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Skagit County Auditor
8/16/2001 Page 1 of 14 4:18:39PM

P-97991-E

AFTER RECORDING MAIL TO:

Name U.S. Dept. of the Interior B.I.A.
Address 2707 Colby Ave Suite 1101
City/State Everett, WA 98201-3528

U.S. DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs
Residential Ground Lease

Lease: \$5200

Bond: \$5200

Ad. Fee: \$107

8521 98-48

Lease No. _____
Cobahud W. Tracts

Subdivision _____
42

Lot No. _____

Allotment No. 122 39

Tax Parcel #5103-000-042-0000

THIS CONTRACT, made and entered into this 6th day of March

_____, 19 98, by and between the Indian or Indians named below hereinafter called the "Lessor" and
SAM ESTRELLA A.K.A. SUZANNAH M. ESTRELLA
for Wolf Star, Ltd Trust

Name(s): _____

Address: 17838 Nanna Lane (360) 4166-5601LaConner, Washington 98257

Social Security Number: _____

Permanent Address: "Same as above"A 50 year lease beginning March 6th, 1998 and ending March 5th, 2048

Telephone Number(s): (360) 336-6164 Office
hereinafter called the "Lessee." with the approval of the Secretary of the Interior or his authorized representative,

in accordance with and subject to the provisions of existing law and the regulations (25 CFR 162) which by
reference are made a part hereof.

WITNESSETH:

- A. That the Lessor, in consideration of the rents, covenants and agreements hereinafter provided, does hereby lease to the Lessee certain real property on the Swinomish Indian Reservation, Skagit County, Washington, described on the attached Exhibit "A" which by this reference is incorporated herein as though set forth in full, subject to all easements and uses now in existence for rights-of-way and utilities, and reserving to the Lessor the right to grant to any public utility or governmental authority, including that of the Swinomish Indian Tribal Community, as now or hereafter established or enacted, such rights-of-way over, across and under said real property for lines and other transmission facilities and appurtenances for electricity, gas, telephone, cable vision, water, sewer, drainage and similar public services and utilities and the right to enter said premises for the construction, maintenance, operation and repair of such facilities. To the extent possible, any future rights-of-way will be granted in such a manner as to not adversely impact Lessee's use and enjoyment of the leased premises.
- B. To have and to hold said premises, together with the rights, easements, privileges and appurtenances belonging or pertaining thereto, to Lessee for the term of Fifty (50) years commencing on the effective date herein written in return for Lessee's payment of annual rentals during the term of this lease. Said rentals shall be paid to the Secretary in advance on the first day of the term hereof and the ~~15th~~ ^{SIXTH} day of March each and every yr. thereafter during said term, together with any adjustments, in amounts as are set forth in Section 1.
- C. Lessor hereby covenants with Lessee that upon payment of the rent and upon observance and performance by Lessee of all covenants and promises contained herein, Lessee shall peaceably hold and enjoy said premises for the leased term without hindrance or interruption by Lessor or any other person or persons lawfully claiming by, through or under it, except as herein expressly provided.

Section 1 **RENTALS**

- 1.1 Lessee agrees and covenants to pay without further demand to the Secretary the rent without offset, demand or deduction for each and every lease year during the term hereof, payable in advance and in accordance with the amounts set forth below, which obligation to pay commences on the effective date herein written and thereafter annually during the term of this Lease except as hereinafter provided for the same to be adjusted. The effective date of the Lease shall be the 6th day of March, 1998.
- 1.2 The rent is \$5200 for 1st Yr. Rent is \$5200 for 5 years. and the remaining years until the fifth year anniversary of the effective date of this Lease.
- 1.3 The rental in Section 1.2 shall be adjusted, every fifth year during the entire fifty (50) year term.

On the tenth (10), twenty-fifth (25), and thirty-fifth (35) anniversaries of the effective date of this Lease the rent shall be adjusted based upon an appraisal of the fair market rent of the subject real property in accordance with 25 CFR 162 and the following provisions:

- a. An appraiser of the Bureau of Indian Affairs, or a Washington State certified appraiser chosen and paid for by the Lessee, shall appraise the leased property to determine its fair market rental value. The appraisal shall give consideration to the economic conditions at the time exclusive of the value of the improvements or buildings located upon the real property, unless said

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improvements have been provided by and are owned by the Lessors. The appraisal report when prepared by the Lessee selected appraiser shall be reviewed by the Bureau of Indian Affairs.

