

BLUE LAKE ECONOMIC ENTERPRISE ORDINANCE

Ordinance No. 04-04

The Blue Lake Economic Enterprise Act of 2004

Article I. Short Title

This Ordinance shall be known as the "**Blue Lake Economic Enterprise Act of 2004.**"

Article 2. Purposes and Findings

The Blue Lake Rancheria, a federally recognized Indian tribe ("Tribe"), has determined, after consideration of various governmental economic development opportunities, that it is in its best interest, and will further its goals of financial self-sufficiency and political self-determination, to establish diversified economic enterprises which provides the Tribe and its members with a broad diversity of economic and employment opportunities. The Tribe has engaged various economic experts and has determined, because of the sufficient complexity of new industries that it is in its best interest to acquire the expertise, knowledge, reputation, and other assets necessary to succeed.

2.1 The Tribe's involvement in industries other than gaming is vitally important to the economy of the Tribe and the general welfare of its members.

2.2 The ability of the Tribe to finance, develop, construct, operate, and maintain new economic enterprises will be enhanced by the creation of a governmental instrumentality which can, among other things, obtain enterprise financing, meet and consult with those providing to the Tribe contractual, leasehold, professional, legal and financial services, and do all other things necessary to properly own and operate economic enterprises for the Tribe's benefit. The Business Operations Board created by this Ordinance is intended to perform these functions with regard to business enterprises.

2.3 The purpose of this Ordinance is to create a Tribal governmental instrumentality of the Blue Lake Rancheria, to be known as the "Blue Lake Business Operations Board" (the "Board").

2.4 The Board shall have all of the privileges and immunities of the Tribe, and shall exercise the Tribe's ownership, management and supervision of all Tribal enterprises.

2.5 The Board shall contain no more than seven (7) seats with one (1) position being reserved for a residing Tribal Business Council Member, and one (1) position being reserved for the Board President who is tasked with building the Board's operating structure.

2.6 The Board shall have the unrestricted right to develop for profit enterprises on behalf of the Tribe where each enterprise is structured as an individual governmental instrumentality know herein as a "Government Sponsored Enterprises" (herein "GSE"). Profit from each GSE shall belong to the Tribe.

2.7 This Ordinance constitutes a delegation of powers by the Tribal General Council to the Tribal Business Council with direction to the Business Council to take all actions, upon passage of this Ordinance, that may be necessary to implement the creation of, and the holdings and ability to exercise the powers described herein by, the Board, subject to the limitations herein set forth, and constitutes an authorization by the General Council to the Business Council and the Board to carry out all actions contemplated under and in accordance with this Ordinance in connection with the ownership and operation of Tribal Enterprises.

Article 3. Principal Place of Business: Other Business Locations

3.1 The Board's principal place of business, main offices, mailing address and, where applicable, service of process, shall be on the Blue Lake Rancheria ("Reservation") located in Humboldt County, California, or at such other place as the Board may establish from time to time, provided that business of the Tribal Enterprise may occur to a substantial degree off of the reservation. The Tribal Secretary shall maintain the address for the Board's principal place of business on file.

Article 4. Relation to Tribe

4.1 The Board is a subordinate instrumentality and agency of the Tribal government established pursuant to the Tribe's Constitution. The Board is subject to this Ordinance and the overall powers of the General Council. The Board and its assets and activities shall have the same privileges and immunities as the Tribe.

4.2 On and after the date of enactment of this Ordinance (the "Effective Date"), the Business Council is directed to do all things necessary to allocate and assign all Tribal Enterprise assets to the Board thus all Tribal Enterprise assets shall be deemed owned by the Board, subject to the powers of the Board and the Board as herein provided.

4.3 On the Effective Date, except as the Board may otherwise determine, all employees, consultants, agents and attorneys of the Tribe providing service with respect to Tribal any enterprise on this date ("Providers") under any terms and conditions shall become Providers of the Board upon the same terms and conditions.

