



WHITE MOUNTAIN APACHE TRIBE

A Sovereign Tribal Nation

(Adoption of a Repayment Plan for Prior FMD and Suspense Account Obligations)

- WHEREAS,** the lands of the White Mountain Apache Tribe contain extensive acres of forest land, which the Tribe manages in conjunction with the BIA, pursuant to its federal trust responsibility; and
- WHEREAS,** under federal regulation and the Tribe's Forest Management Plan, a portion of the stumpage fees paid for timber removed from the Tribe's commercial forest is paid into an account maintained by the BIA for the assessment of the Forest Management Deduction ("FMD") and the Slash Suspense Account and the former Roads Suspense Account; and
- WHEREAS,** the FMD and Suspense accounts had unpaid balances totaling \$428,771.82 at the time the former FATCO sawmill closed in 2010; and
- WHEREAS,** in a series of prior resolutions, the Tribal Council authorized a plan to disburse funds from the account maintained by the BIA to reimburse the Tribe for its forestry program expenses and to clear the unpaid balances of the FMD and Slash accounts; and
- WHEREAS,** following adoption of the disbursement plan, the funds were released to the Tribe for expenditure, but were inadvertently applied by the Tribe to other Tribal obligations, thereby leaving unpaid balances owed to the FMD and Slash accounts; and
- WHEREAS,** those unpaid balances remain a financial obligation of the Tribe; and
- WHEREAS,** the Tribe is advised that until the unpaid balances are addressed, the BIA will not approve any further timber sales, including the Lone Pine timber sale; and
- WHEREAS,** WMATCO seeks approval to begin harvesting in the Lone Pine sale, pursuant to the timber sales contract which was approved by the Tribal Council on May 14, 2014, but has yet to receive BIA approval; and
- WHEREAS,** the Lone Pine sale contains 38 million board feet of timber which WMATCO could combine with production from its other active sales to achieve a balanced and sustainable product mix; and
- WHEREAS,** for that reason, WMATCO has developed a plan to begin payments for the FMD and Suspense Account debt on behalf of the Tribe until such time as the Tribe has the ability to pay the past due amount; and

Resolution No. 02-2015-21

WHEREAS, WMATCO would make payments for the FMD and Suspense obligations from proceeds it receives from finished product sales derived from Lone Pine logging; and

WHEREAS, if not paid sooner by the Tribe, or by WMATCO using its own funds if available, WMATCO's proposed schedule would cover the entire past due amount after 90% of the Lone Pine sale is completed by payment of a surcharge on the Lone Pine finished product sales proceeds; and

WHEREAS, the surcharge payments would not take effect until after the initial 5,328 mbf is harvested, so that WMATCO may first recover funds it must expend to repair damage to roads in Lone Pine sale caused by hunting and antler collection traffic in poor weather, and would thereafter pay a surcharge on a sliding scale as set forth below; and

WHEREAS, at such time as the Tribe has the funds to repay the remaining balance, it will do so, and any remaining payments of WMATCO under the schedule will be extinguished.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby approves the repayment arrangement proposed by WMATCO using funds derived solely from proceeds received from the sale of finished lumber from the Lone Pine Timber Sale, under the following surcharge schedule:

Initial 5,328 mbf:	no surcharge
Next 12,000 mbf (approx.):	surcharge of 11.26/mbf, for a total of \$137,056
Next 17,500 mbf (approx.):	surcharge of 16.63/mbf, for a total of \$291,715.50
	Total \$428,771.11

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it acknowledges that the outstanding FMD and Suspense account debts are Tribal obligations, and that any amounts paid by WMATCO for the outstanding FMD and Suspense account balances should be treated as a loan by WMATCO in Tribal and WMATCO accounting records.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby directs that in the event that the Tribe has sufficient funds, it will pay in full the remaining unpaid amounts owed to the FMD and Suspense accounts.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby authorizes and directs the Tribal Chairman to submit the proposed repayment plan to the BIA on behalf of the Tribe, and further that in the interest of obtaining timely BIA approval, it hereby authorizes the Tribal Chairman to negotiate and approve modifications to the repayment schedule authorized herein as may be reasonably deemed necessary for the best interests of the Tribe, provided that such modifications do not expand the Tribe's obligations herein and that such modifications are assented to by the WMATCO Board.

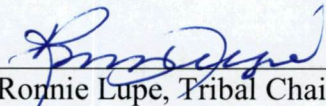
BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby directs that in the event that this Resolution conflicts with a prior Resolution or Policy, this Resolution shall supersede and govern over the conflicting subject matter.

Resolution No. 02-2015-21

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby directs that in the event this Resolution directly conflicts with the Tribal Constitution, Tribal Ordinances or Federal Laws, or any material facts concerning the issues presented are later found to be false, this Resolution shall be deemed null and void and have no legal effect.

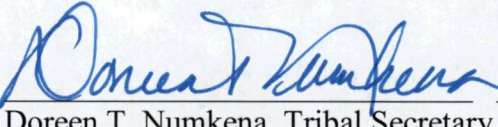
BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that the Chairman, or in his absence, the Vice-Chairman, is hereby authorized to execute any and all documents necessary to effectuate the intent of this Resolution.

The foregoing resolution was on **FEBRUARY 11, 2015** duly adopted by a vote of **EIGHT** for, **ONE** against, and **ONE** abstention by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it under the enumerated powers listed in Article IV, Section 1 of the WMAT Constitution, so ratified on September 30, 1993, and federally recognized pursuant to Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984).



Ronnie Lupe, Tribal Chairman

2/13/15
Date



Doreen T. Numkena, Tribal Secretary

2-17-2015
Date