



LEASE NO. B-468-CR

LESSEE: WATER WHEEL CAMP RECREATION AREA, INC. LESSOR: COLORADO RIVER INDIAN TRIBES

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UNITED STATES DEPARTMENT OF THE INTERIOR Bureau of Indian Affairs Colorado River Agency Parker, Arizona 85344

LEASE NO. B-468-CR
CONTRACT NO.

BUSINESS LEASE

I. LAND DESCRIPTION

For and in consideration of the rents and agreements hereinafter set out, the Lessor hereby leases to the Lessee the following described premises:

Land within fractional sections 11 and 14, Township 3 South, and 23 East, San Bernardino meridian. See exhibit "A", legal description attached hereto.

All of the above land being located in Riverside County, State of California, containing twenty-six (26) acres, more or less, and subject to any prior, valid, existing rights-of-way for State highways or public utilities.

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II. TERM

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The term of this lease shall be thirty-two (32) years beginning on the date this lease is approved by the Secretary.

III. PURPOSE OF THIS LEASE

The conduct of a recreational facility and all purposes incidental thereto, including, but not limited to, a recreational center, a convenience store, a bar, a recreational trailer park, the rental of trailer and camping spaces, the operation of a marina and facilities related thereto, and homesites for employees. If the lessee uses the leased premises for any purpose not set forth above, such use shall constitute grounds for cancellation of the lease.

IV. RENTALS

The Lessee, in consideration of the foregoing, agrees to pay in lawful money of the United States of America to the Bureau of Indian Affairs, Colorado River Agency rentals as follows:

A. The following guaranteed minimum annual rentals: the sum of One Hundred Dollars (\$100.00) per acre per year for the first through the twentyfifth year of the lease. Prior to the beginning of the twenty-sixth year, Lessee and Lessor shall renegotiate the minimum annual rent to the then current fair annual rental value of the leased premises exclusive of improvements. Said fair annual rental to be estimated by normal appraisal procedures and methods. Said guaranteed minimum annual rentals shall be paid in advance, the first payment to be deposited with the Superintendent when this lease is submitted for approval, and subsequent payments to be made to the Bureau of Indian Affairs, Colorado River Agency on or before each anniversary date of the approval of this lease by the Secretary.

B. As additional rentals over and above guaranteed minimum annual rentals, the following percentages of gross receipts of businesses, as specified below, regardless of whether such businesses are operated by Lessee, Sublessee, Assignee, or Concessionaires:

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(1)_	Sales of alcoholic beverages	5%
(2)_	Rentals of trailer and camping spaces	4%
(3)_	All other income derived from business	_
	conducted on the premises	2%

If any part or parts of the leased premises are used for any purpose or purposes other than those set out above, the right to use the premises for such purposes and the percentage rentals to be paid for such uses shall be negotiated by the Lessor and the Lessee, subject to the approval of the Secretary, prior to the time such uses are commenced.

Lessee agrees that, at all times during the term of this lease, it will diligently attempt to keep the leased premises and all parts thereof actively used.

All businesses on the leased premises shall be conducted during the regular and customary hours of such businesses and on all business days in good faith, so that Lessor will at all times receive the maximum income under the percentage rental provisions of this lease.

V. PAYMENT OF RENTS

All rents shall be paid without prior notice or demand. Past due rental shall bear interest at ten percent (10%) per annum from the due date until paid, but this provision shall not be construed to relieve the Lessee from his obligation to make timely rental payments.

VI. IMPROVEMENTS AND COMPLETION OF DEVELOPMENT

The Lessee agrees that within the times specified below the Lessee will have completed construction of the following buildings and improvements in accordance with the completion of construction schedule set forth below:

- (1) Remove the existing structure.
- (2) Install spaces for a minimum of 100 trailers.

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- (5) Install modern sewer hookups and electrical distribution systems.
- (6) Construct modern restroom-shower-laundry facility buildings and fully equip them.
- (7) Construct modern recreational-snack barstore structures.
- (8) Construct a concrete boat launching facility suitable for moderate use.
- (9) Landscape and provide improved roadways upon the premises.

All improvements recited above shall be completed prior to the end of the sixth year of this lease.

If the Lessee fails to complete improvement, development and construction within each such period, the Lessor may at his sole option as to each such period:

A. Require that the guaranteed minimum annual rentals payable under this lease increase ten percent (10%) at the beginning of the next lease year of this lease, and for each lease year thereafter that the Lessee fails to complete such full improvement, development and construction, the guaranteed minimum annual rentals payable under this lease shall be increased additionally two percent (2%) of the previous year's rent:

VII. PUBLIC LIABILITY INSURANCE

At all times during the term of this lease, Lessee shall carry a public liability insurance policy with coverages of not less than ONE HUNDRED THOUSAND DOLLARS (\$100,000) / THREE HUNDRED THOUSAND DOLLARS (\$300,000) for personal injury and FIFTY THOUSAND DOLLARS (\$50,000) for property damage, said policy to be written jointly to protect Lessee and Lessor. Evidence, acceptable to the Secretary, of such coverage shall be furnished to the Secretary.

