LEGISLATIVE SUMMARY SHEET
Tracking No. 0250-19

DATE: March 7, 2019

AN ACTION RELATING TO RESOURCES AND DEVELOPMENT, AND NAABIK'ÍYÁTI' COMMITTEES; CONFIRMING THE APPOINTMENT BY THE SPEAKER OF THE NAVAJO NATION COUNCIL OF A SHAREHOLDER REPRESENTATIVE TO THE NAAT'ÁANII DEVELOPMENT CORPORATION FOR A TERM OF FIVE YEARS

PURPOSE: The purpose of this legislation is to approve the appointment of the shareholder representative to the Naat'áanii Development Corporation as chosen by the Speaker of the 24th Navajo Nation Council.

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate review the proposed resolution in detail.

5-DAY BILL HOLD PERIOD: 8300
Website Posting Time/Date: _____
Posting End Date: 8/21/19
Eligible for Action: 8/22/19

Resources & Development Committee
Thence
Naa'bik'íyáti' Committee

PROPOSED STANDING COMMITTEE RESOLUTION

24th NAVAJO NATION COUNCIL - First Year, 2019

INTRODUCED BY

(Prime Sponsor)

TRACKING NO. 0250-19

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT, AND NAABIK'ÍYÁTI' COMMITTEES; CONFIRMING THE APPOINTMENT BY THE SPEAKER OF THE NAVAJO NATION COUNCIL OF A SHAREHOLDER REPRESENTATIVE TO THE NAAT'ÁANII DEVELOPMENT CORPORATION FOR A TERM OF FIVE YEARS

BE IT ENACTED:

SECTION ONE. AUTHORITY

A. The Resources and Development Committee is a standing committee of the Navajo Nation Council. 2 N.N.C. § 500(A).

B. The Naabik'íyáti' Committee of the Navajo Nation Council is a standing committee of the Navajo Nation Council. 2 N.N.C. § 700.

C. The Resources and Development and the Naabik'íyáti' Committees of the Navajo Nation Council confirms appointments of Appointed Shareholder Representatives pursuant to Article V(C)(2)(i) of *Federal Charter for Naat'áanii Development Corporation*. See Exhibit A.

SECTION TWO. FINDINGS

A. The Naat'áanii Development Corporation was created by the Navajo Nation Council as a "business corporation that is intended to invest capital in a broad array of business

opportunities for the purpose of generating income and wealth for the Navajo Nation and its members." Federal Charter for the Corporation, Exhibit A.

B. Concerning membership and appointments, Article V(C)(2)(i) of the Federal Charter for the Naat'áanii Development Corporation provides:

> "Composition. There shall be five (5) Shareholder Representatives, composed of: the President of the Navajo Nation or his/her designee, the Speaker of the Navajo Nation Council (the "NNC") or his/her designee, and three (3) additional members (the "Appointed Shareholder Representatives") appointed as follows.
>
> Appointment. One of the Appointed Shareholder Representatives shall be appointed by the President of the Navajo Nation (the "President Appointee"), one of the Appointed Shareholder representatives shall be appointed by the Speaker of the NNC (the "Speaker Appointee") and one of the Appointed Shareholder Representatives shall be appointed by mutual agreement of the President of the Navajo Nation and the Speaker of the NNC (the "Joint Appointee"), in each case in accordance with this Charter and applicable Navajo Nation law. Each Appointed Shareholder Representative shall be confirmed by the Resources and Development Committee ("RDC") and the Naa'bik'iyati' Committee, or the successor committees thereof. Except as provided in Paragraph C.2iii of this Article V, the Appointed Shareholder Representative shall serve staggered, five-year terms."

C. In regards to qualifications of Appointed Shareholder Representatives, Article V (C)(2)(ii) of the Federal Charter for the Naat'áanii Development Corporation provides:

> "Qualification. The Appointed Shareholder Representatives shall be individuals who satisfy the following qualifications: (1) a minimum of one shall be a Certified Public Accountant("CPA") or Chartered Financial Analyst ("CFA"), or shall have a Masters in Business Administration, who possess educational and/or practical experience in business, accounting, finance and/or investing, (2) any non-CPA or CFA Appointed Shareholder representative shall be a professional with minimum of bachelor's degree and substantial experience in engineering, business administration, finance, accounting and/or

investing, (3) each shall be tribally enrolled members of the Navajo Nation, and (4) each shall have good moral and ethical character as representative by background clearance without a felony or other crimes of dishonesty."

D. The Speaker of the Navajo Nation Council has appointed _____ as one of the Appointed Shareholder Representatives to the Naat'áanii Development Corporation.

E. _____ meets the requirements to serve on the Naat'áanii Development Corporation as established.

SECTION 3. CONFIRMATION OF APPOINTMENT

The Navajo Nation hereby confirms the appointment of _____ as an Appointed Shareholder Representative to the Naat'áanii Development Corporation for a five-year term, consistent with initial term provisions of Article V(C)(2)(iii)(3).

EXHIBIT
tabbies
A

FEDERAL CHARTER OF INCORPORATION

ISSUED BY THE UNITED STATES OF AMERICA

DEPARTMENT OF THE INTERIOR - BUREAU OF INDIAN AFFAIRS

TO THE NAVAJO NATION FOR THE NAAT'ÁANII DEVELOPMENT CORPORATION
A Federally Chartered Corporation

WHEREAS, Section 17 of the Indian Reorganization Act, 25 U.S.C. § 477, as amended (the "Act"), authorizes the Secretary of the Interior to issue a Federal Charter of Incorporation to an Indian Tribe; and

WHEREAS, the Navajo Nation is a federally recognized Indian Tribe; and

WHEREAS, on _____, 2017, the governing body of the Navajo Nation approved a plan for creation of a business corporation that is intended to invest capital in a broad array of business opportunities for the purpose of generating income and wealth for the Navajo Nation and for its members; and

WHEREAS, on _____, 2017, the governing body of the Navajo Nation petitioned the Secretary of the Interior to issue a Federal Charter of Incorporation to the Navajo Nation to establish this for-profit business corporation (the "Corporation"), as authorized by the Act; and

WHEREAS, all of the legal prerequisites to the issuance of this CHARTER OF INCORPORATION (this "Charter") have been fulfilled;

NOW THEREFORE, I, _____, Deputy Commissioner of Indian Affairs, by virtue of the power conferred upon the Secretary of the Interior by the Act and delegated to me, do hereby issue this Charter to the Navajo Nation, to be operative when ratified by the governing body of the Navajo Nation ("Ratification").

ARTICLE I – Name

The name of the Corporation is Naat'áanii Development Corporation.

ARTICLE II – Principal Office and Registered Office

A. Principal Office. The principal office of the Corporation shall be located within the Navajo Nation. The Corporation may have such other offices, either within or outside of the Navajo Nation as the Board of Directors of the Corporation (the "Board") may designate or as the business of the Corporation may require from time to time.

