

MUNICIPAL SERVICES AGREEMENT

This Municipal Services Agreement (“Agreement”) is entered into this 10th day of May, 2005, by and between the Colorado River Indian Tribes (“Tribe”), a sovereign Indian nation, and the City of Blythe (“City”), a California Municipal Corporation, and is founded upon the following Recitals:

RECITALS

WHEREAS, the Colorado River Indian Tribes is a sovereign Indian nation and federally recognized Indian Tribe which consists of Mohave, Chemehuevi, Hopi and Navajo peoples; and

WHEREAS, aboriginal homeland of the Mojave people extended into the Palo Verde Valley and included the area which is now the City of Blythe; and

WHEREAS, the City of Blythe is a California Municipal Corporation incorporated in July 21, 1916;

WHEREAS, through the Indian Gaming Regulatory Act, 25 U.S.C. § 2701, *et seq.* (IGRA), the United States has authorized federally recognized Indian Tribes to conduct Class II and Class III gaming; and

WHEREAS, although the Tribe has approximately fifty-thousand acres of land in trust in California, the Tribe desires to locate a gaming facility in a manner that will maximize the benefits to the local economy; and

WHEREAS, through the Indian Reorganization Act, 25 U.S.C. § 465, *et seq.* (IRA) IGRA, 25 U.S.C. § 2719(b)(1)(A), the United States Congress has authorized the Secretary of the Interior to acquire land into trust for the Tribe in order for the Tribe to achieve economic self-sufficiency; and

WHEREAS, following consultations with City officials for the purpose of identifying potential new trust land acquisitions that would meet the community and economic development needs of the Tribe, while providing economic, employment and other benefits to the City, being compatible with surrounding land uses and minimizing adverse impacts on City services and residents, the Tribe has selected and will acquire a parcel of land in the City; and

WHEREAS, the Tribe intends to ask the Secretary of the Interior to process an application pursuant to and in accordance with the provisions of Section 5 of the IRA, 25 U.S.C. § 465, *et seq.*, the IGRA, 25 U.S.C. § 2719(b)(1)(A), and the National Environmental Policy Act, 42 U.S.C. § 4321, *et seq.* (“NEPA”), requesting that the United States accept trust title (“fee-to-trust application”) to a parcel in the City (“Subject Lands”); and

WHEREAS, the Tribe has requested that the City support the Tribe's fee-to-trust application, and has offered to enter into this Agreement with the City before any land goes into trust, which Agreement provides for cooperation between the Tribe and the City on matters of public services

and land use on the Subject Lands, as well as compensation to the City for the impact on City services of the Tribe's use of the Subject Lands; and

WHEREAS, the City is capable of providing, and willing to provide, a full range of municipal services for uses of Subject Lands; and

WHEREAS, the City is prepared to support the Tribe's fee-to-trust application if the Tribe enters into this Agreement to comprehensively mitigate environmental impacts of this acquisition by taking several steps, including, but not limited to: (a) ensuring that development on the Subject Lands conforms to the specifications of the Blythe Municipal Code; (b) mitigating any environmental impacts of its planned use of the Subject Lands that are identified in the environmental assessment to be conducted pursuant to NEPA; (c) compensating the City for public services and utilities to be provided on the Tribe's Trust Lands; and (d) paying development and processing fees. *including on basis of property tax*

WHEREAS, the terms and conditions of this Agreement are designed and intended to evidence the goodwill and cooperation between the Tribe and the City in fostering a mutually respectful government-to-government relationship that will serve their mutual interests.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Subject Lands.

The Tribe will request that the United States take into trust for its benefit land not to exceed 75 contiguous acres from the parcel(s) identified in Exhibit A appended hereto ("Subject Lands"). The Tribe agrees that it will not seek other or additional parcels within the City to be taken into trust unless and until this Agreement is amended as provided herein to authorize additional trust land acquisition(s). The Tribe further agrees to use the Subject Lands exclusively for: (a) the development and operation of a Class II and/or Class III Gaming facility ("Resort" as defined in Exhibit B), in conformity with the requirements of IGRA, with the requirements of this Agreement and with the requirements of all other applicable laws; and (b) other gaming-related uses as described in Exhibit B, so long as such related uses are intended primarily to facilitate the operation of the Resort.

Section 2. Compliance with City Ordinances.

The Tribe shall require that all tribal development projects occurring on the Subject Lands be used and developed in a manner that is consistent with the Tribe's Health and Safety Code, the Uniform Building Code and the Blythe Municipal Code (incorporated herein by reference) in effect at the time of any project development. The Tribe shall, prior to the use of any structure constructed on the Subject Lands, provide the City, at the Tribe's expense, written certification from the project's architect of record that said structures have been constructed in accordance with said standards and code provisions. In addition to review by the Tribe's Fire and Building and Safety Departments, to ensure consistency with the Uniform Building Code and the Blythe Municipal Codes the Tribe agrees to contract with the City to provide planning,

building and safety, fire prevention, and public works personnel to review any and all construction plans and inspect construction of all improvements on the Subject Lands.

Section 3. Environmental Review.

The Tribe will provide the City, with detailed environmental assessment reports concerning environmental impacts of tribal development projects on Subject Lands to be commenced on or after the effective date of this Agreement. The Tribe's environmental assessment reports will be consistent with the policies and purposes of the California Environmental Quality Act ("CEQA") and the National Environmental Quality Act ("NEPA"). All such environmental reports shall be provided to the City not less than 120 days prior to the commencement of any development.

The Tribe shall consult with the City to develop site- and project-specific terms and conditions and shall act in a manner consistent with CEQA and NEPA to mitigate impacts stemming from tribal development on Subject Lands.

Section 4. Police and Fire Personnel and Services.

The Parties recognize and agree that the Resort to be developed and operated on Subject Lands by the Tribe will necessitate an increased presence of Police and Fire Personnel.

City agrees to provide 24-hour police and fire suppression personnel and services to the Tribe at the same levels as currently provided to the City and its residents, except as provided herein and in Exhibits G (Police) and H (Fire) appended hereto.