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VIII. ADDITIONAL PROVISIONS ı 2 The provisions of the attached Addendum to Lease containing Articles, 1 through 36, are hereby incorporated herein and made a part hereof. 3 4 IX. VALIDITY This lease, and any modification of or amendment thereto, shall not be 5 valid or binding upon either party hereto until approved by the Secretary. 6 IN WITNESS WHEREOF, the parties hereto have hereunto set their hands, 7 LESSOR: 8 COLORADO RIVER TRIBES 9 Attest: 10 11 12 13 14 LESSEE: WATER WHEEL CAMP RECREATION AREA, INC. 15 Attest: 16 17 18 19 20 21 ACKNOWLEDGMENT OF LESSOR 22 State of Arizona) County of Yuma 23 24 ON THIS lst day of JULY , 19 75 , before me, the 25 Undersigned Notary Public, personally appeared ANTHONY DRENNAN, SR, 26 and HERMAN D. LAFFOON, SR. ___, to me known to be the identical persons who executed the 27 28 within and foregoing instrument and acknowledged to me that they executed the 29 same in their official capacity as Chairman and Secretary, respectively, of the 30 31 32

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ı	Colorado River Tribal Council, as the free and voluntary act of said Community
2	for the uses and purposes therein set forth.
3	IN WITNESS WHEREOF, I have hereunto set my hand and offical seal.
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5	Notary Public Notary
6	My Commission Expires: MAY 19, 1978
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9	ACKNOWLEDGMENT OF LESSEE (CORPORATE)
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11	STATE OF ARIBONA)
12	COUNTY OF RIVERSIDE) ss:
13	ON THIS 17th day of JUNE, 1975, before me, the
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15	Undersigned Notary Public, personally appeared
16	DERT T. DENHAM and BARBARA DENHAM, known to me to be the President and Secretary,
17	respectively, of the corporation that executed the within lease and acknowledged
18	that they, as such officers being authorized to do so, executed the foregoing
19	lease for the uses and purposes therein contained as the free and voluntary act
20 21	of said corporation.
22	IN WITNESS WHEREOF, I have hereunto set my hand and offical seal.
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24	1- 10
25	Ottel J. Godnisa
26	Notary
27	My Commission Expires: XIIARJ 13,1978
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UNITED STATES DEPARTMENT OF THE INTERIOR Bureau of Indian Affairs Colorado River Agency

THE WITHIN LEASE is hereby approved pursuant to authority delegated from the Secretary of the Interior to the Commissioner of Indian Affairs in Order 2508 (10 BIAM 2), redelegated to the Phoenix Area Director by 10 BIAM 3, and further redelegated to the Superintendent of the Colorado River Reservation by 10 BIAM 11.

Date of Approval: 7-1-15

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LEASE NU	B-468-CR
COMPRACT	N/O

ADDENDUM

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The following articles I through 36 constitute a part of the above numbered lease.

1. DEFINITIONS

- "Secretary" means the Secretary of the Interior or his authorized representative.
- B. "Gross receipts" means all income, including money and any other thing of value, received by or paid to Lessee or its affiliates, whether individuals, corporations, partnerships, or other legal entity, or received by or paid to others for Lessee's or its affiliate's use and benefit, or received by sublessee, asignee or concessionaire, derived from business done, sales made, or services rendered directly or indirectly from or on the leased premises, or derived from the subleasing, sub-renting, permitting, contracting, or other use of the leased premises, or any portion thereof. All income accruing from credit transactions shall be treated as "gross receipts" as of the date credit is extended. "Gross receipts" shall include any ad valorem taxes paid by other than the lessee for the account of the lessee.

"Gross receipts" shall not include: (1) amounts collected and paid out for a sales or excise tax imposed by a governmental authority where such tax is billed to the purchaser as a separate item: (2) credits for the exchange of goods or merchandise between the stores, if any, of Lessee or its affiliates where such exchange is made solely for the convenient operation of business and not for the purpose of consummating a sale previously made directly or indirectly from or on the leased premises: (3) the amount of any refund where the merchandise sold, or some part thereof, is returned by the purchaser and accepted by Lessee and its affiliates; and (4) income from the sale of fixtures, or goodwill, or the sale of improvements constructed by the Lessee on the leased premises primarily for its won use.

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C. "Approved encumbrance" herein shall mean an encumbrance approved by the Secretary, the Lessor, and aureties, if any, in the manner provided nerein. "Encumbrancer" herein shall mean the owner and holder of an approved encumbrance.

D. "Superintendent" means the Superintendent, or other officer in charge of the Colorado River Agency, Bureau of Indian Affairs.

INDEMNIFICATION

Neither the Lessor nor the United States, nor their officers, agents and employees shall be liable for any loss, damage or injury of any kind whatsoever to the person or property of the Lessee or Sublessees or any other person whomsoever, caused by any use of the leased premises, or by any defect in any structure erected thereon, or arising from any accident, fire or other casualty on said premises or from any other cause whatsoever. Lessee hereby waives all claims against Lessor and the United States and agrees to hold Lessor and the United States free and harmless from liability for any loss, damage or injury arising from the use of the premises by Lessee, together with all costs and expenses in connection therewith.

3. FIRE AND DAMAGE INSURANCE

Lessee shall, from the date of approval of this lease, carry fire insurance with extended coverage endorsements, to include vandalism, jointly in the names of the Lessee and Lessor, covering the full insurable value of all permanent improvements on the leased premises. Evidence, acceptable to the Secretary, of such coverage shall be furnished to the Secretary.

