APPENDIX C

Memoranda of Understanding

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made this 16 day of August, 2004, by and between Madera County, California, and the North Fork Rancheria of Mono Indians of California. (The capitalized terms not otherwise defined herein shall have the meanings set forth in Section 1 below.)

RECITALS

WHEREAS, the Tribe is a federally recognized Indian tribe; and

WHEREAS, the federal government terminated its government-to-government relationship with the Tribe pursuant to the California Rancheria Act of 1958; and

WHEREAS, pursuant to litigation, the federal government's government-to-government relationship with the Tribe has been restored; and

WHEREAS, the Secretary does not hold title to land in trust for the benefit of the Tribe which is eligible for gaming; and

WHEREAS, the Tribe has identified the Property, which is located in an unincorporated area of the County, as land which the Tribe desires to be taken into trust for the purposes of gaming; and

WHEREAS, the Tribe currently intends to request that the Secretary accept title to the Property in trust for the benefit of the Tribe, determine that the Trust Property is eligible for gaming under IGRA, and prepare an EIS pursuant to NEPA as part of the Trust Acquisition process; and

WHEREAS, after the Trust Acquisition Date, the Tribe intends to use the Trust Property for the development, construction and operation of the Project; and

WHEREAS, the Tribe does not intend to make any physical changes to the environment on the Property prior to the Trust Acquisition Date; and

WHEREAS, the Tribe has not requested the County to issue, the County does not intend to commit itself to issue, and the Tribe would be able to consummate the Trust Acquisition and develop, construct and operate the Project if the County does not issue, any lease, permit, license, certificate or other entitlement for use relating to the Trust Acquisition, the Federal and State Actions or the Project; and

WHEREAS, by executing, delivering and performing this MOU, the County does not intend to exercise discretionary judgment over the Trust Acquisition, the Federal and State Actions or the Project; and

AUG 1 6 2004

WHEREAS, the Trust Acquisition, the Federal and State Actions and the Project are not "projects" of the County within the meaning of CEQA and are not subject to the discretionary approval of the County; and

WHEREAS, after the Trust Acquisition Date, the County does not have the legal authority to assess real property taxes against the Trust Property or to collect other taxes or assessments from the Tribe; and

WHEREAS, although not legally required to do so, the Tribe nevertheless desires to make voluntary contributions to the County to mitigate potential impacts of the Trust Acquisition and Project on the County; and

WHEREAS, the Tribe intends that the total amount of the contributions which the Tribe will make to the County pursuant to this MOU exceeds the total amount of the taxes, fees and other assessments the County would receive from a private developer of a comparable project; and

WHEREAS, but for this MOU, the County would not receive such contributions from the Tribe; and

WHEREAS, the Tribe is not legally required to enter into this MOU in order to consummate the Trust Acquisition and the Federal and State Actions or develop, construct and operate the Project; and

WHEREAS, the County has met and conferred with the Cities and the Madera Unified School District prior to the approval and execution of this MOU; and

WHEREAS, the County has determined after two public hearings that it is in the best interests of the County to enter into this MOU and for the Tribe to develop, construct and operate the Project; and

WHEREAS, the County and the Tribe desire to establish a cooperative and mutually respectful government-to-government relationship and to address other governmental issues of mutual interest to the County and the Tribe.

NOW, THEREFORE, the Parties hereby agree as follows:

1. <u>Definitions</u>

The terms not defined elsewhere in this MOU shall have the following meanings:

AUG 1 6 2004

"CEQA" means the California Environmental Quality Act (California Public Resources Code § 21000 et seq.) and the guidelines promulgated thereunder, as the same may be amended or modified from time to time.

"Cities" means the City of Madera, California, and the City of Chowchilla, California, which Cities are the only cities located within the boundaries of the County.

"County" means Madera County, California, a political subdivision of the State, and its Departments, agencies and subdivisions.

"Construction Date" means the later of the date (i) the Tribe closes a loan to obtain funds from a financial institution (other than Developer) to finance construction of the Project, (ii) the Tribe commences vertical construction of the Project, (iii) the Tribe enters into a Tribal-State Compact, or (iv) the Chairman of the NIGC approves the Management Agreement between the Tribe and SC Madera Management, LLC.

"CPI Adjustment" means an annual adjustment in the applicable dollar amount which (i) is effective as of July 1 of each year, as applicable, during the term of this MOU and (ii) is equal to the percentage change in the U.S. Department of Labor's Consumer Price Index for all Urban Consumers (CPI-U), U.S. city average for all items, for the previous May to May period, rounded to the nearest Thousand Dollars.

"Developer" means any or all of SC Madera Development, LLC and SC Madera Management, LLC (which are both independent contractors of the Tribe) and their respective affiliates, successors and assigns.

"EIS" means an environmental impact statement prepared by the Secretary as part of the Trust Acquisition process.

"Escrow Arrangement" means a payment arrangement pursuant to which the Tribe or its designee provides the County or its designee (which could be the Tribe or its contractor) with assurance of payment on terms, conditions and payment schedules (after the Construction Date and consistent with the County's requirements) agreed to by the Tribe and the County, including, without limitation, an escrow account, letter of credit or payment bond arrangement.

"Facility" means the gaming facility and those rooms, buildings, and areas, including parking lots and walkways, a principal purpose of which is to serve the activities of the gaming facility which are located on the Trust Property and described in the EIS.

"Federal and State Actions" means (i) the consummation of the Trust Acquisition, (ii) the NIGC Approvals, (iii) the negotiation and execution of the Tribal-State Compact

AUG 1 6 2004

by the State Governor, the ratification of the Tribal-State Compact by the State legislature and the approval of the Tribal-State Compact by the Secretary, and (iv) the issuance or completion by federal, state or regional Public Agencies of approvals, permits, licenses, certifications, opinions or consultations requested by the Tribe in connection with the Trust Acquisition or the Project.

"IGRA" means the Indian Gaming Regulatory Act of 1988 (25 U.S.C. § 2701 *et seq.*) and the regulations promulgated thereunder, as the same may be amended or modified from time to time.

"MOU" means this Memorandum of Understanding, as the same may be amended by written agreement of the County and the Tribe from time to time.

"NEPA" means the National Environmental Policy Act (42 USC § 4321 *et seq.*) and the regulations promulgated thereunder, as the same may be amended or modified from time to time.

"NIGC" means the National Indian Gaming Commission established pursuant to IGRA.

"NIGC Approvals" means (i) the approval by the NIGC of the Tribe's Tribal Gaming Ordinance and (ii) the approval by the Chairman of the NIGC of the Management Agreement between the Tribe and SC Madera Management, LLC.

"Opening Date" means the date on which the Tribe commences commercial gaming operations open to the public on the Trust Property.

"Party" means the County or the Tribe.

"Parties" means the County and the Tribe.

"Project" means the development, construction and operation of the Facility on the Property or the Trust Property.

"Property" means a parcel of approximately 305 acres of land which is located within the unincorporated area of the County and which is identified by the legal description set forth on Exhibit A hereto, or any portion of such land.

"Public Entity" means any federal, State, regional or local government entity, public authority, public agency, public corporation or any subdivision thereof, including, without limitation, the County and the Cities.

AUG 1 6 2004

"Secretary" means the Secretary of the United States Department of the Interior or his or her representative.

"State" means the State of California.

"Tribe" means the North Fork Rancheria of Mono Indians of California, a federally recognized tribe listed in the Federal Register as the Northfork Rancheria of Mono Indians of California.

"Tribal-State Compact" means all Tribal-State Gaming Compacts for the Project entered into between the Tribe and the State pursuant to IGRA, as approved by the Secretary or allowed to become effective by operation of law pursuant to IGRA.

"Trust Acquisition" means (i) the acquisition by the United States of title to the Property in trust for the benefit of the Tribe, and (ii) the determination by the Secretary or the NIGC that the Trust Property is eligible for gaming pursuant to the requirements of IGRA.

"Trust Acquisition Date" means the date on which the deed to the Property has been conveyed to and executed by the Secretary such that (i) the Trust Property is held in trust for the benefit of the Tribe and (ii) the Secretary or the NIGC has determined that the Trust Property is eligible for gaming pursuant to the requirements of IGRA.

"Trust Property" means, after the Trust Acquisition Date, that portion of the Property which is owned by the United States in trust for the benefit of the Tribe.

2. Non-Recurring Mitigation Contributions

(a) Total Non-Recurring Contribution

In order to mitigate potential impacts of the Project on the County and the surrounding communities and in lieu of any taxes, fees, charges, cost reimbursements, service fees and other assessments, the Tribe shall, as a government funding mechanism, make non-recurring contributions to the County or its designee as set forth in this Section 2.

(i) Non-Recurring Public Safety Resources Contribution

In order to mitigate potential impacts of the Project on fire protection, emergency medical, first responder and law enforcement resources of the County and the surrounding communities, the Tribe shall, as a government funding mechanism, make non-recurring contributions pursuant to an Escrow Arrangement totaling One Million

AUG 1 6 2004

Nine Hundred Fifteen Thousand Dollars ($1,915,000). Such funds may, in the County's discretion, be drawn upon and used by the County or its designee to supplement the County's budget for the purposes of (i) acquiring land for, constructing, and/or equipping (including, without limitation, acquiring fire apparatus and law enforcement vehicles) a fire protection and public safety facility located within a five minute response time to the Facility at a location to be selected by the County after meeting and conferring with the Tribe or (ii) such other public safety-related purposes as shall hereafter be mutually agreed upon by the County and the Tribe. Nothing in this MOU obligates or commits, or shall be construed to obligate or commit, the County to construct or approve any facilities or to make or approve any physical changes in the environment. Based on the preliminary information available to the Parties as of the date of this MOU, the Parties acknowledge and agree that (i) neither the Trust Acquisition, the Federal or State Actions, the Project nor this MOU, in and of themselves, create a need to acquire land for or construct a fire protection and/or public safety facility, (ii) the Tribe would be able to develop, construct and operate the Project if any such fire protection and/or public safety facility was not constructed, and (iii) the Tribe could develop, construct and operate its own fire protection and/or public safety facility on the Trust Property.

