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CHEROKEE COUNCIL HOUSE  
CHEROKEE, NORTH CAROLINA

Date: \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_ (2025)

*An ordinance amending C.C. Sec. 55B-5.2 to clarify the allocation of net profit distributions to the Tribe from LLCs formed under C.C. Chapter 55B.*

WHEREAS, Cherokee Code (C.C.) Section 55B-5.2 governs allocation of distributions from limited liability companies formed under Chapter 55B; and

WHEREAS, the terms "Members" and "Tribal members" are used to describe members of the LLC and also to individual members of the Tribe; and

WHEREAS, the use of those terms in Section 55B-5.2 is potentially confusing as applied to distributions of net profit of the corporate enterprise of cash to the Tribe for allocation to per capita / GenWell and to the debt service sinking fund; and

WHEREAS, Section 55B-5.2 should be amended to remove the potential confusion.

NOW THEREFORE BE IT ORDAINED by the Eastern Band of Cherokee Indians in Tribal Council assembled, at which a quorum is present, that C.C. Section 55B-5.2 shall be amended to read as follows:

**Sec. 55B-5.2. Allocation of distributions.**

- (a) Distributions of cash or other assets of an LLC shall be allocated among the members of the LLC as provided in the operating agreement, or if the operating agreement does not so provide, on the basis of the value of the contributions made by each member.
- (b) No distribution of corporate property among the members of the Tribal Members shall be made, except out of the net profit of corporate enterprises after all corporate debts then due have been paid.
- (c) Distribution of the net profit of the corporate enterprise to the Tribe by an LLC formed under this chapter shall be as follows: 50 percent of distributable net profit for Per Capita/Gen Well and 50 percent to Debt Service Sinking Fund.

BE IT FINALLY ORDAINED that all ordinances that are inconsistent with this ordinance are rescinded, and that this ordinance shall become effective when ratified by the Principal Chief.

*Submitted by Michael McConnell, Attorney General.*