To the extent permitted by federal law, police services shall include the authority to enforce any and all state and local criminal laws and ordinances on Subject Lands, which shall include, but not be limited to, 24-hour patrol services and response to emergency 911 calls, and general investigations for major crimes as the Police Department deems necessary. However police services shall not include the authority to enforce any state or local criminal laws or ordinances against the Tribe, (as a governmental entity), the Resort or any department or enterprise of the Tribe.

When practical, the Police Department will attempt to notify the Tribe's Chief of Police and shall coordinate and cooperate with designated casino security force personnel, if any, except when, in the judgment of the law enforcement officers involved, their safety, the safety of the public, or the integrity of an investigation or enforcement action, would be compromised by doing so.

Whenever the Tribe schedules a Special Event on the Subject Lands which is anticipated to require law enforcement personnel above the level of staffing called for in this Agreement, the Parties will negotiate appropriate additional reasonable compensation to the City to cover the additional costs incurred by the City as a result of the Special Event.

All persons employed in the performance of law enforcement and fire service related functions pursuant to this Agreement shall be employees or contractors of the City, other public safety agencies having primary jurisdiction within the City, or agencies which have mutual aid agreements with the City when responding to a request for services under this Agreement.

Nothing in this agreement shall be interpreted to prohibit the Tribe's duly appointed law enforcement officers from patrolling the Subject Lands and enforcing the criminal and civil laws, ordinances, regulations, and orders of the Tribe and the United States.

Should the Tribe's Police Department become cross-deputized or officers of the department become certified California Peace Officers then the provisions of the agreement relating to the provision of police services by the City of Blythe shall expire.

A. Blythe Police Personnel. In order to satisfy its law enforcement duties under this Agreement:

1. The City shall provide prosecution services required for the enforcement of City penal ordinances. The City designates its City Attorney as the prosecutor for the purposes of ordinance prosecution.
2. The City and the Police Department shall enforce state penal laws and City penal ordinances within the boundaries of the Subject Lands and the Resort's facilities to the full extent that City is authorized under federal law, California law, the Tribe's Class III Gaming Compact with the State of California and this Agreement to exercise its police power. However the City and the Police Department shall not have the authority to enforce state penal laws or City penal ordinances within the boundaries of the Subject Lands and Resort's facilities against the Tribe, the Resort or any department or enterprise of the Tribe.

B. Blythe Fire Personnel. The Tribe recognizes that additional fire protection and emergency response services will be required by the Tribe's Resort (as defined in Exhibit B). The scope of said services will be detailed in the environmental assessment or environmental impact statement materials submitted to the United States Department of the Interior in conjunction with its fee-to-trust application. To accommodate the anticipated added burdens, the Parties agree to the following:

1. The Tribe shall purchase and donate to the City a fully equipped triple-combination Pierce pumper with a fifty-foot aerial device (squirt) and 1500 GPM pump capacity. The equipment purchase and donation will be done by the beginning of year three of Resort operations. If and when the City, or its successor, constructs the new fire station discussed at Subsection 4.B.2 below, the fire truck will be moved to that station.

2. At the beginning of year five of resort operations, the Tribe will pay the City a sum of \$500,000, for fire department equipment or City of Blythe recreational amenities.
3. If a structure three stories in height is constructed by the Tribe on Trust Lands, the Tribe will pay the actual costs of training Fire Department personnel to fight high rise fires, and the Fire Department estimates the cost of such training would be \$50,000.

Section 5. Payments to City.

The following method shall be used to make payments to the City.

- A. The Tribe agrees to pay the City amounts equal to the service, development, and impact fees which, if the Subject Lands were not in trust status, would be charged by the City and other local agencies at the time of any and all project development(s) on Subject Lands, which fees consist of payments to the City and the Palo Verde Unified School District. The amounts of payments to the Palo Verde Unified School District are established by state statute as implemented by the local school district.
- B. If the City determines that, to expedite inspections and approvals related to development and construction of the Resort, it is necessary to contract out for services, and if the Tribe concurs in that determination, the Tribe shall pay the City, on a monthly basis, for the actual cost of contracted and additional services. Said payments shall not be a condition precedent of commencement of the work contemplated by this subsection B. Said payments shall be made within 30 days of billing.
- C. Where payments are to be made quarterly, the Tribe will pay the City on the thirtieth day of each calendar quarter for the preceding quarter.
- D. Where payments are to be made annually, the Tribe will pay the City on the thirtieth day of each calendar year for which the payment is due.
- E. One-time fees will be due and payable as described in Exhibit C of this Agreement upon the City's approval of the Tribe's construction plans and the City's completion of all building plan checks, as required by Paragraph 2 above.
- F. This Section 5 shall not apply to attorneys fees provided for at Section 17 of this Agreement.
- G. All payments made by the Tribe shall be made payable to the City of Blythe and delivered to the City's Finance Director or authorized designee.

- H. Shall pay the City an equivalency of 4.5% Transit Occupancy Tax (TOT) per occupied hotel room, effective when the hotel becomes operational.

Section 6. Roads and Traffic Circulation.

As part of the environmental process to be conducted pursuant to Section 3 of this Agreement, the Tribe, at its sole expense, will cause to be conducted a Traffic Impact Analysis (TIA) to determine the traffic impacts of Tribe's proposed development(s) and use(s) on Subject Lands. The Tribe will mitigate traffic and circulation impacts identified in the TIA in conformity to City standards as established by the City Engineer. The Tribe agrees to pay all required traffic mitigation fees consistent with the City's fee programs and ordinances and pay for all road improvements which are reasonable and necessary. The Tribe further agrees that, if an increase in traffic is caused by the Tribe's undertaking of other development projects on Subject Lands and additional road improvements or expansions are required, the Tribe shall grant suitable rights-of-way to the City in order to accommodate the necessary road improvements or expansions and make the necessary improvements.

Section 7. Sewer Service.

The Tribe shall provide for sewage disposal for projects developed on Subject Lands by connection to the City's existing sewer collection system. The Tribe shall pay sewer connection fees and monthly sewer service charges, obtain required easements for sewer infrastructure if needed, construct to City sewer infrastructure standards, and pay all costs of constructing sewer infrastructure (even if located outside the Subject Lands) necessary to connect the Resort to existing sewer services. No use shall occur on or off of the Subject Lands until sewer service is completed and inspected pursuant to this Section 7 and Sections 2 and 3 of this Agreement. Any approvals by the City required to implement this Section shall not be unreasonably withheld, and the standards referred to in this Section shall be substantially identical to those applied by the City to other similar users.

