

BUSINESS CORPORATIONS ORDINANCE

ARTICLE I - GOVERNMENTAL CORPORATIONS

Section 1: Short Article

This Ordinance shall be known and may be cited as the Pueblo of Isleta Business Corporations Ordinance (hereinafter "Ordinance"). This Article I shall be known and may be cited as the Tribal Government Corporation Article (hereinafter "Government Corporation Article" or "this Article").

Section 2: Applicability

All corporations which will be agencies and instrumentalities of the Pueblo of Isleta Tribal Government shall conform to this Article and its amendments. No government corporation shall exist under Pueblo of Isleta Tribal law not in conformance with this Article.

Section 3: Interpretation

The corporations organized and created under this Article shall be subject to Pueblo of Isleta Tribal law, this Article and, to the extent consistent with this Article and other Pueblo of Isleta Tribal law. The right to repeal, alter or amend this Article at any time is expressly reserved.

Section 4: Purpose

For efficiency and wise stewardship, it is necessary for the management of the economic development of tribal resources to be separated from other governmental functions of the Pueblo of Isleta and placed within the responsibility of persons or entities different from the Tribal Council, so that commercial development may take place within, and be based upon, the sphere of the economic marketplace rather than within the sphere of tribal political concerns. Therefore, Tribal Government Corporation may be organized under this Article for any lawful purpose or purposes that the Pueblo of Isleta determines is in its best economic interest.

Section 5: Privileges and Immunities

The corporations established under this Article shall be considered to be governmental agencies and instrumentalities of the Pueblo of Isleta; and their officers and employees considered officers and employees of the Pueblo of Isleta, notwithstanding the fact that their work rules and conditions may differ from that of other tribal employees; carrying out responsibilities imposed upon the Council for economic advancement of the Pueblo of Isleta and their members by the Constitution of the Pueblo of Isleta. Such corporations, their officers and employees shall, therefore, be entitled to all of the privileges and immunities enjoyed by the Pueblo of Isleta; including but not limited to, immunities from suit in federal and state courts,

and federal and state taxation, or regulation, except as specifically set out in the corporate charters granted pursuant to this Article.

Section 6: Tribal Taxation

All activities of corporations created under this Article shall be subject to taxation by the Pueblo of Isleta.

Section 7: Subsidiary Corporation

Any corporation created pursuant to this Article may, by obtaining a charter from the Tribal Council pursuant to this Article, establish a subsidiary corporation in which the Pueblo of Isleta or the parent corporation retain not less than 51% percent of the voting stock of the subsidiary corporation. A subsidiary corporation and its officers and employees have all the same purposes, powers, privileges and immunities, as any other corporation established pursuant to this Article.

Section 8: Ownership

Every corporation created pursuant to this Article shall have at all times at least 51% percent of its voting stock owned by the Pueblo of Isleta or a tribal corporation created pursuant to this Article.

Section 9: Voting Stock—Alienation

No voting stock in any corporation created pursuant to this Article and owned by a corporation created pursuant to this Article may be alienated.

Section 10: Organization

The Tribal Council shall by resolution appoint the initial, incorporating directors of all corporations created pursuant to this Article. The appointment of corporate officers shall be governed by the provisions of the charter and bylaws of the corporation.

Section 11: Powers, Duration

The powers of corporations created pursuant to this Article shall be set out in the charter and bylaws of each corporation. The duration of corporations created under this Article shall be perpetual unless a different duration is stated in the charter.

Section 12: Lands

Real property acquired by a corporation created pursuant to this Article may be transferred where permitted by the federal law governing the ability of the Pueblo of Isleta to make such a transfer, to the ownership of the United States in trust for the Pueblo of Isleta and

shall be by appropriate, lawful transfer be placed into the control of the corporation by the Pueblo of Isleta. Such transfer shall not take place until first approved by Tribal Council.

