



**City Council
Successor Redevelopment Agency
Financing Authority
Housing Authority**

AGENDA

Wednesday

Regular

**Closed Session 5:00 p.m.
Regular Session 6:00 p.m.**

April 20, 2016

**City Hall
100 West California Avenue
Ridgecrest CA 93555**

(760) 499-5000

**Peggy Breeden, Mayor
James Sanders, Mayor Pro Tempore
Lori Acton, Vice Mayor
Eddie B. Thomas, Council Member
Mike Mower, Council Member**

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CITY OF RIDGECREST
Telephone 760 499-5000
FAX 499-1500

100 West California Avenue, Ridgecrest, California 93555-4054

**NOTICE AND CALL OF SPECIAL CLOSED SESSION MEETING OF THE
RIDGECREST CITY COUNCIL / SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AGENCY**

**TO THE MEMBERS OF THE RIDGECREST CITY COUNCIL / SUCCESSOR REDEVELOPMENT
AGENCY/FINANCING AUTHORITY / HOUSING AGENCY AND CITY CLERK:**

PUBLIC NOTICE that a **SPECIAL CLOSED SESSION MEETING** of the Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Agency is hereby called to be held on **Wednesday, April 20, 2016, at 5:00 p.m.**, in the **Council Chambers Conference Room**, 100 W. California Avenue, Ridgecrest, California.

Said **SPECIAL CLOSED SESSION MEETING** shall be for the purpose of:

GC54956.8 Local Agency Real Property Negotiations - Negotiation For Sale - Ridgecrest Business Park Lot Nos. 1, 2, 3, 28, 29, 30, 31, 32, 33, 34, 35, And 36 - Agency Negotiators Economic Development Program Manager Gary Parsons And City Manager Dennis Speer

GC54956.9 Conference with Legal Counsel - Potential Litigation - Public Disclosure of Potential Litigant would prejudice the City of Ridgecrest

Dated: April 14, 2016

Peggy Breeden, Mayor / Chair

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Dated: April 14, 2016

Ricca Charlton, CMC, Acting City Clerk

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LAST ORDINANCE NO. 16-01
LAST RESOLUTION CITY COUNCIL NO. 16-36

CITY OF RIDGECREST

CITY COUNCIL REDEVELOPMENT SUCCESSOR AGENCY HOUSING AUTHORITY FINANCING AUTHORITY

AGENDA

Regular Council
Wednesday April 20, 2016

CITY COUNCIL CHAMBERS CITY HALL

100 West California Avenue
Ridgecrest, CA 93555

Closed Session - 5:00 p.m.

Regular Session - 6:00 p.m.

This meeting room is wheelchair accessible. Accommodations and access to City meetings for people with other handicaps may be requested of the City Clerk (499-5002) five working days in advance of the meeting.

In compliance with SB 343. City Council Agenda and corresponding writings of open session items are available for public inspection at the following locations:

1. City of Ridgecrest City Hall, 100 W. California Ave., Ridgecrest, CA 93555
2. Kern County Library - Ridgecrest Branch, 131 E. Las Flores Avenue, Ridgecrest, CA 93555
3. City of Ridgecrest official website at <http://ci.ridgecrest.ca.us>

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

PUBLIC COMMENT - CLOSED SESSION

CLOSED SESSION

GC54956.8

Local Agency Real Property Negotiations - Negotiation For Sale - Ridgecrest Business Park Lot Nos. 1, 2, 3, 28, 29, 30, 31, 32, 33, 34, 35, And 36 - Agency Negotiators Economic Development Program Manager Gary Parsons And City Manager Dennis Speer

GC54956.9 Conference with Legal Counsel - Potential Litigation -
Public Disclosure of Potential Litigant would prejudice the
City of Ridgecrest

REGULAR SESSION - 6:00 p.m.

