

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

RESOLUTION NO: 00-51

DATE APPROVED: May 26, 2000

SUBJECT: Approval of Charter of the Hoopa Development Fund

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

WHEREAS: Article IX, § 1(p) of the Constitution and Bylaws empowers the Tribal Council to create subordinate bodies for the operation of economic enterprises to benefit the Tribe; and

WHEREAS: The Hoopa Valley Tribal Council approved consolidation and relocation of the EDA Loan Fund and Tribal Credit programs governed by a five member EDA/Credit Committee by Resolution No. 97-155 (Nov. 14, 1997); this was among the committees ratified and approved pursuant to HTC § 42.8 and the consolidated program is a tribal entity as contemplated under HTC § 52.103(b); and

WHEREAS: Confirmation of the status of the consolidated program as a subordinate body and, moreover, the issuance of a charter to the consolidated program to clarify its status as a tribal entity will assist the ability of the entity to raise funds and to operate for the benefit of the Hoopa Valley Tribe.

NOW, THEREFORE BE IT RESOLVED: That it is hereby confirmed that the consolidated program of the EDA loan fund and the Tribal Credit Program (collectively and thereafter referred to as the EDA Loan Fund) ("EDA") is and has been a subordinate body of the Tribe; and

BE IT FURTHER RESOLVED: That the Hoopa Valley Tribal Council hereby approves the further consolidation and relocation of the EDA into a newly established subordinate body, the Hoopa Development Fund; and

BE IT FURTHER RESOLVED: That, for this purpose, said Hoopa Development Fund is hereby established as a subordinate body pursuant to Article IX, Section 1(p) of the Constitution and Bylaws and as a tribal entity pursuant to Title 52 of the

Hoop Valley Tribal Code pursuant to the terms of the attached charter, which charter is hereby approved and incorporated herein by this reference; and

BE IT FURTHER RESOLVED: That as a result of the consolidation and effective herewith, the existence of the EDA and the Hoopa Development Fund ("HDF") shall be consolidated into and continued in the HDF. All rights, franchises and interests of the EDA and HDF, respectively, in and to every type of property (real, personal, tangible, intangible, mixed or otherwise) and chooses-in-action shall be transferred to and vested in the HDF by virtue of the consolidation without deed or other transfer; and

BE IT FURTHER RESOLVED: That as a result of the consolidation and effective herewith, HDF shall be liable for all liabilities of EDA and HDF, and all deposits, debts, liabilities, obligations and contracts of EDA and HDF, respectively, matured or unmatured, whether accrued, absolute, contingent or otherwise, and whether or not reflected or reserved against on balance sheets, book or account or records of EDA or HDF, as the case may be, shall be those of HDF and shall not be released or impaired by the consolidation. All rights of creditors and other obligees and all liens on property of, or claims against, EDA and HDF shall be preserved unimpaired.

BE IT FURTHER RESOLVED: That all actions and transactions of the EDA as taken by the EDA's committee members, officers, agents and employees are hereby ratified and as a result of the consolidation and effective herewith all such actions and transactions shall be deemed to be the official acts of the HDF.

CERTIFICATION

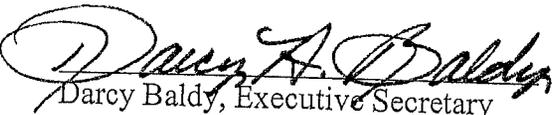
I, the undersigned, as Chairman of the Hoopa Valley Tribal Council, do hereby certify that the Hoopa Valley Tribal Council is composed of eight members of which 5 were present, constituting a quorum, at a special meeting thereof, duly and regularly called, noticed, convened and held this 26th day of May, 2000; and that this resolution was adopted by a vote of 5 FOR and 0 AGAINST, and that said resolution has not been rescinded or amended in any way.

Dated this twenty-sixth day of May, 2000.



