

SHIVWITS BAND OF PAIUTES

LIMITED LIABILITY COMPANY CODE

CHAPTER 1-1 General Provisions

1-1-1 Short Title.

This Title shall be known as the “Shivwits Band of Paiutes Limited Liability Company Code.”

1-1-2 Purposes; Sovereign Immunity.

(A) The purpose of this Code is to provide for economic development of the Shivwits Band of Paiutes (Band) and the Shivwits Band Reservation by:

(1) Providing the legal framework for organizing individually owned business entities in order to expand the private business sector on the Reservation; and

(2) Authorizing the formation of business entities wholly owned by the Band for managing the Band’s economic activities separate from the general governance affairs of its Band Council, with the ability to enter into legally binding contracts and commercial relationships without the need for formal Band Council action.

(B) By the adoption of this Code, the Band does not waive its sovereign immunity or consent to suit in any court, federal, tribal or state, and neither the adoption of this Code, nor the incorporation of any limited liability company hereunder, shall be construed to be a waiver of the sovereign immunity of the Band or a consent to suit against the Band in any court.

1-1-3 Scope.

This Code shall apply to all limited liability companies organized under its provisions or which elect to accept the provisions of this Code.

1-1-4 Applicable Law.

The companies organized and created under this Code shall be subject to this Code, and all other laws of the Band. By organizing and creating a company under this Code, the company and its Owners shall be considered to have entered into a consensual relationship with the Band and agree to be subject to the full extent of the Band’s legislative, regulatory and adjudicatory jurisdiction. Unless displaced by particular provisions of this Code or other Band law, the principles of law and equity, and the traditions and customs of the Band accepted by the Band Council supplement this Code.

1-1-5 Definitions.

Terms used in this Code have the following meaning:

(A) **“Band Council”** means the Shivwits Band Council as established by the Bylaws of the Shivwits Band of Paiutes as the governing body of the Band.

(B) **“Certificate of Organization”** means the certificate filed under Section [1-2-1](#) and any amended or restated certificate.

(C) **“Corporation”** means a domestic corporation for profit organized under the law of the Band, or 25 U.S.C. 5124, or a foreign corporation formed under the laws of any other jurisdiction and domesticated by the Shivwits Band to conduct business on the Shivwits Reservation.

(D) **“Distribution”** means a direct or indirect transfer by a limited liability company of money or other property to or for the benefit of its Owners in respect of their interests.

(E) **“Entity”** includes an individual, a general partnership, limited partnership, a domestic or foreign limited liability company, a trust, an estate, an association, a corporation or any other legal or commercial entity.

(F) **“Foreign”** refers to limited liability companies, corporations and limited partnerships organized under the laws of a jurisdiction other than the Shivwits Band.

(G) **“Limited Liability Company”** or **“Domestic Limited Liability Company”** means an organization formed under this Code, except as provided for in Section [1-8-1\(A\)](#).

(H) **“Limited Liability Company Interest”** or **“Interest in the Limited Liability Company”** or **“Owner’s Interest”** means an Owner’s rights in the limited liability company, including rights to distributions, profits and losses, and to participate in management, as specified in the Operating Agreement.

(I) **“LLC”** means a limited liability company.

(J) **“Majority in Interest”** means an Owner or Owners holding more than fifty percent (50%) of the total voting interests in the limited liability company excluding any interest which is not to be counted as voting on a matter as described elsewhere in this Code.

(K) “Manager” or “Managers” means the person(s) or entity(ies) designated to manage the LLC pursuant to the Certificate of Organization and Operating Agreement.

(L) “Office of the Secretary” means the Office of the Secretary of the Band, or that individual’s designee.

(M) “Operating Agreement” means an agreement in writing by an Owner or among all of the Owners as to the conduct of the business of a limited liability company and its relationships with its Owners.

(N) “Organizer(s)” means the person(s) or entity(ies) which signs and delivers the Certificate of Organization for filing to the Office of the Secretary.

(O) “Owner” means a Person that is a member of a limited liability company or has ownership interest in a limited liability company. The term does not include a person that has dissociated as a member under Section [1-3-7](#).

(P) “Person” includes a natural person, Tribal Entity and an organization such as a general partnership, limited partnership, a domestic or foreign limited liability company, a trust, an estate, an association, or a corporation.

(Q) “Reservation” means all lands under the jurisdiction of the Band, including all lands within the boundaries of the Band’s Reservation, individual Band member allotments, whether located on or off the Reservation, and all lands held in trust by the United States of America for the benefit of the Band.

(R) “State” includes a state, territory, or possession of the United States and the District of Columbia.

(S) “Tribal Entity” includes the Band, the Band Council, any entity owned by the Shivwits Band Corporation or a subsidiary of the Shivwits Band Corporation, a political subdivision of the Band, or a general partnership, limited partnership, a domestic or foreign limited liability company, a trust, an estate, an association, a corporation, a Section 17 corporation, a program, a department, an administrative agency or any other legal, commercial or governmental entity of the Band. Tribal Entity does not refer to an entity owned by the Paiute Indian Tribe of Utah or created pursuant to the Paiute Indian Tribe of Utah’s corporations code.

(T)

(U) **“Tribal Constitution”** means the Constitution of the Paiute Indian Tribe of Utah.

(V) **“Tribal Corporation”** means a corporation wholly-owned by the Band or the Shivwits Band Corporation, or other corporation duly formed by the Band pursuant to 25 U.S.C. Section 5124.

(W) **“Tribal Court”** means the Court established by the Shivwits Band of Paiutes, or the Court of the Paiute Indian Tribe of Utah pursuant to Article VI of the Tribal Constitution if that Court is accepted by the Band Council as the Tribal Court.

(X) **“Tribally-owned LLC”** means a limited liability company wholly-owned by: the Band, or a federally chartered corporation owned by the Band, or any other business entity wholly owned by the Band.

(Y) **“Trust Land”** means land held in trust by the United States for the benefit of the Band or its Members.

1-1-6 Name.

(A) The name of a limited liability company as set forth in its Certificate of Organization must contain the words “limited liability company” or end with the abbreviation “L.L.C.” or “LLC.” The name may not contain language stating or implying that the limited liability company is organized for any purpose other than that permitted under Section [1-1-9](#), below.

(B) The name of a domestic LLC shall be distinguishable from any LLC or corporation previously organized under the laws of the Band.

1-1-7 Registered Office and Registered Agent.

(A) A limited liability company’s registered agent is the company’s agent for receiving service of process, notice, or demand required or permitted by law to be served on the company under the laws of the Band.

(B) Each LLC shall continuously maintain a registered office and a registered agent. The registered office may, but need not, be the same as any of its places of business. The agent may be the same person then serving in a designated office of the Band rather than a specified person if the Band is an Owner in the LLC of which the Band’s officer is the appointed agent.

(C) An LLC may change its registered office or registered agent, or both, by filing a written notice of change containing the name of its registered agent and the street

address of its registered office, as changed, with the Office of the Secretary and paying the filing fee.

(D) The registered agent of an LLC may resign as a registered agent by delivering to the Office of the Secretary for filing a written statement of resignation and the appointment by the LLC of another registered agent.

1-1-8 Band or Shivwits Band Corporation as Owner.

(A) The Band may form and become an Owner of a Tribally-owned LLC formed under this Code only upon approval of such action by the Band Council. The Shivwits Band Corporation may form or become an Owner of a Tribally-owned LLC formed under this Code only upon approval of such action by the Shivwits Band Corporation Board of Directors. Any duly formed subsidiary of the Shivwits Band Corporation may form and become an Owner of a Tribally-owned LLC under this Code only upon approval of such action by the Board of Directors for that subsidiary of the Shivwits Band Corporation.

(B) If the Band or a Tribal Entity, such as the Shivwits Band Corporation or its subsidiary, is an Owner of an LLC formed under this Code, any action which the Band or respective Board is required or permitted to take with respect to any vote, approval, consent, appointment, direction, or other matter shall be taken as specified in Section [1-9-4\(A\)](#) of this Code or, as to actions related to the managers of a manager-managed LLC, as stated in the LLC's Operating Agreement approved by the Band Council or the respective Board of Directors.

(C) If the Band or a Tribal Entity is the sole Owner of an LLC formed under this Code, such Tribally-owned LLC shall possess all of the privileges and immunities of the Band, including the Band's sovereign immunity from suit except to the extent otherwise provided in its Operating Agreement.

(D) If the Band or a Tribal Entity is an Owner with a Majority in Interest in an LLC formed under this Code, such LLC may possess the privileges and immunities of the Band, including sovereign immunity from suit, to the extent allowed by Federal law, this Code or its Operating Agreement.

