

**RINCON SHARED BENEFIT FUND
PRELIMINARY STATEMENT OF TERMS**

The following Preliminary Statement of Terms provides an outline of the provisions intended to be part of an Intergovernmental Agreement (“IGA”) to be negotiated between the Rincon Band of Luiseño Indians (“Rincon” or the “Band”) and San Diego County (“County”) to administer the disbursement of revenues contributed by Rincon as may be required in a Tribal-State Gaming Compact. This proposal meets with the provisions of the Indian Gaming Regulatory Act as defined in the *Rincon v. Schwarzenegger* decision of the Ninth Circuit Court of Appeals.

**Administration of the
*Rincon Shared Benefit Fund***

1. Establish Fund. If the Rincon Band is required to contribute revenue to San Diego County, pursuant to the Tribal-State Gaming Compact being negotiated with the State of California, a *Rincon Shared Benefit Fund* will be established in the San Diego County Treasurer’s Office to receive and disburse qualified funds from Rincon and potentially other Tribes, subject to the determination of the *Rincon Shared Benefit Fund* Selection Committee as described herein. The San Diego County Treasurer’s Office will act as the fiduciary of the funds deposited in the *Rincon Shared Benefit Fund*. The County will receive a fee from the Fund in compensation for its actual and reasonable costs of administering the Fund.
2. Establish Fund Accounts. If in the future other Tribes decide to enter similar IGAs, Rincon will have its own fund, or at a minimum, will have its own separate account within a larger fund, reflecting its deposits and any distribution of monies deposited into the account.
3. Recipients. The *Rincon Shared Benefit Fund* will be disbursed to fund projects selected by the Selection Committee and which are sponsored by: (1) the County; (2) joint powers authorities of which the County and the Tribe are members; (3) local governments within North San Diego County; and (4) non-profit agencies sponsored by government entities that provide services in North San Diego County of the type set forth in paragraph 8, below. Nothing herein is intended to preclude the Selection Committee from funding proposals which involve State agencies (*e.g.*, Caltrans and CalFire).
4. Source of Funds. The source of funds for the *Rincon Shared Benefit Fund* will be funds contributed by the Rincon Band in accordance with the revenue sharing provisions of its Tribal-State Gaming Compact.
5. Screening Committee. Funding proposals will be reviewed and analyzed by a Screening Committee. The Screening Committee will be made up of three representatives to be appointed by the County and two representatives appointed by the Rincon Tribal Council. The Screening Committee will evaluate, rank in priority order and submit to the Selection Committee all projects for funding consistent with paragraphs 3 and 8.

6. Selection Committee. The Selection Committee will be made up of two voting members appointed by the County Board of Supervisors and two voting members appointed by the Rincon Tribal Council. The County Board of Supervisors shall appoint the Supervisor from the Fifth District and either another member of the Board of Supervisors or a senior County Administrator. The Band shall appoint the Chairman of the Band and a Council member or a senior Administrator of the Band. Alternates shall also be appointed for each member to act in that member's absence. All decisions must be by a minimum of three votes. The Selection Committee will establish Guiding Principles for the selection of projects to be revised every three years.
7. Funding Determinations. Funds will be awarded through a process as illustrated on the attached flowchart. Determinations as to which projects will be selected and how much will be allocated to each project will be made by the Selection Committee in compliance with the Tribal-State Compact, the IGA and the Guiding Principles. The Guiding Principles shall, at a minimum, identify uses of the funds and the proposed priorities for use of the Rincon Shared Benefit Fund consistent with paragraphs 3 and 8. Once the Selection Committee has approved the list of projects, it shall be ratified by the San Diego County Board of Supervisors and the Rincon Tribal Council.
8. Uses of the Funds. The following types of projects are eligible for funding from the *Rincon Shared Benefit Fund*:
 - Roads and transportation
 - Fire and EMS response
 - Sheriff's Department
 - Problem gambling
9. Accruals. If funds remain unallocated more than twenty-four months after deposit into the fund, they shall be returned to the Rincon Band unless disbursement of the funds is the subject of a dispute resolution proceeding or the funds have been allocated and obligated to a long term project.
10. Priority of, and Credit for, Direct Mitigation Costs. Rincon shall pay into the Shared Benefit Fund the sum of funding as is required pursuant to agreement to be reached with the State in its amended Tribal-State Compact. With regard to gaming development projects, Rincon will prepare and circulate a Tribal Environmental Impact Report (TEIR), consult with the County concerning the mitigation of significant adverse off-reservation environmental impacts, and make good faith efforts to mitigate any and all adverse off-reservation environmental impacts. The cost of such mitigation shall be the first priority for payment from the Rincon Shared Benefit Fund; however, no more than 25% of the required contributions to the Fund in any year will be disbursed to cover direct mitigation costs. Rather, should the mitigation costs exceed 25% of the required contributions to the Fund, then Rincon shall have an obligation to pay the remaining mitigation costs, but shall receive a credit, in equal amount, against required future contributions to the Shared Benefit Fund. Up to 25% of the credit can be claimed in a single year. The second and final priority will be shared benefits consistent with paragraphs 3 and 8, above.

