

**SKOKOMISH INDIAN TRIBAL ENTERPRISES ORDINANCE
AND CORPORATE CHARTER**

Adopted by Resolution No. 00-80 (October 9, 2000)
Section 4.01.011(b) Repealed by Resolution No. 06-58 (May 17, 2006)

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4.01.01 Corporate Identity and Status

(a) This ordinance shall be known as the Skokomish Indian Tribal Enterprises Ordinance and Corporate Charter. The name of the tribal corporation created hereunder is Skokomish Indian Tribal Enterprises, Inc. (SITE).

(b) SITE is hereby organized, incorporated and granted its corporate powers, privileges and immunities under the law of the Skokomish Indian Tribe as a tribally chartered corporation for the purposes set forth in Section 4.01.005. The Skokomish Tribal Council grants this corporate charter to SITE pursuant to its inherent sovereign authority and pursuant to Article V, Section 1 (d) of the Constitution of the Skokomish Indian Tribe.

(c) SITE is a distinct legal entity wholly owned by the Skokomish Indian Tribe, and its corporate activities, transactions, obligations, liabilities and property are not those of the Tribe. Nothing in this charter shall be deemed to have waived or to permit the corporation to waive the Tribe's sovereign immunity from suit.

4.01.002 Location and Place of Business

(a) The initial address of SITE's principal place of business is 19330 Highway 101 North, Shelton, WA 98584, within the boundaries of the Skokomish Indian Reservation.

(b) SITE may also have any other places of business that the SITE Board of Directors (the

"Board") directs.

4.01.003 Corporate Seal

The corporate seal of SITE shall consist of a design designated by the Board of Directors.

4.01.004 Duration and Attributes

- (a) SITE shall continue in perpetuity unless dissolved pursuant to S.T.C. 4.01.014.
- (b) SITE is a tribally chartered corporation separate and distinct from, but wholly owned by, the Skokomish Indian Tribe. Neither the Skokomish Indian Tribe nor any of its assets, nor the assets of any member of the Tribe, including real property, whether held in fee or in trust, on or off the Skokomish Reservation, shall be subject to the payment of the debts or satisfaction of the obligations of SITE to any extent whatsoever.
- (c) SITE is created under and is subject to the jurisdiction, laws, and ordinances of the Skokomish Indian Tribe. The Skokomish Tribal Council expressly reserves to the Skokomish Indian Tribe all of its inherent sovereign rights as an Indian Tribe with regard to SITE's activities. Further, the Skokomish Tribal Council reserves the privileges and immunities of such sovereign rights to SITE as a tribally chartered corporation. Nothing in this Corporate Charter constitutes a waiver of sovereign immunity from suit, and nothing in this Corporate Charter constitutes consent by the Skokomish Tribe or SITE to the jurisdiction of any federal, tribal or state court, in relation to any cause of action, case, or controversy to which SITE is a party or that involves the business or affairs of SITE.

4.01.005 Corporate Purposes

- (a) The general purposes of SITE are:
 - (1) To create and stimulate employment of members of the Skokomish Tribe.
 - (2) To generate profits to promote the growth and continuity of SITE.
 - (3) To generate tax and other revenue for use by the tribal government in providing services to the Skokomish tribal community.
 - (4) To increase the economic well-being of the members of the Skokomish Tribe in accordance with the economic development policies and plans of the Skokomish Tribe as adopted by the Tribal Council.
 - (5) To engage in any type of lawful business, enterprise or venture, other than gaming, banking or insurance.
- (b) The specific purposes of SITE are:
 - (1) To be the umbrella corporation for all tribal businesses, EXCEPT gaming and gaming related enterprises.
 - (2) To operate and manage all existing or proposed tribal businesses including, but

not limited to, the Twin Totems Grocery and Deli and the Skokomish Farmmarket.

(3) To coordinate the goals, activities, policies, and procedures of all tribal businesses established under SITE pursuant to the economic development, employment and other policies of the Tribal Council.

(4) In conjunction with the Skokomish Department of Economic Development, to research and develop new tribal businesses and tribal business ventures.

4.01.006 Corporate Powers

(a) To purchase, receive, solicit, take by gift, devise, or bequest, or otherwise acquire, own, hold, improve, use, and otherwise deal in and with real or personal property of every description, or any interest therein, wherever situated.

(b) To sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its corporate property or assets. PROVIDED, SITE is not authorized to sell or otherwise dispose of all or substantially all of its corporate property or assets without reasonable notice to the tribal membership and prior approval to the Skokomish Tribal Council. PROVIDED FURTHER that no real property owned by SITE shall be sold, mortgaged, or leased for a period greater than 25 years without the prior approval of the Tribal Council. **Notwithstanding any provision in this corporate charter, SITE shall have no authority to sell, mortgage, lease, encumber or dispose of any real property owned by the Skokomish Tribe, or any real property held in trust by the United States for the Tribe.**

(c) To make contracts or agreements, incur liabilities and borrow money from any source, upon such terms and rates and interests as the Board of Directors may determine; to issue notes, bonds and other obligations and secure any of its obligations by specifically mortgaging, pledging or assigning its corporate property or income as collateral for its corporate debts or liabilities.