Section 13: Tribal Courts—Jurisdiction, Enforcement of Article

Notwithstanding the immunity from suit conveyed upon corporations created pursuant to this Article, the provisions of this Article, tribal regulatory acts, or tribal enactments pursuant to this Article, may be enforced against any such corporation, parent or subsidiary, its directors or officers by an action in law or equity in the Pueblo of Isleta Tribal Court, when brought by Tribal Council or the board of directors of a parent corporation.

Section 14: Agent

All corporations created under this Article shall publicly designate and maintain a registered agent for service of documents at the Pueblo of Isleta Indian Reservation. Designation of a registered agent for service shall be filed with the Pueblo of Isleta Treasurer's Office.

Section 15: Assets

Section 1. The assets of each and every corporation created under this Article shall be separate and distinct from those of the Pueblo of Isleta. In no case shall tribal assets not specifically pledged in a manner permitted by law be considered assets of a corporation created under this Article for any purpose.

Section 2. The financial indebtedness and obligations of each and every corporation created under this Article shall be separate and distinct from those of the Pueblo of Isleta. The corporation shall include a statement to this effect in any and all agreements or contracts with third parties which operate to financially obligate the corporation.

Section 3. Any corporation governed by this Title shall reinvest all of its net profit into new or existing businesses or ventures of the corporation for the first five years from the date of issuance of the corporation's charter or until the corporation has generated a total net profit of \$1,000,000.00, whichever occurs first. Upon completion of the first five years after issuance of the corporation's charter or after the corporation has generated a total net profit of \$1,000,000.00, whichever occurs first, the corporation shall distribute its net profit thereafter as follows: twenty percent (20%) to the Pueblo of Isleta tribal government and eighty percent (80%) to be retained by the corporation.

Section 4. The corporation shall develop policies and procedures that provide for the calculation of net profit and for the distribution of net profit to the Pueblo of Isleta tribal government as described in Section 3. Such policies and procedures shall be presented to and approved by Tribal Council at least six months prior to becoming necessary as described in Section 3.

Section 5. Failure by the corporation to adhere to the distribution of profit as described in Section 3 or to develop policies and procedures in Section 4 shall subject the corporation to forfeiture of the corporation's charter by Tribal Council.

Section 16: Audit

Any corporation created under this Article shall be audited by an independent auditor at the close of each fiscal year. For purposes of this section, "fiscal year" shall be the same as the Pueblo of Isleta's fiscal year. The Tribal Council, by duly adopted resolution, may at any time require that any corporation created under this Article be audited by an independent auditor hired by the Tribal Council at any time and shall have the absolute right to require access to all corporate documents necessary for such an audit.

Section 17: Annual Meeting, Annual Report

The board of directors and management of each corporation created pursuant to this Article shall hold at least one open meeting per year, on ten days public notice, within the boundaries of the Pueblo of Isleta Indian Reservation, at which time the board shall answer any questions asked of them by Tribal Council. Each board shall also file a full report of the financial and production activities of the corporation with the Tribal Council on an annual basis.

Section 18: Contracts with Officers

Notwithstanding any other provision of this Article or charters or articles of incorporation granted pursuant to provisions of this Article, all directors or officers of any governmental corporation chartered or licensed under this Article, and any firm in which said directors or officers hold office, or are shareholders or owners, shall be disqualified from dealing or contracting with tribal governmental corporations, or subsidiaries thereof, as either a vendor, purchaser, or otherwise; and such contracts or transactions shall be void, unless such contract or transaction has been fully disclosed to, and approved by, the Tribal Council; provided, this section shall not apply to the employment contracts of persons employed in full time, management positions, by a governmental corporation or a subsidiary thereof created pursuant to this Article.

