

November 13, 2017

Re: Status Update for Business Lease B-191 ("Talking Stick Golf Lease") – November 6, 2017
Landowner Meeting

Dear Landowner,

On November 6, 2017 the Salt River Community Golf Enterprises ("Golf Enterprise"), as lessee under the Talking Stick Golf Lease, gave landowners a six-month status update of the Hotel Project, a proposed resort development on the remaining undeveloped land under the Talking Stick Golf Lease. The Hotel Project will require an amendment of the Talking Stick Golf Lease.

The meeting was attended by attendee Landowners, the Community Development Department/Economic Development Division ("CDD/EDD"), the Bureau of Indian Affairs, the Golf Enterprise Board of Directors, and the potential developers, Warnick - De Rito, LLC (the "Developers").

The purpose of the November 6th meeting was for the Golf Enterprise to provide landowners a six month status update from its last meeting with landowners on May 8, 2017. No action was requested.

Since May 8th, the Golf Enterprise has been working with the Developers to agree on a path forward that includes a three and a half year commitment to each other to pursue the Hotel Project if timelines are met. Within that time period the Golf Enterprise is providing exclusivity of the 46 acres to the Developer and the Developer is committed to pursuing the Hotel Project.

An amendment of the Talking Stick Golf Lease is required for the Hotel Project to be developed. The current lease terms do not promote development. As of November 6, 2017, the Golf Enterprise had **not** drafted a master lease amendment.

To provide information to the over 500 landowners of the Talking Stick Golf Lease, the Golf Enterprise established a website at <http://www.srpmic-nsn.gov/LeaseB191/>. This website is confidential to landowners and not searchable on the internet; it is only accessible with the URL. The Golf Enterprise presented the different areas of the website and how it will be updated as the Hotel Project and lease amendment process move forward. The website holds information from previous meetings and information specific to the Talking Stick Golf Lease and the Hotel Project. Please check it regularly for additional information.

Enclosed are copies of the handouts from the meeting:

1. A Sample Template – Information Sheet for Talking Stick Golf Course Land Owner Lease Amendment Discussions. In the future, this sheet will be completed with the Talking Stick Golf Lease terms to be amended.
2. Projected Development Schedule, dated 11/01/17, for a timeline of the Talking Stick Golf Lease amendment process and the Hotel Project.

The next landowner meeting will be scheduled for early 2018, with other meetings scheduled every few months to present lease amendment terms to you.

If you have any questions regarding this matter, feel free to contact Karshannon Gene by phone at 480-362-2702 or via email at Karshannon.gene@srpmic-nsn.gov. Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Gardell Johnson". The signature is written in a dark ink and is positioned below the word "Sincerely,".

Gardell Johnson

Economic Development Analyst

**SAMPLE TEMPLATE –
Information Sheet for
Talking Stick Golf Course Land Owner Lease Amendment Discussion**

***Overview:** This document is being provided to all TSGC landowners as an introduction to the lease term discussions for a landowner meeting to be held after the holidays in early 2018. Providing this document will allow everyone to become familiar and comfortable with the concepts at this future meeting. The goal of this document is to develop the key deal points that can be incorporated into a master lease amendment.*

SAMPLE - LETTER OF INTENT

Salt River Pima Maricopa Indian Community – Salt River Community Golf Enterprises
(Enterprise) (Lessee)
10005 E. Osborn Road
Scottsdale, AZ 85256

Legal Description of Talking Stick Golf Course: (description to be included)

Dear TSGC Land Owners:

In accordance with our recent discussions, the Enterprise is prepared to amend Business Lease B-191-1 on the following terms and conditions:

1. **Lessee:** Salt River Community Golf Enterprises
2. **Area of Leased Premises:** List allotments and legal description
3. **Amendment to Lease Term and Option to Renew:** This section will discuss the proposed amended term.
4. **Proposed Use:** This section will describe the uses contemplated by the master lease, such as sports, recreation and entertainment uses.
5. **Base Rental Rate:** This section will describe the rent structure in the current B-191-1 as the basis for the amendment rent.
6. **Additional Rent:** This section will describe any additional opportunities for income for landowners and other benefits.
7. **Development Schedule:** This section will describe the build out schedule for the property and any phased development.
8. **Substitute Lease:** This section will describe the proposed Substitute Lease with the developer.

Projected Development Schedule

11/01/17

		2017	2018	2019	2020	2021	2022	2023	2024
AMENDMENT TO MASTER LEASE PHASE									
	Presentation and Negotiation of Master Lease Amendment Terms with Landowners and BIA.								
	Approvals of Master Lease Terms.								
	Obtain Landowner and BIA Signatures.								
DEVELOPMENT DOCUMENTS PHASE									
	Joint Operations Agreement, Development Agreement								
DUE DILIGENCE PHASE									
	Site Research, Infrastructure, Utilities, etc.								
ENTITLEMENTS PHASE									
	Design Review, Height Waiver, Conditional Use Permit, etc.								
DOCUMENTATION / PERMITTING PHASE									
	Concept Design, Construction Documents, Plan Review & Permitting								
CONSTRUCTION PHASE									