

**TITLE 7 – BUSINESS AND COMMERCIAL CODE  
CHAPTER 2 – CORPORATIONS CODE**

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**SUBCHAPTER A       GENERAL PROVISIONS**

**Section 10       Purpose (7 PYTC § 2-10)**

The purposes of this Ordinance are to:

- (A)    Enact a Corporations Code which modernizes the laws applicable to business created under the sovereign power of the Tribe;
- (B)    Encourage commerce on the Pascua Yaqui Reservation by providing limitations on the liability of participants in incorporated enterprises;
- (C)    Provide a method for establishing for profit and non profit corporations under the sovereign authority of the Tribe to regulate business on the Reservation; and
- (D)    Allow for the creation of tribal government owned corporations.

**Section 20       Short Title; Codification (7 PYTC § 2-20)**

- (A)    This ordinance shall be known as “The Pascua Yaqui Tribe Corporations Code”
- (B)    This ordinance shall be codified at Title 7, Chapter 2, Sections 10 through 1020.

**Section 30       Applicability (7 PYTC § 2-30)**

The provisions of this Ordinance shall apply to all corporations organized hereunder or which elect to accept the provisions of this Ordinance.

**Section 40       Definitions (7 PYTC § 2-40)**

- (A)    “Articles of Incorporation” means the original or restated articles of incorporation or articles of merger and all amendments to the articles of incorporation or merger.
- (B)    “Authorized Shares” mean the shares of all classes which the corporation is authorized to issue.
- (C)    “Board of Directors” means the group of persons vested with management of the affairs of the corporation.
- (D)    “Business day” means a day that is not a Saturday, a Sunday or any other legal holiday for the Tribe.
- (E)    “Bylaws” mean the code of rules adopted for the regulation or management of the affairs of a corporation.
- (F)    “Corporation” means a corporation, whether for profit or not for profit, organized under this Chapter.

- (G) “Entity” means corporations, associations, trusts, estates, partnerships, limited liability companies, individuals, Indian tribes or Native groups, states, municipalities, the United States, and foreign governments.
- (H) “Foreign Corporation” means a corporation, whether for profit or not for profit, that is incorporated under a law other than the law of the Tribe.
- (I) “For-Profit Corporation” means a corporation of which the income is distributable for the benefit of its shareholders, and whose assets, upon dissolution, are distributable to its shareholders.
- (J) “Insolvent” means inability of a corporation to pay its debts as they become due in the usual course of its business.
- (K) “Member” means one having membership rights in a corporation in accordance with the provisions of its articles of incorporation or by-laws.
- (L) “Net Assets” mean the amount by which the total assets of a corporation exceed the total debts of the corporation.
- (M) “Non-Profit Corporation” means one in which no part of the income of the corporation is distributable to any person by reason of that person’s status as a member, director, officer or employee, except for reasonable wages for work performed.
- (N) “President” means that officer designated as the president in the articles of incorporation or bylaws, or if not so designated, that officer authorized in the articles of incorporation, bylaws or otherwise to perform the functions of the chief executive officer, irrespective of the name by which designated.
- (O) “Principal office” means the office, on or off the Reservation, so designated in the annual report where the principal executive office of a domestic or foreign corporation are located or in any other document executed by the corporation by an officer and delivered to the Tribal Secretary for filing. If an office has not been so designated, principal office means the known place of business of the corporation.
- (P) “Shareholder” means the person in whose name shares are registered in the records of the corporation.
- (L) “Shares” mean the units into which the ownership interests in a corporation are divided.
- (M) “Tribal Government Corporation” means a corporation, whether for profit or non profit, which is wholly owned or majority owned and controlled by the Pascua Yaqui Tribe.

**Section 50      Status of Certain Corporations (7 PYTC § 2-50)**

- (A) Tribal Government Corporations organized under this ordinance shall be considered to be governmental agencies and instrumentalities of the Tribe, created to carry out the responsibilities of the Tribe for economic development and the advancement of Tribal members. Such corporations, their officers, and employees are, therefore, entitled to all of the privileges and immunities enjoyed by the Tribe, including, but not limited to, immunities from suit in federal, state, and tribal courts, and federal and state taxation or regulation, except as specifically set out in the articles of incorporation granted pursuant to this Chapter or as specifically waived by Tribal Council, other tribal ordinances or applicable federal law.
  - (1) Any subsidiary corporation, its officers and employees, which is wholly owned by a Tribal Government Corporation, shall have all the same powers, privileges and immunities as the parent corporation

- (B) For the sole purpose of taxation, regulatory jurisdiction, civil jurisdiction, and criminal jurisdiction, the following corporate entities shall be treated as a member of a federally-recognized Indian tribe:
  - (1) All for profit corporations formed pursuant to this Chapter which are at least 51% owned by Indians who are members of federally-recognized tribes.
  - (2) All non-profit corporations formed pursuant to this Chapter in which at least 51% of its members are members of federally-recognized Indian tribes and which have as their primary purpose benefiting the members of the Pascua Yaqui Tribe.
- (B) In the case of any corporation having its principal place of business on the Reservation and which has been incorporated under the laws of any state and also under this Chapter, the ordinances and resolutions of the Tribal Council and the Constitution of the Tribe shall take precedence over any conflicting state laws or charter documents in any dispute concerning the status of the corporation or the rights and obligations of any persons with respect to the corporation.
- (C) The Tribal Court shall have jurisdiction to decide all questions with respect to the status of corporations formed pursuant to this Chapter.

**Section 60 Corporate Name (7 PYTC § 2-60)**

- (A) The name of any for-profit corporation shall contain the words “Corporation,” “Company,” “Incorporated,” “Limited,” or an abbreviation of one these words and shall carry the by-line “A Pascua Yaqui Corporation.”
- (B) The name of a not for profit corporation may contain the words “Incorporated”, “Corporation”, “Limited”, “Association”, “Fund”, “Society”, “Club”, or “Foundation” and shall carry the by-line “A Pascua Yaqui Non-Profit Corporation.”
- (C) A corporate name shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than the purposes contained in its articles of incorporation.
- (D) A corporation formed under this Chapter shall not use any corporate name which is the same as, or similar to, the name of any corporation organized under this Chapter.
- (E) A corporation which is privately owned or controlled shall not use any name, word or phrase which indicates or implies that it is a subdivision or enterprise of the Tribe.

**Section 70 Registered Agent (7 PYTC § 2-70)**

- (A) Each corporation organized pursuant to this Chapter shall maintain a registered agent on the Reservation. The office may be, but need not be, the same as its place of business.
- (B) A corporation may change its registered agent by delivering a statement in writing of such change to the Tribal Secretary.
- (C) A corporation’s registered agent is the corporation’s agent for service of process, notice, or demand required or permitted by law to be served on the corporation. If the corporation fails to appoint or maintain an agent, then service may be made upon the Tribal Secretary who shall record receipt of service and forward it by registered mail to the last address of record of the corporation’s principal office. The Secretary’s record of service and mailing to the corporation shall be evidence of service.

**Section 80 Liability of Shareholders or Members (7 PYTC § 2-80)**

- (A) A holder of shares of a corporation shall be under no obligation to the corporation or its creditors with respect to the shares other than the obligation to pay to the corporation the full consideration for which the shares were issued.
- (B) The Tribe shall be under no obligation to a Tribal Government Corporation or the creditors of any Tribal Government Corporation which the Tribe incorporates, and the Tribe shall not be deemed to have waived any of the Tribe's privileges or immunities, including its sovereign immunity, if the Tribe incorporates a Tribal Government Corporation.

**Section 90 Jurisdiction (7 PYTC § 2-90)**

- (A) All corporations formed pursuant to this Chapter and all directors, officers, shareholders, and members of such corporations shall be subject to the civil, regulatory, and adjudicative jurisdiction of Tribe for all actions which arise out of the acts, omission or participation of such persons in connection with the affairs of such corporations
- (B) Any corporation established pursuant to this Chapter, its directors, officers, shareholders, or members shall be bound by all applicable laws of the Tribe and of the federal government.

**Section 100 Filing, Service and Copying Fees (7 PYTC § 2-100)**

The Tribal Secretary shall collect the following fees when documents described in this section are delivered to her for filing or issuance:

- (A) Application for incorporation and proposed articles of incorporation: \$50;
- (B) Application for an amendment to the articles of incorporation: \$25;
- (C) Application for registered name: \$10;
- (D) Statement of change of name or address of registered agent: \$10;
- (E) Articles of merger or share exchange: \$100;
- (F) Articles of dissolution: \$25;
- (G) Articles of domestication: \$100;
- (H) Articles of revocation of dissolution: \$25;
- (I) Application of authority to transact business: \$100;
- (J) Annual Report: \$45
- (K) Certified copy of any document, instrument report or other paper relating to a corporation: \$25;
- (L) Certificate as to the status of a corporation: \$10.

**Section 110 Records (7 PYTC § 2-110)**

- (A) A corporation shall keep as permanent records minutes of all meetings of its shareholders, members, and board of directors, a record of all actions taken by the shareholders, members or board of directors without a meeting, and a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the corporation.

- (1) For Tribal Government Corporations, a copy of all meeting minutes shall be filed with the Tribal Secretary's office within 30 days of the meeting.
- (B) A corporation shall maintain appropriate accounting records.
- (C) A corporation or its agent shall maintain a record of its shareholders or members, in a form that permits preparation of a list of the names and addresses of all shareholders or members, in alphabetical order by class of shares showing the number and class of shares held by each.
- (D) Each corporation shall keep at its registered office the following records:
  - (1) its articles of incorporation and all amendments to them currently in effect;
  - (2) its bylaws and all amendments to them currently in effect;
  - (3) resolutions adopted by its board of directors creating on or more classes or series of shares, and fixing their relative rights, preferences, and limitations, if shares issued pursuant to those resolutions are outstanding;
  - (4) the minutes of shareholders' or members' meetings, and records of all action taken by shareholders or members without a meeting, for the past three years.
  - (5) all written communications to shareholders or members generally within the past three years, including the financial statements furnished for the past three years.
  - (6) a list of the names and addresses of its current directors and officers; and
  - (7) its most recent annual report delivered to the Tribal Secretary.
- (E) All relevant records may be inspected by shareholders or members, their agents or attorneys for any purpose at any reasonable time.
  - (1) The Tribal Council reserves the right to inspect a Government Corporation's books and records of accounts and reserves the right to perform audits to ensure compliance with applicable law. The Internal Audit Department may conduct such inspections and audits to ensure compliance with applicable law.
- (F) Any corporation receiving grants, contracts, use of tribal property, or other benefits derived through or by the Tribe shall file with the Tribal Secretary quarterly financial statements and narratives of their actions and accomplishments of stated objectives and goals.
- (G) A corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.
- (H) Each corporation shall file with the Tribal Secretary an annual report that sets forth:
  - (1) the name of the corporation and the jurisdiction under which it is incorporated;
  - (2) the address of its registered office and the name of its registered agent at that office;
  - (3) the address of its principal office;
  - (4) the names and addresses of its directors and principal officers;
  - (5) a brief description of the nature of its business

- (6) the total number of authorized shares, itemized by class and series, if any, within each class;
  - (7) the total number of issued and outstanding shares, itemized by class and series, if any, within each class.
- (I) Each annual report shall be filed with the Tribal Secretary's office between January 1 and April 1 of the year following the calendar year in which the corporation was incorporated. Subsequent annual reports must be delivered to the Tribal Secretary between January 1 and April 1 of the following calendar years.
- (1) Each corporation, foreign or domestic, that fails or refuses to file its annual report for any year within the time prescribed by this Chapter shall be subject to a penalty of \$50.00, to be assessed by the Tribal Secretary.
- (J) All certificates issued by the Tribal Secretary in accordance with the provisions of this Chapter and all copies of documents filed in his or her office in accordance with the provisions of this Chapter, 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.

**Section 120 Unauthorized Assumption of Corporate Powers (7 PYTC § 2-120)**

All persons who assume to act as a corporation without authority to do so shall be jointly and severally liable for all debts and liabilities incurred or arising as a result thereof.

