BFAP-11-15

RESOLUTION OF THE

BUDGET AND FINANCE COMMITTEE

OF THE NAVAJO NATION COUNCIL

23RD NAVAJO NATION COUNCIL - First Year, 2015

AN ACTION

RELATING TO BUDGET AND FINANCE; SELECTING THE SHAREHOLDER REPRESENTATIVE FROM THE BUDGET AND FINANCE COMMITTEE FOR THE NAVAJO COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION

SECTION ONE. FINDINGS

A. The Navajo Community Development Financial Institution ("NCDFI") by-laws state that "as a designated member of the five (5) standing committees of the Navajo Nation Council, the members have been selected by their Legislative colleagues to represent the Navajo Nation Council in matters related to economic and community development."

B. The Shareholder Representative to be selected shall come from the Budget and Finance Committee, and as such, that Committee - comprised of legislative colleagues - shall have the authority to recommend one of its members for appointment.

C. NCDFI was established to provide financing and financial products on favorable terms to Navajo tribal members who have been underserved by mainstream institutions. *See* Navajo Nation Council Resolution CJA-02-10 Ratifying the Creation of the NCDFI attached as Exhibit A; *see also* Articles of Incorporation attached as Exhibit B.

D. Pursuant to the by-laws of NCDFI, last amended on June 8, 2012, the Navajo Nation owns all shares in NCDFI and exercises those shares through five (5) Shareholder Representatives. *See* Section 1.01 of NCDFI By-laws attached as Exhibit C.

E. The five (5) Shareholder Representatives are composed of one member of each Standing Committee of the Navajo Nation Council. *See* Section 1.02 of NCDFI By-laws attached as Exhibit C.

F. The appointments of the Shareholder Representatives are not subject to term limits and remain in effect until otherwise changed by the Committee.

SECTION TWO. SELECTION OF NCDFI SHAREHOLDER REPRESENTATIVE FROM THE BUDGET AND FINANCE COMMITTEE

The Budget and Finance Committee of the Navajo Nation Council hereby selects as its Standing Committee representative the following delegate to serve as the Shareholder Representative for the Navajo Community Development Financial Institution: Dwight Witherspoon.

BFAP-11-15

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting held at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 4 in favor, 0 opposed, this 7th day of April, 2015.

Jonathan Nez, Chairperson
Budget and Finance Committee

Motion: Mel R. Begay
Second: Tom T. Chee



CJA-02-10

**RESOLUTION OF THE
NAVAJO NATION COUNCIL**

21st NAVAJO NATION COUNCIL - Fourth Year, 2010

AN ACTION

RELATING TO COMMUNITY DEVELOPMENT, ECONOMIC DEVELOPMENT, AND FINANCE; RATIFYING THE CREATION OF NAVAJO COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION, INC. AS A FOR-PROFIT CORPORATION, WHOLLY OWNED BY THE NAVAJO NATION, AUTHORIZING THE MEMBERS OF THE STANDING COMMITTEES OF THE NAVAJO NATION COUNCIL TO SERVE AS THE SHAREHOLDER REPRESENTATIVES AND COMMUNITY ADVISORY COMMITTEE FOR THE CORPORATION, AND AUTHORIZING A WAIVER OF SOVEREIGN IMMUNITY

BE IT ENACTED:

1. The Navajo Nation hereby ratifies the creation of Navajo Community Development Financial Institution, Inc. as a for-profit corporation, wholly owned by the Navajo Nation, as set forth in the Navajo Community Development Financial Institution, Inc. Articles of Incorporation filed with the Navajo Nation Business Regulatory Department on September 12, 2006 and hereto attached as Exhibit A.

2. The Navajo Nation hereby authorizes the Navajo Community Development Financial Institution, Inc. to waive the sovereign immunity of the Navajo Community Development Institution, Inc., 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 or to suit in Navajo Nation, federal, or state court, as set forth in the By-Laws of the Navajo Community Development Financial Institution, Inc., hereto attached as Exhibit B.