- b. The appraiser shall follow the Uniform Standards of Professional Appraisal Practice (USPAP) or other generally accepted appraisal standards.
- c. Fair market rent shall be defined as the highest price in terms of money which a property will bring in a competitive and open market under all conditions requisite to a fair rent, the lessor and lessee each acting prudently, knowledgeably, and assuming the rent is not affected by undue stimulants.
- d. The rental shall be adjusted to be equal to the fair market rental of the leased property, as approved by the Bureau of Indian Affairs.

- 1.4 On each fifth year anniversary of the effective date of this Lease, except for the tenth (10), twenty-fifth (25), and thirty-fifth (35) anniversaries of the effective date of this Lease, the rent shall be adjusted by the cumulative percentage change in unimproved land value during the period of time following the most recent previous rental adjustment. This cumulative percentage change in unimproved land value will be determined by the Skagit County Assessor's office preparation of its Statistical Update. Any subsequent changes to the Statistical Update will not affect the rental as adjusted. In the event that Skagit County ceases to prepare the Statistical Update as specified above, all subsequent rental adjustments shall be determined following the procedures described Section 1.3, except that such adjustment shall be made every five (5) years for the duration of the lease term.

Cumulative percentage change in unimproved land value shall be determined by the valid sales in the Skagit County Assessor's property rolls in the LaConner school district. In the event that there are insufficient valid sales during the review period to justify a statistical update, then valid sales from properties with average waterfront and average marine views along all marine waterfront in Skagit County shall be included for computation of the cumulative percentage change. Rents shall be adjusted as follows:

- a. Cumulative percentage change for unimproved land with neighborhood codes for average waterfront shall be applied toward leased land with waterfront frontage.
- b. Cumulative percentage change for unimproved land with neighborhood codes for average marine view shall be applied toward leased land without waterfront frontage.
- c. The cumulative percentage change shall be determined from the Skagit County Assessor's Office Statistical Update. Such percentage change, if any, shall be applied to the existing rental as determined by the most recent fair market rental appraisal of the subject real property.

- 1.5 **Late Charge:** If the Lessee has not paid the full amount of any rental or other charge or payment due hereunder by the end of thirty (30) calendar days after the date it is due, such amounts due and owing shall incur interest at the rate of one and one-half percent (1.5%) simple interest per month, from the date payment was due, until said payment, including all late charges, is paid. 18% per yr.

- 1.6 **Rental Payment:** The rents called for herein shall be paid without prior notice or demand. Payment shall be made payable to the "Bureau of Indian Affairs." All rentals due hereunder shall be mailed to:



Bureau of Indian Affairs
Puget Sound Agency
Realty Office
3006 Colby Avenue
Everett, WA 98201

As of 1997, only Cashier's
Checks or Money Orders
accepted. No personal checks.

Please write your lease number on the check.

- 1.7 **Lease Administrative Fee:** Lessee will pay an administrative fee to the Swinomish Indian Tribal Community, Office of Planning and Community Development, which shall be used to maintain tribal lease management records. Lessee will pay an administrative fee on approval of each lease, sublease, assignment, transfer, renewal, extension, or modification requested by the Lessee. The fees to be paid shall be as follows, unless revised by the Swinomish Tribal Senate and approved by the Bureau of Indian Affairs, based on lease rent:

On the first \$500.00	3%
On the next \$4,500.00	2%
On all rental above \$5,000.00	1%

In no event shall the fee be less than \$2.00 nor exceed \$250.00.

Section 2 PAYMENT OF TAXES AND ASSESSMENTS

- 2.1 Lessee will pay before they become delinquent any and all real, leasehold and/or personal property taxes and assessments of every description to which said premises or any part thereof or any improvement thereon, or to which Lessor or Lessee, in respect thereof, are now or may, during said term, be assessed or become liable, whether assessed to or payable by Lessor or Lessee; PROVIDED HOWEVER, that with respect to any assessment made under any betterment or improvement law or special assessment which may be payable in installments, Lessee shall be required to pay only such installments, together with interest, as shall become due and payable during said term.