**SUBCHAPTER B FOR PROFIT CORPORATIONS**

**Section 130 Organization and Powers (7 PYTC § 2-130)**

- (A) Corporations may be organized under this Ordinance for any lawful purpose.
- (B) General Powers. Unless its articles of incorporation provide otherwise, every corporation shall have the following powers:
- (1) To exist perpetually.
  - (2) To sue and be sued and to complain or defend in its corporate name, except that the extent of the corporation's liability shall be limited to the assets of the corporation and shall be subject to the limitations contained in Section 70 of this Ordinance.
  - (3) To have a corporate seal, which may be altered at will, and to use it or a facsimile of it by impressing or affixing it or in any manner reproduce it.
  - (4) To purchase, receive, lease, or otherwise acquire, and own, hold, improve, use, and otherwise deal with real or personal property, or any interest in property wherever located.
  - (5) To sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of all or any part of its property.

- (6) To purchase, receive, subscribe for, or otherwise acquires, own, hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of and deal in and with shares or other interests in or obligations of any other entity.
- (7) To make contracts and incur liabilities, borrow money, issue notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, franchises, and income.
- (8) To lend money, invest its funds, and receive and hold real and personal property as security for repayment.
- (9) To be a promoter, partner, member, associate, or manager of any partnership, joint venture, trust, or other entity.
- (10) To conduct its business, locate offices, and exercise the powers granted by this Ordinance within or without the Reservation.
- (11) To elect or appoint officers and agents of the corporation, define their duties and fix their compensation.
- (12) To pay pensions and establish pension plans, trusts, profit sharing plans, share bonus plans, and benefit or incentive plans for any or all its current or former directors, officers, and employees.
- (13) To indemnify any director or officer against their expenses incurred in connection with the defense of any action suit or proceeding in which they are a party by reason of their service with the corporation, except in cases where the director or officer is adjudged liable for negligence or misconduct in the performance of duty.
- (14) To make and amend bylaws, not inconsistent with its articles of incorporation or with the laws of the Tribe, for managing the business and regulating the affairs of the corporation.
- (15) To make donations for the public welfare or for charitable, scientific, or educational purposes.
- (16) To transact any lawful business that will aid governmental policy.
- (17) To have and exercise all powers necessary or convenient to affect its purposes.

**Section 140 Ultra Vires (7 PYTC § 2-140)**

- (A) Except as provided in paragraph (B), below, the validity of corporate action may not be challenged on the ground that the corporation lacks or lacked power to act.
- (B) A corporation's power to act may be challenged in a proceeding before the Tribal Court by any of the following:
  - (1) Ten percent of the shareholders or a director against the corporation to enjoin the act.
  - (2) The corporation, directly, derivatively, or through a receiver, trustee, or other legal representative, against an incumbent or former director, officer, employee, or agent of the corporation to enjoin the act.
  - (3) The Office of the Attorney General, as provided in this Chapter, to dissolve the corporation or to enjoin the corporation from performing unauthorized acts.

**Section 150      Incorporation (7 PYTC § 2-150)**

Any member of the Tribe over the age of 18 may act as the incorporator of a corporation by delivering articles of incorporation to the Tribal Secretary for filing.

**Section 160      Articles of Incorporation (7 PYTC § 2-160)**

- (A)      The articles of incorporation shall set forth the following:
- (1)      The name of the corporation.
  - (2)      The period of existence, which may be perpetual.
  - (3)      The purpose for which the corporation is organized, which may include the transaction of any lawful business for which corporations may be incorporated under this ordinance.
  - (4)      Any provision not inconsistent with law which the incorporators elect to set forth in the Article of Incorporation for the regulation of the internal affairs of the corporation, including any provision restricting the transfer of shares and any provision which under this ordinance is required or permitted to be set forth in the bylaws.
  - (5)      The address of its initial registered office and the name of its initial registered agent at such address.
  - (6)      The number of directors constituting the initial board of directors and the names and addresses of the persons who are to serve as directors.
  - (7)      The name and address of each incorporator.
  - (8)      If a corporation is authorized pursuant to its articles of incorporation to create and issue shares of stock, the articles of incorporation shall also set forth the following:
    - (a)      The number of shares which the corporation shall have authority to issue and a description of their classes if any, and par value if any.
    - (b)      If the shares are to be divided into classes, the designation of each class and a statement of the preferences, limitations, and relative rights in respect of the shares of each class.
    - (c)      If the corporation is to issue the shares of any preferred or special class in series, then the designation of each series and a statement of the variations in the relative rights and preferences between series and a statement of the authority of the board of directors to designate such rights and preferences over time.
    - (d)      If any preemptive right is to be granted to shareholders, the provisions therefore.
  - (9)      For a Tribal Government Corporation, the dividend distribution policy.
- (B)      It shall not be necessary to set forth in the articles of incorporation any of the corporate powers enumerated in this ordinance. Whenever a provision of the articles of incorporation is inconsistent with the bylaws, the articles shall be controlling.
- (C)      The Tribal Council must approve, by majority vote, the articles of incorporation for any Tribal Government Corporation.

**Section 170 Filing of Articles of Incorporation (7 PYTC § 2-170)**

- (A) Duplicate originals of the articles of incorporation shall be delivered to the Tribal Secretary. If the Tribal Secretary finds that the articles of incorporation conform to tribal law, the Secretary shall:
  - (1) Endorse on each duplicate originals the word “filed” and the month, day, and year of the filing thereof.
  - (2) Register and maintain one duplicate original in the Secretary’s Office.
  - (3) Issue a Certificate of Incorporation to which the Secretary shall affix the other duplicate original and return to the incorporators.
- (B) The Tribal Secretary’s issuance of a Certificate of Incorporation and registering of the same is conclusive proof that all conditions precedent to incorporation has been satisfied.

**Section 180 Effect of Issuance of Certificate of Incorporation (7 PYTC § 2-180)**

Unless a delayed effective date is specified, the corporate existence begins when the Certificate of Incorporation is registered.

**Section 190 Organization of Corporation (7 PYTC § 2-190)**

After the articles of incorporation have been registered by the Tribal Secretary, the initial Directors shall hold an organization meeting. The meeting shall be called by its incorporator(s) or a majority of the named directors. The purpose of the meeting is to complete the corporation’s organization by selecting officers of the board of directors, appointing officers of the corporation, adopting bylaws, and carrying on any business brought before the meeting.

**Section 200 Bylaws (7 PYTC § 2-200)**

- (A) The bylaws of a corporation may contain any provision for managing the business and regulating the affairs of the corporation that is not inconsistent with tribal law or the articles of incorporation.
- (B) The initial by-laws of a corporation shall be adopted by its Board of Directors. The power to alter, amend, or repeal the by-laws or adopt new by-laws shall be vested in the Board of Directors unless otherwise provided in the articles of incorporation or the by-laws

**Section 210 Shares, Earnings and Ownership (7 PYTC § 2-210)**

- (A) Tribal Government Corporations.
  - (1) A Tribal Government Corporation wholly owned by the Tribe shall not be required to issue shares for the purposes of delineating ownership in the corporation.
  - (2) The Tribal Council, as shareholder representatives, shall exercise the powers authorized for shareholders under this Ordinance for Tribal Government Corporations whether or not shares are authorized.
  - (3) The Tribe’s share of a Tribal Government Corporation’s net earnings may be distributed to the Tribe as dividends, as defined in the articles of incorporation. The net earnings shall be the sum remaining after provisions have been made for payment of all debts, operating expenses, payment of amortized indebtedness, depreciation, contingencies and such costs as are necessary for managing and conducting business of the corporation.

- (B) Authorized Shares.
- (1) Each corporation shall have the power to create and issue the number of shares stated in its articles of incorporation. Shares may be divided into one or more classes, any or all of which may consist of shares with or without par value, and with the designation, preferences, limitations, and relative rights stated in the articles of incorporation. The articles of incorporation may limit or deny voting rights or provide special voting rights for the shares of any class to the extent not inconsistent with the provisions of this Ordinance.
  - (2) Without limiting the authority herein contained, a corporation whose articles of incorporation permits may issue shares of preferred or special classes that:
    - (a) Subject to the right of the corporation to redeem the shares at the price fixed by the articles of incorporation.
    - (b) Entitle the holders to cumulative, non-cumulative, or partially cumulative dividends.
    - (c) Have preference over any other class of shares as to the payment of dividends.
    - (d) Have preference in the assets of the corporation over any other class of shares upon the liquidation of the corporation.
    - (e) Convertible into shares of any other class or series, except a class having prior or superior rights and preferences as to dividends or distribution of assets upon liquidation. Shares without par value shall not be converted into shares with par value unless that part of the stated capital of the corporation represented by such values without par value is, at the time of conversion, at least equal to the aggregate par value of the shares into which the shares without par value are to be converted or the amount of any such deficiency is transferred from surplus to stated capital.
- (C) Consideration for the issuance of shares may be paid, in whole or in part, in cash, in other property, tangible or intangible, or in labor or services actually performed for the corporation. Neither promissory notes nor future services shall constitute payment.
- (D) The shares of a corporation shall be represented by certificates signed by the President or the Vice President and the Secretary of the corporation.
- (E) Distribution to Shareholders.
- (1) The board of directors may authorize and the corporation may make distributions to its shareholders subject to restriction by the articles of incorporation and the limitation in subsection (E)(3).
  - (2) If the board of directors does not fix the record date for determining shareholders entitled to a distribution (other than one involving a purchase, redemption, or other acquisition of the corporation's shares), it is the date the board of directors authorizes the distribution.
  - (3) No distribution may be made if, after giving it effect:
    - (a) the corporation would not be able to pay its debts as they become due in the usual course of business; or

- (b) the corporation's total assets would be less than the sum of its total liabilities plus (unless the articles of incorporation permit otherwise) the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.
- (4) The board of directors may base a determination that a distribution is not prohibited under subsection (E)(3) either on financial statements prepared on the basis of accounting practices and principles that are reasonable under the circumstances or on a fair valuation or other method that is reasonable under the circumstances.
- (5) Except as provided in subsection (E)(7), the effect of a distribution under subsection (E)(3) is measured:
  - (a) in the case of distribution by purchase, redemption, or other acquisition of the corporation's shares, as of the earlier of
    - (i) the date money or other property is transferred or debt incurred by the corporation; or
    - (ii) the date the shareholder ceases to be a shareholder with respect to the acquired shares;
  - (b) in the case of any other distribution of indebtedness, as of the date the indebtedness is distributed;
  - (c) in all other cases, as of:
    - (i) the date the distribution is authorized if the payment occurs within 120 days after the date of authorization; or
    - (ii) the date the payment is made if it occurs more than 120 days after the date of authorization.
- (6) A corporation's indebtedness to a shareholder incurred by reason of a distribution made in accordance with this subsection is at parity with the corporation's indebtedness to its general, unsecured creditors except to the extent subordinated by agreement.
- (7) Indebtedness of a corporation, including indebtedness issued as a distribution, is not considered a liability for purposes of determinations under subsection (E)(3) if its terms provide that payment of principal and interest are made only if and to the extent that payment of a distribution to shareholders could then be made under this subsection. If the indebtedness is issued as a distribution, the effect of which is measured on the date the payment is actually made.

**Section 220 Shareholders Meetings (7 PYTC § 2-220)**

- (A) A corporation shall hold a meeting of shareholders annually in accordance with the bylaws. Annual meetings may be held on the Reservation. The failure to hold an annual meeting does not affect the validity of any corporate action.
  - (1) For Tribal Government Corporations, all shareholder meetings must be held on the Reservation.
- (B) A corporation may hold a special meeting of shareholders at the call of its board of directors or at the request of 10% of the shareholders entitled to vote.

- (C) Unless the articles of incorporation or bylaws provide otherwise, action required to be taken at a shareholders meeting may be taken without a meeting if the action is taken by all the shareholders entitled to vote. Such action must be evidenced in writing, signed by each shareholder and delivered to the corporation for inclusion in the minutes and records.
- (D) For a Tribal Government Corporation, the Tribal Council shall vote the Tribe's shares at the annual meeting.

**Section 230 Notice of Shareholders Meetings (7 PYTC § 2-230)**

A corporation shall notify shareholders of the date, time and place of each annual or special shareholders meeting at least ten days before the meeting. A shareholder may waive notice and a shareholder may be deemed to have waived notice if the shareholder attends the meeting unless the shareholder objects at the beginning of the meeting.