3. The Navajo Nation further authorizes the appointment, by resolution, one member from each of the standing committees of the 21st Navajo Nation Council, and all successor standing committees, to serve as the Shareholder

ORIGINAL

Representatives and the Community Advisory Council for the Navajo Community Development Financial Institution, Inc., as set forth in the By-Laws of the Navajo Community Development Financial Institution, Inc. hereto attached as Exhibit B.

4. The Navajo Nation further determines that for purposes of the Navajo Nation Sovereign Immunity Act, the actions of the standing committee members serving as the Shareholder Representatives and the Community Advisory Council for the Navajo Community Development Financial Institution, Inc., shall be deemed to constitute official actions of those standing committee members, taken within their official employment and duties as Navajo Nation Council Delegates.

5. The Navajo Nation conditions its approval of Navajo Community Development Financial Institution, Inc. on amendment of the Navajo Community Development Financial Institution, Inc. Articles of Incorporation and By-Laws to be consistent with the provisions of this resolution, including but not limited to paragraphs 3 and 4, above.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 63 in favor and 7 opposed, this 27th day of January, 2010.

Lawrence T. Morgan, Speaker
Navajo Nation Council

28 Jan 10
Date

Motion: Elmer Milford
Second: Amos Johnson

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CJA-02-10

ACTION BY THE NAVAJO NATION PRESIDENT:

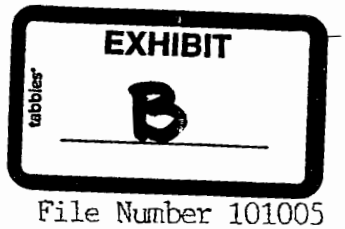
1. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (10), on this _____ day of FEB 08 2010 2010.

Dr. Joe Shirley, Jr., President
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (11), this _____ day of _____ 2010 for the reason(s) expressed in the attached letter to the Speaker.

Dr. Joe Shirley, Jr., President
Navajo Nation

ORIGINAL



File Number 101005
SEP 12 2006

By

ARTICLES OF INCORPORATION

OF THE

NAVAJO COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION, INC.

IN THE NAVAJO NATION

The undersigned natural persons, acting as incorporators of a domestic corporation under the Navajo Nation Corporation Act, hereby adopt the following Articles of Incorporation for conducting business as such corporation.

ARTICLE I. Name.
The corporate name is: Navajo Community Development Financial Institution, Inc. (NCDFI).

ARTICLE II. Corporate Purposes.
Sec. 1. The purpose of the Navajo Community Development Financial Institution (NCDFI) is to provide financing and financial products on favorable terms to Navajo tribal members who have been underserved by mainstream institutions. The NCDFI is organized to assist individuals, business enterprises, and communities to access financial resources they can use to build a strong economy based on individual initiative, entrepreneurial creativity, and community values.

Sec. 2. The NCDFI is a self-sufficient business incorporated in the Navajo Nation and operating as a subsidiary, with all shares owned by the Navajo Nation.

Sec. 3. The NCDFI may engage in any lawful business with the powers permitted to a corporation organized pursuant to the Navajo Nation Corporation Code, as amended. This includes, but is not limited to, applying for and accepting grants, loans, tax credits, and financial products; participating in any program for CDFIs and Tribal financial institutions; and accepting and managing investments and other sources of funding on behalf of carrying out the purposes of this corporation.

Sec. 4. The NCDFI purposes include, but are not limited to:
1. to perform all of its activities for the general public benefit of Navajo communities, businesses, and persons who seek to improve the financial and economic conditions of the Navajo Nation and its people;
2. to encourage and build capacity for tribal development through the promotion of a range of financial products and services, including but not limited to loans, loan guarantees, financial services, and other services commensurate with the industry standard for Community Development Financial Institutions;
3. to promote the development of the private and public sectors of the Navajo Nation economy by providing a source of financing for

a. qualified Navajo-owned businesses and industries;
b. Navajo government entities that are qualified to enter into contracts and agreements on their own behalf; and
c. private non-profit organizations established to foster economic development in the Navajo Nation and its communities.

