

October 3, 2006

Information for the ballot to approve the Tribal LLC

Ballot:

Shall the Tribe approve the SYBCI (Santa Ynez Band of Chumash Indians) Limited Liability Company Act?

Approval of the SYBCI Limited Liability Company Act (Tribal LLC) would establish a business entity wholly-owned by the Tribe for the conducting of off-reservation business. The General Council delegates to the Business Committee the authorities and responsibilities to serve as the Tribal LLC Board just as they do for the Enterprise Board and with the same limitations.

SYBCI Limited Liability Company Act document:

Page 3, Chapter I, General Provisions, Item 1. Authority, paragraphs b. and c. and Page 6, Item 8, Nation as Member, Item f. Governance; LLC Board and Item h.

Enumerated Limitations subparagraphs (a) through (f).

Page 14, Chapter III, Members and Managers, Item 22. Voting, paragraphs a and b.

The Limited Liability Company has the liability shield of a corporation but is disregarded for tax purposes.

SYBCI Limited Liability Company Act document:

Page 11, Chapter II, Articles of Organization and Dealing with LLC, Item 16. Liability of Members to Third Parties, and also see pages 13 and 14, Chapter III, Members and Managers, Item 21. Limitation of Liability and Indemnification.

Ownership title to property acquisitions made by the Tribe would be taken by the Tribal LLC.

SYBCI Limited Liability Company Act document:

Page 19, Chapter VI, Ownership and Transfer of Property, Item 37. Ownership of LLC Property, paragraphs a., b., and c.

Information for the ballot to approve the Tribal LLC, continued.

The Tribe recently purchased the McCormix gas station and the transfer of title or closing on that property is pending the results of the environmental study. The Tribe should not put the title of ownership of the gas station in the name of the Tribe but in the name of the Tribal LLC. Should something happen at the gas station such as a spill, the LLC would be the legal entity between the Tribe and the gas station. The LLC has the liability of a corporation but is disregarded for tax purposes. Title to all the Tribe's property acquisitions should be in the name of the LLC.

The Tribal LLC:

- Will serve to shield the Tribe from law suits that may arise from events occurring on properties owned by the Tribe.
- Will be solely owed by the Tribe. There will be no provision for individual ownership.
- Will keep all the sovereign immunity limitations the current Enterprise has. The LLC Board cannot waive sovereign immunity without the approval of the General Council.
- May not sell or encumber real property without the approval of the General Council.
- All profits from the LLC shall go back to the Tribe or its members in accordance with Tribal law.
- The power of the LLC Board emanates from the General Council. The limitations of the LLC Board will be the same as those for the Enterprise Board.

**PROPOSED ADDITIONS TO
SYBCI LIMITED LIABILITY COMPANY ACT
FROM
CHUMASH CASINO AND RESORT LLC ORDINANCE**

Section 4. Creation and Nature of LLC.

(a) The LLC shall be a limited liability business entity wholly-owned by the Tribe created by this ordinance, and governed by the LLC Board. The LLC shall be an instrumentality of the Tribe through which the LLC Business shall hereafter be conducted.

(b) The LLC shall be exempt from all federal or state income taxes or other impositions to the same extent as the Tribe.

Section 5. Sovereign Immunity and Waivers of Sovereign Immunity.

(a) The LLC shall have and enjoy the Tribe's sovereign immunity from unconsented suits and other legal process and claims, together with all other rights and privileges arising from tribal sovereignty, to the fullest extent that the Tribe enjoys sovereign immunity and the rights and privileges of tribal sovereignty.

(b) Except as provided in Section 7(i) of this Ordinance, no waiver of sovereign immunity by the Tribe or any Tribal Party other than the LLC or any other person or entity, shall ever permit or allow or be construed or interpreted to permit or allow any enforcement or recourse as against the LLC, its assets, revenues or business, except that a waiver of sovereign immunity meeting each of the following requirements will permit recourse against explicitly identified assets, revenues, business or activity of the LLC:

- (i) the waiver is in writing and expressly states that such waiver shall permit recourse and enforcement against the explicitly designated assets, Revenues, business or activity of the LLC; and
- (ii) the waiver is duly approved by the LLC Board.

Section 6. Enforcement of Claims; Separation of Liabilities, Assets Etc.

(a) Any liability or obligation of the LLC of any nature, whether arising under contract, law, or otherwise, shall be enforceable only as against the LLC, its assets and revenues (but only to the extent the LLC waives its sovereign immunity as permitted herein). No liability or obligation of the LLC shall be enforceable as against any assets or revenues of the Tribe or any other Tribal Party, except with the express consent of the Tribe that has been authorized by the General Council.