**Section 240 Voting Entitlement of Shares (7 PYTC § 2-240)**

- (A) Unless the articles of incorporation provide otherwise, each outstanding share is entitled to one vote on each matter voted on at a shareholders meeting. A shareholder may vote a share in person or by proxy provided that shareholder has appointed a proxy by signing an appointment and filed the appointment with the corporation.
  - (1) Except voting by proxy shall be illegal for voting the shares in a Tribal Government Corporation.
- (B) For a Tribal Government Corporation, the Tribal Council shall vote the Tribe's shares. The Tribal Council shall exercise the powers authorized for shareholders.
  - (1) Each Council Member shall have the right to vote that number of shares which is equal to a fraction of the total shares owned by the Tribe. The fraction is calculated by dividing the total number of shares owned by the Tribe by the number of Council Members holding such office at the date on which the vote is taken. Where no shares are issued by the Tribal Government Corporation, each Council Member shall be entitled to one vote.
  - (2) Such Council Member voting rights shall be enjoyed for as long as such Council Member remains a duly elected member of the Tribal Council.
  - (3) In voting the shares of a corporation wholly owned by the Tribe, Council Members are acting not in a personal capacity, but in a representative capacity on behalf of the Tribe itself.
- (D) Voting Trusts and Agreements.
  - (1) One or more shareholders may create a voting trust, conferring on a trustee the right to vote or otherwise act for them, by signing an agreement setting out the trust's provisions and transferring the shares to the trustee. When a voting trust agreement is signed, the trustee shall deliver to the corporation the names and address of all owners of beneficial interests in the trust, together with the number and class of shares transferred to the trust.
  - (2) Two or more shareholders may also provide for the manner in which they will vote their shares by signing an agreement for that purpose.

**Section 250 Shareholder Management Functions; Tribal Government Corporations  
(7 PYTC § 2-250)**

- (A) Shareholders of Tribal Government Corporations shall have limited management functions, can intrude on the managerial discretion of the board of directors only to a limited extent, and can control such extraordinary matters as are beyond the scope of ordinary management.
- (B) Shareholder control will take the form of voting at shareholder meetings or giving written consents with respect to:
  - (1) election and removal of directors;
  - (2) adoption, amendment, and repeal of bylaws in accordance with Section 140(B);
  - (3) shareholder resolutions, including ratification of actions of the board of directors; and
  - (4) extraordinary corporate matters, including, but not limited to, amendments of the articles of incorporation, sale or lease of assets not in the regular course of business, merger, consolidation, and dissolution.

**Section 260 Board of Directors (7 PYTC § 2-260)**

- (A) The business and affairs of the corporation shall be managed by a board of directors, subject to any limitations set forth in the articles of incorporation. The articles of incorporation or bylaws may prescribe qualifications for directors. A director need not be a member of the Tribe unless the articles of incorporation or bylaws so prescribe.
- (B) Tribal Government Corporations and any corporation receiving grants, program contracts, use of tribal property, or other benefits derived through or by the Tribe, shall have no members of the same immediate family on the board of directors. Immediate family shall include grandparents, parents, children, brothers and sisters, and grandchildren of the family.

**Section 270 Number and Election (7 PYTC § 2-270)**

- (A) A board of directors must consist of one or more individuals with the number established in the articles of incorporation or bylaws.
  - (1) Tribal Government Corporations wholly owned by the Tribe shall have at least five directors, the majority of whom must be tribal members. No member of Tribal Council can be a director.
- (B) For a Tribal Government Corporation, the articles of incorporation or bylaws may provide that the Tribal Council may appoint the directors. The articles of incorporation or bylaws may also provide that the Tribal Council may vote the Tribe's shares to elect the directors.
- (C) If the articles of incorporation authorize dividing the shares into classes, the articles may also authorize the election of directors by the holders of authorized classes of shares.
- (D) Initial directors shall be named in the articles of incorporation and thereafter directors shall be elected at the annual shareholders' meeting.
  - (1) The Tribal Council shall appoint the initial organizing directors for Tribal Government Corporations.
- (E) The terms of the initial directors expire at the first shareholders' meeting at which directors are elected. The terms of all subsequent directors expire at the next annual meeting following their

election unless the articles of incorporation or bylaws provide for staggered terms. Directors appointed to fill a vacancy shall serve until the next shareholders' meeting at which directors are elected. Despite expiration of a director's term, a director continues to serve until the successor is elected and qualifies or until the board size is decreased.

- (F) A director may resign at any time by delivering written notice to the board of directors or its chairman.

**Section 280 Removal of Directors (7 PYTC § 2-280)**

- (A) The shareholders may remove one or more directors with or without cause unless the articles of incorporation provide that directors may be removed only with cause.
- (B) The Tribal Council may remove, with or without cause, any director it has elected by a majority vote for removal unless the articles of incorporation provide that directors may be removed only for cause.
- (C) If a director is elected by a class of shareholders, the shareholders of that voting group may participate in the vote to remove the director.
- (D) A director may be removed only at a meeting called for the purpose of removing the director(s) and the meeting notice must state that the purpose or one of the purposes, of the meeting is removal of the director.
- (E) Unless the articles of incorporation provide otherwise, a vacancy on the board may be filled by the board of directors, though less than a quorum.
- (F) Unless the articles of incorporation or bylaws provide otherwise, the board of directors may fix the compensation of directors.

**Section 290 Board of Directors Meetings (7 PYTC § 2-290)**

- (A) The board of directors may hold regular or special meetings, which may be held on the Reservation.
  - (1) For Tribal Government Corporations, all meetings must be held on the Reservation.
- (B) Unless the articles of incorporation or bylaws provide otherwise, the board may permit any or all directors to conduct or participate in a meeting through the use of any means of communication by which all directors may simultaneously hear each other during the meeting. A director so participating is deemed present.

**Section 300 Notice (7 PYTC § 2-300)**

- (A) Unless the articles of incorporation or bylaws provide otherwise, regular meetings of the board may be held without notice of the date, time, place, or purpose of the meeting.
- (B) Unless the articles of incorporation or bylaws provide for a different period, special meetings of the board must be preceded by at least seven days notice of the date, time, and place of the meeting.
- (C) A director may waive any required notice, and a director's attendance at participation in a meeting waives any required notice unless the director objects at the meeting's beginning and does not vote thereafter on actions at the meeting.

**Section 310 Quorum and Voting (7 PYTC § 2-310)**

- (A) Unless the articles of incorporation or bylaws provide otherwise, a quorum consists of a majority of the number of directors, provided that in no event shall a quorum consist of fewer than one-third the number of directors.
- (B) If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the board of directors unless the articles of incorporation or bylaws require the vote of a greater number.
- (C) Unless the articles of incorporation or bylaws provide otherwise, action by the board of directors may be taken without a meeting if all members take the action. Such action must be evidenced in writing, signed by each director, and included in the minutes or filed with the corporate records.

**Section 320 Committees (7 PYTC § 2-320)**

- (A) The board of directors may create one or more committees and appoint members of the board of directors to serve on them. Each committee must have two or more directors who serve at the pleasure of the board of directors.
- (B) Each committee, to the extent provided by the board of directors or in the articles of incorporation or in the bylaws, may exercise the authority of the board of directors.

**Section 330 Conflicting Interest Transactions (7 PYTC § 2-330)**

- (A) A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct interest. A conflict of interest transaction is not voidable by the corporation solely because of the director's interest in the transaction if any of the following is true:
  - (1) The material facts of the transaction and the director's interest were disclosed or known to a majority of the board of directors or a committee of the board of directors, excluding the interested director or directors, and a majority of the board of directors or committee authorized, approved, or ratified the transaction.
  - (2) The material facts of the transaction and the director's interests were disclosed or known to the shareholders entitled to vote and they authorized, approved, or ratified the transaction.
  - (3) The transaction was fair to the corporation.
- (B) A corporation may not lend money to, nor guarantee the obligation of, a director of the corporation unless the loan or guarantee benefits the corporation and either the shareholders or the board of directors approves the loan or guarantee.
  - (1) A Tribal Government Corporation may not lend money to, or guarantee the personal obligation of, any director, officer or employee of the corporation under any circumstances.

**Section 340 Officers (7 PYTC § 2-340)**

- (A) The board of directors shall elect a chairman and a secretary.
- (B) The officers of the corporation shall consist of a president, vice president, secretary, treasurer, and such other officers which are described in the bylaws or are appointed by the board of directors in accordance with the bylaws. The bylaws or the board of directors shall delegate to one of the

officers responsibility for preparing minutes of the directors and shareholder meetings and for authenticating records of the corporation.

- (C) Each officer has the authority and shall perform the duties set forth in the bylaws or, to the extent consistent with the bylaws, the duties prescribed by the board of directors. The same person may simultaneously hold more than one office in the corporation.
- (D) Any officer may resign at any time by delivering notice to the corporation. A board of directors may remove any officer at any time with or without cause.
- (E) The appointment of an officer does not itself create contract rights nor does the resignation or removal of an officer affect the contract rights, if any, of the officer or corporation.

**Section 350 General Standards of Conduct for Directors and Officers (7 PYTC § 2-350)**

- (A) Directors and officers shall discharge their duties in good faith with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner they reasonably believe to be in the best interests of the corporation.
- (B) In discharging their duties, directors and officers are entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by one or more of the following:
  - (1) One or more officers or employees of the corporation whom they reasonably believe to be reliable and competent in the matters presented.
  - (2) Legal counsel, public accountants, or other persons as to matters they reasonably believe are within the person's professional or expert competence.
  - (3) A committee of the board of directors if they reasonably believe the committee merits confidence.
- (C) Directors and officers are not liable for any action taken in their corporate capacity, or any failure to take any action, if they performed their duties of office in compliance with this Section.

**Section 360 Indemnification (7 PYTC § 2-360)**

- (A) In this section:
  - (1) "Corporation" includes any entity of a corporation in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.
  - (2) "Expenses" include legal counsel fees.
  - (3) "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a proceeding.
  - (4) "Official capacity" means: (i) when used with respect to a director, the office of director in a corporation; and (ii) when used with respect to an individual other than a director, as contemplated in section (s)(5), the office in a corporation held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the corporation. "Official capacity" does not include service for any other corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise.

- (5) “Party” includes an individual who was, is, or is threatened to be named defendant or respondent in a proceeding.
- (6) “Proceeding” means any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal.
- (7) “Tribe” means the Pascua Yaqui Tribe. All actions to be taken on behalf of the Tribe under this Ordinance shall be taken solely by and through its Tribal Council, except as otherwise specified.

(B) Authority to Indemnify

- (1) Except as provided in subsection (4) below, a corporation may indemnify an individual who is made a party to a proceeding because of conduct by the individual while he or she is or was a director against liability for reasonable expenses of litigation, including, but not limited to costs, any judgment, and other reasonable costs of defense, incurred in the proceeding if:
  - (a) he or she conducted himself or herself in good faith; and
  - (b) he or she reasonably believed:
    - (i) in the case of conduct in his or her official capacity with the corporation, that his or her conduct was in the corporation’s best interests; and
    - (ii) in all other cases, that his or her conduct was at least not opposed to the corporation’s best interests; and
  - (c) in the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful.
- (2) A director’s conduct with respect to an employee benefit plan for a purpose he or she reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirement of Section 360(B)(1)(b)(ii).
- (3) The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of no contest or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct described in this section.
- (4) Notwithstanding the above, a corporation may not indemnify a director under this section:
  - (a) in connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation; or
  - (b) in connection with any other proceeding charging improper personal benefit to him or her, whether or not involving action in his or her official capacity, in which he or she was adjudged liable on the basis that personal benefit was improperly received by him or her.
  - (c) if the director has been expressly excluded from coverage under any corporate or Tribal insurance policy which would otherwise cover costs and expenses incurred defending the claim or proceeding.