Duane Sherman, Sr., Chairman
Hoopa Valley Tribal Council

ATTEST:



Darcy Baldy, Executive Secretary
Hoopa Valley Tribal Council

CHARTER OF THE HOOPA DEVELOPMENT FUND

May 26, 2000

1. The Hoopa Valley Indian Tribe is a federally recognized Indian tribe. The elected Hoopa Valley Tribal Council, acting pursuant to its inherent sovereign governmental authority and the powers of the Tribal Council enumerated in the Constitution and Bylaws of the Hoopa Valley Tribe, and pursuant to Hoopa Tribal Code Title 52, hereby charters and establishes a tribal entity named the Hoopa Development Fund. The Hoopa Development Fund is a separate instrumentality created, wholly-owned, and controlled by the Hoopa Valley Indian Tribe. The Hoopa Development Fund represents the consolidation of the Economic Development Administration Loan Fund and Tribal Credit programs to better carry out the purposes of those programs, including essential governmental functions of the Hoopa Valley Tribe.
2. **Definitions.**
 - 2.1 “*Secretary*” – An individual appointed by the Committee to perform routine clerical tasks, including recording minutes of meetings.
 - 2.2 “*Area Director*” – The Officer in charge of the regional office of the Bureau of Indian Affairs under which the Tribe is placed for administrative purposes.
 - 2.3 “*Tribe*” – The Hoopa Valley Tribe of the Hoopa Valley Indian Reservation in California.
 - 2.4 “*Council*” – The governing body of the Tribe consisting of eight members of the Tribe elected in accordance with the Tribe’s Constitution and Bylaws.
 - 2.5 “*Committee*” – The Development Fund Committee appointed in accordance with Section 3 hereof.
 - 2.6 “*Economic Development Administration*” – Western Regional Office, Economic Development Administration, 1700 Westlake Avenue, North, Seattle, Washington 98109.
3. **Development Fund Committee.** All activities of the Hoopa Development Fund will be administered by a committee of five members appointed by the Council from without the Council membership. Immediately upon appointment each member shall give a fidelity bond for faithful discharge of his duties in such sum as the Council shall determine.
 - 3.1 *Term of Office.* The initial term of office from the date this Committee is formed shall be three years for three members and two years for two members.

Thereafter, each regular appointment to the Loan Committee shall be for a period of two years from the date of expiration of the expired or expiring term regardless of the date the appointment is made. Each appointment to fill a vacancy in an expired term shall be for the unexpired portion only. All vacancies, whether created by expiration of regular term or otherwise shall be filled as soon as practicable and in no case later than 60 days from the occurrence of such vacancy. Incumbents of expired terms will continue to serve with full rights and authority until successors are appointed.

- 3.2 ***Expiration of Terms.*** Expiration dates of regular terms shall be on September 30 of each successive year.
- 3.3 ***Record of Appointment.*** A record of all appointments to the Committee will be furnished upon request to the Economic Development Administration.
- 3.4 ***Officers.*** Following the appointment of Committee members, the members will select a chairman and vice-chairman from within the Committee to perform duties customary to those offices. The chairman will participate as a voting member of the Committee. In the absence of the chairman, the vice-chairman will have the full authorities and responsibilities of the chairman.
- 3.5 ***Record of Meetings.*** A secretary, appointed by the Committee, will keep or cause to be kept, a full and complete record of all meetings. Copies of meetings will be furnished to staff and through staff to the Economic Development Administration.
- 3.6 ***Quorum.*** Three members will constitute a quorum at any meeting. A uniform vote of at least three members will be required in order for any action to be effective.
- 3.7 ***Suspension and Removal.*** The Council may suspend a Committee member for cause. Notice of such suspension, including a clear and concise statement of the charges resulting in the suspension shall be forwarded to the suspended member by certified or registered mail. Such member will have thirty days from the date of the notice to request a hearing before the Council. A hearing will be held at the next regular or special meeting of the Council after receipt of request for hearing. The Council may remove such member from the Committee. Failure to attend three (3) consecutive meetings shall be grounds for automatic removal from the Committee. The decision of the Council shall be final.
- 3.8 ***Qualifications of Members.*** The members must have a reputation for industry, dependability, honesty, and integrity; have had successful experience in the farm, ranch, or business field. Members must be bondable.