Pledge Of Allegiance
Invocation

CITY ATTORNEY REPORT

Closed Session
Other

PRESENTATIONS

1. Presentation Of Awards For The Animal Shelter Solar Park Strand
2. Presentation of A Proclamation Recognizing May 1 through May 7, 2016 as National Municipal Clerk Week Council
3. A Presentation On The Development Of The East Diversification Plan By The Consultant TIP Strategies Inc. Kern County
Parsons

PUBLIC COMMENT

COUNCIL ANNOUNCEMENTS

CONSENT CALENDAR

4. Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Meeting Dated April 6, 2016 Ford
5. Adopt A Resolution Approving A Proclamation Recognizing Parental Alienation Awareness Day And Authorizing The City Clerk To Mail The Proclamation To The Requestor Ford
6. A Resolution Of The City Council Of The City Of Ridgecrest Authorizing The Establishment Of A New Fund And Requesting Assessment Collection Services For The Drainage Benefit Assessment District No. 2016-1 And Authorizing the City Manager to Sign a Letter to Establish the Fund Speer

7. Adoption Of Resolutions (1) Declaring The City's Intention To Form The Drainage Benefit Assessment District And Initiating Proceedings To Form The Drainage Benefit Assessment District No 2016-1, And To Levy Assessments Commencing In Fiscal Year 2016-2017; And (2) The Preparation And Filing Of The Engineer's Report Regarding The Formation Of The Drainage Benefit Assessment District No 2016-1, And To Conduct A Property Owner Protest Ballot Proceeding For The Assessments And Set The Time And Place For The Public Hearing Culp
8. Adoption of Resolutions (1) The City's Intention To Annex Territory To The Ridgecrest Landscaping And Lighting District No. 2012-1; And To Levy And Collect Annual Assessments Related Thereto Commencing Fiscal Year 2016/2017; And (2) Approving A Preliminary Engineer's Report In Connection With The Annexation; And Declaring The City's Intention To Levy Assessments, Conduct The Required Protest Ballot Proceeding And Setting A Time And Place For The Public Hearing Culp
9. A Resolution Of The Ridgecrest City Council Accepting A Grant of Easement Deed for Additional Street Right of Way for North Warner Street Improvements From Mr. Robert Jennings and Mrs. Guadalupe Lopez Jennings for Valuable Consideration of Four Thousand Five Hundred Eighty Seven Dollars, (\$4,587.00); And Authorizing The City Manager To Sign the Acquisition of Easement Agreement and The Mayor To Sign The Certificate Of Acceptance Culp
10. A Resolution Approving The Program Supplement Agreement No. 039-N1 With The State Of California, Department Of Transportation, Under Master Agreement No. 09-5385R And Authorize Tax Allocation Bonds In The Amount of Seventy-Four Thousand One Hundred and Fifty-Nine Dollars (\$74,159.00) Be Used For Matching Funds And Authorize The City Manager, Dennis Speer, To Sign The Program Supplement Agreement For Construction Of The South China Lake Boulevard Project from Bowman Road to College Heights Boulevard Speer

DISCUSSION AND OTHER ACTION ITEMS

11. Nomination And Appointment To The City Of Ridgecrest Personnel Commission Ford
12. Approve a Resolution to Authorize the City Manager, or his designee, to execute a Municipal Service Agreement (MSA) with the Timbisha Shoshone Tribe Parsons

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT:

Approve A Resolution To Authorize The City Manager, Or His Designee, To Execute A Municipal Service Agreement (MSA) With The Timbisha Shoshone Tribe

PRESENTED BY:

Gary Parsons

SUMMARY:

The Timbisha Shoshone Tribe wishes to develop an Indian gaming casino within the City of Ridgecrest and wants to utilize certain city services in the operation of this entertainment venue. This agreement would provide the city general fund a currently estimated \$400,000/year plus a one-time payment of \$80,000. These payments are to offset the city costs for providing city services to the Timbisha project.

The Tribe has agreed to payments at 2% of appraised value of the development and will provide annual payment of \$128,000/year for police and fire protection as well as problem gaming. Both of these amounts will increase as future phases of the proposed development are completed. The agreement also calls for the tribe to provide a 10% payment to the city for any future hotel development as well as joining the RACVB - Tourism Business district and paying its assessment(s).

The agreement is for a period of 20 years from the commencement of casino operations.

The payments will offset the city for lost property and sales taxes due to the federal status of the Land upon which the development will sit.

FISCAL IMPACT:

Provide a currently estimated \$400,000 per year to the general reserve fund of the City.

ACTION REQUESTED:

Approve the resolution to execute the MSA with the Timbisha Shoshone tribe.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

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RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
RIDGECREST APPROVING THE MUNICIPAL SERVICES
AGREEMENT BETWEEN THE CITY OF RIDGECREST AND THE
TIMBISHA SHOSHONE TRIBE**

1. PURPOSE AND SCOPE.

This resolution approves the Municipal Services Agreement between the City of Ridgecrest ("City") and the Timbisha Shoshone Tribe ("Tribe") regarding tribal gambling facilities.