(ii) Non-Recurring Transportation Resources Contribution

In order to mitigate potential impacts of the Project on road and other transportation resources of the County which are not owned by the California Department of Transportation or the Cities, the Tribe shall, as a government funding mechanism, make non-recurring contributions after the Construction Date pursuant to an Escrow Arrangement equal to an amount estimated between Four Million Dollars ($4,000,000) and Fifteen Million Dollars ($15,000,000) based upon a traffic study and related environmental analyses and reports prepared in connection with the Project. Such funds may, in the County's discretion, be drawn upon and used by the County or its designee (i) to pay the actual costs of construction, improvement, equipping and environmental reports and analysis of County roads and other transportation resources which the County elects to complete on the basis of a traffic study after meeting and conferring with the Tribe, or such lesser amount as constitutes the Tribe's fair share (as determined by the traffic study) of such actual costs, and (ii) for such other road and transportation-related purposes as shall hereafter be mutually agreed upon by the County and the Tribe. The County agrees to explore the concept of the establishment of an area of benefit requiring late comer developers to reimburse the Tribe for a portion of the contributions made pursuant to this Subsection. Nothing in this MOU obligates or commits, or shall be construed to obligate or commit, the County to construct or approve any construction or improvement of road and other transportation resources or to make or approve any physical changes in the environment. Based on the preliminary information available to the Parties as of the date of this MOU, the Parties acknowledge and agree that (i) neither the Trust Acquisition, the Federal and State Actions, the Project nor this MOU, in and of themselves, create a need to construct or improve road and other transportation resources,

and (ii) the Tribe would be able to develop, construct and operate the Project if no such construction or improvement of road and transportation resources were to occur.

(iii) Non-Recurring Road Contribution Consistent with County Ordinances

In order to mitigate additional potential impacts of the Project on the County's budget for roads and in lieu of road impact fees, the Tribe shall, not later than thirty (30) days after the Construction Date, contribute to the County a one-time cash contribution of Six Hundred Thousand Dollars ($600,000).

(iv) Non-Recurring Recreation Contribution

In order to mitigate additional potential impacts of the Project on the County's budget for certain recreational properties, the Tribe shall, not later than thirty (30) days after the Construction Date, contribute to the County a one-time cash contribution of Two Hundred Thousand Dollars ($200,000) to be used for expenditures related to the Courthouse Park and the Ahwahnee property.

(v) Non-Recurring School Contribution

In order to mitigate additional potential impacts of the Project on the Madera Unified School District's budget for schools and in lieu of school impact fees, the Tribe shall, not later than thirty (30) days after the Construction Date, contribute to the Madera Unified School District a one-time cash contribution of One Hundred Fifty Thousand Dollars ($150,000).

(b) Annual Adjustment

The dollar amounts of the contributions referenced in Section 2(a) shall be subject to the CPI Adjustment as of July 1, 2005 and each July 1 thereafter.

(c) County Legal Fees Reimbursement

Commencing thirty (30) days after the date of this MOU, the Tribe agrees to reimburse the County up to Fifty Thousand Dollars ($50,000) for the cost of outside counsel retained by the County prior to and including the Construction Date to assist the County in negotiating this MOU and consummating the transactions contemplated hereby. If the County requests reimbursement under this provision, it shall present to the Tribe, along with its request for reimbursement, a copy of invoices submitted by the outside counsel retained for such purposes.

3. Recurring Mitigation Contributions

(a) Total Recurring Contributions

In order to mitigate potential impacts of the Project on the County and the surrounding communities, and in lieu of any taxes, fees, charges, cost reimbursements, service fees and other assessments, the Tribe shall make recurring contributions of up to a maximum of Four Million Thirty-Five Thousand Dollars ($4,035,000) per annum as set forth in this Section 3(a).

(i) North Fork Rancheria Charitable Foundation Recurring Contribution

Not later than thirty (30) days after the Opening Date, the Tribe shall establish the North Fork Rancheria Charitable Foundation (the "Charitable Foundation") pursuant to the State nonprofit corporation law. The Tribe shall make a recurring contribution to the Charitable Foundation of Two Hundred Thousand Dollars ($200,000) per annum. The Charitable Foundation shall be governed by a board of directors (the "Charitable Foundation Board") consisting of two (2) members designated by the Tribe, two (2) members designated by the County and one (1) member selected by the other members; provided, however, that the Parties shall consult with each other with respect to the designation of such members. All decisions of the Charitable Foundation shall be made by majority vote of the Charitable Foundation Board. The funds in the Charitable Foundation shall be used to supplement monies otherwise available to recipients of such funds and shall be used for purposes which mitigate potential social impacts of the Project or otherwise benefit the County, including recreation, park services, senior centers, youth programs, service club projects, or such other programs or activities as may be agreed upon by the Charitable Foundation Board. At least Seventy-Five Thousand Dollars ($75,000) of such annual contributions shall be invested annually in programs or activities suggested by County representatives on the Charitable Foundation Board and at least Seventy-Five Thousand Dollars ($75,000) of such annual contributions shall be invested annually in programs or activities suggested by the Tribe's representatives on the Charitable Foundation Board. All funds shall be allocated by a majority vote of the Charitable Foundation Board.

(ii) North Fork Rancheria Economic Development Foundation Recurring Contribution

Not later than thirty (30) days after the Opening Date, the Tribe shall establish the North Fork Rancheria Economic Development Foundation (the "Economic Development Foundation") pursuant to the State nonprofit corporation law. The Tribe shall make a recurring contribution to the Economic Development Foundation of Two Hundred Fifty Thousand Dollars ($250,000) per annum. The Economic Development

AUG 1 6 2004

Foundation shall be governed by a board of directors (the "Economic Development Foundation Board") consisting of two (2) members designated by the Tribe, two (2) members designated by the County and one (1) member selected by the other members; provided, however, that the Parties shall consult with each other with respect to the designation of such members. All decisions of the Economic Development Foundation shall be made by a majority vote of the Economic Development Foundation Board. The funds in the Economic Development Foundation shall be used County-wide for purposes which mitigate potential impacts of the Project, benefit the County, or are unanimously agreed upon by the Economic Development Foundation Board.

(iii) North Fork Rancheria Educational Foundation Recurring Contribution

Not later than thirty (30) days after the Opening Date, the Tribe shall establish the North Fork Rancheria Educational Foundation (the "Educational Foundation") pursuant to the State nonprofit corporation law. The Tribe shall make a recurring contribution to the Educational Foundation of Four Hundred Thousand Dollars ($400,000) per annum. The Educational Foundation shall be governed by a board of directors (the "Educational Foundation Board") consisting of two (2) members designated by the Tribe, two (2) members designated by the County (one of whom who shall be a member of the Madera Unified School District and the other of whom shall be a member of the Chawanakee School District) and one (1) member who shall be the County Superintendent of Schools. All decisions of the Educational Foundation shall be made by a majority vote of the Educational Foundation Board. The funds in the Educational Foundation shall be used to supplement monies which would otherwise be available to recipients of such funds and shall be used for purposes which provide funding to support the instructional programs of the local school districts, to support work force development and training programs or to mitigate potential impacts of the Project.

(iv) North Fork Rancheria Unincorporated Area Foundation Recurring Contribution

Not later than thirty (30) days after the Opening Date, the Tribe shall establish the North Fork Rancheria Unincorporated Area Foundation (the "Unincorporated Area Foundation") pursuant to the State nonprofit corporation law. The Tribe shall make a recurring contribution to the Unincorporated Area Foundation of Two Hundred Fifty Thousand Dollars ($250,000) per annum. The Unincorporated Area Foundation shall be governed by a board of directors (the "Unincorporated Area Foundation Board") consisting of three (3) members designated by the Tribe and two (2) members designated by the County; provided, however, that the Parties shall consult with each other with respect to the designation of such members. All decisions of the Unincorporated Area Foundation shall be made by a majority vote of the Unincorporated Area Foundation Board. The funds in the Unincorporated Area Foundation shall be used

AUG 1 6 2004

for purposes which mitigate potential impacts of the Project, benefit unincorporated areas of the County or are unanimously agreed upon by the Unincorporated Area Foundation Board, including community development, education, beautification, infrastructure, parks/recreation, business relations/development/attraction, and assistance to other non-profit organizations.

(v) Certain Recurring Contributions

In order to mitigate potential impacts of the Project within the County, the Tribe shall, as a government funding mechanism, contribute to the County recurring contributions in the following amounts per annum:

(A) Two Hundred Fifty Thousand Dollars ($250,000) to be used to establish or supplement the County's budget for neighborhood housing or other workforce programs;

(B) commencing one hundred and eighty (180) days prior to the estimated Opening Date, the lesser of (1) Four Hundred Fifteen Thousand Dollars ($415,000) or (2) the costs to the County of the salary and benefits (including all service expenses and supply expenses) of one-half (½) of a sergeant position and five (5) deputy positions, which contributions shall be used to supplement the County's budget for law enforcement;

(C) commencing ninety (90) days prior to the estimated Opening Date, the lesser of (1) One Million Two Hundred Thousand Dollars ($1,200,000) or (2) the costs to the County of the salary and benefits (including all service expenses and supply expenses) of three (3) fire captains/fire apparatus engineers and six (6) firefighters/fire apparatus engineer positions, which contributions shall used to supplement the County's budget for fire protection;

(D) Fifty Thousand Dollars ($50,000) to be redistributed to the County Department of Behavioral Health Services or its successor department to be used to supplement the Department's budget for alcohol education and the treatment and prevention of problem gambling and gambling disorders;

(E) Seventy Thousand Dollars ($70,000) to be used for the maintenance, operation and preservation of open space within the Courthouse Park and the Ahwahnee property; and

AUG 1 6 2004

(F) One Hundred Thousand Dollars ($100,000) to be used to fund additional public safety support/administrative positions with the County's public protection budget.

(vi) Additional Recurring Contributions

In order to mitigate additional potential impacts of the Project on the County and the Cities, the Tribe shall, as a government funding mechanism, contribute to the County a recurring contribution in the amount of Eight Hundred Fifty Thousand Dollars ($850,000) per annum to be distributed by the County as follows:

County	$500,000
City of Madera	$250,000
City of Chowchilla	$100,000

The contributions which are made by the Tribe to the County pursuant to this Subsection and which are to be used by the County shall be used to supplement the County's general fund public facilities budget. Twenty percent (20%) of the contributions which are made by the Tribe to the County pursuant to this Subsection and which are redistributed by the County to the City of Madera shall be used for the transportation budget of the City of Madera. Twenty percent (20%) of the contributions which are made by the Tribe to the County pursuant to this Subsection and which are redistributed by the County to the City of Chowchilla shall be used for the transportation budget of the City of Chowchilla and the remainder of such contributions shall be used to supplement the public facilities budget of the City of Chowchilla. The County has determined that the contributions referenced in Sections 2 and 3 are, in the opinion of the County after consultation with the Cities, sufficient to mitigate additional potential non-recurring and recurring impacts of the Trust Acquisition and the Project on the County and the Cities which are not specifically identified or mitigated elsewhere in this MOU.

