TITLE 69
FOR-PROFIT LAND ENTERPRISE CODE
HOOPA TRIBAL CODE

ORDINANCE OF THE HOOPA VALLEY TRIBE
HOOPA VALLEY INDIAN RESERVATION
HOOPA, CALIFORNIA

ORDINANCE NO: 04-07

DATE APPROVED: JUNE 25, 2007

SUBJECT: ENACTING THE HOOPA FOR-PROFIT LAND ENTERPRISE CODE OF THE HOOPA VALLEY TRIBE.

WHEREAS: The Hoopa Valley Tribe did on June 20, 1972, adopt a Constitution and Bylaws which was approved by the Commissioner of Indian Affairs on August 18, 1972, ratified by Act of Congress on October 31, 1988, and amended on June 19, 1990 and, by tribal law, the sovereign authority of the Tribe over the matter described herein is delegated to the Hoopa Valley Tribal Council, acting by law, and

WHEREAS: The Tribal Council is charged with the responsibilities to govern all lands within the Tribe's; and

WHEREAS: The Tribal Council has determined that fractionated ownership of land and assets is detrimental to the interest of the Tribe, its members and the Reservation; and

WHEREAS: Failure to proactively address fractionated ownerships issues by the Tribe will invite unnecessary federal intervention over such land in a manner that will be harmful for the Tribe, tribal members and the Reservation as a whole; and

NOW THEREFORE BE IT RESOLVED: That the Hoopa Valley Tribal Council enacts the following Ordinance as part of the Hoopa Tribal Code.

69.0 Short Title.
This Code shall be the Hoopa For-Profit Land Enterprise Code.

69.1 Purposes.
The purposes of this code are to establish mechanisms for owners of fractioned undivided interests in lands or other property connected to land to form for-profit land enterprises to:

a) engage in the management of their asset in a manner that reflects the owners' interests;
b) assist in establishing a managing board of directors to represent the owners;
c) allow participation, including through meetings, voting, deliberations, and other means, in the business and affairs of the enterprise;
d) collect and distribute funds and other resources associated with the asset and enterprise;

e) assist in the resolution of disagreements among the land owners,
f) identify and implement land owner responsibilities and other interests;
g) design and implement actions agreed to by the owners; and
h) establish standards of representation among active and inactive land owners regarding management of the asset.

69.2 Scope of Title, Incorporator, Only One Enterprise per Parcel.

a) The provisions of this Title apply to all land enterprises formed pursuant to this Title under the sovereign powers of the Tribe. Only close enterprises may be formed under this Title, and the provisions of this Title are applicable only to enterprises formed under this Title.

b) Any person 18 years of age or older who owns an undivided interest in land or other property connected to land to be managed by the enterprise may apply to the Tribal Director of Commerce to establish a land enterprise under this Title. Shares of the enterprise may only be transferred in accordance with this Title. Any transfer of a share in a manner that is not consistent with this Code is not authorized and shall not be valid.

c) The provisions of this Title shall be liberally construed and applied to promote its underlying purposes and policies.
d) No more than one land enterprise may preside over the same parcel of land.
e) The Tribal Director of Commerce is authorized to carry out the provisions of this Code.

69.3 Land Owner Responsibilities.

An owner of a fractionated undivided interest owner in land or asset, regardless of the amount of interest owned, is responsible for:

a) ensuring that an asset is managed in a productive manner that is reflective of the interests of its owners and applicable tribal and federal laws;
b) ensuring the asset is governed by a functional process at all times;
c) assisting with identification and the whereabouts of interest holders;
d) making sure the undivided asset is kept is a useable and meaningful state;
e) ensuring that the asset is protected;
f) directly participating in the management asset or, by their non-participation, agrees that such non-participation is deemed to be a delegation of their management responsibilities to other another asset owner who participates in the management of the asset, to manage on their behalf, whether such delegation is taken by formal or default action.

69.4 Standard of Construction – Asset owner Delegation of Management Responsibilities.

An owner of undivided interest in land who elects not to participate in the business and affairs of managing the asset shall be deemed to have delegated his/her voting rights and management responsibilities over the asset to another undivided interest holder in the same asset for purposes of carrying out the business and affairs of the land enterprise. Voluntary non-participation in the business and affairs of the land, asset, or enterprise by an undivided interest owners shall be deemed as a default action to delegate his/her land owner responsibilities and authorities to another owners of undivided interests in the same asset to manage on his/her behalf. The enterprise shall establish and maintain a record of all fractionated land owners, whether the land owner participates in the enterprise or not, and shall make a reasonable effort at least annually to report to such individual on the activities of the enterprise.

69.5 Share Issuance and Exchanges - Authority, Limitations and Values.

a) A land enterprise may only issue land/asset owner and capital investment shares. Each type of share must be separately accounted for and managed in a manner that maintains the individual integrity of each type of share. The use of the term "shares" in this Code refers capital investment shares and, unless specifically provided otherwise, does not include land/asset owner shares. Under this provision, an owner of land/asset shares is entitled to all benefits of the enterprise, including sharing in obligations and responsibility of the enterprise, but land/asset shares may not be used to for debt service, liquidations of debts and assets of the enterprise, or for other related purpose, unless specifically agreed to in writing by the land/asset owner and in accordance with tribal and federal law. Rules for issuance, exchange and valuation of shares are as follows:

b) Land/Asset Owner Shares. Land/Asset Owner shares may only be issued to an owner of undivided interest in land or other property. An owner of title interest holder in undivided land/asset may waiver a right to a land appraisal in exchange for transferring use rights to enterprise. Land owner shares shall be invalid at any time that an individual removes his/her undivided land interest from the control of the enterprise or transfers his/her undivided interest in the asset to another party. Unless a valuation of land owner is otherwise described in the operations procedures of the enterprise, such value shall be deemed to be an owner's percentage of ownership in the total physical acreage of land or asset. Land owner shares may not be included as assets of the enterprise for purposes of liquidating debts, fulfilling financial obligations to creditors, or for similar applications in dissolution proceedings unless such applications have been approved in writing by land/asset shareholders. Unless otherwise provided in the articles of incorporation, voting and other rights and benefits in the enterprise will be determined based on the individual's percentage of undivided ownership interest in the physical land/asset.

c) Capital Investment Shares. Capital investment shares may be issued to any person for the purpose of generating capital and operation funds for improved use of the land, improving the asset, business investments, or for managing or operating the business and affairs of the land enterprise.

d) Divisions of values between land/asset and capital shares for purpose of voting, revenue distributions and other purposes, shall be so prescribed in the operations procedures of the enterprise.

69.6 Limitation of Relinquishing Shares for Title Interest in Allotments.

No individual owner of a land owner share may relinquish that share and reassume an undivided interest in land if such action is inconsistent with tribal and federal laws or regulations. However, an individual owner of land owner shares may relinquish that share for a divided interest in land upon submission and approval of a plan by the enterprise, provided that such plan demonstrates that the amount of land being acquired is of sufficient size to be in conformance with applicable tribal and federal ownership requirements and that describes how the land/asset will be managed as a divided interest.

69.7 Duration and General Powers of a Land Ownership Enterprise

Unless its articles of in incorporation provide otherwise, every enterprise has perpetual duration and succession in its corporate name and has the same powers as an individual to do all things necessary or convenient to carry out its business and affairs, without limitation except as

provided in this Title, including powers:

a) to sue and be sued, complain and defend in its business name;

b) to have an enterprise seal, which may be altered at will, and to use it, or a facsimile of it, by impressing of affixing it or in any other manner reproducing it;

c) to make and amend bylaws, not inconsistent with its articles of incorporation or with the laws of the Tribe, for managing the business and affairs of the enterprise;

d) to purchase, receive, lease, or acquire, whether by gift, devise, bequest or otherwise, and to own, hole, improve, use and otherwise deal with, real or personal property, or any legal or equitable interest in property, wherever located;

e) to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of all or any part of its property;

f) to purchase, receive, subscribe for, or otherwise acquire; own, hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of; and deal in and with shares of other interest in, or obligations of any other entity;

g) to make contracts and guarantees, incur liabilities, borrow money, issue its notes, bonds, and other obligations (which may be convertible into or include the option to purchase other securities of the enterprise), and secure any of its obligations by mortgage or pledge or any of its property, franchises or income;

h) to lend money, invest and reinvest its funds, and receive and hold real and personal property as security for repayment;

i) to be a promoter, partner, member, associate, or manager of any partnership, joint venture, trust or other entity;

j) to conduct its business, structure and restructure its operations, locate offices, and exercise the powers granted by this Title within or without the Reservation;

k) to elect directors and appoint officers, employees, and agents of the enterprise, define their duties, fix their compensation, and lend them money and credit;

l) to make donations for the public welfare or for charitable, scientific, or educational purposes;

m) to transact any lawful activity;

n) to make payments or donations, or do any other act, not inconsistent with law, that furthers the business affairs of the enterprise;

o) to cease its corporate activities and surrender its corporate franchise;

p) to petition for the consolidation of lands/assets in accordance with applicable tribal and federal laws; and

q) to develop partitioning and other plans that are in the interest of the enterprise and its shareholders, including to establish values in fractionated interests in land for purposes of dividing the undivided interests in land and may otherwise be needed for carrying out the business and affairs of the enterprise.