4.4 On the Effective Date, all obligations and responsibility of the Tribe to perform under any Tribal Enterprise obligation existing on the Effective date shall be delegated to and deemed assumed by the Board, with the Board being obligated to perform any obligations of the Tribe thereunder. On the Effective Date, all right, title and interest in and to any Tribal Enterprise Contract in effect on the Effective Date shall be allocated to the Board and deemed owned by the Board. Subject to any contrary requirement of federal law, all Tribal Enterprise Contracts entered into after the Effective Date shall be entered into in the name of the Enterprise and not the Tribe.

4.5 The Board shall have the right to enjoy and exercise all Tribal Enterprise Rights.

4.6 Any exercise by the Board of any powers or Board in accordance with this Ordinance shall constitute the exercise of a governmental function of the Tribe.

4.7 Notwithstanding any other contract, term or agreement of the Tribe or the Board, no waiver of sovereign immunity by any Tribal Party with respect to any matter, dispute or claim shall ever permit or allow or be construed or interpreted to permit or allow any enforcement or recourse as against the Board, or any Tribal Enterprise. No obligation, whether arising from contract, agreement, tort or otherwise, of any Tribal Party shall ever constitute an obligation of the Board, unless in each case the Board shall by Official Action consent to the same in writing. For purposes of this Section 4.7, the term "Tribal Party" shall mean the Board, the Tribe and each agency, division, subdivision, branch, Board, enterprise, board, department and similar instrumentality or entity of the Tribe.

Article 5. Board Rights, Powers and Immunities

5.1 The Board shall be entitled to all of the privileges and immunities of the Tribe, including the sovereign immunity of the Tribe, to the same extent as the Tribe itself.

5.2 It is the intent of this Ordinance to authorize the Board to do any and all things necessary or desirable in connection with the financing, development, construction, ownership, lease, operation, management, maintenance and promotion of Tribal Enterprises so as to further the governmental interests of the Tribe.

5.3 In order to further its goals, the Board shall have the power in its own name, with respect to the Tribal Enterprises and Tribal Enterprise Assets, and subject to the limits set forth herein, to:

- 5.3.1 purchase, take, receive, lease, obtain by gift or bequest, or otherwise acquire, own, hold, improve, use, and otherwise in and with real or personal property, or any interest therein, wherever situated;
- 5.3.2 sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets,;
- 5.3.3 purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, corporations, associations, partnerships, or individuals, or direct or indirect obligations of the United States, or of any other government, tribe, state, territory, governmental district or municipality, or of any instrumentality thereof;
- 5.3.4 enter into agreements to acquire real or personal property of any kind, including but not limited to, businesses in any form, land, construction equipment and materials, vehicles, storage and office facilities, and other items in whole or in part, whether or not ongoing concerns;
- 5.3.5 make contracts and guarantees and incur liabilities, borrow money at such rates of interest as the Board may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises and income;
- 5.3.6 employ contractors, consultants, attorneys and accountants;
- 5.3.7 lend money for its purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested;
- 5.3.8 conduct its affairs, carry on its operations, hold property, and have offices and exercise the powers granted by this Ordinance, within or without the Reservation boundaries;
- 5.3.9 hire, supervise and terminate employees, and appoint agents, of the Board and define their duties and fix their compensation, provided that all employees shall be governed by the personnel policies of the Tribe;
- 5.3.10 make and alter By-Laws, not inconsistent with this Ordinance, or with the laws, ordinances, and regulations of the Tribe and the United States, for the administration and regulation of the affairs of the Board;
- 5.3.11 be an owner, promoter, partner, member, associate or manager of any partnership, joint venture, trust or other enterprise;
- 5.3.12 establish committees of the Board, elect or appoint persons to the committees, and define their duties and fix their compensation in accordance with the personnel policies of the Tribe;
- 5.3.13 indemnify to the extent deemed necessary any director or officer or former director or officer, or employee or went of the Board; and have the power to indemnify any such person made a party to any proceeding by or in the right of the Board by reason of the fact the person is or was a director, officer, employee or went of the Board against reasonable expenses actually incurred in connection with such proceeding if the person's conduct was in good faith

and the person reasonably believed their conduct to be in the Board's best interests or reasonably believed their conduct to be not opposed to the Board's best interests. In the case of any criminal proceeding, the person must have had no reasonable cause to believe their conduct was unlawful. No indemnification shall be made pursuant to this provision in respect to any proceeding in which the person was adjudged to be liable to the Board, or in respect to any proceeding, whether or not involving action in the persons' official capacity, in which the person was adjudged to be liable on the basis that they personally received a benefit in money, property, or services to which they were not legally entitled;