B. Registered Offices. The Corporation shall register as a foreign corporation with the appropriate state offices with respect to those states where the Corporation shall undertake to transact business outside of the exterior boundaries of the Navajo Nation. Any offices so registered need not be identical to the principal place of business of the Corporation at the Corporation or within that state and any registered office may be changed from time to time by the Board.

ARTICLE III – Authority for Charter

The Corporation is organized, incorporated and chartered under the laws of the United States as a Federally Chartered Corporation under the Act and shall have the powers, privileges and immunities granted by the Act embodied in this Charter. This Charter shall not be changed or modified through the bylaws of the Corporation (the "Bylaws") , nor will the Bylaws supersede the authority of this Charter.

ARTICLE IV – Status of Corporation

A. The Corporation is a legal entity, wholly-owned by the Navajo Nation, a federally recognized Indian tribe, but distinct and separate from the Navajo Nation. As an instrumentality of the Navajo Nation, the Corporation is entitled to the privileges and immunities of the Navajo Nation. However, the activities, transactions, obligations, liabilities and property of the Corporation are not those of the Navajo Nation.

B. The Corporation shall have the same immunities under the federal law of the United States as the Navajo Nation. The Corporation shall retain the Navajo Nation's tax exempt status and shall enjoy any tax advantages available to a corporation of its type.

ARTICLE V – Ownership of the Corporation

A. Shares

1. The aggregate number of shares which the Corporation shall have authority to issue is 1,000,000 shares of common stock (hereinafter the "Common Shares"), having no par value, and 1,000,000 shares of preferred stock (hereinafter the "Preferred Shares" and, together with the Common Shares, the "Shares"), having no par value.

2. All Common Shares shall be owned by the Navajo Nation (the "Shareholder") and shall be deemed issued and outstanding immediately upon the Ratification of this Charter. The holder of each share of Common Stock shall have the right to one (1) vote per such share. Any voting rights with respect to the Common Shares shall be the responsibility of the representatives selected to act on behalf of the Navajo Nation (the "Shareholder Representatives") in accordance with the other provisions of this Charter, including Paragraph C of this Article V and Paragraph C of Article X.

3. All Preferred Shares shall be owned by the Shareholder and shall be deemed issued and outstanding immediately upon the Ratification of this Charter. Preferred Shares shall have no voting rights, shall not be convertible into Common Shares and shall have the profit, dividend and redemption rights as set forth in Article XIV.

B. All Shares in the Corporation shall be owned by the Navajo Nation for the benefit of the Navajo Nation and its enrolled members. No individual or legal entity other than the Navajo Nation may acquire any Shares, the Shares shall not be sold, transferred, pledged or hypothecated, voluntarily or involuntarily, and any purported sale, transfer, pledge or hypothecation of the Shares shall be void and of no effect.

C. Shareholder Representatives.

1. Duties. All rights of the Shareholder with respect to the voting of the Shares shall be exercised by the Shareholder Representatives, who shall act in such capacity in the best interest of the Navajo Nation and its enrolled members in accordance with the other provisions of this Charter, including Paragraph C of Article X. In addition, each Appointed Shareholder Representative (as defined below) shall act in a capacity similar to a professional trustee and shall faithfully execute the responsibilities of a Shareholder Representative as a prudent person of business.

2. Composition. There shall be five (5) Shareholder Representatives, composed of: the President of the Navajo Nation or his/her designee, the Speaker of the Navajo Nation Council (the "NNC") or his/her designee, and three (3) additional members (the "Appointed Shareholder Representatives") appointed as follows.

    i. Appointment. One of the Appointed Shareholder Representatives shall be appointedby the President of the Navajo Nation (the "President Appointee"), one of the Appointed Shareholder Representatives shall be appointed by the Speaker of the NNC (the "Speaker Appointee") and one of the Appointed Shareholder Representatives shall be appointed by mutual agreement of the President of the Navajo Nation and the Speaker of the NNC (the "Joint Appointee"), in each case in accordance with this Charter and applicable Navajo Nation law. Each Appointed Shareholder Representative shall be confirmed by the Resources and Development Committee ("RDC") and the Naa'bik'iyati' Committee, or the successor committees thereof. Except as provided in Paragraph C.2.iii of this Article V, the Appointed Shareholder Representatives shall serve staggered, five-year terms.

    ii. Qualifications. The Appointed Shareholder Representatives shall be individuals who satisfy the following qualifications: (1) a minimum of one shall be a Certified Public Accountant ("CPA") or Chartered Financial Analyst ("CFA"), or shall have a Masters in Business Administration, who possess educational and/or practical experience in business, accounting, finance and/or investing, (2) any non-CPA or CFA Appointed Shareholder representative shall be a professional with minimum of bachelor's degree and substantial experience in engineering, business administration, finance, accounting and/or investing, (3) each shall be tribally enrolled members of the Navajo Nation, and (4) each shall have good moral and ethical character as representative by background clearance without a felony or other crimes of dishonesty.

    iii. Initial Appointed Shareholder Representatives. The length of the terms served by the initial Appointed Shareholder Representatives shall be as follows, with each of the initial Appointed Shareholder Representatives to serve until his or her respective successor is appointed as provided in Paragraph C.2.i of this Article V:

        1. Shareholder Representative 1 (the Speaker Appointee): three (3) year term

2. Shareholder Representative 2 (the President Appointee): four (4) year term

3. Shareholder Representative 3 (the Joint Appointee): five (5) year term

3. Compensation. Shareholder Representatives shall be entitled to be compensated and reimbursed to effectuate the actions set forth and in accordance with Article X of this Charter. Shareholder Representative compensation shall be proposed by the Shareholder Representatives and approved by the RDC or its successor committee.

4. Restriction. An Appointed Shareholder Representative shall not be an exempt employee or political appointee, as defined by the Navajo Nation Personnel Policy Manual, until eight (8) years has elapsed from the date of vacating the exempt or political appointed position.

ARTICLE VI – Period of Duration

The period of the Corporation's duration is perpetual, or until this Charter is revoked or surrendered by an act of Congress, pursuant to the Act.

ARTICLE VII – Corporate Purposes

The purposes for which the Corporation is organized are:

A. To own, invest in and manage, directly or through subsidiary corporations, joint ventures, associations, partnerships, limited liability companies or otherwise, any lawful business as determined by the Board.

B. To form, in any state within the United States, subsidiary corporations and to enter into and form partnerships, limited liability companies, joint ventures, associations and other business arrangements as determined from time to time by the Board.

C. To provide stable diversified investments to optimize returns where risk is minimized either within or outside the Navajo Nation for the benefit of enrolled members of the Navajo Nation.

D. To engage in any lawful business with the powers permitted to a corporation organized pursuant to the Act.

E. To pursue the above purposes for the benefit of the Navajo Nation and its enrolled members, and to distribute dividends when, as and if declared by the Corporation in the manner generally herein described.

ARTICLE VIII – Corporate Powers

The Corporation is authorized:

A. To engage in any lawful business with the powers permitted to a corporation organized pursuant to the Act.

B. To buy, sell, lease and otherwise acquire and maintain property, including but not limited to, personal and real property such as buildings, offices and other appurtenances proper and necessary for the carrying on of its business, and to dispose of assets in the ordinary course of its business.

