

RESOLUTION OF THE TOHONO O'ODHAM LEGISLATIVE COUNCIL
(Authorizing Temporary Reduction In Payment of
Advance Royalty by Noranda)

Res. No. 431-86

1 WHEREAS, the Tohono O'Odham Nation did enter into a mining lease ("Lease") on
2 April 1, 1979, with Noranda Exploration, Inc., Contract No.
3 H50C14201257, subsequently assigned to Noranda Lakeshore Mines, Inc.
4 ("Noranda") for the exploration, developing, mining, producing and
5 marketing of all minerals (excluding oil, gas and other hydrocarbons
6 at the Lakeshore Mines; and

7 WHEREAS, the lease provides for the payment to the Nation of advance royalties
8 of \$160,000.00 each month, which advance royalties may eventually be
9 recouped from production royalties produced from the sale of mined
10 minerals; and

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12 WHEREAS, Noranda has been developing and operating the Lakeshore Mine since
13 April 1, 1979, and has paid the Nation in excess of Eleven Million
14 Dollars (\$11,000,000.00) in advance royalties; and

15 WHEREAS, the copper market has been and continues to be in a depressed con-
16 dition, and Noranda has incurred losses at the Lakeshore Mine in
17 excess of fifty million dollars (\$50,000,000.00) since the start of
18 its mining operations; and

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20 WHEREAS, Noranda did previously ask the Nation for relief from its obligations
21 to make advance royalty payments in order to permit it to continue its
22 operations at the Lakeshore Mine, and on November 29, 1982, on
23 December 8, 1983, on June 7, 1984, and on September 11, 1985, the
24 Tohono O'Odham Legislative Council did respectively approve a
25 deferment for 17 months, a temporary reduction for one year of
26 \$60,000.00, and a temporary reduction for one year of \$75,000.00; and

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28 WHEREAS, the various District Governments are dependent upon the continuation
29 of Noranda's mining activities to provide the Districts with a primary
30 source of income which will stop if Noranda terminates its mining ac-
31 tivities; and

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1 WHEREAS, the copper market has continued to be in a depressed condition and all
2 copper mining companies in this country are either shut down or in
3 limited production in order to minimize losses; and

4 WHEREAS, Noranda again is asking the Council for some relief from its obliga-
5 tion to make advance royalty payments in order to permit it to con-
6 tinue the operation at the Lakeshore Mine.

7 NOW, THEREFORE, BE IT RESOLVED by the Tohono O'odham Legislative Council that
8 it hereby approves Noranda's request for the following relief from its
9 obligation to the Nation:

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- 11 (1) Beginning October 1, 1986, through the primary term of the
12 Lease, March 30, 1989, Noranda shall pay to the Nation an
13 advance royalty of \$85,000.00 per month. After March 30, 1989,
14 Noranda shall pay the Nation an advance royalty of \$160,000.00
15 per month.
- 16 (2) The Nation agrees to waive its claim to receive the Treatment
17 Royalty of 6% of operating profit assessed on ores and other
18 products processed by Noranda from properties outside the Nation
19 and payable under Section 7 of the Lease for the remainder of
20 the primary term of the Lease, i.e. until March 30, 1989, at
21 which time such Treatment Royalty increases and shall be as-
22 sessed at the rate of 12% of operating profit as provided in the
23 Lease.
- 24 (3) In the event Noranda should terminate the Lease by giving the
25 Nation 120 days notice as provided in Section 27 of the Lease,
26 Noranda shall pay to the Nation an advance royalty of
27 \$160,000.00 for the next four months after giving the Nation
28 such notice of termination, plus the amount of deferred royalty
29 income (\$960,000.00) then due and owing the Nation.
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1 BE IT FURTHER RESOLVED that the Council does hereby authorize execution of the
2 necessary amendments to Noranda's lease to reflect the above changes.

