

Pyramid Lake Paiute Tribal Council

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RESOLUTION NO.: PL 093-20

RESOLUTION OF THE TRIBAL COUNCIL OF THE PYRAMID LAKE PAIUTE TRIBE NIXON, NEVADA

WHEREAS, the Pyramid Lake Paiute Tribe is organized pursuant to the provisions of Section 16 of the Indian Reorganization Act (25 U.S.C. § 476) and is federally recognized by the United States Government through the Secretary of the Interior and the Bureau of Indian Affairs; and

WHEREAS, the Pyramid Lake Paiute Tribe has the inherent and constitutional sovereign authority to conserve tribal property, to develop community resources, to promote the welfare of its citizens, to administer and use property of the Tribe, to approve interests in tribal land for development and other governmental purposes and to protect the health, safety, welfare and economic security of its citizens; and

WHEREAS, the Tribe possesses inherent sovereign powers of self-government and governs itself according to its Constitution and By-Laws, which authorize the Tribal Council to act in all matters that concern the welfare of the Tribe, to manage economic affairs and enterprises of the Tribe, and to regulate subordinate organizations for economic and other purposes; and

WHEREAS, in June 2019, the Pyramid Lake Tribal Council purportedly entered into a joint venture agreement with Sovereign Cannabis Solutions Pyramid Lake LLC ("SCS") for the purpose of establishing a recreational marijuana establishment on the Pyramid Lake Reservation pursuant to Chapter 16 of the Law and Order Code; and

WHEREAS, SCS began unlawful operations on the S-S Ranch without obtaining the required marijuana establishment licenses from the Tribe, as required under Chapter 16 of the Law and Order Code;

WHEREAS, on December 18, 2019, the Tribe filed a civil complaint against SCS seeking a declaratory judgment that SCS violated the Tribe's laws and injunctive relief and removal from the S-S Ranch and Reservation for operating an unlicensed cannabis cultivation facility in violation of Chapter 16 and Chapter 3 of the Law and Order Code; and

WHEREAS, on February 11, 2020, the Tribal Council passed Resolution No. PL 015-20 to exclude SCS owners, officers, managers, and non-tribal member employees from the Reservation;

WHEREAS, on February 20, 2020 the Tribal Court did grant default judgment to the Tribe, which order was entered on March 12, 2020; and

WHEREAS, due to the Tribal Court judgment, SCS is prohibited from operating a recreational marijuana establishment, including cultivation, manufacturing, production and distribution of existing marijuana plants and products, on the Reservation and S-S Ranch; and

WHEREAS, the Tribe desires to dispose of the remaining marijuana plants and products, whether through sale or destruction pursuant to tribal and state marijuana laws; and

WHEREAS, the Tribal Council has determined that a separate entity, chartered under tribal law, should be responsible for the proper and lawful disposal of the remaining marijuana plants and products.

NOW THEREFORE BE IT RESOLVED, that the Tribal Council, governing body of the Pyramid Lake Paiute Tribe, hereby charters the Pyramid Cannabis Resolution Authority (PCRA) as a single purpose entity that is solely responsible for the lawful and proper disposal of the remaining marijuana plants and products located on the S-S Ranch; and

BE IT FURTHER RESOLVED, that the PCRA Charter, which is attached and incorporated by reference, is hereby adopted; and

BE IT FURTHER RESOLVED, that the PCRA is a legally distinct but subordinate economic organization of the Pyramid Lake Paiute Tribe cloaked in the Tribe's sovereign immunities, including immunity from suit, state regulation and taxation; and

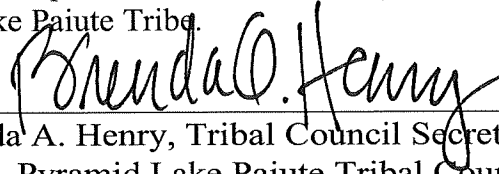
BE IT FURTHER RESOLVED, that the PCRA as a tribally-chartered entity is subject to all tribal laws, including Chapter 16 of the Law and Order Code and Title II, the Tax Code; and

