

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

WHEREAS, the Fort Apache Timber Company Board of Directors has negotiated an agreement with Navopache Electric Cooperative, Inc. to provide interruptible service to FATCO; and

WHEREAS, the Board advises through the Tribal Attorney that the Arizona Corporation Commission ("ACC") has authorized the interruptible service rate for Navopache Electric Cooperative, Inc.; and

WHEREAS, the tariff rates have been reviewed by the Arizona Corporation Commission, but the agreement between FATCO and Navopache Electric Cooperative, Inc., has not been reviewed or approved by the ACC as it is not within the jurisdiction of the Arizona Corporation Commission; and

WHEREAS, the agreement between FATCO and the Navopache Electric Coop, Inc., contemplates that certain disputes in respect to tariff interpretation issues: *e.g.*, whether or not proper notice of the interrupted service was provided, or if Navopache Electric Coop, Inc., computed charges in accordance with the tariff, and the right to disconnect for non-payment are issues which, according to the agreement between FATCO and Navopache Electric Coop, Inc., would either be subject to arbitration or review by the Arizona Corporation Commission, but that most disputable issues within the agreement, except for interpretations of tariff rates, will be resolved by arbitration or by hearing within the Tribal Court of the White Mountain Apache Tribe; and

WHEREAS, said agreement, particularly paragraph 12.F., thereof, between FATCO and Navopache Electric Coop, Inc., waives the sovereign immunity of the Fort Apache Timber Company with respect to any dispute between the parties arising under the agreement and duly submitted to any arbitration panel or the Arizona Corporation Commission or a Tribal Judicial Tribunal, and the Tribal Council agrees thereto; and

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WHEREAS, said agreement is for an initial term of five years and may be terminated by either party by giving notice to the other in accordance with the agreement not less than six months prior to the end of the current term of the agreement; and

WHEREAS, according to a cost comparison of non-interrupted pre-determined rates with interrupted pre-determined rates, the FATCO Sawmill operation may annually save \$350,000 a year, or approximately \$29,414 per month; and

WHEREAS, the initial outlay of capital equipment to accommodate the conversion to interrupted service in the amount of \$207,484 will be amortized by applying FATCO's savings each month to pay for said equipment which will be paid off in seven months and for the duration of the five year agreement, FATCO will realize great energy cost savings without detriment to the mill operation; and

WHEREAS, the Tribal Council concurs with the recommendation of the FATCO Board of Directors and FATCO management that the agreement be approved as written and as attached to this resolution incorporated by reference herein.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby approves the agreement attached hereto for interruptible service for the Fort Apache Timber Company between Navopache Electric Coop, Inc., and the White Mountain Apache Tribe d.b.a. Fort Apache Timber Company.

BE IT FURTHER RESOLVED by the Tribal Council that it hereby authorizes the Chairman and in his absence the Vice Chairman and any and all other tribal officials necessary to execute this agreement and any other ancillary documents thereto.

The foregoing resolution was on December 16, 1996, duly adopted by a vote of nine for and zero against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by the White Mountain Apache Tribal Constitution, including Article IV, Sections 1 (a), (b), (h), (i), (s), (t) and (u) of the Constitution of the Tribe, ratified by the Tribe on 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).

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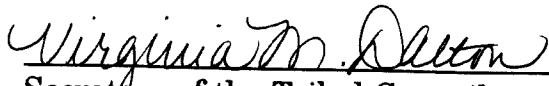
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HOPI INDIAN AGEN
PRATERIVER, ARIZONA



Chairman of the Tribal Council



Secretary of the Tribal Council