Section 3 PAYMENT OF RATES AND OTHER CHARGES

Lessee will pay, before they become delinquent, all charges, duties, and rates of every description to which said premises or any part thereof or any improvement thereon, or to which Lessor or Lessee, in respect thereof, may, during said term, be assessed or become liable. This includes, but is not limited to, electricity, gas, garbage and refuse collection, telephone, cable vision, sewage disposal, water or any other utility services, whether made by any governmental authority or public or community service companies and whether assessed to or payable by Lessor or Lessee. All such services when required shall be promptly hooked-up or obtained at Lessee's cost and expense unless otherwise agreed to in writing by the Lessor.

Section 4 OBSERVANCE OF LAW

Lessee agrees that they will not use or cause to be used any part of the leased premises for any unlawful conduct or purpose. Lessee will, at all times during the term of this Lease, observe and adhere to all laws, ordinances, rules and regulations now or hereafter adopted by the Swinomish Indian Tribal Community or any other lawful governmental authority, and will indemnify Lessor against all actions, suits, damages and claims by whomsoever brought or made by reason of the nonobservance or nonperformance by Lessee, its guests and/or invitees of said laws, ordinances, rules and regulations, or of this covenant.

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Section 5 CONSTRUCTION, REPAIR AND MAINTENANCE

- 5.1 Lessee will, during the term of this Lease and at its own expense, repair, maintain, and keep premises and all buildings and improvements now or hereafter built on the leased land in a decent, safe and sanitary condition.
- 5.2 Lessee covenants that he/she will, at all times, build, construct, operate, and maintain said premises strictly in accordance with all health and sanitation, electrical, plumbing and building codes, laws, regulations and ordinances of the Swinomish Indian Tribal Community, and will pass inspection thereunder where required.
- 5.3 Lessee will, prior to the application and/or issuance of a building construction permit from the Swinomish Office of Planning and Community Development, obtain utility hook up authorization for water and sewer service from the Swinomish Utility Authority.
- 5.4 Lessee covenants that he/she will ensure that any improvements, including landscaping, constructed on the leased premises are within the lot boundary lines. In the event the Lessee violates this provision, he/she shall be liable for all costs incurred in moving said improvements or pay the cost of leasing the additional lot or acreage on which Lessee has trespassed.

Section 6 RESIDENTIAL USE

Lessee will use and allow the use of said premises for residential dwelling purposes only and will not, at any time during said term, erect, place, maintain or allow on said premises more than one single family dwelling (exclusive of a personal automobile garage and/or accessory buildings which, if an accessory building, shall not exceed 500 square feet provided a tribal building permit is first had and obtained), nor keep or allow to be kept on said premises any livestock including, but not limited to, poultry, rabbits or fowl, nor use nor allow the use of any building or structure on said premises as a tenement house, rooming house, apartment house, or for or in connection with the carrying on of any business, commerce or trade whatsoever; unless such business, commerce or trade is otherwise allowed by applicable Tribal zoning ordinances.

Section 7 CASUALTY

In the event of partial or complete destruction of the improvements located upon the leased premises, Lessee shall within twelve (12) months, or sooner if such improvements are judged by the Swinomish Tribal Health Officer to be a risk to public health or safety, of the occurrence of the casualty causing said destruction either restore the improvements to habitable condition in accordance with all covenants and requirements of this Lease or remove all remainder and residues of the improvements from the premises and restore said premises to their natural condition and thereafter maintain the same in good order and condition to a standard equal to neighboring Lessee's care and upkeep of open spaces that is otherwise required by this Lease. In the event Lessee restores said partial or completely destroyed improvements to habitable condition, such restoration or rebuilding shall be done strictly in accordance with the restrictions, covenants and conditions contained in this Lease.

Section 8 INDEMNITY

Lessee will defend, indemnify and hold Lessor harmless against all claims and demands for loss or damage, including property damage, personal injury and wrongful death, arising out of or in connection



with the use and occupancy of said premises by Lessee or any person claiming by, through or under Lessee, or any accident or fire on said premises caused by the act or neglect of the Lessee, its guests or invitees, or any nuisance made by Lessee, its guests or invitees, or suffered thereupon or any failure by Lessee to keep said premises in a safe condition, and will reimburse Lessor for all its costs and expenses, including reasonable attorney fees, incurred in connection with the defense of any such claims, and will hold all goods, materials, furniture, fixtures, equipment, machinery and other property whatsoever on said premises at the sole risk of Lessee and hold Lessor harmless from any loss or damage thereto by any cause whatsoever or caused thereby.