- (C) Advance for Expenses.
- (1) A corporation may pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if:
    - (a) the director furnishes the corporation a written affirmation of his or her good faith belief that he or she has met the standard of conduct described in Section 360(B);
    - (b) the director furnishes the corporation a written undertaking, executed personally or on his or her behalf, to repay the advance if it is ultimately determined that he or she did not meet the standard of conduct; and
    - (c) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Section.
  - (2) The undertaking required in subsection (C)(1)(b) must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to made repayment.
  - (3) Determinations and authorizations of payments under this section shall be made in the manner specified in subsection (D).
- (D) Determination and Authorization of Indemnification.
- (1) A corporation may not indemnify a director under subsection (B) unless authorized in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because he has met the standard of conduct set forth in subsection (B).
  - (2) The determination shall be made:
    - (a) by the board of directors by majority vote of a quorum consisting of directors not at the time parties to the proceeding;
    - (b) if a quorum cannot be obtained under (a) above, by majority vote of a committee duly designated by the board of directors (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to the proceeding; or
    - (c) by the shareholder.
  - (3) Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible.
- (E) Indemnification of Officers, Employees and Agents. Unless a corporations charter or articles of incorporation provide otherwise:
- (1) the corporation may indemnify and advance expenses under this section to an officer, employee or agent of the corporation who is not a director to the same extent as to a director; and
  - (2) a corporation may also indemnify and advance expenses to an officer, employee, or agent who is not a director to the extent, consistent with public policy, that may be provided by the charter, articles of incorporation, bylaws, general or specific action of its board of directors or a contract approved by the board of directors.

(F) Limitation on Indemnification

- (1) If the charter or articles of incorporation limit indemnification or advance for expenses; indemnification and advance for expenses are valid only to the extent consistent with the charter or articles.
- (2) This section does not limit a corporation's power to pay or reimburse expenses incurred by a director in connection with his appearance as a witness in a proceeding at a time when he has not been named a defendant or respondent to the proceeding.

**Section 370 Insurance (7 PYTC § 2-370)**

A corporation may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee or agent of the corporation or who while a director, officer, employee or agent of the corporation, is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against liability asserted against or incurred by him or her in that capacity or arising from his or her status as director, officer, employee or agent, whether or not the corporation would have the power to indemnify him or her against the same liability under Section 200.

**Section 380 Amending Articles of Incorporation (7 PYTC § 2-380)**

- (A) A corporation may amend its articles of incorporation by submitting executed articles of amendment to the Tribal Secretary. The articles of amendment shall be approved by the corporation's shareholders and executed by its president or vice president and its secretary.
- (1) For Tribal Government Corporations, Tribal Council must approve the amendments by a majority vote.
- (B) Duplicate originals of the executed articles of amendment shall be delivered to the Tribal Secretary. If the Secretary determines that the articles of amendment conform to tribal law, the Secretary shall:
- (1) Endorse on each duplicate original the word "files" and the month, day, and year of such filing thereof.
  - (2) Register and maintain one such duplicate original in the Secretary's Office.
  - (3) Issue a certificate of amendment to which the Secretary shall affix the other duplicate original and return to the corporation.
- (C) Upon the issuance of the certificate of amendment by the Secretary, the amendment shall become effective and is conclusive proof that all conditions precedent for amendment of the articles of incorporation have been satisfied.
- (1) No amendment shall affect any existing cause of action in favor of or against such corporation, or any pending suit to which such corporation shall be a party, or existing rights of persons other than members; and, in the event the corporate name shall be changed by amendment, no suit brought by or against such corporation under its former name shall abate for that reason.

**Section 390 Merger (7 PYTC § 2-390)**

- (A) One or more corporations chartered under this Ordinance may merge into another corporation if the board of directors of each corporation adopts and its shareholder, if required by subsection (C), approves a plan of merger.
- (B) The plan of merger must set forth:
  - (1) the name of each corporation planning to merge and the name of the surviving corporation into which each other corporation plans to merge;
  - (2) the terms and conditions of the merger; and
  - (3) the manner and basis of converting the shares of each corporation into shares, obligations, or other securities of the surviving or any other corporation or into cash or other property in whose or part.
- (C) The plan of merger may set forth:
  - (1) amendments to the articles of incorporation of the surviving corporation; and
  - (2) other provisions relating to the merger.

**Section 400 Share Exchange (7 PYTC § 2-400)**

- (A) A corporation chartered under this ordinance may acquire all of the outstanding shares of another corporation chartered under this Ordinance if the board of directors of each corporation adopts and its shareholder, if required by subsection (C), approves the exchange.
- (B) The plan of exchange must set forth:
  - (1) the name of the corporation whose shares will be acquired and the name of the acquiring corporation;
  - (2) the terms and conditions of the exchange;
  - (3) the manner and basis of exchanging the shares to be acquired for shares, obligations, or other securities of the acquiring or any other corporation or for cash or other property in whole or part.
- (C) The plan of exchange may set forth other provisions relating to the exchange.
- (D) This section does not limit the power of a corporation to acquire the shares of another corporation chartered under this Ordinance through a voluntary exchange or otherwise.

**Section 410 Action on Plan of Merger or Share Exchange (7 PYTC § 2-410)**

- (A) After adopting a plan of merger or share exchange, the board of directors of each corporation party to the merger, and the board of directors of the corporation whose shares will be acquired in the share exchange, shall submit the plan of merger or share exchange for approval by its shareholders.
- (B) For a plan of merger or share exchange to be approved:
  - (1) the board of directors must recommend the plan of merger or share exchange to the shareholders, unless the board of directors determines that because of conflict of interest

or other special circumstances it should make no recommendation and communicates the basis for its determination to the shareholders with the plan; and

- (2) the shareholders must approve the plan.
- (C) The board of directors may condition its submission of the proposed merger or share exchange on any basis.
- (D) The corporation shall notify the shareholders of the proposed shareholders' meeting in accordance with section 230. The notice must also state that the purpose or one of the purposes, of the meeting is to consider the plan of merger or share exchange and contain or be accompanied by a copy or summary of the plan.

**Section 420 Merger of Subsidiary (7 PYTC § 2-420)**

- (A) A parent corporation of a subsidiary corporation may merge the subsidiary into itself without approval of the shareholders.
- (B) The board of directors of the parent shall adopt a plan of merger that sets forth:
  - (1) the name of the parent and subsidiary; and
  - (2) the manner and basis of converting the shares of the subsidiary into shared, obligations or other securities of the parent or any other corporation chartered under this Ordinance or into cash or other property in whole or part.
- (C) Articles of merger under this section may not contain amendments to the articles of incorporation of the parent corporation (except for amendments enumerated in subsection (A)).

**Section 430 Articles of Merger or Share Exchange (7 PYTC § 2-430)**

After a plan of merger or share exchange is approved by the shareholder, or adopted by the board of directors if shareholder approval is not required, the surviving or acquiring corporation shall deliver to the Tribal Secretary for filing articles of merger or share exchange setting forth:

- (A) the plan of merger or share exchange;
- (B) if shareholder approval was not required, a statement to that effect;
- (C) if approval of the shareholder of one or more corporations party to the merger or share exchange was required, the total number of votes cast for and against the plan by each shareholder and a statement that the number cast for the plan by the shareholders was sufficient for approval.

**Section 440 Effect of Merger or Share Exchange (7 PYTC § 2-440)**

When a merger takes effect:

- (A) every other corporation party to the merger merges into the surviving corporation and the separate existence of every corporation except the surviving corporation ceases;
- (B) the title to all real and personal property owned by each corporation party to the merger is vested in the surviving corporation without reversion or impairment;
- (C) the surviving corporation has all liabilities of each corporation party to the merger;

- (D) a proceeding pending against any corporation party to the merger may be continued as if the merger did not occur or the surviving corporation may be substituted in the proceeding for the corporation whose existence ceased;
- (E) the articles of incorporation of the surviving corporation are amended to the extent provided in the plan of merger; and
- (F) the shares of each corporation party to the merger that are to be converted into shares, obligations, or other securities of the surviving or any other corporation or into cash or other property are converted and the former holders of the shares are entitled only to the rights provided in the articles of merger.

**Section 450 Sale of Assets (7 PYTC § 2-450)**

- (A) Sale of Assets in Regular Course of Business and Mortgage of Assets.
  - (1) A corporation may, on the terms and conditions and for the consideration determined by the board of directors:
    - (a) sell, lease, exchange, or other wise dispose of all, or substantially all, of its property in the usual and regular course of business,
    - (b) mortgage, pledge, dedicate to the repayment of indebtedness (whether with or without recourse), or otherwise encumber any or all of its property whether or not in the usual and regular course of business, or
    - (c) transfer any or all of its property to a corporation all the shares of which are owned by the corporation.
  - (2) Unless the articles of incorporation require it, approval by the shareholder of a transaction described in subsection (1) above is not required.
- (B) Sale of Assets Other Than in Regular Course of Business.
  - (1) A corporation may sell, lease, exchange, or otherwise dispose of all, or substantially all, of its property (with or without the good will), otherwise than in the usual and regular course of business, on the terms and conditions and for the consideration determined by the corporation's board of directors, if the board of directors proposes and its shareholders approve the proposed transaction.
  - (2) For a transaction to be authorized:
    - (a) the board of directors must recommend the proposed transaction to the shareholders unless the board of directors determines that because of conflict of interest or other special circumstances it should make no recommendation and communicates the basis for its determination to the shareholders with the submission of the proposed transaction; and
    - (b) the shareholders must approve the transaction.
  - (3) The board of directors may condition its submission of the proposed transaction on any basis.
  - (4) The corporation shall notify the shareholders of the proposed shareholder meeting in accordance with Section 230. The notice must also state that the purpose or one of the purposes, of the meeting is to consider the sale, lease, exchange, or other disposition of

all or substantially all, the property of the corporation and contain or be accompanied by a description of the transaction.

- (5) After a sale, lease, exchange, or other disposition of property is authorized, the transaction may be abandoned without further shareholder action.
  - (6) A transaction that constitutes a distribution is governed by Section 160 and not by this section.
- (C) Excess or Surplus Property. A Tribal Government Corporation shall notify Tribal Council of its intent to sell excess or surplus property and provide the Tribe with 15 days advance notice and opportunity to purchase the property to the extent practicable.

**Section 460 Voluntary Dissolution of Corporation (7 PYTC § 2-460)**

(A) Voluntary Dissolution by Incorporators. A corporation which has not commenced business and which has not issued any shares may be voluntarily dissolved by its incorporators at any time in the following manner.

- (1) Articles of dissolution shall be executed in duplicate by a majority of the incorporators, and verified by them, and shall set forth:
  - (a) The name of the corporation.
  - (b) The date of issuance of its certificate of incorporation.
  - (c) That none of its shares has been issued.
  - (d) That the corporation has not commenced business.
  - (e) That the amount, if any, actually paid in on subscriptions for its shares, less any part thereof disbursed for necessary expenses, has been returned to those entitled thereto.
  - (f) That no debts of the corporation remain unpaid.
  - (g) That a majority of the incorporators elect that the corporation be dissolved.
- (2) Duplicate originals of the articles of dissolution shall be delivered to the Tribal Secretary. If the Secretary finds that the articles of dissolution conform to law, the Secretary shall:
  - (a) Endorse on each of such duplicate originals the word "filed" and the month, day and year of the filing thereof.
  - (b) File one of such duplicate originals in the Secretary's Office.
  - (c) Issue a certificate of dissolution to which the Secretary shall affix the other duplicate original.
- (3) The certificate of dissolution, together with the duplicate original of the articles of dissolution affixed thereto by the Tribal Secretary, shall be returned to the incorporators or their representative. Upon the issuance of such certificate of dissolution by the Secretary, the existence of the corporation shall cease.

(B) Voluntary Dissolution by Consent of Shareholders.

- (1) A corporation may be voluntarily dissolved by the written consent of all of its shareholders.
    - (a) For a Tribal Government Corporation, the Tribal Council shall consent for its shares, and shall consent by a two-thirds majority vote to dissolve the corporation.
  - (2) Upon the execution of such written consent, a statement of intent to dissolve shall be executed in duplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, which statement shall set forth:
    - (a) The name of the corporation.
    - (b) The names and respective addresses of its officers.
    - (c) The names and respective addresses of its directors.
    - (d) A copy of the written consent signed by all shareholders of the corporation, or a certified copy of the resolution adopted by the Tribal Council.
    - (e) A statement that such written consent has been signed by all shareholders of the corporation or signed in their names by their attorneys thereunto duly authorized.
- (C) Voluntary Dissolution by Act of Corporation. A corporation may be dissolved by the act of the corporation, when authorized in the following manner:
- (1) The board of directors shall adopt a resolution recommending that the corporation be dissolved, and directing that the question of the dissolution be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.
  - (2) Written notice shall be given to each shareholder entitled to vote in the manner provided in this Ordinance for the giving of notice of meetings of shareholders, and shall state that the purpose of the meeting is to consider dissolving the corporation.
  - (3) At the meeting, shareholders entitled to vote shall vote on a resolution to dissolve the corporation. The resolution shall be adopted upon receiving the majority vote of the shareholders entitled to vote.
    - (a) For a Tribal Government Corporation, the Tribal Council shall consent for its shares, and shall consent by a two thirds majority vote to dissolve the corporation.
  - (4) Upon the adoption of the resolution, a statement of intent to dissolve shall be executed in duplicate by the corporation by its president or a vice president and by its secretary and verified by one of the officers signing such statement, and shall set forth:
    - (a) The names of the corporation.
    - (b) The names and respective addresses of its officers.
    - (c) The names and respective addresses of its directors.
    - (d) A copy of the resolution adopted by the shareholders or the Tribal Council authorizing the dissolution of the corporation.