69.8 Defense of Ultra Vires.

No act of an enterprise and no conveyance or transfer of real or personal property to or by an enterprise shall be invalid by reason of the fact that the enterprise was without capacity or power to do such act or to make or receive such conveyance or transfer, but such lack of capacity or power may be asserted:

a) In a proceeding by a shareholder against the enterprise to enjoin the doing of any act or acts or the transfer of real or personal property by or to the enterprise. If the

unauthorized acts or transfer sought to be enjoined are being, or are to be, performed or made pursuant to any contract to which the enterprise is a party, the court may, if all the parties to the contract are parties to the proceeding and if it deems the same to be equitable, set aside and enjoin the performance of such contract, and in so doing may allow to the enterprise or to the other parties to the contract, as the case may be, compensation for the loss of damage sustained by either of them which may result from the action of the court in setting aside and enjoining the performance or such contract, but anticipated profits to be derived from the performance of the contract shall not be awarded by the court as a loss or damage sustained.

b) In a proceeding by the enterprise, whether acting directly or through a receiver, trustee, or other legal representative, or through shareholders in a representative suit, against the incumbent or former officers or directors of the enterprise.

c) In a proceeding by the Director of Commerce, as provided in this Title, to dissolve the enterprise, or to enjoin the enterprise from the transaction of unauthorized business.

69.9 Articles of Incorporation.

a) The Director of Commerce is responsible for issuing articles of incorporation to establish land enterprises pursuant to this Code. The articles of incorporation for a land enterprise formed under this Code shall set forth:

1) The name of the Enterprise;
2) the period of duration, which may be perpetual or for a stated term of years;
3) the purpose or purposes for which the enterprise is organized which may be stated to be, or to include, the transaction of any or all lawful activity for which enterprises may be incorporated under this Title;
4) the aggregate number of land/asset and capital investment shares which the enterprise shall have authority to issue, such shares to be divided into classes, and the number of capital investment shares in each class;
5) if the capital investment shares are to be divided into classes, the designation of each class and a statement to the preference, limitation and relative rights in respect of the shares of each class.
6) if the enterprise is to issue the capital investment shares of any preferred or special class in series, then the designation of each series and a statement of the variations in the relative rights and preferences as between series insofar as the same are fixed in the articles of incorporation, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series;
7) any provision limiting or denying to shareholders the preemptive right to acquire additional shares of the enterprise;
8) the name and address of its initial registered agent and the address of its principal office;
9) a description of any election to operate without a board of directors as provided in this Code.
10) the number of directors constituting the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors be elected and qualify; provided, however, that it all persons who have agreed to purchase shares shall enter into a

written agreement as provided in this Code to operate the enterprise without a board of directors, that fact shall be recited in the articles of incorporation and the names and addresses of the persons who are to be voting shareholders shall be listed instead;

11) the name and address of each incorporator;

12) one or more of the restrictions on the transfer of shares described in this Title and all other restrictions on the transfer of shares;

13) the following notice, conspicuously displayed:
"THIS IS A CLOSE ENTERPRISE FORMED PURSUANT TO THE TRIBAL LAND ENTERPRISE CODE OF THE HOOPA TRIBE. THE RIGHTS OF SHAREHOLDERS IN THIS ENTERPRISE MAY DIFFER MATERIALLY FROM THE RIGHTS OF SHAREHOLDERS IN OTHER CORPORATIONS. COPIES OF DOCUMENTS WHICH RESTRICT TRANSFERS AND AFFECT VOTING AND OTHER RIGHTS MAY BE OBTAINED BY A SHAREHOLDER ON WRITTEN REQUEST TO THE ENTERPRISE.

b) In addition to the provisions required under this section, the articles of incorporation may also contain provisions not inconsistent with law regarding:

1) The direction of the management of the enterprise and the regulation of the affairs of the enterprise;

2) the definition, limitation, and regulation of the powers of the enterprise, the directors, and the shareholders, or any class of the shareholders;

3) the par value of any authorized shares; and

4) any provision which under this Title is required or permitted to be set forth in the bylaws.

c) It shall not be necessary to set forth in the articles of incorporation any of the enterprise powers enumerated in this Title.

69.10 Filing of Articles of Incorporation.

Duplicate originals of the articles of incorporation shall delivered to the Director of Commerce. If the Director of Commerce finds that the articles of incorporation conform to this Code and that all the fees have been paid, he/she shall:

a) Endorse on each of such originals the work "Filed" and the effective date of the filing thereof;

b) file one of such originals; and

c) return an approved and filed original articles of incorporation shall be returned to the incorporators or their representatives.

69.11 Effect of Filing the Articles of Incorporation

Upon the filing of the articles of incorporation, the enterprise existence shall begin, and the approved articles of incorporation shall be conclusive evidence that all conditions precedent required to be performed by the incorporators have been complied with and that the enterprise has been incorporated under this Code, except as against the Tribe in a proceeding to cancel or

revoke the articles of incorporation or for involuntary dissolution of the enterprise.

69.12 Interim Operating Bylaws of the Enterprise.
The president of the board identified in the articles of incorporation may approve an interim enterprise operating bylaws for the enterprise. The interim bylaws shall remain in place until either adopted or amended by the board of directors.

69.13 Organization Meeting of Directors
After the issuance of the approved articles of incorporation an organization meeting of the board of directors named in the articles of incorporation shall be held at the call of a majority of the directors named in the articles of incorporation, for the purpose of adopting bylaws, electing officers, and the transaction of such other business that may come before the meeting. The directors calling the meeting shall give at least three days' notice thereof by mail to each director so named, which notice shall state the time and place of meeting. Any action permitted to be taken at the organization meeting of the directors may be taken without a meeting if each director signs an instrument which states the action so taken.

69.14 Shares, Shareholders and Distributions.
Unless otherwise provided, the shares referred to in the following sections represent capital investment shares and any provision that conflicts with the purpose, application and intent of land owner shares shall not apply.

69.15 Authorized Shares
Each enterprise shall have power to create and issue land owner shares and the number of capital investment shares pursuant to the provisions of this Code and as stated in its articles of incorporation.

69.16 Certificates Representing Shares.
a) Shares of an enterprise may but need not be represented by certificates. Unless this Code or another statute expressly provides otherwise, the rights and obligations of shareholders are identical whether or not their shares are represented by certificates.
b) At a minimum each share certificate must state on its face:
   1) The name of the issuing enterprise and that it is organized under the laws of the Tribe;
   2) the name of the person to whom issued; and
   3) the number and class of shares and the designation of the series, if any, the certificate represents.
c) If the issuing enterprise is authorized to issue different classes of shares of different series within a class, the designations, relative rights, preferences, and limitations applicable to each class and the variations in rights, preferences, and limitations determined for each series (and the authority of the board of directors to determine variations for future series) must be summarized on the front or back of each certificate. Alternatively, each certificate may state conspicuously on its front or back that the enterprise will furnish the shareholder this information on request in writing and without charge.
d) Each share certificate (1) must be signed (either manually or in facsimile) by two officers designated in the bylaws or by the board of directors and (2) may bear the corporate seal or its

facsimile. If the person who signed (either manually or in facsimile) a share certificate no longer holds office when the certificate is issued, the certificate is nevertheless valid. No certificate shall be issued for any share until the consideration established for its issuance shall have been received by the enterprise. Within a reasonable time after the issue or transfer of shares without certificates, the enterprise shall send the shareholder a written statement of the information required on certificates by this section.