Section 9 LIENS

Lessee will indemnify and hold Lessor harmless against all liens, charges and encumbrances made or allowed by Lessee and all expenses in connection therewith, including costs and attorney fees, with respect to said premises or any improvement thereon, and do hereby guarantee the completion of any construction of leasehold improvements upon said premises free and clear of all mechanic and materialman liens of any kind whatsoever.

Section 10 ASSIGNMENT AND SUBLETTING

10.1 **Consent Required:** Lessee will not assign this Lease in whole or part, nor sublet all or any part of the leased premises, except as provided in Section 10.2 without the approval of the Secretary and the prior written consent of Lessor in each instance, which consent shall not be unreasonably withheld. The consent by Lessor to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting. This prohibition against assigning or subletting without prior written consent shall be construed to include prohibition against any assignment or subletting by operation of law. If this Lease is assigned, or if the leased premises or any parts thereof are sublet or occupied by anybody other than Lessee, no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Lessee from the further performance by Lessee of covenants on the part of Lessee herein contained; furthermore, notwithstanding any assignment or sublease, Lessee shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this Lease: **PROVIDED, HOWEVER,** that in the event the Lessor approves an assignment for the entire balance of the Lessee's term then remaining, such act shall constitute a release of the Lessee from performing any of the then remaining terms, covenants and conditions of this Lease.

Any oral sub-tenancy created by Lessee for a single, nonconsecutive term of occupancy of less than nine (9) months is exempted from the requirements of consent and fees contained herein; however, the Lessee shall in such event of the creation of any oral sub-tenancy notify the Lessor and the Tribal Realty Office in writing of the name, term and prior terms of such person or persons without delay. Subleases shall not relieve the sublessor from any liability nor diminish any supervisory authority of the Secretary provided for under this lease.

10.2 **Consent to Mortgage:** The Lessee may from time to time without further consent, provided the encumbrance instrument has been approved by the Secretary, assign this lease by way of mortgage and/or encumbrance to any bank, insurance company or other established lending institution for borrowing capital for the sole purposes of:

- a. The construction, maintenance, enlargement, and/or betterment of the premises and/or leasehold improvements located thereupon; or

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- b. The bona fide sale or purchase of the leasehold interest and/or leasehold improvements located thereupon.

A mortgage and/or encumbrance instrument to secure a refinancing of a loan for the purposes described in Sec. 10.2(a) and Sec. 10.2(b) shall also fall within this consent.

In addition, the Lessee or the mortgagee or assignee, shall deliver a true copy of such mortgage or encumbrance and of any assignment thereof to the Lessor and Tribal Realty Office, and shall notify the Lessor and the Tribal Realty Office of the address of the mortgagee or encumbrancer to which notice may be sent, and the mortgagee, encumbrancer, or its assigns, may cause the lease, and the mortgage or encumbrance, or either of them to be recorded in the office of the Auditor of Skagit County, Washington.

If a sale or foreclosure under the approved mortgage or encumbrance occurs and the mortgagee or encumbrancer is the purchaser, he may enforce such mortgage or encumbrance and acquire title in any lawful way to the leasehold and any of the mortgaged or encumbered improvements placed thereon and assign the leasehold interest without the approval of the Secretary or the consent of the other parties to the Lease, PROVIDED that the assignee accepts and agrees in writing to be bound by all the terms, conditions, and covenants of this Lease. If the purchaser is a party other than the encumbrancer, approval by the Secretary of any assignment will be required, and such purchaser will be bound by the terms of this Lease and will assume in writing all the obligations hereunder.

- 10.3 **Standards for Consent:** The following standards applicable to lease assignments or subletting as specified in Section 10.1, among other such reasonable ones, may be considered by Lessor in determining whether or not to approve a requested assignment or subletting of all or any part of the leased premises as specified in Sec. 10.1:

- a. Credit rating and financial ability and resources of assignee or subtenant.
- b. Similarity of proposed assignee's or subtenant's relative ability to care, repair, improve or otherwise maintain the premises and its improvement(s).
- c. The conformity of the proposed use of the leased premises by the proposed assignee or subtenant with the use permitted herein.

