



COLORADO RIVER INDIAN TRIBES

Colorado River Indian Reservation

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October 21, 2009

To Members of the Water Wheel Resort:

We are writing to inform you of the recent result of a lawsuit brought by the Colorado River Indian Tribes ("CRIT" or "Tribes") against the owner and operator of Water Wheel Resort ("Resort"). As you may be aware, between 1975 and 2007 the Resort was operated by Water Wheel Camp Recreational Area, Inc. ("Water Wheel") pursuant to a lease with the Tribes. This lease authorized Water Wheel to develop and operate the Resort on tribal lands in exchange for annual rent and other payments to CRIT. The lease further required that Water Wheel vacate the premises and turn the Resort over to the Tribes at the end of the lease term.

When the lease expired in 2007, however, Water Wheel refused to return the property to the Tribes. CRIT subsequently brought suit in Tribal Court, seeking to evict Water Wheel and its owner, Robert Johnson, and to recover unpaid rent. The Tribal Court ruled in the Tribes' favor, and the Tribal Court of Appeals upheld that ruling.

On September 23, 2009, the federal district court for the district of Arizona ruled that the Tribal Court's exercise of jurisdiction over Water Wheel was proper, and thus left the Tribal Court's judgment against Water Wheel in full force and effect. Accordingly, CRIT intends to take the first step in enforcing the Tribal Court's judgment against Water Wheel by removing the company from the property. No further action in state or federal court is necessary to enforce this portion of the Tribal Court's judgment.¹

Once Water Wheel is removed from the premises, CRIT plans to take over management and operation of the Resort. Please note that CRIT intends to honor all existing, valid subleases between Water Wheel and individual Members of the Resort as long as the Member is in compliance with the sublease's terms. As a result, the Tribes' action against Water Wheel should not interfere with your use and enjoyment of the Resort.

If you have any questions about this matter, please contact Attorney General Eric Shepard at (928) 669-1271.

Sincerely,

COLORADO RIVER INDIAN TRIBES

A handwritten signature in cursive script, appearing to read "Eldred Enas".

Eldred Enas
Chairman

¹ Because the federal court ruled that the Tribal Court did not have jurisdiction over Robert Johnson as an individual, CRIT is not seeking to enforce the Tribal Court's judgment against Robert Johnson at this time. However, CRIT reserves its right as the lawful owner to remove any trespassers found on the property.