(b) Annual Adjustment

The dollar amounts of the contributions referenced in Section 3(a) shall be adjusted by the CPI Adjustment as of the July 1 following the Opening Date and each July 1 thereafter.

(c) Payment Terms

Where recurring contributions are to be made on a per annum basis, the contribution shall be made in twelve (12) equal monthly installments, unless the recipient agrees otherwise. The first recurring contribution shall be prorated for the applicable period. Unless otherwise specified, the first recurring contribution shall be made thirty (30) days after the Opening Date.

AUG 1 6 2004

4. Contribution Matters

(a) Distribution of Contributions

Except for contributions to improve roads of the Cities or the State, the Parties intend for the contributions referenced in Sections 2 and 3 to constitute all of the contributions which the Tribe shall make to all County Departments, agencies and subdivisions and to all other local and regional Public Entities which are located within, or have jurisdiction within the boundaries of, the County, including, without limitation, the Cities. The County shall be responsible for distributing such contributions to the appropriate County Departments, agencies, subdivisions and Cities.

(b) Contribution Terms

The Parties acknowledge and agree that the Project and the Tribe's contribution and other obligations as set forth in this MOU are, and shall be, contingent upon (i) the Secretary accepting trust title to the Trust Property, (ii) the occurrence of the Construction Date, (iii) the Tribe and the State entering into a Tribal-State Compact, and (iv) in the case of the recurring contributions set forth in Section 3 (unless otherwise specified in Subsection 3(a)(v)), the occurrence of the Opening Date. In the event the Construction Date or the Opening Date does not occur for any reason, contributions payable after the Construction Date or the Opening Date, as the case may be, shall not be due. The County shall make good faith efforts to segregate and identify expenditures made with contributions provided to the County by the Tribe under this MOU and to publicly attribute such expenditures to the Tribe.

(c) Deductions

The Tribe may deduct the following amounts from the next contribution which the Tribe would otherwise be required to make pursuant to Sections 2 and 3:

(i) the amount which the Tribe pays the County in excess of the amounts identified in Sections 2 and 3;

(ii) the amount of any contribution which the Tribe pays in advance of the dates set forth in Sections 2, 3 and 4, plus interest on such amount at the prime lending rate of Bank of America from the date the payment is made until the date the payment would otherwise have been due;

(iii) sixty percent (60%) of the amount of any payments which the County receives from the Indian Gaming Special Distribution Fund established pursuant

AUG 1 6 2004

to California Government Code Section 12714 or similar funds which are attributable to or earmarked for the Tribe or the Project;

(iv) the amount of any payments which the Tribe receives, or is entitled to receive, from state, federal or other sources and directs to be paid to the County; and

(v) should a late comer developer make contribution(s) to fund the same items set forth in Subsections 2(a)(i) and 2(a)(ii), the Tribe shall be entitled to a dollar-for-dollar deduction or refund until such time as the Tribe recovers up to sixty percent (60%) of the contributions made by the Tribe under Subsections 2(a)(i) and 2(a)(ii).

(d) No Other Payments

Except as is expressly set forth in Section 2 or 3, the Tribe shall not be required pursuant to this MOU or otherwise to:

(i) make any payments, reimbursements, contributions or investment to, through or on behalf of the County for any taxes, fees, charges, cost reimbursements, service fees or other assessments;

(ii) pay the County any other contributions or payments in mitigation of any economic or other impacts of the Project or any other developments on the Trust Property; or

(iii) acquire rights to any real property, grant or transfer to the County any rights to any real property, place any conservation or other easement on any real property, or otherwise agree to forgo any rights with respect to any real property.

5. Environmental Review

(a) NEPA Matters

The Parties acknowledge their understanding that (i) in connection with the Secretary's decision with respect to whether to accept trust title to the Property, the Secretary will be required to comply with NEPA, (ii) the Secretary will accept the Tribe's request to prepare an EIS, as distinguished from a less comprehensive environmental assessment, (iii) the Secretary will provide public notices relating to the preparation of an EIS in accordance with NEPA, (iv) the Secretary will provide the County, the Cities, other Public Entities and the public with the opportunity to comment on the draft EIS, and (v) the County's opportunity to comment on the draft EIS will include the opportunity to

AUG 1 6 2004

comment on the adequacy of any proposed mitigation measures intended to mitigate potential impacts of the Trust Acquisition and the Project.

(b) Environmental Laws

In connection with the Tribe's application to the Secretary to accept trust title to the Property, the Tribe shall provide the Secretary with such information, assistance and cooperation as shall be necessary or appropriate to enable the Secretary to comply with the following federal statutes, Executive Orders, regulations, standards and processes, to the extent applicable:

(i) the Endangered Species Act;

(ii) the Farmland Protection Policy Act;

(iii) the National Historic Preservation Act;

(iv) the Clean Air Act;

(v) the National Ambient Air Quality Standards;

(vi) Executive Order No. 11988 (Floodplain Management);

(vii) Executive Order No. 11990 (Protection of Wetlands);

(viii) Section 404 of the Clean Water Act; and

(ix) Executive Order No. 12898 (Federal Actions to Address Environmental Justice in Minority Populations and Low Income Populations).

(c) CEQA Matters

(i) The Trust Acquisition, the Federal and State Actions, the Project and the approval, execution, delivery, performance and consummation of the transactions contemplated by this MOU are not activities that, within the meaning of CEQA, (A) are directly undertaken by the County and the surrounding communities, (B) are supported, in whole or in part, through contracts, grants, subsidies, loans or other forms of assistance from the County or the surrounding communities, or (C) involve the issuance of a lease, permit, license, certificate or other entitlement for use by the County or the surrounding communities.

(ii) By approving, executing, delivering, performing and consummating the transactions contemplated by this MOU, the County does not, and

AUG 1 6 2004

does not commit itself to, (A) issue any lease, permit, license, certificate or entitlement for use, (B) develop, construct or improve any facilities or cause any other physical changes to the environment, or (C) approve, shape, deliberate on or otherwise exercise judgment over the Trust Acquisition, the Federal and State Actions or the Project.

(iii) The Trust Acquisition, the Federal and State Actions and the Project, the approval, execution and delivery of this MOU and the performance and consummation of the transactions contemplated by this MOU are not "projects" (as such term is defined in CEQA) of the County.

(iv) This MOU should be construed to be a government payment and funding mechanism which does not commit the County or the Cities to make any physical changes in the environment.

(v) The County does not, in any event, have sufficient information as of the date of this MOU to make any commitment to the Tribe to make any physical changes in the environment.

(vi) If and to the extent the County hereafter determines that it is required to comply with CEQA with respect to any "project" (as such term is defined in CEQA) which causes a physical change in the environment, the County fully intends to comply with CEQA at such time.

(d) Identification of Certain Issues

Based on the preliminary investigation of the Property which the Tribe has conducted as of the date of this MOU, the Tribe has not identified on the Property any of the following: (i) land subject to a Williamson Act (California Gov. Code § 51200 *et. seq.*) contract or a conservation easement; (ii) unique, rare or threatened plant species or plant communities; (iii) prehistoric, paleontological, archeological, historic or cultural resources; (iv) mineral resources; (v) human remains, (vi) hazardous materials; or (vii) active fault lines or areas with active fault movement.

(e) Further Investigations

Nothing in this MOU is intended to prejudge the results of further investigations of the Property, or to state or imply that resources, potential impacts or other matters referenced in this Section may not be identified in the future based on further investigation. Also, nothing in this MOU is intended to state or imply that the County's decision to enter into this MOU depends in any way upon the results of the Tribe's preliminary investigation of the Property to date or that any given consequence would or would not follow from the identification of any of the resources, potential impacts or other matters referenced in this Section.

AUG 1 6 2004

6. Additional Tribal Covenants

(a) County Services

The Parties acknowledge that, under the current design of the Project, the Tribe has not requested and does not intend to request the County to provide, and the County does not hereby commit itself to provide, water, wastewater, electricity, natural gas or telecommunications services to the Project, the Property or the Trust Property.

(b) City of Madera Water and Wastewater Services

The Parties acknowledge that the Tribe has not yet determined whether it intends to request the City of Madera to provide water or wastewater services to the Project, the Property or the Trust Property. Any such arrangements for City of Madera water or wastewater services shall be made solely by and between the Tribe and the City of Madera, shall not involve or require approval of the County, shall be addressed by separate arrangements, and shall not entitle the Tribe to any deduction of, or offset against, contributions required by this MOU. The Parties further acknowledge and agree that, based on the information available to the Parties as of the date of this MOU, the Tribe would be able to develop, construct and operate its own water and wastewater systems on the Property or the Trust Property and, therefore, the Tribe would be able to develop, construct and operate the Project if it did not obtain water or wastewater services from the City of Madera.

(c) Other Wastewater Matters

In the event the Tribe develops and constructs its own wastewater treatment system on the Trust Property, the Tribe shall (i) obtain a National Pollution Discharge Elimination System permit for wastewater discharge if and as required by the Clean Water Act (33 U.S.C. § 1311) from the United States Environmental Protection Agency, and (ii) construct a tertiary treatment system or similar system. To the extent feasible and commercially reasonable (as determined by the Tribe), the Project shall incorporate measures to minimize wastewater flows and use recycled water.

(d) Solid Waste Disposal Matters

Unless otherwise agreed by the County, the Tribe agrees to obtain solid waste services from the County's solid waste service franchisee at such franchisee's standard terms and rates and shall implement single stream recycling and green waste diversion. Payment by the Tribe for waste disposal shall not entitle the Tribe to any deduction of, or offset against, contributions required by this MOU.

AUG 1 6 2004

(e) Building Codes and Other Arrangements

In the event that the Tribal-State Compact does not contain provisions which are substantially similar or identical to (i) the minimum gaming age provisions of Section 6.3 of the 1999 model State compact (with the minimum gaming age being 21), (ii) the food and beverage handling provisions and the safe drinking water standards of Sections 10.2(a) and (b) of the 1999 model State compact, and (iii) the building code and inspection provisions of Subsections 6.4.2(d) through (k) of the June 2004 State compact amendments, the County may request that the Tribe enter into negotiations with the County, in which event the Tribe shall enter into good faith negotiations with the County, to execute and deliver an agreement or other arrangement with the County on mutually agreeable terms relating to the topics addressed in those compact or compact amendment provisions, which agreements or arrangements shall not, in any event, be less favorable to the County than the provisions set forth in the referenced compact or compact amendment provisions.