Lessee shall pay all premiums and other charges for such insurance and shall deposit with the Secretary the receipt for each premium or other charges as paid, or satisfactory evidence thereof. In the event of damage to any improvement on the leased premises, the Lessee shall reconstruct the improvement in compliance with applicable laws and building regulations and in

accordance with plans to be approved pursuant to Article 5, "Plans and Designs", hereof. Such reconstruction shall commence within one (1) year after the damage occurs and shall be pursued diligently. Insurance proceeds shall be deposited in escrow with an institution approved by the Secretary. The Lessee shall also deposit in said escrow all additional funds required to reconstruct the damage improvement. Escrow instructions shall include provisions that all funds so deposited shall be used to reconstruct the damaged improvements, and funds shall be disbursed during the progress of recontruction on proper architect's, engineer's or contractor's certificates.

If Lessee has not defaulted under this lease, all money in escrow after reconstruction has been completed shall be paid to Lessee. If a default has taken place, said money shall remain in escrow as security for performance by Lessee until said default is corrected, after which funds remaining shall be paid to Lessee. If lessee does not correct the default, said funds shall be paid to the Lessor.

An encumbrancer may be named as a beneficiary under the insurance mentioned herein, and in the event of loss or damage to the buildings on the leased property while an approved encumbrance remains unpaid, the proceeds of such insurance (but not exceeding the amount of the approved encumbrance) shall be paid to the encumbrancer. If such amount paid to the encumbrancer is sufficient to repair the loss or damage with respect to which it was paid, or if insufficient to repair the loss or damage, and Lessor or Lessee shall within three (3) months after such payment by the insurer to the encumbrancer deposit with the encumbrancer enough money to completely repair the loss or damage, when added to the amount paid by the insurer to the encumbrancer, the encumbrancer shall, upon written order of Lessor and Lessee, pay such monies for such repair, and it shall not be deemed a payment or credit on the encumbrance. However, if, prior to the expiration of such three (3) month period, the

Lessor or Lessee shall not so deposit money with the encumbrancer, the said sum so paid by the insurer to the encumbrancer shall be applied and credited upon the approved encumbrance. Such application and credit, however, will in no way relieve the Lessee of the obligation to reconstruct improvements on the leased premises.

4. ACCOUNTINGS AND AUDITS

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The Lessee shall, not later than thirty (30) days after the end of each fiscal year of this lease, submit to the Lessor and the Secretary certified audit reports of gross receipts. With said audit reports, Lessee shall tender payment of any difference between the guaranteed minimum annual rental and the amount due under the rental provisions of this lease. Each audit report shall be accompanied by an opinion, which may be qualified according to customary accounting procedures, and both shall be prepared and verified by a Certified Public Accountant, licensed in the State of California in conformity with standard accounting procedures. Any duly authorized representative of the United States, or any qualified accounting agent or agents appointed by the Lessor, shall have access to and the right to examine and audit any or all pertinent books, documents, papers and records, including State and Federal Income and Sales Tax returns, of the Lessee and Lessee's tenants relating to this lease during the normal business hours of any working day. Lessee shall insert a similar provision in all subleases pertaining to this right of access, examination and audit and shall make available to said representative, agent or agents all books and records of Lessee's tenants which may be requested or may be necessary for completion of a special audit of any or all business conducted under the provisions of this lease.

In the event the Lessor should cause a special audit of the Lessee's pertinent books, documents, papers and records by a Certified Public Accountant, licensed in the State of California, and if such audit reveals that the Lessor has been paid less than 98 percent (98%) of the amount to which

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Lessor is entitled for any reporting period covered by the audit, then the expense of such audit shall be borne by the Lessee, otherwise it will be borne by the Lessor. Upon approval by the Secretary, or his authorized representative, the audit so performed shall be binding upon both the Lessee and Lessor.

Lessor or the Secretary shall be entitled at any time within four (4) years after the receipt of any such precentage rental payment to question the sufficiency of the amount thereof and/or the accuracy of the audit report or reports furnished by Lessee to justify the same, and shall have the right to examine and/or audit as hereinbefore described. Lessee shall for said period keep safe and intact all of Lessee's records, books, accounts and other data which in any way bear upon or are required to justify in detail any such report and Lessee shall insert a provision in all subleases requiring similar retention of records.

5. PLANS AND DESIGNS

 Within One Hundred and Eighty (180) days after the approval of this lease, the Lessee shall submit to the Lessor and the Secretary for approval a general plan and design for the complete development of the entire leased premises. Before beginning any construction whatsoever on the leased premises, the Lessee shall submit to the Secretary and the Lessor comprehensive plans and specifications for the improvements then proposed which have been approved by the State of California and Riverside County. The Lessor and the Secretary shall not assume any responsibility whatever for detailed design of structure or structures or violation of any State, County or City law or ordinance.

6. IMPROVEMENTS

All buildings and improvements, excluding removable personal property and trade fixtures, on the leased property shall at the option of Lessor remain on said property after the termination of this lease and shall

thereupon become the property of the Lessor. The term, "removable personal property," as used in this Article shall not include property which normally would be attached or affixed to the buildings, improvements or land in such a way that it would become a part of the realty, regardless of whether such property is in fact so placed in or on or affixed to the huildings, improvements or land in such a way as to legally retain the characteristics of personal property.

The Lessor shall have the right to require Lessee to remove any or all of the buildings or improvements on the leased premises at the termination of the lease by written notification to Lessee within ninty (90) days after such termination. Lessee at Lessee's sole cost and expense shall remove said buildings or improvements within six (6) months thereafter and restore the effected premises as nearly as possible to the condition existing at the time this lease commenced.

Lessee expressly waives all provisions of State and local law pertaining to improvements affixed to the land by any person acting in good faith and erroneously believing, because of a mistake either of law or fact, that he has a right to do so, and also providing for removal of such Improvements.