Section 8. Utilities.

The Tribe shall obtain water and electricity as follows:

- A. Water from the Palo Verde Irrigation District. If the City is the water purveyor, the details of additional well(s) will have to be negotiated.
- B. Electricity from either the Southern California Edison Company, through purchase on the open market or through the utility currently operated by the Bureau of Indian Affairs Colorado River Agency. Unless otherwise agreed to by the parties by separate agreement, there shall be no on-site generation of electricity except for emergency power purposes.
- C. Natural Gas from the Southern California Gas Company.

Section 9. Solid Waste Disposal.

The Tribe shall utilize the City's contracted solid waste disposal company for all solid waste and recycled materials generated by tribal development projects and pay all fees associated with such use.

Section 10. Employment of City Residents.

Subject to tribal employment preferences, the Tribe shall work in good faith with the City to employ qualified City residents at the Tribe's Resort facilities to the extent permitted by applicable law. The Tribe shall offer training programs to assist City residents in becoming qualified for positions at the Resort to the extent permitted by applicable law.

Section 11. Prohibited Activities.

The Tribe agrees that the following activities shall not be permitted at any time on Subject Lands, and will adopt an ordinance prohibiting them and providing for the enforcement of these prohibitions.

- A. Persons under the age of 21 shall not be allowed to gamble or remain in any room or area in which gaming activities are being conducted. Individuals under the age of 21 may pass through gaming rooms or areas only if they are en route to a non-gaming room or area of the Resort.
- B. Persons under the age of 21 shall not be allowed to purchase, consume, or otherwise possess alcoholic beverages. All alcohol beverage service shall be subject to applicable State Liquor Laws.
- C. Nude entertainment, nude dancing, or venues containing nudity or sexually oriented business activities shall not be permitted on Subject Lands.

Section 12. Problem Gambling.

The Tribe shall, upon the City's completion of all building plan checks, as required by Paragraph 2 above, make a one-time payment to the City of \$40,000 for the establishment of a Problem Gambling Fund. Thereafter, the Tribe will make annual contributions to the City in the amount of \$40,000 to help fund local problem gaming diversion/assistance/counseling programs of the type identified in Exhibit F appended hereto.

Section 13. Impact on City and Local Revenues.

The Tribe and the City acknowledge that, because of the status of the Subject Lands, the City will lose potential tax revenues from the land and the improvements thereon and from certain commercial activities that the Tribe may conduct on Subject Lands. To compensate the City for the loss of such revenues, the Tribe agrees to make "Gaming Revenue Payments" to the

City as defined herein, and in accordance with, this Section. The Gaming Revenue Payments are in addition to all other payments provided for in this Agreement. The calculation of Gaming Revenue Payments identified below is based on the Project's description as identified in the Economic Impact Analysis provided by Ernst & Young, LLP, which is Exhibit I. This analysis estimated the annual Gaming Revenues to be \$24,555,000. Gaming Revenue Payments to the City shall be four and one half percent (4.5%) of "Net Win on Class III electronic games of chance.", but in no circumstance less than \$850,000 annually, prorated (if appropriate) for the first year of resort operations. "Net Win on Class III electronic games of chance" is defined as the gross revenues from the operation of all Class III electronic games of chance, less amounts paid out as, or paid for, prizes or winnings paid to players or to pools dedicated to the payments of those prizes and winnings, and prior to the payment of operating or other expenses, including management fees.

Section 14. Dispute Resolution.

The Parties recognize that a mutually binding and judicially enforceable method of resolving potential disputes that may arise under this Agreement is desirable and beneficial and agree to the following:

- A. **Meet and Confer Process.** In the event the City or the Tribe believes that the other has committed a possible violation of this Agreement, it may request in writing that the Parties meet and confer in good faith for the purpose of attempting to reach a mutually satisfactory resolution of the problem within 10 business days of the date of service of said request, provided that if the complaining Party believes that the problem identified creates a threat to public health or safety, the complaining Party may proceed directly to judicial action as provided in Subsection D below.
- B. **Notice of Disagreement.** If a party is unsatisfied with the results of the meet and confer process, within 10 business days of the date on which the Parties first met, such Party may provide written notice to the other identifying and describing any alleged violation of this Agreement ("Notice of Disagreement"), with particularity, if available, and setting forth the action required to remedy the alleged violation.
- C. **Response to Notice of Disagreement.** Within 10 business days of receipt of service of a Notice of Disagreement, the recipient Party shall provide a written response admitting the allegation(s) set forth in the Notice of Disagreement and, if the truth of the allegations are admitted, setting forth in detail the steps it has taken and/or shall take to cure the violations (Offer to Cure), or denying the allegations of violation (Denial of Violations). The failure of the recipient Party to serve a timely response shall entitle the complaining Party to proceed directly to arbitration, as provided in Subsection E.

D. Response to Offers to Cure/Denial of Violation.

1. Offer to Cure: Within 10 business days of receiving the recipient Party's Offer to Cure, the recipient Party shall in writing inform the unsatisfied Party either that the recipient Party accepts the Offer to Cure or that it has chosen to invoke the Binding Arbitration Procedures identified in Subparagraph E below; or
2. Denial of Violation: Within 10 business days of receiving the recipient Party's Denial of Violations, the unsatisfied Party shall in writing inform the recipient Party as to whether it accepts the Denial of Violations or whether it has chosen to invoke the Binding Arbitration Procedures identified in Subparagraph E below.