Section 19: Bonding

Notwithstanding any other provision of this Article, or charters or articles of incorporation (and supplementing by-laws) granted pursuant to provisions of this Article; all directors, officers, contractors and employees of any governmental corporation chartered or licensed under this Article who are: 1) authorized, either individually or in conjunction with others, to expend funds on behalf of the governmental corporation or any of its subsidiaries or agencies, or 2) responsible for accounting for the funds of a governmental corporation or any of its subsidiaries or agencies; shall at all times be bonded or insured by the corporation to protect the assets of the corporation in an amount consistent with the financial responsibilities of the director, officer, contractor or employee. Such bonds or policies of insurance shall be obtained at the expense of the governmental corporation or the contractor.

No director, officer, contractor, or employee of a governmental corporation shall have authority under this Article, or a charter granted under this Article, to expend or account for corporate funds unless bonded or insured in compliance with this section. Any signature of a corporate director, officer, contractor or employee purporting to authorize expenditure of corporate funds shall be void if at the time the signature is given the director, officer, contractor or employee is not bonded or insured as required by this section.

Section 20: Severance Compensation

No corporation chartered under this Article shall pay any type of severance for compensation to any person.

Section 21: Unemployment Insurance

Each corporation chartered under this Article shall have authority to decide whether and under what terms to offer unemployment insurance to its employees.

Section 22: Record of Proceedings

All corporations chartered under this Article shall record the complete proceedings of every board of directors meeting and the verbatim, unapproved records of those proceedings shall be filed with Tribal Council within twenty (20) days after the date of the board meeting; provided, that this section shall not require the publication to Tribal Council of recordings of board executive sessions in which personnel, business strategy, or legal strategy is discussed.

Section 23: Board Meetings of Corporation

All regular board meetings of corporation chartered under this Article shall be conducted within the boundaries of the Pueblo of Isleta Indian Reservation.

Section 24: Filing of Resolutions

All duly enacted resolutions of the board of directors of corporations chartered under this Article shall be filed within twenty (20) days of enactment with Tribal Council. Resolutions with a confidential content shall be marked confidential, shall not be required to be filed with Tribal Council, and shall be subject to public disclosure only for good cause shown at a court of competent jurisdiction. The corporation shall determine what is and is not confidential. The corporation shall inform Tribal Council of its justification for the confidentiality determination upon request of Tribal Council.

Section 25: Violation of Charter

After the date of enactment of this section, directors of corporations chartered under this Article found, at a fair and open hearing on the record called for the purpose of finding facts, by a quorum of the board of directors or by a quorum of the Tribal Council, to have willfully

violated any provision of this Article or their corporate charter shall be terminated from corporate employment. For purposes of this hearing, a director accused of willful misconduct shall have a right to counsel.

Section 26: Term of Directors

After the date of enactment of this section no director of a corporation chartered under this Article shall be appointed by Tribal Council to a term the length of which exceeds two years, except for an initial three year term of some director appointments for the purpose of staggering terms. This section is not intended to limit the number of terms to which a Director may be appointed.

Section 27: Duty of Loyalty

Directors and officers of corporations chartered under this Article when exercising their powers and duties under the corporate charter shall owe a fiduciary duty to both the corporation by which they are employed and to the Pueblo of Isleta and its members.

Section 28: Real Estate Purchase

Corporations chartered under this Article shall obtain approval from the Tribal Council for all real estate purchases. Real estate purchased by a corporation chartered under this Article shall be placed in the ownership of the United States in trust for the Pueblo of Isleta as soon as the legal status of the real estate makes them eligible under federal law to be taken into trust.

Section 29: Conflict of Interest

Directors and officers of all corporations chartered under this Article shall excuse themselves from voting or participating in any board discussion concerning an issue wherein the director or officer, or the immediate family of such director or officer, has a business or personal interest or conflict of interest. To knowingly fail to do so shall be a willful violation of this Article.

Section 30: Arbitration Agreements

Notwithstanding the immunity from suit conveyed upon corporations created pursuant to this Article, any arbitration agreement approved by a corporation created under this Article and any arbitration award made under such arbitration agreement shall be enforceable against such corporation in any court of law having competent jurisdiction.