(E) In no event shall any manager not an Owner of an LLC in which the Band is an Owner, bind the Band or the Shivwits Band Corporation or its subsidiaries in any manner; provided that the Band's or Corporation's interest as an Owner may be bound by manager or Owner actions as stated in this Code and the Operating Agreement of the LLC.

(F) Nothing contained in this Code shall be construed as creating any liability or waiving of sovereign immunity of the Band or Shivwits Band Corporation in any manner; provided that the assets of the LLC in which the Band or Shivwits Band Corporation holds an interest may be subject to liabilities and claims unless otherwise provided herein. In no event shall any action taken by the Band as Owner concerning the exercise of any right or privilege or discharge of any duty with respect to an interest in an LLC be construed as a waiver of immunity or creation of a liability on the part of the Band or Shivwits Band Corporation separate and apart from its interests as an Owner of the LLC.

(G) For all Tribally-owned limited liability companies, the additional provisions of Section [1-9](#) of this Code shall apply.

1-1-9 Nature of Business.

A limited liability company may be organized under this Code for any lawful purpose. Unless otherwise provided in its Operating Agreement, an LLC organized and existing under this Code has the same powers as an individual to do all things necessary and convenient to carry out its business, including but not limited to all of the following:

(A) Consent to be sued, complain and defend in its name; provided, however, that if an LLC is Tribally-owned, or wholly-owned by another entity which itself is wholly-owned by the Band, it shall be entitled to and shall enjoy the Band's sovereign immunity from suit unless the Operating Agreement otherwise provides.

(B) Purchase, take, receive, lease, or otherwise acquire and own, hold, improve, use, and otherwise deal in or with real, or personal property or any legal or equitable interest in real or personal property, wherever situated.

(C) Sell, convey, mortgage, pledge, create a security interest in, lease, exchange, or otherwise dispose of all or any part of its property, but only with the written consent of the Band Council by Resolution.

(D) Lend money, property, and services to, and otherwise assist, its Owners and managers, if any.

(E) Purchase, take, receive, subscribe for, or otherwise acquire and own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of and deal in and with shares or other interests in, or obligations of, any other enterprise or entity.

(F) Make contracts and guarantees; incur liabilities; borrow money; issue notes, bonds, and other obligations; and secure any of its obligations by mortgage or pledge of all or part of its property, franchises, and income.

(G) Lend money, invest and reinvest its funds, and receive and hold real or personal property as security for repayment.

(H) Conduct its business, locate offices, and exercise the powers granted by this Code inside or outside of the Reservation.

(I) Be a promoter, incorporator, partner, Owner, associate, or manager of any enterprise or entity.

(J) Elect or appoint managers, agents, and employees, define their duties, and fix their compensation.

(K) Pay pensions and establish pension plans, pension trusts, profit-sharing plans, and benefit or incentive plans for any or all of its current or former Owners, managers, employees, and agents.

(L) Make donations to and otherwise devote its resources for the public welfare or for charitable, scientific, educational, humanitarian, philanthropic, or religious purposes.

(M) Indemnify an Owner, manager, employee, officer or agent, or any other person.

(N) Provide benefits or payments to Owners, managers, employees, and agents of the LLC, and to their estates, families, dependents or beneficiaries in recognition of the past services of the Owners, managers, employees, and agents of the LLC.

(O) Make payments or donations, or do any other act not prohibited by law, that furthers the business of the LLC.

(P) Transact any lawful business that the Owners or the managers find to be appropriate to promote and further the business and affairs of the limited liability company.

1-1-10 Execution of Documents.

(A) Except as otherwise provided in this Code, any document required or permitted by this Code to be delivered for filing in accordance with Section [1-1-11](#) shall be executed by any of the following:

- (1) Any manager, if management of the LLC is vested in a manager or managers, or by an Owner, if management of the LLC is reserved to the Owners.
 - (2) All organizers of the LLC if the LLC has not been organized. The name and address of each organizer shall be provided.
 - (3) The name of the drafter of the document.
- (B) The person executing the document shall sign it and state beneath or opposite the signature the person's name and capacity in which the person signs.
- (C) The person executing the document may do so as an attorney-in-fact. Powers of attorney relating to the executing of the document need not be shown to nor filed with the Office of the Secretary.

1-1-11 Filing.

- (A) The Office of the Secretary of the Band shall receive all filings required under this Code and maintain the records of such filings pursuant to this Section, including but not limited to the Certificate of Organization, amended or restated articles, annual reports, names and addresses of registered offices and agents, and, in the case of Tribally-owned LLC's, the Operating Agreement and amendments thereto, and other reports required by this Code.
- (B) Upon receipt of a document for filing under this Code, the Office of the Secretary shall ensure it meets the requirements herein and then shall stamp or otherwise endorse the date and time of receipt of the original, the duplicate copy, and, upon request, any additional copy received.
- (C) If the Office of the Secretary refuses to file a request, the Office shall return it to the person tendering the document for filing within five (5) business days after the date on which the document is received by the Office for filing, together with a brief written explanations of the reason for refusal.
- (D) Any document accepted by the Office of the Secretary shall be effective at the time of receipt unless a delayed effective date and/or time not more than ninety (90) days after receipt by the Office of the Secretary is specified in the document.
- (E) Fees. The Office of the Secretary shall impose a reasonable filing fee for each document filed, initially not to exceed the sum of \$_____, and an annual renewal fee initially not to exceed the sum of \$1.00 during the life of the LLC. Band Council is authorized to make regulations providing for reasonable fees for other services not

specifically stated in this code or to make changes in any and all fees for services set out in this title. These changes shall be available through the Office of the Secretary.

1-1-12 Certificate of Status.

Any person may obtain from the Office of the Secretary, upon request, a certificate of status for either a domestic or a foreign LLC.

1-1-13 Execution by Judicial Act.

Any person who is adversely affected by the failure or refusal of any person to execute and file any articles or other document to be filed under this Code may petition the Tribal Court to direct the execution and filing of the articles or other document. Nothing in this Code, however, serves to waive any aspect of the Band's sovereign immunity, and any waiver thereof must be provided explicitly in the LLC's Certificate of Organization and/or Operating Agreement.

1-1-14 Interstate Application.

An LLC may conduct its business, carry on its operations and have and exercise the powers granted by this Code, in any sovereign Native Band, any state, territory, district or possession of the United States, or in any foreign jurisdiction.

**CHAPTER 1-2
OPERATING AGREEMENT AND DEALING WITH LLC**

1-2-1 Certificate of Organization.

(A) One or more persons may organize a limited liability company by signing and delivering the Certificate of Organization to the Office of the Secretary for filing. The organizer(s) need not be Owners of the LLC at the time of organization or thereafter.

(B) A limited liability company shall have one or more Owners.

(C) The Certificate of Organization shall contain all of and only the following information:

(1) A statement that the LLC is organized under this Code.

(2) A name for the LLC that satisfies the provisions of this Code.

(3) The street address of the registered office and the name of the registered agent at that office. For all LLC's formed pursuant to this Code and for all foreign LLC's operating within the Reservation, such office and agent shall be located within the exterior boundaries of the Reservation.

- (4) If management of the LLC is vested in one or more managers, a statement to that effect.
 - (5) The name and address of each person organizing the LLC.
 - (6) Whether the LLC is Tribally-owned.
 - (7) If Tribally-owned, whether the LLC is to enjoy Tribal sovereign immunity and the scope of any waiver of that immunity, if any.
- (D) The Office of the Secretary shall assign each Certificate of Organization an identification number.
- (E) Amendment. An LLC may amend its Certificate of Organization at any time by delivering an amendment, with filing fee, for filing to the Office of the Secretary.
- (F) Effect of Delivery or Filing.
- (1) An LLC is formed when the Certificate of Organization is accepted as complete by the Office of the Secretary.
 - (2) The Office of the Secretary's filing of the Certificate of Organization is conclusive proof that the LLC is organized and formed under this Code.

1-2-2 Agency Power of Owners and Managers.

- (A) Except as provided in subsection B, below:
- (1) Each Owner is an agent of the LLC, but not of any of the other Owners, for the purpose of its business.
 - (2) The act of any Owner, including the execution in the name of the LLC of any instrument for apparently carrying on in the ordinary course of business the business of the LLC, binds the LLC in the particular matter, unless the person with whom the Owner is dealing has knowledge that the Owner has no authority to act in this matter.
 - (3) If the Band or Shivwits Band Corporation or a subsidiary thereof is an Owner, the Band's or Corporation's authority shall be exercised pursuant to Section [1-9-4\(A\)](#).
- (B) If management of the LLC is vested in one or more managers:

(1) No Owner, solely by being an Owner, is an agent of the LLC or of the other Owners.

