

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

- WHEREAS, the Tribal Council of the White Mountain Apache Tribe has previously authorized a committee comprised of the FATCO Board of Directors and the Tribal Council Chairman, to negotiate agreements with Louisiana Pacific to develop an oriented strand board (wafer board) plant within the Fort Apache Indian Reservation; and
- WHEREAS, based on preliminary findings and discussions, there is a strong interest by the Tribal Council to proceed with the development of the project; and
- WHEREAS, in furtherance of that interest Tribal Chairman Ronnie Lupe has submitted for Tribal Council approval a proposed letter of intent to proceed with a purchasing agreement and management contract for and "OSB" plant on the Fort Apache Indian Reservation, a copy of which is attached to this resolution and incorporated by reference herein; and
- WHEREAS, the Tribal Council has reviewed the contents of said letter and concurs with the substance therein.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby accepts and authorizes the form and content of Chairman Ronnie Lupe's letter to be sent to James F. Ellisor, Controller for the Louisiana Pacific Corporation, a copy of which is attached hereto and incorporated by reference herein.

The foregoing resolution was on June 19, 1991, duly adopted by a vote of eight for and zero against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article V, Section 1 (a) (b) (h) (i) of the Amended Constitution and Bylaws 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).

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JUN 21 1991

FORT APACHE INDIAN AGENCY  
WINTER RIVER, ARIZONA

*Ronnie Lupe*  
Chairman of the Tribal Council

*Virginia M. Dalton*  
Secretary of the Tribal Council



*Executive Office of the Chairman*  
**WHITE MOUNTAIN APACHE TRIBE**

**RONNIE LUPE**  
CHAIRMAN

June 18, 1991

Mr. James F. Ellisor  
Controller  
LOUISIANA PACIFIC CORPORATION  
P.O. Box 4000-98  
Hayden Lake, Idaho 83835

**LETTER OF INTENT TO PROCEED WITH A PURCHASING AGREEMENT AND  
MANAGEMENT CONTRACT FOR AN "OSB" PLANT ON THE WHITE MOUNTAIN APACHE  
INDIAN RESERVATION**

Dear Jim:

This is to outline the intent to enter into a venture relationship with the Louisiana Pacific to develop an Oriented Strand Board (Waferboard) plant within the White Mountain Apache Indian Reservation.

Based on preliminary findings, there is a strong interest by the Tribe to proceed with the development of the project. A number of specific issues need to be addressed. However, the Fort Apache Timber Company (FATCO) Board and the Tribal Council are interested in pursuing the proposed development for the mutual benefit of the parties. These issues can be resolved through negotiations and the final agreement(s).

The Tribal Council has authorized a committee of the FATCO Board of Directors and the Tribal Council Chairman to negotiate agreements relative to this project. FATCO also is the authorized body to purchase all Tribal timber.

In order to meet specific internal financial objectives and timber resource requirements of both Tribe and Louisiana Pacific, the venture should be structured such that the Tribe would ultimately own the facilities over the term of the relationship. Generally, this would be accomplished from funds generated by the project supplemented by initial funds from the Tribe under the following general assumptions:

The White Mountain Apache Tribe will:

1. Provide FATCO with approximately 30,000 cords of pulpwood material on an annual allowable cut basis at Bureau of Indian Affairs appraised stumpage value to the project over the term of the project;



2. Provide a plant facilities site at McNary, Arizona (including any water and existing infrastructure) adequate to support the proposed project;
3. Authorize FATCO to purchase, harvest and deliver sufficient pulpwood material from the White Mountain Apache Tribe and surrounding timber stands to feed the plant on a delivered cost basis;
4. Provide financing from BIA loan guarantee/direct loan sources for the construction phase of the project and for the necessary working capital requirements of the project. It is understood that the construction phase means the relocation and commissioning of an existing Louisiana Pacific plant mutually agreeable to the parties;
5. Enter into a long term Agreement (Management and Marketing) to acquire plant and equipment assets generated from the cashflow of the project.

Louisiana Pacific will:

1. Enter into a Construction Management or a Design/Build Agreement to relocate an existing plant mutually agreed upon by the parties;
2. Provide all necessary technical and engineering studies and tests to meet specific environmental requirements for the project;
3. Enter into Management, or Management and Marketing Agreements to operate, manage, and market OSB products on behalf of the enterprise mutually agreed upon by the parties;
4. Finance the plant and equipment capital cost based on a mutually agreed upon appraised or negotiated value and retired from the projected cashflow generated by the project; and
5. Provide management and certain key personnel including engineering and technical support for the project in accordance with industry standards.

FATCO agrees to develop the above project by working with the White Mountain Apache Tribe (WMAT) and the Bureau of Indian Affairs in acquiring the necessary financing and timber resources for the

project. It is further expected that Indian labor will be utilized and that a positive cashflow will be generated back to the Tribe in the form of stumpage and net revenues during the term of the project. Louisiana Pacific in turn will receive a fair return on their investment in the form of sale of the target plant and equipment, a management fee, and a marketing fee or commission for the products produced.

Louisiana Pacific, the WMAT, and FATCO shall not be bound by any term of this letter until a definitive agreement covering such term has been executed and delivered by the parties, and neither of the parties shall be obligated to execute or deliver such an agreement. Without limitation to the foregoing, Louisiana Pacific, the WMAT, and FATCO agree that they will never institute any action or suit at law or in equity against one another by reason of any claim relating to the refusal of any party hereto to negotiate or execute a definitive agreement, or by reason of any claim relating to the refusal of the management or board of directors of Louisiana Pacific, FATCO, or the Tribal Council of the White Mountain Apache Tribe to approve a definitive agreement for any reason.

We are aware that the above understanding remains preliminary and must be refined to the mutual agreement of all parties. However, based on what is known today about market potential, the expertise offered by Louisiana Pacific, and the resource positioning of the Tribe, FATCO is committed to the project. Please feel free to call or write regarding any additional information.

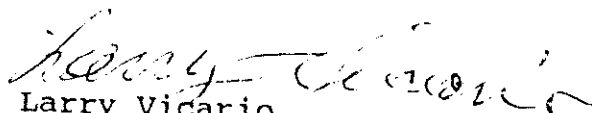
Sincerely,

Accepted By:

\_\_\_\_\_  
Louisiana Pacific Corporation

Date: \_\_\_\_\_

Ronnie Lupe  
Chairman  
WHITE MOUNTAIN APACHE TRIBE  
Tribal Council

  
Larry Vicario  
Chairman  
FORT APACHE TIMBER COMPANY