4. to foster self-reliance, sustainability, community improvement, and locally-based economic development in order to maintain Navajo culture and a future for our children; and
5. to ensure that all financial transactions, loans, loan guarantees, and other services provided by the CDFI are in compliance with
   a. guidelines established by the NCDFI Board of Directors;
   b. requirements for a Navajo Nation Corporation;
   c. generally-accepted bookkeeping practices; and
   d. applicable Navajo Nation laws.

ARTICLE III. Principal Office and Registered Agent.

Sec. 1. The principal office of the NCDFI (herein called the Corporation) shall be located within the Navajo Nation at such a place as may from time to time be established by the Board of Directors. The NCDFI may establish other offices, within or outside of the Navajo Nation, as the Board of Directors (herein called the Board) may designate or as the business of the Corporation may require from time to time.

The name of the Corporation's Registered Agent is Aaron Sam and the Registered Agent's address for service of process is: Small Business Development Office, Second Floor, Karigan Professional Building, Highway 264, 100 Taylor Road, St. Michaels, Arizona, 86511.

ARTICLE IV. Ownership of Corporation.

The Navajo Nation for its benefit shall own all shares in the Corporation. No individual or legal entity other than the Navajo Nation shall acquire any shares in the Corporation and its interest may not be sold, transferred, pledged, or hypothecated, either voluntarily or involuntarily.

ARTICLE V. Incorporators and Initial Board of Directors.

Sec. 1. The number of directors constituting the initial board of directors is five (5) and the names and addresses of the persons who are appointed to act in the capacity of directors would be determined until first annual meeting.

ARTICLE VI. Duration.
The duration of the Corporation is perpetual, or until surrendered by act of the Corporation as outlined in the By-Laws, or revoked pursuant to the Navajo Nation Corporation Code, as amended, or until the corporation is merged with or acquired by a corporation owned by the Navajo Nation and incorporated in the Navajo Nation.

ARTICLE VII. Provision of Law.
The Corporation shall abide by all criminal, civil, and regulatory laws of the Navajo Nation.

ARTICLE VII. Effect of Approval
Upon the approval of these Articles of Incorporation by the Navajo Business Regulatory Department, the NCDFI may commence doing business as a wholly owned Corporation of the Navajo Nation.

Signatures of Incorporators:

Aaron D. Sam

DATED THIS 11th DAY OF September, 2006 CE

ACKNOWLEDGEMENT OF THE REGISTERED AGENT

I, Aaron D. Sam, having been designated to act as Registered Agent, hereby consent to act in that capacity until removed or until a resignation is submitted in accordance with the Navajo Nation Corporation Act.

Aaron D. Sam Aaron Sam

Name and Signature

Small Business Development Office, Second Floor, Karigan Professional Building, Highway 264
100 Taylor Road, St. Michaels, AZ 86511

Geographical Address

Navajo Nation Division of Economic Development, PO Box 663, Window Rock, AZ, 86515

Mailing Address

This signature must be notarized.

Notary Public State of Arizona
Apache County
Marjorie C Morgan
Expires October 06, 2008

Marjorie C. Morgan
9/11/06



BY-LAWS

of the

NAVAJO COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (NCDFI)

[A Navajo Nation Corporation]

Article I.
Shareholder Representative and Community Advisory Council

Section 1.01 Shareholder Representatives. Pursuant to the Incorporation, the Navajo Nation owns all shares in the Corporation. As the sole shareholder, the Navajo Nation's shares in the corporation shall be exercised by five (5) "Shareholder Representatives," composed of the one member (1) of the Standing Committees of the Navajo Nation Council or their successor committees, in accordance with these By-Laws and applicable Navajo Nation laws. At all meetings of the shareholders, these shareholder representatives shall, in all instances, subordinate their personal interests to those of the Corporation in acting in their capacity as representatives of the sole shareholder and as members of the Navajo Nation Council.

Section 1.02 Compensation of Shareholder Representatives. Subject to applicable law and the fiduciary duties owed by the shareholder representatives to the corporation, the Board of Directors shall have authority to fix the compensation of Shareholder Representatives. The shareholder representatives may be paid their expenses, if any, and a fixed sum for attendance at the annual meeting of the corporation, and special meetings as maybe called from time to time. Expenses allowed will be based on a Company Travel and Reimbursement Policy developed by the Chief Executive Officer and approved by the Board of Directors.

