

**MEMORANDUM OF AGREEMENT  
REGARDING INCOME-TAX RESOLUTION  
BETWEEN  
THE STATE OF MICHIGAN  
AND  
SAGINAW CHIPPEWA INDIAN TRIBE OF MICHIGAN**

**Introduction**

This agreement (the "Agreement") is between the State of Michigan ("State") and the Saginaw Chippewa Indian Tribe of Michigan ("Tribe") (collectively, the "Parties").

The State of Michigan ("State") is a state within the United States of America, possessing the full sovereign powers of a state government;

The Tribe is a federally recognized Indian tribe possessing inherent powers of self-government, and is authorized to enter into this Agreement pursuant to Articles VI(1)(a), (i), (j), (n), and (o) of its Amended Constitution and By-laws (approved Nov. 4, 1986).

**Recitals**

The Tribe and the State have determined, on a government-to-government basis, to enter into this Memorandum of Agreement as part of an overall settlement of the above referenced litigation more particularly described in the Order for Judgment entered by the United States District Court for the Eastern District of Michigan in *Saginaw Chippewa Indian Tribe of Michigan v. Granholm, et al.*, Case No. 05-10296-BC (the "Court Order").

Accordingly, the Parties agree as follows:

**Terms**

1. **Definitions**

As used in this Agreement:

- A. "Isabella Indian Reservation" or "Reservation" has the meaning specified in the Court Order.
- B. "Tribal Member" means an enrolled member of the Tribe.
- C. "Income-Tax Liability" or "Liability" means any outstanding assessment, claim, or charge made by the State regarding Michigan State income taxes, including but not limited to State enforcement or collections notices or efforts regarding such assessment, claim, or charge.

2. Scope of Agreement

A. The State will resolve under the terms described herein any outstanding Michigan Income-Tax Liability, including those in the collection phase of the enforcement, in those Tribal-Member cases where:

- i. The Income-Tax Liability is solely dependent upon the boundaries of the Isabella Reservation as set out in the Court Order; and
- ii. The Liability also meets the exemption criteria established under federal Indian doctrine principles.

B. In each of the cases identified in Paragraph 2(A), the following information must be supplied to the State within 90 days of the entry of the Court Order:

- i. With regards to each Liability, either the Tribe or the affected Tribal Member must communicate the following information, where available, to the Tribal Affairs Office of the State's Department of Treasury ("Tribal Affairs"):
  - a. The Income-Tax Liability (*i.e.*, tax year, a description of the underlying issue);
  - b. The relevant State contact's name and division or unit;
  - c. The Tribal Member's name;
  - d. The Tribal Member's address; and
  - e. The Tribal Member's Social Security number.
- ii. Where the specific Income-Tax Liability and relevant State contact information described in Paragraph 2(B)(i)(a) and (b) is unknown or unavailable:
  - a. The Tribe or Tribal Member must nevertheless provide the State with the name, address, and Social Security number of the Tribal Member; and
  - b. The State will, in good faith, make its best effort to identify the Liability in question and resolve the issue. Where it cannot do so, the State will have met its responsibility as outlined in this agreement. Where an outstanding tax assessment exists, the State will be able to identify the Liability and will resolve the issue where only the name, address, and Social Security number of the Tribal Member has been provided.

- C. For those Income-Tax Liabilities addressed by this Agreement that were assessed before November 21, 2005, the date that the underlying lawsuit was filed, the State must resolve the Liability by dismissing or otherwise stopping collection of the assessed Liability.
- D. For those Income-Tax Liabilities addressed by this Agreement that were assessed on or after November 21, 2005, the State must resolve the Liability by dismissing or otherwise stopping collection of the assessed Liability, and refunding to the Tribal Member any Tribal Member funds that the State acquired through its enforcement actions or collection efforts and subsequently applied to the Income-Tax-Liability assessment. To receive a refund under this Paragraph, the Tribe or the Tribal Member must submit a refund request to Tribal Affairs within 90 days of entry of the Court Order.
- E. The State, will not resolve any Income-Tax Liability, or refund any amount identified under Paragraph 2(D), pursuant to the terms of this Agreement, where the information or refund request is submitted beyond the 90-day timeframe identified under Paragraph 2(B).