(d) To lend or invest money for its corporate purposes and to take and hold real and personal property as security for payment of funds so loaned or invested.

(e) To conduct its affairs, carry on its operations, and exercise the powers granted under this Corporate Charter in any state, territory, district, or possession of the United States or in any foreign country.

(f) To elect or appoint officers and agents of the corporation and define their duties and fix their compensation.

(g) To have and exercise all powers incidental, necessary or convenient to the conduct of corporate business, not inconsistent with law, and to engage in any and all activities which will directly or indirectly carry out the purposes of SITE as set forth in S.T.C. 4.01.005.

4.01.007 SITE Board of Directors

(a) The corporate powers and authority of SITE, including management and operation of its businesses and property, are vested in its Board of Directors which shall be comprised of the

seven (7) members of the Skokomish Tribal Council. By separate authorizing resolution, the Skokomish Tribal Council may create and appoint members to an independent Board of Directors for SITE.

(b) The Board of Directors shall be responsible for the custody and management of all business, property and facilities of SITE. The Board of Directors shall adopt by-laws which provide for the internal regulation and management of the affairs of SITE. The Board of Directors shall be responsible for establishing and maintaining effective policies and procedures for the day-to-day operation of SITE.

(c) The Board of Directors may employ a general manager of SITE and/or managers for the individual tribal businesses to carry out day-to-day operations. The Board of Directors may delegate any or all of its duties and responsibilities, or any portion thereof, under this subsection (c), subsection (d) and subsection (e) to its managers. The Board of Directors may assign additional duties and responsibilities to its managers as needed to carry out the purposes of SITE as set forth in S.T.C. 4.01.005.

(d) In conjunction with the Skokomish Tribal Manager and the Skokomish Department of Economic Development, the Board of Directors shall provide for long-range economic development planning and shall evaluate the activities of SITE within the context of the Tribe's long-range plan.

(e) The Board of Directors shall prepare quarterly and annual reports of SITE's activities, as well as prepare SITE's annual Plan of Operation for presentation to the Skokomish Tribal Council and the Skokomish General Council.

4.01.008 Powers/Duties Reserved to the Skokomish Tribal Council

(a) The Skokomish Tribal Council must approve, by written resolution, all contracts and leases by and between SITE and any other party which purport to accomplish any of the following:

(1) The waiver of the sovereign immunity of SITE or its enterprises, or of the Skokomish Indian Tribe or any of its branches or agencies; or

(2) The purchase, sale, lease, exchange, transfer, conveyance, mortgage, pledge, or encumbrance of real property owned by SITE; PROVIDED that no real property owned by the Skokomish Tribe nor real property held by the United States in trust for the Tribe shall be sold, encumbered or disposed of except by consent of the Skokomish General Council.

(b) The Skokomish Tribal Council may loan tribal funds for the creation or development of SITE or any of its subsidiary businesses.

(c) The Skokomish Tribal Council may provide for the orderly dissolution of SITE or any of its subsidiary businesses when it has accomplished its purposes or when it becomes necessary to avoid continuing financial loss.

4.01.009 Powers/Duties of the Skokomish Tribal Manager

(a) The Skokomish Tribal Manager shall review SITE's annual Plan of Operation. The Skokomish Tribal Manager may recommend revisions of the Plan and shall assist with any revisions to the Plan as may be required.

(b) The Skokomish Tribal Manager shall review the quarterly reports of SITE's activities.

(c) At the direction of the Tribal Council, the Skokomish Tribal Manager shall transfer, or arrange for the transfer, of tribal funds for loans for the creation or development of SITE or any of its subsidiary businesses.

(d) At the direction of the Tribal Council, the Skokomish Tribal Manager shall oversee the orderly dissolution of SITE or any of its subsidiary businesses.

4.01.010 Ownership of Corporation

(a) SITE is a corporation wholly owned by the Skokomish Indian Tribe for the benefit of the Tribe and its members, and its ownership is inalienable.

(b) SITE shall keep and maintain accurate books, records and minutes of proceedings of its Board of Directors; accurate financial records; and copies of its annual reports for the past five years. All such records and reports shall be available for inspection at its offices during regular office hours by members of the Tribal Council, tribal members and tribal attorneys.

4.01.011 Transfer of Assets

(a) By Resolution No. 80-51, dated September 12, 1980, the Skokomish Tribal Council established the Skokomish Liquor Agency and Store as a department within the tribal government. By Resolution No. 84-50, dated November 19, 1984, the name of the Skokomish Liquor Agency and Store was renamed and currently operates as Twin Totems Grocery and Deli. As a department within the Skokomish tribal government, all the assets of Twin Totems, including property of all kinds, real and personal, tangible and intangible, are directly owned by the Skokomish Indian Tribe. As of the effective date of this Corporate Charter and by this document, the Skokomish Tribal Council transfers all assets of Twin Totems Grocery and Deli, except real property owned by the Tribe or held in trust by the United States, to SITE.

