

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

- WHEREAS**, the Tribal Council of the White Mountain Apache Tribe has inherent authority to manage all economic affairs and enterprises of the Tribe and to appropriate tribal funds for tribal purposes; and
- WHEREAS**, the Fort Apache Timber Company Board of Directors and the General Manager of the Fort Apache Timber Company have approached the Council with a request to purchase a planer mill at auction, described in the attached advertisement, for installation into the Whiteriver sawmill; and
- WHEREAS**, the Board of Directors provided the Tribal Council a copy of a resolution supporting purchase of the planer mill at auction and supporting a request to the Tribal Council to allocate \$300,000 for such purchase with such amount charged to and removed from FATCO's capital expenditure budget and any loans which FATCO may receive; and
- WHEREAS**, the General Manager has informed the Tribal Council that an existing planer at the Whiteriver mill recently malfunctioned and had to be shut down, and that the FATCO Board of Directors and the mill had originally planned to install a new planer mill; and
- WHEREAS**, the Board of Directors and General Manager provided information and certification to the Tribal Council that the planer mill which they desire to purchase at auction is adequate to fit the needs of FATCO and that FATCO's consultant, the Beck group, will travel with FATCO representatives to the auction sight to ensure that equipment purchased is in operable condition and that any purchase price is at or below market price; and
- WHEREAS**, the FATCO Board of Directors and General Manager agree that the required funding from the Tribe for the purchase price of the planer mill will not exceed \$300,000; and
- WHEREAS**, the Tribal Council received verification from the Acting Tribal Controller that Bank One has agreed to extend a short term loan to the White Mountain Apache Tribe in the amount of \$300,000 to enable the Tribe to provide the loan to FATCO for the purchase of the planer mill; and
- WHEREAS**, the FATCO General Manager and Board of Directors commit to reimburse the Tribe for the \$300,000 loan through debits, equal in time and amount, to their capital expense budget until such time as the remaining balance can be paid in whole upon FATCO's receipt of any loan from any bank or finance company, including its expected loan from the Northern Bear Finance Company.
- BE IT RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that it hereby approves the request from the Fort Apache Timber Company General Manager and Board of Directors for a \$300,000 advance on its capital expenditure budget to purchase a planer mill at auction, provided such planer mill is found to be of adequate condition and quality to meet the needs of the Fort Apache Timber Company.
- BE IT FURTHER RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that it hereby directs the Tribal Controller to charge against FATCO's capital expenditure budget equal installments for reimbursement of the loan in such amounts that will cover

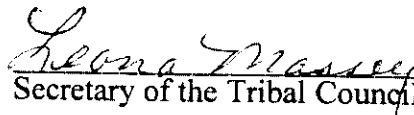
Resolution No. 08-2001-242

the payments required of the Tribe for its loan from Bank One, with any existing balance of the \$300,000 to be paid immediately upon FATCO's receipt of any loan or funding adequate for such payoff.

The foregoing resolution was on August 15, 2001 duly adopted by a vote of 6 for and 1 against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article IV, Section 1 (a), (b), (h), (i), (k), (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

DAY

1

WEDNESDAY, AUGUST 22

**MAJOR ULTRA-MODERN
SMALL LOG SAWMILL & PLANING
MILL WITH LATEST TECHNOLOGIES
& COMPUTER CONTROLS**



1992

1992

SAWMILL WASTE WOOD SYSTEMS

NICHOLSON 48" 8-Knife Drop Feed Bottom Discharge Waste Wood Chipper.

ARASMITH 30" x 48" Opening Lily Pad Chipper w/drive, controls.

1992 NICHOLSON 8' x 16' Double Deck Full Flow Chip Screen; s/n 6289 w/drive, controls.

(5) 30" Troughing Belt Conveyors, 16', 20', 24', 30' and 42', 32" x 85' Incline troughing belt conveyor w/drives, controls.

Wood Waste Conveyors to 90' w/110 and 112 chain w/drives.

(2) 1992 TRIPLE S DYNAMICS Vibratory Conveyors, 18" x 35', 24" x 26' balanced units w/drives, controls.

(2) PEERLESS Truck Bins, 42-unit and 14-unit w/hyd. gates, hyd. power unit, controls.

PLANING MILL

The planer operation was installed in 1999. It is a state-of-the-art system, with computerized control on every machine center. The system is comprised of three PLC's. The main controls are a GE 90/30 PLC which runs the infeed and reentry systems, a GE 90/70 PLC which runs the trimmer line lumber sorter and stacker line and a GE 90/30 PLC which runs the packaging line. All of the systems are linked by two networks: a GENIUS L.A.N. used for control, interlocking and critical data transfer and an Ethernet network used for production data collection and the main MMI (man-machine interface). Color graphic touch screens located on main control consoles allow the operators to manually cycle and calibrate speed of individual machine centers, display alarm messages and run system diagnostics. Many of the drive motors are running on variable frequency drive systems which allows the mill to operate at speeds set by product size and species.