(2) Each manager is an agent of the LLC, but not for the other Owners, for the purpose of its business. The act of any manager, including the execution in the name of the LLC of any instrument for apparently carrying on the ordinary course of business of the LLC, binds the LLC unless the manager has, in fact, no authority to act for the LLC in the particular matter, and the person with whom the manager is dealing has knowledge that the manager has no authority to act in the matter.

(C) No act of an Owner or, if management of the LLC is vested in one or more managers, of a manager that is not apparently authorized for the carrying on in the ordinary course of business the business of the LLC, shall bind the LLC unless in fact authorized at the time of the transaction or at any other time.

1-2-3 Admissions of Owners and Managers.

(A) Except as provided in Section [1-2-3\(B\)\(2\)](#), an admission or representation made by any Owner concerning the business of an LLC within the scope of the Owner's actual authority may be used as evidence against the LLC in any legal proceeding.

(B) If management of the LLC is vested in one or more managers:

(1) An admission or representation made by a manager concerning the business of an LLC within the scope of the manager's authority may be used as evidence against the LLC in any legal proceeding.

(2) The admission or representation of any Owner, acting solely in the Owner's capacity as an Owner, is not evidence against the LLC in any legal proceeding.

1-2-4 Knowledge of or Notice to Owner or Manager.

(A) Except as provided in Section [1-2-4\(B\)\(2\)](#), notice to any Owner of any matter relating to the business of an LLC, and the knowledge of an Owner acting in the particular matter, acquired while an Owner or known by the person at the time of becoming an Owner, and the knowledge of any Owner who reasonably could and should have communicated it to the acting Owner, operate as notice to or knowledge of the LLC.

(B) If management of the LLC is vested in one or more managers:

(1) Notice to any manager of any matter relating to the business of the LLC, and the knowledge of the manager acting in the particular matter acquired while a manager or known by the person at the time of becoming a manager and the knowledge of any other manager who reasonably could and should have communicated it to the acting manager, operate as notice to or knowledge of the LLC.

(2) Notice to or knowledge of any Owner while the Owner is acting solely in the capacity of an Owner is not notice to or knowledge of the LLC.

1-2-5 Liability of Owners to Third Parties.

The debts, obligations, and liabilities of an LLC, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations, and liabilities of the LLC. Except as otherwise specifically provided in this Code, an Owner or manager of an LLC is not personally liable for any debt, obligation, or liability of an LLC, as defined in the Operating Agreement.

1-2-6 Parties to Action.

An Owner of an LLC is not a proper party to a proceeding by or against an LLC solely by reason of being an Owner of the LLC, except if any of the following exist:

(A) The object of the proceeding is to enforce an Owner's right against or liability to the LLC.

(B) The action is brought by an Owner under Section [1-2-7](#).

1-2-7 Authority to Sue.

Unless otherwise provided in the Operating Agreement, an action on behalf of an LLC may be brought in the name of the LLC by:

(A) One or more Owners of the LLC, if authorized by a Majority in Interest of Owners, excluding the vote of any Owner who has an interest in the outcome of the action that is adverse to the interest of the LLC.

(B) One or more managers of an LLC if the management of the LLC is vested in one or more managers, or if the managers are authorized to sue by a Majority in Interest of Owners.

Nothing contained herein shall be construed as authorizing actions of any kind whatsoever against the Band or Shivwits Band Corporation or its subsidiary as Owner unless otherwise provided in the Operating Agreement.

CHAPTER 1-3

OWNERS AND MANAGERS

1-3-1 Management.

(A) Unless the Certificate of Organization vests management in one or more managers, management of the LLC shall be vested in the Owners subject to any provision in the Operating Agreement or this Code restricting or enlarging the management rights and duties of any Owner or group of Owners.

In an Owner-managed liability company, the following rules shall apply, subject to the provisions of the Operating Agreement or this Code:

(1) A difference arising among Owners as to a matter in the ordinary course of the activities of the LLC may be decided by a majority of the Owners.

(2) An act outside the ordinary course of activities of a limited liability company may be undertaken only with the consent of all the Owners.

(B) If the Certificate of Organization vests management in one or more managers, management of the business or affairs of the LLC shall be invested in the manager or managers subject to any provisions in the Operating Agreement or this Code restricting or enlarging the management rights and duties of any manager or group of managers. Unless otherwise provided in the Operating Agreement, the manager or managers:

(1) Shall be designated, appointed, elected, removed, or replaced by a vote of a Majority in Interest of the Owners.

(2) Need not be Owners of the LLC nor individuals.

(3) Unless earlier removed or earlier resigned, shall hold office until a successor is elected and qualified.

1-3-2 Duties.

Unless otherwise provided in the Operating Agreement:

(A) No Owner or manager shall act or fail to act in a manner that constitutes any of the following:

(1) A willful failure to deal fairly with the LLC or its Owners in connection with a matter in which the Owner or manager has a material conflict of interest.

- (2) A violation of criminal law involving moral turpitude.
- (3) A transaction from which the Owner or manager derived an improper personal profit.
- (4) Willful misconduct.

(B) Every Owner and manager shall account to the LLC and hold as trustee for it any improper personal profit derived by that Owner or manager without the consent of a majority of the disinterested Owners or managers, or other persons participating in the management of the LLC, from any of the following:

- (1) A transaction connected with the organization, conduct, or winding up of the LLC.
- (2) A use by an Owner or manager of the property of an LLC, including confidential or proprietary information or other matters entrusted to the person as a result of the person's status as Owner or manager.
- (3) Operating Agreement may impose duties on its Owners and managers that are in addition to, but not in abrogation of, those provided in subsection (A) above.

1-3-3 Limitation of Liability and Indemnification.

(A) In this Section, "expenses" mean expenses of defending a lawsuit, including attorney's fees, and any civil judgment or penalty, or settlement payment in lieu thereof, paid in connection with a lawsuit against an Owner or manager in such capacity.

(B) An LLC shall indemnify or allow expenses to each Owner and each manager for all reasonable expenses incurred with respect to a proceeding if that Owner or manager was a party to the proceeding in the capacity of an Owner or manager.

(C) The Operating Agreement may alter or provide additional rights to indemnification or allowance of expenses to Owners and managers.

(D) Notwithstanding subsections (B) and (C) above, an LLC may not indemnify an Owner or manager unless it is determined that the Owner or manager did not breach or fail to perform a duty to the LLC as provided in Band laws.

(E) Unless otherwise provided in the Operating Agreement:

(1) An Owner or manager shall be conclusively presumed not to have breached or failed to perform a duty to the LLC to the extent that the Owner or manager has been successful on the merits or otherwise in the defense of the proceeding.

(2) In situations not described in paragraph (a), above, the determination of whether Owner or manager has breached or failed to perform a duty to the LLC shall be made by the vote of a Majority in Interest of the Owners, excluding any Owner who is a party to the same or related proceeding unless all Owners are parties.

1-3-4 Voting.

(A) Unless otherwise provided in the Operating Agreement or this Section, and subject to subsection (B) below, an affirmative vote, approval, or consent as follows shall be required to decide any matter connected with the business of an LLC.

(1) If management of an LLC is reserved to the Owners, an affirmative vote, approval, or consent by a Majority in Interest of Owners.

(2) If the management of an LLC is vested in one or more managers, the affirmative vote, consent, or approval of more than fifty percent (50%) of the managers.

(B) Unless otherwise provided in the Operating Agreement or this Code, the affirmative vote, approval, or consent of all Owners shall be required to do any of the following:

(1) Amend the Certificate of Organization.

(2) Issue an interest in an LLC to any person.

(3) Adopt, amend, or revoke Operating Agreement.

(4) Allow an LLC to accept any additional contribution from an Owner.

(5) Allow a partial redemption of an interest in an LLC under Section [1-5-3](#).

(6) Value contributions of Owners under Section [1-4-1](#).

(7) Authorize a manager, Owner, or other person to do any act on behalf of the LLC that contravenes the Operating Agreement.

(C) Unless otherwise provided in the Operating Agreement, if any Owner is precluded from voting with respect to a given matter, the value of the contribution represented by the interest in the LLC with respect to which the Owner would otherwise have been entitled to vote shall be excluded from the total contributions made to the LLC for purposes of determining the fifty percent (50%) threshold under Section [1-1-5\(I\)](#) for that matter.

(D) Unless otherwise provided in Operating Agreement or this Section, if all or part of an interest in the LLC is assigned under Section [1-6-4](#), the assigning Owner shall be considered the owner of the assigned interest for purposes of determining the 50% threshold under Section [1-1-5\(I\)](#) until the assignee of the interest in the LLC becomes an Owner under Section [1-6-6](#).