E. Binding Arbitration Procedures. Subject to prior compliance with the meet and confer process set out above in Subsection A, and the Notice and Response process in Subsections B and C, and except as provided in Subsection D, either Party may initiate binding arbitration to resolve any dispute arising under this Agreement. The arbitration shall be conducted in accordance with the following procedures:

1. The arbitration shall be administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules.
2. The arbitration shall be held in Blythe, California, unless otherwise mutually agreed to in writing. The arbitrator(s) shall be empowered to grant compensatory, equitable, and declaratory relief.
3. If either Party requests an oral hearing, the arbitrator(s) shall set the matter for hearing. Otherwise, the arbitrator(s) shall decide whether to set the matter for hearing.
4. The arbitrator(s)' decision and award, if any, and the reasons therefore, shall be articulated in writing. The resulting award shall be in writing and give the reasons for the decision. Judgment on any award rendered by the arbitrator(s) may be entered in the Federal District Court. The costs and expenses of the American Arbitration Association and the arbitrator(s) shall be shared equally by and between the Parties unless the arbitrator(s) rule(s) otherwise.

F. Expedited Procedure for Threats to Public Safety. If the City or the Tribe reasonably believes that the other's violation of this Agreement has caused or will cause a significant threat to public health or safety, resolution of which cannot be delayed for the time periods otherwise specified in this Section 14, the

complaining Party may proceed with litigation consistent with the provision at Section 15 of this Agreement seeking declaratory and injunctive relief to enjoin any such threat.

Section 15. Judicial Review.

The Parties consent to an action for (a) declaratory and injunctive relief pursuant to the provisions of Section 14.D, or (b) enforcement of any award in arbitration pursuant to the provisions of Section 14.E, which actions shall be in the Federal District Court. Service of process in any such judicial proceeding is waived in favor of delivery of court documents by Certified Mail - Return Receipt Requested to the following:

FOR THE TRIBE:

Tribal Chairperson
Route 1, Box 23-B
Parker, AZ 85344
Colorado River Indian Tribes
Telephone: (928) 669-1280
Facsimile: (928) 669-1391

FOR THE CITY:

Mayor
City of Blythe
235 North Broadway
Blythe, CA 92225
Telephone: (760) 922-6161
Facsimile: (760) 922-0251

Section 16. Limited Waiver of Tribal Sovereign Immunity.

The Tribe agrees to a limited waiver of its sovereign immunity in favor of the City as to any dispute that arises out of this Agreement pursuant to the terms set forth herein for enforcement. With respect to the enforcement of an award of money and/or damages, the arbitrator(s) and/or court will have no authority or jurisdiction to order the execution against any assets or revenues of the Tribe except Resort income as defined by Generally Accepted Accounting Principles. The Tribal Council shall execute a formal Resolution of Limited Waiver of Sovereign Immunity substantially identical to the attached Exhibit D, and the executed Limited Waiver is a condition for the City's execution of this Agreement and shall be made a part hereof.

Section 17. Attorneys Fees.

In the event either party commences an action against the other party which arises out of a default of, breach of, or failure to perform this Agreement or otherwise related to this Agreement, then the Prevailing Party in the action shall be entitled to recover its Litigation Expenses from the other party in addition to whatever relief to which the Prevailing Party may be entitled.

For the purposes of this Agreement, the term "Action" means any lawsuit, court or administrative proceeding (whether of a legal or equitable nature), arbitration or mediation (whether binding or non-binding), or any other alternative dispute resolution procedure, and the

filing, recording, or service of any process, notice, claim, lien, or other instrument which is a prerequisite to commencement of the Action.

For the purposes of this Agreement, the term "Litigation Expenses" means all reasonable costs and expenses incurred by the Prevailing Party directly related to an Action, including, but not limited to, court costs, filing, recording, and service fees, copying costs, exhibit production costs, special media rental costs, attorneys' fees, consultant fees, fees for investigators, witness fees (both lay and expert), travel expenses, deposition and transcript costs. For the purposes of this Section, the term "Prevailing Party," shall have the meaning ascribed in Cal. Civ. Proc. Code § 1032(a)(4).

Section 18. Indemnification.

The Tribe agrees to and shall indemnify, defend, protect, and hold harmless the City from and against any and all claims, losses, proceedings, damages, causes of action, liability, costs and expenses (including reasonable attorneys' fees), arising from or in connection with, or caused by any act, omission or negligence of the Tribe or its contractors, licensees, invitees, agents, lessees, servants or employees, related to or in connection with any obligations on the Tribe's part to be performed under the terms of this Agreement, or arising from any negligence of the Tribe, or any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against the City (or the City's Representatives) by reason of any such claim, the Tribe upon notice from the City shall have the option to defend the same at the Tribe's expense by counsel reasonably satisfactory to the City. However, in the event that the Tribe does not elect to defend the action or proceeding, the City shall defend the same, at the Tribe's expense, and shall consult with the Tribe during the pendency of the action or proceeding.

Section 19. Support for Trust Application.

Subject to satisfactory CEQA review of the Project by the City, the City shall provide correspondence substantially similar to that attached as Exhibit E to the United States Department of Interior, Bureau of Indian Affairs, in support of the Tribe's petition to the United States Department of the Interior requesting that the United States accept trust title to the lands identified in Exhibit A for the benefit of the Tribe, and the City will respond to inquiries about the Tribe's trust application from the Department of the Interior and its Bureau of Indian Affairs in a manner that is consistent with Exhibit E.

Section 20. Tribal-City Advisory Committee.

In matters other than issues appropriately arising under the Dispute Resolution provisions of Section 14 of this Agreement, the City and the Tribe agree to establish a permanent committee, to be known as the Tribal-City Advisory Committee consisting of nine (9) members. The jurisdiction of the Committee shall encompass any matter within the scope of this Agreement including questions related to implementation, and proposals for the amendment, of this Agreement.

- A. **Composition of Committee.** The Committee shall be composed as follows: [1-2] two members of the City of Blythe City Council or designees, [3] the City Manager or his representative, [4] one representative of a community organization as designated by the City Council, [5-8] four representatives of the Tribe, and [9] a member who shall be selected by the other eight members of the Committee.
- B. **Open Meetings.** Committee meetings shall be open to the public, and Committee members may invite staff and associates, as they deem appropriate, to participate.
- C. **Meeting Times.** The Committee shall meet on a quarterly basis, or more frequently, according to procedures established by the Committee.
- D. **Authority of Committee.** The Committee may make recommendations to the Tribe and the City, including amendments to this Agreement, which both Parties shall consider before taking any action on a Committee recommendation.