2. FINDINGS.

The City Council finds, determines, and declares:

WHEREAS, the Timbisha Shoshone Tribe has documented its historical occupation of the area surrounding the City of Ridgecrest; and

WHEREAS, the United States congress enacted the Indian Self-Determination Act and has authorized the Secretary of the Interior to acquire land in trust for the Tribe; and

WHEREAS, the Tribe has requested that City provide critical municipal services to the tribal lands in City, and has agreed to compensate City for providing those services; and

WHEREAS, the City Council conducted a duly noticed public meeting on April 20, 2016, pertaining to the Municipal Services Agreement.

3. RESOLUTION.

Based on the foregoing findings, the City Council hereby approves and adopts the Municipal Services Agreement between City and Tribe, attached hereto.

APPROVED AND ADOPTED this 20th day of April, 2016, by the following vote.

AYES: NOES:
ABSTAIN: ABSENT:

Peggy Breeden, Mayor

ATTEST:

Rachel J. Ford, City Clerk

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MUNICIPAL SERVICES AGREEMENT

This Municipal Services Agreement (hereinafter "Agreement") is made this ____ day of April, 2016, by and between the City of Ridgecrest (hereinafter "City"), on one hand, and the Timbisha Shoshone Tribe (hereinafter "Tribe"), on the other hand. City and Tribe shall hereinafter collectively be referred to as "Parties."

RECITALS

WHEREAS, the historical occupation of the Timbisha Shoshone Tribe of the area in and surrounding the City has been documented; and

WHEREAS, the United States Congress has authorized the Secretary of the Interior to acquire land in trust for the Tribe in order for the Tribe to achieve economic self-sufficiency; and

WHEREAS, in 1978, Congress enacted the Indian Self-Determination Act, 25 U.S.C. §450, *et seq.* to encourage tribal self-sufficiency and self-determination, and in 1988 Congress enacted the Indian Gaming Regulatory Act, 25 U.S.C. 2701, *et seq.* (the "IGRA") to provide for tribal gaming, again emphasizing the federal priority of tribes becoming self-sufficient; and

WHEREAS, following consultations with federal, state and City officials for the purpose of identifying potential new reservation locations that would meet the community, economic development and residential needs of the Tribe, while 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 Bureau of Indian Affairs to initiate the federal environmental review process necessary to comply with the National Environmental Policy Act ("NEPA"), as a first step to taking said parcels into trust; and

WHEREAS, the Tribe has now requested that the City support the Tribe's request to the Bureau of Indian Affairs to take a parcel into trust, and in consideration for such support, the Tribe has offered to enter into an agreement with the City before any land goes into trust, which agreement will provide for the Tribe to make certain payments to the City to mitigate potential impacts of the Tribe's development and use of the Trust Lands (as defined below), as well as reimbursing the City for expenses to be incurred by the City in association with this Agreement; and

WHEREAS, the proposed action of the Tribe is not a City project and is not a project subject to the discretionary approval of the City and, therefore, is not subject to otherwise applicable California laws; and

WHEREAS, the City would not otherwise have any authority or input with regard to the Tribe's Trust Lands nor receive any compensation as mitigation for the impacts the Tribe's use of the Trust Lands would cause; and

WHEREAS, the City is capable of, and willing to, provide a full range of municipal services for uses of the Tribe's trust lands and, subject to future agreement between the City and the Tribe, may provide certain municipal services for the Tribe's use of the Trust Lands; and

WHEREAS, the City is prepared to support the Tribe's trust acquisition request to the United States if the Tribe enters into an enforceable agreement to comprehensively mitigate all impacts of this acquisition by taking several steps, including, but not limited to: (a) conforming to certain specific land use restrictions identified in City ordinances; (b) mitigating any environmental impacts of its planned use of the trust land that are identified in the environmental assessment to be conducted pursuant to NEPA; and (c) conforming to certain building and design standards set out in City ordinances.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

1. Land to be Taken into Trust. The Tribe will request that the United States take into trust for its benefit the parcel identified in Exhibit A appended hereto. The Tribe agrees to request the United States to take into trust within the limits of the City only the parcel detailed in Exhibit A appended hereto (hereinafter "Trust Lands"), unless and until this Agreement is amended as provided herein to authorize any other trust acquisition. The Tribe further agrees to use said parcel exclusively (a) for the operation of a facility for Class II and Class III Gaming in conformity with the requirements of the federal Indian Gaming Regulatory Act, 25 U.S.C. 2701, *et seq.*, with the requirements of this Agreement and with the requirements of all other applicable State or federal laws; and (b) for other gaming related uses, as described in Exhibit B appended hereto, so long as such related uses are intended primarily to facilitate the operation of the gaming facility (all improvements on the Trust Lands collectively hereinafter referred to as the "Gaming Facility"), unless and until this Agreement is amended as provided herein.

