

RESOLUTION OF THE PAPAGO TRIBAL COUNCIL

Authorizing Deferment in Payments of  
Advanced Royalty by Noranda

RES. NO. 190-83

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

6 WHEREAS, the Lease provides for the payment to the Tribe of advance royalti-  
7 ties of \$160,000.00 each month, which advance royalty may eventually  
8 be recouped from production royalties produced from the sale of  
mined minerals; and

9 WHEREAS, Noranda has been developing and operating the Lakeshore Mine since  
10 April 1, 1979, and has paid the Tribe in excess of Eight Million  
11 Dollars (\$8,000,000.00) in advance royalties, which are being  
12 allocated pursuant to Ordinance No. 13-82 fifty five percent (55%)  
to the Papago Tribe, three percent (3%) to Sif Oidak District, and  
the balance of forty two percent (42%) to the various Districts; and

13 WHEREAS, the copper market has been and continues in depressed condition,  
14 and Noranda has incurred operating losses at the Lakeshore Mine in  
15 excess of fifty million dollars (\$50,000,000.00) since the start  
of its mining operations; and

16 WHEREAS, Noranda has asked the Tribe for some relief from its obligation to  
17 make advance royalty payments in order to permit it to continue its  
operation at the Lakeshore Mine; and

18 WHEREAS, the Lease provides that Noranda may terminate the Lease at any  
19 time by giving the Tribe 120 days' notice, upon the payment of all  
20 rentals, royalties and other obligations due under the Lease; and

21 WHEREAS, the various District Governments are dependent upon the preserva-  
22 tion and continuation of Noranda's mining activities to provide  
23 the Districts primary source of income and if Noranda terminates  
its mining activities, the Districts' primary source of income will  
also be terminated; and

24 WHEREAS, on November 29, 1982, the Papago Council, by Resolution No. 144-82,  
25 approved the deferment of \$60,000.00 in the monthly payments of  
26 advance royalties due the Papago Tribe under the terms of Noranda's  
27 Lease that commenced May 1, 1983, and is scheduled to end December  
28 31, 1983, upon the condition that such deferment shall be deducted  
29 from the share of mining royalties allocated for deposit to the  
30 general account of the Papago Tribe under the provisions of Section  
1 (B) (1) of the Ordinance for the Distribution of Mining Proceeds,  
Ordinance No. 13-82; and

31 WHEREAS, the copper market has continued to be in a depressed condition and  
32 all copper mining companies in this country are either shut down

1 or are in a very limited production schedule to minimize losses; and  
2 WHEREAS, the Papago Council has determined that it is in the best interest  
3 of the Papago Tribe that Noranda continue its mining operations at  
4 the Lakeshore Mine.

5 NOW, THEREFORE, BE IT RESOLVED by the Papago Council that it does hereby  
6 approve of a continued deferment of \$60,000.00 in the monthly pay-  
7 ments of advance royalties due the Papago Tribe under the terms of  
8 Noranda's Lease until September 30, 1984, and does hereby authorize  
9 execution of any necessary amendments or addenda thereto reflecting  
10 such deferment, upon the term and condition that in the event of  
11 termination or surrender of the Lease for any reason by Noranda  
12 prior to the end of the primary term of the Lease, but only in  
13 such event, Noranda shall pay the Tribe, in addition to any rentals,  
14 royalties or other obligations then due under the Lease, a sum  
15 equal to the total of advance royalties due the Tribe during the  
16 1983-1984 calendar year under the existing provisions of the Lease,  
17 less such amounts of advance royalties actually paid the Tribe  
18 during the 1983-1984 calendar year.

19 BE IT FURTHER RESOLVED that the Chairman, Mining Committee and other appro-  
20 priate officers and agents of the Papago Tribe continue to cooperate,  
21 negotiate and take any further action necessary for the preservation  
22 and continuation of Noranda's mining activities, provided that any  
23 further changes, modification or addendums to Noranda's Lease must  
24 be first approved by this Council.