- (e) The number of shares outstanding, and classes if any.
- (f) The number of shares voted for and against the resolution, and their class, if any.

**Section 470 Filing of Statement of Intent to Dissolve; Effect of Filing (7 PYTC § 2-470)**

- (A) Duplicate originals of the statement of intent to dissolve, whether by consent of shareholders or by act of the corporation, shall be delivered to the Tribal Secretary. If the Tribal Secretary finds that such statement conforms to law, the Tribal Secretary shall:
  - (1) Endorse on each of such duplicate originals the word "filed" and the month, day and year of the filing thereof.
  - (2) File one of such duplicate originals in the Secretary's Office.
  - (3) Return the other duplicate original to the corporation or its representative.
- (B) Upon the filing with the Tribal Secretary the statement of intent to dissolve, the corporation shall cease to carry on its business, except insofar as may be necessary for the winding up thereof. Its corporate existence shall continue until a certificate of dissolution has been issued by the Tribal Secretary.

**Section 480 Procedure after Filing of Statement of Intent to Dissolve (7 PYTC § 2-480)**

- (A) After filing the statement of intent to dissolve with the Tribal Secretary, the corporation shall:
  - (1) Immediately cause notice to be mailed to each known creditor of the corporation.
  - (2) Proceed to collect its assets, convey, and dispose of its properties as are to be distributed to its shareholders or the Tribe as provided in this Ordinance.
- (B) The assets of a corporation in the process of dissolution shall be applied and distributed as follows:
  - (1) All liabilities and obligations of the corporation shall be paid, satisfied, and discharged, or adequate provision shall be made therefore.
  - (2) Assets held by the corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirements.
  - (3) Remaining assets shall be distributed, either in cash or in kind, among its shareholders according to their respective rights and interests, unless the corporation is a Tribal Government Corporation. In that event, the remainder of its assets shall be conveyed to the Tribe according to its respective rights and interest. The Tribe shall hold the assets or their proceeds in trust for two years or until the resolution of any legal action involving the assets or proceeds. Under no circumstances shall the Tribal Council assume any liability not covered by the assets so held. Upon the trust's expiration, the Tribe may distribute the assets in accordance with federal and tribal law.
  - (4) Other assets, if any, shall be distributed in accordance with the provisions of the articles of incorporation or the bylaws to the extent that the articles of incorporation or bylaws determine the distribution rights of shareholders or provide for distribution to others.
- (C) Plan of Distribution.

- (1) A plan providing for the distribution of assets may be adopted by a corporation in the process of dissolution for the purpose of authorizing any transfer or conveyance of assets in the following manner:
  - (a) Where a corporation has issued shares of stock, the board of directors shall adopt a resolution recommending a plan of distribution and directing that the plan be submitted to a vote at a meeting of shareholders. Written notice setting forth the proposed plan of distribution shall be given to each shareholder entitled to vote as provided in this Ordinance. The plan of distribution shall be adopted upon receiving at least two-thirds of the votes entitled to be cast. If any of the shares are held by the Tribe, the Tribal Council shall vote the Tribe's shares.
  - (b) For a Tribal Government Corporation, a plan of distribution shall be adopted at a meeting of the board of directors upon receiving the vote of a majority of the directors in office and must be approved by a two-thirds majority vote of the Tribal Council.
- (2) Any plan of distribution adopted according to paragraph (a) or (b), above, shall reflect the rights and preference of all outstanding shares.

**Section 490 Articles of Dissolution (7 PYTC § 2-490)**

- (A) When all debts, liabilities and obligations of the corporation have been paid and discharged, or adequate provision has been made therefore, and all of the remaining property and assets of the corporation have been distributed to its shareholders or the Tribe, articles of dissolution shall be executed in duplicate by the corporation by its president or a vice president and by its secretary and verified by one of the officers signing such statement, which statement shall set forth:
  - (1) The name of the corporation.
  - (2) That all debts, obligations and liabilities of the corporation have been paid and discharged or that adequate provision has been made therefore.
  - (3) That all remaining property and assets of the corporation have been distributed among its shareholders in accordance with their respective rights and interests.
  - (4) That there are not suits pending against the corporation in any court, or that adequate provision has been made for the satisfaction or any judgment, order or decree which may be entered against it in any pending suit.
- (B) Duplicate originals of such articles of dissolution shall be delivered to the Tribal Secretary. If the Secretary finds that such articles of dissolution conform to tribal law, the Secretary shall:
  - (1) Endorse on each of such duplicate originals the word "filed" and the month, day and year of the filing thereof.
  - (2) Maintain one of such duplicate originals in the Secretary's Office.
  - (3) Issue a certificate of dissolution to which the Secretary shall affix the other duplicate original.
- (C) The certificate of dissolution, together with the duplicate original of the articles of dissolution affixed thereto by the Secretary, shall be returned to the representative of the dissolved corporation. Upon the issuance of such certificate of dissolution the existence of the corporation

shall cease, except for the purpose of suits, other proceedings and appropriate corporate action by shareholders, directors and officers.

**Section 500 Involuntary Dissolution (7 PYTC § 2-500)**

- (A) A corporation may be dissolved involuntarily by a decree of the Tribal Court in an action instituted by the Office of the Attorney General in the name of the Pascua Yaqui Tribe, when it is made to appear to the Court that:
- (1) The corporation procured its articles of incorporation through fraud.
  - (2) The corporation has continued to exceed or abuse the authority conferred upon it by this Chapter.
  - (3) The corporation has failed for 90 days to appoint and maintain a registered agent on the Reservation.
  - (4) The corporation has failed for 90 days after change of its registered officer or registered agent to file with the Tribal Secretary a statement of such change.
  - (5) The corporation is found by the Court to be in violation of this Chapter or any other law of the Tribe.
- (B) At least 30 days before any action for the involuntary dissolution of a corporation shall be filed by the Office of the Attorney General; the Tribal Secretary shall notify the corporation by certified or registered mail addressed to such corporation at its registered office, a notice of their intention to file such suit and the reasons therefore. If, before action is filed, the corporation shall submit satisfactory evidence to rebut the conditions in subsection (A), the Office of the Attorney General shall not file an action against such corporation for such cause. If, after an action is filed for failure to comply with subsection (A)(3) or (A)(4) and the corporation satisfies these subsections and pays the costs of such action, the action for such cause shall abate.

**SUBCHAPTER C NOT FOR PROFIT CORPORATIONS**

**Section 510 Purpose (7 PYTC § 2-510)**

Corporations may be organized under this subchapter for any lawful purpose or purposes including, but not limited to, one or more of the following purposes: cultural; religious; educational; scientific; research; literary; musical; social; athletic; political; civil; professional; mutual or civic improvement; promotion of the Arts.

**Section 520 Applicable Provisions (7 PYTC § 2-520)**

Any corporation organized under this subchapter shall also be subject to the provisions in Sections 10 through 110.

**Section 530 General Powers (7 PYTC § 2-530)**

Each corporation shall have the power:

- (A) To have perpetual succession by its corporate name unless a limited period of duration is stated in its articles of incorporation;

- (B) To sue and be sued, complain and defend, in its corporate name;
- (C) To have a corporate seal which may be altered at pleasure and to use the same by causing it, or a facsimile thereof, to be impressed or affixed in any other manner reproduced;
- (D) To purchase, take, receive, lease, take by gift or bequest or otherwise acquire, own, hold, improve, use, and otherwise deal in and with, real or personal property, or any interest therein, wherever situated;
- (E) To sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets;
- (F) To lend money to and otherwise assist its employees other than its officers and directors;
- (G) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, corporations, whether or not incorporated under this subchapter and whether for profit or not for profit, associations, partnerships, or individuals, or direct or indirect obligation of the United States, or of any other government, state, territory, governmental district, or municipality or of any instrumentality thereof or any tribe;
- (H) To make contracts and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchise and income;
- (I) To lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested;
- (J) To conduct its affairs, carry on its operations, hold property, and have offices and exercise the powers granted by this subchapter;
- (K) To elect or appoint officers and agents of the corporation, and define their duties and fix their compensation;
- (L) To make and alter by-laws, not inconsistent with its articles of incorporation or with the laws, ordinances, and regulations of the Pascua Yaqui Tribe and the United States, for the administration and regulation of the affairs of the corporation; and
- (M) Unless otherwise provided in the articles of incorporation, to make donations for the public welfare or for religious, charitable, scientific research, or educational purposes, or for other purposes for which the corporation is organized.

**Section 540 Ultra Vires (7 PYTC § 2-540)**

- (A) Except as provided in paragraph (B), below, the validity of corporate action may not be challenged on the ground that the corporation lacks or lacked power to act.
- (B) A corporation's power to act may be challenged in a proceeding before the Tribal Court by any of the following:
  - (1) Ten percent of the shareholders or a director against the corporation to enjoin the act.

- (2) The corporation, directly, derivatively, or through a receiver, trustee, or other legal representative, against an incumbent or former director, officer, employee, or agent of the corporation to enjoin the act.
- (3) The Office of the Attorney General, as provided in this Chapter, to dissolve the corporation or to enjoin the corporation from performing unauthorized acts.

**Section 550 Incorporators (7 PYTC § 2-550)**

Any member of the Tribe over the age of 18 may act as the incorporator of a corporation by signing, certifying, and delivering in duplicate to the Tribal Secretary, articles of incorporation for such corporation.

**Section 560 Articles of Incorporation (7 PYTC § 2-560)**

- (A) The articles of incorporation shall set forth the following:
  - (1) The name of the corporation.
  - (2) The period of existence, which may be perpetual.
  - (3) The purpose or purposes for which the corporation is organized;
  - (4) If the corporation is to have no members, a statement to that effect;
  - (5) If the corporation is to have members, any provision which the incorporators elect to set forth in the articles of incorporation stating the qualifications and rights of members and conferring, limiting, or denying the right to vote;
  - (6) If the directors or any of them are not to be elected or appointed by members, a statement of the manner in which such directors shall be elected or appointed, or that the manner of such election or appointment of such directors shall be provided in the by-laws.
  - (7) Any provision not inconsistent with law which the incorporators elect to set forth in the Article of Incorporation for the regulation of the internal affairs of the corporation, including any including any provision for distribution of assets on dissolution or final liquidation and any provisions which under this subchapter is required or permitted to be set forth in the by-laws.
  - (8) The address of its initial registered office and the name of its initial registered agent at such address.
  - (9) The number of directors constituting the initial board of directors and the names and addresses of the persons who are to serve as directors.
  - (10) The name and address of each incorporator.
- (B) It shall not be necessary to set forth in the articles of incorporation any of the corporate powers enumerated in this ordinance. Whenever a provision of the articles of incorporation is inconsistent with the bylaws, the articles shall be controlling.
- (C) The Tribal Council must approve, by majority vote, the articles of incorporation for any Tribal Government Corporation organized under this subchapter.

- (D) Unless the articles of incorporation provide that a change in the number of directors shall be made only by amendment to the articles of incorporation, a change in the number of directors made by amendment to the by-laws shall be controlling. Whenever a provision of the articles of incorporation is inconsistent with the by-law, the provision of the articles of incorporation shall be controlling.