- 10.4 **Procedure:** No such assignment or sublease shall be effective to transfer any interest in this Lease unless the Lessor, Tribal Realty Office and the Secretary shall have first received true executed copies of such proposed transfer, assignment or sublease, and all papers, documentation and other materials relating to the transfer of any interest in improvements located upon the leased premises, including the gross sales price or other consideration or value of the transfer of any interest of the Lessee in the leased premises and improvements located thereon. If consent is refused, then upon the request of the Lessee, the Lessor and/or Secretary will give its reasons for such refusal.

Section 11 **DEFAULT**

- 11.1 It is mutually understood and agreed that if any defaults are made in the payment of rental herein provided or in the performance of the covenants, conditions, or agreement herein, or should Lessee fail to fulfill in any manner the uses and purposes for which said leased premises are leased as stated, and such default shall not be cured within (10) days after written notice thereof if default is in the payment of rent or payment of any fee or charge required herein, or sixty (60) days after written notice thereof if



default is in the performance of any other covenant, condition or agreements, the Secretary shall have the right to immediately cancel this Lease; and in the event of such cancellation, Lessee shall have no further rights hereunder and Lessee shall thereupon without delay remove themselves, invitees, and its personal effects and belongings excluding that personal property consisting of the Lessee's improvements, dwellings and structures, the removal for which is otherwise provided for in this Lease, from the leased premises and shall have no further right to claim thereto, and the Lessor shall have the absolute right, without recourse to the courts, to reenter and take possession of the leased premises. The Lessor shall further have all other rights and remedies as provided by law, including without limitation the right to recover damages from Lessee in the amount necessary to compensate the Lessor for all the detriment proximately caused by the Lessee's failure to perform the obligations under the Lease or which, in the ordinary course of things, would be likely to result therefrom, including but not limited to attorney fees, storage charges, and costs and expenses of reletting, and rent for the balance of the term of this lease (to the extent not received by Lessor through reletting the premises).

- 11.2 It is further agreed that the Lessor shall afford any mortgagee or beneficiary in any deed of trust, mortgage, or other security instrument the right to cure any default by Lessee within said time periods stated above after written notice to said beneficiary and to any encumbrancer as provided herein, so long as the Lessee has complied with notice requirements in Section 10.2. The time periods to cure shall be computed from the date of receipt by said beneficiary by certified mail of such notices from the Lessor, or if returned unclaimed, the date the certified mail is returned to the Superintendent.
- 11.3 In the event of the cancellation of this Lease pursuant to the provisions of this Section, the Lessor shall have any rights to which it would be entitled in the event of the expiration or sooner cancellation of this Lease.
- 11.4 Lessor shall be and hereby is, granted a lien and security interest, subject to and subordinate to any mortgage or encumbrance permitted and approved under Section 10.2, on all buildings and other improvements placed upon the premises by the Lessee and in all rents from such buildings and other improvements and all appurtenances attached thereto kept or used on the premises, whether such property is exempt from execution or not, to secure the payment of rent or other sums due the Lessor under the provisions of this Lease and to secure performance of all other obligations of Lessee hereunder. The Lessee shall assist the Lessor in perfecting such personal property security interest by executing when required by Lessor all necessary financing statements.

Section 12 PERMITS AND RIGHT-OF-WAYS

- 12.1 Lessor does hereby give and grant unto Lessee access for ingress and egress to the premises hereby leased over and upon any roadways now or hereafter established by Lessor, subject to Swinomish Tribal laws, rules, regulations and fees regarding tideland access. Lessee may also use, for the purpose of access to Skagit Bay, all public roads, paths and beaches. Such access shall be nonexclusive, to be used in common with other Lessees of the Lessor and members of the Swinomish Indian Tribal Community and said Tribal members' guests and invitees. Lessor specifically disclaims any intent or purpose to dedicate such public places to a public purpose and such use by Lessee is subject to reasonable rules and regulations as the Swinomish Indian Tribal Community may, from time to time, establish for purposes of public health, safety and welfare, the protection of such ways and accesses and beaches, the exclusive and quiet enjoyment of adjoining and adjacent lands, and the protection, utilization, and enjoyment of Swinomish Indian Tribal Community treaty fishing rights and ceremonial grounds.
- 12.2 In the establishment, construction, repair, maintenance and operation of public utilities as herein set forth, Lessee's use and enjoyment of the leased premises or the improvements located thereon shall not



be interfered with except as is reasonably necessary in the course of said construction, operation, repair and maintenance, nor will such utilities be so located as to deprive the Lessee of use of the leased premises for residential purposes.