2. Compliance with City Ordinances. The Tribe shall enact laws applicable to the Trust Lands and shall require that the Trust Lands be used and developed in a manner that complies with all applicable City general, specific and community plans, zoning ordinances, and design guidelines in effect at the time of development, to the extent that compliance with such laws does not impermissibly infringe upon the internal self-government of the Tribe. The Tribe shall adopt the building standards set out in the City's adopted building codes, and prior to the use of any structure constructed on the Trust Lands, provide the City, at the Tribe's expense, with written certification from the project architect that said structures have been constructed in accordance with said standards. To ensure that tribal laws are adequately enforced, the Tribe agrees to contract with the City to provide, planning, building and safety, fire prevention, and public works personnel to review construction plans and inspect construction of improvements on the Trust Lands, to insure compliance with adopted codes. Said review and inspection services shall be provided at the City's normal rates for such services. In the event the City's reviewers and inspectors are unable to complete such services within a time frame substantially similar to the time frame in which the city would complete such services for a commercial development, the Tribe may contract for alternative inspection services, provided that the Tribe shall provide the City with an opportunity to timely provide inspection services prior to contracting with an alternative inspection service.

3. Environmental Review. The Tribe's application to have land taken into trust is not governed by State laws, and the Tribe does not agree to submit its projects to the City for discretionary approvals. The Tribe does agree, however, to submit its development plan for development review and comment by the City staff and to substantially comply with City ordinances in effect at the time of development. Nothing in this Agreement constitutes a commitment by the City to develop, construct, or improve any facilities or to issue any permit or entitlement for use and the parties specifically acknowledge that no such permit or entitlement is necessary for the Tribe to build improvements on the Trust Lands..

4. Payments to City. The parties agree that the Tribe will treat all fees in this agreement as "operating expenses." The parties further agree that a standard method of payment to the City will be beneficial for all. The following method shall be used to make payments to the City. This section shall not apply to Litigation Expenses as defined in Section 18.

A. The Tribe agrees to pay the City all service fees and impact fees established by City resolution prior to the service being provided or the impact realized, provided that such fees are established on a City-wide or area-wide basis, equal to at least 20.0% of the area of the City, and not applicable solely to the Tribe.

B. The Tribe will pay the City, on a monthly basis, within thirty (30) days of billing, for the actual cost of all City expenses related to providing any of the services performed by the City, their consultants or contract services, as set forth in Sections 2 and 3 of this Agreement.

C. Where payments are to be made quarterly, the Tribe will pay the City on the City's first business day after the first day of January, April, July, and October following any quarterly period, or part thereof, during which the Gaming Facility is in operation. The first payment will be paid for the pro-rated number of days the Gaming Facility was in operation during its first quarter, divided by the actual number of days in that quarter, multiplied by the quarterly amounts stated in this Agreement.

D. Where payments are to be made annually, the Tribe will pay the City on the City's first business day after July first following any quarterly period, or part thereof, during which the gaming facility is in operation. The first payment will be paid for the pro-rated number of days the Gaming Facility was in operation during its first year, divided by 365 days, multiplied by the annual amounts stated in this Agreement.

E. Fifty percent (50%) of funds received by the City from the State of California pursuant to the Class III gaming compact between the Tribe and the State or from the State Special Distribution Fund shall be credited against the mitigation payments to be paid by the Tribe to the City pursuant to this Agreement and any subsequent agreements entered into by the Parties.

F. One-time fees will be paid as described elsewhere in this Agreement.

G. All payments, by the Tribe shall be made payable to the City of Ridgecrest and delivered to the City Manager, or his designee.