Section 1.03 Community Advisory Council. The shareholder representatives shall also serve specifically as the Community Advisory Council for the NCDFI. As elected delegates to the Navajo Nation Council, the council members have been directly selected by enrolled members of the Navajo Nation to represent their interests. As a designated member of the five (5) standing committees of the Navajo Nation Council, the members have been selected by their Legislative colleagues to represent the Navajo Nation Council in matters related to economic and community development.

The Community Advisory Council will advise NCDFI Board of Directors and Management regarding the needs and wants of the community at-large for financial products and services. The Advisory Council will be consulted regarding policies, strategies and implementation activities proposed by the Board and Management of the NCDFI, and will offer advice regarding the impact of these activities on the Community served by the NCDFI. This process constitutes direct consultation with representatives of the Community at-large on matters of policy and implementation.

Article II.
Meetings of Shareholder Representatives

Section 2.01 Place. Meetings of the shareholder representatives shall be held at such places, within or outside of the Navajo Nation, as shall be specified in the respective notices thereof.

Section 2.02 Annual Meetings. The annual meeting of the shareholder representatives shall be held on the first Thursday of every January, beginning with the year 2013, at time specified by the Chairman of the Board for

the purpose of the transaction of any business that may come before said meeting. The Chairman of the Board or the Vice Chairman of the Board, in his absence, shall preside over the shareholder's meetings. If the day fixed for the annual meeting is a legal holiday, such meeting shall be held on the next succeeding business day.

Section 2.03 Special Meetings. Special meetings of the shareholder representatives, for any purpose or purposes, unless otherwise prescribed by applicable law, may be called by a majority vote of a quorum of the Board or by the Chief Executive Officer of the Corporation, after consultation with the Board. Special meetings shall require a written request stating the purpose or purposes for which the meeting is called.

Section 2.04 Notice. Unless otherwise provided by law, notice of each annual meeting or special meeting of stockholders, stating the place, day, time, and the purpose or purposes thereof, shall be given to each shareholder representative and Chief Executive Officer of the Corporation. Such notice shall be delivered not less than ten (10) business days before the date of the meeting, either personally or by mail.

Section 2.05 Quorum. At all meetings of shareholder representatives, the presence of a simple majority of confirmed shareholder representatives shall be necessary and sufficient to constitute a quorum for the transaction of business.

Section 2.06 Voting. At all meetings of the shareholder representatives, whether an annual meeting or a special meeting, only matters stated in the notice of the meeting shall be discussed and decided by the shareholder representatives present. On any issue or questions presented, a vote shall be taken of those shareholder representatives present and a simple majority shall carry the issue or question.

Article III.
Directors

Section 3.01 Number. The number of directors, which shall constitute the whole Board of Directors, shall consist of five (5).

Section 3.02 Elections Qualification. Directors shall be elected at the annual meeting of the shareholder representatives, and may also be elected as provided in Section 3.07 of this Article. The Board of Directors to succeed the initial Board shall be elected within twelve (12) months following the effective date of these By-laws. The Chief Executive Officer or other person designated by the Board of Directors shall nominate five (5) Directors in accordance with Policies and Procedures established by the Board of Directors. The list of the five nominees shall be presented to the shareholder representatives for their consideration and confirmation at a duly scheduled meeting at which a quorum is present. If any nominee is rejected by vote, the shareholder representatives shall notify the Chief Executive Officer or other person designated by the Board of Directors, who shall make a new nomination for consideration in conformity with the procedures established by this paragraph. The Directors shall consist of professionals within the financial industry and individuals with substantial experience in positions of responsibility in business or related academia. No person convicted of a felony or misdemeanor involving dishonesty or moral turpitude, including but not limited to extortion, embezzlement, bribery, perjury, fraud, and theft, shall qualify for membership on the Board.

