

FUEL TAX AGREEMENT BETWEEN THE PYRAMID LAKE PAIUTE TRIBE AND THE STATE OF NEVADA

THIS AGREEMENT is made and entered into on this 5th day of April, 2002, by and between the Pyramid Lake Paiute Tribe, Nixon, NV, hereinafter referred to as the "Tribe" and the State of Nevada, Department of Motor Vehicles, hereinafter referred to as "Department".

The Tribe is recognized by the Federal Government as having a government-to-government relationship with the United States.

The Pyramid Lake Tribal Council is the duly authorized governing body of the Tribe and is empowered to enter into this agreement by Article VI, Section 1a, of the Pyramid Lake Paiute Tribal Constitution.

The State of Nevada is authorized pursuant to NRS 365.110, NRS 366.110, NAC 365 and NAC 366 to enter into agreements with Tribal Governments with respect to taxes on motor fuels, special fuels, aviation fuels or fuel for jet or turbine powered aircraft. The Department shall notify the Tribe of any changes or amendments to these statutes, which the Department believes, may impact this Agreement. The Tribe is charged with collecting the tax and shall notify the Department of any changes in Tribal Law that may impact this Agreement.

THE TRIBE AND THE DEPARTMENT AGREE AS FOLLOWS:

Purposes:

The purpose of this agreement is to insure the collection of fuel taxes in a fair and equitable manner.

Government-To-Government Cooperation:

The State of Nevada and the Pyramid Lake Tribe shall cooperate within:

1. The Tribe's laws with respect to the taxation and regulation of Tribal members and businesses that sell or deliver motor fuel, special fuel, aviation fuel or jet fuel or turbine powered aircraft on lands where the Tribe executes governmental jurisdiction;
2. The State's laws, rules and regulations respecting the imposition and collection of its fuel taxes from all persons, except as provided under this Agreement.

Taxable Sales:

The Tribe and the Department agree that motor fuels, special fuels, aviation fuels, or fuel for jet or turbine-powered aircraft, (collectively referred to herein as "fuel") sold at a retail outlet

operating under Tribal jurisdiction, to non-tribal persons, shall be subject to the appropriate taxes as provided under the authority of Nevada Revised Statutes Chapters 365, 366, 373 and the regulations issued thereunder. The definitions contained in Chapter 365, sections 2-27, NAC, are incorporated herein by reference.

Administration and Collection of Taxes:

The Tribe and Department agree that 100% of all motor fuels and special fuels sold within the exterior boundaries of the Pyramid Lake Reservation are under the jurisdiction of the Tribe and shall be delivered tax-exempt to each retail outlet.

The Tribe and Department agree that the retail outlets will be required to add applicable state fuel taxes to the price of fuel at the pump and collect the state tax on all fuel sales to non-tribal members and remit such tax to the Tribe on a monthly basis. Taxes shall be due on or before the last day of the month following the month in which the fuel is purchased. The Tribe, through its Tribal Tax Commission will thereafter remit the taxes to the Department within thirty days of the date they are due, accompanied by a summarized report.

In addition to its monthly summary, the Tribe, through its Tribal Tax commission, shall submit an annual report to the State setting forth in detail the amount of fuel sold by retail suppliers on the reservation, together with a breakdown of taxable and tax exempt sales by each retail supplier for the year. The report will also include a description of all administrative and enforcement activities undertaken by the Tribe or its Tax Commission for the year, together with such other information as the parties agree to include in the annual report.

It shall be the responsibility of the Tribe, and the Tribal Tax Commission to enforce, administer and collect the taxes due under this agreement. To that end the Tribe will make available its police and regulatory power, its Tax Commission and its Tax Court, and shall adopt appropriate regulations to enforce the payment obligations of all retail suppliers on the reservation. In consideration of the Tribe and the Tribal Tax Commission's obligations to administer, enforce and collect the fuel taxes under this agreement, the Tax Commission shall retain ten percent of the total taxes which would otherwise be owed on all fuel deliveries on the reservation, (not withstanding the exemption for tribal members), to help defray tribal costs of administering, enforcing, collecting and remitting to the State, the fuel taxes due under this agreement.

The Department and the Tribe agree that currently there are no sales of aviation, jet, or turbine powered aircraft fuels sold under the jurisdiction of the Tribe. If the Tribe implements fuel sales of this sort, they will notify the Department, and an amendment will be added into this agreement.

The Tribe agrees that a record of all sales of the above fuels shall be kept on file in the Tax Department of the Tribe. The State agrees they do not have auditing authority in the Tribe's jurisdiction.

The Department agrees to issue a Certificate of Exemption permitting each motor fuel vendor to exempt the Nevada fuel tax on fuels delivered to each retail supplier located within the Tribe's

jurisdiction. The Certificate of Exemption shall be delivered to the Tribal Tax Commission, who shall in turn provide them to the retail supplier named in the certificate. The Tax Commission shall keep copies of the certificate on file in the Tribal Tax Department. The Certificates of Exemption shall be renewable on an annual basis, and the Tribal Tax Commission shall submit a written request for renewal of the certificates within thirty days prior to their expiration.

Terms and Termination:

The Agreement shall have perpetual existence but may be voluntarily terminated, with or without cause by either party upon providing the other party ninety (90) days prior notice in writing by certified mail addressed to the following:

Tribal Chairman
Pyramid Lake Paiute Tribe
P.O. Box 256
Nixon, NV 89424

Department of Motor Vehicles
555 Wright Way
Carson City, NV 89711

(With a copy to the Tribal Tax Department.)