(f) Gaming Age Limitation

The Tribe shall prohibit persons under the age of 21 years from entering and remaining in any area in which gaming activities are being conducted.

(g) No Golf Course

The Tribe does not intend to, and, unless otherwise agreed by the City of Madera, the Tribe shall not, construct a golf course on the Trust Property until the earlier of (i) twenty (20) years from the date of this MOU, (ii) the date on which the aggregate number of rounds of golf played on the Madera Municipal Golf Course in any given calendar year exceeds 60,000 18-hole equivalent rounds, or (iii) the date on which the Madera Municipal Golf Course is sold or ceases operations.

(h) No Water Park

The Tribe does not intend to, and, unless otherwise agreed by the County, the Tribe shall not, develop, construct or operate a water park on the Trust Property within twenty (20) years from the date of this MOU.

(i) Employment of County Residents

The Tribe shall work in good faith with the Cities and the County to employ qualified residents of the County at the Facility to the extent permitted by applicable law. The goal will be that fifty percent (50%) of the new hires will be County residents to the extent permitted by applicable law. Prior to the opening of the Facility, the Tribe shall

AUG 1 6 2004

offer training programs to assist County residents to become qualified for employment. Nothing in this Section shall be interpreted to limit or modify the Tribe's policy of Indian preference in employment.

(j) No Submission to Jurisdiction

The Parties acknowledge and agree that nothing in this MOU shall be construed as constituting a submission by the Tribe to the jurisdiction of the County (except as expressly set forth in Sections 14(d) and 15 herein with respect to the Tribe's submission to the jurisdiction of certain courts). Nothing in this MOU shall be construed to state or imply that the Tribe would be required to make the contributions or covenants set forth in this MOU other than pursuant to the terms and conditions of this MOU.

7. Mutual Aid Arrangements

(a) Mutual Aid

Upon the request of the Tribe, the County or its departments will enter into good faith negotiations with the Tribe, and will encourage the Cities and other local or regional Public Entities or their subdivisions to enter into good faith negotiations with the Tribe, to execute and deliver a mutual aid agreement or other arrangements with the Tribe on mutually agreeable terms relating to fire protection, emergency medical, first responder and law enforcement responses.

(b) Law Enforcement

Upon the request of the Tribe, the County or its departments will, and will encourage the Cities and other local Public Entities or their subdivisions to, enter into good faith negotiations with the Tribe to execute and deliver agreements or arrangements on mutually agreeable terms relating to investigation, jurisdictional or other similar issues. The Tribe acknowledges that, pursuant to, and to the extent set forth in, federal Public Law 280 as in effect and construed as of the date of this MOU, most State criminal laws will have the same force and effect on the Trust Property as they have elsewhere in the State and the County Sheriff's Department will have jurisdiction over most offenses committed by or against Indians on the Trust Property. However, nothing in this Subsection or any agreement entered into pursuant to this Subsection does or is intended to create County, State or other Public Entity jurisdiction over the Tribe on the Trust Property.

(c) Additional Mutual Aid Arrangement Matters

The Parties do not intend that (i) the Tribe shall make any contributions or

AUG 1 6 2004

payments to the County or any other entity pursuant to the mutual aid or other agreements or arrangements contemplated by this Section or (ii) the Tribe shall be required to include the County as a party to, or obtain the approval of the County for, any such mutual aid or other agreements or arrangements between the Tribe and any entity other than the County. The County acknowledges that it currently has mutual aid agreements or arrangements with the Cities and the counties surrounding the County relating to fire protection, emergency medical, first responder and law enforcement responses.

8. Term

(a) Effective Date

This MOU shall not become effective unless and until the following events have occurred:

(i) this MOU has been approved or ratified by the County Board of Supervisors, approved as to form by the County Counsel, and executed and delivered by the County; and

(ii) this MOU has been approved or ratified by the Tribe's Tribal Council, approved as to form by legal counsel to the Tribe, and executed and delivered by the Tribe.

(b) Expiration Date

Subject to the early termination provisions of this MOU, this MOU shall expire on the later of (i) the twentieth (20th) anniversary of the date of this MOU, or (ii) the date of the expiration or termination of the Tribal-State Compact.

9. Termination Events

Unless otherwise agreed by the Parties, this MOU shall automatically terminate in the event, and on the date, that:

(a) after the Trust Acquisition Date, (i) the Trust Property (A) is thereafter no longer "Indian country" within the meaning of federal law, (B) is removed from trust or restricted status such that the Trust Property is no longer held in trust by the United States for the benefit of the Tribe, or (C) is not eligible for the development or operation of the Project or the Facility for any reason and (ii) the Tribe ceases gaming operations on the Trust Property; or

AUG 1 6 2004

(b) the Tribe submits a written notice to the County to the effect that the Tribe has permanently decided (i) to withdraw or not submit any application requesting that the Secretary accept trust title to the Property for the benefit of the Tribe or (ii) to otherwise cease the development or operation of the Project; or

(c) after the Tribal-State Compact becomes effective, such Tribal-State Compact expires or terminates for any reason or is determined by the Secretary or any court of competent jurisdiction to be unlawful or otherwise ineffective for any reason; or

(d) the Tribe ceases gaming operations on the Trust Property.

10. Suspension Events

If, due to Force Majeure (as hereinafter defined), an act of God, valid business considerations, or the events listed in Section 11, a material portion of the gaming operations previously conducted by the Tribe on the Trust Property are suspended or terminated, the Parties' obligations under this MOU shall be suspended as of the date of such suspension or termination until such time as such operations are resumed. For the purposes of this Section, the term "Force Majeure" shall include, without limitation, the following: earthquake; flood; fire; other natural disasters; changes in law, regulation or governmental policy that has a material adverse affect on the Project; riots; war; or terrorism. Nothing in this Section shall reduce the Tribe's liability for contributions or other payments which become due and payable prior to the date such gaming operations are suspended or terminated.

11. Renegotiation Provision

(a) Tribe Renegotiation Events

The Tribe may request that the County renegotiate one or more of the provisions of this MOU if there is a change in law or other circumstances which has a significant and adverse financial impact on the Project or the Facility. Such changes shall be deemed to include, without limitation, the following:

(i) any change in State or federal constitutions, laws, rules or regulations, guidelines or bulletins, or the construction or interpretation thereof, relating to IGRA or gaming on Indian lands, or ending the prohibition on Class III gaming (as defined in IGRA) or the operation of gaming devices by non-Indians in the State;

(ii) a reduction in the scope of gaming permitted on the Trust Property, whether pursuant to a change in federal, State or local constitutions, laws, rules or regulations, the Tribal-State Compact or otherwise; or

AUG 1 6 2004

(iii) the Tribal-State Compact, as amended or interpreted from time to time, (A) does not authorize the Tribe to conduct the scope of Class III (as defined in IGRA) gaming activities authorized by the State 1999 model Tribal-State Gaming Compact, or (B) does not authorize the Tribe to operate at least 2000 gaming devices.

(b) County Renegotiation Events

At the County's request, the Tribe shall renegotiate one or more of the provisions of this MOU if the Tribe materially expands the public spaces of the Facility.

(c) Effect of Expiration or Termination

Upon the expiration or termination of this MOU, and except for Sections 6(c), 6(d), 6(e), 6(i), 6(j), 14, 15 and 16 (which Sections and Subsections shall survive such expiration or termination for a period of twenty (20) years after such expiration or termination), the provisions of this MOU shall be of no further force or effect and none of the provisions of this MOU shall survive such expiration or termination; provided, however, that the Tribe shall continue to make contributions pursuant to the terms of this MOU which became due and payable prior to any expiration or termination date. Subsections 6(g) and 6(h) of this MOU shall survive for twenty (20) years from the date of this MOU.

(d) Renegotiation Procedures

All requests by either Party to renegotiate or amend this MOU shall be by written notice addressed to the other Party and shall identify the provisions of this MOU to be negotiated. Upon receipt of such notice, the Parties shall be obligated to renegotiate this MOU in good faith. The Parties shall confer promptly and determine a schedule for commencing negotiations within fifteen (15) days of receipt of notice. The Parties are hereby authorized to designate the person or agency responsible for conducting the negotiations, and shall execute any documents necessary to do so. The purpose of the negotiations will be to renegotiate the provisions of this MOU in good faith so that the Parties will retain substantially the same rights and economic benefits in the aggregate from the Project as contemplated on the date of execution of this MOU.

12. Severability

(a) If any provision of this MOU is held by the Secretary, the arbitrators or a court of competent jurisdiction to be illegal, invalid, unenforceable, or unauthorized under present or future laws, the remaining provisions of this MOU shall remain in full force and effect and shall not be affected by the illegal, invalid, unenforceable,

AUG 1 6 2004

unauthorized or non-compliant provision or by its severance from this MOU. In the event of any such determination, the Parties shall enter into good faith negotiations to replace the invalid provision with a valid provision, the economic effect of which comes as close as possible to that of the invalid provision, which negotiations shall be conducted pursuant to the provisions of Subsection 11(d) of this MOU.

(b) In the event that the entire MOU is declared null and void or is unauthorized, the Parties shall enter into good faith negotiations to negotiate a new memorandum of understanding.

13. Scope

This MOU is intended to apply and shall be construed to apply solely to the Property and, after the Trust Acquisition Date, solely to the Trust Property and shall not be construed to apply to any other property.

14. Dispute Resolution Provisions

(a) Dispute Resolution

In an effort to foster good government-to-government relationships and to assure that the Tribe is not unreasonably prevented from engaging in gaming and other commercial activities and benefiting therefrom, the Parties agree to the dispute resolution procedures set forth in this Section.

(b) Meeting

The Parties shall make their best efforts to resolve any dispute specifically arising under this MOU by good faith negotiations whenever possible. The parties shall meet and confer in good faith to resolve any disputes arising under the MOU or concerning its terms or administration as follows:

(i) A Party shall give the other Party, as soon as possible after the dispute arises, written notice setting forth, with specificity, the Party's claims.

(ii) The Parties shall meet and confer in a good faith attempt to resolve such dispute through negotiation not later than 10 days after receipt of notice, unless the Parties agree in writing to an extension of time.