25 BE IT FURTHER RESOLVED that any reductions in advance royalty payments  
26 resulting from any such deferment and amendments or addenda to the  
27 Lease in accordance with the provisions of this Resolution shall  
28 be deducted from the share of mining royalties allocated for  
29 deposit to the general account of the Papago Tribe under the provi-  
30 sions of Section 1 (B) (1) of the Ordinance for the Distribution  
31 of Mining Proceeds, Ordinance No. 13-82.

32 The foregoing Resolution was duly enacted by the Papago Council on the 8th  
day of December, 1983, at a meeting at which a quorum was present with a vote  
of 1104.5 for; 203.0 against; 132.5 not voting; and 0 absent,  
pursuant to the authority vested in the Papago Council by Section 3 (1) of  
Article V of the Constitution and By-laws of the Papago Tribe of Arizona as  
amended, ratified by the Papago Tribe on December 12, 1936, and approved by  
the Secretary of the Interior on January 6, 1937, pursuant to Section 16 of  
the Act of June 18, 1934 (48 Stat. 984). Said Resolution is effective as of  
the date of its approval by the Superintendent of the Papago Agency and is  
subject to review by the Secretary of the Interior.

THE PAPAGO COUNCIL

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*Josiah Moore*  
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Josiah Moore, Chairman

ATTEST:

*Francisco Osife*  
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Francisco Osife, Secretary

RESOLUTION APPROVED this 13<sup>th</sup> day of December, 1983.

*Curtis C. Nordwall*  
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Curtis C. Nordwall,  
Superintendent, Papago Agency



Moved: Harriet Toro  
 Second: Angelo J. Joaquin, Sr.  
 Date: 12/7/83

SUBJECT- Authorizing Deferment in Payments  
of Advanced Royalty by Noranda  
 Resolution  
 or  
 Ordinance # 190-83

Districts	Representatives	No. of Votes	For	Against	Not Voting	Absent
BABOQUIVARI 203	1. Kenneth Chico, Sr. (Donald Harvey)	101.5		X		
	2. Joann Garcia (Edward N. Kisto)	101.5		X		
CHUKUT KUK 138	1. Harriet Toro (Lawrence Jose)	69.0	X			
	2. Rosemary Lopez (Anita C. Clark)	69.0	X			
GU ACHI 150	1. Fernando Joaquin (Fred Adams, Jr.)	75.0	X			
	2. Angelo J. Joaquin Sr. (Jonas R. Robles)	75.0	X			
GU VO 107	1. Virgil Lewis (Henry F. Manuel)	53.5			X	
	2. Cross Antone (Fern E. Salcido)	53.5			X	
HICKIWAN 122	1. Delma Garcia (Archie Pilone)	61.0	X			
	2. Henry A. Ramon (Pablo Baptisto)	61.0	X			
PISINEMO 105	1. Johnson Jose (Frank Garcia)	52.5	X			
	2. Lamando Francisco (Chester Antone)	52.5	X			
SAN LUCY 51	1. Albert Gomez (Jeannie Morris)	25.5			X	
	2. John Reno (Max P. Jose)	25.5	X			
SAN XAVIER 121	1. Carmelita Mattias ( )	60.5	X			
	2. John B. Narcho (Austin Nunez)	60.5	X			
SCHUK TOAK 103	1. Jo Ann Francisco (Priscilla G. Domingo)	51.5	X			
	2. Ramon Campillo, Jr. (Joseph Juan)	51.5	X			
SELLS 235	1. Fred Stevens (Dennis Jose)	117.5	X			
	2. Andrew M. Patricio (Nora Alvarez)	117.5	X			
SIF OIDAK 105	1. Nicklos Jose (Alice Norris)	52.5	X			
	2. Elliott Lewis (Eugene F. Jose)	52.5	X			
TOTALS		1440.0	1104.5	203.0	132.5	0