C. To carry on its business either within or outside of the Navajo Nation, as permitted by law.

D. To guarantee, purchase, hold, assign, mortgage, pledge or otherwise dispose of capital stock of, or any bonds, securities or other evidences of indebtedness created by any other corporation or organization that is in existence under the laws of the United Sates, any state, Indian tribe, nation, government or country, and to exercise all the rights, privileges and powers of ownership thereof.

E. To enter into and make contracts of every kind and nature with any person, firm, association, corporation, municipality, nation, Indian tribe, state or body politic, without the approval of the Navajo Nation or the Secretary of the Interior, except when the use of entrusted or federally-restricted Indian property requires such approval.

F. Subject to the limitations imposed by Article IX, to incur debts and raise, borrow and secure the payment of any money in any lawful manner, including the issuance and sale or other disposal of stocks and other evidences of ownership, bonds, indentures, obligations, negotiable and transferrable instruments and evidence of indebtedness of all kinds, whether secured by mortgage, pledge, deed of trust or otherwise, without the approval of the Navajo Nation or the Secretary of the Interior, except when the use of entrusted or federally-restricted Indian property requires such approval.

G. To apply for, obtain, register, purchase, lease or otherwise acquire, own, hold, use, operate and introduce, and to sell, assign or otherwise dispose of any trademark, trade name, patent, invention, improvements and processes used in connection with or secured under letters, patent, and to use, exercise, develop, grant and give licenses in respect thereto.

H. To apply for, purchase or acquire by assignment, transfer or otherwise, and to exercise, carry out and enjoy any license, power, authority, franchise, concession, right or privilege which any government or authority or any corporation or other public body may be empowered to enact, make, or grant, and, subject to the limitations imposed by Article IX, to pay for and to appropriate any of the Corporation's assets to defray the necessary costs, charges and expenses thereof.

I. To sue and be sued in its corporate name to the extent provided in Article XVI, and to that extent only.

J. To employ or appoint employees, attorneys, professional consultants and agents of the Corporation and define their duties and fix their compensation.

K. To lend money for its corporate purposes, invest and reinvest its funds and take and hold real and personal property as security for the payments of funds so loaned and invested.

L. To form subsidiary corporations, partnerships and/or limited liability companies pursuant to the laws of any state.

M. To adopt and approve the Bylaws, which may contain any provision, but not those inconsistent with the federal law of the United States or the Navajo Nation or this Charter, relating to the business of the Corporation, the conduct of its affairs, and its rights or powers or the rights or powers of its stockholders, directors, officers or employees. The Bylaws may not contain any provision that would

impose liability on a Shareholder Representatives for the attorneys' fees or expenses of the Corporation or any other party in connection with an internal corporate claim.

N. To pay pensions and establish pension plans, profit-sharing plans, pension and profit-sharing trusts and other incentive plans for any or all of its directors, officers and employees. Such plans shall be based on key performance indicators or measurements that evaluate both financial and non-financial items.

O. To obtain a certificate of authority to transact business in any state or foreign country as a foreign corporation and to comply with applicable state law governing foreign corporations.

P. To have a corporate seal, which may be altered at the discretion of the Board.

ARTICLE IX – Limitations on Corporate Powers

The Corporation shall have no power:

A. To expressly or by implication enter into any agreement of any kind on behalf of the Navajo Nation.

B. To pledge the credit of the Navajo Nation.

C. To dispose of, pledge or otherwise encumber real or personal property of the Navajo Nation.

D. To waive any right, privilege or immunity of, or release any obligation owed to, the Navajo Nation.

E. To enter into any sublease or other encumbrance or instrument respecting lands leased to the Corporation by the Navajo Nation without the express written approval of the Navajo Nation, unless otherwise provided in the lease.

F. To sell, exchange or otherwise dispose of all or substantially all of the assets of the Corporation without prior written approval of each of (a) the Board, (b) a majority of the Shareholder Representatives, and (c) the NNC. The Corporation shall give notice to the Board, the Shareholder Representatives and the NNC not fewer than fifteen (15) days prior to seeking such approval for any such transaction.

ARTICLE X – Shareholder Action

A. Annual Meeting. The annual meeting of the Shareholder Representatives (the "Annual Meeting") shall be held on the date and hour specified in the Bylaws, after the end of the Corporation's fiscal year and after the Corporation's annual audit is completed. The Chairperson of the Board or, in his or her absence, the Vice Chairperson of the Board or, in his or her absence, the Chief Executive Officer, shall preside over the Annual Meeting. If the day fixed for the Annual Meeting is a legal holiday within the Navajo Nation, the Annual Meeting shall be held on the following business day. The President of the Navajo Nation, all members of the NNC and the Shareholder Representatives shall be invited to the Annual Meeting for the purpose of (1) meeting with and reviewing a presentation by the officers of the Corporation and the Board regarding the Corporation's business plan, (2) reviewing the audited financial statements showing the financial status of the Corporation as of the last day of the Corporation's most recent fiscal year and reporting on the financial results of the fiscal year, (3) reviewing a formal performance evaluation report prepared by a CFA or a Certified Valuation

Analyst (the "Annual Performance Assessment"), (4) reviewing the disclosure of any material information, (5) reviewing evaluations of the Board and its committees, and (6) any other business that comes before the Annual Meeting. The members of the Board shall be elected at the Annual Meeting as provided in Article XI. Written notice of the Annual Meeting must be delivered to each of the Shareholder Representatives, each member of the Board, the President of the Navajo Nation and each member of the NNC. Such written notice shall state the place, day and hour of the meeting and the purpose or purposes for which the special meeting is called. Such written notice shall be delivered not fewer than seven (7) days before the date of the Annual Meeting, either personally or by mail.

B. Special Meetings. Special meetings of the Shareholder Representatives, for any purpose or purposes, unless otherwise proscribed by applicable law, may be called by the Chief Executive Officer or by a majority of the Board, and shall be called by the Chief Executive Officer at the request of a majority of the Shareholder Representatives. Written notice of a special meeting must be delivered to each of the Shareholder Representatives and to each member of the Board. Such written notice shall state the place, day and hour of the meeting and the purpose or purposes for which the special meeting is called. Such written notice shall be delivered not fewer than seven (7) days before the date of the special meeting, either personally or by mail.

C. Quorum. A majority of the Shareholder Representatives shall constitute a quorum for any meeting of the Shareholder Representatives.

D. Voting. At all meetings of the Shareholder Representatives, whether the Annual Meeting or a special meeting, the Shareholder Representatives shall sit in their capacity as independent, individual representatives of the Shareholder and not in any other capacity. Matters within the scope and legal authority of the Shareholder under this Charter shall only be discussed and decided by the Shareholder Representatives present at a Shareholder Representatives' meeting duly called as provided in this Charter. On any item presented to the Shareholder, a vote shall be taken of those Shareholder Representatives present, providing that a quorum is present. All of the Common Shares shall be voted in the manner decided by a majority of those Shareholder Representatives present.