- 5.3.14 purchase and maintain insurance, including insurance on behalf of the Board, the Tribe, any business or enterprise in which the Board has any interest or participation, and of any person who is or was a director, officer, employee, or agent of the Board or serving at the request of the Board in such a capacity against any liability asserted against the person and incurred in any such capacity or arising out of the person's status as such, whether or not the Board would have the power to otherwise indemnify the person against such liability under the provisions of this Ordinance;
- 5.3.15 open and maintain such deposit and securities accounts with banks, securities intermediaries and other financial institutions, whether located within or without of the State of California, and to deposit therein any or all revenues of any Tribal Enterprise; and
- 5.3.16 have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Board is organized.

5.4 The Board shall have no power to exercise any regulatory or legislative power.

5.5 Except with respect to Tribal Enterprise Assets or with the consent of the General Council, no activity of the Board nor any indebtedness incurred by it shall encumber, implicate or in any way involve any asset of the Tribe, another Tribal Entity, nor any Tribal member, unless such asset has been expressly assigned or leased in writing to the Board along with a delegation of power necessary to so encumber or implicate it by Board action, provided that assets acquired by the Board pursuant to this Ordinance, although remaining assets of the Tribe, may be pledged, leased, transferred, assigned, encumbered or otherwise administered by the Board in the ordinary course of Board business unless the Board is prohibited or restricted from doing so by this Ordinance or other applicable law.

Article 6. Definitions

6.1 For purposes of this Ordinance, certain terms are defined in the subsections that follow. When not inconsistent with the context, words used in the present tense include the future, words in the singular include the plural, words in the plural include the singular, and words in one gender include the other gender. The word "shall" is always mandatory and not merely directory.

- 6.1.1 "Constitution" shall mean the Constitution of the Tribe and as amended from time to time in accordance with its terms.
- 6.1.2 "Board" when capitalized, means the Blue Lake Business Operations Board, an unincorporated Tribal governmental instrumentality of the Blue Lake Rancheria, a federally recognized Indian tribe.
- 6.1.3 "Business Council" means the Business Council of the Tribe, established pursuant to the Constitution.

- 6.1.4 "Board Project" shall mean any enterprise, business or other activity undertaken by the Board to further its purposes.
- 6.1.5 "Tribal Enterprise Assets" shall mean any and all real, mixed and personal property (a) reflected on any balance sheet of the Tribal Enterprise as an instrumentality of the Tribe as of January 1, 2002, or any subsequent balance sheet of the Tribal Enterprise, (b) the Tribal Enterprise and any related parking or parking-related improvements or structures, and (c) all tangible and intangible property associated with, or reasonably related and beneficial to, any Tribal Enterprise owned by or on behalf of any Tribal Party, including without limitation (i) all housing, and related equipment, (ii) all intellectual property, (iii) the books and records thereof and all office equipment and receptacles associated therewith, and (iv) all revenues derived from any Tribal Enterprise, exclusive of revenues distributed by the Board to another Tribal Party.
- 6.1.6 "Tribal Enterprise or Government Sponsored Enterprise" shall mean any for profit government instrumentality designed to promote, support, develop, enhance or further the Tribe's goals of financial self-sufficiency and political self-determination which shall provide the Tribe and its members with a broad diversity of economic and employment opportunities.
- 6.1.7 "Enterprise Contracts" shall mean all contracts or agreements entered into by any Tribal Party in connection with a Tribal Enterprise or the ownership of Enterprise Assets.
- 6.1.9 "Enterprise Obligations" shall mean any obligation incurred by any Tribal Party in connection with a Tribal Enterprise, including any Obligations related thereto.
- 6.1.10 "Including" means including but not limited to.
- 6.1.11 "Obligations" means any notes, bonds, interim certificates, debentures, mortgages or other evidences of indebtedness issued by the Board under this Ordinance.
- 6.1.12 "Obligee" includes any holder of an Obligation, agent or trustee for any holder of any Obligation.
- 6.1.13 "Tribal Party" shall mean the Tribe and any person directly or indirectly controlled by the General Council, Business Council or Board; "control," as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of that person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the voting securities of a person will be deemed to be control.
- 6.1.14 "General Council" shall mean a quorum of all qualified voters of the Tribe, duly convened as the governing body pursuant to the Tribe's Constitution.
- 6.1.15 "Tribal Entity" means any entity created or owned by the Tribe for economic or Governmental purposes and any entity that is controlled by the Business Council. An entity shall be deemed controlled by the Business Council if a majority of persons serving on the body that governs the entity are chosen by or are required to be members of the Business Council.
- 6.1.16 "Tribe" means the Blue Lake Rancheria, California, a federally recognized Indian tribe.