- 12.3 Lessee shall obtain written permission from the Secretary prior to removal of any trees or vegetation. No charge shall be incurred by the Lessee for the stumpage value of the forest products so removed as long as such products are made available to the Lessor. Should Lessee wish to use products for his/her own personal use, then Lessee is responsible for paying stumpage value as determined by the Secretary. Lessor, Tribe and the BIA assume no responsibility for cost or removal of trees on leased, vacant or unleased land.

Section 13 REMOVAL and TITLE TO IMPROVEMENTS

- 13.1 Structures, installations or improvements now existing or hereafter placed on the leased premises by Lessee are, shall be and remain personal property of the Lessee and shall be removed by Lessee within sixty (60) days after the expiration of the term of this Lease or sooner cancellation thereof, provided the terms and conditions of this lease are current. If the Lessee fails to completely remove such structures, installations, or improvements within sixty (60) days, title thereto shall then immediately vest in the Lessor subject to any existing encumbrance. Should the Lessor in his reasonable judgment be required to remove or demolish said improvements after the expiration of the sixty (60) days time period, then the cost thereof shall be chargeable to the Lessee. Lessee's obligations in this subsection will not apply at the time an encumbrancer takes title at a foreclosure sale or via deed in lieu of foreclosure. Any other purchaser at a foreclosure sale will be subject to the obligations in this subsection if his/her interests in the lease subsequently expire or are cancelled.
- 13.2 Machines, appliances, equipment, furniture, and fixtures of any kind now existing or hereafter placed on the leased premises by Lessee shall be removed by Lessee within sixty (60) days after the expiration of the term of this Lease or sooner cancellation thereof; PROVIDED, HOWEVER, Lessee agrees to repair any and all damages occasioned by the removal thereof. If any such machines, appliances, equipment, furniture, and trade fixtures are not removed within sixty (60) days after the cancellation of this Lease, the same may be considered abandoned and shall thereupon become the property of the Lessor without cost to the Lessor and without any payment to Lessee; except that the Lessor, at its sole option, shall have the right to have the same removed and stored at the expense of Lessee.
- 13.3 During any period of time employed by Lessee under this Section to remove structures, installations, improvements, machines, appliances, equipment, furniture, and fixtures, Lessee shall pay rent to the Lessor in accordance with the Lease which rent shall be prorated.

Section 14 MISCELLANEOUS

- 14.1 Acceptance of rent by Lessor shall not be deemed to be a waiver by it of any breach by Lessee of any covenant contained herein or of Lessor's right of reentry for breach of any condition or covenant.
- 14.2 Lessor's waiver of any breach by Lessee shall not operate to extinguish the term, covenant or condition, the breach for which has been waived, nor be deemed a waiver of Lessor's right to declare a forfeiture or termination for any other breach thereof.
- 14.3 The words "Lessor" and "Lessee" used herein or any pronouns used in place thereof shall mean and include the masculine or feminine, the singular or plural, and jointly and severally, individuals or corporations, and their and each of their respective successors, executors, administrators, heirs and



assigns, and this Lease, and the covenants, terms and conditions thereof shall be binding upon and insure to the benefit thereof.

- 14.4 Nothing contained in this Lease shall operate to delay or prevent a termination of the Federal trust responsibilities with respect to the leased premises during the term of this Lease; HOWEVER, such termination shall not abrogate this Lease.
- 14.5 While the leased premises are in trust or restricted status, all of the Lessee's obligations under this Lease, and the obligations of his sureties, are to the United States as well as to the owner(s) of the land.
- 14.6 This Lease shall be valid and binding only after approval of the Secretary.
- 14.7 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 may arise heretofore, but this provision shall not be construed to extend to this contract if made with a corporation or company for its general benefit.
- 14.8 "Secretary" as used herein means the Secretary of the Interior or his authorized representative.

