

Picayune Rancheria of the Chukchansi Indians

ATTENTION: TRIBAL MEMBERS

This is to provide follow up information to the tribal membership regarding yesterday's Fresno Bee article discussing a lawsuit filed last week against the Tribe and unnamed defendants. The Tribal Council vigorously disputes the merits of the lawsuit, which seeks nearly \$750,000 in allegedly past due lease payments for long-vacant office space in Fresno, California. While this is not a blame game, as the Reggie Lewis's comments in the article suggest, it is incumbent upon the Tribal Council to provide the tribal membership with the relevant facts.

The lawsuit stems from two commercial leases Reggie Lewis signed with the plaintiff landlord in March 2013 for office space in the 8080 North Palm Avenue building in Fresno. As reported in yesterday's article, Mr. Lewis is quoted as saying that the leases were entered with the full support of his faction's leadership and with the assistance of their lawyers.

The first lease – referred to as the Ground Floor Lease – pertains to suites 104 and 106 on the ground floor of the 8080 Palm building. The parties named in the Ground Floor Lease are River Palm Partners LP, landlord, and Picayune Rancheria of the Chukchansi Indians, tenant. The Ground Floor Lease bears the signature of Reggie Lewis, dated March 6, 2013, purportedly on behalf of PRCI.

The second lease – referred to as the Second Floor Lease – dated March 20, 2013, pertains to suite 207 on the second floor of the 8080 Palm building. The parties to the Second Floor Lease are River Palm Partners LP, landlord, and California Valley Miwok Tribe, tenant. The Second Floor Lease bears the signature of Sylvia Burley, dated March 21, 2013, on behalf of California Valley Miwok Tribe.

On May 9, 2013 – approximately two months after California Valley Miwok executed the Second Floor Lease – it sent a letter to the plaintiff seeking to withdraw its consent to the lease. According to the letter, California Valley Miwok was not in possession of the leased space, it had not been provided a copy of the lease, and a rift existed between California Valley Miwok and the Lewis faction. At all times relevant to the lease, California Valley Miwok and the Lewis faction were clients of the law firm Rosette, LLP, who according to Reggie Lewis's comment in the article, assisted in negotiation of the two leases.

On June 11, 2013, California Valley Miwok and the Lewis faction entered a settlement in which they were also each represented by Rosette, LLP. Pursuant to that agreement, the Lewis faction paid \$10,000 to California Valley Miwok and, among other things, assumed all obligations under the Second Floor Lease. In addition, records indicate that Rosette, LLP represented both parties to the settlement agreement pursuant to a conflict waiver from California Valley Miwok and the Lewis faction.

Just under one year later – on April 7, 2014 – the Lewis faction and plaintiff landlord entered amendments to the Ground Floor Lease and Second Floor Lease. In addition to altering the respective monthly rent schedules, the amendments contained a clause warranting that representatives were authorized to enter the lease on behalf of the parties, indicating that there

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were concerns over the Lewis faction's authority to act on behalf of the Tribe. Importantly, the amendments also purported to grant the plaintiff landlord a waiver of the Tribe's sovereign immunity.

Then, in or near **June 2014**, the Lewis faction abruptly vacated the office space leased under the Ground Floor Lease and relocated to the office space leased under the Second Floor Lease. While it remains unclear at this time what prompted the Lewis faction's move, the lease payments due under the Second Floor Lease were substantially lower than those due under the Ground Floor Lease. Records indicate that upon vacating the ground floor, the Lewis Faction surrendered possession of same to the landlord to advertise and re-lease.

Upon being elected in **October 2015**, the Tribal Council has occupied the space on the second floor that we inherited from the Lewis faction. While the lease was originally entered by California Valley Miwok and then transferred to the Lewis faction, the Tribal Council has since assumed the rights and obligations of the Second Floor Lease. The Tribe maintains a good leasing relationship with the landlord with respect to the Second Floor Lease.

The Tribal Council only recently learned of the contractual issues regarding the Ground Floor Lease, and just this week learned of the lawsuit via the Fresno Bee. The Tribal Council is exploring the dubious circumstances under which these transactions occurred and intends to hold the landlord responsible for its role in facilitating the transactions with the Lewis faction. Correspondence in the lease file indicates that the plaintiff landlord knew of the irregularities with regard to the unauthorized execution of the leases by the Lewis faction and its lawyers, but proceeded to enter them notwithstanding.

Unfortunately, the Tribal Council has encountered several backdoor arrangements of this nature as we work to clean up the aftermath of the Lewis faction and others during the internal governance dispute. The Tribal Council will continue to provide updated information regarding these issues as we encounter them. Toward that end, the Council currently is preparing an update regarding irregularities pertaining to certain of the Tribe's insurance policies, and we intend to present that information to the membership in the near future.

Thank you,

Tribal Council