69.17 Subscription For Shares
A subscription for shares of a enterprise to be organized shall be in writing and shall be irrevocable for a period of six months, unless otherwise provided by the terms of the subscription agreement or unless all subscribers consent to the revocation of such subscription.

69.18 Determination of Price -- Payment For Shares
a) The powers granted in this section are subject to restriction by the articles of incorporation. Shares may be issued at a price determined by the board of directors, or the board may set a minimum price or establish a formula or method by which the price may be determined. Consideration for shares may consist of cash, promissory notes, services performed, contracts for services to be performed, or any other tangible or intangible property. If shares are issued for other than cash, the board of directors shall determine the value of the consideration.
b) Shares issued when the enterprise receives the consideration determined by the board are validly issued, fully paid, and non-assessable. A good faith judgment of the board of directors as to the value of the consideration received for shares is conclusive. The enterprise may place shares issued for a contract for future services of a promissory note in escrow, or make other arrangements to restrict the transfer of the shares, and may credit distributions in respect of the shares against their purchase price, until the services are performed or the note is paid. If the services are not performed or the note is not paid, the shares escrowed or restricted and the distributions credited may be canceled in whole or in part.

69.19 Expenses of Organization, Reorganization and Financing
The reasonable charges and expenses of organization of a enterprise, and the reasonable expenses of and compensation for the sale or underwriting of its shares, may be paid or allowed by such enterprise out of the consideration received by it in payment for its shares without thereby rendering such shares assessable.

69.20 Shareholder's Liability -- Consideration For Shares
A holder of or subscriber to shares of a enterprise other than ownership shares shall be under obligation to the enterprise or its creditors with respect to such shares other than the obligation to pay to the enterprise the full consideration for which such shares were issued or were to be issued, except that he or she may become personally liable by reason of his or her own acts or conduct.

69.21 Stated Capital; Determination of Amount of Non-Ownership Shares
The consideration received by a enterprise for its shares other than ownership shares shall constitute stated capital. If the shares have been assigned a par value, the consideration received shall constitute stated capital to the extent of the par value of such shares, and the excess, if any, of such consideration shall constitute capital surplus. The stated capital of a enterprise may be

increased form time to time by resolution of the board of directors directing that all or part of the surplus of the enterprise be transferred to stated capital. The board of directors may direct that the amount of the surplus so transferred shall be deemed to be stated capital in respect of any designated class of shares. Dividends shall not be paid out of stated capital.

69.22 Payment of Deficits Out of Capital Surplus or Earned Surplus
A enterprise may, by resolution of its board of directors, apply any or all of its capital surplus to the reduction or elimination of any deficit arising from losses, however incurred, but only after first eliminating the earned surplus, if any, of the enterprise by applying such losses against earned surplus and only to the extent that such losses exceed the earned surplus, if any. Each such application of capital surplus shall, to the extent thereof, effect a reduction of capital surplus.

69.23 Insolvent Enterprise Prohibited From Purchasing Own Shares
No purchase of or payment for its own shares shall be made by a enterprise at a time when the enterprise is insolvent or when such purchase or payment would make it insolvent.

69.24 Offer to Sell Shares
a) Any person desiring to transfer shares from a third party shall deliver written notice of the third party's offer to the enterprise's registered office stating the number and kind of shares, the offering price, the other terms of the offer, and the name and address of the third party offer. No transfer shall be made to a third party unless:

1) The third party is eligible to become a qualified shareholder under the provisions of federal or tribal law; and
2) the transfer to the third party will not negatively impact the ownership shares of the enterprise.

b) A notice specified in this subsection shall constitute an offer to sell the shares to the enterprise on the terms of the third party offer. Within 20 days after the enterprise receives the notice, the enterprise shall call a special meeting of shareholders which shall be held not more than 40 days after the call, for the purpose of determining whether to purchase all (but not less than all) of the offered shares. Approval of action to purchase shall be by affirmative vote of the holders of a majority of the shares encoded to vote excluding the offered shares. With the consent of all the shareholders encoded to vote for the approval, the enterprise may allocate some or all of the shares to one or more shareholders or to other persons, but if the enterprise has more than one class of shares, the remaining holders of the class of shares being offered for sale shall have a first option to purchase the shares that are not purchased by the enterprise, in proportion to their shareholdings or in such proportion as shall be agreeable to those desiring to participate in the purchase.

c) Written notice of the acceptance of the shareholder's offer shall be delivered or sent to the offering shareholder at the address specified in his notice to the enterprise, or in the absence of any specification, at his last known address as reflected in the records of the enterprise, within 75 days after receipt of the shareholder's offer. Notice sent by U.S. mail shall be timely if it is deposited in the mail prior to midnight of the 75th day following the date the offer from the shareholder was received by the enterprise. If the notice contains terms of purchase different from those contained in the shareholder's notice, the different terms shall be deemed a counter offer and unless the shareholder wishing to transfer his or her share accepts in writing the counter

offer, or the shareholder and the purchaser(s) otherwise resolve by written agreement the differences between the offer and counter offer within 15 days of receipt by the shareholder of the notice of acceptance, the notice containing the counter offer shall be ineffective as an acceptance.

d) If a contract to sell is created under subsection (c), the shareholder shall make delivery of all the certificates for the share so sold, duly endorsed, within 20 days of receipt of the notice of acceptance, or in the case of un-certificated securities, shall within the 20 day period or deliver to the enterprise the required instruction requesting that the transfer be made. Breach of any of the terms of the contract shall encode the non-breaching party to any remedy at law or equity allowed for breach of a contract, including, without limitation, specific performance.

e) If the offer to sell is not accepted pursuant to this subsections, the shareholder shall be encoded to transfer to the third party offeror all (but not less than all) of the offered shares within 120 days after delivery of the shareholder's notice specified in subsection (c) in accordance with the terms specified in the shareholder's notice.

69.25 Notice of Transfer Restrictions on Issued Shares

a) If the summary of share transfer restrictions required by this Code to be printed on share certificates is too long to fit practicably on the certificates, the following notice may be used instead:

> "CAUTION: SHARES IN THIS ENTERPRISE CANNOT BE TRANSFERRED (BY SALE GIFT OR OTHERWISE) EXCEPT AS ALLOWED BY THE TRIBE'S LAND OWNERSHIP CODE. COPIES OF TRIBAL CODE DOCUMENTS WHICH DESCRIBES HOW SHARES CAN BE TRANSFERRED MAY BE OBTAINED BY A SHAREHOLDER ON WRITTEN REQUEST TO THE ENTERPRISE.

b) All persons claiming an interest in shares of a statutory close enterprise complying with the notice requirements of the notice requirement above shall be bound by the documents referred to in the notice. All persons claiming an interest in shares of a statutory close enterprise not complying with the requirement of this section shall be bound by any documents of which they, or any person through whom they claim, have knowledge or notice.

69.26 Transfer of Shares in Breach of Transfer Restrictions

Any attempted transfer of shares in an enterprise formed under this Code in violation of any transfer restriction binding on the transferee shall be ineffective. Any attempted transfer of share in an enterprise formed under this Code in violation of any transfer restriction not binding on the transferee because the notice required by this Code has not been given shall give the enterprise the option, exercisable buy notice and payment within 30 days after presentation of the shares for registration in the name of the transferee, to purchase the shares from the transferee for the same price and terms.

69.27 Sale of Assets

Except as may otherwise provided in the articles of incorporation, a sale, lease, exchange, or other disposition of all, or substantially all, the property and assets, with or without the good will, of an enterprise formed under this Code, if not made in the usual and regular course of its

business, shall require the affirmative vote of all of the holders of outstanding shares of each class of shares of the enterprise, whether or not otherwise encoded to vote thereon. Nothing in this section is intended to prevent or impede the consolidation of interests in fractionated lands, including by sale, when a land consolidation action is taken for that purpose.

