

**Redding Rancheria  
Limited Liability Company Ordinance**



## REDDING RANCHERIA LIMITED LIABILITY COMPANY ORDINANCE

### PREAMBLE

The Redding Rancheria Indian Tribe, a federally recognized Indian Tribe (“Tribe”), hereby enacts this Ordinance to establish a framework in which the Tribe can organize a wholly owned limited liability company (“LLC”) under the jurisdiction of the Tribe. This Ordinance shall be known and cited to as the “Redding Rancheria Limited Liability Company Ordinance.”

### CHAPTERS

1. PURPOSE
2. GENERAL PROVISIONS
3. DEFINITIONS
4. FORMATION
5. OPERATION
6. FINANCES
7. DISSOLUTION

### CHAPTER 1. PURPOSE

This Ordinance provides for the establishment and operation of LLCs to extend the benefits of limited liability and pass-through taxation to the Tribe, to develop and modernize the laws applicable to businesses organizing under the sovereign powers of the Tribe, and to clearly define the jurisdiction of the Tribal Court in matters pertaining to LLCs organized under this Ordinance.

### CHAPTER 2. GENERAL PROVISIONS

#### 2000. SHORT TITLE

This Ordinance shall be known and cited as the “Redding Rancheria Limited Liability Company Code.”

**2001. SCOPE**

This Ordinance shall apply to LLCs organized herein under the laws and sovereign power of the Tribe.

**2002. RULES OF CONSTRUCTION**

When interpreting this Ordinance, the Tribal Court shall utilize the following rules of construction:

- A. This Ordinance shall be construed to advance its purpose, to promote Indian self-determination, and to foster tribal economic development for the Tribe.
- B. Nothing in this Ordinance shall be construed as a waiver of the Tribe's sovereign immunity or as authorizing any officer, employee, or agent of an LLC to waive the Tribe's sovereign immunity.
- C. Nothing in this Ordinance shall be construed as creating a claim for monetary or injunctive relief against the Tribe, its elected officials, officers, employees, or Tribal Members.
- D. Nothing in this Ordinance shall be construed as a waiver by the Tribe of its inherent and retained adjudicatory or regulatory jurisdiction over activities occurring on Tribal Lands.
- E. Nothing in this Ordinance shall be construed as limiting the Tribal Court's jurisdiction to adjudicate matters arising under Tribal Law.
- F. Words in the singular shall include the plural, and words in the plural shall include the singular.
- G. Where the Tribal Court determines ambiguity in interpreting and applying this Ordinance, the Tribal Court shall refer the matter to Tribal Council for resolution of such ambiguity.

**2003. FOREIGN APPLICATION**

An LLC organized under this Ordinance may conduct its business, carry on its operations, and exercise its powers in any foreign jurisdiction.

**2004. SEVERABILITY**

If any portion of this Ordinance is held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

## **2005. AMENDMENTS**

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

## **2006. DELEGATED AUTHORITY**

This Ordinance delegates authority to the Chief Executive Officer of the Tribe to establish policies and procedures necessary to implement and administer this Ordinance.

## **CHAPTER 3. DEFINITIONS**

**3000.** “Articles of Dissolution” means the document that dissolves the legal existence of an LLC after it has wound up its operations.

**3001.** “Articles of Organization” means the original document creating the legal existence of an LLC.

**3002.** “Board” means all the Directors appointed by Tribal Council to oversee an LLC’s operations.

**3003.** “Certificate of Organization” means the official document issued by the Tribe to represent that an LLC is lawfully organized under Tribal Law and in good standing.

**3004.** “Contribution” means anything of value that the Tribe contributes to an LLC.

**3005.** “Director” means a Tribal Member appointed by Tribal Council to sit on an LLC’s Board to oversee its operations.

**3006.** “Distribution” means a transfer of money or other property from an LLC to the Tribe.

**3007.** “LLC” means a limited liability company wholly owned by the Tribe and organized under this Ordinance.

**3008.** “Operating Agreement” means a written agreement pertaining to the business affairs and operations of an LLC.

**3009.** “Resident Agent” means the Director selected to receive legal service of process on behalf of an LLC.

**3007.** “Tribal Council” means the governing body of the Redding Rancheria as established by Article IV of the Constitution of the Redding Rancheria, adopted on January 6, 1986.

**3008.** “Tribal Court” means the Tribal Court of the Redding Rancheria.

**3009.** “Tribal Lands” means all territory described in the Redding Rancheria Constitution, all lands owned by the Tribe in fee simple, and all lands held in trust by the federal government for the benefit of the Tribe or individual Tribal Members, now or added at any time in the future.