**Section 570 Filing of Articles of Incorporation (7 PYTC § 2-570)**

- (A) Duplicate originals of the articles of incorporation shall be delivered to the Tribal Secretary. If the Tribal Secretary finds that the articles of incorporation conform to tribal law, the Secretary shall:
  - (1) Endorse on each duplicate originals the word “filed” and the month, day, and year of the filing thereof.
  - (2) Register and maintain one duplicate original in the Secretary’s Office.
  - (3) Issue a Certificate of Incorporation to which the Secretary shall affix the other duplicate original and return to the incorporators.
- (B) The Tribal Secretary’s issuance of a Certificate of Incorporation and registering of the same is conclusive proof that all conditions precedent to incorporation has been satisfied.

**Section 580 Effect of Issuance of Certificate of Incorporation (7 PYTC § 2-580)**

Unless a delayed effective date is specified, the corporate existence begins when the Certificate of Incorporation is registered

**Section 590 Organization of Corporation (7 PYTC § 2-590)**

- (A) After the articles of incorporation have been registered by the Tribal Secretary, the initial Directors shall hold an organization meeting. The meeting shall be called by its incorporator(s) or a majority of the named directors, upon at least five days notice. The purpose of the meeting is to complete the corporation’s organization by selecting officers of the board of directors, appointing officers of the corporation, adopting bylaws, and carrying on any business brought before the meeting.
- (B) A first meeting of the members may be held at the call of the directors, or a majority of them, upon at least five days notice, for such purposes as shall be stated in the notice of the meeting.

**Section 600 Bylaws (7 PYTC § 2-600)**

- (A) The bylaws of a corporation may contain any provision for managing the business and regulating the affairs of the corporation that is not inconsistent with tribal law or the articles of incorporation.
- (B) The initial by-laws of a corporation shall be adopted by its Board of Directors. The power to alter, amend, or repeal the by-laws or adopt new by-laws shall be vested in the Board of Directors unless otherwise provided in the articles of incorporation or the by-laws.

**Section 610 Right to Amend Articles of Incorporation (7 PYTC § 2-610)**

A corporation may amend its articles of incorporation, from time to time, in any and as many respects as may be desired; provided that its articles of incorporation as amended contain only such provisions as might be lawfully contained in original articles of incorporation if made at the time of making such amendment.

**Section 620 Procedure to Amend Articles of Incorporation (7 PYTC § 2-620)**

Amendment to the articles of incorporation shall be made in the following manner:

- (A) For Tribal Government Corporations, Tribal Council must approve the amendments by a majority vote
- (B) Where there are members having voting rights, the Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it is to be submitted to a vote at a meeting of members having voting rights, which may be either an annual or a special meeting;
- (C) Written or printed notice setting forth the proposed amendment or a summary of the changes to be affected thereby shall be given to each member entitled to vote at such meeting within the time and in the manner provided in this Chapter for the giving of notice of meetings of members. If the meeting is an annual meeting, the proposed amendment or such summary shall be included in the notice of such annual meeting;
- (D) The proposed amendment shall be adopted upon receiving the affirmative vote of at least two-thirds of the votes entitled to be cast by members present or represented by proxy at such meeting;
- (E) Where there are no members, or no members having voting rights, an amendment shall be adopted at a meeting of the Board of Directors upon receiving the vote of a majority of the Directors in office; and
- (F) Any number of amendments may be submitted and voted upon at any one meeting.

**Section 630 Articles of Amendment (7 PYTC § 2-630)**

The articles of amendment shall be executed in duplicate by the corporation; by its president or vice-president, and the corporate seal shall be there to affixed, attested by its secretary or an assistant secretary, and shall set forth:

- (A) The name of the corporation;
- (B) The amendment so adopted;
- (C) Where there are members having voting rights;
  - (1) A statement setting forth the date of the meeting of members at which the amendment was adopted, that a quorum was present at such meeting, and that such amendment received at least two-thirds of the votes entitled to be cast by members present or represented by proxy at such meeting; or
  - (2) A statement that such amendment was adopted by consent in writing signed by all members entitled to vote with respect thereto.
- (D) Where there are no members, or no members having voting rights, a statement of such fact, the date of the meeting of the Board of Directors at which the amendment was adopted, and a statement of the fact that such amendment received the vote of a majority of the directors in office.

**Section 640 Filing of Articles of Amendment (7 PYTC § 2-640)**

- (A) Duplicate originals of the executed articles of amendment shall be delivered to the Tribal Secretary. If the Secretary determines that the articles of amendment conform to tribal law, and all filing fees have been paid, the Secretary shall:
  - (1) Endorse on each duplicate original the word “filed” and the month, day, and year of such filing thereof.
  - (2) Register and maintain one such duplicate original in the Secretary’s Office.
  - (3) Issue a certificate of amendment to which the Secretary shall affix the other duplicate original and return to the corporation.
- (B) Upon the issuance of the certificate of amendment by the Secretary, the amendment shall become effective and is conclusive proof that all conditions precedent for amendment of the articles of incorporation have been satisfied.
  - (1) No amendment shall affect any existing cause of action in favor of or against such corporation, or any pending suit to which such corporation shall be a party, or existing rights of persons other than members; and, in the event the corporate name shall be changed by amendment, no suit brought by or against such corporation under its former name shall abate for that reason.

**Section 650 Members (7 PYTC § 2-650)**

- (A) A corporation may have members or may have no members. If the corporation has members, the manner of election or appointment and the qualifications and rights of the members shall be set forth in the articles of incorporation or the by-laws. If the corporation has no members, that fact shall be set forth in the articles of incorporation. A corporation may issue certificates evidencing membership therein.
- (B) If a Tribal Government Corporation has members, Tribal Council shall represent the members.

**Section 660 Meetings of Members (7 PYTC § 2-660)**

- (A) Meetings of members may be held at such place within or without the Reservation as may be provided in the by-laws or, where not inconsistent with the by-laws, in the notice of the meeting.
  - (1) For Tribal Government Corporations, all member meetings must be held on the Reservation
- (B) An annual meeting of the members shall be held at such time as may be provided in the by-laws. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the corporation.
- (C) Special meetings of the members may be called by the president, the secretary, the Board of Directors, or by such other officers or persons or number or proportion of members as may be provided in the articles of incorporation or the by-laws. In the absence of a provision fixing the number or proportion of members entitled to call a meeting, a special meeting of members may be called by members having at least 1/20 of the votes to the cast at such meeting.

- (D) Any action required by this subchapter to be taken at a meeting of the members of a corporation, or any action which may be taken at a meeting of the members, may be taken without a meeting, if consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any articles or document filed with the Tribal Secretary under this Chapter.

**Section 670 Notice of Member Meetings (7 PYTC § 2-670)**

- (A) Written or printed notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall in the absence of a provision in the by-laws specifying a different period of notice, be delivered not less than ten or more than 50 days before the date of the meeting, either personally or by mail; or at the direction of the president, or the secretary or the officers or persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.
- (B) A waiver of notice in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Presence without objection also waives notice.

**Section 680 Voting; Members (7 PYTC § 2-680)**

- (A) Members shall not be entitled to vote except as the right to vote shall be conferred by the articles of incorporation.
- (B) A member may vote in person, or unless the articles of incorporation or the by-laws otherwise provide, may vote by proxy executed in writing by the member or his duly authorized attorney-in-fact. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy. Where the articles of incorporation or the by-laws so provide, voting on all matters including the election of directors or officers where they are to be elected by the members may be conducted by mail.
- (C) The articles of incorporation or the by-laws may provide that in all elections for directors every member entitled to vote shall have the right to cumulate his vote and to give one candidate a number of votes equal to his vote multiplied by the number of directors to be elected or by distributing such votes on the same principle among any number of such candidates.
- (D) If a corporation has no members or if the members have no right to vote, the directors shall have the sole voting power and shall have all of the authority and may take any action herein permitted by members.
- (E) Whenever, with respect to any action to be taken by the members of a corporation, the articles of incorporation requires the vote or concurrence of a greater proportion of the members, as the case may be, than required by this Chapter, with respect to such action, the provisions of the articles of incorporation shall control

**Section 690 Quorum (7 PYTC § 2-690)**

- (A) The by-laws may provide the number or percentage of members entitled to vote represented in person or by proxy, or the number or percentage of votes represented in person or by proxy, which shall constitute a quorum at a meeting of members. In the absence of any such provisions,

members having at least one-tenth of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by this subchapter, the articles of incorporation or the by-laws.

- (B) Unless otherwise provided by the articles of incorporation or the by-laws, the members present at a duly organized meeting may continue to do business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum.
- (C) If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting from time to time until a quorum is present, when any business may be transacted that may have been transacted at the meeting as originally called.

**Section 700 Board of Directors (7 PYTC § 2-700)**

- (A) The affairs of a corporation shall be managed by a Board of Directors. Directors need not be residents of the Reservation or members of the corporation unless the articles of incorporation or the by-laws so require. The articles of incorporation or the by-laws may prescribe other qualifications for directors.
- (B) Tribal Government Corporations and any corporation receiving grants, program contracts, use of tribal property, or other benefits derived through or by the Tribe, shall have no members of the same immediate family on the board of directors. Immediate family shall include grandparents, parents, children, brothers and sisters, and grandchildren of the family.

**Section 710 Number, Election, Classification and Removal of Directors (7 PYTC § 2-710)**

- (A) The number of directors of a corporation shall be not less than three. Subject to such limitation, the number of directors shall be fixed by the by-laws, except as to the number of the first Board of Directors, which number shall be fixed by the articles of incorporation. The number of directors may be increased or decreased from time to time by amendment to the by-laws unless the articles of incorporation provide that a change in the number of directors shall be made only by amendment of the articles of incorporation. No decrease in number shall have the effect of shortening the term of any incumbent director. In the absence of a by-law fixing the number of directors, the number shall be the same as that stated in the articles of incorporation.
  - (1) Tribal Government Corporations shall have at least five directors, the majority of whom must be tribal members. No member of Tribal Council can be a director.
- (B) The names and addresses of the members of the first Board of Directors shall be stated in the articles of incorporation. Such persons shall hold office until the first annual election of directors or for such period as may be specified in the articles of incorporation or the by-laws. Thereafter, directors shall be elected or appointed in the manner and for the terms provided in the articles of incorporation or the by-laws. In the absence of a provision fixing the term of office, the term of office of a director shall be one year.
  - (1) The Tribal Council shall appoint the Board of Directors for Tribal Government Corporations.
- (C) Directors may be divided into classes; the terms of office of the several classes need not be uniform. Each director shall hold office for the term for which he is elected or appointed and until his successor shall have been elected or appointed and qualified, exception the case of *ex officio* directors.

- (D) A director may be removed from office pursuant to any procedure therefore provided in the articles of incorporation or the by-laws, and if none be provided, may be removed at a meeting called expressly for that purpose, with or without cause, by such vote as would suffice for his election.
  - (1) The Tribal Council may remove, with or without cause, any director it has appointed with a majority vote for removal, unless the articles of incorporation provide that directors may be removed only for cause.

**Section 720 Vacancies (7 PYTC § 2-720)**

Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of directors may be filled by the affirmative vote of a majority of the then members of the Board of Directors, though less than a quorum of the board, unless the articles of incorporation or the by-laws provide that a vacancy or directorship so created shall be filled in some other manner, in which case such provision shall control. A director elected or appointed, as the case may be, to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office.

**Section 730 Quorum of Directors (7 PYTC § 2-730)**

- (A) A majority of the number of directors fixed by the by-laws, or in the absence of a by-law fixing the number of directors, then of the number stated in the articles of incorporation shall constitute a quorum for the transaction of business, unless otherwise provided in the articles of incorporation, or the by-laws, but in no event shall a quorum consist of less than one-third of the number of directors so stated or fixed.
- (B) The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless with respect to any action to be taken by the directors of a corporation, the articles of incorporation requires the vote or concurrence of a greater proportion of the directors, as the case may be, than required by this Chapter, with respect to such action, the provisions of the articles of incorporation shall control.

**Section 740 Committees (7 PYTC § 2-740)**

If the articles of incorporation or the by-laws provide, the Board of Directors, by resolution adopted by a majority of the directors in office, each of which shall consist of two or more directors, which committees, to the extent provided in said resolution, in the articles of incorporation or in the by-laws of the corporation, shall have and exercise the authority of the Board of Directors in the management of the corporation. Other committees not having the exercising the authority of the Board of Directors in the management of the corporation may be designated and appointed by resolution adopted by a majority of the directors present at a meeting at which a quorum is present. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law.