1-3-5 Records and Information.

(A) An LLC shall keep at its principal place of business all of the following:

(1) A list, in alphabetical order, of each past and present Owner and, if applicable, manager.

(2) A copy of the Certificate of Organization and all amendments to the articles, together with executed copies of any powers of attorney under which any articles were executed.

(3) A copy of the Operating Agreement and all amendments thereto.

(4) A record of all matters referred to in this Code as maintained in such records which are not otherwise specified in the Operating Agreement.

(B) Upon reasonable request, an Owner may, at the Owner's own expense, inspect and copy during ordinary business hours any LLC record unless otherwise provided in the Operating Agreement.

(C) Owners or, if the management of the LLC is vested in one or more managers, managers shall provide true and full information of all things affecting the Owners to any Owner or to the legal representative of any Owner upon reasonable request of the Owner or the legal representative.

(D) Failure of an LLC to keep or maintain any of the records of information required under this Section shall not be grounds for imposing liability on any person for the debts and obligations of the LLC.

1-3-6 Admission of Owners.

(A) In connection with the formation of an LLC, a person acquiring an LLC interest is admitted as an Owner upon formation unless the Operating Agreement otherwise provides.

(B) After the formation of an LLC, a person acquiring an LLC interest is admitted as an Owner of the LLC as specified in the Operating Agreement or, if not so specified, by consent of all the other Owners, or, if the person is an assignee of another person's LLC interest, only pursuant to Section [1-6-6](#).

1-3-7 Dissociation.

(A) A person ceases to be an Owner of an LLC upon the simultaneous occurrence of and at the same time of any of the following events:

(1) The Owner withdraws by voluntary act.

(2) The Owner is removed as an Owner in accordance with the Operating Agreement or this Code.

(3) Unless otherwise provided in the Operating Agreement or by the written consent of all Owners at the time of the event, the Owner does any of the following:

(a) Makes an assignment for the benefit of the creditors.

(b) Files a petition in bankruptcy.

(c) Becomes the subject of an order for relief under the federal bankruptcy laws or state or tribal insolvency laws.

(d) Fails to gain dismissal of any federal bankruptcy or state or tribal insolvency proceeding within 120 days of commencement of an involuntary proceeding.

(4) Unless provided in the Operating Agreement or by the written consent of all Owners, if the Owner is an individual, either of the following occurs:

(a) The Owner's death.

(b) The entry of an order by a court of competent jurisdiction adjudicating the Owner incompetent to manage the Owner's person or estate.

(5) Unless otherwise provided in the Operating Agreement or by written agreement or by the written consent of all Owners at the time, if the Owner is a trust, corporation, partnership, or limited liability company upon liquidation, dissolution, or termination.

(B) The Owners may provide in the Operating Agreement for other events the occurrence of which result in a person ceasing to be an Owner of the LLC.

(C) Unless the Operating Agreement provides that an Owner does not have the power to withdraw by voluntary act from an LLC, the Owner may do so at any time by giving written notice to the other Owners or as provided in the Operating Agreement. If the Owner has the power to withdraw but the withdrawal is a breach of the Operating Agreement, the LLC may offset the damages against the amount otherwise distributable to the Owner, in addition to pursuing any remedies provided for in the Operating Agreement or otherwise available under applicable law.

CHAPTER 1-4 FINANCE

1-4-1 Contributions.

(A) An Owner's contributions to an LLC may consist of cash, property, or services rendered, or promissory notes or other written obligations to provide cash or property or to perform services.

(B) The value of an Owner's contribution shall be determined in the manner provided in the Operating Agreement. If the Operating Agreement does not fix a value to a contribution, the value of a contribution shall be approved by a Majority in Interest of the Owners, shall be properly reflected in the records and information kept by the LLC under Section [1-3-5\(A\)](#). The value of contributions so determined shall be binding and conclusive on the LLC and its Owners.

1-4-2 Liability for Contribution.

(A) An obligation of an Owner to provide cash or property or to perform services as a contribution to an LLC is not enforceable unless specified in a writing signed by the Owner.

(B) Unless otherwise provided in the Operating Agreement, an Owner is obligated to an LLC to perform any enforceable promise to provide cash or property or to perform services, even if the Owner is unable to perform because death, disability, or any other reason. If an Owner does not provide cash, property, or services as promised, the Owner is obligated at the option of the LLC to provide cash equal to that portion of the value of the stated contribution that has not been fulfilled.

(C) Unless otherwise provided in the Operating Agreement, an Owner's obligation to provide cash or property or perform services as a contribution to the LLC may be compromised only by the written consent of all of the Owners.

1-4-3 Allocation of Profits and Losses.

The profits and losses of an LLC shall be allocated among the Owners in the manner provided in the Operating Agreement. If the Owners do not enter into an Operating Agreement or the Operating Agreement does not provide otherwise, profits and losses shall be allocated on the basis of value of the contributions made by each Owner.

CHAPTER 1-5 NON-LIQUIDATING DISTRIBUTIONS

1-5-1 Interim Distributions.

Except as provided in this Part, an Owner is entitled to receive distributions from an LLC before the Owner's dissociation from the LLC and before its dissolution and winding up to the extent and at the times or upon the events specified in the Operating Agreement, or to the extent and at the times determined by the Owners or managers.

1-5-2 Allocation of Distributions.

Distributions of cash or other assets of an LLC shall be allocated among the Owners as provided in Operating Agreement, or if the Operating Agreement does not so provide, on the basis of the value of the contributions made by each Owner.

1-5-3 Distribution Upon Partial Redemption.

Except as provided in this Part, upon the distribution in partial liquidation of an Owner's interest, the redeeming Owner is entitled to receive the amount to which the Owner is entitled under the Operating Agreement and, if not otherwise provided in the Operating Agreement, the fair value of the redeemed interest based on the Owner's right to share in distributions from the LLC.

1-5-4 Distribution Upon Dissociation.

Except as otherwise provided in this Part, upon an event of dissociation under Section [1-3-7](#) that does not cause dissolution of the LLC, a dissociating Owner is entitled to receive any distribution to which Owner is entitled under the Operating Agreement and, if not otherwise provided in the Operating Agreement, the fair market value of the Owner's interest in the LLC based on the Owner's rights to share in distributions from the LLC.

1-5-5 Distribution in Kind.

Unless otherwise provided in the Operating Agreement:

(A) An Owner may not demand and receive any distribution from an LLC in any form other than cash.

(B) An Owner may not be compelled to accept a distribution of any asset in kind except for a liquidating distribution made proportionately.

1-5-6 Right to Distribution.

At the time that an Owner becomes entitled to receive a distribution from an LLC, the Owner has the status of and is entitled to all remedies available to a creditor of the LLC with respect to the distribution; provided, however, that such right shall not in any way limit any other remedy available to such Owner under any other provision of applicable law of the Operating Agreement.

1-5-7 Limitations of Distributions.

(A) An LLC may not declare or make a distribution to any of its Owners, if after giving effect to the distribution, any of the following would occur:

(1) The LLC would be unable to pay its debts as they become due in the usual course of business.

(2) The fair market value of the LLC's total assets would be less than the sum of its total liabilities plus, unless the Operating Agreement provides otherwise, the amount that would be needed for the preferential rights upon dissolution of Owners, if any.

(B) An LLC may base a determination that a distribution is not prohibited by subsection (A), above, on any of the following:

(1) Financial statements and other financial data prepared on the basis of accounting practices and principles that are reasonable under the circumstances.

(2) A fair market valuation or other method that is reasonable under the circumstances.

(C) An LLC's indebtedness to an Owner incurred by reason of a distribution made in accordance with this Section is at parity with the LLC's indebtedness to its general unsecured creditors, except to the extent subordinated by written agreement. This Section does not affect the validity or priority of a security interest in an LLC's property that is created to secure the indebtedness to the Owner.

1-5-8 Liability for Wrongful Distribution.

(A) Except as provided in subsection (B) below, an Owner (other than the Band or Tribal Entity) or manager who votes or assents to a distribution in violation of Section [1-5-7](#) or of the Operating Agreement is personally liable to the LLC for the amount of the excess distribution, subject to contribution from all other managers or Owners participating in such action.

(B) An action to recover under this Section may be brought in the Tribal Court; however, a proceeding under this Section is barred unless it is brought within two (2) years after the date of the distribution.

(C) Nothing in this Code serves to waive any aspect of the Band's sovereign immunity, and any waiver thereof must be provided explicitly in the LLC's Operating Agreement.

CHAPTER 1-6 OWNERSHIP AND TRANSFER OF PROPERTY

1-6-1 Ownership of LLC Property.