7. CONSTRUCTION, MAINTENANCE, REPAIR, ALTERATION

All improvements placed on the leased premises shall be constructed in a good and workmanlike manner and in compliance with applicable laws and building codes. All parts of buildings exposed to perimeter properties shall present a pleasant appearance and all service areas shall be screened from public view. The Lessee shall have the right at any time during the term of this lease to make limited alterations, additions or repairs to any improvement on the premises in an amount not to exceed Ten Thousand Dollars (\$10,000.00). Removal or demolition of any improvements or alterations,

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additions or repairs to any improvements in excess of the above amount shall not be made without the prior written consent of the Lessor and the Secretary. The Lessee shall, at all times during the term of this lease and at the Lessee's sole cost and expense, maintain the premises and all improvements thereon in good order and repair and in a neat, sanitary and attractive condition and in compliance with applicable laws, ordinances, or regulations.

NON-RESPONSIBILITY NOTICES

Prior to the commencement or construction of each improvement on the leased property, or any repair or alteration thereto, the Lessee shall give the Secretary ten (10) days advance notice in writing of intention to begin said activity, in order that non-responsibility notices may be posted and recorded as may be provided by State and local laws. Lessor hereby authorizes the Secretary to post said notices on Lessor's behalf. Nothing contained in this lease shall be construed as a waiver of immunity of trust or restricted property from mechanics' or materialmen's liens or obligate the Secretary or Lessor to post non-responsibility notices while the leased premises are in a trust or restricted status.

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9. RENTAL BOND

Within one hundred fifty (150) days from date of approval of this lease by the Secretary, the Lessee shall post a bond satisfactory to the Secretary in a penal sum of not less than the second year's minimum rent, which bond shall be deposited with the Secretary. The said bond shall be maintained at all times in an amount not less than the sum of the minimum rental payments to become due and payable during the ensuing twelve (12) calendar months of the lease, unless and until the requirement for such bond is waived by the Secretary. Should waiver of rent bond be granted, the Secretary may later reinstate the requirement for a bond and Lessee hereby

agrees to comply with said requirement. Lessee may furnish a corporate surety bond, or in lieu thereof, may deposit with the Secretary cash or negotiable United States Treasury Bonds or other negotiable Treasury obligations in the appropriate amount, together with power of attorney, empowering the Secretary, in the event of lessee's default in any of the rent provisions of this lease, to pay over any such cash, or to dispose of any such bonds and pay over the proceeds derived therefrom, to or for the benefit of the Lessor, subject to Lessee's privilege of curing said default as hereinafter provided. Any other type of security which may be offered by Lessee to satisfy the requirements of this Article will be given reasonable consideration by the Secretary, but it is agreed that acceptance of bond in lieu of those described above shall be at the sole discretion of the Secretary.

It is agreed that bond required by this provision will guarantee payment of rent only and that corporate surety bond shall be in continuous form and may be subject to the provision that the surety may terminate said effective bond 30 days subsequent to the then next ensuing anniversary date of this lease by giving at least forty-five (45) days' written notice to the Secretary. If U.S. Treasury Bonds are provided, Lessee agrees to make up any deficiency in the value deposited that might occur due to a decrease in the value of the bonds. Interest on said bonds shall be paid to Lessee.

10. PERFORMANCE BOND

Before beginning construction of each improvement, Lessee agrees to provide security to guarantee completion of the improvements and payment in full of claims of all persons for work performed on or materials furnished for construction. Lessee may provide said security by either:

A. Posting a corporate surety bond in an amount equal to the cost of each building or other improvement, said bond to be deposited with the

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Secretary and to remain in effect until the improvement is satisfactorily completed. Said bond shall be conditioned upon the faithful performance of Lessee, and give all claimants the right of action to recover upon said bond in any suit brought to foreclose mechanics' or materialmen's liens against the property; or

B. Depositing in escrow with an institution acceptable to the Secretary, negotiable United States Treasury Bonds or cash, in an amount sufficient to pay the entire cost of construction of each building or other improvement then to be erected on the premises. The escrow instructions shall include provisions for disbursement in installments upon certification of Lessee's architect as construction progresses. The Lessor and Secretary shall have access to all information relative to the disbursement of funds through said escrow. The escrow instructions shall also provide: that not less than fifteen percent (15%) of such funds shall be withheld by the escrow holder until the period fixed by law for the filing of all mechanics' or materialmen's liens on such improvement shall have expired or until an acceptable title company issues a title insurance policy which in substance insures the Lessor and Secretary against any loss they shall sustain by reason of any statutory liens for labor or material arising out of any work or improvement described in said escrow instructions; that if mechanics' or materialmen's liens are filed, the funds so withheld shall then be used to discharge such liens; and that If no such liens are filed within the statutory period for filing, the withheld funds shall be then disbursed to the Lessee. If U.S. Treasury Bonds are provided, Lessee agrees to make up any deficiency in the value deposited which might occur due to a decrease in the value of the bonds. Interest on said bonds shall be paid to the Lessee; or

C. Entering into a building loan agreement with a financial institution, which building loan agreement and the amount of the equity of

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the Lessee in the improvements upon effecting the loan, shall be subject to the approval of the Secretary.

11. COMPANIES BONDING AND INSURING

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All corporate surety bonds provided by Lessee in compliance with this lease shall be furnished by companies holding certificates of authority from the Secretary of the Treasury as acceptable sureties on Federal bonds.

Insurance policies shall be furnished and maintained by such responsible companies as are rated A-Plus, AAA, or better in the current edition of Best's Insurance Guide.