~~(b) By Resolution No. 98-23, dated February 25, 1998; Resolution No. 99-03, dated January 13, 1999; Resolution No. 99-12, dated February 10, 1999; Resolution No. 99-35, dated May 10, 1999; Resolution No. 00-07, dated January 26, 2000; Resolution No. 00-20, dated February 23, 2000; Resolutions Nos. 00-23 and 00-24, dated March 8, 2000; and Resolution No. 00-57, dated June 7, 2000; the Skokomish Tribal Council authorized the submission of grant proposals and secured other funding for a new tribal business known as the Skokomish Farmmarket. As of the effective date of this Corporate Charter and by this document, the Skokomish Tribal Council transfers all assets of the Skokomish Farmmarket, except real property owned by the Tribe or held in trust by the United States, to SITE.~~

REPEALED MAY 17, 2006 BY TRIBAL COUNCIL RESOLUTION NO. 06-58.

(c) All assets transferred to SITE pursuant to this document shall be listed in a separate Appendix and attached to the first annual report submitted to the Skokomish General Council.

4.01.012 Indemnification of Directors and Officers

(a) SITE shall indemnify any person who is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, because of the fact that the person is or was a director, officer, agent or employee acting on behalf of SITE against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit, or proceeding to the extent that the person is not otherwise indemnified. PROVIDED, SITE shall not be required to indemnify such director or officer if the Board of Directors determines, pursuant to a judicial decision in any such action, suit, or proceeding or independently, in case of settlement, that the director or officer has failed to act in good faith and with that diligence, care, and skill which an ordinarily prudent person would exercise under similar circumstances in like positions. In the event that the Board of Directors is deadlocked, and upon the majority vote of the directors, such determination shall be made by independent legal counsel.

(b) The right of indemnification provided for here is not exclusive of any other rights to which such director or officer may be entitled and it shall inure to the benefit of the heirs, executors, and administrators of any such person.

4.01.013 Distribution of Corporate Dividends

(a) Payments to Tribe.

This Corporate Charter is granted upon the condition that SITE shall make distributions, including quarterly dividends, to the governing body of the Skokomish Indian Tribe. No distribution of earnings or profit shall be made by SITE to any individual or entity other than the Skokomish Indian Tribe. PROVIDED, no distribution shall be made if, after giving effect, either:

- (1) SITE would not be able to pay its debts as they become due in the usual course of business; or
- (2) SITE's total assets would be less than the sum of its total liabilities.

(b) Reports.

(1) SITE shall file quarterly reports with the Skokomish Tribal Council, not later than 15 working days after the end of each fiscal quarter, which set out operating results for that quarter and for the corresponding quarter of the preceding year and a narrative analysis of SITE's business performance, including that of SITE's subsidiary businesses.

(2) Not less than 45 days before the end of each fiscal year, SITE shall submit to the Skokomish Tribal Council its annual Plan of Operation. The Plan shall include at least the following information:

- (A) The business done and any planned expansion or reduction in SITE facilities, personnel, or general operations, or in those of SITE's subsidiary

businesses;

(B) Material changes and developments since the last report in the businesses described; and

(C) Funds required out of net surplus funds or resources for the continuation or expansion of operations, personnel, or facilities.

(3) SITE shall prepare a written annual report of its corporate affairs which shall contain a statement of its current assets and liabilities; audited financial statements of SITE and its businesses for that fiscal year; a summary of significant events affecting corporate business affairs during the past 12 months; and a projection of next year's activities. This annual report shall be provided to the Tribal Council within 90 days after the end of each fiscal year.

4.01.014 Dissolution

(a) SITE shall have perpetual succession; PROVIDED however that SITE may be dissolved upon adoption by the Tribal Council of a resolution requiring dissolution of SITE. No such resolution shall take effect before the expiration of 90 days from the date of adoption.

(b) Upon winding up and dissolution of SITE, the assets of SITE, including any of SITE's subsidiary businesses not previously dissolved, remaining after payment of, or provision for payment of, all debts and liabilities of SITE, shall be distributed to the Skokomish Indian Tribe, or to another enterprise wholly owned by the Tribe designated by the Tribal Council which will ensure that the assets of SITE will be used exclusively to accomplish the general purposes for which SITE is organized.

4.01.015 Amendment

This Charter may be amended only upon a resolution duly adopted by the Skokomish Tribal Council.

4.01.016 Ratification

This Corporate Charter shall be effective from the date of its ratification by the Skokomish Tribal Council, and shall repeal and replace provisions within any tribal ordinance or resolution pertaining to the legal status of any tribal business owned and operated by SITE.

CERTIFICATE OF RATIFICATION

Pursuant to its inherent sovereign authority and Article V, Section 1(d) of the Constitution of the Skokomish Indian Tribe, the Skokomish Tribal Council ratified the foregoing Corporate Charter for the Skokomish Indian Tribal Enterprises, Inc., by Skokomish Tribal Council Resolution No. 00-80, dated October 9, 2000.

ATTEST:

_____/s/ (Joseph Pavel – Vice, Chair)/

_____/s/

Denny Hurtado, Chairman
Skokomish Tribal Council

Marie Gouley, Secretary
Skokomish Tribal Council