- 3.9 **Compensation.** Compensation of members will be determined by the Council. The rate of mileage and per diem will be established by the Council.
- 3.10 **Meetings.** Regular meetings will be scheduled for the second Thursday of every month. Special meetings may be called by the Chairman by the most expeditious manner. At least three days notice must be given for all meetings unless the members unanimously agree to waive such notice. All meetings will be in executive session. In the event the Chairman fails to call a meeting within five days after receipt of written notification by the Secretary, any three members may call a meeting. All voting on applications, requests for modifications, declaring loans in default, disbursement authorizations, and other actions will be taken only at meetings. The applicants or borrowers will not be present when such actions are taken.
- 3.11 **Signature on Actions.** The Chairman, Vice-Chairman and/or one board member may be authorized by the Committee to sign for on its behalf such papers as it may designate. All such authorizations must be recorded in the minutes of the Committee prior to exercise.
- 3.12 **Resignation.** In the event of resignation, a Committee member will give the Council thirty days written notice.
4. **Powers.** In furtherance, but not in limitation, of the Hoopa Development Fund's purposes, and to the extent not prohibited by applicable law or this Charter, the Committee shall have, and is authorized to exercise the following powers:
- 4.1 To purchase, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve, use and deal in and with tangible and intangible personal property of every kind and description, money, securities, real property, rights and services of any kind and description or any interest therein, except as prohibited by applicable law;
- 4.2 To sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of the personal property and assets, or any interest therein, of the Development Fund;
- 4.3 To borrow money and to make, accept, endorse, execute and issue bonds, debentures, promissory notes, guarantees and other obligations of the Development Fund for monies borrowed, or in payment for property acquired or for any of the purposes of the Development Fund and to secure payment of any such obligations by secured interest, mortgage, pledge, deed, indenture, agreement or other instrument of trust or by lien upon assignment of, or agreement in regard to, all or any part of the property, rights or privileges of the Development Fund, subject to any restrictions contained in this Charter and applicable law;

- 4.4 To arbitrate, compromise, negotiate or settle any disputes relating to the authorized activities of the Development Fund to which it is a party;
- 4.5 To enter into, perform and carry out or cancel and rescind contracts for any lawful purpose pertaining to its business or which is necessary or incidental to the accomplishments of its purposes;
- 4.6 To sue in all courts of competent jurisdiction and to be sued, subject to and limited by the requirements of tribal law;
- 4.7 To conduct its affairs, carry on its operations and exercise the powers granted under this Charter on any Indian reservation, in any state, territory, district or possession of the United States, or in any foreign country;
- 4.8 To engage in any and all activities which will directly or indirectly carry out the purposes of the Development Fund, subject to the constraints of tribal law.
- 4.9 The powers set out in section 4 shall be exercised pursuant to written policies and agreements executed in advance of payment of Development Fund funds or the disposition of Development Fund personal or real property.

5. **Obligations.**

- 5.1 ***Authority to Issue Obligations.*** The Development Fund may issue obligations from time to time in its discretion for any of its purposes and also for the purposes of refunding or advance refunding of obligations previously issued by the Development Fund. Consistent with the provisions of this Charter, the Development Fund may issue such types of obligations as it may determine, in the sound and prudent exercise of its business judgment are in the best interests of the Development Fund, including obligations on which the principal and interest are payable exclusively from the income and revenues of a project financed with the proceeds of such obligations, or with such income and revenues together with a grant from the federal government, in aid of a project; or exclusively from the income and revenues of certain designated projects whether or not they are financed in whole or in part with the proceeds of such obligations; or from income and revenues of the Development Fund generally; and any such obligations may be additionally secured by a pledge of any revenues of any project or other assets of the Development Fund. Issuance of obligations shall be subject to advance approval by resolution of the Tribal Council.
- 5.2 ***No Personal Liability on Obligations.*** Neither the Tribal Council nor any person executing the obligations of the Development Fund shall be personally liable on any obligations by reason of issuance thereof.