Section 3.03 Term of Office. Terms of the "initially elected" Directors will be staggered as follows: One of the Directors shall serve for a term of one (1) year; two for terms of two (2) years; and two for terms of three (3)

years each. Thereafter, each successor Director shall serve for a term of three (3) years. Each Director shall serve until a successor is elected and qualified, or until death, resignation, disqualification or removal.

Section 3.04 Power and Duties In General. The Board of Directors shall oversee the business and affairs of the Corporation as are not by law or by the Articles of Incorporation or by these By-laws directed or required to be exercised or done by the Corporation's officers or shareholder representatives. Directors are responsible for formulating policy decisions affecting the Corporation through strategic direction and broad oversight of corporate officers and not to be involved in day-to-day operations of the business. Directors owe their trust and confidence to the Corporation and its shareholder and shall act within the authority conferred upon them consistent with these By-laws and applicable Navajo or federal law. When acting on behalf of the Corporation, Directors shall perform their duties in good faith, in a manner the Director believes to be in the best interest of the Corporation, and with such care as an ordinary prudent person would use under similar circumstances in a like position. Directors shall, in all instances, subordinate their personal interest to those of the Corporation. The Navajo Nation shall have no authority to direct the business affairs of the Corporation, except through its status as the sole shareholder of the Corporation and as provided in these By-laws.

Section 3.05 Compensation of Directors. Subject to applicable law and the fiduciary duties owed by the Directors to the corporation, the Board of Directors shall have authority to fix the compensation of Directors. The Directors may be paid their expenses, if any, and a fixed sum for attendance of each meeting of the Board of Directors. Members of committees may be allowed like compensation and expenses for attending committee meetings. Expenses allowed will be based on a Company Travel and Reimbursement Policy for Employees and Directors developed by the Chief Executive Officer and approved by the Board of Directors.

Section 3.06 Liability of Directors. A Director shall not be personally liable to the Corporation or its shareholder for monetary damages for breach of fiduciary duty as a Director unless: 1) the Director has breached or failed to perform the duties of the Director's office as provided in these By-laws and; 2) The breach or failure to perform constitutes willful misconduct or recklessness that results in substantial harm to the interests of the Corporation.

Section 3.07 Resignations: Filling of Vacancies. Any Director may resign at any time by giving notice of such resignation to the Board of Directors. Unless otherwise specified in the notice, such resignation shall be effective upon receipt of such notice. Vacancies in the Board, whether caused by resignation, removal, death or otherwise, shall be filled without undue delay and the nominee shall be confirmed in conformity with the procedures established by section 3.02 of the Article.

Article IV.
Meetings of the Board of Directors

Section 4.01 Place. Meetings of Directors, both regular and special, may be held either within or outside of the Navajo Nation.

Section 4.02 Annual and Regular Meetings. The annual meeting of the Board of Directors for the transaction of such business as may be deemed desirable by the Directors present shall be held in each year immediately preceding the annual meeting of shareholder representatives at such time and place as the Board of Directors, may have designated. If the annual meeting of the Board of Directors shall not be so held in a year, such meeting shall be held as soon after the annual meeting of the shareholder representatives as practicable. The

Board of Directors from time to time may provide for the holding of regular meetings, a minimum of one annually, and fix the times and places of such meetings, and notice shall be given as required for special meetings of the Board of Directors under section 4.04 of this Article.

Section 4.03 Consent in lieu of Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a majority of members of the Board of Directors consent thereto in writing and the writing or the writings are filed with the minutes of proceedings of the Board of Directors. Except as otherwise restricted by these By-laws, Directors may participate in a meeting of the Board 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. Furthermore, any action required or permitted to be taken at a meeting of the Board may be taken without a meeting by orally polling the Directors or by a consent in writing setting forth the action so taken, signed by all of the Directors, and the polling or consent shall have same effect as a regular vote.