(c) Arbitration

AUG 1 6 2004

If such dispute is not resolved to the satisfaction of the Parties within thirty (30) calendar days after the first meeting, then the Parties may seek to have the dispute resolved by arbitration in accordance with the following procedures:

(i) Upon the request of a Party in writing, the dispute shall be submitted to binding arbitration in accordance with this Subsection.

(ii) The disputes to be submitted to arbitration shall be limited to disputes specifically arising under this MOU.

(iii) In the event that there is any dispute as to whether a matter is subject to the arbitration provisions of this MOU, or any dispute concerning the scope of the matter or matters to be arbitrated, the disagreement as to whether the dispute is subject to the arbitration provisions of this MOU or the scope of such arbitration shall be resolved by the courts referenced in Subsection (d) of this Section.

(iv) The arbitration shall be administered by three (3) arbitrators. The Tribe and the County shall each select one (1) arbitrator and those two (2) arbitrators shall select the third arbitrator. All arbitrators shall be generally familiar with federal Indian law, and commercial business transactions and shall have no interest in the matter.

(v) The arbitration shall be held in Fresno, California, or at such other location as is mutually agreeable to the Parties.

(vi) The arbitration shall be administered in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as modified by the provisions of this MOU.

(vii) The provisions of Section 1283.05 of the California Code of Civil Procedure shall apply; provided that no discovery authorized by that section may be conducted without leave of the arbitrators.

(viii) Each side shall bear its own costs, attorneys' fees and one-half the costs and expenses of the arbitrators.

(ix) Subject to the provisions of this Section, the arbitrators shall be empowered to grant (A) compensatory and declaratory relief, and (B) specific performance as to the covenants in Sections 6, 11 and 12 of this MOU.

(x) The decision of the arbitrators shall be in writing and shall give reasons for the decision.

(d) <u>Confirmation of Decisions</u>

AUG 1 6 2004

Any Party to an arbitration in which a decision has been made pursuant to this Section may petition the federal District Court for the Eastern District of California or the State Superior Court for Madera County to affirm the decision. The Parties expressly consent to be sued in such Courts for affirmation of any such decision. A decision shall be affirmed, provided that:

(i) The decision is limited to matters specifically arising under this MOU.

(ii) No monetary damages may be awarded except those which require the payment of sums pursuant to breaches of obligations of the Parties under this MOU and which are not inconsistent with Section 17 and the Tribe's limited waiver of sovereign immunity as set forth in Subsection 16(b).

(iii) No person or entity other than the Parties or the Developer is party to the action, unless failure to join a third party would deprive the court of jurisdiction; provided that nothing herein shall be construed to constitute a waiver of the sovereign immunity of the Parties in respect to any such third party other than the Developer.

If an award is affirmed, judgment shall be entered in conformity therewith. The judgment so entered has the same force and effect as, and is subject to all the provisions of law relating to, a judgment in a civil action and may be enforced like any other judgment of the court in which it is entered.

(e) Actions

The express waivers and consents provided for in this Section and Sections 15 and 16 shall only extend to the following: civil actions specifically arising under this MOU; civil actions to compel arbitration; civil actions to determine whether a matter is subject to arbitration or determine the scope of the arbitration; any arbitration proceeding as provided herein; any action to confirm or enforce any judgment or arbitration award as provided herein; and any appellate proceedings emanating from a matter in which an immunity waiver has been granted. Except as stated herein or elsewhere in this MOU, no other waivers or consents to be sued, either express or implied, are granted by either Party.

(f) Other Dispute Resolutions

This Section may not be construed to waive, limit, or restrict the ability of the Parties to pursue, by mutual agreement, any other method of dispute resolution, including, but not limited to, mediation or utilization of a technical advisor to the Parties; provided, however, that no Party is under an obligation to agree to such alternative method of dispute resolution.

AUG 1 6 2004

(g) Confidentiality

The Parties agree that any dispute resolution meetings or communications, arbitration proceedings, or agreements among the Parties settling or otherwise relating to any claims of breach of this MOU or otherwise shall be and remain confidential to the extent not prohibited by applicable law.

15. Expedited Procedure for Threats to Public Safety

(a) Judicial Litigation

If the County or the Tribe reasonably believes that the other's violation of Section 6 of this MOU has caused or will cause an imminent and significant threat to public health or safety, resolution of which cannot be delayed for time periods otherwise specified in Section 14, the complaining Party may proceed with judicial litigation consistent with the provisions of this Section 15.

(b) Consent to Jurisdiction

The Parties consent to the jurisdiction of the courts identified in Section 14(d) for purposes of obtaining declaratory relief and specific performance under this Section. Service of process in any such judicial proceeding is waived in favor of delivery of court documents by Certified Mail - Return Receipt Requested in accordance with the notice provisions of Section 18 of this MOU.

(c) Suspension or Termination

Except as provided in this Section and notwithstanding any other provision of this MOU, the County will not have the right to seek a decision from an arbitrator or court order to suspend or terminate the Project, the Facility or the Tribe's gaming operations.

16. Limited Waiver of Sovereign Immunity

(a) Waiver

Subject to the provisions of this Section, the Tribe expressly and irrevocably waives sovereign immunity (and any defenses based thereon) in favor of the County (but not as to any other person or entity) as to any disputes specifically arising under this MOU and not as to any other actions, matters or disputes.

AUG 1 6 2004

(b) Limitations on Tribe's Waiver

The Tribe's waiver of sovereign immunity in favor of the County is specifically limited to permitting, and does permit, the decisions referenced in Subsection 14(c)(ix) and actions referenced in Subsection 14(e). The arbitrators and the courts will have no authority or jurisdiction to issue any monetary award or damages or order the execution or enforcement of any monetary award or damages against any assets or revenues of the Tribe except for the Tribe's share of the net revenues (as defined by IGRA) from the Facility. The Tribe does not waive its sovereign immunity with respect to (i) actions by third parties, or (ii) disputes between the Tribe and the County which do not specifically arise under this MOU.

(c) Tribal Council Resolution

The Tribe represents to the County that that Tribal Council of the Tribe has adopted a resolution in accordance with the Tribe's Constitution which provides that (i) the Tribal Council has the authority to act on behalf of the Tribe in connection with the execution and delivery of this MOU, (ii) the Tribal Council delegates authority to the Chairperson of the Tribe to execute and deliver this MOU on behalf of the Tribe and (iii) the Tribe waives sovereign immunity on a limited basis as set forth in this MOU. A certified copy of the resolution is attached to this MOU as Exhibit B.

17. Damages

The Parties hereby agree that, in the event of default, any damages awarded or arising under this MOU shall be exclusively limited to actual direct damages incurred and which have been demonstrated with substantial certainty. In no instance shall the Parties to this MOU be entitled to special, incidental, indirect, consequential or punitive damages, lost profits or attorney's fees. By acceptance and execution of this MOU, the Parties hereby agree that the only monetary damages contemplated by the Parties as arising from this MOU are actual or direct damages which do not, in any event, exceed the contribution amounts expressly stated in this MOU and that the Parties are precluded from asserting any claims for additional or other monetary damages.

18. Indemnification

The Tribe agrees to indemnify, defend and hold harmless the County from and against any and all claims, losses, proceedings, damages, causes of action, liability, costs and expenses (including reasonable attorneys' fees) arising from any action or proceeding filed against the County which challenges the County's approval, execution or delivery of this MOU on the basis of claims related to CEQA; provided, however, that the County's

AUG 1 6 2004

defense shall be conducted by outside legal counsel selected by the Tribe and acceptable to the County.

19. Third Party Matters

The County acknowledges and agrees that Developer does not have any obligations or liabilities under, or with respect to, this MOU. This MOU is not intended to, and will not be construed to, create any right on the part of any other third party to bring any action or to otherwise enforce any of its terms.

20. Binding MOU

This MOU is intended to be, and shall be construed to be, binding upon the Parties and all successors and successors-in-interest of each Party, including, in the case of the County, future County Boards of Supervisors, and, in the case of the Tribe, future Tribal Councils. The County intends that its approval, execution, delivery and performance of this MOU shall (i) be construed to be administrative actions, as distinguished from legislative actions, and (ii) not be construed to be an express or implied enactment, adoption or amendment of any zoning ordinance, general plan, special plan or elements thereof.

21. Notice

All notices required by this MOU will be deemed to have been given when made in writing and delivered or mailed to the Party and its representatives at their respective addresses as set forth below, or such other address as they may provide to the other Party from time to time:

For the Tribe:

North Fork Rancheria of Mono Indians of California
P.O. Box 929
North Fork, California 93643
Telephone: (559) 877-2461
Fax: (559) 877-2467
Attention: Chairperson

With a copy to:

California Indian Legal Services

AUG 1 6 2004

510 16th Street, Fourth Floor
Oakland, California 94612
Telephone: (510) 835-0284
Fax: (510) 835-8045
Attention: John A. Maier, Esq.

For the County:

County of Madera California
209 W. Yosemite Avenue
Madera, CA 93637
Telephone: (599) 675-7703
Fax: (599) 673-3302
Attention: Chairman of the Board of Supervisors
County Counsel

22. Governing Law

This MOU shall be governed by, and construed in accordance with, the laws of the State.

23. Construction of MOU

This MOU, together with all Exhibits hereto, constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes all prior negotiations, representations or other agreements, whether written or oral. In the event of a dispute between the Parties as to the language of this MOU or the construction or meaning of any term hereof, this MOU shall be deemed to have been drafted by the Parties in equal parts so that no presumptions or inferences concerning its terms or interpretation may be construed against, or in favor of, any Party based on the preparation or negotiation of this MOU. The headings contained in this MOU are for convenience of reference only and shall not affect the construction or interpretation hereof.

24. Tribal County Advisory Committee

(a) Jurisdiction

The County and the Tribe agree to establish a permanent committee to be known as the Tribal County Advisory Committee. Matters within the jurisdiction of the Tribal

AUG 1 6 2004

County Advisory Committee shall include questions related to implementation of this MOU and concerns over any matter within the scope of this MOU.

(b) Composition

The Tribal County Advisory Committee shall be composed of three (3) representatives of the County and three (3) representatives of the Tribe.

(c) Meeting Times

The Tribal County Advisory Committee shall meet on an as-needed basis, but not, in any event, less than annually, in accordance with procedures established by such Committee.