(A) All property originally transferred to or acquired by an LLC is property of the LLC and not the Owners individually.

(B) Property acquired with LLC funds is presumed to be LLC property.

(C) Property may be acquired, held, and conveyed in the name of the LLC.

1-6-2 Transfer of Property.

The property of an LLC may be transferred by an instrument of transfer executed by any Owner in the name of the LLC, unless management is vested in managers, in which case the document of transfer shall be executed by a manager, subject to any limitation that may be imposed by the Operating Agreement.

1-6-3 Nature of Interest.

An LLC interest is personal property.

1-6-4 Assignment of LLC Interest.

(A) Unless otherwise provided in the Operating Agreement:

(1) An LLC interest is assignable in whole or in part.

(2) An assignment of an LLC interest entitles the assignee to receive only the distributions and to share in the allocations of profits and losses to which the assignee would be entitled with respect to the assigned interest.

- (3) An assignment of an LLC interest does not dissolve the LLC.
- (4) Unless and until the assignee becomes an Owner of the LLC under Section [1-6-6](#), the assignment of an LLC interest does not entitle the assignee to participate in the management or exercise rights of an Owner.
- (5) Unless and until the assignee of an LLC interest becomes an Owner of the LLC under Section [1-6-6](#), the assignor continues to be an Owner.
- (6) The assignor of an LLC interest is not released from any personal liability arising under this Code as an Owner of the LLC solely as a result of the assignment.

(B) Unless otherwise provided in the Operating Agreement, the granting of a security interest, lien, or other encumbrance in or against any or all of an Owner's LLC interest is not assignable and shall not cause the Owner to cease to have the power to exercise any rights or powers of an Owner.

1-6-5 Rights of Judgment Creditor.

Upon application to a court of competent jurisdiction, including a court other than the Tribal Court having valid jurisdiction over an Owner, by any judgment creditor of the Owner, the court may charge the LLC interest of any Owner (other than the Band) with payment of the unsatisfied amount of the judgment. To the extent so charged, the judgment creditor has only the rights of an assignee of the Owner's LLC interest in distributions made by the LLC to Owners and other assigned interest holders in the usual course of business. This Section does not deprive any Owner of the benefit of any exemption laws applicable to the LLC interest. In no event shall the Band's interest be attachable in abrogation of its sovereign immunity.

1-6-6 Right of Assignee to Become an Owner.

(A) Unless otherwise provided in the Operating Agreement, an assignee of an LLC interest may become an Owner only if the other Owners unanimously consent by contract or otherwise.

(B) An assignee of an LLC interest who becomes an Owner has, to the extent assigned, the rights and powers and is subject to the restrictions and liabilities of the assignor under the Operating Agreement and this Code.

(C) Unless otherwise provided in the Operating Agreement, an assignor of an LLC interest is not released from any liability to the LLC without the written consent of all the Owners, whether or not the assignee becomes an Owner.

1-6-7 Powers of Legal Representative.

If an Owner who is an individual dies or a court of competent jurisdiction adjudges the Owner to be incompetent to manage his or her person or property, the Owner's personal representative, administrator, guardian, conservator, trustee, or other legal representative shall have all the rights of an assignee of the Owner's interest. If an Owner is a corporation, trust, partnership, limited liability company, or other entity and is dissolved or terminated, the powers of that Owner may be exercised by its legal representative or successor.

CHAPTER 1-7 DISSOLUTION

1-7-1 Dissolution.

A limited liability company is dissolved, and its affairs shall be wound up upon the happening of the first of the following:

- (A) The occurrence of events specified in the Operating Agreement.
- (B) The written consent of all Owners.
- (C) An event of dissociation of an Owner, unless otherwise provided in the Operating Agreement or continuation is consented to by all remaining Owners.
- (D) Entry of a decree of judicial dissolution under Section [1-7-2](#).

1-7-2 Judicial Dissolution.

(A) In a proceeding by or for an Owner, the Tribal Court or court of competent jurisdiction may order dissolution of an LLC if any of the following is established:

- (1) That it is not reasonably practicable to carry on the business of the LLC.
 - (2) That the LLC is not acting in conformity with its Operating Agreement.
 - (3) That one or more managers are acting or will act in a manner that is illegal, oppressive, or fraudulent.
 - (4) That one or more Owners in control of the LLC are acting or will act in a manner that is illegal, oppressive, or fraudulent.
 - (5) That LLC assets are being misapplied or wasted.
- (B) If the Band is an Owner of the LLC, any action under this Section must be brought in the Tribal Court, unless explicitly otherwise provided in the Operating

Agreement. Nothing in this Section may be construed as a waiver of the Band's sovereign immunity from suit, and any waiver thereof must be provided explicitly in the LLC's Operating Agreement.

1-7-3 Winding Up.

(A) A dissolved LLC continues its legal existence but may not carry on any business except that which is appropriate to wind up and liquidate its business.

(B) Unless otherwise provided in its Operating Agreement:

(1) The business of the LLC may be wound up by any of the following:

(a) The Owners or managers who have authority to manage the LLC before dissolution.

(b) In a judicial dissolution, the person(s) designated by the Tribal Court or court of competent jurisdiction.

(2) The persons winding up the business of the LLC may do all of the following in the name of and on behalf of the LLC:

(a) Collect its assets.

(b) Prosecute and defend suits.

(c) Take any action necessary to settle and close the business of the LLC.

(d) Dispose of and transfer the property of the LLC.

(e) Discharge or make provision for discharging the liabilities of the LLC.

(f) Distribute to the Owners any remaining assets of the LLC.

(C) Dissolution of a LLC does not do any of the following:

(1) Transfer title to the LLC's property.

(2) Prevent transfer of all or part of an Owner's interest.

(3) Prevent commencement of a civil, criminal, administrative, or investigatory proceeding by or against the LLC.

- (4) Abate or suspend a civil, criminal, administrative, or investigatory proceeding pending by or against the LLC at the time of dissolution.
- (5) Terminate the authority of the registered agent of the LLC.
- (6) Alter the limited liability of an Owner.

1-7-4 Distribution of Assets.

Upon the winding up of an LLC, the assets shall be distributed in the following order:

- (A) To creditors, including to the extent permitted by law, Owners, and former Owners in satisfaction of liabilities of the LLC.
- (B) Unless otherwise provided in the Operating Agreement, to Owners and former Owners in satisfaction of liabilities for distributions under Sections [1-5-1](#), [1-5-3](#) and [1-5-4](#).
- (C) Unless otherwise provided in the Operating Agreement, to Owners and former Owners first for the return of their contributions in proportion to their respective values and, thereafter, in proportion to their respective rights to share in distributions from the LLC before dissolution.

1-7-5 Articles of Dissolution.

After the dissolution of an LLC under Section [1-7-1](#), the LLC may file articles of dissolution with the Office of the Secretary that include the following:

- (A) The name of the LLC.
- (B) The date of filing of its Certificate of Organization.
- (C) The statutory grounds under Section [1-7-1](#) for dissolution.
- (D) The delayed effective date of the articles of dissolution under Section [1-1-11](#)(C), if applicable.

1-7-6 Known Claims Against Dissolved LLC.

- (A) A dissolved LLC may notify its known claimants in writing of the dissolution and specify a procedure for making claims.
- (B) A claim against the LLC is barred if:

(1) A claimant who was given written notice under subsection (A) above, does not deliver the claim, in writing, to the LLC by the deadline specified in the notice; or

(2) A claimant whose claim is rejected by the LLC does not commence a proceeding to enforce the claim within ninety (90) days after receipt of the rejection notice.

1-7-7 Unknown or Contingent Claims.

A claim not barred under Section [1-7-6](#) may be enforced:

(A) Against the dissolved LLC, to the extent of its undistributed assets.

(B) If the dissolved LLC's assets have been distributed in liquidation, against an Owner of the LLC, other than the Band, to the extent of the Owner's proportionate share of the claim or of the assets of the LLC distributed to the Owner in liquidation, whichever is less, but an Owner's total liability for all claims under this Section may not exceed the total value of assets at the time distributed to the Owner.

CHAPTER 1-8 MERGER

1-8-1 Definitions.

(A) "Constituent Organization" in this Part means an organization, including a corporation, a limited liability company, an unincorporated cooperative or other tribally-formed entity, that is a party to a merger.

(B) Unless the context requires otherwise, in this Part "corporation" includes a domestic corporation and a foreign corporation.

(C) Unless the context requires otherwise, in this Part "LLC" includes a domestic LLC and a foreign LLC.

(D) "Organizational Documents" includes Certificate of Organization, operating agreements, articles of incorporation, bylaws, partnership agreements, agreements of trust and declarations of trust, and any other basic records that create an entity's organization and determine its internal governance and relations among person that own it, have an interest in it, or are Owners of it.