Section 31: Severability

If any provision of this Article or its application, to any person, corporation or circumstance is held invalid, the remainder of the Article or the application to other persons or circumstances is not affected.

Section 32: Repealer

This Ordinance is to be interpreted to supersede and replace all conflicting laws, rules or regulations of the Pueblo of Isleta.

ARTICLE II – BUSINESS CORPORATIONS

Section 1: Short Article. Article II shall be known as and may be cited as the Pueblo of Isleta Business Corporation Article (hereinafter “Business Corporation Article” or “this Article”).

SECTION 2: Applicability. This Article shall apply to and govern all Business Corporations designated as such in a charter issued by the Tribal Council of the Pueblo of Isleta. A Business Corporation shall be used primarily to conduct a business that, because of its nature, is required to subject itself to the jurisdiction and oversight of non-Pueblo governmental bodies. Although Business Corporations shall be subject to the jurisdiction and oversight of foreign governmental bodies as expressly provided by the terms of this Article, as required to serve their intended function, they shall constitute agencies and instrumentalities of the Pueblo of Isleta Tribal Government that further the Pueblo’s economic development and business objectives. No Business Corporation shall exist under Pueblo of Isleta Tribal law not in conformance with this Article.

SECTION 3: Interpretation. The Business Corporations organized and created under this Article shall be subject to Pueblo of Isleta Tribal law, this Article, and to the extent that their operations and transactions are subject to the jurisdiction of non-Pueblo governmental authorities, to all other applicable law. The right to repeal, alter or amend this Article is expressly reserved, except that any repeal, alteration or amendment shall be subject to and conditioned upon Section 15 hereof.

SECTION 4: Purpose. With respect to certain business and economic development opportunities, it is desirable to have a corporate vehicle that (a) can freely submit to the jurisdiction and oversight of non-Pueblo governmental authorities, and (b) is not cloaked in the Pueblo’s sovereign immunity. Creating a Business Corporation will allow the Pueblo, or a Governmental Corporation chartered by the Pueblo, such as Isleta Business Corporation, to (i) engage in lines of business requiring consent to jurisdiction and oversight by non-Pueblo governmental authorities without subjecting itself to such jurisdiction and oversight (except as it may agree in a transactional consent and waiver) and (ii) risk only such assets as may be contributed to the Business Corporation on the outcome of certain business transactions. A Business Corporation may be organized for any lawful purpose that the Pueblo of Isleta determines is in its best economic interest.

SECTION 5: Privileges and Immunities.

A. For purposes of taxation, a Business Corporation shall be deemed to constitute an integral part of the Pueblo of Isleta that facilitates the Pueblo’s economic development and

business operations. Such Business Corporation shall enjoy any and all tax immunities that the Pueblo may enjoy under applicable law, including the exemption from federal income tax recognized in Revenue Ruling 94-16; provided, however, that such Business Corporation may be subject to non-discriminatory state and local taxes with respect to its activities outside Indian Country in accordance with applicable law. All activities of a Business Corporation created under this Article shall be subject to taxation by the Pueblo of Isleta.

B. Notwithstanding the foregoing or anything else contained in this Business Corporation Ordinance, to facilitate accomplishment of the purposes of a Business Corporation as described in Section 4 of this Article, a Business Corporation: (a) shall not enjoy or share in the Pueblo's sovereign immunity, which hereby is expressly and irrevocably waived with respect to the assets, activities and operations of any Business Corporation created under this Article, (b) may sue and be sued in any court or tribunal, including federal and state courts and tribunals possessing jurisdiction over any matter or transaction in which such Business Corporation is engaged or involved, (c) shall be subject to the jurisdiction and oversight of any federal or state agencies or authorities with regulatory jurisdiction over its activities, and (d) shall not be entitled to require any matter to be first litigated in Tribal Court due to the application of the doctrine of exhaustion of tribal remedies, comity, or any similar legal principles, all which are expressly and irrevocably waived as to Business Corporations hereby. The foregoing provisions shall apply and operate with respect to each Business Corporation established under this Article without requiring any further action on the part of the Business Corporation, any Governmental Corporation owning it, the Pueblo or its Tribal Council; provided that a Business Corporation is expressly authorized to reaffirm these provisions contractually or in another manner such Business Corporation determines necessary or appropriate.

