



**RESOLUTION OF THE GOVERNING BODY OF THE
THREE AFFILIATED TRIBES OF THE
FORT BERTHOLD INDIAN RESERVATION**

A Resolution entitled, "Providing for a Fair Oil and Gas Tax Proceeds Agreement with State of North Dakota"

WHEREAS, This Nation having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act and having adopted a Constitution and By-Laws pursuant to said Act; and

WHEREAS, The Constitution of the Three Affiliated Tribes (MHA Nation) generally authorizes and empowers the Tribal Business Council to engage in activities on behalf of and in the interest of the welfare and benefit of the Tribes and of the enrolled members thereof; and

WHEREAS, Article III of the Constitution of the Three Affiliated Tribes provides that the Tribal Business Council (the "Council") is the governing body of the Tribes; and

WHEREAS, Article VI § 5 (b) of the Constitution of the Three Affiliated Tribes authorizes the Council to negotiate with the state government on behalf of the MHA Nation; and

WHEREAS, On January 13, 2010 the MHA Nation entered into an oil and gas tax sharing agreement with the state of North Dakota (the Tax Agreement); and

WHEREAS, No one could foresee the enormous burden that oil and gas activity on the Fort Berthold Indian Reservation (the "Reservation") would have on its roads, infrastructure, and human and natural resources when it entered into the Tax Agreement; and

WHEREAS, The Council has found, over time, that oil and gas activity has dramatically raised the costs of repairing, maintaining and improving its Reservation roads; and

WHEREAS, The Council has found, over time, that oil and gas activity had dramatically raised the costs of providing emergency response and law enforcement services within the exterior boundaries of the Reservation for both its citizens and those who work out in the oil and gas field; and

WHEREAS, In light of the costs, and the ongoing destruction that the oil and gas industry is wreaking on our roads and infrastructure, the Council finds that the current Tax Agreement, whereby the State receives 80% and the Tribe receives 20% of the tax revenue from non-trust mineral acres on the Reservation, while the State also gets 50% of the oil and gas tax revenue from trust mineral acres, is unfair and not in the best interest of the MHA Nation; and





WHEREAS, The Council finds that it is in the best interest of the Nation and out of fairness that the Nation should receive 80% and the State should receive 20% of the oil and gas production and extraction tax proceeds from production taking place on trust lands within the exterior boundaries of the Reservation; and

WHEREAS, The Council finds that it is in the best interest of the MHA Nation to demand that the state of North Dakota, out of fairness and necessity, authorize a new Tax Agreement whereby the Nation will receive 80% and the State will receive 20% of oil and gas production and extraction tax proceeds from production taking place on Indian lands within the exterior boundaries of the Reservation.

NOW THEREFORE BE IT RESOLVED, that the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation formally demands that the State of North Dakota enter into a new Tax Agreement with the Nation whereby the Nation will receive 80% and the State will receive 20% of production and extraction tax proceeds from oil and gas production on trust lands within the exterior boundaries of the Reservation; and

BE IT FURTHER RESOLVED, that the Tribal Business Council finds that the a new Tax Agreement is necessary so that the Nation can adequately fund the repair, maintenance and improvement of its reservation roads and infrastructure, and to provide the necessary emergency response, law enforcement and other services demanded as result of the oil and gas boom; and

BE IT FURTHER RESOLVED, that the Tribal Business Council hereby authorizes the Chairman to enter into negotiations with the State of North Dakota concerning a new Tax Agreement; and

BE IT FINALLY RESOLVED, that the Chairman is hereby authorized to take such further actions as are necessary to carry out the terms and intent of this Resolution.

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CERTIFICATION

I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Indian Reservation hereby certify that the Tribal Business Council is composed of seven (7) members of whom five (5) constitute a quorum, 5 were present at a Regular TBC Meeting thereof duly called, noticed, convened and held on the 28th day of November, 2011, that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 4 members, 0 members opposed, 1 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

Chairman Voting. Not Voting.

Dated this 28th day of November, 2011.

ATTEST:

Tribal Secretary V. Judy Brugh
Tribal Business Council
Three Affiliated Tribes

Tribal Chairman, Tex Hall
Tribal Business Council
Three Affiliated Tribes