12. SUBLEASE, ASSIGNMENT, TRANSFER

A. Sublease

The Lessee shall not, unless otherwise expressly authorized herein, sublease all or any part of the leased premises or the improvements on the leased premises, without the written approval of the Lessor, the Secretary, and sureties. No such sublease shall be valid or binding without said approval, and then only upon the condition that sublessee has agreed in writing that, in the event of conflict between the provisions of this lease and of his sublease, the provisions of this lease shall govern. Any sublease made except as aforesaid shall be deemed a breach of this lease.

The Secretary and the Lessor shall either approve or state their reasons for disapproval of a sublease within thirty (30) days after the sublease is submitted for approval.

The renting of trailer or camping spaces for a period less than twelve months shall not constitute subleasing.

Prior to offering trailer or camping spaces for sublease, Lessee shall submit for approval of the Secretary and the Lessor schedules of minimum annual rents for same. Such schedules shall be subject to periodic review at the request of the Secretary and the Lessor. Rents for trailer or camping spaces, that have

not been subleased may be adjusted with the written consent and approval of the Lessee, Lessor, and the Secretary.

B. Assignment or Transfer

The Lessee shall not assign or transfer all or any part of his 4 5 interest in this lease without the written approval of the Lessor, the Secretary and sureties; provided, that the requirements for approvals of any assignment 6 or transfer necessary for the Lessee or any sublessee to secure an encumbrance 7 on a leasehold interest shall be governed by the provisions of Article 16. Я ENCUMBRANCE. No such assignment or transfer shall be valid or binding 9 10 without said approval, and then only upon the condition that assignee or other 11 successor in interest, excepting an approved encumbrancer under conditions herein set forth, shall agree in writing to be bound by each and all of the 12 covenants and conditions of this lease. Any such assignment or transfer, 13 except as aforesaid, shall be deemed a breach of this lease, excepting that an 14 encumbrancer, as herein set forth, may enforce his rights in the manner here-15 inafter provided. The Secretary and Lessor shall either approve or state their 16 reasons for disapproval of any assignment or transfer within thirty (30) days 17 after it is submitted for approval. A transfer of interest by inheritance is 18 19 not a transfer of interest as meant by this lease.

13. STATUS OF SUBLEASES

Termination of this lease, by cancellation or otherwise, shall not serve to cancel approved subleases and/or subtenancies, but shall operate as an assignment to Lessor of any and all such subleases and/or subtenancies.

14. AGREEMENTS FOR UTILITY FACILITIES

Lessee shall have the right to enter into agreements with public utility companies and the State of California or any of its political subdivisions to provide utility services, including gas, water, electricity, telephone, television and sewer facilities, necessary to the full enjoyment of the leased

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premises and the development thereof in accordance with the provisions of this lease, which agreement shall be binding upon any subleasees or other occupant of the leased premises; provided, that no such agreement shall be for a period longer than the term of this lease or cover land not included in this lease. Upon entering into such agreement or agreements, the Lessee shall furnish to the Secretary and the Lessor executed copies thereof together with a plat or diagram showing the true location of the utility lines to be constructed in accordance therewith.

15. RIGHTS-OF-WAY FOR STREETS AND UTILITY FACILITIES

Lessor hereby consents to the granting of rights-of-way for streets and utility facilities necessary to the full enjoyment of the leased premises and development thereof. Such rights-of-way are to be granted by the Secretary in accordance with the approved general development plan and pursuant to the Act of February 5, 1948 (62 Stat. 17), and any amendments thereto, as supplemented by regulations of the Secretary applicable thereto.

ENCUMBRANCE

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This lease, or any right to or interest in, or any of the improvements on the leased premises may be encumbered only with the written approval of the Lessor, the Secretary and sureties, and no such encumbrance shall be valid without said approval. The leasehold may be encumbered only for the purpose of borrowing capital for the development and improvement of the leased premises. An encumbrance must be confined to the leasehold interest of Lessee and shall not jeopardize in any way the Lessor's interest in the land. Lessee agrees to furnish as requested any financial statements or analyses pertinent to the encumbrance that the Secretary may deem necessary to justify the amount, purposes, and terms of said encumbrance.

In the event of default by the Lessee of the terms of an approved encumbrance, the encumbrancer may exercise any rights provided in such approved

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encumbrance, provided that before any sale of the leasehold, whether under power of sale or foreclosure, the encumbrancer shall give to the Secretary and Lessor notice of the same character and duration as is required to be given to Lessee by such encumbrance and/or the laws of the State of California.

If any sale under the approved encumbrance occurs, whether by power of sale or foreclosure, the purchaser at such sale shall succeed to all of the rights, title and interest of the Lessee in the leasehold estate covered by said approved encumbrance. It is further agreed that, if the purchaser at such sale is the encumbrancer, the encumbrancer may sell and assign the leasehold interest without any further consent, provided that the assignee shall agree in writing to be bound by all the terms and conditions of this lease. If the encumbrancer is the purchaser, it shall be required to perform this lease only so long as it retains title thereto. If a sale under the approved encumbrance occurs and the purchaser is a party other than the encumbrancer, said purchaser as successor in interest to the Lessee, shall be bound by all the terms and conditions of this lease.

If such notice of such sale shall be given and the defaults or any of them upon which such notice of sale is based shall then continue, Lessor shall have the right to correct such defaults at any time prior to the date of sale or foreclosure, and to terminate such leasehold upon paying to the encumbrancer the amount of principal and accrued interest which remain unpaid.