(d) Authority

The Tribal County Advisory Committee may make recommendations to the Tribe and the County which both Parties shall consider before implementing any actions concerning the subject matter of this MOU.

25. Approval by the Department of the Interior

Although the Parties believe approval is not required, the Parties will submit this MOU to the Department of the Interior for either (a) approval pursuant to 25 U.S.C. §81 or (b) a written response that this MOU does not require approval under 25 U.S.C. §81.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

AUG 1 6 2004

IN WITNESS WHEREOF, the Parties have executed this MOU as of the date first set forth above.

MADERA COUNTY, CALIFORNIA

Date: August 16, 2004

By: _____
Ronn Dominici
Chairman of the Board of Supervisors

APPROVED AS TO LEGAL FORM BY
MADERA COUNTY COUNSEL:

Date: August 16, 2004

By: _____
David A. Prentice, Esq.
County Counsel

NORTH FORK RANCHERIA OF MONO
INDIANS OF CALIFORNIA

Date: August 16, 2004

By: _____
Judy E. Fink
Chairperson

APPROVED AS TO LEGAL FORM BY
LEGAL COUNSEL TO THE TRIBE:

Date: August 16, 2004

By: _____
John A. Maier, Esq.
California Indian Legal Services
Legal Counsel to the Tribe

AUG 1 6 2004

3795790v6

EXHIBIT A
TO MEMORANDUM OF UNDERSTANDING

PROPERTY DESCRIPTION

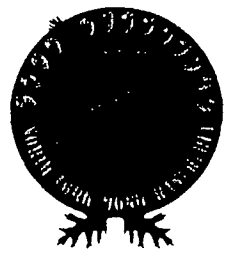
Real Property in the unincorporated area of the County of Madera, State of California, described as follows:

Parcel No. 1: APN: 033-030-010 thru 015 and 017

Parcels 1, 2, 3, 4, 5, 6 and 8 of Parcel Map 3426 in the unincorporated area of the County of Madera, State of California, as per map recorded September 7, 1995, in Book 44, Pages 15 and 16 of Parcel Maps, in the office of the County Recorder of said county.

AUG 1 6 2004

EXHIBIT B
TO MEMORANDUM OF UNDERSTANDING
TRIBAL COUNCIL RESOLUTION



RESOLUTION 04-05

Resolution Authorizing a Limited Waiver of Sovereign Immunity with Respect to the Approval of a Memorandum of Understanding with the County of Madera

WHEREAS: The North Fork Rancheria of Mono Indians of California (the "Tribe") is a federally recognized Indian tribe organized pursuant to the Constitution of the Tribe (the "Constitution"); and

WHEREAS: Article III, Section 2 of the Constitution provides that the governing body of the Tribe is the Tribal Council; and

WHEREAS: Article VI, Section 1 of the Constitution provides the Tribal Council with the authority, on behalf of the Tribe, to negotiate, execute and deliver agreements with local governments and to provide a limited waiver of the Tribe's sovereign immunity; and

WHEREAS: The Tribe desires to enter into a legally binding intergovernmental agreement with the County of Madera (the "County") to mitigate any off-reservation impacts of its proposed gaming facility to be located on Indian lands located near Avenue 17 and Highway 99 in an unincorporated area of the County; and

WHEREAS: The Tribal Council, with the assistance of counsel, has negotiated a Memorandum of Understanding (the "MOU") between the Tribe and the County; and

WHEREAS: The Tribal Council has determined that it is in the best interests of the Tribe to enter into the MOU with the County; and

WHEREAS: The Tribal Council recognizes the need for the Tribe to provide a limited waiver of sovereign immunity with regard to disputes specifically arising under the MOU, and to consent to arbitration and to the limited jurisdiction of the courts as

AUG 1 0 2004

provided and to the extent set forth in the MOU.

NOW, THEREFORE, BE IT RESOLVED, the Tribal Council, as provided and to the extent set forth in the MOU, hereby: (i) grants a limited waiver of the Tribe's sovereign immunity in favor of the County (but not as to any other person or entity) pertaining solely to disputes specifically arising under the MOU, and (ii) consents to arbitration and to the limited jurisdiction of the courts; and

BE IT FURTHER RESOLVED, the Tribal Council hereby approves the MOU on behalf of the Tribe and authorizes Judy E. Fink, the Chairperson of the Tribe, to execute and deliver the MOU to the appropriate County officials on behalf of the Tribe; and

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

CERTIFICATION

As Tribal Secretary of the North Fork Rancheria of Mono Indians of California, I certify that at a meeting of the Tribal Council of the North Fork Rancheria of Mono Indians of California, called and convened on the 16th day of August, 2004, at which a legal quorum was present, this resolution was adopted by a vote of 5 For 0 Against, and 0 Abstaining, and said resolution has not been rescinded or amended in any way.

Jacqueline Van Huss, Secretary

August 16, 2004
Date

Attested to by:

Judy E. Fink, Tribal Chairperson

August 16, 2004
Date

AUG 1 6 2004

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made this 18 th day of Oct., 2006, by and between the City of Madera, California, and the North Fork Rancheria of Mono Indians of California. (The capitalized terms not otherwise defined herein shall have the meanings set forth in Section 1 below.)

RECITALS

WHEREAS, the Tribe is a federally recognized Indian tribe; and

WHEREAS, the federal government terminated its government-to-government relationship with the Tribe pursuant to the California Rancheria Act of 1958; and

WHEREAS, pursuant to litigation, the federal government's government-to-government relationship with the Tribe has been restored; and

WHEREAS, the Secretary does not hold title to land in trust for the benefit of the Tribe which is eligible for gaming; and

WHEREAS, the Tribe has identified the Property, which is located in an unincorporated area of the County and within the City's sphere of influence, as land which the Tribe desires to be taken into trust for the purposes of gaming; and

WHEREAS, the Tribe has requested the Secretary to accept title to the Property in trust for the benefit of the Tribe, determine that the Trust Property is eligible for gaming under IGRA, and prepare an EIS pursuant to NEPA as part of the Trust Acquisition process; and

WHEREAS, after the Trust Acquisition Date, the Tribe intends to use the Trust Property for the development, construction and operation of the Project; and

WHEREAS, the Tribe does not intend to make any physical changes to the environment on the Property prior to the Trust Acquisition Date; and

WHEREAS, the Tribe has not requested the City to issue, the City does not intend to commit itself to issue, and the Tribe would be able to consummate the Trust Acquisition and develop, construct and operate the Project if the City does not issue, any lease, permit, license, certificate or other entitlement for use relating to the Trust Acquisition, the Federal and State Actions or the Project; and

WHEREAS, by executing, delivering and performing this MOU, the City does not intend to exercise discretionary judgment over the Trust Acquisition, the Federal and State Actions or the Project; and

WHEREAS, the Trust Acquisition, the Federal and State Actions and the Project are not "projects" of the City within the meaning of CEQA and are not subject to the discretionary

approval of the City; and

WHEREAS, the City does not have the legal authority to collect taxes or other assessments from the Tribe; and

WHEREAS, in August 2004, the Tribe and the County entered into a Memorandum of Understanding which provides, among other things, significant financial contributions to the County, the City, and other entities to mitigate possible impacts of the Project within the County; and

WHEREAS, the County MOU was intended to cover all the contributions which the Tribe would make to the City and all other governmental entities in the County; and

WHEREAS, although not legally required to do so, the Tribe nevertheless desires to make additional voluntary contributions to the City to fund projects or plans that are important to the City, the Tribe, or both and to mitigate possible impacts of the Trust Acquisition and Project on the City; and

WHEREAS, but for this MOU, the City would not receive such contributions from the Tribe; and

WHEREAS, the Tribe is not legally required to enter into this MOU in order to consummate the Trust Acquisition and the Federal and State Actions or develop, construct and operate the Project; and

WHEREAS, the City has determined after public hearing that it is in the best interests of the City to enter into this MOU in order to mitigate possible impacts of the Project on the City; and

WHEREAS, after taking into account the provisions of this MOU and the County MOU, the City has determined that the development, construction, and operation of the Project would not be environmentally detrimental to the City and the surrounding community; and

WHEREAS, the City and the Tribe desire to establish a cooperative and mutually respectful government-to-government relationship and to address other governmental issues of mutual interest to the City and the Tribe.

NOW, THEREFORE, the Parties hereby agree as follows:

1. Definitions

The terms not defined elsewhere in this MOU shall have the following meanings:

"CEQA" means the California Environmental Quality Act (California Public Resources Code § 21000 et seq.) and the guidelines promulgated thereunder, as the same may be amended or modified from time to time.

"City" means the City of Madera, California, which is located within the boundaries of the County.

"Construction Date" means the later of the date (i) the Tribe closes a loan to obtain funds from a financial institution to finance construction of the Project, (ii) the Tribe commences vertical construction of the Project, (iii) the Tribe enters into a Tribal-State Compact, or (iv) the Chairman of the NIGC approves the management contract between the Tribe and its manager.

"County" means Madera County, California, a political subdivision of the State, and its departments, agencies and subdivisions.

"County MOU" means the Memorandum of Understanding between the County and the Tribe dated August 16, 2004, and any amendments thereto.

"CPI Adjustment" means an annual adjustment in the applicable dollar amount which (i) is effective as of July 1 of each year, as applicable, during the term of this MOU and (ii) is equal to the percentage change in the U.S. Department of Labor's Consumer Price Index for all Urban Consumers (CPI-U), U.S. city average for all items, for the previous May to May period, rounded to the nearest Thousand Dollars.

"EIS" means an environmental impact statement prepared by the Secretary as part of the Trust Acquisition process.

"Escrow Arrangement" means a payment arrangement pursuant to which the Tribe or its designee provides the City or its designee (which could be the Tribe or its contractor) with assurance of payment on terms, conditions and payment schedules (after the Construction Date and consistent with the City's requirements) agreed to by the Tribe and the City, including, without limitation, an escrow account, letter of credit or payment bond arrangement.

"Facility" means the gaming facility and those rooms, buildings, and areas, including parking lots and walkways, a principal purpose of which is to serve the activities of the gaming facility which are located on the Trust Property and described in the EIS.

"Federal and State Actions" means (i) the consummation of the Trust Acquisition, (ii) the NIGC Approvals, (iii) the negotiation and execution of the Tribal-State Compact by the State Governor, the ratification of the Tribal-State Compact by the State legislature and the approval of the Tribal-State Compact by the Secretary, and (iv) the issuance or completion by federal, state or regional Public Agencies of approvals, permits, licenses, certifications, opinions or consultations requested by the Tribe in connection with the Trust Acquisition or the Project.