Section 21. Development Projects.

The Parties understand and agree that the Tribe may in the future undertake other development projects on Trust Lands. In order to preserve their good relations and in the best interests of the surrounding community, the Tribe agrees to follow the process and procedures outlined in Sections 2 and 3 of this Agreement before undertaking any construction on Trust Lands which would if undertaken elsewhere in the City require a permit pursuant to the Blythe Municipal Code. Nothing in this Agreement is intended to subject the Tribe to criminal jurisdiction beyond that otherwise provided for in existing law.

Section 22. Amendments.

This Agreement may be amended in writing by the Parties. This Agreement must be amended prior to the Tribe's acquisition of federal trust status for any land within the City not identified in Exhibit A. The Parties will meet annually to review this Agreement and the Parties' performance of their obligations under it. To the extent that either Party believes that the Agreement should be amended, the Parties agree to negotiate on such amendments in good faith in order to further the objectives of this Agreement.

Section 23. No Third Party Beneficiaries.

This Agreement is not intended to, and shall not be construed to, create any right on the part of a third party to bring an action to enforce any of its terms.

Section 24. Term.

This Agreement shall become effective upon its execution by the Parties hereto and shall continue during the period of time that business operations related to the Resort are conducted on the Subject Lands provided that, if the Tribe is informed by the Secretary of the Interior that the United States will not take the land into trust or that the Tribe may not conduct gaming activities

thereon, and all appeals related to such a decision have been exhausted, then this Agreement shall terminate 30 days after the Tribe is so informed.

Prior to the termination of Resort operations on the Subject Lands, either Party may request the other Party to enter into good faith negotiations to extend this Agreement or enter into a new Agreement. If the parties have not agreed to extend the date of this Agreement nor entered into a new Agreement by the termination of Resort operations on the Subject Property, this Agreement will automatically be extended for one additional year, provided the Parties agree to submit to binding arbitration for the purposes of securing a new Agreement.

Section 25. General Provisions.

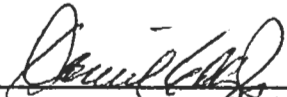
- A. **Completion Date.** The Tribe shall use its best efforts to complete and open the Resort within 24 months following the obtaining of all necessary permits, licenses and approvals prerequisite to the commencement of construction from all federal, state and local authorities.
- B. **Tribal Requirements.** The Tribe shall be responsible for the following at the Trust Lands:
1. Assurance that its contract partners, including all developers and gaming managers, have the capacity to complete and operate all development projects;
 2. Maintenance of property and all development projects;
 3. Management of all development projects; and
 4. Transfer to the City of such easements and other interests in real property as are necessary for the provision of municipal services to the Subject Lands by the City and other local government service providers.
- C. **Annual Verification of Financial Statements.** The Tribe will provide the City with annual audited financial statements performed in accordance with Generally Accepted Accounting Principles showing the revenues of the Resort operations and calculations through which the Aggregate Net Gaming Revenues were calculated.
- D. **Amendments.** The Tribe and the City mutually acknowledge that other agreements may be required to implement all the provisions of this Municipal Services Agreement. Both the Tribe and the City agree that this Municipal Services Agreement can be amended or modified only upon the written consent of both parties.

Section 26. Approval by the Department of the Interior.

The parties will submit this Agreement to the Department of the Interior for either (a) approval pursuant to 25 U.S.C. § 81, or (b) a written response from the Department of the Interior that this Agreement does not require approval under 25 U.S.C. § 81 to be enforceable.

WHEREFORE, IN WITNESS THEREOF, the Parties hereby execute and enter into this Agreement with the intent to be bound thereby through their authorized representatives, whose signatures are affixed below.


COLORADO RIVER INDIAN TRIBES



By: Daniel Eddy, Jr.
Tribal Council Chairman

Date: 6-1-05


CITY OF BLYTHE



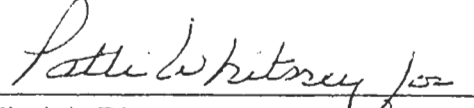
Robert A. Crain, Mayor
City of Blythe

Date: 5-24-05

APPROVED AS TO FORM:

By: 

Scott Zundel,
City Attorney

Attest: 

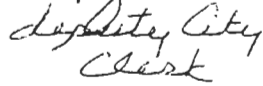
Virginia Rivera,
City Clerk 

EXHIBIT A

PARCEL NOS., bearing the following legal description:

Property Type:	75 Acres, more or less
Location:	SE Corner of Intake Boulevard and 14 th Avenue, Blythe, California
Identification:	Assessor's parcel Number: 869-210-012
Census Tract Number:	0460.00
Thomas Guide Map Page & Grid:	Page 5491, Grid H & J/7

EXHIBIT B

The provisions of this Agreement shall require the Tribe to develop a first-class high-quality destination resort including hotel(s), restaurant(s), hospitality services and a minimum 50,000 square foot casino for Class II and Class III Indian gaming, containing a number of slot machines, table games and other gaming devices or games not to exceed the maximum to be allowed under the Tribal-State Gaming Compact between the Tribe and the State of California ("Resort").

As part of this agreement the Tribe shall be required to complete an economic impact study by a recognized jointly agreed to consulting firm. The report shall include the additional tax revenue, business activity and jobs that will be generated by this agreement. Said study shall also gauge the positive economic impacts on the Parker area after the opening of the Blue Water Resort & Casino.

In addition, the following uses may be developed in conjunction with the Resort specifically authorized under this Agreement. All uses shall be supportive uses to the gaming facility and shall include but are not limited to:

1. Hotel/Motel (However, the Tribe shall not open any hotel or motel on the Subject Lands within the first four years of the Resort's Operation)
2. Conference Rooms and Facilities
3. Shopping Mall
4. Theater (motion picture or live performances)
5. Themes or Amusement Park
6. Water Park
7. Small-scale Amusement Park, including video arcades and miniature golf
8. Bowling Center
9. Restaurants/Coffee Shops/Snack Bars
10. Night Clubs or Bars (includes live entertainment)
11. Entertainment Venues (stadiums or arenas, including rodeo arenas)
12. Fuel dispensing stations for motor vehicles

13. Public recreation facilities (park space with athletic field(s))
The Tribe agrees to fund the new recreational uses on the site identified in Exhibit I. The uses shall be developed by the City. In the event the Tribe requires the space dedicated to public recreation facilities for additional business enterprises, the Tribe shall bear the cost of relocating the Park Facilities to another comparable site in the Blythe area.