Lessees: [Signature] Ms. SAM Estrella ~~(Wolf Star Ltd)~~

Lessor: Marie Barber Ms. Marie Barber (Signatory)

Bureau of Indian Affairs: [Signature]
William A. Black
Acting Superintendent, Puget Sound Agency

Date Approved: MAR 9 1998

- 14.9 Lot 42 of the Cobahud Waterfront Tracts is subject to a lot line adjustment by the Swinomish Tribe. The adjustment will bring the single family home within the boundary of the lot. Until that time, a good neighbor policy is encouraged.

42456
SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

AUG 16 2001

Amount Paid \$
Skagit County Treasurer
By: [Signature] Deputy

RECEIVED OR FILED
BUREAU OF INDIAN AFFAIRS
PUGET SOUND AGENCY

98 MAR 18 PM 12:29

BRANCH OF REALTY
TITLES & RECORDS
SECTION

Residential Ground Lease for Pull and Be Damned Area



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Skagit County Auditor

SWINOMISH WATERFRONT LOTS

SUPPLEMENTAL SHEET

14. It is understood and agreed that this lease is subject to existing and future rights-of-way granted by the lessor.
15. It is understood and agreed that the lessee shall submit by mail to the Tribal Planning Commission, Box 416, LaConner WA 98257, plans and specifications for any proposed improvements. The Tribal Planning Commission will establish the conditions for improvements and issue a building permit if the Planning commission so rules.
16. It is understood and agreed that it shall be the Lessee's responsibility to ascertain any improvements, including landscaping constructed on the leased premises are within the lot boundary lines. In the event the Lessee violates this provision, he shall be liable for all costs incurred in moving said improvements.
17. It is understood and agreed that any improvements owned by the Lessee may be removed by him at any time within sixty (60) days after the expiration or termination of this lease. In the event the improvements are not removed within the specified sixty (60) day period, they shall become the property of the Lessor. The Lessee shall restore the premises to the same condition as that existing at the time of entering upon the same under this lease, reasonable and ordinary wear and tear and damages by the elements or by circumstances over which the Lessee has no control excepted. It is further understood and agreed that if the Superintendent finds there is damage to the Lessors property, once this lease expires; the lessee is obligated to pay such amount as appraised by the Superintendent.
18. It is a condition of this lease that the Lessee shall faithfully comply with all ordinances or resolutions, as approved by the Secretary of the Interior, enacted by the tribal governing body of the particular reservation, relating to the use of the above described premises.
19. 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 this lease upon or against the leased land, all interests therein and property thereon. Lessee shall also promptly pay all taxes, assessments, license fees and other like charges levied against the Lessee by the Tribe during the term of this lease. 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, asserted 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 interests therein and improvements thereon from any and all claims, taxes, assessments and like charges and from any lien therefore 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 the Lessee. Lessee shall hold harmless the Lessor for all charges for water, sewage, gas, electricity, telephone, and other utility services supplied to said premises as they become due.
20. It is understood and agreed that this lease includes beach privileges, for recreational uses only and no improvements shall be built upon the tidelands without the written permission of the Swinomish Tribe. There is reserved to the Swinomish Indian Tribal Community, and to it's members, the right to use or cross said tidelands at any time. The Lessee does not have the right to dig clams or harvest oysters on the tidelands.
21. That the Lessee is authorized to encumber his leasehold interest in the premises for the purpose of borrowing capital for the development and improvement of the leased premises. The encumbrance instrument must be approved by the Secretary. If a sale or foreclosure under the approved encumbrance occurs and the encumbrancer is the purchaser, he may assign the leasehold without the approval of the Secretary or the consent of the other parties to the lease, provided; however, that the assignee accepts and agrees in writing to be bound by all the terms and conditions of the lease. If the purchaser is an party other than the encumbrancer, approval by the Secretary of any assignment will be bound by the terms of the lease and will assume in writing all obligations thereunder.
22. Septic and water systems shall meet Tribal standards which are the same as those administered by Skagit County Health Department.



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EXHIBIT "A"

Legal Description

Lot: 42 of the Cobahud Waterfront Tracts, recorded plat on file with the
Bureau of Indian Affairs, Government Lot 4, Section 34, Township 34 North, Range 2
East, Willamette Meridian.

Note Provision 14.9 of the Lease concerning a Lot Line Adjustment.

Swinomish Indian Reservation, Skagit County, State of Washington.