**Section 750 Place and Notice of Directors' Meetings (7 PYTC § 2-750)**

- (A) Meetings of the Board of Directors, regular or special, may be held at such place within or without the Reservation, and upon such notice as may be prescribed by the by-laws, or where not inconsistent with the by-laws, by resolution of the Board of Directors. A director's attendance at any meeting shall constitute a waiver of notice of such meeting, excepting such attendance at a meeting by the director for the purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.
  - (1) For Tribal Government Corporations, all meetings must be held on the Reservation.

- (B) Neither the business to be transacted, nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice or waiver of such notice, of such meeting, unless otherwise provided in the articles of incorporation or the by-laws.
- (C) A waiver of notice in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Presence without objection also waives notice.

**Section 760 Action by Directors without a Meeting (7 PYTC § 2-760)**

Any action required by this subchapter to be taken at a meeting of the directors of a corporation, or any action which may be taken at a meeting of the directors, may be taken without a meeting, if consent in writing, setting forth the action so taken, shall be signed by all of the directors. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any articles or document filed with the Tribal Secretary under this Chapter.

**Section 770 Liability for unlawful distributions (7 PYTC § 2-770)**

A director who votes for or assents to a distribution made in violation of Section 810 or the articles of incorporation is personally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without violating Section 810 or the articles of incorporation if it is established that the director's duties were not performed in compliance with Section (standards of conduct).

**Section 780 Officers (7 PYTC § 2-780)**

- (A) The officers of a corporation shall consist of a president, a secretary, and a treasurer, and may include one or more vice-presidents, and such other officers and assistant officers as may be deemed necessary, each of whom shall be elected or appointed at such time and in such manner and for such terms not exceeding three years as may be prescribed in the articles of incorporation or the by-laws. In the absence of any such provision, all officers shall be elected or appointed annually by the Board of Directors. If the by-laws so provide, any two or more offices may be held by the same person, except the offices of president and secretary.
- (B) The articles of incorporation or the by-laws may provide that any one or more officers of the corporation or other organizations shall be *ex officio* members of the Board of Directors.
- (C) The officers of a corporation may be designated by such other titles as may be provided in the articles of incorporation or the by-laws.
- (D) All officers and agents of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the property and affairs of the corporation as may be determined re resolution of the Board of Directors not inconsistent with the by-laws.

**Section 790 Removal of Officers (7 PYTC § 2-790)**

Any officer or agent elected or appointed may be removed by the persons authorized to elect or appoint such officer or agent whenever, in their judgment, the best interest of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not itself create contract rights.

**Section 800      General Standards of Conduct for Directors and Officers (7 PYTC § 2-800)**

- (A) Directors and officers shall discharge their duties in good faith with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner they reasonably believe to be in the best interests of the corporation.
- (B) In discharging their duties, directors and officers are entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by one or more of the following:
  - (1) One or more officers or employees of the corporation whom they reasonably believe to be reliable and competent in the matters presented.
  - (2) Legal counsel, public accountants, or other persons as to matters they reasonably believe are within the person's professional or expert competence.
  - (3) A committee of the board of directors if they reasonably believe the committee merits confidence.
- (C) Directors and officers are not liable for any action taken in their corporate capacity, or any failure to take any action, if they performed their duties of office in compliance with this Section.

**Section 810      Shares of Stock and Dividends Prohibited (7 PYTC § 2-810)**

A corporation organized under this subchapter shall not authorize or issue shares of stock. No dividend shall be paid and no part of the income of a corporation shall be distributed to its members, directors, or officers. A corporation may pay compensation, including pensions, in a reasonable amount to its members, directors, or officers for services rendered, may confer benefits upon its members in conformity with its purposes, and upon dissolution or final liquidation, may make distribution to its members or others as permitted by this subchapter.

**Section 820      Loans to Directors and Officers Prohibited (7 PYTC § 2-820)**

No loans shall be made by a corporation organized under this subchapter to its directors or officers. The directors of a corporation who vote for or assent to the making of a loan to a director or an officer of the corporation, and any officer participating in the making of such a loan, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

**Section 830      Voluntary Dissolution (7 PYTC § 2-830)**

A corporation may dissolve and wind up its affairs in the following manner:

- (A) Where there are members having voting rights, the Board of Directors shall adopt a resolution recommending that the corporation be dissolved and directing that the question of such dissolution be submitted to a vote at a meeting of members having voting rights, which may be either an annual meeting or a special meeting. Written or printed notice stating that the purpose, or one of the purposes, of such meeting is to consider the advisability of dissolving the corporation, shall be given to each member entitled to vote at such meeting, within the time frame and in the manner provided in this Chapter, for the giving of notice of meetings to members. A resolution to dissolve the corporation shall be adopted upon receiving at least two-thirds of the votes entitled to be cast by members present or represented by proxy at such meetings;

- (B) Where there are no members, or no members having voting rights, the dissolution of the corporation shall be authorized at a meeting of the Board of Directors upon the adoption of a resolution to dissolve by the vote of a majority of the directors in office; and
- (C) Upon adoption of such resolution by the members, or by the Board of Directors where there are no members or members with voting rights, the corporation shall cease to conduct its affairs except insofar as may be necessary for the winding up thereof; shall immediately cause a notice of the proposed dissolution to be mailed to each known creditor of the corporation and shall proceed to collect its assets and apply and distribute them as provided in this Chapter.

**Section 840      Distribution of Assets (7 PYTC § 2-840)**

The assets of a corporation in the process of dissolution shall be applied and distributed as follows:

- (A) All liabilities and obligations of the corporation shall be paid, satisfied, and discharged, or adequate provisions shall be made therefore;
- (B) Assets held by the corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirements;
- (C) Assets received and held by the corporation subject to limitations, permitting their use only for charitable, religious, missionary, benevolent, educational, or similar purposes, but not held upon a condition requiring return, transfer, or conveyance by reason of the dissolution, shall be transferred, or conveyed to one or more domestic or foreign corporations, societies, or organizations engaged in activities substantially similar to those of the dissolving corporation, pursuant to a plan of distribution adopted as provided in this Chapter;
- (D) Other assets, if any, shall be distributed in accordance with the provisions of the articles of incorporation or the by-laws to the extent that the articles of incorporation or by-laws determine the distributive rights of members, or any class or classes of members, or provide for distribution to others; and
- (E) Any remaining assets may be distributed to such persons, societies, organizations, or domestic or foreign corporations, whether for profit or not for profit, as may be specified if a plan of distribution is adopted as provided in this subchapter.

**Section 850      Plan for Distribution (7 PYTC § 2-850)**

A plan providing for the distribution of assets, not inconsistent with the provisions of this Chapter, may be adopted by a corporation in the process of dissolution and shall be adopted by a corporation for the purpose of authorizing any transfer or conveyance of assets for which this Chapter requires a plan for distribution, in the following manner:

- (A) Where there are members having voting rights the Board of Directors shall adopt a resolution recommending a plan of distribution and directing that the plan be submitted to a vote at a meeting of members having voting rights, which may be either an annual meeting or a special meeting. Written or printed notice setting forth the proposed plan of distribution or a summary thereof shall be given to each member entitled to vote at such meeting, within the time and in the manner provided in this subchapter for the giving of notice of meetings of members. Such plan of distribution shall be adopted upon receiving at least two-thirds of the votes entitled to be cast by members present or represented by proxy at such meetings; and

- (B) Where there are no member, or no members having vote rights, a plan of distribution shall be adopted at a meeting of the Board of Directors upon receiving the vote of a majority of the directors in office.

**Section 860 Revocation of Voluntary Dissolution Proceedings (7 PYTC § 2-860)**

A corporation may, at any time prior to the issuance of a certificate of dissolution by the Tribal Secretary as hereinafter provided, revoke the action previously taken to dissolve the corporation in the following manner:

- (A) Where there are members having voting rights, the Board of Directors shall adopt a resolution recommending that the voluntary dissolution proceedings be revoked, and directing that the question of such revocation be submitted to a vote at the meeting of members having voting rights, which may be either an annual or special meeting. Written or printed notice stating that the purpose, or one of the purposes of such meeting is to consider the advisability of revoking the voluntary dissolution proceedings, shall be given to each member entitled to vote at such a meeting within the time and in the manner provided in this Chapter for the giving of notice of meetings of members. A resolution to revoke the voluntary dissolution proceedings shall be adopted upon receiving at least two-thirds of the votes entitled to be cast by members present or represented by proxy at such meeting;
- (B) Where there are no members, or no members having voting rights, a resolution to revoke the voluntary dissolution proceeding shall be adopted at a meeting of the Board of Directors upon receiving the vote of a majority of the directors in office; and
- (C) Upon adoption of such resolution by the members, or by the Board of Directors, where there are no members or no members with voting rights, the corporation may there upon again conduct its affairs. If the articles of dissolution have been delivered to the Tribal Secretary, notice of such revocation shall be given to them in writing.

**Section 870 Articles of Dissolution (7 PYTC § 2-870)**

If voluntary dissolution proceedings have not been revoked; when all debts, liabilities, and obligations of the corporation shall have been made therefore, and all of the remaining property and assets of the corporation shall have been transferred, conveyed, or distributed in accordance with the provisions of this Chapter, articles of dissolution shall be executed in duplicate by the corporation; by its president or a vice-president, and the corporation seal shall be thereto affixed and attested by its secretary or an assistant secretary, and such statement shall set forth:

- (A) The name of the corporation;
- (B) Where there are members having voting rights;
  - (1) A statement setting forth the date of the meeting of members at which the resolution to dissolve was adopted, that a quorum was present at such meeting, and that such resolution received at least two-thirds of the votes entitled to be cast by members or represented by proxy at such meetings; or
  - (2) A statement that such resolution was adopted by consent in writing signed by all members entitled to vote with respect thereto;

- (C) Where there are no members, or no members having voting rights, a statement of such fact, the date of the meeting of the Board of Directors at which the resolution to dissolve received the vote of a majority of the directors in office;
- (D) That all debts, liabilities, and obligations of the corporation have been paid and discharged or that adequate provision has been made therefor;
- (E) That all the remaining property and assets of the corporation have been transferred, conveyed, or distributed in accordance with the provisions of this subchapter; and
- (F) That there are no suits pending against the corporation in any Court, or that adequate provisions have been made for the satisfaction of any judgment, order, or decree which may be entered against it in any pending suit.

**Section 880 Filing of Articles of Dissolution (7 PYTC § 2-880)**

- (A) Duplicate originals of such articles of dissolution shall be delivered to the Tribal Secretary.
- (B) If the Tribal Secretary finds that such articles of dissolution conform to law, he shall, when all fees and charges have been paid as in this Chapter prescribed:
  - (1) Endorse on each of such duplicate original the word "filed", and the month, day, and year of such filing thereof;
  - (2) File one of such duplicate original in their office;
  - (3) Issue a certificate of dissolution to which they shall affix the other duplicate original; and
  - (4) Deliver the certificate of dissolution, together with the duplicate original of the articles of dissolution affixed thereto, to the representative of the dissolved corporation.
- (C) Upon the issuance of such certificate of dissolution, the existence of the corporation shall cease, except for the purpose of suits, other proceedings, and appropriate corporate action by members, directors, and officers as provided in this Chapter.

**Section 890 Involuntary Dissolution (7 PYTC § 2-890)**

- (A) A corporation may be dissolved involuntarily by a decree of the Court in an action instituted by the Office of the Attorney General in the name of the Pascua Yaqui Tribe, when it is made to appear to the Court that:
  - (1) The franchise of the corporation was procured through fraud; or
  - (2) The corporation has continued to exceed or abuse the authority conferred upon it by this Chapter; or
  - (3) The corporation has failed for 90 days to appoint and maintain a registered agent as provided in this Chapter; or
  - (4) The corporation has failed for 90 days after change of its registered office or registered agent to deliver to the Tribal Secretary statement of such change.

- (5) The corporation is found by the Court to be in violation of this Chapter or any other law of the Tribe.
  
- (B) At least 30 days before any action for the involuntary dissolution of a corporation shall be filed by the Office of the Attorney General; the Tribal Secretary shall notify the corporation by certified or registered mail addressed to such corporation at its registered office, a notice of their intention to file such suit and the reasons therefore. If, before action is filed, the corporation shall submit satisfactory evidence to rebut the conditions in subsection (A), the Office of the Attorney General shall not file an action against the corporation for such cause. If, after action is filed for failure to comply with subsection (A)(3) or (A)(4) and the corporation satisfies these subsections and pays the costs of such action, the action for such cause shall abate.