69.28 Election Not to Have a Board of Directors

a) An enterprise formed under this Code may operate without a board of directors if the articles of incorporation contain a statement to that effect. While this statement is effective:

1) All corporate powers shall be exercised and the business and affairs of the enterprise shall be managed under the direction of the shareholders of the enterprise, and all powers and duties conferred or imposed upon the board or directors by this Code shall be exercised by the shareholders. The shareholders may appoint an executive to handle the affairs of the enterprise in the absence of a board of directors.
2) No liability that would otherwise be imposed on the directors shall be imposed on a shareholder by virtue of any act or failure to act unless the shareholder was encoded to vote on the action.
3) Any requirement that an instrument filed with any government agency contain a statement that a specified action has been taken by the board of directors shall be satisfied by a statement that the enterprise is formed under this Code having no board of directors and that the action was duly approved by the shareholders.
4) The shareholders by resolution may appoint one or more shareholders to sign any documents as "Designated Directors".
5) Unless the articles of incorporation otherwise provide, any action requiring director approval or both director and shareholder approval shall be sufficiently authorized by shareholder approval and any action otherwise requiring vote of a majority or greater percentage of the board of directors shall require the affirmative vote of the holder of a majority, of such greater percentage, if the shares encoded to vote thereon.

b) Any amendment to the articles of incorporation to include provisions authorized by this section must be approved by the holders of all the land owner and capital investment shares of the enterprise whether or not they are otherwise encoded to vote thereon, or all the subscribers to such shares, or the incorporators, as the case may be. Any amendment to the articles of incorporation to delete the election must be approved by the affirmative vote of the holders of all of the shares of the enterprise whether or not they are otherwise encoded to vote thereon.

69.29 Agreements Among Shareholders

a) The shareholders of a enterprise formed under this Code may enter into one or more written agreements to regulate the exercise of the corporate powers and the management of the affairs of the enterprise or the relations among the shareholders of the enterprise. Any agreement authorized by this section shall be valid and enforceable according to its terms notwithstanding the elimination of the board of directors, any restriction on the discretion or powers of the board of directors, or any proxy or weighted voting rights given to directors and notwithstanding that the effect of the agreement is to treat the enterprise as if it were a partnership of that the arrangement of the relations among the shareholders or between the shareholders and the enterprise would otherwise be appropriate only among partners. If the enterprise has a board of

directors, the effect of an agreement authorized by this section restricting the discretionary powers of the directors shall be to relieve the directors of, and impose upon the person or persons on whom such discretion or powers are vested, the liability for acts or omissions imposed by law upon directors to the extent that the discretion of powers of the directors are controlled by the agreement.

b) Any election not to have a board of directors is an agreement authorized by this section shall not be valid unless the articles of incorporation contain a statement to that effect in accordance with this Code. A shareholder agreement authorized by this section shall not be amended except by the majority approval of the shareholders unless otherwise provided in the agreement. Provisions otherwise required to be stated in corporate bylaws may be contained with equal effect in a shareholder's agreement. This section shall not prohibit any other agreement among two or more shareholders not otherwise prohibited by law.

69.30 Shareholders' Right to Inspect Records

a) A enterprise shall keep at least the following records:

1) Minutes of all shareholders, meetings and board of director's meetings;
2) appropriate accounting records;
3) names and addresses of all shareholders and the number and class of shares held;
4) current articles of incorporation, bylaws and shareholders' agreements; and
5) resolutions adopted by the board of directors.

b) Upon five days written notice, a shareholder of the enterprise is encoded to inspect and copy records referred to in subsection (a) above, subject to the following requirements:

1) The shareholder's demand must be made in good faith and for a proper purpose;
2) the shareholder must describe with reasonable particularity his or her purpose and the records he or she desires to inspect;
3) the records must be directly connected with his or her purpose; and
4) the enterprise may impose a reasonable charge covering the costs of labor and materials for copies of documents made for the shareholder; provided, however, that the charge may not exceed any estimates of such costs provided to the shareholder.

c) A shareholder's agent or attorney has the same inspection and copying rights as the shareholder he or she represents. An enterprise may take reasonable steps to prevent the dissemination of trade secrets, propriety information or other commercially-sensitive information to persons other than shareholders.

69.31 Annual Meeting

An enterprise formed under this Code shall establish in its articles of incorporation or bylaws, or in shareholders' agreement, a date at which an annual meeting of shareholders shall be held and if not so established the date shall be the first business day after May 31st.

69.32 Special Meetings of Shareholders.

a) An enterprise shall hold a special meeting of shareholders:

1) On call of its board of directors or the person or persons authorized to do so by the articles of incorporation or bylaws; or
2) if the holders of at least 10 percent of all the votes encoded to be cast on any issue proposed to be considered at the proposed special meeting sign, date and deliver

to the enterprise's secretary one or more written demands for the meeting describing the purposes for which it is to be held.

b) Special shareholders' meetings may be held on or off the Reservation, at the place stated in accordance with the bylaws, special meetings shall be held at the enterprise's principal office. Only business within the proposes described in the notice sent to shareholders may be conducted at a special shareholders' meeting.

69.33 Notice of Shareholders Meeting

An enterprise shall notify shareholders of the date, time and place of each annual and special shareholders' meeting no fewer than 10 nor more than 60 days before the meeting. Unless this Code or the articles of incorporation require otherwise, the enterprise is required to give notice only to shareholders encoded to vote at the meeting. Notice shall be given by mail or telephone, using the most recent address or telephone number supplied to the enterprise by each shareholder. If an annual or special shareholders' meeting is adjourned to a different date, time and place, notice need not be given of the new date, time or place it that information is announced before meeting adjournment before meeting adjournment.

69.34 Shareholder Distribution Options at Death

a) If the articles of incorporation provides that this section shall apply to the enterprise, the executor or administrator of the estate of any deceased shareholder shall, subject to any directions in the deceased shareholder's last will and testament, have the right to require the enterprise to elect either to purchase or cause the purchase of all, but not less than all, of the shares of the decedent pursuant to this subsection, or to be dissolved, provided that the integrity and purposes of land owner and capital investment shares is maintained following such distribution.

b) A modification of the provisions in this section shall be valid unless provided otherwise in the articles of incorporation or this Code. Any amendment to the articles of incorporation to provide that this section shall apply or to delete or modify the provisions of this section shall be approved by unanimous vote of the holders of each class of shares of the enterprise affected by the proposed deletion on modification, whether or not they are otherwise encoded to vote thereon; but if the enterprise has no shareholders at the time of the proposed amendment, by the unanimous vote of all the subscribers of all of the incorporators, as the case may be. A person exercising rights under this section shall, within six months after the death of the beneficial owner of shares, deliver a written notice to the enterprise's registered office specifying that number and class of all shares beneficially owned by the deceased shareholder and stating that an offer by the enterprise to purchase such shares is being solicited pursuant to this section. Within 20 days after receipt of the notice, the president of the enterprise shall call a special meetings of shareholders, which shall be held not more than 40 days after the call, for the purpose of determining whither to offer to purchase the shares. Approval of action to offer to purchase the shares shall be by affirmative vote of the holders of a majority of shares encoded to vote, excluding the shares covered by the notice. With the consent of all the shareholders encoded to vote for approval, the enterprise may allocate some for all of the shares to one or more shareholders, or to other persons, but if the enterprise has more than one class of shares, the remaining holders of the class of capital investment shares being offered for sale shall have first option to purchase the shares that are not purchased by the enterprise in proportion to their shareholdings or such proportion as shall be agreeable to those desiring to purchase. Written

notice of any offer to purchase approved by the shareholders, or that no offer to purchase was approved, shall be delivered or sent to the person exercising his or her rights under this section within 75 days after delivery of the notice soliciting the offer to purchase. Any offer to purchase shall be accompanied by copies of the enterprise's balance sheets as of the end of, and profit and loss statements for, its proceeding two accounting years and any available interim balance sheet and profit and loss statement.

c) To the extent the price and other terms for purchasing shares of a transferring shareholder by the enterprise or remaining shareholders are fixed or are to be determined pursuant to provisions in the articles of incorporation, the bylaws of the enterprise, or by written agreement, those provisions shall be binding, except that in the event of a default in any payment due, this subsection shall apply and the person exercising his or her rights under this section shall have the right to petition for dissolution of the enterprise. Any offer to purchase shall be accepted or rejected in writing within 15 days.

