

RESOLUTION OF THE TOHONO O'ODHAM LEGISLATIVE COUNCIL
(Approving a Counterproposal for a Lease to Volkswagen of America, Inc., in Sif Oidak District)

RESOLUTION NO. 06-573

- 1 **WHEREAS, in May, 2006, Volkswagen of America, Inc. ("Volkswagen"), approached the Tohono**
2 **O'odham Nation (the "Nation") and Sif Oidak District (the "District") with a request**
3 **to lease approximately 10,000 acres of land for construction of a new Arizona**
4 **Proving Grounds, which will be a test track for testing vehicles currently on the**
5 **market or under development; and**
- 6 **WHEREAS, the land site required must be as flat as possible, with few washes crossing the land,**
7 **and relatively private and secure, and Volkswagen has found such sites in Sif Oidak**
8 **District; and**
- 9 **WHEREAS, Volkswagen presented its proposal to the Sif Oidak Planning Committee on May 16,**
10 **2006, to the Sif Oidak District Council on June 24, 2006, and to the Nation's**
11 **Legislative Natural Resources Committee, the Chairwoman of the Nation, and the**
12 **Deputy Attorney General of the Nation on July 31, 2006; and**
- 13 **WHEREAS, on June 24, 2006, the Sif Oidak District Council expressed its desire to proceed with**
14 **negotiations with Volkswagen by adopting Sif Oidak District Council Resolution No.**
15 **06-06-38; and**
- 16 **WHEREAS, on July 18, 2006, Volkswagen presented the Office of Attorney General and the**
17 **District with an offer in the form of a terms sheet that specified certain terms of a**
18 **proposed lease; and**
- 19 **WHEREAS, Volkswagen requires an answer to the offer before the end of August, 2006, in order**
20 **to make corporate decisions about whether to continue negotiations with the**
21 **Nation and the District or to resume negotiations with the Arizona State Land**
22 **Department about another land site possibility; and**
- 23 **WHEREAS, a counterproposal was developed by the Sif Oidak Planning Committee, in**
24 **consultation with the Deputy Attorney General of the Nation; and**
- 25 **WHEREAS, the counterproposal was approved by the Sif Oidak District Council at a special**
26 **session on August 23, 2006, as indicated by Sif Oidak District Council Resolution No.**
27 **08-06-32; and**
- 28 **WHEREAS, by Sif Oidak District Council Resolution No. 08-06-34, the Sif Oidak District Council**
29 **has agreed that the Nation should be the Lessor on the proposed lease with**
30 **Volkswagen, and has requested that the Nation continue to consult with Sif Oidak**
31 **District on all aspects of the negotiations; and**

1 **WHEREAS, because of the short amount of time available to reach a basic agreement with**
2 **Volkswagen on the terms of a lease, the Nation and District have been unable to**
3 **obtain a commercial or governmental land appraisal to provide guidance in setting**
4 **a rental price for the land, and therefore the Nation and District have developed the**
5 **counterproposal based on other available land price information and on an**
6 **estimate of what land price will be agreeable to Volkswagen and will make the**
7 **Nation's land site attractive to Volkswagen.**

8 **NOW, THEREFORE, BE IT RESOLVED that the Tohono O'odham Legislative Council hereby:**

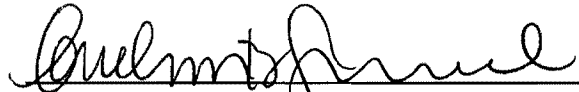
- 9 **1. Approves the counterproposal which was approved by Sif Oidak District**
10 **Council Resolution No. 08-06-32 which sets a base land value of \$3,000 per**
11 **acre, uses a conversion percentage for the annual rental price of 4.25**
12 **percent for years one to five of the lease, and 4.5 percent for years six to**
13 **twenty-five of the lease, and increases the base land value by 15 percent after**
14 **each five year period, resulting in an estimated land rental price of**
15 **\$1,275,000 in Year One and \$2,361,158 in Year Twenty-five.**
- 16 **2. Approves the concept of a 25 year lease for the purposes specified by**
17 **Volkswagen, which lease will provide an opportunity for renewal of the lease**
18 **for an additional 25 years, with the land price to be adjusted at the end of**
19 **the first 25 years based on a land appraisal dated within one year prior to the**
20 **lease renewal, with no cap on the increase for the 26th year and no change**
21 **in the 15 percent inflation factor or the 4.5 percent rental conversion factor,**
22 **and with an optional provision, should either party request such a**
23 **provision, allowing either party to terminate the lease at the end of each 5**
24 **year term of the renewal period.**
- 25 **3. Approves a lease provision that will give the Nation and the District**
26 **discretion at the termination of the lease to require removal of all**
27 **improvements or the transfer of possession of all improvements to the**
28 **Nation or District.**

29 **BE IT FINALLY RESOLVED that the approval provided herein is subject to the subsequent approval**
30 **by the District, the Nation, Volkswagen, and the Bureau of Indian Affairs of: (1) a**
31 **land site, and (2) the final terms of a lease; and is subject to subsequent agreement**
32 **between the District and the Nation as to the distribution of lease revenues.**

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The foregoing Resolution was passed by the Tohono O'odham Legislative Council on the 30th Day of AUGUST, 2006 at a meeting at which a quorum was present with a vote of 2,440.80 FOR; -0- AGAINST; -0- NOT VOTING; and [07] ABSENT, pursuant to the powers vested in the Council by Section 1 (i) of Article VI and Section 1 of Article XVI of the Constitution of the Tohono O'Odham Nation, adopted by the Tohono O'Odham Nation on January 18, 1986; and approved by the Acting Deputy Assistant Secretary - Indian Affairs (Operations) on March 6, 1986, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).

