IT FURTHER RESOLVED that the Tribal Chairman is hereby authorized to conduct all negotiations pursuant to the above-referenced grant application, as well as, repayment terms for the referenced note payable for operating deficits incurred by the enterprise in the first three business years, as well as, with respect to the above-referenced management and operations plan for the enterprise.

The foregoing resolution was on August 07, 1985 duly adopted by a vote of 9 and 0 against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article V, Section 1 (i) of the Amended Constitution and By-Laws of the Tribe, ratified by the Tribe June 27, 1958 and approved by the Secretary of the Interior on May 29, 1958, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).



Chairman of the Tribal Council



Secretary of the Tribal Council

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