6.1.17 "Official Action" means a motion or resolution adopted by the Housing Board at a duly called regular or special meeting with a quorum present and recorded in the approved official minutes of the Board.

Article 7. Blue Lake Board Assets

The Board's assets shall be all Tribal Enterprise Assets and all Tribal Enterprise Rights, together with whatever other assets it develops or acquires by other means as provided in this Ordinance.

Article 8. Board

8.1 There is hereby established a Board, the purpose of which is to carry out the duties and powers of the Board as set forth in this Ordinance.

8.2 The Board shall consist of up to seven (7) members, except as it may be expanded in accordance with this Ordinance, with not less than one (1) member comprised of members of the Business Council. There shall be a preference for Tribal members to occupy the remaining seats of the Board, but based upon their expertise and experience non-Tribal members may be appointed to the Board.

8.3 The Board shall decide among itself, every two years by majority vote, on persons to serve as President, Secretary and Treasurer ("Board Officers"). Officers may be elected to successive terms.

8.4 No member of the Board shall be liable to any creditor of the Board by reason of his or her status as a member, or by reason of acts done in the course of his or her official duties.

8.5 A majority of the Board shall constitute a quorum and may act for the Board through resolutions ("Official Action"), provided all members of the Board shall have received due notice of the meeting at which any Official Action took place. For these purposes 24 hours actual notice of a meeting to take place within a 25-mile radius of the Tribe's reservation shall be deemed reasonable notice and opportunity to attend. Any two members of the Board, or the Board President, may call a special meeting, which may be in person or by telephonic conference.

8.6 Regular meetings of the Board shall be held at least once per month. Meeting dates, times and places shall be set by Official Action. Notices of meetings shall be promptly filed with the board's Secretary and with the Tribal Secretary, who shall post such notices in the same manner as notices are posted regarding Tribal Business Council meetings. Meetings at which Official Actions are taken shall be held on five days' written notice to each member of the board, provided that emergency meetings, so determined by Official Action, may be held on reasonable notice.

8.7 Meetings of the Board shall be conducted in accordance with Robert's Rules of Order, or such other rules as are approved by the Board, provided that the President of the Board shall be permitted to vote on any matter except where disqualified for a conflict of interest.

8.8 The Board shall keep complete and accurate records of all meetings and actions taken.

8.9 Members of the Business Council may attend any meeting of the Board, except those held in executive session. Executive sessions may be held with respect to consideration of legal advice and strategies, personnel matters, and any other matter in which public disclosure of debate or consideration could be detrimental to the best interests of the Tribe, provided that all Official Actions taken shall be in open session only.

Article 9. Operation of Board

9.1 The Board shall keep full and accurate financial records, make periodic reports to the Business Council and submit a complete annual report, in written form, to the Business Council as required by the provisions of this Ordinance.

9.2 The members of the Board may receive compensation for their services as set by the Business Council. Members of the board shall be reimbursed for actual expenses incurred in the discharge of their duties, including necessary travel expenses.