**3010.** “Tribal Law” means the Redding Rancheria Constitution and any amendments thereto and all ordinances, resolutions, regulations, and policies now or hereafter duly enacted or adopted by the Tribe.

**3011.** “Tribal Member” means any duly enrolled member of the Redding Rancheria.

**3012.** “Tribe” means the Redding Rancheria, a federally recognized Indian tribe.

**CHAPTER 4. FORMATION**

**4000. TRIBE OWNED LLC**

Only the Tribe may organize and own an LLC. Tribal Council shall approve the Articles of Organization and appoint at least three (3) Tribal Members, and no more than nine (9) Tribal Members, as Directors to sit on an LLC’s Board and oversee its operations. Tribal Council may amend the Articles of Organization at any time pursuant to Section 4001. All the privileges and immunities of the Tribe, including, but not limited to, the Tribe’s sovereign immunity, extend to any LLC organized under this Ordinance.

**4001. FILING ARTICLES OF ORGANIZATION**

After Tribal Council approves the Articles of Organization and appoints an LLC’s Board, one Director shall deliver duplicate originals of the Articles of Organization to the administration. The administration shall:

- A. Endorse the date and time of receipt on the original and the duplicate copy.
- B. Assign an identification number and file the original.
- C. Issue a Certificate of Organization attached to the duplicate copy and return it to the Director.

**4002. ARTICLES OF ORGANIZATION**

The Articles of Organization may be in a form adopted by the administration but shall, at a minimum, contain the following information:

- A. Statement that the LLC is wholly owned by the Tribe and organized under this Ordinance.
- B. LLC name that satisfies Section 4003.
- C. Period of duration for the LLC, which may be perpetual or a stated term of years.
- D. Purpose for which the LLC is organized.
- E. Name and phone number of the Director selected to be Registered Agent.
- F. Names of the Directors.

**4003. NAME**

The name of an LLC, as set forth in its Articles 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 it is organized for any purpose other than that permitted under this Ordinance. The name shall be distinguishable from any LLC or entity previously organized under this Ordinance.

**4004. REGISTERED AGENT**

An LLC shall continuously maintain a Registered Agent. An LLC’s Board shall select one Director to be the Registered Agent. A Registered Agent is an LLC’s agent for service of process, notice, or demand required or permitted by applicable law.

**4005. CERTIFICATE OF ORGANIZATION**

Upon receipt of an LLC’s Articles of Organization, the administration shall issue a Certificate of Organization that serves as conclusive evidence that the LLC is organized under this Ordinance.

**CHAPTER 5. OPERATION**

**5000. OPERATING AGREEMENT**

Upon receipt of a Certificate of Organization, an LLC’s Board shall convene and adopt an Operating Agreement that governs its operations. If a conflict arises between the Articles of Organization and the Operating Agreement, the Articles of Organization shall control.

**5001. BOARD OF DIRECTOR OVERSIGHT**

Oversight of an LLC shall be vested in its Board. Any action taken by the Board is subject to review by Tribal Council. Directors serve at the will of Tribal Council.

**5002. FIDUCIARY DUTY**

Directors maintain a fiduciary duty to the LLC. Directors are not liable for any action taken in their capacity as Director, so long as they do not breach a fiduciary duty. The following actions breach a fiduciary duty:

- A. Willful failure to deal fairly with the LLC because of a material conflict of interest.
- B. Violation of criminal law, unless the conduct in question was reasonably considered lawful.
- C. Transaction in which an improper personal profit was derived.
- D. Willful misconduct, gross misconduct, or malice.

**5003. AGENCY POWER**

Directors serve as an agent of an LLC for the purposes of its business, but not as an agent of any other Director. The act of any Director, including the execution in the name of an LLC of any instrument for carrying on in the ordinary course of business of the LLC, binds the LLC in the particular matter.

**5004. KNOWLEDGE OF OR NOTICE TO BOARD OF DIRECTORS**

Notice to any Director about any matter relating to the business of the LLC, and the knowledge of a Director acting in the particular matter, acquired while a Director or at the time of becoming a Director, operate as knowledge of or notice to the LLC.

**5005. PARTIES TO ACTION**

Tribal Members are not a proper party to a proceeding by or against an LLC solely by their status as a member of the Tribe.

**5006. AUTHORITY TO SUE**

Any Director may bring an action on behalf of the LLC if authorized by the Board. At any time, Tribal Council may direct the Tribal Attorney to bring an action on behalf of an LLC.

### **5007. LIMITATION OF LIABILITY AND INDEMNIFICATION**

An LLC shall indemnify its Directors for all reasonable expenses incurred with respect to a proceeding if any Directors were a party to the proceeding in their capacity as a Director. An LLC shall not indemnify any of its Directors who breach a fiduciary duty.

