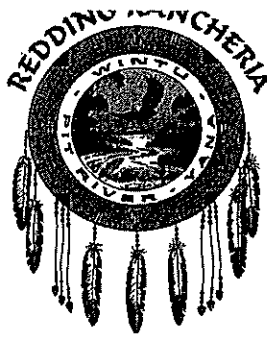


**Redding Rancheria
Corporate Conversion Ordinance**



ORDINANCE

REDDING RANCHERIA CORPORATE CONVERSION ORDINANCE

The Redding Rancheria Tribal Council, the governing body of the Redding Rancheria, a federally recognized Indian Tribe ("Tribe") hereby enacts the following Ordinance, pursuant to authority vested in the Council in Article V Section 1(h) of the Redding Rancheria Constitution, to create a procedure of converting wholly owned subsidiaries of a tribally chartered corporation into wholly owned subdivisions of a tribal corporation chartered under the Indian Reorganization Act 25 U.S.C 461 et. seq.

Findings and Policy

The Tribe finds that:

1. The Constitution delegates to the Council the authority to charter subordinate organizations for economic purposes.
2. The Council, in the exercise of these delegated powers, has chartered tribally owned for profit corporations to engage in business and trade both on and off the Redding Rancheria.
3. Section 17 of the Indian Reorganization Act of 1934, 25 USC 477, permits the Secretary of the Interior to charter tribal corporations that, among other things, conveys to the corporation the power to purchase, take by gift, or bequest, or otherwise, own, hold, manage operate or dispose of property of every description, real or personal, and to issue in exchange therefore interests in corporate property, and such further powers as may be incidental to the conduct of corporate business.
4. It is the policy of the Redding Rancheria to protect the assets of the Tribe and its members. In carrying out this policy it is imperative that tribally owned corporations are operated to maximize their economic opportunities and profitability.
5. It may be, under certain circumstances, advantageous, to the Tribe, its members, or a tribally chartered corporation, to permit a tribally chartered corporation, which is wholly owned by the Redding Rancheria, to convert one or more of its subsidiaries into subdivisions of a Section 17 IRA chartered corporation which is also wholly owned by the Redding Rancheria.

6. This Ordinance is intended to create an orderly process for converting subsidiaries of a tribally chartered corporation, which is wholly owned by the Rancheria, into subdivisions of a Section 17 IRA chartered corporation, which is wholly owned by the Redding Rancheria, without altering any rights it may have in property or diminishing its obligations to creditors and stockholders.

NOW, THEREFORE, the Tribal Council of the Redding Rancheria hereby ordains as follows:

Chapters

1. Title
2. Definitions
3. Conditions for Conversion
4. Plan of Conversion
5. Filing requirements for conversion documents; conclusive evidence of conversion
6. Conversion requirements; certificate or statement of conversion
7. Real property of converting corporations or other business entities; establishment of record ownership
8. Operation and effect of conversion; rights and obligations
9. Reserved
10. Severability
11. Effective Date
12. Amendment
13. Certification

Chapter 1: Title

This ordinance shall be known as the “Redding Rancheria Corporate Conversion Ordinance”

Chapter 2: Definitions

“**Tribe**”- means the Redding Rancheria

“**Tribal Council**”-means the governing body of the Redding Rancheria created and composed pursuant to Section IV of the Redding Rancheria Constitution or other subordinate board duly authorized by the Council to act on its behalf while such subordinate board is acting within its delegated authority.

“**IRA**”- means the Indian Reorganizations Act of 1934 codified as 25 U.S.C. 461 et. seq.

“**Section 17 IRA Corporation**”-means a corporation chartered by the Secretary of Interior pursuant to Section 17 of the IRA.

“**Board of Directors**”-means the governing board of a corporation as selected by the stock holders.

“Articles of Incorporation”-means the legal instrument filed with either the Tribal Council, for tribally chartered corporations, or the United States Secretary of the Interior, for Section 17 IRA chartered corporations, for the incorporation of a business or tribal entity under applicable law.

“Subsidiary”- means a corporation chartered under tribal law, having its own Board of Directors and Articles of Incorporation, but which is wholly owned by another tribally chartered corporation (parent) where the parent corporation is wholly owned by the Redding Rancheria

“Subdivision”-means a wholly owned enterprise of a Section 17 IRA corporation, having its own Board of Directors and its own Articles of Incorporation, whose assets and liabilities are legally segregated from the parent Corporation or any other subdivision.

Chapter 3: Conditions for Conversion

- (a) Subsidiaries of a tribally chartered corporation may be converted into subdivisions of a Section 17 IRA Corporation pursuant to this chapter if, pursuant to the proposed conversion, (1) the converting subsidiary is wholly owned by the Redding Rancheria, and (2) the Articles of Incorporation of the subsidiary state, or are amended to state, a purpose and powers consistent with those contained within the charter issued for the Section 17 IRA corporation by the Secretary of Interior under 25 U.S.C. 477.
- (b) Notwithstanding this section, the conversion of a subsidiary of a tribally chartered corporation into a subdivision of a Section 17 IRA Corporation may be effected only if the following conditions are complied with:
 - (1) The conversion will not violate existing tribal or federal law.
 - (2) The Council, or other subordinate board duly authorized by the Council, determines that conversion is in the interest of the Tribe, its members or the parent corporation of the converting subsidiary.