C. Nothing contained in this Article shall be deemed in any manner to waive, limit or otherwise affect any of the privileges and immunities of the Pueblo of Isleta or any Governmental Corporation incorporated under Article I of the Business Corporation Ordinance, including, without limitation, their sovereign immunity.

SECTION 6: Ownership; Alienation; Subsidiaries. Every Business Corporation created pursuant to this Article shall have at all times 100% of its voting stock and/or other evidences of equity ownership owned by the Pueblo of Isleta, a Governmental Corporation created pursuant to Article I of this Business Corporation Ordinance, or another Business Corporation created under this Article. No voting stock or other equity interest in any Business Corporation created pursuant to this Article and owned by the Pueblo of Isleta, a Governmental Corporation created pursuant to Article I of this Business Corporation Ordinance, or another Business Corporation created pursuant to this Article, shall at any time be alienated, except that complete ownership of a Business Corporation may be transferred to another Business or Governmental Corporation, or the Pueblo of Isleta itself. A Business Corporation created pursuant to this Article may be owned and operated as the wholly-owned subsidiary of a Governmental Corporation created under Article I of the Business Corporation Ordinance, or another Business Corporation created under this Article, and a Business Corporation created under this Article may have another Business Corporation as a wholly-owned subsidiary if chartered by the Tribal Council of the Pueblo of Isleta for said purpose.

SECTION 7: Powers.

A. Unless its Charter and bylaws provide otherwise, every Business Corporation created pursuant to this article shall possess the following powers:

- (1) To exist perpetually.
- (2) To sue and be sued and to complain or defend in its corporate name, except that the extent of the Business Corporation's liability shall be limited to the assets of the Business Corporation and shall be subject to the limitations contained in Subsection B of this Section 7 and Section 12.
- (3) To have a corporate seal, which may be altered at will, and to use it or a facsimile of it by impressing or affixing it or in any manner reproduce it.
- (4) To purchase, receive, lease, or otherwise acquire, and own, hold, improve, use, and otherwise deal with real or personal property, or any interest in property wherever located.
- (5) To sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of all or any part of its property.
- (6) 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 or other interests in or obligations of any other entity.
- (7) To make contracts and incur liabilities, borrow money, issue notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, franchises, and income.
- (8) To lend money, invest its funds, and receive and hold real and personal property as security for repayment.
- (9) To be a promoter, partner, member, associate, or manager of any partnership, joint venture, trust, or other entity.
- (10) To conduct its business, locate offices, and exercise the powers granted by this Ordinance within or without the Pueblo's grant or lands held in trust for the Pueblo.
- (11) To elect or appoint officers and agents of the Business Corporation, define their duties and fix their compensation.
- (12) To pay pensions and establish pension plans, trusts, profit sharing plans, share bonus plans, and benefit or incentive plans for any or all its current or former directors, officers, and employees.
- (13) To indemnify any director or officer against their expenses incurred in connection with the defense of any action, suit or proceeding in which they are a party by reason

of their service with the Business Corporation, except in cases where the director or officer is adjudged liable for negligence or misconduct in the performance of duty.

(14) To make and amend bylaws, not inconsistent with its charter or with the laws of the Pueblo, for managing the business and regulating the affairs of the Business Corporation.

(15) To make donations for the public welfare or for charitable, scientific, or educational purposes.

(16) To transact any lawful business that will aid the Pueblo's governmental policy.

(17) To have and exercise all powers necessary or convenient to effect its purposes.

