

**SALT RIVER PIMA-MARICOPA  
INDIAN COMMUNITY  
10005 East Osborn Road  
Scottsdale, Arizona 85256**

**ORDINANCE NUMBER: SRO-479-2016**

**EFFECTIVE APRIL 4, 2016, TO ENACT AN AMENDED AND RESTATED THE SALT RIVER FINANCIAL SERVICES INSTITUTION ORDINANCE TO MAKE THE INSTITUTION MORE EFFECTIVE AND EFFICIENT IN THE DELIVERY OF LOAN PRODUCTS, FINANCIAL EDUCATION AND COMMUNITY DEVELOPMENT SERVICES FOR THE BENEFICT OF COMMUNITY AND ITS MEMBERS.**

---

***DIVISION 6. SALT RIVER FINANCIAL SERVICES INSTITUTION***

**Sec. 1-149. Established.**

- (a) There is established an institution of the Community to be known as the Salt River Financial Services Institution (the "institution"). The institution is currently a certified United States Department of the Treasury, Community Development Financial Institution.
- (b) The institution shall maintain its principal place of business and office on the lands of the Community.
- (c) The institution shall promote community development by providing housing and business development in the Community through loan products, financial education, credit counseling and business coaching with the ultimate goal of spurring economic growth and opportunity in the Community and for individual Community members.
- (d) The institution is a non-profit organization and its primary purpose is to improve the living standards, education, health and general welfare of the members of the Community.
- (e) The institution shall be a separate legal entity.

**Sec. 1-150. Purpose and powers of the Institution.**

- (a) The institution is empowered to:
  - (1) adopt home, consumer and business lending procedures and policies to ensure that all lending conducted by the institution is an arms-length transaction;
  - (2) lend funds for the purpose of providing affordable home ownership opportunities to Community members and their families;
  - (3) lend funds for the purpose of promoting greater economic opportunity and job development in and around the Community by providing business, consumer and credit improving opportunities;

- (4) solicit, apply, accept and implement grant and other public and private funding to help leverage the institution's resources; and
- (5) administer and operate loan programs autonomously and independently from political influence;
- (6) provide financial education and counseling services; and
- (7) own, hold, or convey real or personal property, including leasehold interests, in the name of the institution for the purposes of promoting homeownership and business development by Community members; provided at no time will the institution enter into a transaction that would endanger the trust status of the underlying Indian allotted lands.

**Sec. 1-151. The Board and Loan Committee.**

*(a) Powers of the Board.*

- (1) The board shall advise the institution in:
  - a. providing meaningful programs to improve economic opportunity and growth for the Community and its members through greater financial literacy and education, and providing a variety of products that improve a person's credit worthiness, and provide affordable homeownership and business ownership opportunities;
  - b. accessing grant and other outside funding sources to leverage the Community's and institution's resources to assist more Community members in the mission of the institution;
  - c. The board also has authority to approve the institution's budget, quarterly and yearly financial statements, contracts and agreements that borrow money or that waive the institution's sovereign immunity, consistent with the requirements of this ordinance; and
  - d. The board shall periodically develop a strategic five-year plan for the institution that is consistent with the provisions of this ordinance.

*(b) Composition of the Board.*

- (1) The board shall consist of seven (7) voting members who are appointed for three year terms. The Board shall have staggered terms, and this board shall be a separate and independent governing board from that of the Community government.
- (2) All board members shall be appointed by a majority vote of the existing board members, except for the Council representative who is appointed by the Council. Any vacancy of the board shall be filled by the board for the remainder of the term that is vacated. A board member may be removed involuntarily from the board if they are convicted of a felony or any financially related misdemeanor during their term, or if they engage in conduct that is deemed inconsistent with the mission of the institution by the remaining members of the board.
- (3) At least four (4) members of the board shall be enrolled members of the Community, and one of which shall be a member of the Council. The board should have at least one

member who is a community member and who owns a home or who owns a voting control of a business.

- (4) The three (3) remaining board members shall have professional or management experience in the banking industry, mortgage or business lending industry, or in the credit counseling, financial management and education industry.
  - (5) A quorum of four (4) board members is required for any action taken by the board.
  - (6) The board shall appoint a chairperson who will preside at the board's meetings, and will serve as the primary liaison from the board to the Community Council.
- (c) *Standing Loan Committee.* The board shall appoint a committee of three (3) members of the board to review and approve all loans entered into by the institution to ensure that all loan transactions are an arms-length transaction consistent with the institution's established loan policies and procedures. The Council representative who sits on the Board shall not be a member of the loan committee.
- (d) *Advisors to the Board.* The Community's Office of the Treasurer shall serve as a non-voting advisory member of the board.
- (e) *Legal Advice to the Institution.* The Community's Office of the General Counsel shall serve as the legal counsel for the institution.
- (f) *Meetings of the board and committee.*
- (1) The board shall meet quarterly, and if necessary a special meeting or an e-vote may be called to conduct immediate or urgent business. Recorded minutes must be kept for all regular and special meetings, and for any e-votes, the outcome must be read into the record at the next regular meeting.
  - (2) The loan committee shall meet monthly, if necessary. Also, the loan committee may meet for a special meeting if there is an immediate or urgent business need to meet.
  - (3) The fees or stipend for the board and any the committees shall be set by the board, but consistent with the Community's overall board stipend policies and practices.
- (d) *Conflict of Interest.* No board member, officer or contractor of the institution may have any direct or indirect financial or other interest that conflicts or appears to conflict with their responsibilities and duties as board members, officers and contract employees. In addition, no board member shall engage in financial transactions as a result of, or otherwise make use of for private gain, information obtained through his or her status as a board member of the institution.