1-8-2 Merger.

(A) Unless otherwise provided in its Organizational Documents, one or more Constituent Organizations may merge with or into one or more LLC's or one or more other foreign LLC's as provided in the plan of merger.

(B) Interests or shares in a Constituent Organization that is a party to a merger may be exchanged for or converted into cash, property, obligations, or interest in the surviving LLC.

1-8-3 Approval of Merger.

(A) Unless otherwise provided in the Operating Agreement, a domestic LLC that is a party to a proposed merger shall approve the plan of merger by an affirmative vote by all of the Owners.

(B) Unless otherwise provided in the Operating Agreement, the manager or managers of a domestic LLC may not approve a merger without also obtaining the approval of the LLC's Owners under subsection (A), above.

(C) All other Constituent Organizations shall approve the merger in the manner and by the vote required by the laws applicable to the Constituent Organizations and their respective Organizational Documents.

(D) Each Constituent Organization shall have any rights to abandon the merger as provided for in the plan of merger or in the laws applicable to the Constituent Organization or its Organizational Documents.

(E) Upon approval of a merger, the Constituent Organization shall notify its Owners, shareholders, and all others that have an ownership interest in it of the approval and of the effective date of the merger.

1-8-4 Plan of Merger.

Each Constituent Organization shall enter into a written plan of merger to be approved under Section [1-8-3](#).

1-8-5 Articles of Merger.

(A) The surviving LLC shall deliver to the Office of the Secretary articles of merger, executed by each party to the plan of merger, that include all of the following:

(1) The name and state or jurisdiction of organization for each Constituent Organization.

(2) The plan of merger.

- (3) The name of the surviving or resulting LLC.
- (4) A statement as to whether the management of the surviving LLC will be reserved to its Owners or vested in one or more managers.
- (5) The delayed effective date of the merger under Section [1-1-11\(D\)](#), if applicable.
- (6) A statement as to whether the surviving LLC is Tribally-Owned.
- (7) If Tribally-Owned, a statement as to whether the surviving LLC enjoys the Band's sovereign immunity.
- (8) A statement that the plan of merger was approved in accordance with Section [1-8-3](#).

(B) A merger takes effect upon the effective date of the articles of merger.

1-8-6 Effects of Merger.

A merger has the following effects:

- (A) The Constituent Organizations must become a single entity, which shall be the entity designated in the plan of merger as the surviving LLC.
- (B) Each Constituent Organization, except the surviving LLC, ceases to exist.
- (C) The surviving LLC possesses all of the rights, privileges, immunities, and powers of each merged Constituent Organization and is subject to all of the restrictions, disabilities, and duties of each merged Constituent Organization.
- (D) All property and all debts, including contributions, and each interest belonging to or owed to each of the Constituent Organizations are vested in the surviving LLC without further act.
- (E) Title to all real estate and any interest in real estate, vested in any Constituent Organization, does not revert and is not in any way impaired because of the merger.
- (F) The surviving LLC has all the liabilities and obligations of each of the Constituent Organizations and any claim existing or action or proceedings pending by or against any merged Constituent Organization may be prosecuted as if the merger had not taken place, or the surviving LLC may be substituted in the action.

(G) The rights of creditors and any liens on the property of any Constituent Organization survive the merger.

(H) The interests in a Constituent Organization that are to be converted or exchanged into interest, cash, obligations, or other property under the terms of the plan of merger are converted and the former interest holders are entitled only to the rights provided in the plan of merger or the rights otherwise provided by law.

(I) The Certificate of Organization of the surviving LLC is amended to the extent provided in the articles of merger.

1-8-7 Right to Object.

Unless otherwise provided in the Operating Agreement, upon receipt of the notice required by Section [1-8-3\(E\)](#), an Owner who did not vote in favor of the merger may, within twenty (20) days after the date of the notice, voluntarily dissociate from the LLC under Section [1-3-7\(C\)](#) and receive fair value for the Owner's LLC interest under Section [1-5-4](#).

CHAPTER 1-9

LIMITED LIABILITY COMPANIES WHOLLY-OWNED BY THE BAND

1-9-1 General Provisions for Tribally-Owned LLC's

(A) **Tribally-Owned Companies.** There are hereby authorized to be created limited liability companies wholly-owned by the Band, with the Band as the sole Owner, and by the Shivwits Band Corporation with the Corporation as the sole Owner, and by any subsidiary of the Shivwits Band Corporation with the subsidiary of the Corporation as the sole Owner. Such Tribally-owned limited liability companies shall be created by a duly adopted resolution of the Band Council or respective Board of Directors. The organizer shall file in accordance with Section [1-1-11](#). When the organizer files the Certificate of Organization and the Operating Agreement of a Tribally-owned LLC, a certified copy of the resolution authorizing the formation of the LLC and approving the articles shall be included. Tribally-owned LLC's shall be considered to be instrumentalities of the Band and 'arms of the Tribe' for purposes of any sovereign immunity analysis.

(B) **Tribally-Owned Subsidiary Companies.** There are hereby authorized to be created by resolution of the Board of Directors of a Tribally-owned limited liability company or of a Tribal Corporation, or of a wholly-owned subsidiary of such a Tribally-owned LLC or Tribal Corporation, subsidiary LLC's to be wholly-owned by the parent Tribally-owned LLC or parent Tribal Corporation, which shall be instrumentalities of the Band. The organizer of such a Tribally-owned subsidiary

LLC shall file in accordance with Section [1-1-11](#). When the organizer files the Certificate of Organization and the Operating Agreement of the Tribally-owned subsidiary LLC, a certified copy of a resolution of the Board of Directors of the parent Tribally-owned LLC or parent Tribal Corporation authorizing the formation of the subsidiary LLC and approving the articles shall be included.

(C) Privileges and Immunities. The limited liability companies established under Sections [1-9-1\(A\)](#) and [1-9-1\(B\)](#) shall be considered to be instrumentalities of the Band, and their agents and officers considered agents and officers of the Band, created for the purpose of carrying out authorities and responsibilities of the Band Council for economic development of the Band and the advancement of its Band members. Such LLC's, their agents, directors, officers, managers and employees shall, therefore, be entitled to all of the privileges and immunities enjoyed by the Band, including but not limited to immunities from suit in Federal, State and Tribal courts and from Federal, State, and local taxation or regulation.

(D) Ownership.

(1) No Ownership interest in any LLC in which the Band is an Owner may be alienated unless approved by the Band Council. Further, no Ownership interest in any Tribally-owned subsidiary LLC may be alienated unless approved by a duly adopted resolution of the Board of Directors of the parent Tribally-owned LLC or parent Tribal Corporation.

(2) All interests in any Tribally-owned LLC shall be held by and for the Band or Shivwits Band Corporation or its subsidiary, or in the case of a wholly-owned subsidiary LLC, by the parent Tribally-owned LLC or parent Tribal Corporation. No individual member of the Band shall have any personal ownership interest in any LLC organized under this Part, whether by virtue of such person's status as a member of a Band, as an officer of a Band's Government, or otherwise.

(E) Project Companies with Non-Tribal members. Any LLC created pursuant to this Part, including subsidiary LLC's, may form or own interests or shares in partnerships, corporations, or other limited liability companies with other governmental or non-governmental entities or persons under the laws of the Band or any other jurisdiction ("Project Companies"); provided, however, that the partial ownership interest in such Project Companies shall not diminish or affect the privileges and immunities of the Tribally-owned LLC's or Tribally-owned subsidiary LLC's created pursuant to this Part.

(F) Purpose of Tribally-Owned LLC's. All Tribally-owned LLC's, whether directly or indirectly owned, shall state in their Operating Agreement the purpose of the LLC that relates to the overall needs, priorities, goals, and objectives of the Band's government, including how the LLC will contribute to tribal economic policy and further the goals of self-determination and economic self-sufficiency.

(G) Waiver of Sovereign Immunity. The limited liability companies established under Sections [1-9-1\(A\)](#) and [1-9-1\(B\)](#) may only waive the privileges and immunities granted under Section [1-9-1\(C\)](#) in the following manner:

(1) The LLC may specifically grant limited waivers of its immunity from suit and consent to be sued in Tribal Court or another court of competent jurisdiction or consent to binding arbitration pursuant to the procedures and authorities set forth in the LLC's Operating Agreement; provided, however, that

(a) Any such waiver or consent to suit granted pursuant to the LLC's Operating Agreement shall in no way extend to any action against the Band, nor shall it in any way be deemed a waiver of any of the rights, privileges and immunities of the Band;

(b) Any recovery against the LLC shall be limited to the assets of the LLC (or such portion of the LLC's assets as further limited by the waiver or consent) and the Band shall not be liable for the payment or performance of any of the obligations of the LLC, and no recourse shall be had against any assets or revenues of the Band in order to satisfy the obligations of the LLC; including assets of the Band leased, loaned, or assigned to the LLC for its use, without transfer of title, and

(c) Any waiver of the LLC's immunities granted pursuant to the LLC's Operating Agreement shall be further limited or conditioned by the terms of such waiver.