5. Quarterly Mitigation Payments. The Tribe and the City agree that, because of the status of the Trust 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 the Trust Lands. In order to mitigate this loss of revenue, and to compensate the City for the

provision of law enforcement and fire protection services to the Trust Lands, as well as to contribute to the provision of problem gambling support services by the City, the Tribe shall pay to the City a Mitigation Payment in the sum of \$100,000.00 each quarter. This sum shall be adjusted to the amount of one quarter of Two Percent (2%) of the appraised value of the land and Gaming Facility after the completion of construction. The Parties shall mutually agree upon and appoint an independent appraiser to conduct the appraisal, at the Tribe's expense. The appraiser shall assess the appraised value based on the construction cost of the Gaming Facility, because there are no comparable properties. The City shall allocate this Mitigation Payment to the needs of law enforcement, fire protection, problem gambling programs, and other needs as the City so determines in its sole discretion.

6. Payment for Critical Municipal Services. The Parties recognize that the gaming facility to be developed and operated by the Tribe will necessitate an increase of critical municipal services in the area surrounding the Trust Lands. The Parties have agreed that, based on the size of the Tribe's proposed gaming facility and the projected number of patrons and employees, Tribe shall make the following payments to City:

A. A one-time payment of \$80,000 to City to be used by City for a new police patrol car, which shall be used by City at its sole discretion in and surrounding the City of Ridgecrest and in the area surrounding the Trust Lands; and

B. Annual fees of \$128,000 for additional critical municipal services, which shall be paid to City in quarterly installments. This sum shall be increased annually in accordance with the Consumer Price Index. The sum may exceed the Consumer Price Index by mutual consent, to be consistent with then current costs to the City of providing these services. This figure shall not be reduced unless such reduction is agreed to by City.

7. Emergency Medical Services. The Tribe shall contract with a private ambulance provider to provide emergency medical services to the Gaming Facility.

8. Criminal Jurisdiction on Trust Lands. The City shall have authority to enforce State and local criminal laws on the Trust Lands to the extent authorized by Public Law 280. The City will attempt to notify the Gaming Facility's security director and general manager before taking extraordinary action (over and above usual patrols and response to security calls) at the Gaming Facility and shall coordinate and cooperate with appropriate Tribal security officers, if any, except when, in the good faith and reasonable judgment of the City law enforcement

officers involved, their safety, or the integrity of an investigation or enforcement action, would be materially compromised by doing so.

9. Roads and Traffic Circulation. The Tribe will cause a traffic study to be conducted to determine the traffic impacts of its proposed uses of the Trust Lands. The Tribe will mitigate traffic and circulation issues in conformity to the applicable law. The Tribe agrees to pay all required traffic mitigation fees consistent with City fee programs and ordinances.

10. Sewer and Water Service.

A. The Tribe shall provide for the treatment and disposal of sewage generated on the Trust Lands. If the Tribe connects to the City's sewer collection system, the Tribe will pay fees, obtain required easements for sewer infrastructure, construct to City sewer infrastructure standards, and dedicate to the City such sewer infrastructure. No use shall occur on the Trust Lands, other than the construction of the Gaming Facility, until sewer service is completed and inspected pursuant to this Agreement. Any approvals by the City required to implement this section shall not unreasonably be withheld, and the standards and fees referred to in this section shall be substantially identical to those applied to similarly situated users.

B. The Tribe shall provide for a water supply for the Trust Lands. If the Tribe connects to the City municipal water system, the Tribe shall pay applicable fees, obtain required easements for water infrastructure, construct to City water infrastructure standards, and dedicate to the City such water infrastructure. No use, other than the construction of the Gaming Facility, shall occur on the Trust Lands until water service is completed and inspected pursuant to this Section and Sections 2 and 3 of this Agreement. Approvals by the City, if any, required to implement this Section shall not unreasonably be withheld, and the standards and fees referred to in this Section shall be substantially identical to those applied to similarly situated users.

C. The Tribe shall acquire the Trust Lands subject to all existing City rights-of-way and easements for the provision of sewer and water.

11. Solid Waste Disposal. The Tribe shall contract for solid waste disposal with the City's franchised waste hauler at their usual commercial rates.

12. Employment of City Residents. The Tribe shall work in good faith with the City, to employ qualified residents at the Gaming Facility to the extent permitted by applicable law. The Tribe shall offer training programs to assist City residents to become qualified for positions at the Gaming Facility to the extent permitted by applicable law. Nothing in this Section 10 shall

be interpreted to limit or modify in any way the Tribe's policy of Indian preference in employment.