The Legal Description will be amended in accordance with completion of provision 14.9 and recorded with all pertinent legal entities to include Tribal, local, and federal authorities.

At a minimum, said lot line adjustment shall be surveyed, said survey shall be properly filed with any and all Tribal, Federal, County, or other municipal corporations necessary to recognize the requested or required lot designation point to point, with any and all proper execution documents being filed timely with recorded instruments being forwarded to the lessee from the Tribal Planning Office containing assurances that one and all required agencies have been properly notified of same. Lessee is entitled to receive legal survey, legal lot lines, specifications, et al.



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Residential Ground Lease for Pull and Be Damned Area of the Swinomish Indian Reservation

Bill of Sale

1. By this Bill of Sale made on this 6th day of March, 1998,
Trust Landowners of the Cobahud Waterfront Tracts (Seller's name)
c/o The Bureau of Indian Affairs, Everett, WA (Seller's address)
 hereby sells and transfers to WOLF*Star, LTD Trust Suzannah M. Estrella (Buyer's name)
1764 R Nanna Lane, LaConner, Washington 98257 (Buyer's address),
 (also known as Sam Estrella)
 the property described below: Single Family Home located on Lot #42
Cobahud Waterfront Tracts (Swinomish Reservation, Skagit County, WA)

Improvement is located on Lot 42 Cobahud Waterfront Tracts within
 Gov't Lot 4 Section 34 T. 34 North, R 2 East, Willamette Meridian

2. The purchase price of the Property is Twelve Hundred Dollars (\$ 1200.00),
 which shall be paid by Buyer as follows:

Payment at Purchase. A Cashier's Check or
 Money Order made out to the Bureau of Indian Affairs for the
 Trust Landowners of the Cobahud Waterfront Tracts (122 39).

3. Seller warrants that Seller has good title to the Property and the lawful right to sell and transfer the Property to Buyer, and
 that the Property is free of all liens and encumbrances, except the following:

Improvement is sold "as is". That improvement may or may not be
 free of all liens and encumbrances. Seller's representative agrees
 to notify Skagit County of sale involving tax account P-95914.

Improvement is returned to the Landowners by Provision 17 of the
 Lease to Thelma Gardner. Single Family Home was abandoned.

4. Seller makes no warranties as to the condition of the Property, including no **warranty of merchantability** and no **warranty of fitness for a particular purpose**, except for any warranties expressly indicated below:

Improvement is sold "as is".

At this time, the home is not connected to the community water
 system managed by the Swinomish Utility Authority.

5. Additional Terms and Conditions:
 Seller acknowledges Sewer improvements are designed to serve Lot 42.
 Buyer acknowledges Sewer and Water Assessment charges.
 Buyer will establish a payment plan with the Swinomish Utility Authority
 Buyer and Seller, intending to be legally bound, have signed this Agreement on the date first indicated above.

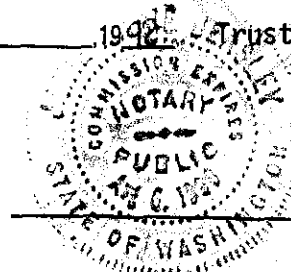
Marie Barber
 Seller's Signature

Marie Barber, Signatory

Subscribed and sworn to before me on this 9th day of March, 1998, Trust

Janis Marie Deaskey
 Notary

Suzannah M. Estrella
 Buyer's Signature
 aka Sam Estrella, WolfStar Ltd.



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 , Skagit County Auditor

CERTIFICATION

THIS IS TO CERTIFY THAT the attached Lease and Bill of Sale **is in conformity**
with existing laws and regulations. All realty records have been checked as to
description, ownership and proper identification of Leasing Documents
and conformity extends to include all supporting documents and other materials as may
be specified and required in the Code of Federal Regulations.

Approved March 9th, 1998

[Signature]
 Realty Specialist

[Signature]
 SUPERINTENDENT
 William A. Black

Lease 8521 98-48 pertains to Lot 42 of the Cobahud Waterfront Tracts.

The attached Bill of Sale pertains to the Single Family Improvement on that lot.
 Sold by the Trust Landowners of the Cobahud Waterfront Tracts to ~~Lot 42~~ ~~Star~~ ~~Estrella~~
 Trust (Sam Estrella). AN UNMARRIED PERSON. Suzannah M. Estrella
 aka



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