d) If an offer to purchase is rejected, or if no offer to purchase is made, the person exercising rights under this section may commence an action in the Tribal Court. The jurisdiction of the court shall be plenary and exclusive. The enterprise shall be made a part defendant in such action and shall, at its expense, give notice of the commencement of the action to all of its shareholders and such other persons as the court may direct. The court shall proceed to determine the fair value of the shares of the person exercising the rights under this section in accordance with this Code and enter an order requiring the enterprise to cause the purchase of the shares at fair value and on the other terms so determined or to give such person the right to have the enterprise dissolved.

e) Upon the petition of the enterprise, the court may modify its decree to change the terms of payment if it finds that the changed financial or legal ability of the enterprise or other purchasers of the shares to complete the purchase justifies a modification. Any person making a payment in order to prevent or cure any default by any purchaser shall be encoded to recover the excess payment from the defaulting person. The court may consider:

1) If the enterprise or other purchaser fails for any reason to make any payment specified in the court decree within 30 days after the due date for such payment, the court shall, upon the petition of the person to whom the payment is due and in the absence of good cause shown by the enterprise, enter a decree dissolving the enterprise,

2) If the fair value of the shares as determined by the court does not materially exceed the last offer made by the enterprise prior to the commencement of an action brought and the court finds that the failure of the person exercising rights under this section to accept the enterprise's last offer was arbitrary, vexatious, or not otherwise in good faith, the court may assess all or a portion of the costs and expenses of the action against such person.

3) If the fair value of the shares as determined by the court materially exceeds the amount of the last offer made by the enterprise prior to the time a petition was filed and the court finds that the enterprise's last offer was arbitrary, vases, or was otherwise not made in good faith, the court may assess all or a portion of the costs and expenses of the action against the enterprise.

f) Expenses assessable under this subsection shall include reasonable compensation for and reasonable expenses of any appraisers appointed by the court, and the reasonable feeds and expenses of counsel for and experts employed by any party. Legal costs of an action filed

pursuant to this subsection may be assessed by the Tribal Court on an equal basis between the enterprise and any party exercising rights under this section, and all other fees and expenses shall be borne by the party incurring the fees and expenses.

g) Any shareholder may waive his or her and his or her estate's and heirs' rights under this section by a signed writing. This section shall not be construed to prohibit any other agreement not prohibited by law that provides for the purchase of shares of the enterprise, nor shall it prevent a shareholder from enforcing any other remedy he or she may have.

69.35 Actions by Shareholders of Close Enterprises

a) Any shareholder of record, the beneficial owner of share held by a nominee, or the holder of voting trust certificates of a enterprise formed under this Code may file a petition in the Tribal Court for relief on the grounds that the directors or those in control of the enterprise have or will have conducted the business and affairs of the enterprise in a manner which is not in good faith and which is unfair or oppressive as to the petitioner. Such conduct shall include, but shall not be limited to unfairly depriving the shareholder of the benefit of his or her interests or investment in preference to other shareholders by failing to pay dividends which in good faith ought to be paid, or using the payment of wages as an unfair device to divert income from the petitioner or that conditions exist that would be grounds for judicial dissolution of the enterprise

b) In determining whether one or more of the conditions exist for review of the enterprise's affairs, the court shall give due consideration to the strict fiduciary duty which shareholders of enterprises formed under this Code owe to one another, with is the duty of good faith, fairness and loyalty.

c) The jurisdiction of the court shall be plenary and exclusive. If the court finds that conditions exist that justify court intervention, it shall grant such relief as in its discretion is deems appropriate, including, without limitation, orders granting one or more of the following types of relief:

1) Canceling, altering or enjoining any resolution or other act of the enterprise;
2) directing or prohibiting any act of the enterprise or of shareholders, directors, officers, or other persons party to the action;
3) canceling or altering any provision contained in the articles of incorporation or by-laws of the enterprise;
4) removing from office any director or officer, or ordering that a person be appointed a director of officer;
5) requiring an accounting with respect to any matters in dispute;
6) appointing a custodian to manage the business and affairs of the enterprise;
7) appointing a provisional director who shall have all the rights, powers, and duties of a duly elected director and shall serve for the term and under conditions established by the court;
8) ordering the payment of dividends; or
9) other relief that the court deems appropriate.

d) If the court finds the relief specified in this subsection would be inadequate or inappropriate, ordering that the enterprise is liquidated and dissolved unless either the enterprise or one or more of the remaining shareholders has purchased all of the shares of another shareholder at their fair value by a designated date, with the fair value and terms of the purchase to be determined as provided in accordance with tribal and federal law or by this Code. With respect to land owner shares, the court shall appoint a custodian to represent the land owner

shareholders until such time as the land owners, tribe or appropriate federal agency prescribes an alternative management structure administer the land. In the event the capital investment share purchase is not consummated and the enterprise is dissolved and liquidated, any shareholder whose shares were to be purchased shall have the same rights and priorities in the assets of the enterprise as would have been the case had no purchase been ordered by the court:

1) Awarding damages to any aggrieved party in addition to or in lieu of any other relief granted;
2) In determining whether to enter a judgment under this subsection, the court shall take into consideration the financial condition of the enterprise but shall not refuse to order liquidation solely on the grounds that the enterprise has earned surplus or current operating profits.
3) If the court determines that any party to a proceeding brought under this section has acted arbitrarily, capricious, or otherwise not in good faith, it may award reasonable expenses, including attorneys, fees and the costs of any appraisers of other experts, to one or more of the other parties.

e) If the court orders relief, the court shall:

1) Proceed to determine the fair value of the shares to be purchased, considering the going concern values of the enterprise, any agreement among the same or all of the shareholders fixing a price or specifying a formula for determining the value of the enterprise's shares for any purpose, the recommendations of any appraiser appointed by the court, any legal constraints on the ability of the enterprise to acquire the shares to be purchased, and other relevant evidence.
2) Enter a decree specifying the identity of the purchaser and the terms of the purchase found to be proper under the circumstances, including such provisions as are deemed proper concerning payment of the purchase price in two or more installments, payment of interest on the installments, subordination of the obligation to the rights of other creditors of the enterprise, security for the deferred purchase price, and a covenant not to complete or other restriction on the selling shareholder.
3) Order that the selling shareholder shall, concurrently with the payment of the purchase price, or in the event of an installment purchase concurrently with the payment of the initial payment called for in the order make delivery of all his or her shares and from that date have no rights or claims against the enterprise or its directors, officers, or shareholders by reason of his or her having been a director, officer, or shareholder of the enterprise, except the right to receive the unpaid balance of the amount awarded under this section and any amounts due under any agreement with the enterprise for the remaining shareholders that are not terminated by the court's order.
4) Order that it the purchase is not completed in accordance with the court's decree, the enterprise shall be liquidated.

f) Except as otherwise provided, the rights of a shareholder to file a proceeding under this section are in addition to and not in lieu of any other rights or remedies the shareholder may have. No shareholder shall be eligible to file an action under this section until he or she shall have exhausted any non-judicial remedy for resolution of the issues in disputed to which the shareholder has agreed in writing.

69.36 Limited Liability
The failure of an enterprise to observe usual corporate formalities or requirements relating to the exercise of its corporate powers or the management of its business and affairs shall not be grounds for imposing personal liability on the shareholders for obligations of the enterprise.

Directors and Officers

69.37 Duties of Board of Directors
Unless the election to operate without a board of directors has been made, all enterprise powers shall be exercised by or under the authority of, and the business and affairs of the enterprise managed under the direction of, its board of directors, subject to any limitations set forth in the articles of incorporation.

69.38 Qualifications of Directors
The articles of incorporation or bylaws may prescribe qualifications for directors. A director need not be a resident of the state of a shareholder of the enterprises unless the articles of incorporation or bylaws so prescribe. A director shall be at least 18 years of age.

69.39 Terms of Directors
The terms of the initial directors of the enterprises expire at the first shareholders' meeting at which directors are elected. The terms of all other directors expire at the next annual shareholders' meting following their election unless the articles of incorporation provide that their terms be staggered. A decease in the number of directors does not shorten an incumbent director's term. The term of a director elected to fill a vacancy expires at the next shareholders' meeting at which directors are elected. Despite the expiration of a director's term, he or she continues to serve until his or her successor is elected and qualifies or until there is a decrease in the number of directors.