13. Allowed Gambling Age in Casino. The City has requested, and the Tribe agrees, that the Tribe will restrict the age for gambling, in the casino, to 18 years of age, or older. No one under the age of 18 years will be allowed to gamble.

14. Payment for Future Development. The Tribe and the City recognize that additional development may occur on Tribal land within the jurisdiction of the City. The Tribe agrees to negotiate in good faith with the City to mitigate the off-reservation impacts of any future development. If in the future the Tribe constructs a hotel, the Tribe will join the "District Association" and make quarterly payments to the City in the sum of the equivalent of a Ten Percent (10%) transient occupancy tax ("TOT").

15. Dispute Resolution.

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 fifteen (15) 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 arbitration as provided in Subsection E below.

B. Notice of Disagreement. If either Party is not satisfied with the result of the meet and confer process, 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 fifteen (15) business days of service of a Notice of Disagreement, the recipient Party shall provide a written response either denying or 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 will take to cure the 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 below.

D. 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 16, the complaining Party may proceed directly to the arbitration Procedures set out in Subsection E below, without reference to the processes set out in Subsections A, B, and C above, and seek immediate equitable relief. At least twenty-four (24) hours before proceeding in this manner, the complaining Party shall provide to the other a written request for correction and notice of intent to exercise its rights under this Subsection D, setting out the legal and/or factual basis for its reasonable belief that there is a present or an imminent threat to public health or safety.

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 the City of Ridgecrest, California, unless otherwise agreed. The arbitrator shall be empowered to grant compensatory, equitable and declaratory relief.

(3) If either Party requests an oral hearing, the arbitrator shall set the matter for hearing. Otherwise, the arbitrator shall decide whether to set the matter for hearing.

(4) The resulting award shall be in writing and give the reasons for the decision. Judgment on the award rendered by the arbitrator may be entered in the United States District Court for the Eastern District of California. The costs and expenses of the American Arbitration Association and the arbitrator shall be shared equally by and between the Parties unless the arbitrator rules otherwise.

16. Judicial Review. The Parties consent to judicial enforcement of any award in arbitration, which enforcement shall be in the United States District Court for the Eastern District of California. 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:

FOR THE CITY:

Tribal Chairperson
Timbisha Shoshone Tribe
621 West Line St., Suite 108

Bishop, CA 93514
Telephone: (760) 872-3614

Mayor
City of Ridgecrest
100 W. California Ave.
Ridgecrest, CA 93555-4054

Telephone: (760) 499-5000
Facsimile: (760) 499-1500

17. Limited Waiver of Tribal and City Sovereign Immunity. The Tribe agrees to waive its sovereign immunity in favor of the City as to any dispute that arises out of this Municipal Services Agreement or the activities undertaken by the Tribe on the Trust Lands, pursuant to the terms set forth herein for enforcement. The Tribe's governing body shall execute a formal Resolution of Limited Waiver of Sovereign Immunity substantially identical to attached Exhibit C. The City agrees that it has waived its sovereign immunity for purposes of the enforcement of the terms of this Agreement.

18. Attorneys' Fees. In the event either party commences an Action (as defined herein) against the other party which arises out of a Default of, breach of, 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 (as defined herein) from the other party in addition to whatever relief to which the Prevailing Party may be entitled. For the purposes of this section, 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 section, the term "Litigation Expenses" means all costs and expenses, to the extent such are reasonable in amount, that are actually and necessarily incurred in good faith by the Prevailing Party directly related to the 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, and any other cost or expense reasonably and necessarily incurred by the prevailing party in good faith and directly related to the Action. For the purposes of this Section, the term "Prevailing Party," shall have the meaning ascribed in California Code of Civil Procedure §1032(a)(4).

19. Indemnification.

A. Except as to the sole negligence, active negligence, or willful misconduct of the City, the Tribe expressly agrees to and shall indemnify, defend, release, and hold the City, their officials, agents, servants, employees, attorneys and contractors harmless from and against, any claim, liability, loss, damage, entry, cost, or expense (including, but not limited to, attorneys' fees expert fees, and court costs) which arises out of or is in any way connected with the Tribe's performance under this Agreement. This indemnification provision shall apply to any act or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of the employees, agents, servants, or subcontractors of the Tribe or its tenants. The Parties expressly agree that the obligations of the Tribe under this Section shall survive the expiration or early termination of the Agreement.