NOTE: The planer operation has only operated approximately eight months since constructed in 1999, at a total cost of over six million dollars.

NOTE: These systems can be purchased as individual machine centers or as a complete package to suit attending buyers

PLANER INFEED SYSTEM

32' 6-Strand 2-Section Unit Infeed Transfer w/124 chain, drive.

1999 WEST-TECH 72" x 24' Continuous Hyd. Breakdown Hoist w/hyd. system, controls.

45' 7-Strand 2-Section Lumber Transfer to Planer w/lumber crowder, 78 chain, drive w/sticker recovery system.

PLANERS

STETSON-ROSS 6-14D-1 Planer w/16- and 20-knife cylinders, profile, 20' bridge, Stetson-Ross feed table, vector UFD drive system, hyd. and controls, this machine had a complete rebuild and update in 1998.

STETSON-ROSS 6-12-C1 Planer, s/n 3962 w/16-knife cylinders, double profile, refurbished 1999.

MISCELLANEOUS EQUIPMENT

Low Pressure Blowers; Spare Motors; Parts and Supplies; Etc.

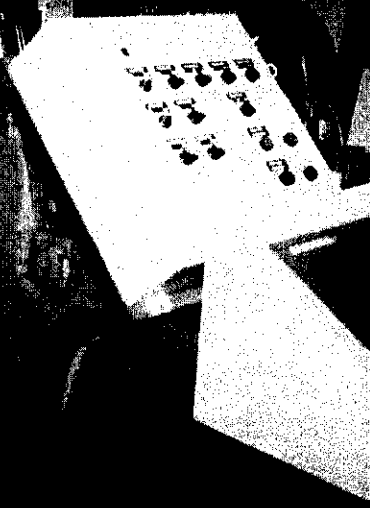
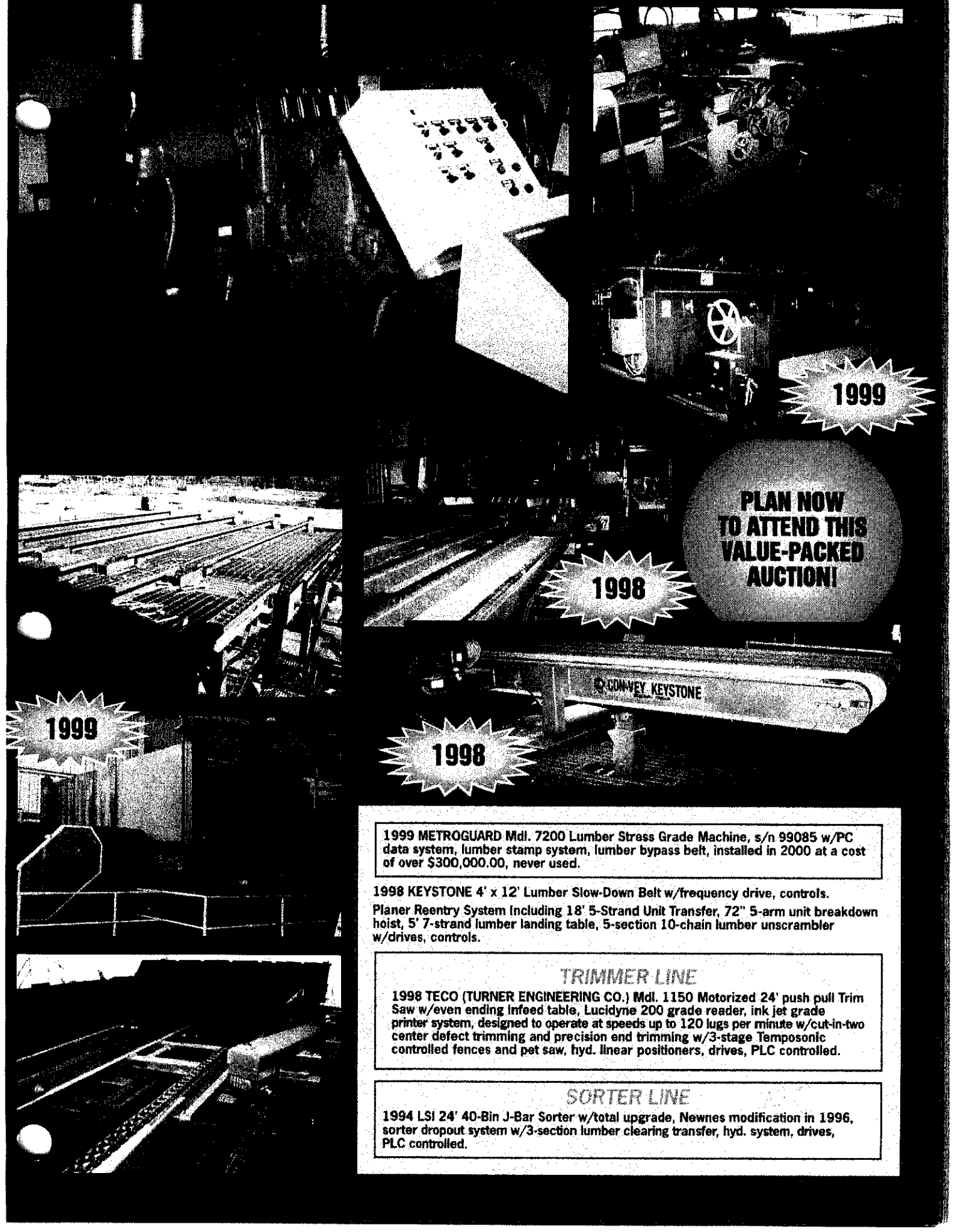
AIR COMPRESSORS

