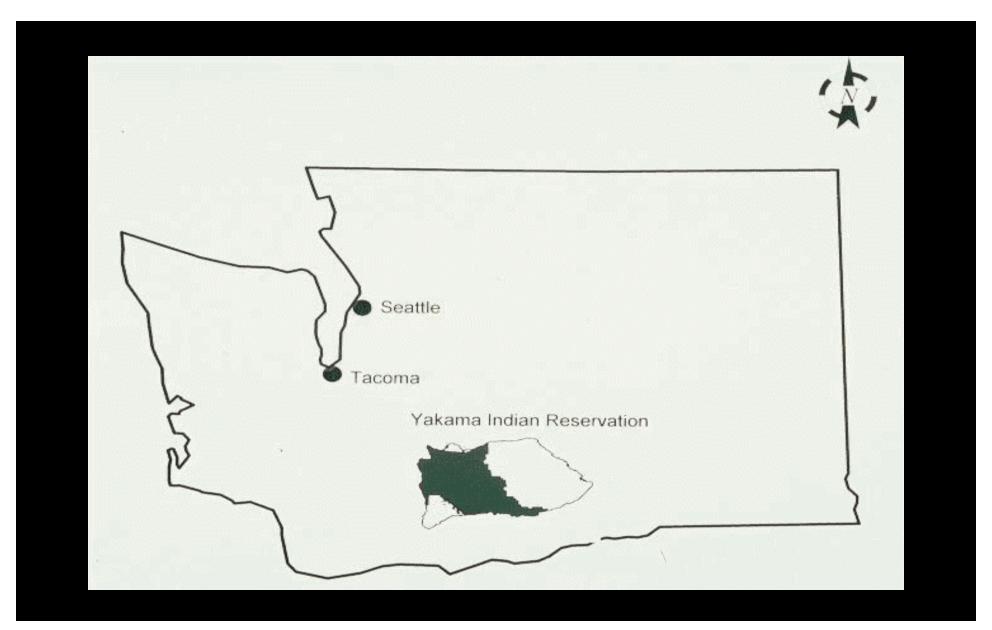


Yakama Nation



- Yakama Reservation encompasses 1.4 million acres of which 786,000 acres are forest lands.
- Estimated 8.92 billion bd. ft. of timber (1997 BIA Survey) of which the tribe harvests a sustainable yield of 143 million bd. ft. per year w/o detriment to forest health.
- Tribe doesn't clear cut; never will.

YAKAMA FOREST PRODUCTS (YFP)

Creating Jobs and Adding Value to it's Timber Resources

Phase I Log Sort Yard

- Started in Jan. 1995: a project that salvaged 5,000 acre forest fire from the Yakama Tribe; re-sorted the logs by diameter, specie, and grade and then re-sold the logs at a premium.
- Still a successful ongoing operation today from continuing timber sales, YFP sells large logs to 5 8 other log buyers.

Phase II: Small Log Mill

- After a feasibility study was conducted in 1996, it became clear that YFP should process smaller diameter logs from commercially thinned timber sales.
- Since there were no major fires on the Reservation since 1936, Yakama's estimated gross volume of free standing timber went from 3.87 billion ft. to 8.92 billion bd. ft. (as of last estimate in 1997).
- The target of Yakama Nation and YFP: to commercially thin timber stands to it's natural forest state (a la 1936).

Phase II: Small Log Mill cont.

- About 40 million bd. ft. of logs ranging from 5" to 13" in diameter are processed; DF, HF, PP, and ESLP
- Operating since Nov. 1998, it utilizes the latest in technology in production and efficiency to produce the highest quality lumber in the industry
- Registered and inspected by the WWPA, YFP produces 2X4, 2X6, and 2X8 construction standard lumber with lengths ranging 6' to 16'.

Phase II Employment

- Currently employs 165 people from two shifts.
- Has 92% tribal affiliation and follows TERO initiatives.
- Unheard of in the industry: YFP encourages and promotes cross-training so that each employee can be multi-skilled to do other jobs.
- Positive re-enforcement, promotion, and employee evaluations are conducted regularly.

PHASE III (Large log mill)

- Mill start up: June 2002
- Will create up to 150 jobs
- Will utilize the latest in technology
- Will process logs 11" to 44" in diameter
- DF, HF, ESLP, and PP lumber products will be made

Keys to Successful Development

- Set realistic and understandable goals and objectives both financial and cultural.
- Without financial success you can not build cultural success.
- Spare no expense to maintain immaculate accounting with complete openness and honesty.
- Strive to keep the politicians and your constituents informed.
- If you need a business partner choose a good functional relationship over financial promises.