"IGRA" means the Indian Gaming Regulatory Act of 1988 (25 U.S.C. § 2701 *et seq.*) and the regulations promulgated thereunder, as the same may be amended or modified from time to time.

"MOU" means this Memorandum of Understanding, as the same may be amended by

written agreement of the City and the Tribe from time to time.

"NEPA" means the National Environmental Policy Act (42 USC § 4321 *et seq.*) and the regulations promulgated thereunder, as the same may be amended or modified from time to time.

"NIGC" means the National Indian Gaming Commission established pursuant to IGRA.

"NIGC Approvals" means (i) the approval by the NIGC of the Tribe's Tribal Gaming Ordinance and (ii) the approval by the Chairman of the NIGC of the Management Agreement between the Tribe and SC Madera Management, LLC.

"Opening Date" means the date on which the Tribe commences commercial gaming operations open to the public on the Trust Property.

"Party" means the City or the Tribe.

"Parties" means the City and the Tribe.

"Project" means the development, construction and operation of the Facility on the Property or the Trust Property.

"Property" means a parcel of approximately 305 acres of land which is located within the unincorporated area of the County and which is identified by the legal description set forth on Exhibit A hereto, or any portion of such land.

"Public Entity" means any federal, State, regional or local government entity, public authority, public agency, public corporation or any subdivision thereof, including, without limitation, the County and the City.

"Secretary" means the Secretary of the United States Department of the Interior or his or her representative.

"State" means the State of California.

"Tribe" means the North Fork Rancheria of Mono Indians of California, a federally recognized tribe listed in the Federal Register as the Northfork Rancheria of Mono Indians of California.

"Tribal-State Compact" means all Tribal-State Gaming Compacts for the Project entered into between the Tribe and the State pursuant to IGRA, as approved by the Secretary or allowed to become effective by operation of law pursuant to IGRA.

"Trust Acquisition" means (i) the acquisition by the United States of title to the Property in trust for the benefit of the Tribe, and (ii) the determination by the Secretary or the NIGC that the Trust Property is eligible for gaming pursuant to the requirements of IGRA.

"Trust Acquisition Date" means the date on which the deed to the Property has been conveyed to and executed by the Secretary such that (i) the Trust Property is held in trust for the benefit of the Tribe and (ii) the Secretary or the NIGC has determined that the Trust Property is eligible for gaming pursuant to the requirements of IGRA.

"Trust Property" means, after the Trust Acquisition Date, that portion of the Property which is owned by the United States in trust for the benefit of the Tribe.

2. Non-Recurring Mitigation Contributions

(a) Total Non-Recurring Contribution

In order to mitigate possible impacts of the Project on the City and the surrounding community, the Tribe shall, as a government funding mechanism, make non-recurring contributions to the City or its designee as set forth in this Section 2.

(i) Non-Recurring Law Enforcement Contribution

In order to mitigate possible impacts of the Project on law enforcement resources of the City, the Tribe shall make a non-recurring contribution to the City of Two Hundred Thousand Dollars ($200,000), payable ninety (90) days before the estimated Opening Date, to fund the initial capital costs for an additional shift of City law enforcement officers.

(ii) Non-Recurring Transportation Resources Contribution

In order to mitigate possible financial impacts of the Project on roads and other transportation resources of the City, the Tribe shall, as a government funding mechanism, make a non-recurring contribution to the City of Eight Hundred Eighty Five Thousand Dollars ($885,000), payable ninety (90) days after the Opening Date, to supplement the City's budget for City road and transportation improvements.

(iii) Non-Recurring Additional Transportation Resources Contribution

In order to mitigate possible additional financial impacts of the Project on the City's obligation to maintain roads and other transportation resources of the City, the Tribe shall, as a government funding mechanism, make non-recurring contributions pursuant to an Escrow Arrangement, payable after the Construction Date but no later than one year after the Opening Date, in an amount not to exceed Four Million Dollars ($4,000,000). The actual amount shall be equal to the Tribe's proportionate (i.e. fair) share of improvements, identified in the final traffic analysis for the EIS prepared in connection with the Project, for County roads and other transportation resources which are annexed into the City prior to an election by the County to undertake action on any such roads and other transportation resources pursuant to Section 2(a)(ii) of the County MOU. Such funds may, in the City's discretion, be drawn upon and used by the City or its designee (i) to pay the actual costs of construction, improvement, equipping and environmental reports and analysis of such newly annexed City roads and other

transportation resources which the City elects to complete on the basis of the final traffic analysis for the EIS or such other later-prepared traffic or engineering study, analysis, or report as mutually agreed upon by the Parties, and (ii) for such other road and transportation-related purposes as shall hereafter be mutually agreed upon by the City and the Tribe. Nothing in this MOU obligates or commits, or shall be construed to obligate or commit, the City to construct or approve any construction or improvement of road and other transportation resources or to make or approve any physical changes in the environment. Based on the preliminary information available to the Parties as of the date of this MOU, the Parties acknowledge and agree that (i) neither the Trust Acquisition, the Federal and State Actions, the Project nor this MOU, in and of themselves, create a need to construct or improve road and other transportation resources, and (ii) the Tribe would be able to develop, construct and operate the Project if no such construction or improvement of road and transportation resources were to occur. Nothing in this Subsection is intended to require the Tribe to pay for the same traffic improvements or resources to the extent that the Tribe's fair share cost of such improvements or resources are fully funded with the contribution provided pursuant to Subsection 2(a)(ii) of this MOU.

(iv) Non-Recurring Specific Plan Update Contribution.

In order to encourage orderly growth of planned development in the vicinity of the Trust Property, the Tribe shall, as a government funding mechanism, make a non-recurring contribution to the City of Two Hundred Thousand Dollars ($200,000), payable thirty (30) days after the Construction Date, to fund a specific plan update of the area in close proximity to the Project.

(v) Non-Recurring Water & Recreation Resources Contribution

In order to conserve water resources in the area surrounding the Project and to positively contribute to the recreational health of the City, the Tribe shall, as a government funding mechanism, make a non-recurring contribution to the City totaling Two Million Five Hundred Thousand Dollars ($2,500,000), payable in two equal semi-annual installments beginning one (1) year after the Opening Date, to supplement the City's budget to fund improvements to the irrigation system, water features, and other items of maintenance to the City's golf course.

(vi) Non-Recurring Madera East Side Youth Recreational Contribution

To enhance recreational opportunities in the City and the surrounding community, the Tribe shall, as a government funding mechanism, make a non-recurring contribution to the City totaling Two Million Dollars ($2,000,000) payable in two equal annual installments beginning two (2) years after the Opening Date. Each of the two installments shall be deposited in a special fund called the Madera East Side Youth Recreational Fund to be established by the City to enhance recreational opportunities for youth and other citizens residing on the east side of the City ("Recreational Fund"). The City shall establish a special committee called the Madera East Side Youth Recreational Committee ("Committee") consisting of two (2) members designated by the Tribe, two (2) members designated by the City and one (1) member selected by the other members; provided, however, that the Parties shall consult with each other with

respect to the designation of such members. The Committee shall study and, by majority vote, determine the appropriate use(s) of the Recreational Fund.

(vii) Non-Recurring Public Safety Training Contribution

To determine the feasibility of providing public safety training programs to police and fire personnel in the City and surrounding region, the Tribe shall, as a government funding mechanism, make a non-recurring contribution to the City totaling Five Hundred Thousand Dollars ($500,000), payable in two equal semi-annual installments beginning three (3) years after the Opening Date, to fund a feasibility study and other costs associated with determining the feasibility of providing public safety training programs to police and fire personnel.

(b) Annual Adjustment

The dollar amounts of the contributions referenced in Section 2(a) shall be subject to the CPI Adjustment as of July 1, 2008, and each July 1 thereafter.

3. Recurring Mitigation Contributions

(a) Total Recurring Contributions

In order to mitigate possible impacts of the Project on the City and the surrounding community, the Tribe shall, as a government funding mechanism, make recurring contributions of up to a maximum of ($1,075,000) per annum as set forth in this Section 3(a).

(i) Law Enforcement Contribution

In order to mitigate possible impacts of the Project on law enforcement resources within the City and the surrounding community, the Tribe shall make a one-time contribution to the City of Six Hundred and Forty Thousand Dollars ($640,000) to cover the annual salaries and benefits of six new law enforcement officers. This amount shall be paid in 12 equal monthly installments commencing thirty (30) days after the Opening Date. Each year thereafter, the Tribe shall make a recurring contribution to the City of Six Hundred and Seventy-Five Thousand Dollars ($675,000) per annum for salaries, benefits, and equipment.

(ii) Downtown Redevelopment Contribution

In order to help preserve the character and economic vitality of the City's downtown area, the Tribe shall, as a government funding mechanism, make a recurring contribution to the City of One Hundred Thousand Dollars ($100,000) per annum to supplement the City's reinvestment fund in order to help preserve the character and economic vitality of the City's downtown area.

(iii) Air Quality Resources Contribution

In order to mitigate possible impacts of the Project on the air quality of the City and the surrounding community, the Tribe shall, as a government funding mechanism, make a recurring contribution to the City of Fifty Thousand Dollars ($50,000) per annum to supplement the City's budget to extend the City bus system to the Trust Property.

(iv) General Government Contribution

In order to mitigate additional possible impacts of the Project on the City and the surrounding community, the Tribe shall, as a government funding mechanism, make a recurring contribution to the City of Two Hundred Fifty Thousand Dollars ($250,000) per annum to supplement the City's general fund.

(b) Annual Adjustment

The dollar amounts of the contributions referenced in Section 3(a) shall be adjusted by the CPI Adjustment as of the July 1 following the Opening Date and each July 1 thereafter.

(c) Payment Terms

Where recurring contributions are to be made on a per annum basis, the contribution shall be made in twelve (12) equal monthly installments, unless the recipient agrees otherwise. The first recurring contribution shall be prorated for the applicable period. Unless otherwise specified, the first recurring contribution shall be made thirty (30) days after the Opening Date.

4. Contribution Matters

(a) Sufficiency of Contributions

The City has determined that, in the opinion of the City, the contributions referenced in Sections 2 and 3 are, sufficient to mitigate possible non-recurring and recurring impacts of the Trust Acquisition and the Project on the City which are not specifically identified or mitigated elsewhere in this MOU, and, as a result, the Trust Acquisition and the Project will not have a detrimental impact on the City and the surrounding community.

