

BLUE LAKE HOUSING AUTHORITY ORDINANCE

Ordinance No. 04-01

The Blue Lake Housing Authority Act of 2004

Article I. Short Title

This Ordinance shall be known as the "Blue Lake Housing Authority 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 participate in the residential home building industry, which provides the Tribe and its members with a broad diversity of economic and employment opportunities, including, but not limited to, the purchase and sale of real and personal property, real estate speculation and development, construction, sales, marketing and advertising, architecture, engineering, and design, among others. The Tribe has been engaged by various participants in the home building industry, and has determined, because of the sufficient complexity of such industry, that it is in its best interest to acquire the expertise, knowledge, reputation, and other assets necessary to succeed in such industry.

2.1 The Tribe's involvement in the home building industry 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 the Housing Enterprise 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 the Housing Enterprise for the Tribe's benefit. The Authority created by this Ordinance is intended to perform those and similar functions with regard to the Housing Enterprise.

2.3 The purpose of this Ordinance is to create a Tribal governmental instrumentality of the Blue Lake Rancheria, to be known and doing business as the "Blue Lake Housing Authority" (the "Authority").

2.4 The Authority shall have all of the privileges and immunities of the Tribe, and shall exercise the Tribe's ownership, management and supervision of the Blue Lake housing construction enterprise, a Tribal home building business (the "Housing Enterprise", as described below) owning and holding in the Authority's name all Housing Enterprise assets, as defined herein, and ii) limiting the liability of the Housing Enterprise and recourse to the Housing Enterprise assets with respect to obligations of the Tribe not associated with the Housing Enterprise or authorized by the Authority Board to be incurred by the Tribe on behalf or for the benefit of the Housing Enterprise.

2.5 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 Authority, subject to the limitations herein set forth, and constitutes an authorization by the General Council to the Business Council and the Authority to carry out all actions contemplated under and in accordance with this Ordinance in connection with the ownership and operation of the Housing Enterprise.

Article 3. Principal Place of Business: Other Business Locations

3.1 The Authority'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 Authority Board may establish from time to time, provided that business of the Housing Enterprise may occur to a substantial degree off of the reservation. The Tribal Secretary shall maintain the address for the Authority's principal place of business on file.

Article 4. Relation to Tribe

4.1 The Authority is a subordinate instrumentality and agency of the Tribal government established pursuant to the Tribe's Constitution. The Authority is subject to this Ordinance and the overall powers of the General Council. The Authority and its assets and activities shall have the same privileges and immunities as the Tribe. The Authority shall have the status as a corporation to the extent necessary to pursue the business of the Authority, including, but not limited to, the legal status to apply for and receive a contractor's license from the California State Contractor's Licensing Board.

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 Housing Enterprise Assets constituting personal property and all Housing Enterprise Rights shall be allocated to the Authority and deemed owned by the Authority, subject to the powers of the Authority and the Authority Board as herein provided. As between the Tribe and the Authority, all Housing Enterprise Assets not constituting Real Property shall be held in the name of the Authority; provided that to the extent it shall be reasonably impracticable for the Authority to hold any Housing Enterprise Assets in its own name, then the Tribe may hold such assets in the Tribe's name for the exclusive benefit of the Authority and as to such assets, the Authority shall have the same rights of use and enjoyment, as though the same were held in the name of the Authority.

4.3 On the Effective Date, except as the Authority Board may otherwise determine, all employees, consultants, agents and attorneys of the Tribe providing service with respect to the Housing Enterprise on this date ("Providers") under any terms and conditions shall become Providers of the Authority upon the same terms and conditions. To the extent any of such Providers also provide services other than for the benefit of the Housing Enterprise, such persons shall also be deemed to such extent to be employed by the Tribe, with a fair and reasonable allocation of costs of such persons (both direct and indirect) being made as between the Authority and the Tribe.