If a use not listed above is proposed, and the City and Tribe cannot agree that the use is gaming-related under Section 1 of this Agreement, or is similar to the uses listed above, then the parties shall resolve the issue under the dispute resolution provisions in Section 14 of this Agreement.

EXHIBIT C

ONE TIME FEES TO BE PAID BY THE TRIBE:

1. Lands, said amount to be determined by an MAI appraisal.
2. Actual Attorney fees and expenses incurred by the City in the development of the Municipal Services Agreement between the City of Blythe and the Colorado River Indian Tribes.
3. Actual costs for all development and impact fees charged by the City and other local agencies for project development on Subject lands.
4. Up to \$350,000 for a fully equipped Pierce fire truck as provided for at Section 4.B.1 of this Agreement.
5. Up to \$500,000 for fire department equipment or public recreation facilities, as provided for in this Agreement.
6. If a structure three stories in height is constructed by the Tribe on Subject Lands, the Tribe will pay the actual costs of training Fire Department personnel to fight high rise fires, and the Fire Department estimates the cost of such training would be \$50,000.

EXHIBIT D

COLORADO RIVER INDIAN TRIBES

RESOLUTION NO. ___

WHEREAS, The Colorado River Indian Tribes is a federally recognized Tribe, governed by its custom and traditions; and

WHEREAS, According to the Tribe's Constitution and By-laws, the Tribal Council has all legislative authority, and the Tribal Council Chairman is authorized to carry out the decisions made by the Tribal Council; and

WHEREAS, The Tribal Council has reviewed the Municipal Services Agreement ("Agreement") between the Tribes, and the City of Blythe ("City"); and

WHEREAS, The Tribal Council, having considered the matter in accordance with the laws of the Tribe agrees that the approval of the Agreement with the City would be in the best interest of the Tribe in order to move forward to conduct gaming within the City of Blythe; and

WHEREAS, The Tribes recognize its need to exercise its sovereign right to provide a limited waiver of sovereign immunity with regard to disputes arising under or in connection with the Agreement, to consent to arbitration and the jurisdiction of the Federal District Court, as provided for in the Agreement.

NOW, THEREFORE BE IT RESOLVED, the Tribal Council hereby approves the attached Municipal Service Agreement between the Colorado River Indian Tribes and the City of Blythe;

BE IT FURTHER RESOLVED, the Tribal Council hereby grants the limited waiver of the sovereign immunity of the Tribe in favor of the City with regard to disputes arising under or in connection with the Agreement, to consent to arbitration and the jurisdiction of the Federal District Court, as provided for in the Agreement;

BE IT FURTHER RESOLVED, any material amendments to the Municipal Service Agreement shall be brought back to the Tribal Council for consideration and approval.

BE IT FURTHER AND FINALLY RESOLVED, that the Tribal Council Chairman and Secretary are hereby authorized and directed to execute any and all documents necessary to implement this action.

EXHIBIT E

The Parties agree that the City will send letters supporting the Tribe's fee-to-trust application as follows (though these may at a later date be modified by mutual agreement of the Parties):

FIRST LETTER - To be provided as soon as is practicable.

The Honorable Gale Norton
Secretary
United States Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Dear Secretary Norton:

It is with great pleasure that I, on behalf of the City Council of the City of Blythe, California, provide this preliminary letter of support for the fee-to-trust application which has or soon will be submitted by the Colorado River Indian Tribes regarding land located here in the City of Blythe.

Based on information currently available to us we believe that development of an Indian casino in the City of Blythe will provide very significant benefits to our local community. **[Insert any appropriate documentation available at the time of writing evidencing City support, and reference to any Special Meeting of the City Council or other forum in which consultation with the public has been conducted.]**

Further, we have worked closely with the Tribe as it has developed its proposal to develop a gaming facility here, and we have reach a mutually agreeable Municipal Services Agreement that we believe will benefit both parties. That Agreement provides a workable framework on which the relationship between the City and the Tribe can continue to be effective and mutually beneficial into the future. A copy of that Agreement is also enclosed.

I note that the City provides here only preliminary support for the Tribe's proposed project. This is because California Environmental Quality Act (CEQA) requires us to conduct an extensive review of the potential environmental impacts of the project and potential mitigation measures before we can make a final determination as to whether to support the Tribe's project. It is our intention to write to you again once we have completed our CEQA review to confirm or modify our position according to the results of that review.

If you have any questions about the City's support for the Tribe's fee-to-trust application and the proposed gaming facility related thereto, please do not hesitate to contact me at (760)922-6161.

Sincerely,

Robert A. Crain,
Mayor

cc: The Hon. Arnold Schwarzenegger, Governor of the State of California
_____, Assistant Secretary for Indian Affairs
_____, Regional Director, Western Region, Bureau of Indian Affairs

SECOND LETTER: If the results of the City's CEQA review allow it to make a final decision to support the Colorado River Indian Tribes' fee-to-trust petition, this letter is to be provided within a reasonable period of time after completion of CEQA review, and to be expanded with additional supporting information regarding the "not detrimental to the surrounding community" component of the Secretary of the Interior's two-part determination should such information become available.

The Honorable Gale Norton
Secretary
United States Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Dear Secretary Norton:

Speaking on behalf of the City of Blythe I wrote to you on _____, 2005 to express the City's preliminary support for the fee-to-trust application submitted by the Colorado River Indian Tribes regarding lands located in the City of Blythe. I am providing this letter asking that it be included in the record to supplement my earlier correspondence on this subject.