ARTICLE XI – Board of Directors

A. Management Authority. The business affairs of the Corporation shall be managed exclusively by the Board. The Navajo Nation shall have no authority to direct the business affairs of the Corporation, except through its status as Shareholder (acting through the Shareholder Representatives) and as provided in this Charter.

B. Number, Composition and Observers. The Board shall be established and shall serve in accordance with the following provisions:

1. The Board shall be initially composed of seven (7) directors, elected by the Shareholder or by the Shareholder Representatives acting on its behalf and shall be subject to the election procedures and eligibility requirements provided in this Article XI. By a duly adopted resolution of the Shareholder Representatives at an Annual Meeting or a special meeting, the number of directors composing the Board may be increased or decreased, but shall not exceed nine (9) nor be less than five (5).

2. A majority of the directors shall be enrolled members of the Navajo Nation.

3. Each director shall be of good moral and ethical character, as evidenced by a satisfactory credit check and background check.

4. Each director shall possess at least ten (10) years' experience, by virtue of formal education or practical experience, in engineering, business administration, finance, accounting and/or investing, or in another specialized area that, in the opinion of the Board, corresponds to the activities or anticipated activities of the Corporation. Experience gained by serving on committees or other boards of directors shall not be considered. Minimum eligibility requirements and qualifications for directors may be further defined by the Corporation or the Board.

5. At least: one (1) director shall be a licensed CPA or CFA; one (1) director shall have experience in federal government contracts; one (1) director shall have experience in agribusiness operations; one (1) director shall have either real estate, energy-related, or hospitality experience; one (1) director shall have managed healthcare experience; and one (1) director shall be a grassroots representative with traditional cultural background.

6. No employee of the Bureau of Indian Affairs shall be eligible to serve as a director during the time of such employment.

7. At any given time, a minimum of three (3) directors must qualify as "independent directors" under the standards of the New York Stock Exchange, as such standards would apply if the Common Shares were listed on that securities exchange (the "Independent Directors").

8. No director shall be an employee or an elected official of the Navajo Nation or any government at the time of their service on the Board, nor shall any director have been an employee of the Corporation at any time during the four (4) years preceding his or her service on the Board.

9. The Board shall elect a Chairperson and Vice Chairperson from among its members. The Chairperson shall preside at Board meetings. The Vice-Chairperson shall assume the duties of the Chairperson in the absence of the Chairperson. The Secretary/Treasurer of the Board need not be a Board member.

10. In addition to the Board members, the Director of the Navajo Nation Division of Economic Development (the "NNDED") and the Chairperson of the RDC or its successor committee shall each be designated observers to the Board (the "Observers") for the purpose of discussing with the Board the Corporation's business operations, strategic initiatives and any other matters to come before the Board. The Observers shall not have voting rights (except as set forth in Paragraph O of this Article XI), they shall not be compensated by the Corporation for their service, and they shall not count toward the presense or absense of a quorum. However, the Observers shall be invited to attend each regularly scheduled, special and other meeting (including telephonic meetings) of the Board, including each committee of the Board, and shall be included on communications requesting action by written consent of the Board, including each committee of the Board. In addition, each Observer shall have the right to receive any and all materials provided to the Board (including each committee of the Board) at the same time such materials are distributed to the other members of the Board (or such committee). In respect of their participation at meetings of the Board, their receipt of the foregoing information, their

participation on Board committees and any other actions relating to the Corporation, the Observers shall act in a manner consistent with the duties applicable to directors pursuant to Paragraph H of this Article XI.

11. Restriction. An Appointed Shareholder Representative shall not be an exempt employee or political appointee, as defined by the Navajo Nation Personnel Policy Manual, until eight (8) years has elapsed from the date of vacating the exempt or political appointed position.

C. Elections. Except as provided in Paragraphs C.4 and C.5 of this Article XI, and other than the Director of the NNED and the Chairperson of the RDC, directors shall be elected by the Shareholder Representatives at the Annual Meeting from among the candidates proposed by the Nominating Committee.

1. The Nomination Committee shall nominate candidates to the Board as provided in Paragraph O of this Article XI and shall nominate up to three (3) candidates per Board seat.
2. No candidate may be nominated to more than one (1) Board seat at each Annual Meeting.
3. With respect to each Board Seat, each Shareholder Representative may vote once, which vote shall be either (a) a "for" vote in favor of one (1) candidate nominated to the Board seat, (b) a "withheld" vote with respect to all of the candidates nominated to the Board seat, or (c) a "non-vote." A candidate must receive an Electoral Majority (as defined herein) with respect to the Board seat for which he or she has been nominated in order to be elected to such Board seat. To receive an "Electoral Majority," a candidate must receive that number of "for" votes equal to more than half of (a) the number of "for" votes received by all candidates for the Board seat *plus* (b) the number of "withheld" votes cast with respect to the Board seat. If no candidate for a given Board seat receives an Electoral Majority, the candidate that received the fewest "for" votes shall be withdrawn from consideration, and the Shareholder Representatives shall cast their votes among the two (2) remaining candidates. The remaining candidate that receives an Electoral Majority shall be elected to the Board seat.
4. If, after giving effect to the procedures set forth in Paragraph C.3 of this Article XI, no candidate receives an Electoral Majority with respect to a Board seat, the Shareholder Representatives shall nominate up to three (3) candidates to that Board seat, and elect a director from among such candidates in accordance with the procedures set forth in Paragraph C.3 of this Article XI.
5. If, after giving effect to the procedures set forth in Paragraphs C.3 and C.4 of this Article XI, no candidate receives an Electoral Majority with respect to a Board seat, the Shareholder Representatives shall so notify the Chairperson of the Board and the Chief Executive Officer, whereupon alternative candidates may be nominated within forty-five (45) days in accordance with the provisions hereof and submitted to the Shareholder Representatives for consideration.
6. Any currently serving director who is nominated for re-election to his or her Board seat at an Annual Meeting and who does not receive an Electoral Majority after giving effect to the procedures set forth in Paragraph C.3 of this Article XI shall thereupon immediately tender his or her resignation by giving written notice to the Shareholder Representatives.

D. Term of Office. Directors shall serve in a pattern of staggered terms. Each director's term shall begin on the date of the Annual Meeting at which such director was elected and end on the date of the Annual Meeting occurring within the second calendar year thereafter. A director may serve no more than four (4) consecutive terms on the Board, after which such director may not serve on the Board until the third Annual Meeting following the end of his most recent term, whereupon he may again serve up to four (4) consecutive terms on the Board.

E. Initial Directors. The initial members of the Board shall be elected as soon as practicable following the Ratification of this Charter by written consent of the Shareholder Representatives. Notwithstanding the provisions of Paragraph D of this Article XI, the terms of the initial members of the board shall be as follows:

1. Directors 1-4: one (1) year term;
2. Directors 5-7: two (2) year term.

F. Vacancies. Vacancies and newly created Board seats resulting from an increase in the authorized number of directors, or by the death, removal or resignation of any director, may be filled by a candidate appointed by a majority of the directors then in office, and such candidate may continue to hold office until his or her successor is duly elected at the next Annual Meeting.