#### **Sec. 1-152. Program Administrator.**

- (a) *Conducting day-to-day business.* The institution's program administrator shall also have the following powers to conduct day-to-day business:
- (1) To enter into, make and perform grants, contracts or agreements with any person, bank, entity, tribal government, county, state or local government or agency that is in furtherance of the institution's mission of providing business loans, consumer and home loans,

financial literacy and education, business coaching, savings programs and other similar programs consistent with the provision of this ordinance and the Community Council approved budget.

- (2) To manage the board and Community Council approved annual budget of income, expenses and capital expenditures.
- (3) To conduct and manage banking relationships necessary to the operation of the institution.
- (4) To establish and manage a uniform system of accounting, to provide for the annual auditing by a certified public accountant, of its books and to report its financial condition to the Community Council and the Board at least quarterly.
- (5) To enter into agreements with the Community regarding the contracting of employees and services to assist the institution in carrying out its mission.
- (6) To manage the day-to-day operations of the institution and provide oversight to the contract services to ensure that the institution conducts its business in accordance with the laws of the Community, and relevant federal laws, including those that govern the certification of Federal Community Development Financial Institutions.
- (7) To exercise such powers as are necessary to govern the day-to-day activities of the institution that are not reserved for the board or the Community Council.
- (8) The program administrator is a non-voting member of the advisory board.

#### **Sec. 1-153. Contracted Services.**

- (a) *Contracted Services.* The institution may enter into agreements and contracts with the Community and other third parties to provide for the following services: program personnel, accounting and financial, information technology, human resources, realty, legal services, purchasing or other services as the board may from time to time determine.
- (b) *Contracted Program Administrator Services.* The institution shall have a program administrator. The program administrator must be a senior level manager or director within the Community government. The program administrator will be responsible for ensuring that the institution's fulfills their mission and day-to-day responsibilities to ensure quality services to the target market. The program administrator shall be responsible in implementing the strategic vision of the board.
- (c) *Appointment of Program Administrator Services.* The Community Manager, through consultation with the board, shall appoint this role.

#### **Sec. 1-154. Non-Profit Status.**

- (a) *Improve the Health and Welfare of the Community.* The institution shall be a non-profit entity whose primary purpose is to improve the quality of living of its target market, the Community

and its members, by providing loan products and educational programs that encourage affordable home, credit building and business ownership opportunities.

- (b) *Tax-Deductible Donation.* Contributions to the institution shall be treated as contributions to the Community and as such shall qualify as charitable deductions for federal and Arizona state income, estate and gift tax purposes pursuant to the terms of the Internal Revenue Code §7871(a)(1) and the Arizona state tax statutes pertaining to the deductibility of such contributions. All such contributions shall be dedicated exclusively to the purposes of the institution, including without limitation the payment of the expenses of operating the institution, and such contributions shall not be applied to any extent whatever by the council or the institution toward any other purpose.

**Sec. 1-155. Immunity from Suit.**

- (a) *Immunity from Suit.* The institution is an instrumentality of and a subordinate entity of the Community and entitled to all of the privileges and immunities of the Community, including but not limited to immunities from suit in federal, state and tribal courts and from federal, state, and local taxation or regulation, except as may be otherwise provided by Community or federal law.
- (b) *Limited Waiver.* Only the Community Council, by approval of the majority, may expressly approve a limited waiver of the institution's immunity from suit.

**Sec. 1-156. Miscellaneous.**

- (a) The board members or contract employees of the institution shall not be liable for the debts of the institution, and the private property of board members and contract employees of the institution shall be forever exempt from its debts. The institution shall indemnify and hold harmless institution officers and board members (indemnified parties) from liability or other claim arising as a result of the indemnified parties acting in their official capacity and within the course and scope of their authority.
- (b) Nothing in this division within this Community Code of Ordinances shall exempt the institution from full compliance with ordinances of the Community.

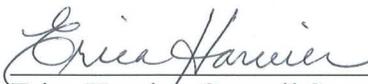
C E R T I F I C A T I O N

This Ordinance is hereby enacted pursuant to the authority contained in Article VII, Section 1 of the Constitution of the Salt River Pima-Maricopa Indian Community ratified by the Tribe, February 28, 1990, and approved by the Secretary of the Interior, March 19, 1990, and amended by the Tribe, February 27, 1996, and approved by the Secretary April 23, 1996, the foregoing Ordinance was adopted this 23<sup>rd</sup> day of March, 2016, in a duly called meeting held by the Community Council in Salt River, Arizona at which a quorum of 7 members were present by a vote of 6 for; 1 opposed, 0 abstentions, and 2 excused.

**SALT RIVER PIMA-MARICOPA  
INDIAN COMMUNITY COUNCIL**

  
\_\_\_\_\_  
Martin Harvier, Vice-President

ATTEST:

  
\_\_\_\_\_  
Erica Harvier, Council Secretary

Approved as to Form by the  
Office of the General Counsel  
Theresa Rosier  
March 7, 2016  