As you may recall, the City's support for the Tribe's proposed project was conditioned on the City's compliance with the California Environmental Quality Act's requirement that the City evaluate and consider the potential impact development of the Tribe's gaming facility would have on the environment if the Department were to acquire trust title to the property in question. We have now completed that environmental review, the results of which are contained in the enclosed **[insert proper title of environmental documentation]**. The **[environmental documentation]** identifies the impacts likely to be associated with the Tribe's proposed development and it articulates mitigation measures which should be implemented to ameliorate those impacts.

Our careful review of the **[environmental documentation]** (including recommended mitigation measures), coupled with the Tribe's agreement to implement those mitigation measures (as evidenced in the **[insert date]**, 2005 Municipal Services Agreement between the City and the Tribe provided to you in earlier correspondence), allows the City to give its full and unconditional support to the Tribe's fee-to-trust petition.

We understand that federal law requires that you make a determination as to whether the Tribe's proposed trust acquisition is "detrimental to the surrounding community." Not only do we not view the proposed Colorado River Indian Tribes facility as "not detrimental"—to the contrary, we view its development in Blythe as an important, affirmative step toward the advancement of meaningful economic development in our community. **[Insert description of and specific references to any documentation evidencing local support, and highlighting any public meetings providing opportunity for community comment.]**

In sum, as the Mayor for the City of Blythe, writing on behalf of the people of this City, I respectfully request that the Department of the Interior find that the acquisition of trust title to the

subject land in Blythe for gaming purposes is “not detrimental” to our community. Indeed, it is our great hope that the Department will further find that acquisition of trust title is in the best interest of the Tribe, and that it will forward that positive two-part determination to our Governor for his review and concurrence.

If you have any questions or concerns, please do not hesitate to contact me at (____) ____-____.

Sincerely,

Robert A. Crain, Mayor
City of Blythe

cc: The Hon. Arnold Schwarzenegger, Governor of the State of California
_____, Assistant Secretary for Indian Affairs
_____, Regional Director, Western Region, Bureau of Indian
Affairs

EXHIBIT F

Problem Gaming Program Description, City of Blythe

Provided by: The California Council on Problem Gambling

Service to be Provided: Programs to address the issue of problem gambling through training, education, and awareness of the crisis help line.

PROJECT ELEMENTS	ANNUAL COSTS
Youth Based Activities	\$10,000
Radio PSA Campaign (Help Line Promotion) / Public Awareness	\$10,000
Free educational materials, posters & brochures distributed to County health care and social service agencies, senior centers, youth centers and other community organizations.	
Awareness Seminars for Professionals consisting of five (5) seminars to be held annually at Various locations providing a general overview of problem gambling, behavioral indicators and resources for help. Seminars would be open to professionals from local volunteer organizations such as Parent Teacher Associations, Keep Kids Safe, and other local affiliates of national non-profits, as well as County officials and health and human service agencies, senior centers, youth centers, ministries, etc. Instructors will be leaders in the field of treatment, prevention and education, holding masters' degrees or better.	\$15,000
Prevention Education Consisting of on-campus workshops for students at the two junior high schools, one high school, one continuation school and the Palo Verde Community College.	\$6,000
Red-Ribbon week	\$2,500
TOTAL (Tribe will contribute \$40,000 annually to the Fund; City will contribute \$3,500 annually to the Fund)	\$43,500

EXHIBIT G

Scope of Law Enforcement Services

This is Exhibit G to the Municipal Services Agreement (“Agreement”) between the City of Blythe (“City”) and the Colorado River Indian Tribes (“Tribe”), and the Parties to the Agreement agree that the provisions hereof are a part of the Agreement.

Blythe Police Department and City public safety department personnel shall enforce state penal law and City penal ordinances within the boundaries of the Subject Land as described in Exhibit A to the Agreement to the full extent that City is authorized under federal law, California law, the Tribe’s Class III Gaming Compact with the State of California and this Agreement to exercise its police power. However the City and the Police Department shall not have the authority to enforce state penal laws or City penal ordinances within the boundaries of the Subject Lands and Resort’s facilities against the Tribe, (as a governmental entity), the Resort or any department or enterprise of the Tribe.

The City and its public safety department may enforce or assist in the enforcement of federal law on Subject Lands within the City to the extent that City may be permitted to do so under federal law. In order to permit the City to fulfill its responsibilities under this Agreement, all City public safety officers shall be accorded free access to all spaces open to the public within any gaming facility and/or surrounding structures on the Subject Land for purposes of maintaining public peace and order and to allow for the enforcement of applicable criminal laws of the federal government, state and City. Personnel employed by the tribal gaming operation, including security personnel of the gaming facility and tribal law enforcement personnel, shall, for such purposes, provide City public safety officers access to those public spaces within the gaming facility as may be necessary to permit the City to fulfill its duties under this Agreement, and may consent to access to non-public space. Nothing in this Agreement is intended to restrict access to non-public space if exigent circumstances require access.

The City shall be permitted entrance to any public place on the Subject Land described in Exhibit A pursuant to the City’s general police powers for any lawful purpose. City public safety officers, if deputized by the Tribe for such a purpose, may likewise arrest any Indian for violation of tribal law occurring on Subject Lands in which event said individual shall be held and detained by the public safety officer until a tribal police officer takes custody. The City Public Safety Department shall promptly notify the tribal security office of any effort to arrest or detain an individual on Trust Lands.

The cost for Law Enforcement support found in this Agreement does not include the cost of performing background checks or identification procedure and identification cards that may be required to be issued depending on state legislative action. If this service is required of the Blythe Police Department, additional fees will be assessed in the same manner as for other entities requiring such service.

The City shall provide prosecution services required for the enforcement of City penal ordinances. The City designates its City Attorney as the prosecutor for the purposes of ordinance prosecution.

Matters Incidental to the Performance of Any Law Enforcement.

The standards of performance, training, discipline and other matters incidental to the performance of any law enforcement services rendered under this Agreement shall be determined solely by the City or agency involved in accordance with applicable laws and regulations.

If the Tribe creates a tribal police or security force which is assigned to the Resort, the Blythe Police Department will assist the Tribe with the cross training required to provide a smooth and effective working relationship. If cross training of tribal police and security personnel is conducted by the Blythe Police Department, then fees will be assessed for such training on the basis of hourly charges calculated on the basis of salary and benefits of officers involved in such training. If the Tribe creates a Police Department, the level of training and performance standards of the tribal police and security personnel shall be equal to those imposed by the Blythe Police Department on its law enforcement personnel.