17. LIENS, TAXES, ASSESSMENTS, UTILITY CHARGES

Lessee shall not permit to be enforced against the leased premises, or any part thereof, any liens arising from any work performed, materials furnished, or obligations incurred by Lessee, and Lessee shall discharge or post bond against all such liens before any action is brought to enforce same. Lessee shall pay, when and as the same become due and payable, all taxes, assessments, licenses, fees and other like charges levied during the term of

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this lease upon or against the leased land, all interest therein and property thereon for which either the Lessee or Lessor may become liable. Upon written request, the Lessee shall furnish to the Secretary written evidence, duly certified, that any and all taxes required to be paid by Lessee have been paid, satisfied, or otherwise discharged. Lessee shall have the right to contest any claim, tax, or assessment against the property by posting bond to prevent enforcement of any lien resulting therefrom, and Lessee agrees to protect and hold harmless the Lessor, the Secretary and the leased premises and all interest therein and improvements thereon from any and all claims, taxes, assessments, and like charges and from any lien therefor or sale or other proceedings to enforce payment thereof, and all costs in connection therewith. Lessor shall execute and file any appropriate documents with reference to real estate tax exemption of the land when requested by Lessee. In addition to the rents, taxes and other charges herein described, Lessee shall pay all charges for water, sewage, gas, electricity, telephone and other utility services supplied to said premises as they become due.

18. LESSOR'S PAYING CLAIMS

Lessor shall have the option to pay any lien or charge payable by Lessee under this lease, or settle any action therefor, if the Lessee, after written notice from Lessor or Secretary, fails to pay or to post bond against enforcement. All costs and other expenses incurred by Lessor in so doing shall be paid to Lessor by Lessee upon demand, with interest from date of payment until repaid at the rate of two percent (2%) over the then prevailing prime interest rate but not to exceed 12%. Failure to make such repayment on demand shall constitute a breach of the covenants of this lease.

19. UNLAWFUL USE

The Lessee agrees not to use or cause to be used any part of the leased premises for any unlawful conduct or purpose.

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A. Definition of terms, Lessee's option. The term, "total taking," as used in this Article means the taking of the entire leased land in fee under the power of eminent domain. The term, "partial taking," means any other taking in fee under the power of eminent domain, except that if one-quarter or more by area but not all of the leased land is so taken, or the amount of land taken substantially reduces the ability of Lessee to conduct a business or make use of the premises as herein authorized, the Lessee shall have the option within sixty (60) days of the date of such taking by notice in writing to Lessor and the Secretary and with the consent of all holders of approved encumbrances to have such taking deemed a "total taking."

- B. Total taking. In case of total taking, the leasehold estate of Lessee and his liability for future installments of rental (except accrued percentage rental, if any) shall cease and terminate as of the date the actual physical possession of the premises shall be so taken.
- C. Partial taking. In case of partial taking this Lease shall terminate as to the portion taken upon the date on which actual possession of said portion is taken, but this Lease shall continue in full force and effect as to the remainder of the leased land; and each ensuing installment of ground rental only shall be abated in the ratio that the value of the leased land taken bears to the total value of the leased premises prior to such taking.
- D. Refund of advance rentals. There shall be no refund of ground rent paid in advance, because of total or partial taking of the leased premises
- E. Allocation of award. All compensation and damages awarded for the taking of the leased land and/or the improvements or any portion thereof shall, except as otherwise herein provided, belong to and be the sole property of Lessor, and Lessee shall not have any claim or be entitled to any award for diminution in value of its leasehold hereunder or for the value of any unexpired term of this Lease; provided, however, that Lessee shall be entitled to a portion of the award equal to:

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(1) In case of partial taking, the reasonable cost of alterations modifications and repairs necessary to place the remaining portion of the leased land in suitable condition for continuance of Lessee's tenancy;

(2) In case of either total or partial taking, the enhancement in value of the parcel taken by reason of Lessee's improvements diminished by a fraction of which the total years of the economic life of the improvements is the denominator and the number of full years elapsed since the beginning of the lease term is the numerator;

and Provided further, that in case of either total or partial taking, each holder of an approved encumbrance on the leasehold or the portion of the premises taken, shall be entitled before either Lessor or Lessee, to so much of the award for the taking of improvements only as is equal to the delinquent and/or non-delinquent unpaid balance of the obligation secured by such mortgage and accrued delinquent and/or non-delinquent interest as of the date of such taking.

- F. Taking for a term. In case the leased premises or any portion of them are condemned for a term of years, then Lessee shall remain bound by all rental provisions of this Lease and shall be entitled to the entire award except such part, if any, as is allowable to a period beyond the term of this Lease.
- G. Voluntary conveyance. A voluntary conveyance by Lessor to a public utility, agency or authority under threat of a taking under the power of eminent domain in lieu of formal proceedings shall be deemed a taking within the meaning of this Article.

