

**AGREEMENT ON EXCHANGE OF TAX INFORMATION
BETWEEN
THE OFFICE OF THE NAVAJO TAX COMMISSION
AND
THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS**

I. PURPOSE.

The Texas Comptroller of Public Accounts ("the Comptroller") enters into this agreement pursuant to the authority granted by section 151.027 of the Texas Tax Code. 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 Comptroller 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.

COMPTROLLER and ONTC hereby agree:

1. Pursuant to sections 111.006 and 151.027 of the Texas Tax Code and signed confidentiality agreements, employees or former employees of COMPTROLLER are prohibited from revealing to any individual other than another employee of COMPTROLLER any information contained in the return of any taxpayer or any other information about a taxpayer acquired as a result of their employment by COMPTROLLER. Section 151.027 (c)(1) of the Texas Tax Code, however, authorizes the Comptroller to share information for the following purpose:

The examination of information, if authorized by the comptroller, by another state officer or law enforcement officer, by a tax official of another state, or by any official of the United States if a reciprocal agreement exists;

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, COMPTROLLER and ONTC shall exchange taxpayer returns and information concerning taxpayers of each taxing authority in accordance with paragraph 4 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.

COMPTROLLER 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 Comptroller's list of authorized representatives will be maintained by the Open Government Section Counsel/Disclosure Officer for the Texas Comptroller of Public Accounts.

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.

Memoranda or legal opinions concerning the taxpayer and intended for the internal use of either COMPTROLLER or ONTC may not be disclosed under this agreement unless subject to disclosure in Texas under the Texas Public Information Act, Chapter 552 of the Government Code, or the disclosure is authorized by the Executive Director of the Office of the Navajo Tax Commission. Such disclosure shall not constitute waiver of attorney client privilege.

Upon request by the other party, COMPTROLLER 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 their respective employees or agents.

COMPTROLLER 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 gasoline administered by COMPTROLLER 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.

In the event the COMPTROLLER or ONTC receive a request for information from the public made pursuant to the Texas Public Information Act, Chapter 552, Texas Government Code, or any other applicable law that could reasonably include information exchanged pursuant to this agreement, the party receiving the request will immediately notify the other party from which the information originated by telephone and in writing about the request and provide a copy of the written request. Each signatory party agrees to coordinate a response to such requests.

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 authorized representative of the COMPTROLLER and the President of the Navajo Nation, and shall remain in effect until terminated by either party upon 90 days advance written notification to the authorized representative of each 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 their 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

And to the Texas Comptroller of Public Accounts at:

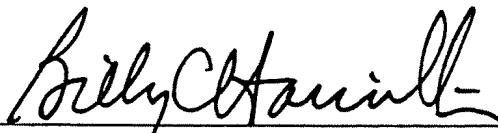
Texas Comptroller of Public Accounts
General Counsel Division – Disclosure Officer
Attn: Sam Haddad, Assistant General Counsel
P. O. Box 13528
Austin, Texas 78711
Phone: (512) 475-0867 or (512) 475-0490
Fax: (512) 475-1610

Done this 17th day of January, 2001 in Window Rock, Navajo Nation (Arizona).



Kelsey A. Begaye, President
Navajo Nation

Done this 7th day of February, 2001 in Austin, Texas.



Mr. Billy Hamilton
Deputy Comptroller
Office of the Texas Comptroller of Public Accounts