“Special Events” are those events which take place at the Resort for which there is a reasonable expectation that there would be a need for an increase in the amount, scope of level of necessary police, traffic control, and crowd control which is above the normal deployment of law enforcement personnel which would normally be required without such event. Should Special Events be held at the Resort, the Tribe and the Blythe Police Department will negotiate separate agreements for each event to provide adequate police staffing necessary to provide coverage for such Special Event and reasonable compensation therefore.

EXHIBIT H

Scope of Blythe Fire Department Services

This is **Exhibit H** to the Municipal Services Agreement (“Agreement”) between the City of Blythe (“City”) and the Colorado River Indian Tribes (“Tribe”), and the Parties to the Agreement agree that the provisions hereof are a part of the Agreement.

Fire Protection Services.

The Blythe Fire Department, or its successor, will be the primary fire protection agency serving the Resort and all facilities located thereon. The tribal property shall receive the same level of fire protection as is provided to any other resident or business within the City.

The Blythe Fire Department, or its successor, will relocate fire fighting equipment purchase by the Tribe and donated to the City in accordance with the provisions of Section 4.B of the Agreement.

New Fire Station.

By the beginning of the year five of Resort operations, the Tribe may be requested to dedicate to the City two acres of non-federal land near the Resort on which the City will construct a new fire station when deemed necessary by the City. The configuration and location of the donated site must be approved by the Fire Chief of the Blythe Fire Department or its successor. If the City in its sole discretion opts not to build a fire station, the Tribe shall contribute to Blythe Recreational amenities in accordance with Section 4.B of the agreement.

Standards of performance, training, discipline and other matters incidental to the performance of any fire service related services.

The standards of performance, training, discipline and other matters incidental to the performance of any fire service related services rendered under this Agreement shall be determined solely by the City or agency involved in accordance with applicable laws and regulations.

If the Tribe creates a tribal fire and/or emergency medical services (“EMS”) unit which is assigned to the Resort, the Blythe Fire Department will assist the Tribe with the cross training required to provide a smooth and effective working relationship. If cross training of tribal fire is conducted by the Blythe Fire Department, then fees will be assessed for such training on the basis of hourly charges calculated on the basis of salary and benefits of Blythe Fire Department personnel involved in such training.

Emergency Medical Services.

The parties recognize that all aspects of emergency services response will be required by the Tribe’s Resort to be constructed within the City on Subject Lands. Currently, the City of Blythe Police Department and the Blythe Volunteer Fire Department will be the in-charge, on-site responding agencies. In accordance with Annexation 43 Automatic Aid Response by the

Riverside County California Division of Forestry, County Fire will co-respond with the Blythe Fire Department for both fire related and medical aid calls. A private local EMT qualified ambulance service, Blythe Ambulance customarily is the first responder for Emergency Medical Services (EMS) although it is understood that the Tribe intends to have Tribal EMS personnel on duty at the Resort, in which case Tribal EMS personnel will be the first responder.

RESOLUTION
COLORADO RIVER TRIBAL COUNCIL

A Resolution to **Approve a Municipal Services Agreement with the City of Blythe, California to Conduct Gaming within the City of Blythe**

Be it resolved by the Tribal Council of the Colorado River Indian Tribes, in regular / special meeting assembled on May 6, 2005

WHEREAS, the Colorado River Indian Tribes is a federally recognized Tribe, governed by its custom and traditions; and

WHEREAS, according to the Tribe's Constitution and By-laws, the Tribal Council has all legislative authority, and the Tribal Council Chairman is authorized to carry out the decisions made by the Tribal Council; and

WHEREAS, the Tribal Council has reviewed the Municipal Services Agreement ("Agreement") between the Tribes, and the City of Blythe ("City"); and

WHEREAS, the Tribal Council, having considered the matter in accordance with the laws of the Tribes, and agrees that approval of the Agreement with the City would be in the best interest of the Tribe in order to move forward to conduct gaming within the City of Blythe; and

WHEREAS, the Tribes recognize its need to provide a limited waiver of sovereign immunity with regard to disputes arising under or in connection with the Agreement, to consent to arbitration and the jurisdiction of the Federal District Court, as provided for in the Agreement.

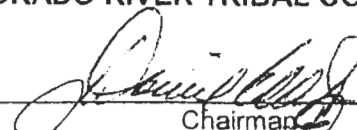
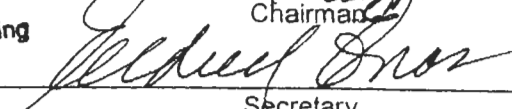
NOW, THEREFORE, BE IT RESOLVED the Tribal Council hereby approves the attached Municipal Service Agreement between the Colorado River Indian Tribes and the City of Blythe; and

The foregoing resolution was on May 6, 2005 duly approved by a vote of 5 for, 0 against and 2 abstaining, by the Tribal Council of the Colorado River Indian Tribes, pursuant to authority vested in it by Section 1.e., Article VI of the Constitution and By laws of the Tribes, ratified by the Tribes on March 1, 1975 and approved by the Secretary of the Interior on May 29, 1975, pursuant to Section 16 of the Act of June 18, 1934, (46 Stat. 984). This resolution is effective as of the date of its adoption.

COLORADO RIVER TRIBAL COUNCIL

By

Acting


Chairman

Secretary

RESOLUTION NO. R-109-05

MAY 6, 2005

PAGE 2

BE IT FURTHER RESOLVED the Tribal Council hereby grants the limited waiver of the sovereign immunity of the Tribe in favor of the City with regard to disputes arising under or in connection with the Agreement, to consent to arbitration and the jurisdiction of the Federal District Court, as provided for in the Agreement; and

BE IT FURTHER RESOLVED any material amendments to the Municipal Service Agreement shall be brought back to the Tribal Council for consideration and approval; and

BE IT FURTHER AND FINALLY RESOLVED that the Tribal Council Chairman and Secretary, or their designated representatives, are hereby authorized and directed to execute any and all documents necessary to implement this action.