

Tom Pickner  
Director  
TERO Office  
PO Box 50  
Ft. Thompson, SD 57339

08-23-2012

Morris Inc.  
301 w. Highway 14&34  
Fort Pierre, SD 57532

Dear Morris INC:

It is my understanding that Morris Inc. has entered into a construction contract with the Army Corp of Engineers on the Ft. Thompson Dam. My offices became aware of these activities on 07-00-2012 .

Pursuant to § 17-1-11 of the Crow Creek Tribal Code, each contractor within the Crow Creek Indian Reservation is required to pay an Employment and Contracting Rights Fees to the Tribal Employment and Contracting Rights Office. If your contract with the Army Corp of Engineers is over \$100,000, you are required to pay a 3% TERO fee and a 1% Training fee. If your contract is under \$100,000, you are required to pay a 2% TERO fee and a 1% Training fee. In addition to these fees, a 4% fee on all material and supplies used within the exterior boundaries of the Crow Creek Indian Reservation is also due to my offices.

Please note that failure to comply with this notice may result in significant penalties. If you fail to pay by the commencement of work or no payment plan is established, interest shall begin accruing at the rate of 18% per annum, compounded daily. If you fail to make full payment or a scheduled payment by the 15<sup>th</sup> day after commencing work or after date of payment due, I will file a formal charge of noncompliance and schedule a hearing with the Tribal Employment and Contract Rights Ordinance Commission.

A decision of non-compliance by the TERO Commission is serious and may result in additional penalties and ultimately the confiscation of your property. I have attached a copy of the relevant tribal ordinance.

EX 1

Payment of fees is due prior to the commencement of your contract. I am authorized to enter into negotiations to settle this matter informally and I am willing to set up a payment plan if necessary. All negotiations must be in-person at my office, located at [ADDRESS]. You may stop by at any time to discuss this matter.

Fees may be made payable by check to the Crow Creek Sioux Tribal Employment Rights Office. Please contact me if you have any questions.

Sincerely,



Tom Pickner  
TERO Director

**§ 900.136 -- Do tribal employment rights ordinances apply to construction contracts and subcontracts?**

Yes. Tribal employment rights ordinances do apply to construction contracts and subcontracts pursuant to § 7(b) and § 7(c) of the Act.