- 5.3 ***No Tribal Liability on Development Fund Obligations.*** The notes and other obligations of the Development Fund shall not be obligations of the Tribe, either legal or moral, nor shall such Development Fund obligations constitute a pledge of faith, credit or revenues of the Tribe, and the obligations shall so state on their faces.
- 5.4 ***Manner of Issuance and Sales.*** Obligations shall be issued and sold in the following manner:
- 5.4.1 Obligations of the Development Fund shall be authorized by a resolution of the Tribal Council, and may be issued in one or more series.
- 5.4.2 Obligations shall bear such dates, mature at such times, bear interest at such rates, be in such denominations, be in such form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority, to 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 the Tribal Council resolution may provide.
- 5.4.3 The obligations may be sold at public or private sale and at such price as the Tribal Council deems appropriate.
- 5.4.4 In case any of the Tribal Council members whose signatures appear on any obligations cease to be Tribal Council members before the delivery of such obligations, the signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if the Tribal Council members had remained in office until delivery.
- 5.4.5 Whenever necessary, the Development Fund shall in the issuance of its obligations comply with all applicable securities laws.
- 5.5 ***Obligations are Negotiable.*** Obligations of the Development Fund shall be fully negotiable unless otherwise stated on their faces.
- 5.6 ***Security for Obligations.*** Consistent with this Charter, the Development Fund in connection with the issuance or incurring of obligations and to secure the payment of such obligations, may make any covenants and do any acts or things necessary, convenient or desirable in order to secure its obligations or, in the sound and prudent business judgment and discretion of the Development Fund, tend to make the obligations more marketable.

6. **Depository.** Any national, state bank or banks may be used as the depository for funds. The bank or banks selected must be members of the Federal Deposit Insurance Corporation.

7. **Disbursements and Repayments.**

7.1 ***Disbursements.*** All disbursements shall bear two of the following signatures: the Chairman, or Vice-Chairman, and a member of the Committee. No disbursement will be made on a loan until the loan has been properly approved in accordance with the provisions of this plan, nor until loan agreements have been completed and the securing documents have been properly completed and executed and are ready for immediate filing or recording.

When a bank or banks are the exclusive depositories of loan funds, disbursements will be made as described in this paragraph. Disbursements will be by pre-numbered check peculiar to the Hoopa Development Fund program. Numbered check vouchers peculiar to the account upon which will be shown the date, the amount disbursed, the purpose, and other pertinent information will be prepared in triplicate at the time each check is drawn. The original will be provided to the payee; one copy will be filed in the borrower's loan folder; one copy will be filed in the disbursements file.

7.2 ***Repayments.*** When a bank or banks are the exclusive depositories of the loan funds, the payments on loans and other receipts will be made payable to the Development Fund and shall be received at a place so designated by the Committee. The Committee shall designate an individual who has been bonded to receive repayment funds. The remitter must be issued a pre-numbered receipt for each payment received. Payments will be accepted at any reasonable time during the normal business day. All payments and receipts shall be deposited promptly, but in no event later than 24 hours from receipt.

8. **Records, Reports, and Audits.** Records and accounts will be maintained in a manner and in accordance with the accounting system satisfactory to the Economic Development Administration or other appropriate agency.

An annual audit of the loan fund operations performed by a public accounting firm will be made as of September 30th of each year. Copies of audit reports will be furnished to the Council, and to the Economic Development Administration upon request.

Access to records of the Loan Fund Committee will be restricted to the Committee, the Tribal Council, and the Economic Development Administration or other appropriate agency.

9. **Loan Procedure.**

- 9.1 ***Applications.*** All applications will be submitted on forms provided by the Committee. Applications must be fully completed by the applicant and must be manually signed by the applicant.
- 9.2 ***Sale of Property.*** Subject to provisions in Section 13, sale or attempted sale or any other diminishment of any property, which has been purchased from proceeds of a loan, without prior approval of the Committee may, at the discretion of the Committee, subject the loan to be declared immediately due and payable.
- 9.3 ***Credit Ratings.*** Credit reports may be obtained on the applicant or co-signers to determine established repayment patterns and credit ratings for information to the Committee in reaching a credit decision.