Section 4.04 Special Meetings and Notice Thereof; Waiver of Notice. Special meetings of the Board of Directors may be called at any time upon a written request of or supported in writing by any three or more Directors. The Chief Executive Officer may also call a special meeting after consulting with the Chairperson of the Board. The written request must state the purpose or purposes of the meeting and be delivered to the Chairperson and the Chief Executive Officer. Notice of each special meeting shall be given to each Director in person, or by mailing to last known post office address, at least ten (10) business days before the date therein designated for such meeting, including the day of mailing, of written or printed notice thereof specifying the time and place of such meeting, and the business to be brought before the meeting. No business other than that specified in the notice shall be transacted at any special meeting unless all Directors present approve an appropriate amendment to the agenda.

Section 4.05 Quorum. At each meeting of the Board of Directors (subject to the provision of Section 3.07 regarding the filling of vacancies), the presence of a majority of the five directors shall be necessary and sufficient to constitute a quorum for the transaction of business. Except as otherwise provided in these By-laws, the vote of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the Directors present at the time and place of any meeting or of any adjournment thereof (or if only one Director be present, then that one) may adjourn the meeting from time to time, without notice other than announcement at the time and place of such meeting or adjournment, until a quorum shall be present.

Section 4.06 Presumption of Assent. A Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless such 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 Chair of the Board of the meeting before the adjournment thereof, or shall forward such dissent by registered or certified mail to the Chair of the Board immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 4.07 Voting. At a meeting of the Board, each Director has one vote and a majority of a quorum carries any issue.

Article V.
Committees of the Board of Directors

Section 5.01 Creation of Committees. The Board of Directors may, by action of a majority of the whole five members of the Board of Directors, designate one or more other committees, each consisting of one or more Directors, setting forth the authorities and limitations on the authorities of each such committee.

Section 5.02 Powers of Committees. Subject to any limitations imposed by law or by resolution adopted by a majority of the five members of the Board of Directors, a committee shall have and may exercise, when the Board of Directors is not in session, all power and authority conferred by the Board of Directors in the management of the business and affairs of the Corporation, except any power or authority in reference to (a) amending the Articles of Incorporation, (b) approving an agreement of merger or consolidation, (c) recommending to the stockholder the sale, lease or exchange of all or substantially all of the Corporation's property and assets, (d) approving the dissolution of the Corporation or the revocation of a dissolution, (e) altering, amending or repealing these By-laws, (f) declaring a dividend or authorizing any other distribution to the stockholder, (g) authorizing the issuance of capital stock of the Corporation, or any rights, options or warrants to acquire the same, except pursuant to a plan previously approved by the Board of Directors, (h) designating any committee of the Board of Directors or appointing or removing a member of any committee designated by the Board of Directors, (i) filling vacancies on the Board of Directors, or (j) electing or removing the Chairman or an officer of the Corporation. Each committee designated shall have and may exercise, when the Board of Directors is not in session, such powers, not exceeding those which may be granted to the committee, as the Board of Directors shall confer.

Section 5.03 Meetings and Proceedings. Except as otherwise provided in these By-laws or resolutions of the Board of Directors, each committee may adopt its own rules governing the conduct of its proceedings. All action by any committee shall be reported to the Board of Directors at the next meeting thereof and shall be subject to revision and alteration by the Board of Directors, provided that no such revision or alteration shall affect the valid, existing rights of the third parties. At each meeting of any committee, the presence of a majority of the total number of members constituting the committee shall constitute a quorum for the transaction of business. The vote of a majority of the members of the committee present at any meeting at which a quorum is present shall be the action of the committee.

Section 5.04 Term of Office; Resignations; Removals; Filling of Vacancies. The term of office of a member of a committee shall be as provided in the resolution of the Board of Directors designating the committee but shall not exceed the term of office as a Director. If, prior to the end of the term of office as a member of a committee, a member should cease to be a Director, he shall cease to be a member of the committee. Any member of any committee may resign at any time by giving notice of such resignation to the Board of Directors or the Chief Executive Officer. Unless otherwise specified in such notice, such resignation shall be effective upon receipt by the Board of Directors or the Chief Executive Officer. By action of a majority of the whole Board of Directors, any member of any committee may be removed at any time from such committee for just cause. Vacancies in any committee may be filled by the action of a majority of the whole Board of Directors.

