



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

(Approving Stumpage Repayment Plan)

- WHEREAS,** the Tribal Council of the White Mountain Apache Tribe ("Tribe"), in conjunction with the Bureau of Indian Affairs ("BIA") acting as Trustee, are responsible for ensuring that the Tribe's natural resources are protected and managed for sustainability; and
- WHEREAS,** because the Tribe is in a unique situation that requires them to purchase their own wood products, the Tribe is responsible for paying a stumpage fee to satisfy BIA requirements pertaining to collecting stumpage on Tribal forest resources; and
- WHEREAS,** in 2010, the BIA notified the Tribe of overdue stumpage payments that had not been submitted using the Missouri Lockbox system in place and according to the BIA, the Tribe's failure to address the issue has led to consequences for the Tribe; and
- WHEREAS,** the Fort Apache Agency of the BIA, supported by the Western Region, previously revoked the Tribe's privilege of actively pursuing logging in planned timber sales due to the Tribe's past due stumpage; and
- WHEREAS,** the Tribe is unable to submit payment for the past due amount in its entirety; and
- WHEREAS,** the Tribe has worked out a Stumpage Repayment Plan ("Plan"), incorporated by reference, to address the issue at hand and the Plan shall outline a payment schedule to pay back the past due amount; and
- WHEREAS,** the Tribal Council finds it in the best interest of the Tribe to approve the Plan presented by the Tribal Forestry Director for the purpose of repaying past due stumpage to the BIA in order to allow the Tribe to resume logging and otherwise engage in economic activities that will benefit the Tribe and its members.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby supports and authorizes the Stumpage Repayment Plan presented by the Tribal Forestry Director and attached hereto in order to recommit the Tribe to managing its Forest for sustained yield in a manner that would most benefit Tribal Members.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby directs that in the event that this Resolution conflicts with a prior Resolution or Policy, this Resolution shall govern.

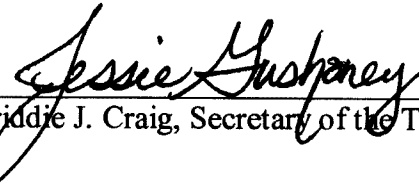
BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that the Chairman, or in his absence, the Vice Chairman, is hereby authorized to execute any and all documents necessary to effectuate the intent of this Resolution.

Resolution No. 06-2011-108

The foregoing resolution was on **JUNE 1, 2011** duly adopted by a vote of **TEN** for and **ZERO** against and **TWO** by the Tribal Council of the White Mountain Apache Tribe, pursuant to the authority vested in it by Article IV, Section 1 (a), (b), (c), (f), (i), (k), (s), (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).



Ronnie Lupe, Chairman of the Tribal Council



ACTING

Mariddie J. Craig, Secretary of the Tribal Council

WMAT and Fort Apache Timber Company (FATCO) Past Due Stumpage Re-payment Plan

Introduction:

Within the last year, the White Mountain Apache Tribe (Tribe) was notified of overdue stumpage payments that had not been paid to the Bureau of Indian Affairs (BIA) through the Missouri Lockbox system.

Due to the Tribe's situation as the main buyer of their own wood products, the Tribe must pay stumpage on their forest resources to meet the BIA's requirements of collecting stumpage for Tribal forest resources. This process has occurred on the Ft. Apache Indian Reservation for the Tribe for many years to ensure proper protection and collection of payment for trust resources.

Currently, the tribe owes \$over \$600,000 dollars in past due stumpage. Due to this backlog of unpaid stumpage, the BIA Western Region in conjunction with the Ft. Apache Agency, revoked the Tribe's privilege of actively pursuing logging in planned timber sales.

Due to the Tribe's tight financial situation, the Tribe is unable to pay this stumpage back in its entirety or a majority. This document will address this unpaid stumpage and will outline a payment schedule to pay back this stumpage.

Re-Payment Schedule:

The Tribe is unable to pay back the stumpage in its entirety or a majority at this time. The Tribe presents the following re-payment plan to address this issue. The schedule will take some time to pay the full amount, but what is presented here is a minimum amount and payments may increase if and when the Tribe is allowed to start logging again.

Payments to the Lockbox will begin within 60 days of approval of this plan.

Payments will be a minimum of 15% of incoming revenue from biomass sales which are currently being conducted through Tribal Forestry and the Tribal Planning Dept. Initial estimates of these payments are \$3,000.00 to \$10,000.00, depending on the volumes of biomass sold. Payments will be no more than \$10,000 each for the first 3 installments.

Payments will occur every 6 weeks.

Payment amounts will increase when more funds are available and will be outlined in a modification to this plan. A timeframe is not known at this time of when that might occur.

The Tribe is relying on payments being processed through the lockbox and back to the Tribe in a timely manner, so that in the case of limited Tribal funds, the processed payments through the lockbox back to the Tribe will be available to the Tribe to make the next scheduled payment. The Tribe will do its best to ensure that biomass revenue is available in case processing through the lockbox does not occur in the 6 week payment schedule, but the biomass revenue is also being budgeted for other expenses to help FATCO be ready to log.

Conclusion:

In summary, payment amounts will be \$3,000.00 to \$10,000.00, every 6 weeks for the first dozen payments, which is just over a year in time (72 weeks). After that time, the plan will be assessed for effectiveness and payment modifications may occur to be more or less depending on the Tribe's funding availability.

However, before that 72 week timeframe, the Tribe may adjust the payment, via modification to this plan, if they see fit. This adjustment may be an increase or decrease in payment amount, but it is our hope the payment amount can be increased once the Tribe starts bringing in revenue from logging.

After the 72 week timeframe and the plan is re-assessed, the conclusion may be to continue paying at the \$3,000.00 to \$10,000.00 amount.