Any notices issued by either party to the other under this Agreement shall be issued in the same manner as set forth above.

In the event of termination by the State, the State shall be obligated to submit a plan that does not tax tribal persons on the reservation.

Reservation of Rights:

Notwithstanding anything to the contrary, the parties to this Agreement reserve all of their statutory and inherit rights and nothing in this Agreement waives their respective sovereignty. Nothing in this Agreement alters, or is intended to alter, existing law defining the scope of civil jurisdiction or taxation within Indian Country. Nothing in this Agreement is intended to alter or prejudice, nor shall be used to alter or prejudice, the rights or jurisdiction of either party under existing law or future disputes or litigation.

Future Agreements and Amendments:

This Agreement contains all of the provisions agreed to by the parties and no amendments to the Agreement are valid unless agreed to in writing by the Tribe and the Department.

Dispute Resolution:

Neither the Tribe, nor the State, nor officers acting on either government's behalf may petition any court to enforce this Agreement unless:

- a. The dispute resolution process described in Subparagraphs b (1) and (2) has been followed in good faith to completion with out successful resolution, or unless:

- b. The other party fails to enter into the dispute resolution process or terminates the process before its completion.

Should a dispute arise between the Tribe and the State upon an issue of compliance with the Agreement by either the government, or by their respective officers, employees or agents, the Tribe and State shall attempt to resolve the dispute through the following dispute resolution process:

- (1) Either party may invoke the dispute process by notifying the other, in writing, of its intent to do so. The notice shall set out the issues in dispute and the notifying party's position on each issue.
- (2) The first stage of the process shall include a face-to-face meeting between representatives of the two governments to attempt to resolve the dispute by negotiation. The meeting shall be convened within 30 days of the date of the written notice described in Para.
 - b (1). The representatives of each government shall come to the meeting with the authority to settle the dispute.
- (3) After completion of the process in (1) and (2), either party may terminate this agreement in the manner described in the paragraph entitled "Terms and Termination".

Implementation:

The State and the Tribe, not less than one year after the execution of this Agreement, shall confer on a government-to-government basis, to evaluate the effectiveness of this Agreement and to mutually agree upon solutions to any problems that may have arisen.

Should any third party, in an action brought against the Tribe, or the State or their respective agencies, officials, employees, or agents, and alleging that either the State or Tribe lacks authority to enter into this Agreement or to adopt or enforce the laws described in this Agreement, the Tribe or the State, as the case may be, shall appear in the action and defend its authority.

This Agreement addresses only the taxation and regulation of the motor vehicle fuel, special fuel, aviation fuel, or fuel used in jet or turbine powered aircraft and shall not be construed as affecting any other area of Tribal or State taxation or regulation.

SEVERABILITY:

If a court of competent jurisdiction holds any provision of this agreement, or its application to any person or factual circumstance, invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application and to this end, the provisions of this Agreement are severable.

IN WITNESS WHEREOF, the parties hereto have caused the Agreement to be executed on the day and in the year first written above.

PYRAMID LAKE PAIUTE TRIBE
Chairman, Tribal Council

Alan ...

STATE OF NEVADA
Department of Motor Vehicles

Don R. Kelly Chief ASD 5/16/12
Chief, Administrative Services

Approved by Board of Examiners
John P. ...
6-3-02

APPROVED AS TO FORM:
Frankie Sue Del Papa
Attorney General

BY:

Bryan L. ...
Deputy Attorney General



555 Wright Way
Carson City, Nevada 89711

Memorandum
ADMINISTRATIVE SERVICES DIVISION
FACILITIES SECTION

Date: June 10, 2002
To: Pyramid Lake Paiute Tribe
From: Celestena Glover, Facilities & Contracts Manager
Subject: Contract

Enclosed is a copy of the fully executed contract between the Department of Motor Vehicles and the Pyramid Lake Paiute Tribe for collection of motor fuel taxes.

Prior approval from the appropriate DMV staff must be obtained before any changes to the contract are made. If you have any questions please call me at (775) 684-4600.

Thank you

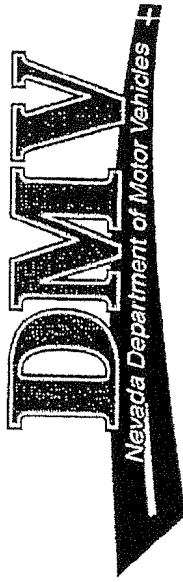
cc: file

Celestena Glover
Management Analyst II
Contract Coordinator
cglover@dmv.state.nv.us



555 Wright Way
Carson City, Nevada 89711-0200
Telephone: (775) 684-4600
Fax: (775) 684-4521
Pager: (775) 884-5157

Kenny C. Guinn
Governor



CERTIFICATE OF EXEMPTION


This certificate acknowledges that the **PYRAMID LAKE PAIUTE Tribe** has entered into an agreement with the State of Nevada for the collection of taxes on both motor fuels and special fuels.

Dealers who deliver fuel to the tribe will collect State of Nevada Fuel taxes on 0% of the motor fuel delivered to:

Pyramid Lake Marina at Sutcliffe, NV

This certificate shall be valid for one year from the date it is signed. A copy of this certificate, certified by the Tribal Chairman, shall be provided to each supplier of motor fuel or special fuel.

Signed this 10th day of June 2002


Department of Motor Vehicles

Signed this 14th day of June 2002

Alan Markel
Tribe

NOTICE TO SUPPLIERS:

The supplier of motor fuel and/or special fuel must maintain the certified copy of this certificate and make it available for review by any authorized employee of the Department, as provided under NRS Chapter 365 and 366.