BE IT FURTHER RESOLVED, that the Tribal Council retains all authorities to amend the PCRA Charter, to waive the PCRA sovereign immunity, to dissolve the PCRA, and to take any and all other necessary and proper actions related to SCS and S-S Ranch; and

BE IT FINALLY RESOLVED, the Tribal Chairman and Executive Team are authorized to take any and all necessary action to implement this Resolution and the Charter; provided that the Tribal Council retains all authorities under the Charter

CERTIFICATION

It is hereby certified that the foregoing resolution of the Pyramid Lake Paiute Tribal Council, governing body of the Pyramid Lake Paiute Tribe, composed of ten members, nine (9) of whom constituting a quorum were present at a special meeting duly called and held on the 9th day of September 2020 was adopted by the affirmative vote of seven (7) FOR and zero (0) AGAINST, with one (1) ABSTENTION pursuant to the authority contained in the Constitution and By-laws of the Pyramid Lake Paiute Tribe.



Brenda A. Henry, Tribal Council Secretary
Pyramid Lake Paiute Tribal Council

PYRAMID CANNABIS RESOLUTION AUTHORITY

**A SINGLE PURPOSE ENTITY CHARTERED
BY
THE PYRAMID LAKE PAIUTE TRIBE**

ARTICLE I - PYRAMID CANNABIS RESOLUTION AUTHORITY

The name of the entity is the Pyramid Cannabis Resolution Authority (PCRA)

ARTICLE II - PRINCIPAL OFFICE AND PLACE OF BUSINESS

The principal office of the PCRA shall be located within the Pyramid Lake Paiute Reservation, State of Nevada (Reservation). The PCRA is only authorized to conduct business within the exterior boundaries of the Reservation.

ARTICLE III - AUTHORITY FOR CHARTER

The PCRA is organized, incorporated and chartered under the laws of the Pyramid Lake Paiute Tribe ("Tribe"), a federally recognized Indian tribe, exercising its inherent sovereign authorities to manage its land, property and economic activities under its Constitution, Art. VI, Sections 1(c),(f),(j),(m) and shall have the powers, privileges and immunities granted under this Charter.

ARTICLE IV - STATUS OF CORPORATION

- A. The PCRA is an independent enterprise, wholly owned by the Tribe.
- B. The PCRA, its officers, and employees shall have the same privileges and immunities under federal and tribal law as the Tribe.

ARTICLE V - PERIOD OF DURATION

The period of the PCRA's duration is temporary, and will automatically cease upon the meeting of the conditions in Article XIII, or until this Charter is revoked by the Tribe's Tribal Council.

ARTICLE VI - PURPOSES

The PCRA is organized as a special limited purpose, subordinate, economic entity of the Tribe, with sole authority to fully and finally resolve the sale of existing harvested cannabis plants and to conduct its operations in such a way as to maximize the return of value from the sale of such cannabis plants while minimizing the legal and business risks to the Tribe.

ARTICLE VII - POWERS

The PCRA is authorized:

- A. To enter into and make contracts of every kind and nature with any person, firm, association, corporation, municipality, nation, Indian tribe, state or body politic, without the approval of the Tribe, except when the use of trust or federally-restricted Indian property, such as tribal lands, assets, and natural resources, requires such approval.
- B. To purchase, take by gift or bequest, acquire, own, lease, manage, operate, deal in and dispose of personal property of all kinds and descriptions, wherever situated.
- C. To apply for, purchase or acquire by assignment, transfer or otherwise, and to exercise, carry out and enjoy any license, power, authority, franchise, concession, right or privilege which any government or authority or other public body may be empowered to enact, make, or grant under the Tribe's or application state laws.
- D. To employ or appoint employees and agents, consultants, attorneys, and any other persons necessary to effect the purposes of the PCRA and define their duties and fix their compensation consistent with Article X of this Charter.
- E. To adopt standard operating procedures for the operation of the PCRA consistent with this Charter, the marijuana laws and regulations of the Tribe and state, and all other applicable laws and regulations of the Tribe. Copies of the standard operating procedures shall be provided to the Tribal Secretary.
- F. To have and exercise all lawful powers incidental, necessary or convenient to effect any or all of the purposes for which the PCRA is organized.

