

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

WHEREAS, the Tribal Council by prior Resolution, No. 07-99-160 approved specific capital improvement expenditures for upgrades at the FATCO sawmills, to be paid from the 10% budget and use funds; and

WHEREAS, FATCO management and Board of Directors have determined to modify the expenditure list in order to put a priority upon other capital improvement needs which are essential for FATCO's operation at this time; and

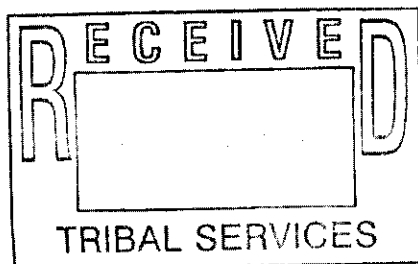
WHEREAS, these identified expenditures are necessary for carrying out FATCO's core function of processing lumber harvested from Tribal lands; and

WHEREAS, the expenditure requests are attached to this resolution and, following Council discussion this date, are approved for expenditure.


BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby approves, as an amendment to the prior authorization of expenditures from the Budget and Use Plan, inclusion of the attached items to be paid from the 10% Budget and Use funds for the capital improvement needs at the Fort Apache Timber Company.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that the total Two Million Dollar limit on budget and use funds to be made available for FATCO's capital improvements remain in effect, notwithstanding this amendment, and for that reason the Tribal Council directs FATCO's management to identify at a later date previously proposed expenditures from the 10% funds which will be reduced or eliminated to accommodate the additional expenditures approved today to stay within the Two Million Dollar limit.

The foregoing resolution was on December 6, 1999 duly adopted by a vote of SEVEN for and ZERO against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article IV, Section 1 (a), (c), (h), (i), (j), (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


Secretary of the Tribal Council

FATCO CAPITAL EXPENDITURE REQUEST

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| 1. | REPLACE MACHINE SHOP MILLING MACHINE | \$19,000 |
| 2. | CHANGE OUT MOTOR GENERATORS IN TWO AREAS OF MILL TO NEW SYSTEM | \$25,076 |
| 3. | PURCHASE SET OF CATERPILLAR BRAND OVERHAUL TOOLS | \$5,000 |
| 4. | LOG PEELER FOR PROCESSING HOUSE LOGS AND PINE POLE PRODUCTS | \$65,000 |
| 5. | WELL DRILLING | \$30,000 |