Article 10. Perpetual Succession

10.1 The Board shall have perpetual succession in its name.

Article 11. Ability to Sue and Be Sued

11.1 By adopting this Ordinance, the Business Council hereby gives its irrevocable consent to allowing the Board, through Official Action and subject to the limitations herein, to sue and to be sued in its name, or to submit to arbitration or alternative dispute resolution any controversy arising under, or upon, any contract, claim or obligation arising out of its activities under this Ordinance, and hereby authorizes the Board, through Official Action, to agree by contract to waive any of its immunity from suit or other legal process and any or all rights it may have to resolve disputes in a court or other forum of the Tribe, with enforcement arising from such waivers being permitted as against any Board assets or Tribal Enterprise Assets to the extent not constituting Real Property and not in contravention of federal law; but except to the extent of enforcement or remedies as against assets of the Board or Tribal Enterprise Assets not constituting Real Property, the Tribe shall not be liable for the debts or obligations of the Board, and the Board shall have no power to pledge or encumber the assets of the Tribe other than assets of the Board and Tribal Enterprise Assets not constituting Real Property. This action does not constitute a waiver of any immunity of the Tribe or a delegation to the Board of the power to make any waiver of the immunity of the Tribe, except with respect to assets of the Board and Tribal Enterprise Assets not constituting Real Property. The Board's ability to sue and be sued and to waive its immunity from suit or other legal process shall at all times remain with the Board to be granted by duly adopted resolution. Notwithstanding anything herein to the contrary, the grant of power herein to sue and to be sued shall not in and of itself constitute a waiver of immunity whatsoever. Any waiver of immunity by the Board shall be in writing only, limited in scope to the express matters to which it is given, and as to the remedies and other conditions set forth therein.

11.2 Consistent with the foregoing and subject to its limitations, the Board, by Official Action, shall have the Board to consent (i) to the exercise of jurisdiction over any suit or over the Board by the State Courts of California or any other state, the federal courts sitting in any state, the tribal courts of the Tribe or any other Indian tribe, or the courts of any United States territory or foreign jurisdiction, and (ii) to arbitration or alternative dispute resolution. Such Board shall at all times remain with the Board to be granted by Official Action.

11.3 Except as expressly provided in this section, the Tribe by the adoption of this Ordinance and the establishment of the Board is not waiving its sovereign immunity in any respect or consenting to the jurisdiction of any court, except to permit enforcement as against assets of the Board and Tribal Enterprise Assets not constituting Real Property as permitted by this Ordinance. This section shall be strictly construed with a view toward protecting Tribal assets from the reach of creditors and others, other than assets of the Board and Tribal Enterprise Assets.

Article 12. Obligations

12.1 The Board may obtain financing and issue Obligations from time to time in its discretion for any of its purposes and may also refinance and issue refunding obligations for the purpose of paying or retiring Obligations as it may determine, including Obligations on which the principal, interest and premium, if any, are payable:

- 12.1.1 exclusively from the income and revenues of Board Projects financed with the proceeds of such Obligations, or with such income and revenues together with a grant or subsidy from the Federal, state or Tribal government in aid of such establishment or development;
- 12.1.2 exclusively from the income and revenues of certain designated Board Projects whether or not they were financed in whole or in part with the proceeds of such obligations; or
- 12.1.3 from its revenues generally.

12.2 Any such Obligations may be additionally secured by a pledge of any revenues of or any other property of the Board, including Tribal Enterprise Assets.

12.3 Neither the members of the Board nor any person executing the Obligations shall be liable personally on the Obligations by reason of issuance thereof.

12.4 The Obligations of the Board shall not be a debt of the Tribe and the Obligations shall so state on their face, except that the Obligations may be enforceable against Tribal Enterprise Assets.

12.5 Obligations shall be issued and sold in the following manner:

- 12.5.1 Obligations of the Board shall be authorized by a resolution adopted by the vote of a majority of all of the members of the Board and may be issued in one or more series.
- 12.5.2 The Obligations shall bear such dates, mature at such times, bear interest at such rates, be in such denominations, be in such form, either couponed or registered, carry such conversion and registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment and at such places, and be subject to such terms of redemption, with or without premium, as such resolution may provide.
- 12.5.3 The Obligations may be sold at public or private sale at such price or prices as the authorizing resolution may provide.
- 12.5.4 In the case of members of the Board whose signatures appear on any of the Obligations cease to be members before the delivery of such Obligations, the signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if the members had remained in office until delivery.
- 12.5.5 Obligations of the Board may be in negotiable form.
- 12.5.6 In connection with the issuance of Obligations and to secure the payment of such Obligations, the Board, subject to the limitations in this Ordinance, may:
 - a. Pledge all or any part of the gross fees or revenues of the Board to which its rights then exist or may thereafter come into existence;
 - b. Provide for the powers and duties of Obligees and limit their liabilities; and provide the terms and conditions on which such