ARTICLE VIII - LIMITATIONS ON POWERS

The PCRA shall have no power:

- A. To make decisions, or take any other actions in violation of, or conflict with, Tribal law, including the Tribe's or state's marijuana laws.
- B. To expressly or by implication enter into any agreement of any kind on behalf of the Tribe.
- C. To pledge the credit of the Tribe.
- D. To dispose of, pledge, or otherwise encumber real or personal property, including land, water, or mineral rights, of the Tribe.
- E. To waive any right, privilege or immunity of, or release any obligation owed to, the Tribe.

ARTICLE IX - DIRECTOR

A. Management Authority. The business affairs of the PCRA shall be managed exclusively by a Director, who shall be appointed by the Tribal Council. The Tribe shall have no authority to direct the business affairs of the PCRA, except where such authority is reserved to the Tribe or Tribal Council as provided in this Charter.

B. Duties of Director. The Director shall manage the general affairs and business of the PCRA. The Director shall perform the duties of the Director consistent with the fiduciary duties of good faith, loyalty and fair dealings, in a manner the Director believes to be in or not opposed to the best interests of the Tribe and the PCRA, and with such care as an ordinarily prudent person would use under similar circumstances in a like position. In performing such duties the Director shall be entitled to rely on factual information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

1. one or more employees of the PCRA whom the Director reasonably believes to be reliable and competent in the matters presented;
2. legal counsel, public accountants, consultants or other persons as to matters which the Director reasonably believes to be within such person's professional or expert competence.

C. Conflicts of Interest.

1. The Director shall not engage in any activity that is, or creates the appearance of, a conflict of interest. A conflict of interest occurs when circumstances create a possibility that the Director's duty of undivided loyalty to the PCRA and the Tribe might be compromised. Should a conflict of interest develop for the Director, he or she shall state the conflict in writing to the Chairman of the Tribe. If the conflict cannot be avoided to the satisfaction of the Chairman, the Director shall immediately resign.
2. No husband, wife, parent, child, sibling, member of household or business partner of the Director shall be a signatory to or beneficiary of any contract or agreement with or decision of the PCRA.

D. Vacancies. If the Director shall vacate the office, by death, resignation, removal or otherwise, the same shall be filled without undue delay.

E. Liability of Director. The Director shall not be personally liable to the PCRA or the Tribe for monetary damages for breach of fiduciary duty as the Director unless:

1. the Director has breached or failed to perform the duties of the Director's office as provided in this Article IX, and

2. the breach or failure to perform constitutes willful misconduct or recklessness.

F. Compensation. Director compensation and expense reimbursement shall be subject to a written contract approved by the Tribal Council.

ARTICLE X - STAFF; CONSULTANTS

A. Staff Positions and Duties. The staff position(s), job description(s), duties, and powers of the staff of the PCRA shall be provided in the PCRA's standard operating procedures and/or the business plans. The PCRA shall limit staff positions to part-time employees to the extent possible and consistent with the best interests of the PCRA.

B. Staff Compensation. Staff compensation and expense reimbursement shall be subject to written policies and procedures developed by the Director, in his/her discretion.

ARTICLE XI - REPORTS TO TRIBE

A. The PCRA shall maintain its financial records in conformity with generally accepted accounting principles.

B. The Director shall, no less frequently than on a quarterly basis, report in writing to Tribal Council on the financial and operating condition of the PCRA, including the revenues and expenses, assets and liabilities of the PCRA. It shall be the responsibility of the Director to submit each such written report to the Tribal Council at least ten (10) days before the respective scheduled Tribal Council meeting.

C. The financial and operating records of the PCRA shall at all reasonable times be open to inspection by the Tribe and any tribal member who requests, in writing, access to such financial and operating records.

D. The PCRA shall, within 120 days following the close of the Tribe's fiscal year, submit to the Tribal Council an audited financial statement showing the status of the PCRA as of the last day of the Tribe's fiscal year.