G. Resignation and Removal. Any director may resign at any time by giving written notice to the Chairperson of the Board, or, in the case of the Chairperson, to the Secretary/Treasurer, at any time, and such resignation shall be effective on the date specified in the notice. Any director may be removed from the Board with or without cause by the Shareholder Representatives at a special meeting of the Shareholder Representatives called for that purpose, or at the Annual Meeting.

H. Duties. A director shall perform the duties of a director in good faith, in a fiduciary manner the director believes to be in the best interests of the Corporation and with such care as a reasonably prudent person would use under similar circumstances. Unless the director has knowledge concerning the matter in question that would cause such reliance to be unwarranted, in performing his or her duties a director shall be entitled to rely on factual information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

1. One or more officers or employees of the Corporation whom the director reasonably believes to be reliable, knowledgeable and competent in the matters presented;
2. Legal counsel, public accountants, professional consultants or other persons as to matters which the director reasonably believes to be within such person's professional expertise; or
3. A committee of the Board upon which the director does not serve, duly designated in accordance with a provision of the Bylaws, as to matters within its designated authority, which committee the director reasonably believes to be reliable, knowledgeable and competent in the matters presented.

I. Directors' Meetings. A meeting of the Board shall be held following each Annual Meeting. Regular meetings of the Board may be held monthly at times and on dates that are set by the Board at each preceding regular meeting. Special meetings may be called by the Chief Executive Officer after consultation with the Chairperson of the Board or in his or her absence, the Vice-Chairperson, and shall be called by the Chief Executive Officer or the Secretary/Treasurer upon the request of a

majority of the Board. The Board may adopt such rules and regulations for the conduct of its meetings as it may deem proper and that are not inconsistent with this Charter, the Bylaws or applicable Navajo Nation or United States federal law.

J. Notice of Meetings. Written notice of a meeting of the Board must be delivered to each of the directors. Such written notice shall state the place, day and hour of the meeting and the purpose or purposes for which the meeting is called. Such written notice shall be delivered not fewer than seven (7) days before the date of the meeting, either personally or by mail. No business other than that specified in such written notice shall be transacted at any meeting, excepting that if a majority of the directors present at a meeting consent to the transaction of other business in order to facilitate a time-sensitive matter, then such other business may be transacted. The foregoing notice requirements may be waived at any time by an individual director.

K. Quorum. At a meeting of the Board, a majority of the directors shall constitute a quorum for the transaction of business; but in the event of a quorum not being present, a lesser number may adjourn the meeting without further notice.

L. Voting. At a meeting of the Board, each director shall have one (1) vote. The Board shall in all cases act by a majority vote of the directors present at a meeting.

M. Presumption of Assent. A director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless the director's dissent shall be entered in the minutes of the meeting or unless the director shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the Secretary/Treasurer immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

N. Meeting Options. Except as otherwise restricted by the Bylaws, members of the Board or any committee designated thereby may participate in a meeting of the Board or committee by means of a conference telephone call or similar communications equipment by which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting. Except as otherwise restricted by the Bylaws, any action required or permitted to be taken at a meeting of the Board may be taken without a meeting by the unanimous written consent of the directors, and such consent shall have the same effect as a vote at a meeting.

O. Committees. The Board may from time to time establish committees of directors having such responsibilities as the Board may assign, provided that the Board may not relinquish its powers or duties with respect to the business and affairs of the Corporation to any committee, director, officer, employee or agent of the Corporation. The following committees are hereby established:

1. The Audit & Compensation Committee, or its designee, shall oversee the Company's financial audit, disclosures, monitoring and compliance. The Audit & Compensation Committee shall comprise three (3) directors, at least two (2) of which are Independent Directors. All members of the Audit & Compensation Committee shall be financially literate and at least (1) one member shall be a CPA or CFA in good standing.

2. The Nomination Committee, or its designee, shall, recruit, interview, evaluate and screen all candidates for the Board and senior management of the Corporation. The Nomination Committee

shall comprise three (3) directors, including each Board Observer, each of whom shall have the right to vote and and who shall count toward quorum for the purposes of service on the Nomination Committee.

P. Compensation.

1. The Board shall determine policies regarding director compensation and expense reimbursement, provided that such policies are fully and regularly disclosed to the Shareholder Representatives.

2. Directors shall initially have a base annual salary of twenty-five thousand dollars ($25,000). Compensation for directors may include an incentive bonus based on revenue growth, earnings, dividend schedule and job production as approved by the Shareholder Representatives. Compensation of directors may be changed by the Board, provided that any such change is approved by the Shareholder or the Shareholder Representatives acting on its behalf.

Q. Liability of Directors. No director or Observer shall not personally liable to the Corporation, its Shareholder or other parties for monetary damages for breach of fiduciary duty as a director unless:

1. Such person has breached or failed to perform the duties of a director as provided in this Article XI, and

2. Such breach or failure to perform constitutes willful wrongdoing, gross negligence, dishonesty or fraud.

ARTICLE XII – Officers

A. Number of Positions. The officers of the Corporation shall be the President, who shall also serve as the Chief Executive Officer, the Vice President and the Secretary/Treasurer. Any two or more offices may be held by the same person, except the offices of President and Secretary/Treasurer may not be held by the same person at the same time. The Board may by resolution add additional officer positions at any time and appoint persons to fill such positions until the annual election of officers is held as provided in this Charter.

B. Election. All officers of the Corporation shall be elected annually by the Board at its meeting held immediately after the Annual Meeting, and unless expressly provided otherwise in a written contract of employment or unless removed for cause, as that term is defined herein, shall hold office for a term of one year or until their successors are duly elected. For the purposes hereof, the term "cause" shall mean willful wrongdoing, gross negligence, dishonesty or fraud in a matter causing the Corporation to incur damages.

C. Vacancies. Vacancies in any office may be filled by the Board, at its sole discretion, at any meeting thereof or at the Annual Meeting.

D. Resignation and Removal. Any officer may resign at any time by giving written notice to the Chief Executive Officer or, in the case of the Chief Executive Officer, to the Board, and such resignation shall be effective on the date specified in the written notice. Unless expressly provided otherwise in a written contract of employment, any officers may be removed without cause, at any time, by a vote of the Board at any special meeting called for that purpose or at the Annual Meeting. Except as

provided in an employment agreement, each officer serves at the will of the Corporation, which power is exercised by the Board.

E. Duties and Powers. The duties and powers of the officers of the Corporation shall be provided in the Bylaws.

F. Compensation. The Board shall determine policies for officer compensation and expense reimbursement, provided that such policies are fully and regularly disclosed to the Shareholder Representatives.