11. Dispute Resolution. Disputes concerning the funding of the account by the Band or disbursements of the funds will be submitted to arbitration. Arbitration under this provision shall be conducted in accordance with arbitration rules such as those established by JAMS. The IGA will contain a limited waiver of sovereign immunity from the Band similar to the waiver in the Rincon/County of San Diego Agreement, dated March 20, 2001. The County will grant a similar waiver.
12. Reports, Audits. An annual performance report for the *Rincon Shared Benefit Fund* will be prepared by the Selection Committee. An annual financial audit will be issued by San Diego County.
13. Preliminary Statement. This document reflects the intention of the parties to enter into a formal agreement memorializing these terms once the State of California and the Rincon Band reach an agreement in Compact negotiations.

DATED this ____ day of _____, 2011.

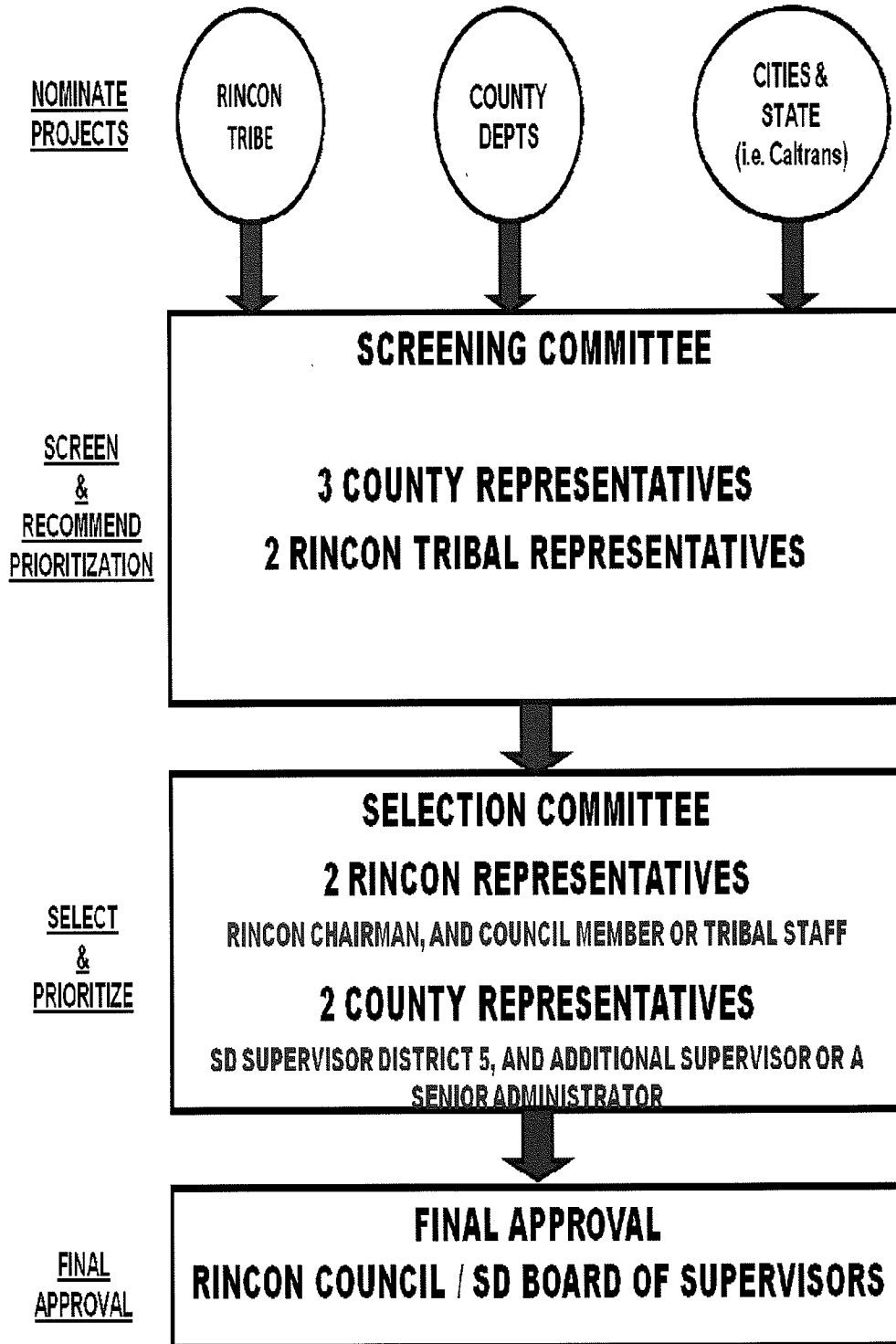
RINCON BAND OF LUISEÑO INDIANS

SAN DIEGO COUNTY

By 
Chairman Bo Mazzetti

By _____
Chairman Bill Horn

PROJECT APPROVAL FLOWCHART



8/31/11