

RESOLUTION OF THE
NAVAJO NATION COUNCIL

21st NAVAJO NATION COUNCIL - First Year, 2007

AN ACT

RELATING TO ECONOMIC DEVELOPMENT AND JUDICIARY; APPROVING
AMENDMENTS TO THE NAVAJO SOVEREIGN IMMUNITY ACT, 1 N.N.C.
§554, AND THE NAVAJO NATION ARBITRATION ACT, 7 N.N.C.
§§1108 AND 1111

BE IT ENACTED:

Section 1. Amendments to the Navajo Sovereign Immunity Act
and the Navajo Nation Arbitration Act.

The Navajo Nation hereby amends the Navajo
Sovereign Immunity Act and the Navajo Nation Arbitration
Act.

Section 2. Purpose.

The purpose of these amendments are to clarify that
the Navajo Nation can consent to arbitrate disputes in
accordance with the Navajo Sovereign Immunity Act and the
Navajo Nation Arbitration Act, and that arbitration
decisions against the Navajo Nation may be enforced in
Navajo Nation courts.

Section 3. Amendments.

The Navajo Nation hereby amends the Navajo Nation
Code, Title 1, §554; and Title 7, §§1108 and 1111, as
follows:

Title 1, Navajo Nation Code
Chapter 5. Navajo Nation
Subchapter 2. Sovereign Immunity Act

§554. Exceptions to the general principles of sovereign
immunity; purpose and intent

J. The Navajo Nation may be ordered to proceed with arbitration, provided:

1. The agreement is properly approved and executed on behalf of the Navajo Nation according to all applicable laws of the Navajo Nation;
2. All agreements entered into under the Navajo Nation Arbitration Act shall be approved by the Navajo Nation Department of Justice; and
3. The arbitration process shall be conducted in accordance with the Navajo Nation Arbitration Act, 7 N.N.C. §§1101 et. seq.

K. The Courts of the Navajo Nation shall have original and exclusive jurisdiction to enforce an arbitral award against the Navajo Nation when such suit is specifically provided for in an agreement containing an arbitration clause that is entered in accordance with the Navajo Nation Arbitration Act. The Navajo Nation shall be subject to suit under this Subsection (K) provided that:

1. The agreement is properly approved and executed on behalf of the Navajo Nation according to all applicable laws of the Navajo Nation;
2. All agreements entered into under the Navajo Nation Arbitration Act shall be approved by the Navajo Nation Department of Justice;

3. The award of damages shall be compensatory damages only, and shall not exceed the dollar amount of the contract including properly approved amendments, but shall not include:
 - a. Punitive or exemplary damages;
 - b. Damages from claims arising in tort;
 - c. Damages caused by delays in performance due to governmental review and approval procedures of the Navajo Nation or other governmental entity having the right to review and/or approve the contract; or
 - d. Damages incurred by those not a party to the contract, including third party beneficiaries or others who receive direct or indirect benefits from the agreement.
4. The courts may, in the exercise of judicial discretion, award necessary costs of suit and/or reasonable fees for legal representation, in the same manner and to the same extent provided in Paragraph (5) Subsection (F) hereof;
5. In determining the Navajo Nation's obligations under this Subsection (K), the courts of the Navajo Nation shall not give any preclusive effect against the Navajo

Nation of any determination by any judicial or quasi-judicial body except the Courts of the Navajo Nation; and

6. The arbitration process shall be conducted in accordance with the Navajo Nation Arbitration Act, 7 N.N.C. §§1101 et seq.

Title 7, Navajo Nation Code
Chapter 7. Navajo Nation Arbitration Act

§1108. Notice and Hearing

A. Whenever the Navajo Nation is a party to an arbitration, notice of intent to invoke arbitration shall be filed in compliance with 1 N.N.C. §555.

[Subsequent subsections are renumbered.]

§1111. Award of arbitrators

C. An award against the Navajo Nation shall be ~~limited to the amount of the contract.~~ in conformance with the provisions of 1 N.N.C. §554(K).

Section 4. Effective Date

The amendment enacted herein shall be effective upon its approval pursuant to 2 N.N.C. §221.

Section 5. Codification.

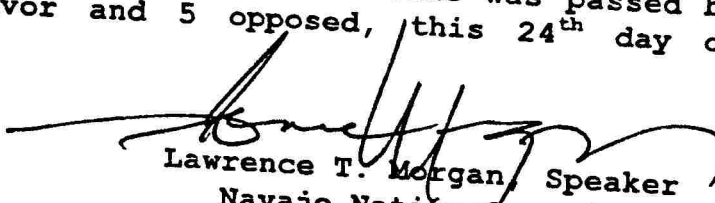
This amendment of the Navajo Nation Code shall be codified by the Office of Legislative Counsel. The Office of Legislative Counsel shall incorporate said amendment in the next codification of the Navajo Nation Code.

Section 6. Savings Clause.

Should any portion of this amendment be determined invalid by the Navajo Nation Supreme Court, or by any District Court of the Navajo Nation without appeal to the Navajo Nation Supreme Court, those portions of the amendments not determined invalid shall remain the law of the Navajo Nation.

CERTIFICATION

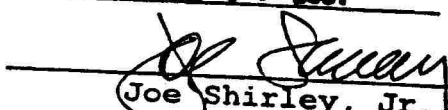
I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 72 in favor and 5 opposed, this 24th day of January 2007.


Lawrence T. Morgan, Speaker
Navajo Nation Council
25 Jan 07
Date

Motion: Rex Lee Jim
Second: Roy Laughter

ACTION BY THE NAVAJO NATION PRESIDENT:

- 1. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (10), on this _____ day of FEB 05 2007 2007.


Joe Shirley, Jr. President
Navajo Nation

Section 5. Codification.

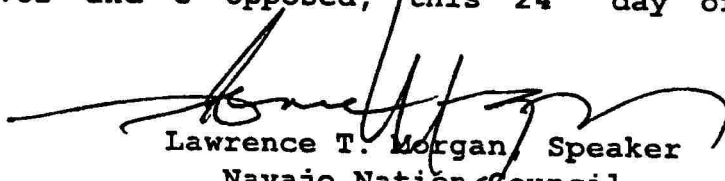
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