LEGISLATION NO: _0150-19______  SPONSOR: Amber Kanazbah Crotty

TITLE: An Action Relating To The Resources And Development Committee; Approving The Navajo Nation Hospitality Enterprise’s Limited Waiver Of Sovereign Immunity Pursuant To Obtaining A Loan Of Three Million And Six-Hundred Thousand Dollars ($3,600,000.00) From Native American Bank, N.A.

Date posted: June 17, 2019 at 4:53pm

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DATE: June 12, 2019

AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE; APPROVING THE NAVAJO NATION HOSPITALITY ENTERPRISE’S LIMITED WAIVER OF SOVEREIGN IMMUNITY PURSUANT TO OBTAINING A LOAN OF THREE MILLION AND SIX-HUNDRED THOUSAND DOLLARS ($3,600,000.00) FROM NATIVE AMERICAN BANK, N.A.

PURPOSE: Approving the limited waiver of sovereign immunity by the Hospitality Enterprise pursuant to obtaining a loan of $3,600,000.00 from Native American Bank, N.A.

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate review the proposed resolution in detail.
PROPOSED NAVAJO NATION COMMITTEE RESOLUTION
24th NAVAJO NATION COUNCIL – First Year, 2019

INTRODUCED BY

(Prime Sponsor)

TRACKING NO. 0150-19

AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE;
APPROVING THE NAVAJO NATION HOSPITALITY ENTERPRISE'S LIMITED WAIVER OF SOVEREIGN IMMUNITY PURSUANT TO OBTAINING A LOAN OF THREE MILLION AND SIX-HUNDRED THOUSAND DOLLARS ($3,600,000.00) FROM NATIVE AMERICAN BANK, N.A.

SECTION 1. AUTHORITY.
The Resources and Development Committee of the Navajo Nation Council exercises oversight authority over economic and community development and the various enterprises of the Navajo Nation. 2 N.N.C. §500 (C).

SECTION 2. FINDINGS.
A. The Navajo Nation Hospitality Enterprise (Enterprise) was established by the Navajo Nation as an enterprise, commercial instrumentality of the Navajo Nation that has the inherited attributes of the Navajo Nation as a sovereign pursuant to and in accordance with 5 N.N.C. §1841 et seq. See Exhibit A.
B. The Enterprise's purposes include stimulation of economic development, maintenance and growth of its business and operation of facilities designed for use by the public pursuant to 5 N.N.C. §1842.

C. The Enterprise's Board of Directors and Chief Operating Officer or, otherwise, Managing Agent, oversee, direct, manage and conduct the Enterprise's business affairs pursuant to and in accordance with 5 N.N.C. §1843 and the Enterprise's Plan of Operation. See Exhibit B.

D. Accordingly, the Enterprise negotiated and created Loan Agreement and associated instruments with Native American Bank, N.A. to obtain a loan in the amount of three-million and six-hundred thousand dollars ($3,600,000.00) for the construction and operation of an office building at the Quality Inn in Window Rock, Navajo Nation (Arizona).

E. The loan agreement requires a limited waiver of sovereign immunity to be granted by the Enterprise.

F. The Navajo Nation Hospitality Enterprise Plan of Operation provides that the Enterprise's Management Board has the authority to borrow funds and make any guaranty respecting indebtedness, interest, contracts or other obligations lawfully entered into on behalf of the Enterprise provided:

1) Such guaranty is made pursuant to the purposes of the corporation as set forth at Article III of the Plan of Operation;

2) The Enterprise shall not incur obligations in excess of its ability to repay as required;

3) Liability for such obligations are limited to available assets of the Enterprise;

4) Property subject to restrictions on alienation or otherwise held in trust may not be used as security of any sort without consent of the oversight Committee and such other approval as may be required by law.

Navajo Nation Hospitality Enterprise Plan of Operation Article VI-Authority, Section 2 (j) See Exhibit B.

G. The Navajo Nation Hospitality Enterprise Plan of Operation also provides that:
With respect to a limited waiver of sovereign immunity, the Enterprise's Management Board must obtain the approval of any such waiver by resolution of the oversight Committee (Resources and Development Committee) which shall grant such approval after any consultation with the Attorney General that the Committee deems advisable.

Navajo Nation Hospitality Enterprise Plan of Operation Article XVI-Immunity From Suit, Section A. (2). See Exhibit B

H. The Enterprise Board has adopted a resolution regarding the requested approval of the limited waiver of sovereign immunity consistent with the requirements of the Enterprise's Plan of Operation. See Exhibit C.

I. The Resources and Development Committee finds it to be in the best interest of the Navajo Nation to approve the limited waiver of sovereign immunity as requested by the Enterprise pursuant to the securing of the loan as stated herein.

SECTION 3. APPROVAL.

The Resources and Development Committee, on behalf of the Navajo Nation, hereby approves the limited waiver of sovereign immunity as requested by the Navajo Nation Hospitality Enterprise pursuant to the securing of the loan as stated herein.