(2) The sovereign immunity of the LLC shall not extend to actions against the LLC by the Band acting as Owner, or, in the case of a subsidiary LLC created pursuant to this Part, by the parent LLC acting as Owner, pursuant to Section [1-9-1\(A\)](#).

(3) The LLC must follow the method mandated by Section [1-9-2\(B\)](#).

1-9-2 Special Formation Requirements For Tribally-Owned LLC'S

(A) Formation.

(1) Tribally-owned LLC's. The Chairperson of the Band Council or the Chairperson of the Board of Directors of the Shivwits Band Corporation, or the Chairperson of the Board of Directors of a subsidiary of the Shivwits Band Corporation may be the organizer of any Tribally-owned limited liability company for the respective entity.

(2) Subsidiaries of Tribally-owned LLC's. A Board Member of the parent Tribally-owned LLC or parent Tribal Corporation shall be the organizer of any Tribally-owned subsidiary LLC. If practicable, such Board Member shall also be a member of the Band.

(3) Unless a delayed effective date is specified:

(a) The existence of a Tribally-owned LLC begins when the Certificate of Organization have been approved by resolution of the Band Council or Shivwits Band Corporation in accordance with Section [1-9-1\(A\)](#) and have been filed with the Office of the Secretary in accordance with Section [1-1-11](#).

(b) The existence of a subsidiary LLC owned by a Tribally-owned LLC or Tribal Corporation begins when the Certificate of Organization have been approved by a resolution of the Directors of the parent Tribally-owned LLC or Tribal Corporation and have been filed with the Office of the Secretary in accordance with Section [1-1-11](#).

(c) The Certificate of Organization of any Tribally-owned LLC or subsidiary thereof, and any amendments thereto, shall be filed with the Office of the Secretary in accordance with Section [1-1-11](#), and shall state at a minimum the items set forth in Section [1-9-2\(B\)](#) below.

(B) Additional Requirements for the Certificate of Organization. As set forth in Section [1-9-1\(G\)](#), Tribally-owned limited liability companies established under Sections [1-9-1\(A\)](#) and [1-9-1\(B\)](#) may grant a limited waiver of sovereign immunity in order to promote economic development through commercial transactions for which such a waiver is necessary and beneficial to the Band. The method for granting a limited waiver of sovereign immunity through the above mentioned entities is as follows:

(1) The sovereign immunity of a Tribally-owned LLC may be waived only by:

(a) A resolution adopted by the Board of Directors of the Tribally-owned LLC for the specific purpose of granting a waiver, or in the case of Owner managed Tribally- owned subsidiary LLC, by the Owner’s Board of Directors; and

(b) The language of the waiver must be explicit; and

(c) The waiver must be contained in a written contract or commercial document to which the LLC is a party.

(2) Waivers of sovereign immunity by resolution of the Board of Directors may be granted only when necessary to secure a substantial advantage or benefit to the Tribally-owned LLC. Waivers of sovereign immunity by resolution may not be general but must be specific and limited as to duration, grantee, transaction, property or funds of the Tribally-owned LLC subject to the waiver, court having jurisdiction and applicable law.

1-9-3 Management of Tribally Owned LLC’s.

(A) Management.

(1) All Tribally-owned LLC’s formed pursuant to Section [1-9-1\(A\)](#) of this Code shall be managed by a Board of Directors in the manner described in the Company’s Operating Agreement. The qualifications, number, terms and method for selecting and removing Directors of any Tribally-owned LLC shall be specified in the LLC’s Operating Agreement.

(2) All Tribally-owned subsidiary LLC’s formed pursuant to Section [1-9-1\(B\)](#) of this Code may be Owner managed or managed by a Board of Directors. If managed by a Board of Directors, the Company’s Operating Agreement shall set forth the qualifications, number, terms and method for selecting and removing the Directors. If Owner managed, the LLC shall have one or more persons exercising the functions of Chief Executive Officer.

(B) Board of Directors.

(1) Appointment of directors. The Band Council shall retain the power to appoint the board of directors for LLC’s wholly owned by the Band. For all such Band Council created LLC’s, including subsidiary tribal corporations, the board of directors shall be compromised of members of the Band Council, Band members, and individuals experienced in business and tribal government. The Shivwits Band Corporation (SBC) Board of Directors shall retain the power to appoint the board of directors for LLC’s wholly owned by the Shivwits Band

Corporation. For all such SBC created LLC's, including subsidiary tribal corporations, the board of directors shall be compromised of members of the SBC, Band members, and individuals experienced in business or tribal government. The Board of Directors of a subsidiary of the SBC shall retain the power to appoint the board of directors for LLC's wholly owned by the SBC subsidiary. For all such SBC-subsiary created LLC's, including subsidiary tribal corporations, the board of directors shall be compromised of members of the SBC subsidiary, Band members, individuals experienced in business or tribal government, or any other person the SBC subsidiary board may choose.

(2) Removal of directors. A director of a LLC wholly owned by the Band may be removed with cause by the Band Council. A director of a LLC wholly owned by the SBC may be removed with cause by the SBC Board of Directors. A director of a LLC wholly owned by a SBC subsidiary may be removed with cause by the SBC subsidiary Board of Directors.

(3) Loans to directors. A LLC wholly owned, directly or indirectly, by the Band, SBC, or SBC subsidiary may not lend money to or guarantee the personal obligation of a director, officer or employee of the corporation under any circumstances.

1-9-4 Decisions and Voting for Tribally-Owned LLC's

(A) Voting.

(1) The Ownership interests in all Band-owned LLC's shall be voted in the accordance with the Band Council's procedures for voting and passing Band Council resolutions. The Ownership interests in all SBC-owned LLC's shall be voted in the accordance with the SBC Board of Directors procedures for voting and passing SBC resolutions. The Ownership interests in all SBC subsidiary-owned LLC's shall be voted in the accordance with the SBC subsidiary Board of Directors procedures for voting and passing SBC subsidiary resolutions.

(2) The Ownership interests in a Tribally-owned subsidiary LLC shall be voted as provided in the Company's Operating Agreement.

1-9-5 Distributions for Tribally-Owned LLC's

(A) Distributions of Income.

(1) Tribally-owned LLCs shall distribute the net income of the LLC as set forth in a dividend plan adopted in accordance with the duly approved Operating Agreement .

(2) A subsidiary LLC created pursuant to Section [1-9-1\(B\)](#) shall distribute the net income of the LLC to the parent Tribally-owned LLC or parent Tribal Corporation as set forth in a dividend plan adopted in accordance with the Operating Agreement and duly approved by its Board of Directors, except that a Tribally-owned LLC may retain reserves necessary to carry on the LLC's business in a reasonably prudent manner and as recommended by the Board of Directors, subject to further limitations set forth in Section [1-5-7](#) and in the Operating Agreement.

1-9-6 Additional Reports and Audits

(A) **Audit.** In addition to any Owner inspection rights provided in the Operating Agreement of a Band-owned LLC, the Band Council may at any time, by process in the manner required to be provided in the Operating Agreement, require that any LLC wholly-owned by the Band, whether directly or indirectly, or an LLC in which the Band owns the majority interest, be audited by an independent auditor hired by the Band who shall have the absolute right to require access to all of the LLC's records and documents necessary for such an audit. In addition to any Owner inspection rights provided in the Operating Agreement of a SBC-owned LLC, the SBC Board of Directors may at any time, by process in the manner required to be provided in the Operating Agreement, require that any LLC wholly-owned by the SBC, whether directly or indirectly, or an LLC in which the SBC owns the majority interest, be audited by an independent auditor hired by the SBC who shall have the absolute right to require access to all of the LLC's records and documents necessary for such an audit. In addition to any Owner inspection rights provided in the Operating Agreement of a SBC subsidiary-owned LLC, the SBC subsidiary Board of Directors may at any time, by process in the manner required to be provided in the Operating Agreement, require that any LLC wholly-owned by the Band, whether directly or indirectly, or an LLC in which the SBC subsidiary owns the majority interest, be audited by an independent auditor hired by the SBC subsidiary who shall have the absolute right to require access to all of the LLC's records and documents necessary for such an audit.