Obligees may enforce any covenant or rights securing or relating to the Obligations;

- c. Subject to exception with respect to revenues of the Board used for governmental programs, Covenant against pledging all or any part of the fees and revenues of the Board or against mortgaging or encumbering any or all of the real or personal property of the Board to which its title or right then exists or may thereafter come into existence or permitting or suffering any lien on such revenues or property;
- d. Covenant with respect to limitations on the right of the Board to sell, lease or otherwise dispose of any Board Project or any part thereof;
- e. Covenant as to what other or additional debts or obligations may be incurred by it;
- f. Covenant as to the Obligations to be issued and as to the issuance of such Obligations in escrow or otherwise, and as to the use and disposition of the proceeds thereof;
- g. Provide for the replacement of lost, destroyed or mutilated Obligations;
- h. Covenant against extending time for the payment of its Obligations or interest thereon;
- i. Redeem the Obligations and covenant for their redemption and provide for the terms and conditions thereof;
- j. Covenant concerning any fees to be charged in the operation of the Housing Enterprise or any Housing Enterprise Assets or Other Businesses, the amount to be raised each year or other period of time by such fees and other revenues, and as to the use and disposition to be made thereof;
- k. Create or authorize the creation of special funds for monies held for construction, development or operating costs, debt service, reserve or other purposes, and covenant as to the use and disposition of the monies held in such funds;
- l. Prescribe the procedure, if any, by which the terms of any contract with holders of Obligations may be amended or abrogated, the proportion of outstanding Obligations the holders of which must consent thereto, and the manner in which such consent may be given;
- m. Covenant as to the use, maintenance and replacement of the real and personal property of the Board, the insurance to be carried thereon and the use and disposition of insurance proceeds;
- n. Covenant as to the rights, liabilities, powers and duties arising upon the breach by it of any covenant, condition or obligation;
- o. Covenant and prescribe as to events of default and terms and conditions upon which any or all of its Obligations become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived;

- p. Vest in any Obligees or any proportion of them the right to enforce the payment of Obligations or any covenant securing or relating to the Obligations;
- q. Exercise all or a part or a combination of the powers granted in this section;
- r. Make covenants other than and in addition to the covenants expressly authorized in this section, of like or different character;
- s. Make any covenants and do any acts and things necessary or convenient or desirable in order to secure its Obligations, or, in the absolute discretion of the Board, tending to make the Obligations more marketable although the covenants, acts or things are not enumerated in this section;
- t. Pledge, mortgage or grant a security interest in all or any part of the assets of the Board and all Tribal Assets; and
- u. Waive, conditionally or unconditionally, the sovereign immunity of the Board, provided that the Board shall not have any power to waive any of the privileges or immunities of the Tribe, or to grant or purport to grant any right, lien or interest in any of the assets of the Tribe, other than assets of the Board or Tribal Enterprise Assets not constituting Real Property.

Article 13. Reports of the Board

13.1 The Board shall prepare and submit to the Business Council within thirty (30) days after the close of each quarter a quarterly report, signed by the Board President, showing:

- 13.1.1 a summary of the quarter's activities;
- 13.1.2 the financial condition of the Board and of each Board Project and Other Business, or for profit entity;
- 13.1.3 any significant problems and accomplishments;
- 13.1.4 plans for the following quarter; and
- 13.1.5 such other information as the Board or the Business Council deems pertinent.

13.2 The Board shall prepare and submit to the Business Council within forty-five (45) days after the close of each fiscal year an annual report, signed by the President, showing:

- 13.2.1 a summary of the year's activities;
- 13.2.2 the complete financial condition of the Board and of each Board Projects including a detailed report outlining the operations of the Board and of each Board Projects;
- 13.2.3 any significant problems and accomplishments;
- 13.2.4 plans for the following year; and
- 13.2.5 such other information as the Business Council deems pertinent.