B. Notwithstanding the foregoing, a Business Corporation shall not have any power:

(1) to expressly or implicitly enter into agreements of any kind on behalf of the Pueblo or any other Governmental or Business Corporation chartered by the Pueblo;

(2) to pledge the credit of the Pueblo or any other Governmental or Business Corporation chartered by the Pueblo;

(3) To dispose of, pledge, or otherwise encumber revenues or any real or personal property of the Pueblo or any other Governmental or Business Corporation chartered by the Pueblo; or

(4) To waive any right, privilege, or immunity of, or release any obligations owed to, the Pueblo or any other Governmental or Business Corporation chartered by the Pueblo.

SECTION 8: Formation. The Pueblo of Isleta Tribal Council shall establish a Business Corporation under this Article by adopting a resolution (a) approving a Charter for such Business Corporation, (b) designating ownership of such Business Corporation consistent with the terms of this Article, and (c) appointing the initial Board of such Business Corporation and providing in the Charter for the method of election or appointment of their successors.

SECTION 9: Charter. The Charter of a Business Corporation as adopted and approved by the Pueblo of Isleta Tribal Council shall set forth the following:

A. The name of the Business Corporation.

B. The period of existence, which may be perpetual.

C. The purpose for which the Business Corporation is organized, which may include the transaction of any or lawful business for which Business Corporations may be incorporated under this Article.

D. Any provision not inconsistent with law which the Tribal Council may approve for the regulation of the internal affairs of the Business Corporation.

E. The address of its initial registered office and the name of its initial registered agent at such address.

F. The number of directors constituting the initial board of directors and the names and addresses of the persons who are to serve as directors.

It shall not be necessary to set forth in the Charter any of the corporate powers enumerated in this Article. Whenever a provision of the Charter is inconsistent with the bylaws, the Charter shall be controlling.

SECTION 10: Court Jurisdiction. The Tribal Court of the Pueblo of Isleta shall have non-exclusive jurisdiction over all matters pertaining to the organization and operation of a Business Corporation created under this Article, provided that, pursuant to Section 5.B, the doctrine of exhaustion of tribal remedies, comity or similar principles requiring claims and proceedings against a Business Corporation be commenced initially in the Tribal Court shall not apply. Other courts of competent jurisdiction shall have concurrent jurisdiction over any and all matters involving a Business Corporation that are within their subject matter jurisdiction, and with respect to they have personal jurisdiction over a Business Corporation as a result of such Business Corporation's presence or activities within their jurisdiction or such Business Corporation's consent to personal jurisdiction.

SECTION 11: Agent. All Business Corporations created under this Article shall publicly designate and maintain a registered agent for service of process or other legal notices within the Grant Boundaries of the Pueblo of Isleta. The initial designated agent shall be named in the Charter of a Business Corporation and any successor shall be named in a notice filed with the Pueblo of Isleta Treasurer's office.

SECTION 12: Assets.

A. The assets of each and every Business Corporation created under this Article shall be separate and distinct from those of the Pueblo of Isleta, and any other Governmental and Business Corporation of the Pueblo of Isleta, including any Governmental or other Business Corporation serving as parent corporation to such Business Corporation. In no case shall assets of the Pueblo, any Governmental Corporation or any other Business Corporation not expressly conveyed or assigned in accordance with applicable law be considered assets of a Business Corporation created under this Article for any purpose.

B. The indebtedness and obligations of each and every Business Corporation created under this Article shall be separate and distinct from those of the Pueblo of Isleta and all other Governmental and Business Corporation of the Pueblo of Isleta, including any

Governmental or Business Corporation serving as parent corporation to such Business Corporation. A Business Corporation shall include a statement to this effect in any and all agreements or contracts with third parties which financially obligate the Business Corporation.