(B) **Financial, Business, and Planning Information.** In addition to any reports to the Owner required by the Operating Agreement, the Board of Directors of each Tribally-owned LLC, whether owned directly or indirectly, shall submit the following information to the Owner:

(1) Copies of any periodic financial statements (including monthly or quarterly balance sheets, profit and loss statements, and cash flow statements) as may be prepared in the ordinary course of business, promptly after such statements are furnished to the LLC's Board of Directors;

- (2) A full report of the business activities of the company within 120 days after the close of each fiscal year; and
- (3) A proposed annual plan for the following year, including any proposed funding from the Band or anticipated distributions to the Band.

1-9-7 Actions Against Tribally-Owned LLC's

(A) Court Actions by the Owner Authorized. The Owner of any Tribally-owned limited liability company organized pursuant to this Code, or in the case of a subsidiary LLC created pursuant to this Part, the parent Tribally-owned LLC or Tribal Corporation acting as Owner, may bring a civil action against the LLC, its Board of Directors or its officers in the Tribal Court only pursuant to this Part to:

- (1) Enjoin temporarily or permanently any action of the LLC that is an ultra vires act outside the authority of the LLC and that is either:
 - (a) Unlawful; or
 - (b) Has or could cause material harm to the assets of the LLC or the Band if no immediate action is taken.
 - (c) Require the distribution of the LLC's surplus net income, to the extent permitted by Section [1-5-7](#).
- (2) An action against a LLC pursuant to this Section by the Band or by a parent LLC or Corporation, acting as Owner, shall not act as a waiver of the Band's, or the parent LLC or parent Corporation's, sovereign immunity from suit of any kind, including a countersuit by the Tribally-owned LLC, its Board of Directors or its officers.
- (3) In accordance with Section [1-9-1](#)(C), the sovereign immunity of the LLC shall not extend to actions against the LLC by the Band acting as Owner, or, in the case of a subsidiary LLC created pursuant to this Part, by the parent LLC acting as Owner.
- (4) Nothing contained herein shall be construed as authorizing actions of any kind whatsoever against the Band.

(B) Tribal Approval Required. The filing of any court action against a Tribally-owned LLC pursuant to this Part must be authorized by the Band or SBC or SBD subsidiary as Owner in the same manner as required in Section [1-9-4](#)(A) for voting

on any item properly coming before the Owner. The request for consideration of the proposed court action may be made by any member of the Owner's governing body.

(C) Relief Available. In any action brought under this Part, the Tribal Court may, based on clear and convincing evidence set forth in its findings of fact and conclusions of law:

(1) Issue a temporary restraining order, preliminary injunction, and permanent injunctive relief pursuant to the procedures and standards applicable in the Tribal Court, except that no bond need be posted for any preliminary injunctive relief; or

(2) Order that funds of the LLC be distributed to the Owner to the extent permitted by the Operating Agreement and Section [1-5-7](#) of this Code.

CHAPTER 1-10 EFFECTIVE DATE AND AUTHORITY

1-10-1 Severability; Effect of Invalidity of Part of this Code.

If the Tribal Court shall adjudge to be invalid or unconstitutional any clause, sentence, paragraph, section, article or part of this Code, such judgment or decree shall not affect, impair, invalidate or nullify the remainder of this Code, but the effect thereof shall be confined to the clause, sentence, paragraph, section, article or part of this Code as adjudged to be invalid or unconstitutional.

1-10-2 Effective Date.

This Code shall be in full force and effect according to its terms upon adoption by the Band Council.

1-10-3 Authority.

This Code is enacted by the Shivwits Band Council under the authority vested in the Band Council by the Band pursuant to its inherent governmental power, fiscal authority and tribal sovereignty as recognized in the Band's Bylaws and the Constitution of the Paiute Indian Tribe of Utah. The Band Council reserves the right to repeal or amend the provisions of this Code, subject to the limitation of Section [1-10-4](#).

1-10-4 No Impairment of Contracts.

Otherwise lawful contracts and other obligations of any LLC shall not be impaired by any subsequent action of the Band or the Band Council. Actions to restrain any attempts to impair contracts of tribal LLC's, or to declare such actions null and void, shall be available to any interested party before the Tribal Court. Nothing in this

Section shall be construed to restrict the general application of law or of this Code to the acts and contracts of tribal LLC's.

1-10-5 Fees for Filing Documents and Issuing Certificates.

The Band Council is authorized to make regulations providing for reasonable fees for other services not specifically stated in the title of this code or to make changes in any and all fees for services set out in this title. These changes shall be available through the Office of the Secretary.

1-10-6 Certificates and Certified Copies to be Received in Evidence.

All certificates or documents issued by the Tribal Secretary in accordance with the provisions of this Code and all copies of documents filed in his or her office in accordance with the provisions of this Code, when certified by him or her, shall be taken and received in all Courts, public offices, and official bodies as prima facie evidence of the facts therein stated. A certificate by the Tribal Secretary under the seal of his or her office, as to the existence or non-existence of the facts relating to corporations which would not appear from a certified copy of any of the foregoing documents or certificates shall be taken and received in all courts, public offices and official bodies as prima facie evidence of the existence or non-existence of the facts therein stated.

1-10-7 Forms to be Furnished by the Tribal Secretary.

In the event that the Tribal Secretary shall prescribe certain forms for documents required by this Chapter to be filed in the office of the Tribal Secretary, such forms shall be furnished by the Tribal Secretary and used by the corporation for such filing.



**SHIVWITS BAND OF PAIUTES
RESOLUTION NUMBER 2020-02**

Re: Approval of Shivwits Limited Liability Code

WHEREAS, the Band Council of the Shivwits Band of Paiutes of the Paiute Indians of Utah has the authority, pursuant to the inherent sovereign authority of the Shivwits Band of Paiutes, the Paiute Restoration Act, 76 U.S.C. 782(b), Public Law 96-227; the Indian Reorganization Act, 25 U.S.C. 461 et seq., Article VIII, of the Constitution of the Paiute Indian Tribe of Utah, and Article II Section 1 of the Shivwits Band Bylaws to govern the Shivwits Band Reservation; and

WHEREAS, both the Constitution, and the Shivwits Band Bylaws, Article II, Section 1, provide that the governing body of the Shivwits Band of Paiutes is the Shivwits Band Council; and,

WHEREAS, the Shivwits Band Council may take official action by Resolution, pursuant to Article XII, Section 2 of the Bylaws; and,

WHEREAS, there exists a need to improve and expand the economic development capacity of the Shivwits Band of Paiutes; and,

WHEREAS, the Shivwits Band Council finds it necessary to further establish and provide control and regulation for the economic security and growth of the Shivwits Band and to provide increased services to residents fo the Shivwits; to provide funds for Band government activities and to regulate commercial activities within the Shivwits Band Reservation; and,

WHEREAS, the Shivwits Band Council finds it necessary to establish a limited liability code which will promote orderly economic growth within the exterior boundaries of the Shivwits Band Reservation; and,

WHEREAS, the Shivwits Band Council has prepared a Shivwits Band Limited Liability Code; and,

WHEREAS, the Shivwits Band Council would like to obtain comments from Band members and Reservation residents regarding the proposed Limited Liability Code; now

BE IT RESOLVED: that the Shivwits Band Limited Liability Code is hereby approved and enacted, effective immediately due to exigent circumstances; and,

BE IT FURTHER RESOLVED: that the Shivwits Band Council also approves the Limited Liability Code to be made available for a public comment by the Reservation community for period of thirty (30) days; and,

BE IT FINALLY RESOLVED: that after the thirty (30) day public comment period the Shivwits Band Council will review all public comments received and amend the Limited Liability Code as it deems necessary.

Authority for the foregoing Resolution is based on the Band's inherent sovereign authority, the Indian Reorganization Act of June 18, 1984 (48 Stat. 984), as amended and implemented by the Constitution of the Paiute Tribe of Utah, including Article VIII, Sections 2(a)(b)(c)(d) and (j), and the Bylaws of the Shivwits Band of Paiutes of the Paiute Indian Tribe of Utah, including Articles II, VII, Section 4, and XII, Sections 1 and 2.



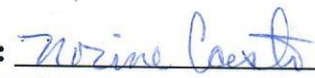
Carmen Clark, Chairperson

**C-E-R-T-I-F-I-C-A-T-I-O-N
2020-02**

It is hereby certified that the foregoing, "Resolution 2020-02" was adopted by the affirmative vote of 5 for and 0 against, at a duly-called meeting of the Shivwits Band Council, composed of five (5) members of whom 5 members constituting a quorum were present, and 0 absent, held on March 11, 2020.



Council Member

Attested By: 
Shivwits Secretary