21. DEFAULT

Time is of the essence of this lease. Should Lessee default in any payment of monies or fail to post bond, as required by the terms of this lease, and if such default shall continue uncured for the period of Fifteen (15) days after written notice thereof by the Secretary to Lessee, or should Lessee breach any other covenant of this lease, and if the breach of such other covenant shall

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continue uncured for a period of sixty (60) days after written notice thereof by the Secretary to Lessee, then the Secretary may either:

- A. Proceed by suit or otherwise to enforce collection or to enforce any other provision of this lease; or
- B. Re-enter the premises and remove all persons and property therefrom, excluding the persons and property belonging to authorized sublessees, and either:
- (1) Re-let the premises without terminating this lease, as the agent and for the account of Lessee, but without prejudice to the right to terminate the lease thereafter, and without invalidating any right of Lessor and the Secretary or any obligation of Lessee hereunder. Terms and conditions of such re-letting shall be at the discretion of Lessor and the Secretary, who shall have the right to alter and repair the premises as they deem advisable and to re-let with or without any equipment or fixtures situated thereon. If a sufficient sum is not thus realized to liquidate the total amount due, including attorney's fees and real estate commissions paid, Lessee shall pay to Lessor monthly, when due, any deficiency, and Lessor or the Secretary may sue thereafter as each monthly deficiency shall arise.
- (2) Terminate this lease at any time even though Lessor and the Secretary have exercised rights as outlined in (1) above.

Any action taken or suffered by Lessee as a debtor under any insolvency or bankruptcy act shall constitute a breach of this lease. In such event the Lessor and the Secretary shall have the options set forth in sub-Ariticles A and B above.

At lease forty-five days (45) prior to termination of this lease for detault by the Lessee, the Lessor or the Secretary shall give notice to all approved encumbrancers expressing the intention to terminate and describing said default or breach. When the default or breach can be cured by the payment or expenditure of money, this lease will not be terminated if within forty-five (45)

days after receipt of such written notice to terminate the encumbrancer shall cure the default or breach. Whenever the encumbrancer exercises any right on a default situation, the encumbrancer shall be bound to comply with all of the obligations and conditions of the lease. When the default or breach cannot be cured by the payment or expenditure of money, this lease will not be terminated if the encombrancer shall within the said forty-five (45) day period initiate, and thereafter diligently pursue to completion, proceedings for foreclosure and sale under and pursuant to the terms of the encumbrance. However, during and until the completion of such foreclosure proceedings, the encumbrancer shall pay the rents due and payable by the Lessee under this lease; shall maintain all insurance as required by the lease; shall pay all taxes due and unpaid on the raxable property covered by the lease; shall begin the cure of any other default or breach not curable by payment or expenditure of money which can reasonably be undertaken by the encumbrancer; and shall diligently prosecute the said cure of such default or breach until the leasehold is either sold upon foreclosure pursuant to the terms of the encumbrance or released or reconveyed thereunder.

In case a default or breach on the part of the Lessee occurs preceding, during, or due to the bankruptcy, receivership, or insolvency of Lessee, and the encumbrancer, prior to the receipt of the notice of intent to terminate described herein or within forty-five (45) days after the receipt thereof, shall have filed in the court having jurisdiction over such bankruptcy, receivership or insolvency, a petition for permission to foreclose, the filing of such petition shall be deemed to be the beginning of foreclosure proceedings for the purposes of this Article. The bankruptcy, receivership, or insolvency of Lessee shall be considered a breach which cannot reasonably be cured by encumbrancer and one not curable by the payment of money.

No waiver of a breach of any of the covenants of this lease shall be construed to be a waiver of any succeeding breach of the same or any other covenant.

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22. ATTORNEY'S FEES

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If action be brought by Lessor in unlawful detainer for rent or any sums of money due under this lease, or to enforce performance of any of the covenants and conditions of this lease, and Lessor prevails in said action, the Lessee shall pay reasonable attorneys fees to Lessor, to be fixed by the court as a part of the costs in any such action.

23. HOLDING OVER

Holding over by the Lessee after the termination or expiration of this lease shall not constitute a renewal or extension thereof or give the Lessee any rights hereunder or in or to the leased premises.

Lessee agrees to remove all property removable under the terms of this lease prior to the termination or expiration of this lease; provided, however, that if this lease is terminated prior to the expiration date, Lessee shall have thirty (30) days after the termination date to remove all such property. Should the Lessee fail to remove any such property within the specified time, Lessor shall have the right to remove it and dispose of it or have it stored all at Lessee's expense.

24. NO PARTNERSHIP

Regardless of the fact that terms of rental are in part on a percentage basis, Lessee and Lessor are not in partnership.

25. TERMINATION OF FEDERAL TRUST

Nothing contained in this lease shall operate to delay or prevent a termination of Federal trust responsibilities with respect to the land by the issuance of a fee patent or otherwise during the term of this lease; however, such termination shall not serve to abrogate this lease. The owners of the land and the Lessee and his surety or sureties and encumbrancer or encumbrancers shall be notified of any such change in the status of the land.

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26. LESSEE'S OBLIGATIONS

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While the leased premises are held in trust by the United States or subject to a restriction against alienation imposed by the United States, all of the Lessee's obligations under this lease, and the obligations of Lessee's sureties, are to the United States as well as to the owner of the land.

27. PAYMENTS AND NOTICES

All notices, payments and demands shall be sent to the parties hereto at the addresses herein recited or to such addresses as the parties may hereafter designate in writing. Notices and demands shall be delivered in person or sent by registered or certified mail. Service of any notice or demand shall be deemed completed ten (10) days after mailing or on the date actually received, whichever occurs first. Copies of all notices and demands shall be sent to the Superintendent.

28. INSPECTION

The Secretary and the Lessor and their authorized representatives shall have the right, at any reasonable times during the term of this lease, to enter upon the leased premises, or any part thereof, to inspect the same and all buildings and other improvements erected and placed thereon.

29. DELIVERY OF PREMISES

At the termination or expiration of this lease, Lessee will peaceably and without legal process deliver up the possession of the leased premises, in good condition, usual wear and acts of God excepted.