C. Any Business Corporation governed by this Title shall reinvest all of its net profit into new or existing businesses or ventures of the Business Corporation for the first five years from the date of issuance of the Business Corporation's Charter or until the Business Corporation has generated a total net profit of \$1,000,000.00, whichever occurs first. Upon completion of the first five years after issuance of the Business Corporation's Charter or after the Business Corporation has generated a total net profit of \$1,000,000.00, whichever occurs first, the Business Corporation shall distribute its net profit thereafter as follows: twenty percent (20%) to the Pueblo of Isleta Tribal Government, or the Governmental or Business Corporation serving as its parent, as the case may be, and eighty percent (80%) to be retained by the Business Corporation. A Business Corporation to be created pursuant to this Article is authorized to petition the Tribal Council to waive this net profit distribution requirement. Tribal Council shall have the power to grant such waiver upon a showing of good cause. Such waiver, if granted by the Tribal Council, shall be memorialized in the Business Corporation's Charter.

D. The Business Corporation shall develop policies and procedures that provide for the calculation of net profit and for the distribution of net profit to the Pueblo of Isleta Tribal Government or the Governmental or Business Corporation serving as its parent, as the case may be, in accordance with Subsection C. Such policies and procedures shall be presented to and approved by Tribal Council at least six months prior to the profit distribution requirement taking effect as described in Subsection C.

E. Failure by the Business Corporation to adhere to the distribution of profit as described in Subsection C or to develop policies and procedures in accordance with Subsection D shall subject the Business Corporation to forfeiture of the Business Corporation's Charter by Tribal Council, subject to the terms of Section 15 of this Article.

SECTION 13: Directors and Officers.

A. Board of Directors.

(1) The business and affairs of the Business Corporation shall be managed by a board of directors, subject to any limitations set forth the Charter of such Business Corporation. The Charter or bylaws may prescribe qualifications for directors.

(2) Any action taken by the board of directors shall be binding only upon the Business Corporation, and shall not commit the Pueblo or any other Governmental or Business Corporation chartered by it in any manner, notwithstanding that the same persons may serve on the board of a Business Corporation and another Pueblo-chartered Governmental or Business Corporation. Directors of a Business Corporation and any other Governmental or Business Corporation shall state in all minutes and resolutions in which capacity they are acting.

B. Number and Election.

(1) A board of directors must consist of one or more individuals with the number established in the Charter or bylaws.

(2) Initial directors shall be named in the Charter approved by the Tribal Council of the Pueblo of Isleta, and thereafter directors shall be elected as provided in the Charter or bylaws.

C. Resignation. A director may resign at any time by delivering written notice to the board of directors or its chairman.

D. Removal.

(1) The Pueblo of Isleta, Government Corporation or Business Corporation directly owning and acting as parent of a Business Corporation may remove one or more directors with or without cause unless the Charter provides that directors may be removed only with cause.

(2) (A) director(s) may be removed only at a meeting called for the purpose of removing the director(s) and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the director.

E. Vacancies. Unless the Charter provides otherwise, a vacancy on the board may be filled by the board of directors, though less than a quorum.

F. Compensation. Unless the Charter or bylaws provide otherwise, the board of directors may fix the compensation of directors.

G. Meetings.

(1) The board of directors may hold regular or special meetings and need not meet on or near the Pueblo of Isleta or land held in trust by the United States for the Pueblo.

(2) Unless the Charter or bylaws provide otherwise, the board may permit any or all directors to conduct or participate in a meeting through the use of any means of communication by which all directors may simultaneously hear each other during the meeting. A director so participating is deemed present.

(3) Notice.

(a) Unless the Charter or bylaws provide otherwise, regular meetings of the board may be held without notice of the date, time, place, or purpose of the meeting.

(b) Unless the Charter or bylaws provide for a different period, special meetings of the board must be preceded by at least two (2) days notice of the date, time, and place of the meeting.

(c) A director may waive any required notice, and a director's attendance and participation in a meeting waives any required notice unless the director objects at the meeting's beginning and does not vote thereafter on actions at the meeting.