ARTICLE XIII – Indemnification

A. Right to Indemnification. Each person (hereafter an "Agent") who was or is a party or is threatened to be made a party to or is involved (as a party, witness, or otherwise), in any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (hereafter a "Proceeding"), by reason of the fact that such person, or another person of whom such person is the legal representative, is or was a Shareholder Representative, director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation that was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation, including service with respect to employee benefit plans, whether the basis of the Proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall, subject to Paragraph B of this Article XIII, be indemnified and held harmless by the Corporation to the fullest extent authorized by statutory and decisional law, as the same exists or may hereafter be interpreted or amended (but, in the case of any such amendment or interpretation, only to the extent that such amendment or interpretation permits the Corporation to provide broader indemnification rights than were permitted prior thereto) against all expenses, liability and loss (including attorneys' fees, judgments, fines, excise taxes and penalties, amounts paid or to be paid in settlement, any interest, assessments, or other charges imposed thereon and any taxes imposed on any Agent as a result of the actual or deemed receipt of any payments under this Article XIII) incurred or suffered by such person in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing for any of the foregoing in, any Proceeding ("Expenses"); provided, however, that except as to actions to enforce indemnification rights pursuant to Paragraph C of this Article XIII, the Corporation shall indemnify any Agent seeking indemnification in connection with a Proceeding (or part thereof) initiated by such Agent only if the Proceeding (or part thereof) was authorized by the Board. The right to indemnification conferred in this Article XIII shall be a contract right.

B. Indemnification Claims. To obtain indemnification under this Article XIII, an Indemnitee shall submit to the Secretary/Treasurer a written request, including such documentation and information as is reasonably available to the Indemnitee and reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification (the "Supporting Documentation"). The determination of the Agent's entitlement to indemnification shall be made not later than sixty (60) days after receipt by the Corporation of the written request for indemnification together with the Supporting Documentation. The Secretary/Treasurer shall, promptly upon receipt of such a request

for indemnification, advise the Board in writing that the Indemnitee has requested indemnification. The Agent's entitlement to indemnification under this Article XIII shall be granted only if: 1) the Agent acted in good faith and in a manner the Agent reasonably believed to be in, or not opposed to, the best interests of the Corporation; and 2) the Agent did not engage in willful wrongdoing, gross negligence, dishonesty or fraud, nor did the Indemnitee fail or refuse to act such that his or her failure or refusal constituted willful wrongdoing, gross negligence, dishonesty or fraud; 3) any legal fees paid or any settlements made are reasonable, provided that with respect to any criminal action or proceeding the Corporation shall not be liable to indemnify the Agent against any criminal fine for which the Agent is personally liable; and 4) the Agent did not act beyond the scope of his or her employment or office.

C. Right of Indemnitee to Bring Suit. If a claim under Paragraphs A and B of this Article XIII is not paid in full by the Corporation within ninety (90) days after a written claim has been received by the Corporation, the claimant may at any time thereafter, subject to the provisions of Article XVI, bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense (including attorneys' fees) of prosecuting such claim. It shall be a defense to any such action that the claimant has not met the standards of conduct under applicable law and Paragraph B of Article XIII that make it permissible for the Corporation to indemnify the claimant for the amount claimed. The burden of disproving such a defense shall be on the claimant.

D. Authority to Advance Expenses. Expenses incurred by an Agents in defending a Proceeding may be advanced upon such terms and conditions as the Board deems appropriate, including, if determined by the Board, an undertaking by or on behalf of such Agent to repay any amount advanced if it shall ultimately be determined that the Agent is not entitled to be indemnified by the Corporation as authorized in this Article XIII or otherwise. Any obligation to reimburse the Corporation for Expense advances shall be unsecured and no interest shall be charged thereon.

E. Provisions Nonexclusive. The right of indemnification provided in this Article XIII shall not be exclusive of any other rights to which an Agent may otherwise be entitled, including, without limitation, from the Shareholder or its affiliates. Notwithstanding the foregoing, the Corporation shall not be liable under this Article to make any payment in connection with any claim made against an Agent to the extent the Agent has otherwise actually received payment (under any insurance policy, agreement, vote, or otherwise) of the amounts otherwise indemnifiable hereunder, unless otherwise agreed between the Corporation and the Agent.

F. Survival of Rights. The provisions of this Article XIII shall inure to the benefit of the heirs and legal representatives of any Agent entitled to indemnification under this Article XIII and shall be applicable to Proceedings commenced or continuing after the adoption of this Article XIII, whether arising from acts or omissions occurring before or after such adoption, and whether or not the Agent has ceased to be an Agent. Any amendment, repeal, or modification of this Article shall not adversely affect any right or protection of any Agent existing at the time of such amendment, repeal, or modification.

G. Insurance and Contracts. The Corporation may (a) purchase and maintain insurance to protect itself and any Agent against any Expense asserted against or incurred by such Agent in such amounts as the Board deems appropriate, and (b) enter into contracts with any director or officer of the Corporation

to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article XIII, in each case (i) notwithstanding any interest of the directors in the decision to purchase and maintain such insurance or enter into such contracts, and (ii) whether or not the Corporation would have the power or would be required to indemnify that person against such liability under the provisions of this Article XIII or the Navajo Nation Corporation Code.

H. Settlement of Claims. The Corporation shall not be liable to indemnify any Agent under this Article XIII for any amounts paid in settlement of any action or claim effected without the Corporation's written consent, which consent shall not be unreasonably withheld, or for any judicial award, if the Corporation was not given a reasonable and timely opportunity to participate, at its expense, in the defense of such action.

I. Subrogation. In the event of payment under this Article XIII, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the Agent, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Corporation effectively to bring suit to enforce such rights.

J. Shareholder Representative Action. If the Board is unable to act with respect to any matter under this Article XIII due to lack of a quorum of disinterested directors, such matter shall be submitted to the Shareholder Representatives.

ARTICLE XIV – Net Profits, Dividends and Redemptions

A. Net Profit. Each fiscal year, the net profits or losses of the Corporation shall be determined in accordance with generally accepted accounting principles in the United States and applied as if the Corporation was not subject to Governmental Accounting Standards, but was subject to standards prescribed by the Financial Accounting Standards Board ("FASB") or by the International Financial Accounting Standards ("IFRS"). It is recognized that such accounting principles may result in the accounting reports and opinions thereon being issued as an Other Comprehensive Basis of Accounting ("OCBOA"). Unless such action would violate any financing covenant or other governing agreement, the Board shall annually, within 120 days following the end of the Corporation's fiscal year, determine the portion of the net profits of the Corporation that are available for distribution in the form of dividends.

B. Dividends.

1. Subject to the other provisions of this Charter, the Board shall have the sole authority to declare dividends for payment to the Shareholder.

