



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

A Resolution entitled, "Approval of the 2013 Oil and Gas Tax Agreement Between The Three Affiliated Tribes And State of North Dakota"

WHEREAS, This Nation having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act; and

WHEREAS, The Three Affiliated Tribes Constitution authorizes and empowers the Tribal Business Council to engage in activity 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 is the governing body of the Tribes; and

WHEREAS, Article VI, Section 5(d) empowers the Tribal Business Council to negotiate with the Federal, State and local governments on behalf of the Tribes; and

WHEREAS, the Three Affiliated Tribes have previously entered into an intergovernmental agreements with the State of North Dakota through the Office of the Governor entitled "*Oil and Gas Tax Agreement Between the Three Affiliated Tribes and State of North Dakota;*"and

WHEREAS, the Tribal Business Council has negotiated with the North Dakota Legislature to enter into a new Tax Agreement that provides a more equitable division of oil and gas tax revenues generated on the Fort Berthold Reservation; and

WHEREAS, The North Dakota Legislature has approved in its Sixty-Third Legislative Session a new Tax Agreement whereby the oil and gas tax revenues shall be *evenly divided* between the State and the Tribe on all oil production within the Fort Berthold Reservation; and

WHEREAS, The 2013 Tax Agreement provides the total state and tribal tax cumulative tax rates on production and extraction of oil and gas on the Fort Berthold Reservation to be as follows:

Total Tribal and State tax rates attributable to production and extraction of oil from Trust lands must not exceed eleven and one half percent (11 ½%);

Total Tribal tax rates attributable to production and extraction of oil from non-Trust lands must not exceed eleven and one half percent (11 ½%);
and



WHEREAS, The 2013 Tax Agreement provides that the current sixty-month exemption on extraction taxes on Fort Berthold is no longer applicable to wells drilled and completed after June 30, 2013 on either Trust or non-Trust lands on Fort Berthold; and

WHEREAS, In the 2013 Tax Agreement, the Tribe has agreed to impose no additional taxes or fees on any oil and gas exploration and production activity except for the one time \$100,000.00 fee comprised of the TERO fee and Tribal Application Fee on wells on Trust Lands; and

WHEREAS, the Tribe has also agreed to provide the State with annual reports regarding taxes and tribal investments in essential infrastructure with total annual investments in essential infrastructure of at least ten percent (10%) annually.

NOW, THEREFORE BE IT RESOLVED, the Tribal Business Council has considered and now approves of the intergovernmental agreement with the State of North Dakota entitled "*Oil and Gas Tax Agreement Between the Three Affiliated Tribes and State of North Dakota*"; and

BE IT FURTHER RESOLVED, the Tribal Business Council hereby authorizes the Tribal Chairman and/or Tribal Vice Chairman to execute the aforementioned agreement on behalf of the Three Affiliated Tribes.




CERTIFICATION

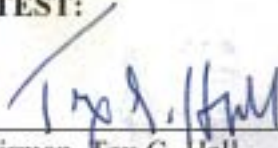
I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Indian Reservation hereby certify that the tribal Business Council is composed of seven (7) members of whom five (5) constitute a quorum, 6 were present at a Regular Meeting thereof duly called, noticed, convened and held on the 13 day of June, 2013, that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 6 members, 0 members opposed, 0 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

Chairman [X] Voting. [] Not Voting.

Dated this 13 day of June, 2013.



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

ATTEST:


Chairman, Tex G. Hall
Tribal Business Council
Three Affiliated Tribes