Article 14. Finances and Accounting

14.1 The fiscal year of the Board shall be a calendar.

14.2 The quarters for Board reporting purposes shall be as follows: January 1 through March 31; April 1 through June 30; and July 1 through September 30; October 1 through December 31.

14.3 The Board shall establish and install as to the Board and each Board Project in which it has any control, an accounting system (1) in conformity with generally accepted accounting principles applicable to the Board or project, and (2) necessary and advisable, in the reasonable discretion of the Board in order to manage the assets of the Board. Such accounting system shall insure the availability of information as may be necessary to comply with Federal, State and Tribal regulatory requirements.

14.4 The accounts and records of the Board and each of its Board Projects shall be audited at the close of each fiscal year and as otherwise required by law. Copies of such audit reports shall be furnished to the Business Council.

14.5 The books, records and property of the Board shall be available for inspection at all reasonable times by authorized representatives of the Tribe.

Article 15. Indemnification of Officers Employees and Board Members of the Board

15.1 The Board shall indemnify any officer, employee or member of the Board of the Board, any former officer, employee or member of the Board of the Board, and any person who may have served at its request as an officer, employee or member of the Board, against reasonable expenses actually and necessarily incurred by that person in connection with the defense of any action, suit or proceeding in which that person is made a party by reason of being or having been such officer, employee or member except in relation to matters as to which that person shall be adjudged in such action, suit or proceeding to be liable for gross negligence or intentional misconduct in the performance of duty; or except in relation to matters in which such employee was acting beyond the scope of their employment. The Board shall also reimburse any officer, employee or member of the Board reasonable costs of settlements of any such action, suit or proceeding if it shall be found by a majority of the Board of the Board other than the members of the Board involved in the matter in controversy (whether or not a quorum exists), that it is in the best interest of the Board and the Tribe that such settlement be made and that such officer, employee or member of the Board of the Board was not guilty of gross negligence or intentional misconduct, or acting beyond the scope of their employment. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights which such officer, employee or member of the Board of the Board may be entitled to receive.

Article 16. Personal Interest

16.1 During his or her tenure and for a period of one year thereafter, no officer or employee of the Board, or any member of the Board, or any other public official who exercises any responsibilities or functions with respect to a Board Projects or Other Business shall voluntarily acquire any interest, direct or indirect, in any Board Projects or in any property included or planned to be included in a Board Projects or in any contract or proposed contract relating to any Board Projects. If any member of the Board, officer or employee of the Board involuntarily acquires any such interest, or voluntarily or involuntarily, acquired any such interest prior to appointment or employment as a board member, officer or employee, the board member, officer or employee, in any such event, shall immediately disclose his or her interest in writing to the Board, such disclosure shall be entered in the minutes of the Board, and such member of the Board, officer or employee shall have sixty (60) days to dispose of such interest. In the interim, the member of the Board, officer or employee shall not participate in any action by the Board relating to the property or contract in which he or she has any such interest. This section shall not be applicable to the acquisition of any interest in Obligations of the Board issued in connection with any Board Projects or Other Business, or to the execution of agreements by banking institutions for the deposit or handling of funds in connection with any Board Projects or Other Business or to act as trustee under any trust indenture, or to utility services the rates for which are fixed or controlled by a

governmental agency, or to membership on the Board of the Board as provided in this Ordinance. The Board may, by resolution, waive any of the provisions of this Section.

Article 17. Bond

17.1 The Board, on behalf of and in the name of the Board, shall obtain or provide for the obtaining of adequate fidelity bond coverage of its officers, agents, or employees handling cash or authorized to sign checks or certify vouchers.

CERTIFICATION

The foregoing Tribal Ordinance was adopted on OCT,9, 2004, at a duly called meeting of the General Council of the Blue Lake Rancheria with a quorum present by a vote of 11 for 0 against, 0 abstaining.

Dated: *Oct. 9, 2004*

Claudia Brundin

Claudia Brundin, Chairperson

Dated: *Oct. 9, 2004*

Melanie Shelanskey

Melanie Shelanskey, Tribal Secretary