TOHONO O'ODHAM LEGISLATIVE COUNCIL


Evelyn B. Juan Manuel, Legislative Chairwoman

31st day of August, 2006

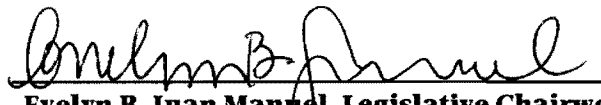
ATTEST:


Lucille Lopez, Acting Legislative Secretary

30 day of August, 2006.

Said Resolution was submitted for approval to the office of the Chairwoman of the Tohono O'Odham Nation on the 31st day of August, 2006 at 8:28 o'clock, A.M., pursuant to the provisions of Section 5 of Article VII of the Constitution and will become effective upon her approval or upon her failure to either approve or disapprove it within 48 hours of submittal.

TOHONO O'ODHAM LEGISLATIVE COUNCIL

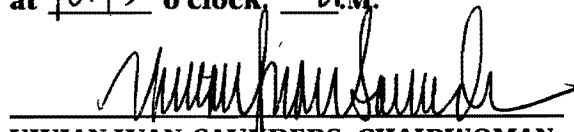

Evelyn B. Juan Manuel, Legislative Chairwoman

APPROVED

on the 31 day of August, 2006

DISAPPROVED

at 10:43 o'clock, A.M.


VIVIAN JUAN-SAUNDERS, CHAIRWOMAN
TOHONO O'ODHAM NATION

RESOLUTION NO. 06-573

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Returned to the Legislative Secretary on the 31st day of

August, 2006, at 11:32 o'clock, 2 .M.

Lucille Lopez
Lucille Lopez, Acting Legislative Secretary

ACTION: APPROVING A COUNTERPROPOSAL FOR A LEASE TO VOLKSWAGEN OF AMERICA, INC., IN SIF OIDAK DISTRICT

MOVED: COUNCILWOMAN WAVALENE SAUNDERS

SECOND: VICE CHAIRMAN VERLON JOSE

DATE: AUGUST 30, 2006

DISTRICT	LEGISLATIVE REPRESENTATIVES	# OF VOTES	FOR	AGAINST	NOT VOTING	ABSENT
BABOQUIVARI 310.8	1. FRANCES MIGUEL (<i>Absent</i>) (Vernon J. Smith) (<i>Present</i>)	155.40	X			
	2. FRANCES G. ANTONE (Lucilda J. Valenzuela (Norris))	155.40	X			X
CHUKUT KUK 258.7	1. ETHEL GARCIA ()	129.35	X			
	2. VERLON M. JOSE (David Garcia)	129.35	X			
GU ACHI 221.6	1. TIMOTHY L. JOAQUIN (Jonas Robles)	110.80	X			
	2. CYNTHIA E. MANUEL ** (Louis L. Johnson)	110.80	X			
GU VO 193.1	1. RAYMOND VICTOR ()	96.55	X			
	2. MICHAEL FLORES (Grace Manuel)	96.55	X			X
HICKIWAN 167.4	1. DELMA GARCIA (Mary E. Sam)	83.70	X			
	2. SANDRA ORTEGA ()	83.70	X			
PISINEMO 171.8	1. BARBARA SALVICIO ()	85.90	X			
	2. GERALD FAYUANT ()	85.90	X			
SAN LUCY 169.0	1. JOHN W. LAWSON, SR. ()	84.50	X			X
	2. GLORIA RAMIREZ ()	84.50	X			
SAN XAVIER 193.8	1. FELICIA NUÑEZ ()	96.90	X			X
	2. OLIVIA VILLEGAS-LISTON (Eileen A. Estrada-Lopez)	96.90	X			
SCHUK TOAK 146.9	1. FRANCES B. CONDE ()	73.45	X			
	2. PHYLLIS JUAN ()	73.45	X			X
SELLS 421.0	1. MARLENE SARAFICIO-JUAN ()	210.50	X			X
	2. EVELYN B. JUAN MANUEL (Kimberly Listo)	210.50	X			
SIF OIDAK 186.7	1. WAVALENE SAUNDERS (Isidro Lopez)	93.35	X			
	2. DARLENÉ ANDREW (Rita Martinez)	93.35	X			X
TOTAL		2,440.80	2,440.80	-0-	-0-	[07]

**PASSED VOTES