### **5008. VOTING**

At a minimum, the majority vote, approval, or consent of an LLC's Board shall be required to:

- A. Adopt, amend, or revoke the Operating Agreement.
- B. Borrow money on behalf of the LLC.
- C. Authorize any Director to do an act on behalf of the LLC that contravenes its Operating Agreement.
- D. Defend or pursue legal claims on behalf of the LLC.
- E. Dissolve the LLC.

### **5009. RECORDS AND INFORMATION**

An LLC shall keep at its principal place of business a list of all past and present Directors, a copy of the Articles of Organization and Operating Agreement, copies of any tax returns and reports for the previous three (3) years, and copies of annual financial reports for the previous three (3) years.

## **CHAPTER 6. FINANCES**

### **6000. CONTRIBUTIONS**

Only the Tribe may contribute to an LLC organized under this Ordinance. Other sources of funding shall be considered a loan from a creditor and shall not represent an ownership interest in an LLC.

### **6001. DISTRIBUTIONS**

Tribal Council or an LLC's Board may approve Distributions to the Tribe by relying on financial statements and other financial data prepared on the basis of generally accepted accounting principles. Tribal Council or an LLC's Board may not approve Distributions to the Tribe if, after making a Distribution, the LLC would be unable to pay its debts as they become due in the usual course of business or the fair market value of the LLC's total assets would be less than the sum of its total liabilities.



**6002. OWNERSHIP OF LLC PROPERTY**

All property transferred to or acquired by an LLC is property of the LLC. Property acquired with LLC funds is LLC property. Property may be acquired, held, and conveyed in the name of the LLC.

**6003. TRANSFER OF PROPERTY**

If authorized by an LLC's Board, property of the LLC may be transferred by an instrument of transfer executed by one of its Directors in the name of the LLC.

**6004. FINANCIAL REPORT**

An LLC's Board shall approve a financial report annually and file it with the administration.

**CHAPTER 7. DISSOLUTION**

**7000. CONDITIONS FOR DISSOLUTION**

An LLC is dissolved and its affairs shall be wound up where an Operating Agreement mandates dissolution or where Tribal Council directs dissolution.

**7001. ARTICLES OF DISSOLUTION**

A dissolved LLC must file Articles of Dissolution with the administration that includes the following:

- A. The name of the LLC.
- B. The date of filing or delayed effective date of its Articles of Organization.
- C. The grounds under Section 7000 for dissolution and the date authorized.
- D. The delayed effective date of the Articles of Dissolution, if applicable.

**7002. WINDING UP**

A dissolved LLC continues its legal existence but may not carry on any business except that which is necessary to wind up and liquidate its business. The business of the LLC may be wound up by one or more Directors or any Tribal Member designated by Tribal Council. The person or persons

responsible for winding up the LLC shall do all of the following in the name of and on behalf of the LLC:

1. Collect its assets.
2. Prosecute and defend its suits.
  - a. Notify known creditors in writing of the dissolution and specify a procedure for making claims.
  - b. A claim against the LLC is barred if a creditor given proper notice does not deliver the claim, in writing, to the LLC by the deadline specified in the notice or within 90 days, whichever is longer.
  - c. A claim against the LLC is bared if a 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.
3. Take any action necessary to settle and close its business.
4. Dispose of and transfer its property.
5. Discharge or make provision for discharging its liabilities.
6. Distribute its remaining assets to the Tribe.
7. File Articles of Dissolution with the administration.

**7004. DISTRIBUTION OF ASSETS**

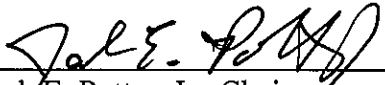
Upon the winding up an LLC, the assets shall be distributed to creditors and then the Tribe.

Ordinance History

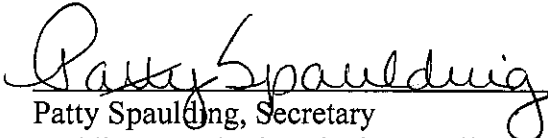
Jack E. Potter, Jr. (First Approved by General Membership on July 9, 2018, original on file),  
Redding Rancheria, Chairperson  
Patty Spaulding (First Approved by General Membership on July 9, 2018, original on file),  
Redding Rancheria, Secretary

**CERTIFICATION**

The Redding Rancheria Limited Liability Company Ordinance was amended by a vote of 6 for 0 against and 0 abstentions on Feb. 9, 2021, at a duly called Tribal Council meeting.

  
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Jack E. Potter, Jr., Chairperson,  
Redding Rancheria Tribal Council

march 30, 2021

  
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Patty Spaulding, Secretary  
Redding Rancheria Tribal Council

march 30, 2021