

1 7. Yuma Riverfront L.L.C. is the General Partner in the Partnership, and Plaintiff is the
2 sole Limited Partner. At all times relevant to this action, Defendants exercised exclusive authority
3 and control over the Partnership, including decision-making authority.

4 8. On November 20, 2006, the Plaintiff's Quechan Tribal Council approved Resolution
5 R-207-06, authorizing Plaintiff's participation in the Partnership and the disbursement of \$4,000,000
6 to the Partnership. Plaintiff's initial subscription was disbursed in four payments of \$1,000,000 on
7 approximately November 21, 2006, March 9, 2007, August 21, 2007, and October 29, 2007.

8 9. On November 1, 2007, Clark personally guaranteed a loan of \$24,400,000 from
9 Specialty Finance Group (hereinafter "SFG") to the Partnership for the Project. The loan had a
10 maturity date of October 31, 2012.

11 10. In addition to the SFG loan and Plaintiff's \$4,000,000 capital contribution, the General
12 Partner of Yuma Riverfront L.P. soon sought additional capital for the Project from Plaintiff. In late
13 2007, Clark solicited a loan from Plaintiff for the Partnership. On January 10, 2008, Defendants and
14 Plaintiff agreed that Plaintiff would provide a loan to the Partnership in the amount of \$1,100,000.

15 Note (Exhibit A). The Partnership promised to pay Plaintiff the principal amount of \$1,100,000 plus
16 interest at the rate of 12 percent per year. The Note had a maturity date of December 21, 2010.

17 11. On January 10, 2008, Plaintiff's Quechan Tribal Council approved the loan to the
18 Partnership in the amount of \$1,100,000, which was disbursed on or about January 14, 2008.
19 Plaintiff thus completed its obligation under the Note.

20 12. The Note required that the Partnership pay interest only from February 1, 2008 until
21 the date of maturity, December 21, 2010, at which point all principal and unpaid interest became due
22 and payable. The Partnership has not paid any of the principal, and it has failed to pay monthly
23 interest payments since May 29, 2009.

24 13. The Note includes an acceleration clause, stating that if payment is not made within
25 ten days of Plaintiff's written notice of late payment to the Partnership, the entirety of the principal
26 and interest becomes due immediately.

1 14. Clark signed the Note on behalf of C.W. Clark, Inc., Clark Pivot Point, and Yuma
2 Riverfront L.L.C., the General Partner of Yuma Riverfront L.P.

3 15. On July 31, 2012, Plaintiff sent Defendant Clark, as agent of Yuma Riverfront Hotel
4 L.L.C., a Notice of Default and Demand for Payment of the full principle amount of \$1,100,000, plus
5 all accrued interest, due immediately. Notice of Default and Demand for Payment (Exhibit B). On
6 August 29, 2012, Defendant Clark responded by indicating that no payment would be made to
7 Plaintiff. No payment has been made to Plaintiff.

8 16. On February 3, 2009, Plaintiff's Quechan Tribal Council approved Resolution R-18-
9 09 ratifying the Council's December 4, 2008 decision to approve disbursement of \$1,200,000 as an
10 additional capital contribution and the First Amendment to the Agreement dated September 23, 2008
11 (hereinafter "Amendment"). The Amendment provided that Yuma Riverfront L.L.C. would
12 contribute \$400,000 to the Partnership and Plaintiff would contribute \$1,200,000. The contributions
13 did not change the percentage interests of the partners. Plaintiff distributed the additional \$1,200,000
14 in one payment of \$750,000 on approximately December 5, 2008, and one payment of \$450,000 on
15 approximately February 5, 2009.

16 17. Plaintiff disbursed a total of \$6,300,000 to the Partnership between November of 2006
17 and February of 2009.

18 18. Between August of 2009 and January of 2011, Defendants continued to seek
19 additional contributions and loans from Plaintiff ranging from \$50,000 to \$1,077,778. Defendants
20 also sought to convert Plaintiff's January 2008 loan of \$1,100,000 to a capital contribution. Plaintiff
21 declined to make further contributions and to convert the loan to a contribution.

22 19. Yuma Riverfront L.L.C. failed to pay vendors on time, resulting in a garnishment of
23 the hotel operating bank account for \$80,947.23 on January 3, 2011 by Sysco Guest Supply, L.L.C.
24 Quiltcraft, Chandler Signs, and Desert Services also obtained judgments capable of garnishment
25 against the Partnership for failure to meet its payment schedule.

26 20. Yuma Riverfront L.L.C. failed to disclose the judgments against the Partnership to
27 Plaintiff until Yuma Riverfront L.L.C. sought a contribution from Plaintiff to cover the \$80,947.23
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