2. In respect of its Preferred Shares, the Shareholder shall be entitled to receive dividends (the "Preferred Share Dividend"), out of assets legally available therefor, prior and in preference to any declaration or payment of any other dividend on the Common Shares, equal to a percentage, as set forth in the following sentence, of the net profits in any fiscal year when the Corporation realizes a net profit, as determined in accordance with Paragraph A of this Article XIV. The percentage applicable to the Preferred Share Dividend shall be twenty percent (20%) from the Inception Date (as defined below) through the five-year anniversary of the Inception Date, thirty percent (30%) thereafter until the ten-year anniversary of the Inception Date, and forty percent (40%) thereafter, provided, however, that effective after the first 10 years from the Inception

Date, the Preferred Share Dividend may be set to a different amount by the supermajority (2/3) vote of the full NNC. The "Inception Date" shall be set by the Shareholder Representatives by notice delivered to the Board and the Corporation. Preferred Share Dividends shall be cumulative, such that, if such dividends in respect of any previous or current annual dividend period, at the annual rate specified above, shall not have been paid the deficiency, shall first be fully paid before any dividend or other distribution shall be paid on or declared and set apart for the Common Shares. Any accumulation of Preferred Share Dividends shall not bear interest. Twenty-eight percent (28%) of the Preferred Share Dividends payable to the Shareholder shall be paid to the account of the Navajo Nation Permanent Trust Fund Trust, and the remaining seventy-two percent (72%) of the Preferred Share Dividends payable to the Shareholder shall be paid to the Navajo Nation's general revenue fund; provided that the foregoing allocation percentages may be adjusted, from time to time, by the supermajority (2/3) vote of the full NNC.

3. After the payment in full of the Preferred Share Dividends in any year, additional dividends may be declared by the Board out of assets legally available therefor and distributed to the Shareholder.

4. The Board shall not declare any Preferred Share Dividends or any other dividends, notwithstanding the determination that the Corporation possesses funds available for distribution for any fiscal year, to the extent any of the following conditions would exist following such declaration:

   i. The Corporation would not be able to pay its debts as they become due in the usual course of its business;

   ii. The Corporation's total assets would be less than the sum of its total liabilities; or

   iii. The Corporation would be unable to meet any other existing financial commitments that had been previously approved by the Board.

C. Redemptions. Neither the Corporation nor the Shareholder shall have the unilateral right to call or redeem or cause to have called or redeemed any Preferred Shares; provided, however, that the Corporation and the Shareholder agree that the Preferred Shares shall be redeemed with the consent of, and in accordance with terms approved by, the Shareholder Representatives and a supermajority (2/3) vote of the NNC. The Common Shares shall not be redeemable.

D. General. Any amounts received by the Shareholder from the Corporation pursuant to this Article XIV shall be distributed and used in the manner set forth by Navajo Nation law.

ARTICLE XV – Accounting and Reports to Shareholder

A. The Corporation shall adopt a fiscal year that begins on the first day of January each year and ends on the thirty-first day of December each year.

B. The Corporation shall maintain its financial records in accordance with ARTICLE XIV.

C. The Board shall, no less frequently than on a quarterly basis, deliver a confidential report in writing to the Shareholder Representatives, with a copy to the office of the Controller of the Navajo Nation, on the financial and operating condition of the Corporation, including (i) unaudited financial statements

showing the financial status of the Corporation as of the last day of the Corporation's most recent fiscal quarter and reporting on the financial results of the fiscal quarter, (ii) a formal performance evaluation report prepared by a CFA or a Certified Valuation Analyst (the "Quarterly Performance Assessment"), and (iii) a report of the official actions of the Corporation's directors, officers and employees.

D. Except as otherwise provided by applicable law, in furtherance of his or her duties under this Charter, any Shareholder Representative shall in person or by attorney or other agent, upon written request certifying the purpose thereof, have the right to inspect all books and records of the Corporation or its subsidiaries during business hours. Any such Shareholder Representative shall hold in confidence, and use for the certified purpose, all information provided to it or learned by it in connection with the preceding sentence, except to the extent otherwise required by law and any other regulatory process to which such Shareholder Representative is subject.

E. The Corporation shall within 120 days following the close of the Corporation's fiscal year, submit to the Shareholder Representatives, with a copy ot the office of the Controller of the Navajo Nation: (i) audited financial statements showing the financial status of the Corporation as of the last day of the Corporation's most recent fiscal year and reporting on the financial results of the fiscal year, which financial statements shall be prepared by an independent CPA, and (ii) the Annual Performance Assessment.

ARTICLE XVI – Claims Against the Corporation

A. The Corporation is an instrumentality of the Navajo Nation and is entitled to all of the privileges and immunities of the Navajo Nation, except as provided in this Article XVI. The Corporation and its directors, officers, employees and agents, while acting in their official capacities, are immune from suit, and the assets and other property of the Corporation are exempt from any levy or execution, provided that, notwithstanding any other provision of law, including but not limited to the Navajo Sovereign Immunity Act, 1N.N.C. § 551, et. seq., the Board may waive, on behalf of the Corporation, the defenses identified in this Article XVI, in conformity with the procedures established in this Article, in order to further the purposes of the Corporation. Any waiver of the defenses identified in this Article XVI must be express and must be agreed to by the Board prior to the time any alleged cause of action accrues.

B. The Corporation, by action of the Board, is hereby authorized to waive, as provided in this Article XVI, any defense of sovereign immunity from suit the Corporation, its directors, officers, employees, attorneys or agents may otherwise enjoy under applicable federal, state or tribal law, arising from any particular agreement, matter or transaction as may be entered into to further the purposes of the Corporation, and to consent to alternative dispute resolution mechanisms such as arbitration or mediation or to suit in tribal and/or federal court. The Corporation is authorized, in conformity with 13 C.F.R. § 124.112(c)(1) (1992), to designate United States federal courts to be among the courts of competent jurisdiction for all matters, including those related to the Small Business Administration's programs including but not limited to 8(a) Program Participation, loans, advance payments and contract performance.

C. The Corporation is hereby authorized to waive, as provided in this Article XVI, any defense the Corporation, its directors, officers, employees, attorneys or agents may otherwise assert that federal, state or tribal law requires exhaustion of tribal court remedies prior to suit against the Corporation in a state or federal court otherwise having jurisdiction over the subject matter and the parties.

D. Any waiver or designation by the Corporation or the Board authorized by Paragraphs A, B or C of this Article XVI shall be in the form of a resolution duly adopted by the Board, upon thirty (30) days' written notice to the NNC of the Board's intention to adopt such resolution, and which waiver or designation shall require approval by the Shareholder Representatives prior to its becoming effective. The resolution shall identify the party or parties for whose benefit the waiver is granted, the agreement or transaction and the claims or classes of claims for which the waiver is granted, the property of the Corporation which may be subject to execution to satisfy any judgment with may be entered in the claim, and shall identify the court or courts in which suit against the Corporation may be brought. Any waiver shall be limited to claims arising from the acts or omissions of the Corporation, its directors, officers, employees or agents, and shall be construed only to affect the property and income of the Corporation.

E. Nothing in this Charter, and no waiver of the Corporation's sovereign immunity pursuant to this Article XVI, shall be construed as a waiver of the sovereign immunity of the Navajo Nation or of any other instrumentality of the Navajo Nation, and no such waiver by the Corporation shall create any liability on the part of the Navajo Nation or of any other instrumentality of the Navajo Nation for the debts and obligations of the Corporation, or shall be construed as a consent to the encumbrance or attachment of any property of the Navajo Nation or of any other instrumentality of the Navajo Nation based on any action, adjudication or other determination of liability of any nature incurred by the Corporation. The acts and omissions of the Corporation, its directors, officers, employees and agents shall not create any liability, obligation or indebtedness either of the Navajo Nation or payable out of assets, revenues or income of the Navajo Nation.