4.4 On the Effective Date, all obligations and responsibility of the Tribe to perform under any Housing Enterprise Obligations existing on the Effective date shall be delegated to and deemed assumed by the Authority, with the Authority being obligated to perform any obligations of the Tribe thereunder. On the Effective Date, all right, title and interest in and to any Housing Enterprise Contract in effect on the Effective Date shall be allocated to the Authority and deemed owned by the Authority. Subject to any contrary requirement of federal law, all Housing Enterprise Contracts entered into after the Effective Date shall be entered into in the name of the Authority and not the Tribe, provided that to the extent it shall be reasonably impracticable for the any Housing Contract to be entered into in the name of the Authority, instead of the name of the Tribe, then the contract may be entered into in the name of the Tribe so long as the Tribe and all other parties to the contract shall in writing acknowledge that the contract inures to the benefit of and may enforced by and in the name of the Authority, to the same extent as though the Housing Contract were entered into in the name of the Tribe. Both the Tribe and the Authority may enter into any Housing Enterprise Contract.

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

4.6 Any exercise by the Authority of any powers or authority 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 Authority, 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 Authority, the Housing Enterprise or Housing Enterprise Assets, and no obligation, whether arising from contract, agreement, tort or otherwise, of any Tribal Party shall ever constitute an obligation of the Authority, unless in each case the Authority shall by Official Action consent to the same in writing. For purposes of this Section 4.7, the term "Tribal Party" shall mean the Authority, the Tribe and each agency, division, subdivision, branch, authority, enterprise, board, department and similar instrumentality or entity of the Tribe.

Article 5. Authority Rights, Powers and Immunities

5.1 The Authority 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 Authority to do any and all things necessary or desirable in connection with the financing, development, construction, ownership, lease, operation, management, maintenance and promotion of the Housing Enterprise so as to further the governmental interests of the Tribe.

5.3 In order to further its goals, the Authority shall have the power in its own name, with respect to the Housing Enterprise and Housing 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, including Housing Assets not constituting Real Property;
- 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 Authority 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 Authority 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 Authority;
 - 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 Authority 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 Authority; and have the power to indemnify any such person made a party to any proceeding by or in the right of the Authority by reason of the fact the person is or was a director, officer, employee or went of the Authority 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 Authority's best interests or reasonably believed their conduct to be not opposed to the Authority'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 Authority, 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 Authority, the Tribe, any business or enterprise in which the Authority has any interest or participation, and of any person who is or was a director, officer, employee, or agent of the Authority or serving at the request of the Authority 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 Authority 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 the Housing Enterprise; and
 - 5.3.16 have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Authority is organized.
- 5.4 The Authority shall have no power to exercise any regulatory or legislative power.
- 5.5 Except with respect to Housing Enterprise Assets or with the consent of the General Council, no activity of the Authority 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 Authority along with a delegation of power necessary to so encumber or implicate it by Authority action, provided that assets acquired by the Authority pursuant to this Ordinance, although remaining assets of the Tribe, may be pledged, leased, transferred, assigned, encumbered or otherwise administered by the Authority in the ordinary course of Authority business unless the Authority 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 "Authority" when capitalized, means the Blue Lake Housing Authority, 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 "Authority Board" shall mean the Board of Directors of the Authority.
- 6.1.5 "Authority Project" shall mean any enterprise, business or other activity undertaken by the Authority to further its purposes.
- 6.1.6 "Housing Enterprise Assets" shall mean any and all real, mixed and personal property (a) reflected on the balance sheet of the Housing Enterprise as an instrumentality of the Tribe as of January 1, 2004, or any subsequent balance sheet of the Housing Enterprise, (b) the Housing 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, the Housing 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 of derived from the Housing Enterprise, exclusive of revenues distributed by the Authority to another Tribal Party for application to non-Housing Enterprise purposes, provided that Housing Assets shall not include property that is not used in a trade, business, or other commercial undertaking unless reported as an asset of the Authority in accordance with generally accepted accounting principles.
- 6.1.7 "Housing Enterprise" shall mean the Blue Lake home construction business, and any entity engaged in by the Authority to own, develop, hold, construct, or sell housing, including but not limited to real or personal property connected therewith, and doing substantial business off the reservation, and any activity or business incidental, related, complementary or similar thereto, or any business or activity that is a reasonable extension, development or expansion thereof or ancillary thereto, including without limitation any activity or entity designed to promote, market, support, develop, construct or enhance the housing business operated by or on behalf of the Tribal Party (as defined in this Ordinance).

