

**RAMAH/ZUNI MEDIATION
CONDITIONAL PARTIAL PRELIMINARY
SETTLEMENT AGREEMENT
JUNE 22, 2001**

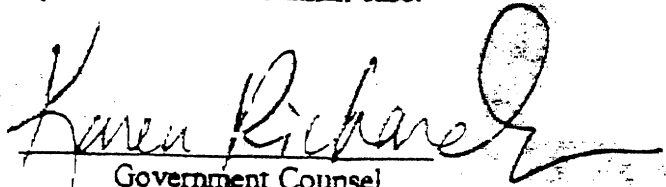
- I. The parties hereby agree to settle the indirect CSC claims for FY 1992 and FY 1993 in the Ramah case, and the FY 1993 and FY 1994 direct CSC claims in the Zuni case (collectively the "lump sum year claims") for \$29,000,000 ("Settlement Amount"), on the following conditions:
 - A. Within 30 days from the date of this Agreement the Defendants shall furnish to Plaintiffs' counsel documentary proof satisfactory to the plaintiffs' counsel establishing that all Employee Benefit Costs other than workers compensation and unemployment insurance (including health insurance, life insurance, retirement contributions, social security and Medicare) (hereinafter "EBC costs") associated with BIA personnel were paid to tribes and tribal organization as part of the BIA's Secretarial amount paid to tribes and tribal organizations in FY 1993 and FY 1994 under contracts and compacts entered into pursuant to the Indian Self-Determination Act.
 - B. The Plaintiffs reserve the limited right to withdraw from this Agreement based upon the following contingency:

Within 14 days from the date of Defendants compliance with Paragraph 1(A) the plaintiffs counsel shall in writing notify defendants' counsel whether, based upon their review of the EBC costs documentation, they elect to withdraw from this Agreement (hereinafter "Notice of Withdrawal"). If a Notice of Withdrawal is furnished as provided herein, this Agreement shall be null and void. If no Notice of Withdrawal is furnished as provided herein, Plaintiffs right to withdraw shall expire.
 - C. If Defendants do not confirm within thirty (30) days that interest as provided in paragraph 2 has been approved by the Defendants, Plaintiffs shall have the right to withdraw from this Agreement in writing within 44 days of the date of this Agreement.
2. Subject to the condition in paragraph 1(C) above, the parties agree that interest on the Settlement Amount as of June 22, 2001 shall be calculated and paid in the same manner as ordered by the Court in its Amended Order and Partial Final Judgment Under Rule 54(b), entered May 25, 1999, 50 F. Supp. 1091, 1109 (D, NM 1999). Government Counsel agree to recommend approval of this interest provision to the Department of Interior and DOJ.

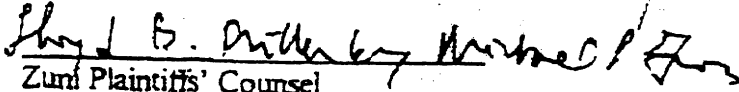
3. Subject to all Departmental approvals the parties agree to incorporate this Agreement into a Final Partial Settlement Agreement for presentation to the Court for approval under Rule 23, F.R.C.P., to implement this Agreement and the Parties' Procedural Agreement dated June 21, 2001, similar to the manner employed in implementing the parties' first Partial Settlement Agreement previously executed in the Ramah case.



Ramah Plaintiffs' Counsel



Government Counsel



Zuni Plaintiffs' Counsel

WITNESS:



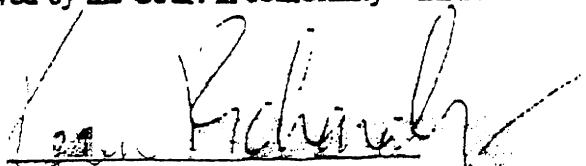
George Mitchell, Mediator

RAMAH/ZUNI MEDIATION
PARTIES PRELIMINARY PROCEDURAL AGREEMENT
JUNE 21, 2001

1. The parties agree to negotiate toward a settlement of the indirect CSC claims for FY 1992 and FY 1993 in the Ramah case and for the FY 1993 and FY 1994 direct CSC claims in the Zuni case, (referred to collectively as "the lump sum years").
2. The parties agree that any final settlement pursuant to paragraph 1 will include certification of a class for settlement purposes only (hereinafter "the settlement class"). The settlement class shall consist of the class members identified by the District Court in the Ramah case, as well as all federally recognized tribes and tribal organizations that have contracts or compacts with the Bureau of Indian Affairs under Title I or IV of the ISDA (the proposed class in the Zuni case).
3. The parties further agree that the class members identified in paragraph 2 above shall be bound by the final judgment of the District Court and any appeal thereafter, of the issue whether the government's obligation to pay CSC is limited by the appropriation cap set forth in the annual Interior appropriations and the ISDA ("the cap issue"). The parties, however, agree that certification of the settlement class is limited to the lump sum damages claim and the cap issue only and does not restrict either party's ability to raise with the Court whether class certification is proper with respect to other issues, including damages.
4. The parties further agree that the other legal and factual issues other than the cap issue in the Ramah and Zuni cases, and except as provided in paragraph 6, shall be stayed pending final judgment, and any appeals thereafter, on the cap issue.
5. The parties agree that the Zuni case will be consolidated for settlement purposes with the Ramah case in the event substantive agreement on paragraph 1 is reached regarding the lump sum years.
6. The parties agree that either (1) they shall in the settlement agreement agree to a separate process for negotiating the plaintiffs claim whether the Secretary has a duty to calculate and report to Congress direct contract support cost needs, or (2) to reserve that claim from the stay referred to in paragraph 4.
7. The parties agree the Zuni plaintiff shall participate as an amicus in the Ramah "cap" litigation.
8. The parties agree to incorporate their substantive agreement, if any, pursuant to this Preliminary Procedural Agreement into a writing, signed by them, subject to approval by the DOJ, which the Government's counsel will recommend and promote and with the understanding that the substantive agreement must be approved by the Court in conformity with Rule 23 of the F.R.C.P.



Ramah Plaintiffs



Government