3. Retention of Legal Rights

This Agreement may not be construed as a waiver of either Party's sovereign immunity, except to the extent that both Parties waive their sovereign immunity to the limited extent necessary to effectuate Paragraph 7 of this Agreement. These limited waivers of sovereign immunity do not waive the immunity of any official, employee, or agent of either Party.

4. Amendments

This Agreement may only be amended by a written instrument signed by the duly authorized representative of each Party. The Parties do not require Court approval or other filing to amend the Agreement under this provision.

5. Severability

The provisions of this Agreement are severable. If any provision of this Agreement is held invalid or unenforceable, the remainder of the Agreement remains in effect, unless terminated as provided for in this Agreement. However, if any provision of this Agreement is severed from the Agreement, then the Parties must promptly meet and negotiate in good faith to achieve the intended purpose of the severed provision in a manner that is valid and enforceable under applicable law.

6. Relationship to Other Agreements

- A. This Agreement constitutes the entire Agreement between the Parties.
- B. If this Agreement conflicts with the Court Order, the terms of this Agreement governs.

7. Dispute Resolution

The United States District Court for the Eastern District of Michigan retains jurisdiction to enforce this Agreement in accordance with the Court Order.

8. Notices

Written notices required or permitted to be given under this Agreement are sufficient if they are sent by registered or certified mail, or by other means mutually acceptable to the Parties.

In the case of the State, notices must be sent to:

Michigan State Treasurer  
Attn: Tribal Liaison  
First Floor, Austin Building  
Lansing, MI 48922

In the case of the Tribe, notices must be sent to:

Tribal Chief  
Saginaw Chippewa Indian Tribe  
7070 East Broadway  
Mt. Pleasant, MI 48858

General Counsel  
Legal Department  
Saginaw Chippewa Indian Tribe  
7070 East Broadway  
Mt. Pleasant, MI 48858

9. Counterparts

This Agreement may be executed in several counterparts, each of which is an original, but all of which together constitute a single instrument.

10. Authority

The undersigned represent that they are authorized to execute this Agreement on behalf of the Tribe and State, respectively.

11. Preparation of Agreement

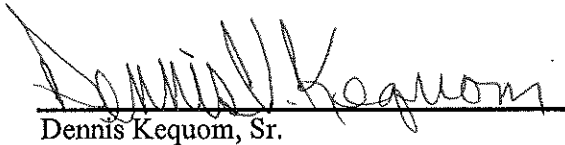
This Agreement was drafted and entered into after careful review and upon the advice of competent counsel. It must be construed as if it were mutually drafted, and may not be construed more strongly for or against either Party.

12. Effective Date

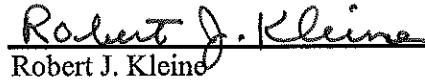
This Agreement is effective on the date that the Court Order is signed by the Court, provided that the Court enters the Court Order as it was approved by the State and Tribe. Changes to the form of the Court Order (e.g., pagination, fonts, margins, etc.) do not affect the effective date of this Agreement, but this Agreement is not effective and does not bind the parties if the language of the Court Order is not identical to the language approved by the State and Tribe.

**SAGINAW CHIPPEWA INDIAN  
TRIBE OF MICHIGAN**

**STATE OF MICHIGAN**

  
\_\_\_\_\_

Dennis Kequom, Sr.  
Tribal Chief

  
\_\_\_\_\_

Robert J. Kleins  
Michigan State Treasurer

11-10-10  
\_\_\_\_\_

Date signed

11-09-10  
\_\_\_\_\_

Date signed

The United States District Court for the Eastern District of Michigan entered the Order for Judgment in Case No. 05-10296 on \_\_\_\_\_, 2010.