- 6.1.8 "Housing Enterprise Contracts" shall mean all contracts or agreements entered into by any Tribal Party in connection with the Housing Enterprise or the ownership of Housing Enterprise Assets.
- 6.1.9 "Housing Enterprise Obligations" shall mean any obligation incurred by any Tribal Party in connection with the Housing Enterprise, including any Obligations related thereto, but excluding any obligations of the Tribe solely relating to or arising in connection with the development, management, financing or operation of non-housing construction business or any litigation relating thereto.
- 6.1.10 "Housing Enterprise Tribal Rights" shall mean all rights of the Tribe or any affiliate to engage in housing construction, as limited by the Tribe's Housing Ordinance, and the unrestricted right and license to have access to use and enjoy all real property, improvements to real property and interests in real property held by or in trust for any Tribal Party that constitute Housing Enterprise Assets or which are necessary or useful for the ownership, operation and enjoyment by the Authority of the Housing Enterprise.
- 6.1.11 "Including" means including but not limited to.
- 6.1.12 "Obligations" means any notes, bonds, interim certificates, debentures, mortgages or other evidences of indebtedness issued by the Authority under this Ordinance.
- 6.1.13 "Obligee" includes any holder of an Obligation, agent or trustee for any holder of any Obligation.
- 6.1.14 "Other Business" means any business, enterprise or activity, other than a Licensed Housing Establishment, which the Authority Board determines should be conducted by the Authority, which is related to or associated with a Licensed Housing Establishment.
- 6.1.15 "Tribal Party" shall mean the Tribe and any person directly or indirectly controlled by the General Council, Business Council or Authority 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.
- 6.1.16 "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.
- 6.1.17 "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.
- 6.1.18 "Tribe" means the Blue Lake Rancheria, California, a federally recognized Indian tribe.
- 6.1.19 "Official Action" means a motion or resolution adopted by the Housing Authority 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 Housing Authority Assets

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

Article 8. Authority Board

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

8.2 The Authority Board shall consist of up to five (5) members, except as it may be expanded in accordance with this Ordinance, with not less than two (2) members comprised of members of the Business Council. There shall be a preference for Tribal members to occupy the remaining two seats of the Authority Board, but based upon their expertise and experience in the home building industry, non-Tribal members may be appointed to the Authority Board.

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

8.4 No member of the Authority Board shall be liable to any creditor of the Authority 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 Authority Board shall constitute a quorum and may act for the Authority 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 Authority Board, or the Board Chairperson, may call a special meeting, which may be in person or by telephonic conference.

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

8.8 The Authority 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 Authority 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 Authority

9.1 The Authority 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 Authority 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 Authority 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 Authority, 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 Authority, 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 Authority assets or Housing 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 Authority or Housing Enterprise Assets not constituting Real Property, the Tribe shall not be liable for the debts or obligations of the Authority, and the Authority shall have no power to pledge or encumber the assets of the Tribe other than assets of the Authority and Housing Enterprise Assets not constituting Real Property. This action does not constitute a waiver of any immunity of the Tribe or a delegation to the Authority of the power to make any waiver of the immunity of the Tribe, except with respect to assets of the Authority and Housing Enterprise Assets not constituting Real Property. The Authority'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 Authority 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 Authority 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 Authority, by Official Action, shall have the authority to consent (i) to the exercise of jurisdiction over any suit or over the Authority 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 authority shall at all times remain with the Authority 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 Authority 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 Authority and Housing 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 Authority and Housing Enterprise Assets not constituting Real Property.

Article 12. Obligations

12.1 The Authority 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 Authority 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 Authority 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 Authority, including Housing Enterprise Assets not constituting Real Property.