30. LEASE BINDING

This lease and the covenants, conditions and restrictions hereof shall extend to and be binding upon the successors, heirs, assigns, executors, and administrators of the parties hereto.

31. INTEREST OF MEMBER OF CONGRESS

No member of, or delegate to, Congress, or Resident Commissioner, shall be admitted to any share or part of this contract or to any benefit that

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may arise herefrom, but this provision shall not be contrued to extend to this contract if made with a corporation or company for its general benefit.

32. TAX IMMUNITY

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Nothing contained in this lease shall be deemed to constitute a waiver of applicable laws providing tax immunity to trust or restricted Indian property or any interest therein or income therefrom.

33. FORCE MAJEURE

Whenever under this instrument a time is stated within which or by which original construction, repairs, or reconstruction of said improvements shall be completed, and if during such period a general or sympathetic strike or lockout, war or rebellion, or some other event occurs beyond Lessee's power to control, the period of delay so caused shall be added to the period allowed herein for the completion of such work.

34. RESERVATION LAWS AND ORDINANCES

The Lessee, Lessee's employees, agents and sublessees and their employees and agents agree to abide by all laws, regulations, and ordinances of the Colorado River Tribes now in force and effect, or that may be hereafter in force and effect; provided, that no such future laws, regulations or ordinances shall have the effect of changing or altering the express provisions and conditions of this lease unless consented to in writing by the Lessee.

35. WATER USE

The Lessee is hereby permitted during the term of this lease to obtain from and use water from the Colorado River, for beneficial purposes only, by pumping directly from the river or from wells an amount not to exceed seventy eight (78) acre-feet of water per year.

In connection with the diversion of water by any means from the mainstream of the Colorado River chargeable to Lessor's rights, Lessee shall, if required by any notice from Lessor, give the Superintendent advance notice of its daily water requirements for each period of seven (7) consecutive days

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beginning Monday of each week. Such notice shall be given not later than the Wednesday preceding such Monday to the official of the Bureau of Indian Affairs designated for that purpose by Lessor and shall be in the form prescribed by the Bureau of Indian Affairs. Lessee shall not divert more water than the quantity specified in such notice without prior approval of the Bureau of Indian Affairs.

To facilitate the accounting of the diversions, returns, and beneficial consumptive uses by the Secretary of the Interior of the waters of the mainstream of the Colorado River in accordance with the Decree of the Supreme Court in Arizona v. California (376 U.S. 340 (1964)), the Lessee shall, if required by notice from Lessor, maintain accurate and complete records of the sources and amounts of water used on the leased area, shall furnish such records to lessor on request and shall install metering or measuring devices as may be alled for by the Secretary of the Interior or his authorized representative.

Water is to be used only for those purposes set forth in article III of this lease and purposes reasonably incidental thereto and shall not be used or sold off the leased premises. Water used by Lessee for any other purpose shall result in immediate cancellation of this lease.

36. POLLUTION

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- (A) In its use of the leased premises, Lessee shall not discharge, dispose of or permit the escape of water, sewage, sewage effluent, waste of any kind or materials of any kind either separately or in combination in any place or manner which might result in contamination or pollution of any surface or underground stream or flow of water or body of water either within or outside of the leased permises.
- (B) Lessee shall promptly install and diligently operate such facilities as may be necessary to control the storage or disposition of water, sewage, sewage effluent, waste of any kind and other materials in order to compl with the provisions of subarticle (A) above.

(C) Lessee shall promptly take all such reasonable precautions including the installation of such control facilities as may be directed by Superintendent, provided, that nothing contained in this subarticle shall relieve the Lessee of its obligations under subarticles 36(A), (B) and (D) hereof without further notice from Superintendent. (D) In addition to the obligations to comply with the provisions

of subparagraphs (A) and (B) above, Lessee shall comply with all applicable

water pollution control laws and regulations under Federal or State jurisdiction now or hereafter in force.

LEASE NO. B-468-CR

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EXHIBIT "A" LEGAL DESCRIPTION

Starting at the meander corner between Sec. 11 & 14, T3S,R23E,SBM, of the dependent resurvey of 1958, thence S52003'E., a distance of 575.52' to a point known as AP #3, thence N38°13'E., a distance of 519' to Point No. 1, the true point of beginning, an iron pipe in a concrete footing, thence S8053'W., a distance of 414' to Point No. 2, a power pole on the hillside, thence S43°35'W., a distance of 380' to Point No. 3, a point on the intersection of the Highway 95 right-of-way, thence \$30033'E., a distance of 345' following the highway right-of-way to Point No. 4, thence \$17016'E., a distance of 343' following the highway right-of-way to Point No. 5, a 10" spike, thence N82°56'E., 1069' along a dirt road to Point No. 6, a faucet protruding 6" above the ground, thence N9049'E., a distance of 74' to Point No. 7, a 14 pipe driven flush in the ground at a fence point corner, thence N82001'E., a distance of 379' to Point No. 8, a 10" spike marked with a lath and flagging, thence N62°57'W., a distance of 310' to Point No. 9, a fence corner, thence N60°00'W., 560' to Point No. 10, a $^{1}2^{\prime\prime}$ rebar protruding 2" above the ground, thence N29 0 02 1 E., a distance of 377' along the fence line to Point No. 11 on the right bank of the Colorado River, thence northwesterly along the right bank of the Colorado River to Point No. 1, the point of beginning containing 26 acres, more or less.

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