F. Nothing in this Charter, and no action taken by the Corporation pursuant to this Charter, shall be construed as permitting, recognizing or granting any state any regulatory jurisdiction or taxing jurisdiction over the property or activities of the Corporation or its employees located within the boundaries of the Navajo Nation.

ARTICLE XVII – Prohibited Transactions

A. The Corporation shall not make any loan of money or property to, or guarantee the obligation of, any director, officer, employee or agent; provided, however, that the Corporation may advance money to a director, officer, employee or agent of the Corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such director, officer, employee or agent so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

B. Except as provided in Paragraph C of this Article XVII, the Board shall not approve or permit the Corporation to engage in any transaction to which the Corporation is a party and in which one or more of its directors has a material financial interest (an "Interested Transaction").

C. The Corporation may engage in an Interested Transaction if the Interested Transaction is approved by a majority of each of (a) the Shareholder Representatives and (b) the NNC upon the finding that (i)

the Corporation is entering into the Interested Transaction for its own benefit, (ii) the Interested Transaction is fair and reasonable to the Corporation, and (iii) after reasonable investigation, the Corporation has determined that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

ARTICLE XVIII – Seal

The seal of the Corporation shall be as follows:

Naat'áanii Development Corporation

ARTICLE XIX – Dissolution

A. After issuance of this Charter by the Secretary of the Interior and its Ratification, the Corporation may be dissolved only as provided in this Article.

B. The Corporation may be dissolved as follows:

1. The Board shall adopt a resolution recommending that the Corporation be dissolved and such dissolution shall be submitted to a vote of the Shareholder Representatives at a meeting of the Shareholder Representatives, which may be either a regular or a special meeting.
2. Written notice shall be given to the Shareholder Representatives in the manner provided in this Charter for giving notice of meetings of the Shareholder Representatives and shall state that the purpose, or one of the purposes, of the meeting is to consider the advisability of dissolving the Corporation.
3. At such meeting of the Shareholder Representatives, a vote shall be taken on a resolution to dissolve the Corporation.
4. Upon adoption of the resolution, a statement of intent to dissolve shall be executed by the President or Vice President and by the Secretary/Treasurer acting on behalf of the Corporation, and shall be delivered to the Secretary of the Interior.
5. Upon filing with the Secretary of the Interior of the statement of intent to dissolve, the Corporation shall cease to carry on its business, except insofar as necessary for the winding up the activities thereof, but its corporate existence shall continue until this Charter is revoked by act of Congress, in accordance with the Act.
6. After filing the statement of intent to dissolve, the Corporation shall immediately cause notice thereof to be mailed to each known creditor of the Corporation; shall proceed to collect its assets, convey and dispose of such of its properties as are not to be distributed in kind to its Shareholder; pay, satisfy and discharge its liabilities and obligations and do all other acts required to liquidate its business and affairs; and, after paying or adequately providing for the payment of all its obligations, distribute the remainder of its assets, either in cash or in kind, to its Shareholder.
7. By resolution of the Board or by resolution adopted by the NNC at any time prior to revocation of this Charter by act of Congress, the Corporation may revoke voluntary dissolution proceedings. Written notice of the revocation shall be filed with the Secretary of the Interior. Upon filing the

notice of revocation of voluntary dissolution proceedings, the revocation shall be effective and Corporation may again carry on its business.

8. If voluntary dissolution proceedings have not been revoked, when all debts, liabilities and obligations of the Corporation have been paid and discharged, or adequate provision has been made therefore, and all of the remaining property and assets of the Corporation have been distributed to the Navajo Nation, Navajo Nation shall seek to have the Secretary of the Interior take all actions necessary to obtain an act of Congress revoking this Charter and dissolving the Corporation.

ARTICLE XX – Amendments

A. The authority to petition for amendments to this Charter is vested in the NNC, but no amendment shall have legal effect until approved by the Secretary of the Interior and ratified by the NNC in accordance with the Act and applicable Navajo Nation law.

B. The Board may request that the NNC petition the Secretary of the Interior for amendments to this Charter, but the final decision on submitting any such petition shall be made by the NNC.

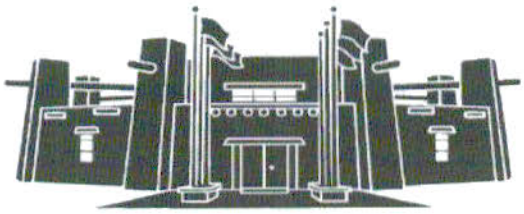
CERTIFICATE OF APPROVAL

I, **Sharon Pinto**, BIA, Regional Director, Navajo by virtue of the authority granted to the Secretary of the Interior by the Act of June 18, 1934 (48 Stat. 984, *25* U.S.C. § 477), as amended, and re- delegated to me by 3 IAM 4.1.4B. I do hereby approve this Federal Charter of Incorporation for use by the Navajo Nation and the Naat'áanii Development Corporation, Inc. This Charter shall become effective upon ratification by the Navajo Nation Council, PROVIDED, that nothing in this approval shall be construed as authorizing any action under this document that would be contrary to Federal law.

Regional Director, Navajo

Date: SEP 15 2017

Office of Legislative Counsel
Telephone: (928) 871-7166
Fax # (928) 871-7576



Honorable Seth Damon
Speaker
24th Navajo Nation Council

MEMORANDUM

TO: Honorable Seth Damon, Speaker
24th Navajo Nation Council

FROM: Edward A. McCool, Acting-Chief Legislative Counsel
Office of Legislative Counsel

DATE: March 7, 2019

AN ACTION RELATING TO RESOURCES AND DEVELOPMENT, AND NAABIK'ÍYÁTI' COMMITTEES; CONFIRMING THE APPOINTMENT BY THE SPEAKER OF THE NAVAJO NATION COUNCIL OF A SHAREHOLDER REPRESENTATIVE TO THE NAAT'ÁANII DEVELOPMENT CORPORATION FOR A TERM OF FIVE YEARS

As requested, I have prepared the above-referenced proposed resolution and associated legislative summary sheet pursuant to your request for legislative drafting. Based on existing law and review of documents submitted, the resolution as drafted is legally sufficient. As with any action of government however, it can be subject to review by the courts in the event of proper challenge. Please ensure that this particular resolution request is precisely what you want. You are encouraged to review the proposed resolution to ensure that it is drafted to your satisfaction.

The Office of Legislative Counsel confirms the appropriate standing committee(s) based on the standing committees powers outlined in 2 N.N.C. §§500, 501. Nevertheless, "the Speaker of the Navajo Nation Council shall introduce [the proposed resolution] into the legislative process by assigning it to the respective oversight committee(s) of the Navajo Nation Council having authority over the matters for proper consideration." 2 N.N.C. §164(A)(5).

If the proposed resolution is unacceptable to you, please contact me at the Office of Legislative Counsel and advise me of the changes you would like made to the proposed resolution.