(4) Quorum and Voting.

(a) Unless the Charter or bylaws provide otherwise, a quorum consists of a majority of the number of directors.

(b) If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the board of directors unless the Charter or bylaws require the vote of a greater number.

(c) Unless the Charter or bylaws provide otherwise, action by the board of directors may be taken without a meeting if all members take the action.

Such action must be evidenced in writing, signed by each director, and included in the minutes or filed with the corporate records

(5) Officers.

(a) The board of directors shall elect a chairman and a secretary.

(b) The officers of the Business Corporation shall consist of a president, vice president, secretary, treasurer, and such other officers which are described in the bylaws or are appointed by the board of directors in accordance with the bylaws. The bylaws or the board of directors shall delegate to one of the officers responsibility for preparing minutes of the directors and shareholder meetings and for authenticating records of the Business Corporation.

(c) 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. The same person may simultaneously hold more than one office in the Business Corporation.

(d) Resignation and Removal. Any officer may resign at any time by delivering notice to the Business Corporation. A board of directors may remove any officer at any time with or without cause.

(e) Contract Rights. The appointment of an officer does not itself create contract rights nor does the resignation or removal of an officer affect the contract rights, if any, of the officer or Business Corporation.

(6) General Standards for Directors and Officers.

(a) Directors and officers shall discharge their duties in good faith with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner they reasonably believe to be in the best interests of the Business Corporation.

(b) In discharging their duties, directors and officers are entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by one or more of the following.

i. One or more officers or employees of the Business Corporation whom they reasonably believe to be reliable and competent in the matters presented.

ii. Legal counsel, public accountants, or other persons as to matters they reasonably believe are within the person's professional competence.

iii. A committee of the board of directors if they reasonably believe the committee merits confidence.

(c) Directors and officers are not liable for any action taken in their corporate capacity, or any failure to take any action, if they performed their duties of office in compliance with this Section.

(7) Committees.

(a) The board of directors may create one or more committees and appoint members of the board of directors to serve on them.

(b) Each committee, to the extent provided by the board of directors or in the Charter or in the bylaws, may exercise the authority of the board of directors.

SECTION 14: Shareholder/Owner.

A. As stated at Section 6, each Business Corporation shall be 100% owned by the Pueblo of Isleta or another Governmental or Business Corporation Chartered by it. All actions permitted or required of the Business Corporation's Shareholder/Owner shall be taken by such 100% Owner acting through its Tribal Council or board, as the case shall be.

B. A Business Corporation's board shall meet with the governing body of its Shareholder/Owner at least annually and as requested by the governing body of the Shareholder/Owner.

SECTION 15: DISSOLUTION.

A. A Business Corporation may be dissolved only after all of its regulatory obligations are met or discharged, its debts satisfied or expressly assumed, its contractual obligations discharged or expressly assumed, and its affairs wound up. Because the purpose of a

Business Corporation is to do business with, and qualify for licensure and regulatory approvals from, non-Pueblo persons, entities and governmental agencies and authorities, this provision is intended as an inducement for all such persons to engage in transactions with a Business Corporation, and such persons shall be entitled to rely on this provision.

B. Subject to Subsection A of this Section 15, by resolution of the Pueblo of Isleta Tribal Council, a Business Corporation may be directed to wind up its affairs and, upon completion thereof, the Business Corporation shall be dissolved. Upon winding up and dissolution of a Business Corporation, the assets of the Business Corporation remaining after payment of, or provision for payment of, all debts, liabilities and obligations of the Business Corporation, shall be distributed to the Pueblo, or Governmental or Business Corporation of the Pueblo as directed by the Tribal Council.

SECTION 16: INCORPORATION FROM ARTICLE I. Except as otherwise provided in the Charter or a resolution of the Tribal Council, Sections 16 through 20, 22, 24 and 27 through 32 of Article I of this Business Corporation Ordinance shall apply equally to Business Corporations created under this Article II.