Article VI.
Officers of the Board of Directors

Section 6.01 Election; Number; Term. The officers of the Board of Directors shall be elected from its membership, by a majority of the five members of the Board of Directors, and shall include a Chair, a Vice-Chair, a Secretary, and such other officers as may be elected at the discretion of the Board of Directors. Each officer shall hold office until a successor is elected and qualified, or until the officer's death, resignation, disqualification or removal.

Section 6.02 Power and Duties in General. In addition to the powers and duties prescribed by these By-laws or assigned to them by the Board of Directors, the officers of the Board of Directors shall have such powers and duties as are usually incident to their respective offices, subject to the control of the Board of Directors.

Section 6.03 The Chair of the Board. The Chair shall preside at all meetings of the Board of Directors and of the shareholder representatives.

Section 6.04 The Vice Chair of the Board. The Vice Chair shall, during any absence of the Chair, preside at meetings of the Board of Directors and meetings of the shareholder representatives and carry out all of the duties of the Chair. The Vice Chair shall also perform such duties as may be assigned to him or her by the Chair or the Board of Directors. The Board may designate one of the other Board members to perform the duties of the Chair or Vice Chair in their absence.

Section 6.05 The Secretary of the Board. The Secretary shall cause the minutes of all proceedings of the Board of Directors and the shareholder representatives to be recorded in the minutes' book of the Corporation, shall cause all notices to be duly given in accordance with the provisions of these By-laws and as required by law, and shall have charge and custody of the records and the seal of the Corporation.

Section 6.06 Resignations; Removals' Filling of Vacancies. Any officer of the Board of Directors may resign at any time by giving notice of such resignation to the Board of Directors, the Chair, or the Secretary. Unless otherwise specified in such notice, such resignation shall be effective upon receipt of such notice by the Board of Directors or such officer. Any officer may be removed at any time, for just cause, by action of a majority of the five members of the Board of Directors.

Section 6.07 Bonding. No officers of the Board of Directors shall be required to give a bond unless the Board of Directors shall in its discretion require any such bond or bonds. Any bond so required shall be payable to the Corporation in such amount and with such conditions and security as the Board of Directors may require.

Article VII.
Corporate Officers

Section 7.01 Powers and Duties in General. In addition to the powers and duties prescribed by these By-laws or assigned to them by the Board of Directors, the Chief Executive Officer, and other corporate executive

officers, shall have such powers and duties as are usually incident to their respective offices, subject to the control of the Board of Directors.

Section 7.02 Chief Executive Officer. The Chief Executive Officer shall perform such duties as may be assigned by the Board and shall prepare and present reports to the Board concerning the state of the corporation's business and affairs.

Section 7.03 Compensation of Corporate Officers. The Corporation officers shall receive expense reimbursement, salary, or other compensation as may be determined by the Board of Directors.

Article VIII.
Instruments, Deposits, Checks, Proxies

Section 8.01 Execution of Instruments. The Board of Directors may authorize the Chief Executive Officer to enter into any contract or execute and deliver any such instrument (including, but not limited to, any check, bill of exchange, order for the payment of money, promissory note, acceptance, evidence of indebtedness or proxy to vote with respect to shares of stock or another corporation owned by or standing in the name of the Corporation) in the name and on behalf of the Corporation, and such authorization may be general or confined to specific instances.

Section 8.02 Deposits. Monies and other valuable effects of the Corporation may be deposited from time to time to the credit of the Corporation with such depositories as may be approved by the Board of Directors.

Article IX.
Indemnification

Section 9.01 Right to Indemnification. The Corporation shall to the fullest extent permitted by applicable law as then in effect indemnify each person (the "Indemnitee") who was or is involved in any manner (including, without limitation, as a party or a witness) or is threatened to be made so involved in any threatened, pending or completed investigation, claim, action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, any action, suit or proceeding by, or in the right of, the Corporation to procure a judgment in its favor) (a "Proceeding") by reason of the fact that he or she is or was director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, an employee benefit plan) against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Indemnitee in connection with such Proceeding. Such indemnification shall be a contract right and shall include the right to receive payment in advance of any expenses incurred by the Indemnitee in connection with such Proceeding, consistent with the provisions of applicable law as then in effect.