69.40 Removal of Directors by Shareholders
The shareholders may remove one or more directors with or without cause unless the articles of incorporation provide that directors may be removed only for cause. If a director is elected by a voting group of shareholders, only the shareholders of that voting group may participate in the vote to remove him or her. A director may be removed by the shareholders only at a meeting called for that purpose and the meeting notice must state the purpose, or one of the purposes, of the meeting is removal of the director.

69.41 Removal of Directors by Judicial Proceeding.
a) The Tribal Court may remove a director of the enterprise from office in a proceeding commenced either by the enterprise or by its shareholders holding at least 10 percent of the outstanding shares of any class it the court finds that:

1) The director engaged in fraudulent or dishonest conduct, or gross abuse of authority or discretion, with respect to the enterprise; and
2) removal is in the best interest of the enterprise.

b) If the court removes the director it may bar the director from reelection for a period prescribed by the court. If shareholders commence a proceeding under this subsection, they shall make the enterprise a party defendant.

69.42 Meetings.
The board of directors may hold regular or special meetings on or off the Reservation. Unless the articles of incorporation or bylaws provide otherwise, the board of directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person a the meeting.

69.43 Action Without Meeting
Unless the articles of incorporation or bylaws provide otherwise, action required or permitted by this Code to be taken at the board of directors' meeting may be taken without a meeting if the action is taken by all members of the board. The action must be evidenced by one or more written consents describing the action taken, signed by each director, and included in the minutes or filed with the corporate records reflecting the action taken.
Action taken under this section is effective when the last director records action on the consent, unless the consent specifies a different effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

69.44 Notice of Meeting
Unless the articles of incorporation or bylaws provide otherwise, regular meetings of the board of directors may be held as provided in the bylaws without notice to directors of the date, time, place, or purpose of the meeting. Unless the articles of incorporation or bylaws provide for a longer or shorter period, special meeting of the board or directors must be preceded by at least two days' notice of the date, time, and place of the meeting. The notice need not describe the purpose of the special meting unless required by the articles of incorporation, bylaws or the provisions of this Code.

69.45 Waiver of Notice
a) A director may waive any notice required by this Code, the articles of incorporation or the bylaws before or after the date and time stated in the notice. Unless otherwise agreed, the waiver must be in writing, signed by the director encoded to the notice, and filed with the minutes or corporate records.
b) A director's attendance at or participation in a meeting waives any required notice to him or her unless that director at the beginning of the meeting (or promptly upon his or her arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

69.46 Quorum and Voting.
Unless the articles of incorporation or bylaws require a greater number, a quorum of the board of directors consists of a majority of the number of directors. The articles of incorporation or bylaws may authority a quorum of a board of directors to consist of no fewer than one-third of the number of directors. If a quorum is present when a vote is taken, the affirmative majority of directors present is the act of the board of directors unless the articles of incorporation or bylaws require the vote of a greater number of directors. A director who is present at a meeting of the board of directors of a committee of the board of directors when corporate action is taken is

deemed to have assented to the action unless:

a) He/she objects at the beginning of the meeting (or promptly upon his or her arrival) to holding it or transacting business at the meeting;

b) his/her dissent or abstention from the action is taken in the minutes of the meeting; or

c) he/she delivers written notice of his or her dissent or abstention to the presiding officer of the meeting before its adjournment or to the enterprise immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

69.47 General Standards for Directors

a) A director shall discharge his or her duties as a director, including duties as a member of a committee:

1) in good faith;
2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
3) in a manner he or she reasonably believes to be in the best interests of the enterprise.

b) In discharging his or her duties a director is encoded to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

1) One or more officers or employees of the enterprise whom the director believes to be reliable and competent in the matters presented;
2) legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence, or
3) a committee of the board of directors of which he or she is not a member if the director reasonably believes to committee merits confidence.

c) A director is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by this subsection unwarranted. A director is not liable for any action taken as a director, of any failure to take any action, if he or she performed the duties of office in conjunction with this section.

69.48 Director Conflict of Interest

a) A conflict of interest transaction is a transaction with the enterprise in which a director of the enterprise has a direct or indirect interest. Any conflict of interest transaction is voidable by the enterprise because of the director's interest in the transaction unless any one of the following is true:

1) The material facts of the transaction and the director's interest were disclosed or known to the board of directors or a committee of the board of directors and the board of directors or committee before they authorized, approved or ratified the transaction;
2) the material facts of the transaction and the director's interest were disclosed or known to the shareholders encoded to vote and they authorized, approved, or ratified the transaction; or
3) the transaction was fair to the enterprise.

b) For the purposes of this subsection, a director of the enterprise has an indirect interest in the transaction if:

1) another entity or individual in which he/she has a material financial or property interest or in which he or she is a general partner is a party to the transaction; or
2) another entity of which he or she is a director, officer, or trustee is a party to the transaction and the transaction is or should be considered by the board of directors of the enterprise.

c) A conflict of interest transaction may be authorized, approved, or ratified if it receives the affirmative vote of a majority of the directors on the board of directors (or on the committee) who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved, or ratified under this section by a single director. If a majority of the directors who have no direct of indirect interest in the transaction vote to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken if the transaction is otherwise authorized, approved or ratified as provided in that subsection.

d) A transaction involving a conflict of interest may be authorized, approved or ratified by an affirmative vote of a majority of the land owner and capital investment shareholders encoded to be counted under this subsection. Shares owned by or voted under the control of a director who has a direct or indirect interest in the transaction, and shares owned by or voted under the control of an entity may not be counted in a vote of shareholders to determine whether to authorize, approve or ratify a conflict of interest transaction. The vote of those shares, however, is counted in determining whether a transaction is approved under other sections of this Code. A majority of shares, whether or not present, that are encoded to be counted in a vote on the transaction under this subsection constitutes a quorum fort the purpose of taking action under this section.

69.49 Liability for Unlawful Distributions.

Unless he/she complies with applicable standards of conduct, a director who votes for or assents to a distribution made in violation of this Code or the articles of incorporation is personally liable to the enterprise for the amount of distribution that exceeds what could have been distributed without violating this Code or the articles of incorporation. A director held liable for an unlawful distribution is encoded to contributions:

1) From every other director who voted for or assented to the distribution without complying with the applicable standards of conduct; and
2) from each shareholder for the amount the shareholder accepted knowing the distribution was made in violation of this Code or the articles of incorporation.

69.50 Officers

A enterprise has the officers described in its bylaws or appointed by the board of directors in accordance with the bylaws. A duly appointed officer may appoint one or more officers or assistant officers it authorized by the bylaws or the board of directors. The bylaws or the board of directors shall delegate to one of the officers responsibility for preparing minutes of the directors, and shareholders, meetings and for authenticating records of the enterprise. The same individual may simultaneously hold more than one office in the enterprise. Each officer has the authority and shall perform the duties set forth in the bylaws or, to the extent consistent with the bylaws, the duties prescribed by the board of directors or by direction of an offer authorized by the board of director to prescribe the duties of other officers.

69.51 Standards of Conduct for Officers

a) An officer with discretionary authority shall discharge his or her duties under that authority:

1) In good faith;
2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
3) in a manner he or she reasonably believes to be in the best interests of the enterprise.

b) In discharging his or her duties an officer may rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

1) One or more officers or employees of the enterprise whom the director believes to be reliable and competent in the matters presented; or
2) legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence.

c) An officer is not acting in good faith it he or she has knowledge concerning the matter in question that makes reliance otherwise unwarranted. An officer is not liable for any action taken as a director, of any failure to take any action, if he or she performed the duties of office in conjunction with this section.

69.52 Resignation and Removal of Officers

a) An officer may resign at any time by delivering notice to the enterprise. A resignation is effective when the notice is delivered unless the notice specifics a later effective date. If resignation is made effective at a later date and the enterprise accepts the future effective date, its board of directors may fill the pending vacancy before the effective date if the board of directors provides that the successor does not take office until the effective date.

b) A board of directors may remove any officer at any time with or without cause.