10. **Insurance.**

- 10.1 ***Assignment of Insurance.*** Assignment of life, disability, mortgage, crop or other insurance to the Hoopa Development Fund program as security for any loan may be required. When so required, borrower will agree to obtain adequate insurance; failure to comply will subject borrower to default penalties stipulated in the loan agreement. In the event a borrower does not maintain adequate insurance, he will agree that the Committee may do so and charge him therefor. Premium for such insurance will be paid from the Development Fund and charged to the borrower.
- 10.2 ***Fire Insurance.*** Fire insurance with a loss payable clause in favor of the Hoopa Development Fund will be required on all loans where applicable. The amount of insurance required will equal or exceed the unpaid balance of the loan. Borrowers will be required to agree to obtain and maintain adequate fire insurance; failure to do so will subject them to the default penalties stipulated in the loan agreement. At the discretion of the Committee, if the borrower does not maintain adequate fire insurance, the Committee may initiate action to secure such insurance. Premiums for such insurance will be paid from the loan fund and charged to the borrower.

Borrowers will be required to deposit insurance policies with the Committee for filing in the individual's loan folder.

11. **Interest Rates.** Interest rates will be charged in accordance with the Loan Policy and Portfolio Management Plan for the Economic Development Loan Fund Program of the Hoopa Valley Tribe.

Interest rates may be changed upon formal action by the Committee. Changes in interest rates will not change the rates charged on loans already in existence but will involve all new loans and additional advances made on ongoing loans beginning on the date such changes become effective.

12. **Fees.** Fees may be charges on all loans. Direct out of pocket costs for loan processing shall be borne by the applicant.
13. **Disposition of Property.** Security may be released by the committee under the following conditions:
 - 13.1 ***Plan.*** When the borrowers' plan calls for disposition and the proceeds are to be applied to the loan.
 - 13.2 ***Repayment or Security.*** When property is sold and the proceeds are applied on the loan or are used to purchase other capital goods which are given as security for the loan.
 - 13.3 ***Exchange.*** When the property is exchanged for other property which is then given as security for the loan.
 - 13.4 ***Other.*** When disposition is justified and the loan is adequately secured without the property to be released.
14. **Annual Inspections.** The Committee or an authorized representative from the Committee shall make at least an annual inspection of each borrower's assets, except that in the case of fully secured loans which are not delinquent the Committee may waive this requirement. All such waivers shall be reflected in the record of the meetings of the Committee in accordance with Section 3.10. Each borrower will be notified in writing by the Committee of the date of inspection ten days in advance unless otherwise agreed upon by the parties involved.
15. **Filing and Recording Costs.** All recording or filing costs, including cost of lien searches will be at the expense of the borrower. Securing documents, except assignments of income from trust land, will be filed or recorded in accordance with applicable tribal or state laws.
16. **Title to Property.** Title to property purchased with loans will be taken in the name of the borrower, except land title which was in trust or restricted status prior to purchase which may, with the approval of the Area Director, be taken in the name of the United States in trust for the borrower. Mortgages on trust land also require approval of the Area Director.

17. **Sovereign Immunity.** The provisions of Hoopa Tribal Code § 52.106 relating to sovereign immunity and waiver, including all subsections of that section, are hereby incorporated in and made part of this Charter of the Hoopa Development Fund.

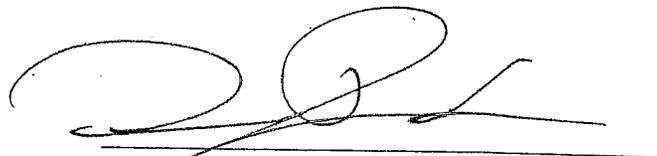
18. **Other Provisions.**

18.1 All employees of the Hoopa Development Fund are employees of the Hoopa Valley Tribe. The Personnel Policies and Procedures of the Hoopa Valley Tribe shall apply to the management and operations of the Hoopa Development Fund.

18.2 As required by law, a purpose of this Charter is to assist in insulating the Hoopa Development Fund from tribal politics.

18.3 Except as may be expressly approved by the Hoopa Valley Tribal Council, the Hoopa Development Fund shall be represented by and seek the advise of the Office of Tribal Attorney.

THIS CHARTER approved this 26th day of May, 2000, in accordance with the authority of the Hoopa Valley Tribal Council Resolution No. 00-51.



Duane Sherman, Sr., Chairman
Hoopa Valley Tribal Council

ATTEST.



Darcy Baldy, Executive Secretary
Hoopa Valley Tribal Council