## **SUBCHAPTER D LIQUIDATION PROCEDURES**

### **Section 900 Jurisdiction of Tribal Court to Liquidate Assets and Affairs of Corporation (7 PYTC § 2-900)**

The Tribal Court shall have full jurisdiction to liquidate the assets and affairs of a corporation:

- (A) For a For Profit Corporation, upon petition to the Tribal Court of ten percent of the shareholders or by resolution of the Tribal Council for a Tribal Government Corporation, if the petition or resolution establishes one or more of the following.
  - (1) That the directors are deadlocked in the management of the corporate affairs and shareholders are unable to break the deadlock, and that irreparable injury to the corporation is being suffered or is threatened by reason thereof; or
  - (2) That the acts of the directors of those in control of the corporation are illegal, oppressive, or fraudulent.
  - (3) That the shareholders are deadlocked in voting power, and have failed, for a period which includes at least two consecutive annual meeting dates, to elect successors to directors whose terms have expired or would have expired upon the election of their successors.
  - (4) That the corporate assets are being misapplied or wasted.
  - (5) That the corporation has consistently failed to use accepted accounting practices in the maintenance of its books and records.
  - (G) That the corporation does or omits any act which amounts to a surrender of its corporate rights, privileges, or franchises.
  
- (B) For a Not For Profit Corporation, upon petition to the Tribal Court of any member or director, or by resolution of Tribal Council for a Tribal Government Corporation, if the petition or resolution establishes one or more of the following:
  - (1) That the directors are deadlocked in the management of the corporate affairs and that irreparable injury to the corporation is being suffered or is threatened by that reason thereof, and either that the members are unable to break the deadlock or there are no members having voting rights; or
  - (2) That the acts of the directors or those in control of the corporation are illegal, oppressive or fraudulent; or

- (3) That the corporate assets are being misapplied or wasted; or
  - (4) That the corporation is unable to carry out its purposes.
  - (5) The corporation has consistently failed to use accepted accounting
- (C) Upon petition to the Court of a creditor, if the petition establishes one or more of the following.
- (1) The claim of the creditor has been reduced to judgment and an execution thereon returned unsatisfied and it is established that the corporation is insolvent.
  - (2) The corporation has admitted in writing that the claim of the creditor is due and owing and it is established that the corporation is insolvent.
- (D) Upon application by a corporation which has filed a statement of intent to dissolve.
- (E) When an action has been commenced by the Office of the Attorney General to dissolve a corporation and it is made to appear that liquidation of its affairs should precede the entry of a decree of dissolution.
- (F) It shall not be necessary to make directors, members, or shareholders parties to any such action or proceeding unless relief is sought against them personally.

**Section 910 Procedure to Liquidate in Pascua Yaqui Tribal Court (7 PYTC § 2-910)**

- (A) Where there are grounds for issuing an order to show cause why a corporation shall not be dissolved or when the Tribal Court receives a petition for liquidation or the Tribal Council adopts a petition for liquidation, the Tribal Court shall send an order to appear and show cause why the corporation should not be dissolved or liquidated to the president and secretary of the corporation. The hearing shall be scheduled by the Tribal Court no less than 30 days from the date of said order.
- (B) If the Tribal Court finds that the officers of the corporation have shown sufficient cause why the corporation should not be dissolved or liquidated, the decision of the Tribal Court shall be final.
- (C) If the officers of the corporation fail to appear as ordered, or if, in the opinion of the Tribal Court, the officers have failed to show sufficient cause why the corporation should not be dissolved or liquidated, the Tribal Court may revoke the corporation's certificate of incorporation.
- (D) If the Tribal Court revokes the corporation's certificate, it shall assume trusteeship over the corporation's assets and liquidate its assets in accordance with this section.
- (E) If prior to the revocation of the corporation's certificate, the corporation cures all defaults complained of and pays all penalties and costs, the action shall abate.

**Section 920 Liquidation of Corporation by the Tribal Court (7 PYTC § 2-920)**

If the Tribal Court revokes a corporation's certificate of incorporation, it shall proceed to liquidate the assets and business of a corporation as follows:

- (A) The Tribal Court shall have power to issue injunctions, and to appoint a liquidating receiver with any powers and duties the Tribal Court may direct. The Tribal Court may also take any other actions necessary to preserve the corporate assets wherever situated, and carry on the business of the corporation until final dissolution.

- (B) The liquidating receiver shall give notice to all parties in interest and creditors and allow each a proper hearing with sworn statements.
- (C) The liquidating receiver shall then collect the assets of the corporation, and shall have authority to sell, convey and dispose of the assets of the corporation wherever situated, either at public or private sale.
- (D) The assets of the corporation or the proceeds resulting from a sale, conveyance or other disposition thereof shall be applied to the expenses of the liquidation and to the payment of the liabilities and obligations of the corporation according to this Ordinance. Any remaining assets or proceeds shall be distributed according to this Ordinance.
- (E) The assets of a non-profit corporation of the proceeds resulting from a sale, conveyance, or other disposition thereof shall be applied and distributed as follows:
  - (1) All costs and expenses of the Court proceedings and all liabilities and obligations of the corporation shall be paid, satisfied, and discharged, or adequate provision shall be made therefor;
  - (2) Assets held by the corporation upon conditions requiring return, transfer, or conveyance which conditions occurs by reason of dissolution or liquidation, shall be returned, transferred, or conveyed in accordance with such requirements;
  - (3) Assets received and held by the corporation subject to limitations permitting their use only for charitable, religious, eleemosynary benevolent, educational, or similar purposes, but not held upon a condition requiring return, transfer, or conveyance by reason of the dissolution or liquidation, shall be transferred or conveyed to one or more domestic or foreign corporations, societies, or organizations engaged in activities substantially similar to those of the dissolving or liquidating corporation as the Court may direct;
  - (4) Other assets, if any, shall be distributed in accordance with the provisions of the articles of incorporation or the by-laws to the extent that the articles of incorporation or by-laws determine the distributive rights of the members or any class or classes of members, or provide for distribution to others; and
  - (5) Any remaining assets may be distributed to such persons, societies, organizations, or domestic or foreign corporations, whether for profit or not for profit, specified in the plan of distribution has been adopted, as the Court may direct.
- (F) The Tribal Court shall have power to allow compensation to the receiver and any attorneys in the proceeding out of the assets of the corporation or the proceeds of any sale or disposition of such assets.
- (G) A receiver of a corporation appointed under the provisions of this Section shall have authority to sue and defend in all courts in his own name as receiver of such corporation. The Court appointing such receiver shall, for the purposes of this Chapter have exclusive jurisdiction of the corporation and its property, wherever situated.

**Section 930 Qualification of Receivers (7 PYTC § 2-930)**

A receiver shall in all cases be a natural person or a domestic corporation authorized to act as receiver, and shall in all cases give such bond as the Court may direct with such sureties as the Court may require.

**Section 940 Filing of Claims in Liquidation Proceedings (7 PYTC § 2-940)**

In proceeds to liquidate the assets and affairs of a corporation, the Court may require all creditors of the corporation to file with the Clerk of Court or with the receiver, in such form as the Court may prescribe, proofs under oath of their respective claims, it shall fix a date which shall be not less than four months from the date of the order, as the last day for the filing of claims, and shall prescribe the notice that shall be given to creditors and claimants of the date so fixed. Prior to the date so fixed, the Court may extend the time for the filing of claims. Creditors and claimants failing to file proofs or claims on or before the date so fixed may be barred, by order of the Court, from participating in the distribution of the assets of the corporation.

**Section 950 Discontinuance of Liquidation Proceedings (7 PYTC § 2-950)**

The liquidation of the assets and affairs of a corporation may be discontinued at any time during the liquidation proceedings when it is made to appear that cause for liquidation no longer exists. In such event the Court shall dismiss the proceedings and direct the receiver to redeliver to the corporation all its remaining property and assets.

**Section 960 Order of Dissolution (7 PYTC § 2-960)**

- (A) The Tribal Court shall issue an order dissolving the corporation, when:
  - (1) The costs and expense of the liquidation have been satisfied.
  - (2) All debts, obligations and liabilities of the corporation have been paid and discharged.
  - (3) All of its remaining property and assets have been distributed. In case the corporation's property and assets are not sufficient to satisfy and discharge such costs, expenses, debts, and obligations, but all the property and assets have been applied so far as they will go to their payment, the Court shall issue an order dissolving the corporation.
- (B) Upon issuance of an order, the existence of the corporation shall cease.
- (C) When the Tribal Court issues an order dissolving a corporation, it shall file a certified copy of the order with the Tribal Secretary.

**Section 970 Post Dissolution (7 PYTC § 2-970)**

- (A) Deposit with the Tribal Court of Amount Due Certain Shareholders. Upon the voluntary or involuntary dissolution or liquidation of a corporation, the portion of the assets distributable to a creditor or shareholder who is unknown or cannot be found, or who is under disability and there is no person legally competent to receive such distributive portion, shall be reduced to cash and deposited with the Court and shall be paid over to the creditor or shareholder or to his legal representative upon proof satisfactory to the Court of his rights thereto.
- (B) Survival of Remedy after Dissolution.
  - (1) The dissolution of a corporation by:
    - (a) the issuance of a certificate of dissolution by the Tribal Secretary,
    - (b) an order issued by the Tribal Court before the corporation's assets have been liquidated as provided in this Ordinance, or
    - (c) upon expiration of its period of duration,

shall not take away or impair any remedy available to or against a corporation, its directors, officers, or shareholders, for any right or claim existing or any liability incurred, prior to dissolution if an action or other proceeding is commenced within two years after the date of dissolution.

- (2) Any such action or proceeding by or against the corporation may be prosecuted or defended by the corporation in its corporate name.
- (3) The shareholders, directors, and officers shall have power to take corporate or other action as shall be appropriate to protect a remedy, right or claim. If a corporation was dissolved by the expiration of its period of duration, it may amend its articles of incorporation at any time during the period of two years so as to extend its period of duration

**Section 980 Decree of Involuntary Dissolution (7 PYTC § 2-980)**

In proceedings to liquidate the assets and affairs of a corporation, when the costs and expenses of such proceedings and all debts, obligations, and liabilities of the corporation shall have been paid and discharged and all of its remaining property and assets are not sufficient to satisfy and discharge such costs, expenses, debts, and obligations, and all the property and assets have been applied so far as they will go to their payment, the Court shall enter a decree dissolving the corporation, whereupon the existence of the corporation shall cease.

**Section 990 Filing of Decree of Dissolution (7 PYTC § 2-990)**

In case the Court shall enter a decree dissolving a corporation, it shall be the duty of the Clerk of Court to cause a certified copy of the decree to be delivered to the Tribal Secretary, who shall file the same. No fee shall be charged by the Tribal Secretary for the filing thereof.

**Section 1000 Deposits with Tribal Secretary (7 PYTC § 2-1000)**

Upon the voluntary or involuntary dissolution of a corporation, the portion of the assets distributable to any persons who are unknown or cannot be found, or who are under disability and there is no person legally competent to receive such distributive portion, shall be reduced to cash and be deposited with the Tribal Secretary and shall be paid over to such person or to his legal representative upon proof satisfactory to the Court of his rights thereto.

**SUBCHAPTER E MISCELLANEOUS**

**Section 1010 Effect of Invalidity of Part of This Chapter (7 PYTC § 2-1010)**

If a Court of competent jurisdiction shall adjudge to be invalid or unconstitutional any clause, sentence, paragraph, section, or part of this Chapter, such judgment or decree shall not effect, impair, invalidate, or nullify the remainder of this Chapter, but the effect thereof shall be confined to the clause, sentence, paragraph, section, or part of this Chapter so adjudged to be invalid or unconstitutional.

**Section 1020 Reservation of Power (7 PYTC § 2-1020)**

The Tribal Council shall at all times have the power to prescribe such regulations, provisions and limitations as it may deem advisable and necessary. Such regulations, provisions and limitations shall be binding upon any and all corporations subject to the provisions of this Chapter, and the Tribal Council shall have the power to amend, repeal, or modify this Chapter at any time.