ARTICLE XII - CLAIMS AGAINST THE PCRA

A. The PCRA is an independent instrumentality of the Tribe and is entitled to all of the privileges and immunities of the Tribe, except as provided in this Article XII.

B. The PCRA is not authorized, without Tribal Council approval, to waive any defense of sovereign immunity from suit that the PCRA, its Director, employees or agents may otherwise enjoy under applicable federal, state or tribal law, arising from any particular agreement, matter, transaction or decision to further the purposes of the Tribe or the PCRA, to consent to suit in tribal court, and to consent to alternative dispute resolution mechanisms such as arbitration or mediation.

C. Any waiver authorized by paragraph B of this Article XII shall be in the form of a written

resolution duly adopted by the Tribal Council. The resolution shall identify the party or parties for whose benefit the waiver is granted, the transaction or transactions and the claims or classes of claim for which the waiver is granted, the property of the PCRA which may be subject to execution to satisfy any judgment which may entered in the claim, and shall identify the court or courts in which suit against the PCRA may be brought. Any waiver shall be limited to claims arising from the acts, decisions or omissions of the PCRA, its Director, employees or agents, and shall be construed only to affect the property and income of the PCRA.

D. Nothing in this Charter, and no waiver of the PCRA's sovereign immunity pursuant to this Article shall be construed as a waiver of the sovereign immunity of the Tribe, its tribal officials and employees or any other instrumentality of the Tribe. No such waiver by the PCRA shall create any liability on the part of the Tribe or any other instrumentality of the Tribe for the decisions, actions, debts and obligations of the PCRA. No such waiver shall be construed as a consent to the encumbrance or attachment of any property of the Tribe, or any other instrumentality of the Tribe, based on any action, adjudication or other determination of liability of any nature incurred by the PCRA.

E. Nothing in this Charter, and no action taken by the PCRA pursuant to this Charter, shall be construed as permitting, recognizing, or granting the State of Nevada any regulatory jurisdiction or taxing jurisdiction over the property or activities of the PCRA or its employees located within the boundaries of the Reservation.

ARTICLE XIII - SUSPENSION OF BUSINESS; DISSOLUTION

A. After issuance of this Charter, the business of the PCRA may be suspended or the PCRA dissolved only as provided in this Article.

B. The business of the PCRA may be suspended and/or the PCRA dissolved upon adoption of a Tribal Council written resolution to suspend business and/or to dissolve, the PCRA shall cease to carry on its business, except insofar as necessary for the winding up thereof. If the Tribal Council resolves to dissolve the PCRA, its existence will cease within thirty (30) days of the adoption of the Tribal Council written resolution.

C. The PCRA shall be automatically dissolved upon the final completion of sale(s) or other final disposition of the existing cannabis product and plants.

D. Effective on the date of the dissolution of the PCRA, the Director shall exercise, on behalf of the PCRA, any power of the PCRA which the Director determines to be necessary to settle and conclude the affairs of the PCRA. The Director shall immediately cause notice thereof to be mailed to each known creditor of the PCRA; shall proceed to collect its assets, convey and dispose of such of its properties as are not to be distributed in kind to the Tribe, pay, satisfy and discharge its liabilities and obligations and do all other acts required to liquidate its business and affairs, and, after paying or adequately providing for the payment of all its obligations, distribute the remainder of its assets, either in cash or in kind, to the Tribe.

ARTICLE XIV - AMENDMENTS

The authority to amend this Charter is vested in the Tribal Council.

ARTICLE XV - CERTIFICATE OF APPROVAL

It is hereby certified that the Pyramid Lake Paiute Tribal Council, governing body of the Pyramid Lake Paiute Tribe, at a meeting duly held on the 9th day of September 2020 adopted by the affirmative vote of seven (7) FOR and zero (0) AGAINST, with one (1) ABSTENTIONS, Resolution No.: 093-20 to charter the Pyramid Cannabis Resolution Authority, pursuant to the authority contained in the Constitution of the Pyramid Lake Paiute Tribe.