Section 9.02 Insurance, Contracts and Funding. The Corporation may purchase and maintain insurance to protect itself and any Indemnitee against any expenses, judgments, fines and amounts paid in settlement as specified in Section 9.01 of this Article or incurred by any Indemnitee in connection with any Proceeding referred to in Section 9.01 of this Article, to the fullest extent permitted by applicable law as then in effect. The

Corporation may 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 the Article.

Section 9.03 Indemnification; Not Exclusive Right. The right of indemnification provided in this Article shall not be exclusive of any other rights to which those seeking indemnification may otherwise be entitled, and the provisions of this Article shall inure to the benefit of the heirs and legal representatives of any person entitled to indemnification under this Article and shall be applicable to proceedings commenced or continuing after the adoption of this Article, whether arising from acts or omissions occurring before or after such adoption.

Section 9.04 Entitlement to Indemnification. To obtain indemnification under this Article an Indemnitee shall submit to the Secretary of the Corporation 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 Indemnitee's entitlement to indemnification shall be made not later than 60 days after receipt by the Corporation of the written request for indemnification together with the Supporting Documentation. The Secretary of the Corporation shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that the Indemnitee has requested indemnification. The Indemnitee's entitlement to indemnification under this Article shall be granted if: 1) Such person acted in good faith and in a manner such person reasonable believed to be in, or not opposed to, the best interest of the Corporation; and 2) Such person did not act, fail to act, or refuse to act willfully or with gross negligence or with fraudulent or criminal intent; and 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 for any criminal fine for which such person is personally liable; and 4) The person seeking indemnification did not act beyond the scope of his or her employment or office.

Article X.
Claims

Section 10.01 Claims Against the Corporation. 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. 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, 1 N.N.C. Sec 551, et seq., the Board of Directors may waive the defenses identified in this Article, in conformity with the procedures established in the Article, in order to further the purposes of the Corporation. Any waiver of the defenses identified in this Article must be expressed and must be agreed to by the Board of Directors prior to the time any alleged cause of action accrues.

The Corporation is hereby authorized to waive, as provided in this Article, any defense of sovereign immunity from suit the Corporation, its directors, officers, employees, attorneys or agents may otherwise enjoy under applicable Federal, state or Navajo 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 Navajo, State and/or Federal court.

The Corporation is hereby authorized to waive, as provided in this Article, any defense the Corporation, its directors, officers, employees, attorneys or agents may otherwise assert that Federal, State or Navajo 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.

Any waiver by the Corporation authorized by the above paragraphs of this Article shall be in the form of a resolution duly adopted by the Board of Directors upon thirty (30) days written notice to the Speaker of the Navajo Nation Council of the Board's intention to adopt the resolution. The resolution shall identify the party or parties for whose benefit the waiver is granted, the agreement of 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 which 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 omission of the Corporation, its directors, officers, employees, or agents, and shall be construed only to affect the property and income of the Corporation.

Nothing in these By-laws and no waiver of the Corporation's sovereign immunity pursuant to the Article shall be construed as a waiver of the sovereign immunity of the Navajo Nation or 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 any other instrumentality of the Navajo Nation for the debts and obligations of the Corporation, or 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 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.

Nothing in this Article, and no action taken by the Corporation pursuant to this Article, 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 Navajo Indian Country.

Article XI.
Miscellaneous

Section 11.01 Fiscal Year. The fiscal year of the Corporation shall begin on the 1st day of January in each year, and shall end on the 31st day of December in such year.

Section 11.02 Seal. The corporate seal shall have inscribed thereon the following:

Navajo Community Development Financial Institution
(Reserved)

Article XII.
Amendments

Section 12.01 Amendments of By-Laws. The By-laws may be amended from time to time by action of a majority of the five members of the Board of Directors, provided however, that any amendment to sections 1.01 or 10.01 of these By-laws shall require shareholder approval, expressed by resolution adopted by a majority vote of the confirmed shareholder representatives, upon the recommendation of the Board, expressed by resolution adopted by a majority vote of the five members thereof.