Chapter 4: Plan of Conversion

- (a) A subsidiary that desires to convert and become a subdivision of a Section 17 IRA Corporation shall approve a plan of conversion. The plan of conversion shall state all of the following:
 - (1) The terms and conditions of the conversion including proper assurances that the rights of the shareholders and creditors of the subsidiary shall not be adversely affected by the planned conversion.
 - (2) The manner of converting the shares of the converting subsidiary into securities of, or interests in, the newly created subdivision.

- (3) The provisions of the governing documents for the created subdivision, including Articles of Incorporation and bylaws to which the holders of interests in the subdivision are to be bound.
 - (4) Any other details or provisions that are required by the laws under which the new subdivision is organized.
- (b) The plan of conversion shall be approved by the Tribal Council or other subordinate board duly authorized by the Council.
 - (c) Notwithstanding its prior approval by the Tribal Council, a plan of conversion may be amended before the conversion takes effect if the amendment is approved by the Council or other subordinate board duly authorized by the Council.

Chapter 5: Filing requirements for conversion documents; conclusive evidence of conversion

- (1) After the approval by Resolution, as provided in Section V, of a Plan of Conversion the converting subsidiary shall cause the filing of all documents required by law to effect its conversion to a subdivision of the Section 17 IRA Corporation.
- (2) Articles of Incorporation of the newly created subdivision, approved by the Board of the Section 17 IRA Corporation shall be conclusive evidence of the conversion.

Chapter 6: Conversion requirements; certificate or statement of conversion

- (a) To convert a subsidiary of a tribal corporation into a subdivision of a Section 17 IRA Corporation a Certificate of Conversion must be issued by the Redding Rancheria Tribal Council and shall include:
 - (1) A statement of the total number of outstanding shares of stock entitled to vote on the conversion, that the principal terms of the plan of conversion were approved by a vote of the number of shares, or if a no stock corporation, that the plan of conversion was approved by a majority of the directors of the converting corporation and the parent of that corporation.
 - (2) The name, form, and jurisdiction of organization of the converted entity.

Chapter 7: Real property of converting corporations or other business entities; establishment of record ownership

- (a) Whenever a subsidiary of a tribally chartered corporation, having any real property, converts into a subdivision of a Section 17 IRA corporation, pursuant to this ordinance, the converting subsidiary vests title in the newly created subdivision all the real property of the converting subsidiary. The converted subsidiary shall file any necessary documents with either the office of the county recorder of any county in the state in which any of the real property of the converting subsidiary is located or with the Bureau of Indian Affairs if the land owned by the subsidiary is trust or other restricted Indian Lands.

Chapter 8: Operation and effect of conversion; rights and obligations

(a) Upon a conversion taking effect, all of the following apply:

- (1) All the rights and property, whether real, personal, or mixed, of the converting subsidiary are vested in the converted subdivision.
- (2) All debts, liabilities, and obligations of the converting subsidiary continue as debts, liabilities, and obligations of the converted subdivision.
- (3) All rights of creditors and liens upon the property of the converting subsidiary shall be preserved unimpaired and remain enforceable against the converted subdivision to the same extent as against the converting subsidiary as if the conversion had not occurred.
- (4) Any action or proceeding pending by or against the converting subsidiary may be continued against the converted subdivision as if the conversion had not occurred.

Chapter 9: Reserved

Chapter 10: Severability

If any part or provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance, including the application of such part or provision to persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this ordinance are severable.

Chapter 11: Effective Date

This ordinance shall take effect upon the date of certification in Chapter 13, provided that, for administrative and accounting purposes including, without limitation, allocation

of expenses, declaration of dividends, and determination of revenues and profits of all Redding Rancheria Economic Development Corporation entities, including subdivisions and subsidiaries, any conversion during 2008 shall be deemed to have occurred on January 2, 2008.

Chapter 12: Amendment

This ordinance may be amended as the Tribal Council deems appropriate to protect what the Tribal Council determines to be the best interests of the Tribe.

Chapter 13: Certification

We, the undersigned duly elected officials of the Redding Rancheria, do hereby certify that the foregoing Ordinance was adopted at a duly called meeting of the Tribal Council of the Redding Rancheria on December 16th 2008, by a vote for 6, against 0, abstentions 0.

Barbara Murphy
Redding Rancheria Chairperson

Dated: 12-16-08

Patty Spaulding
Tribal Secretary

Dated: 12-16-08

Present Council:

1. Barbara Murphy
2. Hope Wilkes
3. Jack Potter Jr.
4. Patty Spaulding
5. Jason Hart
6. Brian McCain
7. James Hayward Sr.
8. Leon Bender
9. Jo Ann Turmel
10. Michelle Hayward