

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (this "Agreement") is entered into by and between the CITY OF BARSTOW, a public body, corporate and politic ("City") and BARWEST, L.L.C., a Michigan limited liability company ("Developer").

WHEREAS, on June 2, 2003, the City of Barstow Redevelopment Agency ("Agency") and Developer entered into an Exclusive Negotiating Agreement ("ENA"). At duly noticed public meetings of the Agency and the City held on March 1, 2004, the ENA was assigned from the Agency to the City and extended for a period of three months, with additional extensions available according to the terms of the document; and

WHEREAS, the ENA provides for a period of exclusive negotiations between the Agency and Developer to reach a Disposition and Development Agreement that, among other things, would provide for the establishment of exclusive rights of Developer to develop a first-class, high-quality destination resort, including hotels, restaurants, hospitality services and a casino (consisting of Class III Indian casino gaming) within the City (the "Project") all as part of the City's effort to maintain, improve and increase the amount of employment, recreation, transportation, and housing opportunities available to its residents and to improve the quality of life for the same residents; and

WHEREAS, the City and the Los Coyotes Band of Cahuilla and Cupeno Indians (the "Tribe") are negotiating a Municipal Services Agreement ("MSA") between the City and Tribe that, if executed and except as waived by the City, will contain all of the terms and matters required by the ENA to be included within a Disposition and Development Agreement between the City and Developer; and

WHEREAS, it is now and always has been the intent and understanding of the City and Developer that Developer will develop and manage the Project in accordance with the federal Indian Gaming Regulatory Act and the rules and regulations of National Indian Gaming Commission, and City and Developer wish to maintain and memorialize this understanding and their formal relationship;

NOW, THEREFORE, in consideration for the foregoing and the mutual covenants and provisions herein set forth, the City and Developer hereby agree as follows:

1. The City agrees that it will condition the effectiveness of the MSA upon Developer being the entity to develop and manage the Project, provided that: (a) Developer acts in accordance with the federal Indian Gaming Regulatory Act and the rules and regulations of the National Indian Gaming Commission, and obtains all approvals required thereby; (b) the MSA, except as waived by the City, contains all of the terms and matters required by the ENA to be included within this Agreement; and (c) within sixty (60) days after a Tribal-State gaming compact between the Tribe and State of California is approved or disapproved by the Secretary of Interior, unless extended by mutual agreement, Developer and Tribe shall have entered into development and management agreements for development and management of the Project.

2. Developer agrees that it will continue to pursue the Project with all due diligence, in conformity with the terms of the ENA and MSA.

3. This Agreement will remain in effect only so long as the MSA is being negotiated or is in effect. This Agreement shall become null and void if development and management agreements between Developer and Tribe have not been entered into within sixty (60) days after a Tribal-State gaming compact between the Tribe and State of California is approved or disapproved by the Secretary of Interior, unless extended by mutual agreement.

IN WITNESS WHEREOF, City and Developer have executed this Agreement as of June __, 2004.

CITY OF BARSTOW, a public body, corporate and politic

By: _____
Lawrence E. Dale, Mayor

Attest: _____
JoAnne Cousino, City Clerk
Secretary

APPROVED AS TO FORM:

By: _____ 6/7/04
Michael G. Colantuono
City Attorney

BARWEST, L.L.C., a Michigan limited liability company

BY: BARWEST MANAGER, INC.,
a Michigan corporation, Manager

By: _____
Michael J. Malik, Sr.
President

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