69.53 Indemnification of Corporate Agents

a) An enterprise may indemnify any person who was a party or is threatened to be made a party to any threatened pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director, officer, employee or agent of the enterprise, or is or was serving at the request of the enterprise as a director, officer, employee or agent of another enterprise, partner, joint venture, trust, or other enterprise, against expenses including attorneys' fees, judgments, fines and amounts paid in settlement actually of reasonably incurred in connection with the action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the enterprise or, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

b) No indemnification shall be made pursuant to this section in respect of any proceeding in which such person shall have been adjudged to be liable to the enterprise. No person shall be indemnified under this section in respect to any proceeding charging improper personal benefit to him or her, whether of not involving action in his or her capacity, in which he or she have been adjudged to be liable on the basis that personal benefit was improperly received by him or her.

69.54 Mandatory Indemnification
Unless limited by its articles of incorporation, an enterprise shall indemnify a director of offer who was wholly successful, on it merits or otherwise, in the defense of any proceeding to which he of she was a party because he or she is or was a director of the enterprise, against reasonable expenses incurred by him or her in connection with the proceedings.

69.55 Insurance
An enterprise may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee, or agent of the enterprise, or who, while a director, officer, employee, or agent of the enterprise, is or was serving at the request of the enterprise as a director, officer, partner, trustee, employee, or agent of another foreign or domestic enterprise, partnership, joint venture, trust, employee benefit plan, of other enterprise, against liability asserted against or incurred by him or her in that capacity or arising from his or her status as a director, officer, employee, or agent, whether or not the enterprise would have power to indemnify him or her against the same liability under this Code.

Amendment of Articles of Incorporation

69.56 Resolution of Proposed Amendment.
The board of directors shall adopt a resolution setting forth a proposed amendment to the articles of incorporation and directing that it be submitted to a vote at a meeting of the shareholders, which may be either an annual or a special meeting. Any number of amendments may be submitted to shareholders, and voted upon by them, at one meeting.

69.57 Notice of Proposed Amendment
Written notice setting forth a proposed amendment to the articles of incorporation or a summary of the changes to be effected thereby shall be given to each shareholder of record encoded to vote thereon. If the meeting be an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

69.58 Vote of Shareholders Meeting
A vote of the land owner and capital investment shareholders encoded to vote thereon shall be taken on the proposed amendment at a properly called meeting for that purpose. Except as otherwise provided in this Code, the proposed amendment shall be adopted upon receiving the affirmative vote of the holders of two-thirds of the shares encoded to vote thereon. If any class of shares is encoded to vote, the proposed amendment shall be adopted upon receiving the affirmative vote of the holders of two-thirds of the shares of each class of shares encoded to vote thereon as a class and of the total shares encoded to vote enter on, unless a greater majority is required by the provisions of this Code.

69.59 Classes of Shares Encoded to Vote
The holders of the outstanding shares of a class shall be encoded to vote as a class upon a proposed amendment, whether or not encoded to vote thereon by the provisions of the articles of incorporation, it the amendment would:

a) Increase or decrease the aggregate number of authorized shares of such class;
b) increase of decrease the par value of the shares of such class;

c) effect an exchange, reclassification or cancellation of all or parts of the shares of such class;
d) effect an exchange, or create a right of exchange, of all or any party of the shares of another class into the shares of such class;
e) change the designations, preferences, limitations or relative rights of the shares of such class;
f) change the shares of such class, whether with or without par value, into the same or a different number of shares, either with or without par value, of the same class or another class or classes;
g) create a new class of shares having rights and preferences prior and superior to the shares of such class, or increase the rights and preferences of any class having rights and preferences prior or superior to the shares of such class;
h) in the case of a preferred or special class of shares, divide the unissued shares of such class into series and fix and determine the designation of such series and the variations in the relative rights and preferences between the shares of such series or authorize the board of directors to do so;
i) limit or deny the existing preemptive rights of shares of such class; or
j) cancel or otherwise affect dividends on the shares of such class which have accrued but have not been declared.

69.60 Articles of Amendment.

a) Articles of amendment shall be executed in duplicate by the enterprise by its chief executive officer and shall be verified by the officer who has been delegated responsibility for authenticating corporate records, and shall set forth:

1) The name or the enterprise;
2) the amendment so adopted;
3) the date of the adoption of the amendment by shareholders;
4) the number of shares outstanding, and the number of shares encoded to vote thereon, and if the shares of any class are encoded to vote thereon as a class, the designation and number of outstanding shares encoded to vote thereon on each such class;
5) the number of shares voted for and against such amendment, respectively, and, if the shares of any class are encoded to vote thereon as a class, the number of shares of each such class voted for and against such amendment, respectively;
6) if such amendment provides for an exchange, reclassification or cancellation of issued shares, and it the manner in which the same shall be effected is not set forth in the amendment, then a statement of the manner in which the sane shall be effected; and
7) if such amendment effects a change in the amount of stated capital, then a statement of the manner in which the same is effected and a statement expressed in dollars, of the amount of stated capital as changed by the amendment.

b) The articles of amendment shall be sent to the Director of Commerce with fees as provided in this Code. If the Director of Commerce approves the amendments, he or she issue a certificate of amendments.

Dissolution

69.61 Dissolution By Board of Directors and Shareholders

a) An enterprise's board of directors may propose dissolution for submission to the shareholders. For a proposal to dissolve to be adopted:

1) The board of directors must recommend dissolution to the shareholders unless the board of directors determines that because of conflict of interest or other special circumstances it should make no recommendation and communicates the basis for its determination to the shareholders; and

2) the shareholders encoded to vote must approve the proposal to dissolve.

b) The board of directors may condition its submission of the proposal for dissolution on any basis. The enterprise shall notify each shareholder, whether or not encoded to vote, of the proposed shareholders' meeting. The notice must also state that the purposed, or one of the purposes, of the meeting is to consider dissolving the enterprise. Unless the articles of incorporation or the board of director require a greater vote or a vote by voting groups, in order for the proposal to dissolve to be adopted it must be approved by a majority of all the votes encoded to be case on that proposal.

69.62 Shareholder Option To Dissolve The Enterprise

a) Unless a shareholder's agreement or the articles of incorporation provide otherwise, any shareholder of a enterprise formed under this Code has an option to have the enterprise dissolved at will. Whenever any such option to dissolve is exercised, the shareholder exercising the option shall give written notice thereof to all other shareholders. The enterprise or one or more shareholders of the enterprises may offer to purchase the shares at their fair market value from the person exercising the option to dissolve. If the parties cannot agree on the price for the shares or other terms of the sale, any party may bring an action in Tribal Court to oversee the terms of the sale. If no such written offer to purchase is received within 30 days following the sending of the notice, the dissolution of the enterprise shall proceed as if the required number of shareholders having voting power had consented.

b) Unless the articles of incorporation otherwise provide, an amendment to the articles of incorporation to include, or delete a provision shall be approved by the holders of all the outstanding shares, whether or not otherwise encoded to vote thereon, or all of the subscribers of all of the incorporators, as the case may be.

69.63 Articles of Dissolution

a) At any time dissolution is authorized, the enterprise may dissolve by delivering to the Director of Commerce for filing articles of dissolution setting forth:

1) The name of the enterprise;

2) the date dissolution was authorized;

3) if dissolution was approved by the shareholders:

4) the number of votes encoded to be cast on the proposal to dissolve; and

5) either the number of votes cast individually and collectively by land owner and capital investment shareholders for and against dissolution or the total number of undisputed votes cast for dissolution and a statement that the number cast for dissolution was sufficient for approval.

b) If voting by voting groups was required, the information must be separately provided for

each voting group encoded to vote separately on the proposal to dissolve. If the dissolution resulted from the exercise of an option to dissolve a copy of the notice required by that section shall be attached. An enterprise is dissolved upon the effective date of its articles of dissolution, provided that, with respect to land owner shares, the Tribal Court may appoint a custodian to represent the land owner shareholders until such time as the land owners, tribe or appropriate federal agency prescribes an alternative management structure administer the land.