QUINCY QNW 1250-D Rotary Screw Air Compressor, s/n 73480, 350 hp. air-cooled.

QUINCY QNW 490-B Rotary Screw Air Compressor, s/n 840412, 100 hp., air-cooled.

QUINCY QNW 490-B Rotary Screw Air Compressor, s/n 800706.

1995 TRIENCO INC. Mdl. 1000 Lumber Thickness Scanning System w/auto. scanning, drives, PLC controls.

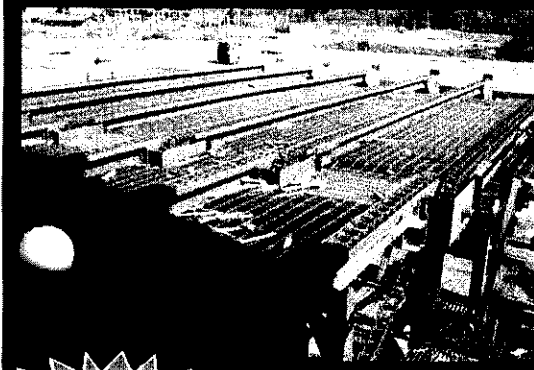


1999

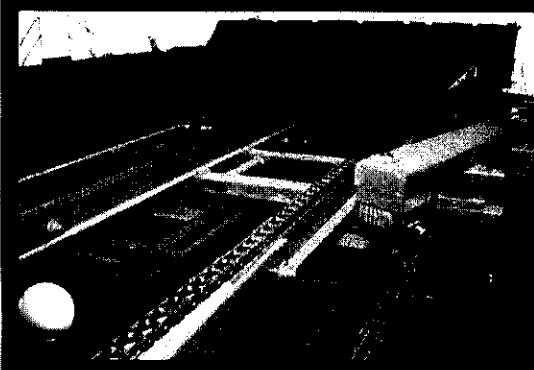
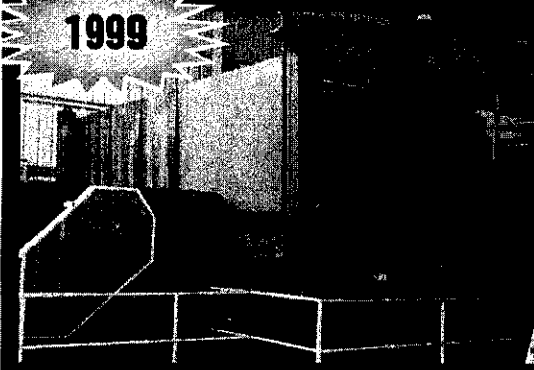
**PLAN NOW
TO ATTEND THIS
VALUE-PACKED
AUCTION!**

1998

1998



1999



1999 METROGUARD Mdl. 7200 Lumber Stress Grade Machine, s/n 99085 w/PC data system, lumber stamp system, lumber bypass belt, installed in 2000 at a cost of over \$300,000.00, never used.

1998 KEYSTONE 4' x 12' Lumber Slow-Down Belt w/frequency drive, controls. Planer Reentry System including 18' 5-Strand Unit Transfer, 72" 5-arm unit breakdown hoist, 5' 7-strand lumber landing table, 5-section 10-chain lumber unscrambler w/drives, controls.

TRIMMER LINE

1998 TECO (TURNER ENGINEERING CO.) Mdl. 1150 Motorized 24' push pull Trim Saw w/even ending infeed table, Lucidyne 200 grade reader, ink jet grade printer system, designed to operate at speeds up to 120 lugs per minute w/cut-in-two center defect trimming and precision end trimming w/3-stage Temposonic controlled fences and pet saw, hyd. linear positioners, drives, PLC controlled.

SORTER LINE

1994 LSI 24' 40-Bin J-Bar Sorter w/total upgrade, Newnes modification in 1996, sorter dropout system w/3-section lumber clearing transfer, hyd. system, drives, PLC controlled.