

**AGREEMENT ON EXCHANGE OF TAX INFORMATION
BETWEEN
THE OFFICE OF THE NAVAJO TAX COMMISSION
AND
THE CALIFORNIA STATE BOARD OF EQUALIZATION**

I. PURPOSE.

Pursuant to the laws of the Navajo Nation, specifically Section 134 of the Uniform Tax Administration Statute, this Agreement is made and entered into on the dates set forth below, by and between the California State Board of Equalization (“the Board”) and the Navajo Nation through the Office of the Navajo Tax Commission (“ONTC”), to further the respective interest of each taxing authority by securing additional information useful for the administration of fuels taxes. The parties recognize that they need a means of verifying information reported to each party, and that joint administration and enforcement activities are in the best interest of both parties.

II. AUTHORITY & CONFIDENTIALITY.

1. Pursuant to Section 15619 of the California Government Code and Sections 9255 and 60609 of the California Revenue and Taxation Code, employees of the Board are prohibited from revealing the business affairs, operations or information obtained by an investigation of records and equipment of any person visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures, or any particular thereof set forth in any return, or to permit any return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person. However, Sections 8255, 9255.1, and 60608 authorize the Board, upon request from the officials to whom is entrusted the enforcement of the motor fuel tax laws of another government, to furnish to those officials the information in the Board’s possession that is deemed essential to the enforcement of the motor fuel tax laws.

2. Pursuant to Section 134 of the Navajo Uniform Tax Administration Statute, employees of the ONTC are prohibited from revealing to any individual other than another employee or legal counsel of the ONTC any information contained in the return of any taxpayer or any other information about a taxpayer acquired as a result of their employment by the ONTC. Section 134(b)(5), however, allows the following exception:

[T]o an authorized representative of another Indian nation or a state; provided that the receiving nation or state has entered into a written agreement with the Office of the Navajo Tax Commission to use the information for tax purposes only and that the receiving nation or state has enacted a confidentiality statute similar to this section.

III. EXCHANGE PROCEDURES.

1. Upon request by the other party, the Board and ONTC may exchange taxpayer returns and information concerning taxpayers of each taxing authority in accordance with paragraph IV of this agreement. While not required to provide any information in addition to that described, each party may request and receive any additional information that may be agreed upon between representatives of each party. Requests shall be in the form of a letter stating the information requested and signed by an authorized person.

The Board and ONTC shall permit persons authorized by the other to inspect and copy returns concerning any fuels taxes; furnish to such persons information contained in returns or return information; and supply any information gathered as the result of investigation or examination of returns.

2. Authorized Access: Each party will provide to the other party a list that specifically names individuals who are authorized to request and receive information subject to this agreement. This list will be maintained separately from this agreement and will be updated as necessary. No person in either party is authorized to request and/or receive information subject to this agreement unless they appear on each party's list.

The Board's list of authorized representatives will be maintained by the Disclosure Officer.

ONTC's list of authorized representatives will be maintained by the Executive Director of the Office of the Navajo Tax Commission.

IV. INFORMATION SUBJECT TO EXCHANGE AGREEMENT.

Upon request by the other party, the Board and ONTC will disclose audit reports or audit work papers. The parties will allow employees or agents of the other to participate in joint audits and each party shall bear the costs incurred by its respective employees or agents.

The Board and ONTC agree to provide any witnesses requested by the other to testify in any proceeding, so long as both parties agree upon the competency of the witness.

For the purposes of this agreement, the term "return" shall mean any tax return or information return, estimated tax declaration, or claim for refund required by, provided for or permitted under the provisions of the tax statutes or related statutes of all taxes relating to motor fuels administered by the Board and ONTC. "Return" shall also mean any amendment or supplement thereto, including supporting schedules, attachments or lists that are supplemental to or part of the return so filed.

V. PUBLIC INFORMATION REQUESTS.

Each party agrees not to release information provided by the other party pursuant to this agreement to anyone other than the person who is the subject of the information without the consent of the other party.

VI. GOVERNMENTAL INFORMATION REQUESTS AND/OR SUBPOENAS.

In the event a party receives a request for information or subpoena from a state or federal governmental body or law enforcement party, or a subpoena from a non-governmental litigant, that could reasonably include the specific information exchanged pursuant to this agreement, the party receiving the request or subpoena will immediately notify the party from which the information originated by telephone and in writing about the request or subpoena and provide a copy of the request or subpoena.

VII. DURATION.

1. This agreement shall become effective after signature by the Executive Director of the Board and the President of the Navajo Nation, and shall remain in effect until terminated by either party upon 60 days advance written notification to the authorized representative of the other party.

2. It is further agreed and understood that if either party is unable to comply with the terms of this agreement due to changes in its respective laws or for any other reason, then this Agreement will become immediately null and void.

VIII. AMENDMENTS.

If it becomes necessary to amend this agreement, amendments shall be in writing and signed by the original signers or their successors.

IX. NOTICE.

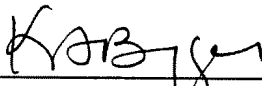
Notice under this agreement, including notice of termination, shall be delivered to the Navajo Nation at:

Office of the Navajo Tax Commission
P. O. Box 1903
Window Rock, AZ 86515
Phone: (520) 871-6681
Fax: (520) 871-7608
928

And to the California State Board of Equalization at:

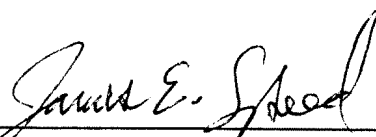
Tina Morin, Disclosure Officer
Internal Security and Audit Division, MIC:54
California State Board of Equalization
PO Box 942879
Sacramento, California 94279-0054

Done this _____ day of _____, 2001 in Window Rock, Navajo Nation (Arizona).

 1-4-02

Kelsey A. Begaye, President
Navajo Nation

Done this 13th day of November, 2001 in Sacramento, California.



James E. Speed, Executive Director
California State Board of Equalization