B. Except as to the sole negligence, active negligence, or willful misconduct of the Tribe, the City expressly agrees to and shall indemnify, defend, release, and hold the Tribe, their officials, agents, servants, employees, attorneys and contractors harmless from and against, any claim, liability, loss, damage, entry, cost, or expense (including, but not limited to, attorneys' fees expert fees, and court costs) which arises out of or is in any way connected with the City's performance under this Agreement. This indemnification provision shall apply to any act or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of the employees, agents, servants, or subcontractors of the Tribe or its tenants. The Parties expressly agree that the obligations of the City under this Section shall survive the expiration or early termination of the Agreement.

20. Support for Trust Application. In consideration for the obligations undertaken by the Tribe herein, the City shall provide the correspondence attached as Exhibit D to the United States Department of Interior, Bureau of Indian Affairs, in support of the application of the Tribe to the United States, and shall request the United States to take the lands identified in Exhibit A into trust for the benefit of the Tribe, and respond to inquiries about the Tribe's trust application from the Bureau of Indian Affairs in a manner that is consistent with Exhibit D.

21. Tribal-City Advisory Committee. The City and the Tribe agree to establish a permanent committee, to be known as the Tribal-City Advisory Committee. The jurisdiction of the Committee shall include questions related to implementation of this Agreement, proposals

for the amendment of this Agreement, and concerns over any matter within the scope of this Agreement.

A. Composition of Committee. The Committee shall be composed of three members designated by the City Manager of the City of Ridgecrest, or his designees, and three members designated by the Tribe, for the purpose of addressing any issues arising under or relating to this Agreement.

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 recommended amendments to this Agreement, which both Parties shall consider before implementing any actions concerning the subject matter of this Agreement.

22. Other Development Projects. The Parties understand and agree that the Tribe may in the future undertake other development projects on the Trust Lands. In order to preserve their good relations and in the best interests of the surrounding community, the Tribe and the City agree that the Tribe shall undertake no new development that would be inconsistent with the moral climate of the community, including but not limited to adult entertainment and sexually oriented businesses as defined in the City's Development Code. If the Tribe should undertake new development projects, it will notify the City at least three months prior to the commencement of construction of the new project and will negotiate in good faith with the City concerning an agreement for the protection of the Parties' interests and the well-being of the surrounding community.

23. Amendments. This Agreement may be amended by mutual agreement of the Parties and must be amended prior to the acquisition of any land in trust by the Tribe 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 of the Parties 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.

24. 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.

25. Term. This Agreement shall become effective upon its execution by the parties hereto and shall continue in effect for a period of twenty (20) years from the opening date of the Gaming Facility, 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, then this Agreement shall terminate thirty (30) days after the Tribe is so informed. No sooner than eighteen (18) months prior to the aforementioned termination date, either party may request the other party to enter into 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 date, this Agreement will automatically be extended for not more than five (5) years, unless the parties have agreed to an earlier termination date.

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. Section 81, or (b) a written response from the Department of the Interior that this Agreement does not require approval under 25 U.S.C. Section 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.