12.3 Neither the members of the Authority 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 Authority 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 Housing Enterprise Assets not constituting Real Property.

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

- 12.5.1 Obligations of the Authority shall be authorized by a resolution adopted by the vote of a majority of all of the members of the Authority 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 Authority 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 Authority may be in negotiable form.
- 12.5.6 In connection with the issuance of Obligations and to secure the payment of such Obligations, the Authority, subject to the limitations in this Ordinance, may:
 - a. Pledge all or any part of the gross fees or revenues of the Authority 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 Authority used for governmental programs, Covenant against pledging all or any part of the fees and revenues of the Authority or against mortgaging or encumbering any or all of the real or personal property of the Authority 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 Authority to sell, lease or otherwise dispose of any Authority 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 Authority, 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 Authority, 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 Authority and all Housing Assets not constituting Real Property; and
- u. Waive, conditionally or unconditionally, the sovereign immunity of the Authority, provided that the Authority 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 Authority or Housing Enterprise Assets not constituting Real Property.

Article 13. Reports of the Authority

13.1 The Authority 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 Authority Board Chairperson, showing:

- 13.1.1 a summary of the quarter's activities;
- 13.1.2 the financial condition of the Authority and of each Authority Project and Other Business;
- 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 Authority Board or the Business Council deems pertinent.

13.2 The Authority 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 Chairperson, showing:

- 13.2.1 a summary of the year's activities;
- 13.2.2 the complete financial condition of the Authority and of each Authority Projects including a detailed report outlining the operations of the Authority and of each Authority 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 Management or the Business Council deems pertinent.

Article 14. Finances and Accounting

14.1 The fiscal year of the Authority shall be the fiscal year of the Tribe.

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

14.3 The Authority Board shall establish and install as to the Authority and each Authority Project in which it has any control, an accounting system (1) in conformity with generally accepted accounting principles applicable to the Authority or project, and (2) necessary and advisable, in the reasonable discretion of the Authority Board in order to manage the assets of the Authority. 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 Authority and each of its Authority 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 Authority 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 Authority

15.1 The Authority shall indemnify any officer, employee or member of the Authority Board of the Authority, any former officer, employee or member of the Authority Board of the Authority, and any person who may have served at its request as an officer, employee or member of the Authority 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 Authority shall also reimburse any officer, employee or member of the Authority Board reasonable costs of settlements of any such action, suit or proceeding if it shall be found by a majority of the Authority Board of the Authority other than the members of the Authority Board involved in the matter in controversy (whether or not a quorum exists), that it is in the best interest of the Authority and the Tribe that such settlement be made and that such officer, employee or member of the Authority Board of the Authority 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 Authority Board of the Authority 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 Authority, or any member of the Authority Board, or any other public official who exercises any responsibilities or functions with respect to a Authority Projects or Other Business shall voluntarily acquire any interest, direct or indirect, in any Authority Projects or in any property included or planned to be included in a Authority Projects or in any contract or proposed contract relating to any Authority Projects. If any member of the Authority Board, officer or employee of the

Authority 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 Authority, such disclosure shall be entered in the minutes of the Authority, and such member of the Authority Board, officer or employee shall have sixty (60) days to dispose of such interest. In the interim, the member of the Authority Board, officer or employee shall not participate in any action by the Authority 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 Authority issued in connection with any Authority Projects or Other Business, or to the execution of agreements by banking institutions for the deposit or handling of funds in connection with any Authority 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 Authority Board of the Authority as provided in this Ordinance. The Authority Board may, by resolution, waive any of the provisions of this Section.

Article 17. Bond

17.1 The Authority Board, on behalf of and in the name of the Authority, 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 April 2, 2004, at a duly called meeting of the General Council of the Blue Lake Rancheria with a quorum present by a vote of 5 for 0 against, 0 abstaining and 0 absent.

Dated: 4/2/04



Claudia Brundin, Chairperson

Dated: 4/2/04



Melanie Shelanskey, Tribal Secretary