3 The foregoing resolution was passed by the Tohono O'Odham Council on the 19th
4 day of September, 1986, at a meeting at which a quorum was present with a vote
5 1339.5 for; 300.5 against; -0- not voting and 03 absent, pursuant to the powers
6 vested in the Council by Section 1 (i) of Article VI of the Constitution of the
7 Tohono O'Odham Nation, adopted by the Tohono O'Odham Nation on January 18,
8 1986, and approved by the Acting Deputy Assistant Secretary - Indian Affairs
9 (Operations) on March 6, 1986, pursuant to Section 16 of the Act of June 18,
10 1934 (48 Stat. 984).

11 TOHONO O'ODHAM LEGISLATIVE COUNCIL

12 Harriet Toro
13 Harriet Toro, Legislative Chairperson

14 19th day of September, 1986

15 ATTEST:

16 Ophelia F. Campillo
17 Ophelia F. Campillo, Legislative Secretary

18 20th day of September, 1986.

19 Said Resolution was submitted for approval to the office of the Chairman of the
20 Tohono O'Odham Nation on the 29th day of September, 1986, at 4:29
21 o'clock, P.M., pursuant to the provisions of Section 5 of Article VII of
22 the Constitution. It will become effective upon his approval or upon his
23 failure to either approve or disapprove it within 48 hours of submittal.

24 TOHONO O'ODHAM LEGISLATIVE COUNCIL

25 Harriet Toro
26 Harriet Toro, Legislative Chairperson

27 [] APPROVED) on the 29 day of September, 1986.

28 [] DISAPPROVED) at 4:44 o'clock, P.M.

29 Josiah Moore
30 JOSIAH MOORE, Chairman
31 TOHONO O'ODHAM NATION

32 Returned to Legislative Secretary on the 30th day of September, 1986.
at 8:15 o'clock, A.M.

Ophelia F. Campillo
Ophelia F. Campillo, Legislative Secretary

MOVED: ROSEMARY LOPEZ

SUBJECT: AUTHORIZING TEMPORARY REDUC-
TION IN PAYMENT OF ADVANCE
ROYALTY BY NORANDA

SECOND: HENRY RAMON

DATE: SEPTEMBER 19, 1986

RESOLUTION NO. 431-86

DISTRICTS	REPRESENTATIVES	# OF VOTES	FOR	AGAINST	NOT VOTING	ABSE
SIF OIDAK 138	1. Elliott Lewis (Eugene F. Jose) 2. Nicklos Jose (Letitia Garcia)	69.0 69.0	X X			v
SELLS 257	1. Andrew M. Patricio (Nora Alvarez) 2. Fred Stevens (Dennis E. Jose)	128.5 128.5	X X			
SCHUK TOAK 105	1. Joseph Juan () 2. Julie Carrillo (Jo Ann Francisco)	52.5 52.5	X X			
SAN XAVIER 126	1. Andriana Nunez (Yvonne Corella) 2. Tony Felix (Carmelita Mattias)	63.0 63.0	X	X		
BABOQUIVARI 241	1. Joseph Nunez (Edward N. Kisto) 2. Kenneth Chico, Sr. (Frances Miguel)	120.5 120.5	X	X		
GU ACHI 158	1. Angelo J. Joaquin, Sr. (Jonas R. Robles) 2. Fernando Joaquin (Fred Adams, Jr.)	79.0 79.0	X X			X
PISINEMO 116	1. Jerome Antone (Gonnie Mendoza) 2. Johnson Jose (Edward D. Manuel)	58.0 58.0	X X			
SAN LUCY 85	1. John Reno () 2. Max P. Jose (Dewey I. Ortega)	42.5 42.5	X X			
GU VO 117	1. Cross Antone (Fern E. Salcido) 2. Virgil Lewis (Roy Montana)	58.5 58.5		X X		X
HICKIWAN 128	1. Henry A. Ramon (Pablo Baptisto) 2. Lloyd Francisco (Eleanor Santos)	64.0 64.0	X X			
CHUKUT KUK 169	1. Rosemary Lopez (Anita C. Clark) 2. Harriet Toro (Marvin J. Thomas)	84.5 84.5	X X			
TOTALS		1640.0	1339.5	300.5	-0-	03