DATED: _____

TIMBISHA SHOSHONE TRIBE

By: Its: _____

CITY OF RIDGECREST

DATED: _____

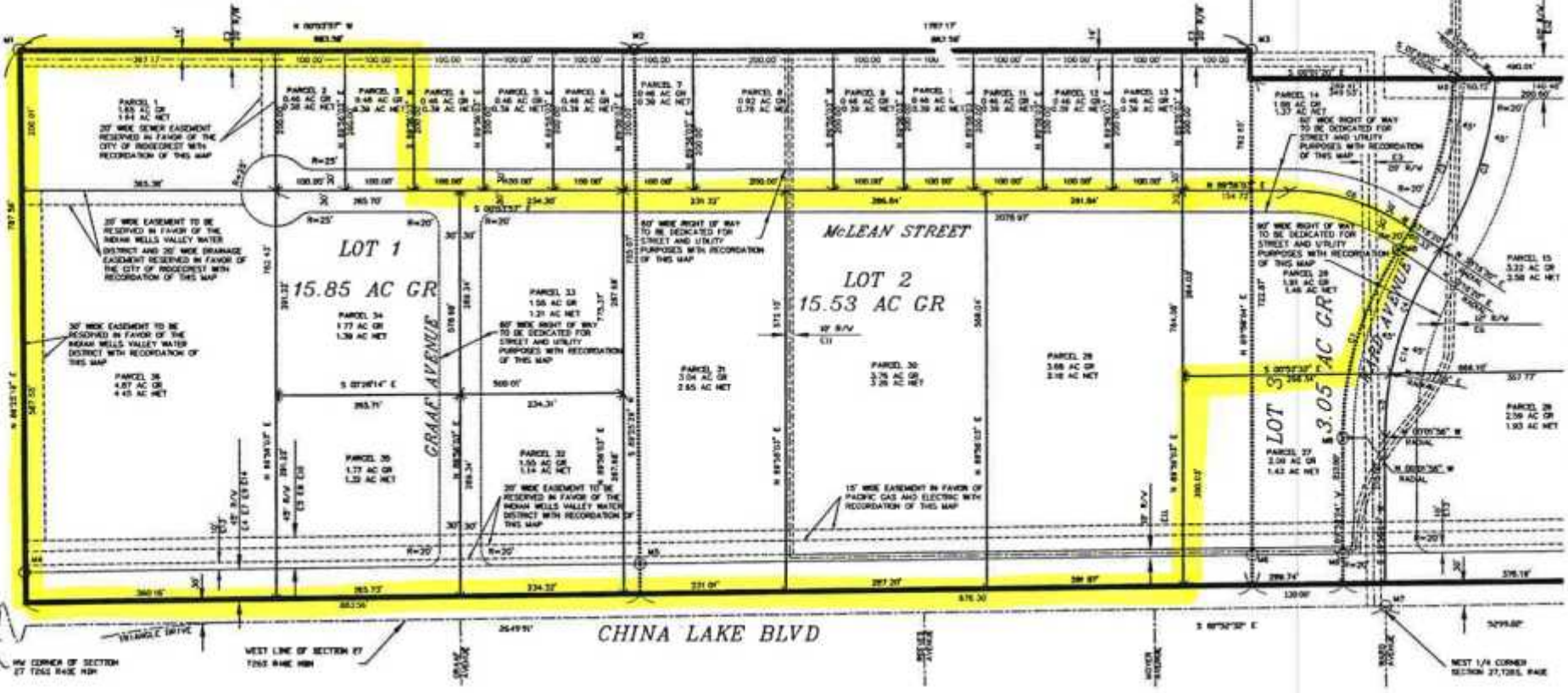
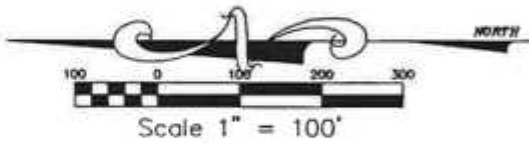
By: Margaret Breeden

Its: Mayor

Seal

Exhibit A - Trust Lands

NAVAL AIR WEAPONS CENTER
CHINA LAKE



SEE SHEET 3

PARCEL MAP 10819

RECORDER'S CERTIFICATE - FILED THIS 4 DAY OF SEPTEMBER 2002 AT 2:00 P.M.
IN BOOK 53 OF PARCEL MAPS AT PAGE 130 AT THE REQUEST OF JOE POLLOCK.

JAMES W. MAPLES
COUNTY ASSESSOR/RECORDER
COUNTY OF KERN

BY *[Signature]*
Deputy RECORDER

STREET CENTERLINE CURVE DATA

NUMBER	DELTA	BEARING	RADIUS	LENGTH	CHORD
01	137°16'18"	S83°31'	487.15	283.17	279.28
02	207°21'33"	S72°58'	487.15	229.58	226.04
03	247°36'33"	S32°28'	487.15	128.19	125.14
04	272°26'33"	S17°28'	487.15	102.49	100.14
05	107°39'20"	S45°47'	487.15	90.88	89.35
06	332°20'17"	S89°53'	300.00	174.26	172.11
07	115°25'29"	S108°31'	782.40	221.21	223.58
08	309°52'43"	S53°41'	782.40	126.84	126.55
09	115°26'01"	S104°43'	782.40	207.61	208.92
10	309°52'14"	S53°41'	782.40	126.84	126.55
11	307°25'02"	S48°42'	782.40	188.75	188.84
12	272°26'48"	S17°28'	782.40	128.25	125.23
13	272°26'48"	S17°28'	782.40	128.25	125.23
14	137°16'18"	S83°31'	487.15	283.17	279.28

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202-145901

11-4A PM 10819 M-1

SHEET 3 OF 4
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