69.64 Effect of Dissolution

a) A dissolved enterprise continues its corporate existence but may not carry on any business except that appropriate to wind up and liquidate its business and affairs, including;

1) Collecting its assets;
2) disposing of its properties that will not be distributed in kind to its shareholders;
3) disposing property of the Tribe in accordance with the appropriate procedures;
4) discharging of making provisions for discharging of its liabilities;
5) distributing its remaining property among its shareholders according to their interests; and
6) doing every other act necessary to wind up and liquidate its business and affairs.

b) Dissolution of a enterprise does not:

1) Transfer title of the enterprise's property;
2) transfer title of the tribe's or individual trust property that was controlled by the enterprise;
3) prevent transfer of its shares of securities, although the authorization to dissolve may provide for closing the enterprise's share transfer records;
4) subject its directors of officers to standards of conduct different from those prescribed in this Code,
5) change quorum or voting requirements for its board of directors or shareholders; change provisions for selection, resignation, or removal of its directors or officers; or change provisions for amending its bylaws;
6) prevent commencement of a proceeding by or against the enterprise in its corporate name;
7) abate or suspend a proceeding pending by or against the enterprise in its corporate name; or
8) terminate the authority of the registered agent of the enterprise.

69.65 Known Claims Against Dissolved Enterprise

a) A dissolved enterprise may dispose of the known claims against it by following the procedures prescribed in this section. The dissolved enterprise shall notify its known claimants in writing of the dissolution at any time after its effective date. The written notice must:

1) Describe information that must be included in a claim;
2) provide a mailing address where a claim may be sent;
3) state the deadline, which may not be fewer than 120 days from the effective date
4) of the written notice, by which the dissolved enterprise must receive a claim; and
5) state that the claim will be barred it not received by the deadline.

b) A claim against the dissolved enterprise is barred:

1) If the claimant was given written notice under subsection (b) does not deliver the claim to the dissolved enterprise by the deadline; or

2) if the claimant whose claim was rejected by the dissolved enterprise does not commence a proceeding to enforce the claim within 90 days from the effective date of the rejection notice.

c) For the purposes of this section, "claim" does not include a contingent liability or a claim based on an event occurring after the effective date of dissolution.

69.66 Unknown Claims Against Dissolved Enterprise

a) A dissolved enterprise may also publish notice and request that persons with claims against the enterprise present them in accordance with the notice. The notice must:

1) Be published one time in a newspaper of general circulation in the county where the dissolved enterprise's principal office is or was last located, and in newspaper of general circulation on the Reservation where the enterprise is incorporated and where enterprise's original fractionated land is located;
2) describe the information that must be included in a claim and provide a mailing address where the claim may be sent; and
3) state that a claim against the enterprise will be barred unless a proceeding to enforce the claim is commenced within two years after the publication of the notice.

b) If the dissolved enterprise publishes a newspaper notice in accordance with this subsection, the claim of each of the following claimants is barred unless the claimant commences a proceeding to enforce the claim against the dissolved enterprise within two years after the publication date of the newspaper notice:

1) A claimant who did not receive written notice;
2) a claimant whose claim was timely sent to the dissolved enterprise but not acted on; or
3) a claimant whose claim is contingent or based on an event occurring after the effective date of dissolution.

c) A claim may be enforced under this section:

1) Against the dissolved enterprise, to the extent to its undistributed assets; or
2) - if the assets have been distributed in liquidation, against a shareholder of the dissolved enterprise to the extent the his or her pro-rata share of the claim or the corporate assets distributed to him or her in liquidation, whichever is less, but a shareholder's total liability for all claims under this section may not exceed the total amount of assets distributed to him or her.

69.67 Grounds For Administrative Dissolution

The Director of Commerce may proceed to administratively dissolve a enterprise if:

a) The enterprise's period of duration stated in the articles of incorporation expires;
b) responses to interrogatories show that the enterprise has been inactive for a period of at least one year, and there are no plans to reactivate the enterprise in the future; or
c) interrogatories have not been answered by any persons to whom they were directed for a period of 120 days after becoming due, provided, however, that 30 days before commencing a proceeding under this subsection, the Director of Commerce shall notify each person failing to answer such interrogatories of its intent to commence such a proceeding.

69.68 Procedure For and Effect of Administrative Dissolution

a) If the Director of Commerce determines that one or more grounds exist for dissolving a enterprise, it shall serve the enterprise with written notice of its determination. If the enterprise does not correct each ground for dissolution or demonstrate to a reasonable satisfaction of the Director of Commerce that each ground determined by the Director of Commerce does not exist within 60 days after service of the notice is perfected, the Director of Commerce shall administratively dissolve the enterprise by signing a certificate of dissolution that recites the ground or grounds for dissolution and its effective date. The Director of Commerce shall file the original of the certificates and serve a copy on the enterprise.

b) An enterprise administratively dissolved continues its corporate existence but may not carry on any business except that necessary to wind up and liquidate its business land and affairs and notify claimants as provided in this Code. The administrative dissolution of a enterprise does not terminate the authority of its registered agent.

69.69 Grounds For Judicial Dissolution

The Tribal Court may dissolve a enterprise:

a) In a proceeding brought on behalf of the Director of Commerce or other agency or official of the Tribe if it is established that:
   1) the enterprise obtained its articles of incorporation through fraud; or
   2) the enterprise has continued to exceed or abuse the authority conferred upon it by law;

b) In a proceeding by a shareholder if it is established that:
   1) are deadlocked in the management of the corporate affairs; the shareholders are unable to break the deadlock, and irreparable injury to the enterprise is threatened or being suffered, or the business and affairs of the enterprise can no longer be conducted to the advantage of the shareholders generally, because of the deadlock;
   2) the directors or those in control of the enterprise have acted, are acting, or will act in a manner that is illegal, oppressive, or fraudulent;
   3) the shareholders are deadlocked in voting power and have failed, for a period that includes at least two consecutive annual meeting dates, to elect successors to directors whose terms have expired;
   4) the corporate assets are being misapplied or wasted; or
   5) the shareholder has duly exercised an option described in this Code to dissolve the enterprise, and the enterprise has failed to proceed with filing articles of dissolution or winding up corporate affairs as required by this Code.

c) In proceeding by a creditor if it is established that:
   1) the creditor's claim has been reduced to judgment, the execution on the judgment returned unsatisfied, and the enterprise is insolvent; or
   2) the enterprise has admitted in writing that the creditor's claim is due and owing and the enterprise is insolvent; or
   3) in a proceeding by the enterprise to have its voluntary dissolution continued under court supervision.

69.70 Procedure for Judicial Dissolution

It is not necessary to make shareholders parties to a proceeding to dissolve a enterprise unless relief is sought against them individually. The Tribal Court in a proceeding brought to dissolve a

enterprise may issue injunctions, appoint a receiver or custodian with all powers and duties the court directs, take other action required to preserve the corporate assets wherever located, and carry on the business of the enterprise until a full hearing can be held.

69.71 Decree of Dissolution
If after a hearing the Tribal Court determines that one or more grounds for judicial dissolution exist, it may enter a decree dissolving the enterprise and specifying the effective date of the dissolution, and the court shall deliver a certified copy of the decree to the Director of Commerce, who shall file it. After entering the decree of dissolution, the court shall direct the windup and liquidation of the enterprise's business and affairs and the notification of claimants in accordance with this Code.

69.72 Deposit With Tribal Government
Other than those held in trust status, assets of a dissolved enterprise that should be transferred to an individual who is a creditor, claimant, or shareholder of the enterprise who cannot be found, is a minor, or who is not competent to receive them shall be reduced to cash and deposited with the Tribal Treasurer or other Tribal Department for safekeeping. When the individual furnishes satisfactory proof of encodement to the amount deposited, the Tribe shall disburse funds and the original fractionated land assets shall be conducted in accordance with applicable Tribal Court orders.

69.73 Severability
In the event that any provision of this Code shall be found or declared to be invalid, the remaining provisions of this Code shall be unaffected thereby, and shall be in full force and effect.

CERTIFICATION

I, the undersigned, as Chairman of the Hoopa Valley Tribal Council, do hereby certify that the Hoopa Valley Tribal Council, composed of eight members, of which seven were present constituting a quorum at a regular meeting thereof; duly and regularly called, noticed, and convened, and held this twenty-fifth day of June, 2007, adopted this Ordinance by a vote of six for and none against, and that this Resolution has not be rescinded or amended in any way.

DATED THIS TWENTY-FIFTH DAY OFJUNE, 2007.

CLIFFORD MARSHALL, CHAIRMAN
HOOPA VALLEY TRIBAL COUNCIL

ATTEST:
DARCY MILLER, EXECUTIVE SECRETARY
HOOPA VALLEY TRIBAL COUNCIL