(b) Distribution of Contributions

The Parties intend for the contributions referenced in Sections 2 and 3 to constitute all of the contributions which the Tribe shall make to all City departments, agencies and subdivisions. The City shall be responsible for distributing such contributions to the appropriate City departments, agencies and subdivisions.

(c) Contribution Terms

The Parties acknowledge and agree that the Project and the Tribe's contribution and other obligations as set forth in this MOU are, and shall be, contingent upon (i) the Secretary accepting trust title to the Trust Property, (ii) the occurrence of the Construction Date, (iii) the Tribe and the

State entering into a Tribal-State Compact, and (iv) in the case of the recurring contributions set forth in Section 3, the occurrence of the Opening Date. In the event the Construction Date or the Opening Date does not occur for any reason, contributions payable after the Construction Date or the Opening Date, as the case may be, shall not be due. The City shall make good faith efforts to segregate and identify expenditures made with contributions provided to the City by the Tribe under this MOU and to publicly attribute such expenditures to the Tribe.

(d) Deductions

The Tribe may deduct the following amounts from the next contribution which the Tribe would otherwise be required to make pursuant to Sections 2 and 3:

(i) the amount which the Tribe pays the City in excess of the amounts identified in Sections 2 and 3;

(ii) the amount of any contribution which the Tribe pays in advance of the dates set forth in Sections 2, 3 and 4, plus interest on such amount at the prime lending rate of Bank of America from the date the payment is made until the date the payment would otherwise have been due;

(iii) the amount which the City receives from the County pursuant to the County MOU;

(iv) the amount of any contribution made by the Tribe to the California Department of Transportation to improve City roads and other City transportation resources which are identified in the traffic analysis for the draft EIS prepared in connection with the Project, provided, however, that such deductions shall not exceed the Tribe's proportionate (i.e. fair) share of costs for such improvement as identified in the traffic analysis for the draft EIS and shall only be deducted from non-recurring contributions for road and transportation resources which are required to be made by the Tribe pursuant to Section 2(a)(ii) or 2(a)(iii) of this MOU; and

(v) the amount of any payments which the Tribe receives, or is entitled to receive, from state, federal or other sources and directs to be paid to, and is accepted by, the City.

(e) No Other Payments

Except as is expressly set forth in Section 2 or 3, the Tribe shall not be required pursuant to this MOU or otherwise to:

(i) make any payments, reimbursements, contributions or investment to, through or on behalf of the City for any taxes, fees, charges, cost reimbursements, service fees or other assessments;

(ii) pay the City any other contributions or payments in mitigation of any economic or other impacts of the Project or any other developments on the Trust Property; or

(iii) acquire rights to any real property, grant or transfer to the City any rights to any real property, place any conservation or other easement on any real property, or otherwise agree to forgo any rights with respect to any real property.

5. Environmental Review

(a) NEPA Matters

The Parties acknowledge their understanding that (i) in connection with the Secretary's decision with respect to whether to accept trust title to the Property, the Secretary will be required to comply with NEPA, (ii) the Secretary has accepted the Tribe's request to prepare an EIS, as distinguished from a less comprehensive environmental assessment, (iii) the Secretary has and will continue to provide public notices relating to the preparation of an EIS in accordance with NEPA, (iv) the Secretary has provided the City and other Public Entities, and will provide the public, with the opportunity to comment on the draft EIS, and (v) the City's opportunity to comment on the draft EIS will include the opportunity to comment on the adequacy of any proposed mitigation measures intended to mitigate possible impacts of the Trust Acquisition and the Project.

(b) Environmental Laws

In connection with the Tribe's application to the Secretary to accept trust title to the Property, the Tribe shall provide the Secretary with such information, assistance and cooperation as shall be necessary or appropriate to enable the Secretary to comply with the following federal statutes, Executive Orders, regulations, standards and processes, to the extent applicable:

(i) the Endangered Species Act;

(ii) the Farmland Protection Policy Act;

(iii) the National Historic Preservation Act;

(iv) the Clean Air Act;

(v) the National Ambient Air Quality Standards;

(vi) Executive Order No. 11988 (Floodplain Management);

(vii) Executive Order No. 11990 (Protection of Wetlands);

(viii) Section 404 of the Clean Water Act; and

(ix) Executive Order No. 12898 (Federal Actions to Address Environmental Justice in Minority Populations and Low Income Populations).

(c) CEQA Matters

(i) The Trust Acquisition, the Federal and State Actions, the Project and the approval, execution, delivery, performance and consummation of the transactions contemplated by this MOU are not activities that, within the meaning of CEQA, (A) are directly undertaken by the City and the surrounding communities, (B) are supported, in whole or in part, through contracts, grants, subsidies, loans or other forms of assistance from the City or the surrounding communities, or (C) involve the issuance of a lease, permit, license, certificate or other entitlement for use by the City or the surrounding communities.

(ii) By approving, executing, delivering, performing and consummating the transactions contemplated by this MOU, the City does not and does not commit itself to, (A) issue any lease, permit, license, certificate or entitlement for use, (B) develop, construct or improve any facilities or cause any other physical changes to the environment, or (C) approve, shape, deliberate on or otherwise exercise judgment over the Trust Acquisition, the Federal and State Actions or the Project.

(iii) The Trust Acquisition, the Federal and State Actions and the Project, the approval, execution and delivery of this MOU and the performance and consummation of the transactions contemplated by this MOU are not "projects" (as such term is defined in CEQA) of the City.

(iv) This MOU should be construed to be a government payment and funding mechanism which does not commit the City or County to make any physical changes in the environment.

(v) The City does not, in any event, have sufficient information as of the date of this MOU to make any commitment to the Tribe to make any physical changes in the environment.

(vi) If and to the extent the City hereafter determines that it is required to comply with CEQA with respect to any "project" (as such term is defined in CEQA) which causes a physical change in the environment, the City fully intends to comply with CEQA at such time.

6. Additional Tribal Covenants

(a) City Services

The Parties acknowledge that, under the current design of the Project, the Tribe has not requested the City to provide, and the City does not hereby commit itself to provide, water, wastewater, electricity, natural gas or telecommunications services to the Project, the Property or the Trust Property.

(b) City Water and Wastewater Services

The Parties acknowledge that the Tribe has not yet determined whether it intends to request the City to provide water or wastewater services to the Project, the Property or the Trust Property. Any such arrangements for City water or wastewater services shall be made solely by and between the Tribe and the City, shall be addressed by separate arrangements, and shall not entitle the Tribe to any deduction of, or offset against, contributions required by this MOU. The Parties further acknowledge and agree that, based on the information available to the Parties as of the date of this MOU, the Tribe would be able to develop, construct and operate its own water and wastewater systems on the Property or the Trust Property and, therefore, the Tribe would be able to develop, construct and operate the Project if it did not obtain water or wastewater services from the City.

(c) Other Wastewater Matters

In the event the Tribe develops and constructs its own wastewater treatment system on the Trust Property, the Tribe shall (i) obtain a National Pollution Discharge Elimination System permit for wastewater discharge if and as required by the Clean Water Act (33 U.S.C. § 1311) from the United States Environmental Protection Agency, and (ii) construct a tertiary treatment system or similar system. To the extent feasible and commercially reasonable (as determined by the Tribe), the Project shall incorporate measures to minimize wastewater flows and use recycled water.

(c) Employment of City Residents

The Parties acknowledge that, in the County MOU, the Tribe agreed to work in good faith with the City, the City of Chowchilla, and the County to employ qualified residents of the County at the Facility to the extent permitted by applicable law. In the County MOU, the Tribe agreed to a goal that fifty percent (50%) of the new hires will be County residents to the extent permitted by applicable law. The Tribe shall work in good faith with the City to employ qualified residents of the City at the Facility to the extent permitted by applicable law. The goal will be that thirty-three percent (33%) of the new hires from the County will be residents of the City to the extent permitted by applicable law. Prior to the opening of the Facility, the Tribe shall offer training programs to assist City residents to become qualified for employment. Nothing in this Section shall be interpreted to limit or modify the Tribe's policy of Indian preference in employment.

(d) No Submission to Jurisdiction

The Parties acknowledge and agree that nothing in this MOU shall be construed as constituting a submission by the Tribe to the jurisdiction of the City or County. Nothing in this MOU shall be construed to state or imply that the Tribe would be required to make the contributions or covenants set forth in this MOU other than pursuant to the terms and conditions of this MOU.

7. Mutual Aid Arrangements

(a) Mutual Aid

Upon the request of the Tribe, the City or its departments will enter into good faith negotiations with the Tribe to execute and deliver a mutual aid agreement or other arrangements with the Tribe on mutually agreeable terms relating to fire protection, emergency medical, first responder and law enforcement responses.

(b) Law Enforcement

Upon the request of the Tribe, the City or its departments will enter into good faith negotiations with the Tribe to execute and deliver agreements or arrangements on mutually agreeable terms relating to investigation, jurisdictional or other similar issues. The Tribe acknowledges that, pursuant to, and to the extent set forth in, federal Public Law 280 as in effect and construed as of the date of this MOU, most State criminal laws will have the same force and effect on the Trust Property as they have elsewhere in the State and the County Sheriffs or City Police departments will have jurisdiction over most offenses committed by or against Indians on the Trust Property. However, nothing in this Subsection or any agreement entered into pursuant to this Subsection does or is intended to create City, County, State or other Public Entity jurisdiction over the Tribe on the Trust Property.

(c) Additional Mutual Aid Arrangement Matters

The Parties do not intend that (i) the Tribe shall make any contributions or payments to the City or any other entity pursuant to the mutual aid or other agreements or arrangements contemplated by this Section; (ii) the Tribe shall be required to include the City as a party to, or obtain the approval of the City for, any such mutual aid or other agreements or arrangements between the Tribe and any entity other than the City. The City acknowledges that it currently has mutual aid agreements or arrangements with the County and other cities or jurisdictions surrounding the City relating to fire protection, emergency medical, first responder and law enforcement responses.

8. Term

(a) Effective Date

This MOU shall not become effective unless and until the following events have occurred:

(i) This MOU has been approved or ratified by the City Council approved as to form by the City Attorney, and executed and delivered by the City; and

(ii) This MOU has been approved or ratified by the Tribal Council of the Tribe, approved as to form by legal counsel to the Tribe, and executed and delivered by the Tribe.

(b) Expiration Date

Subject to the early termination provisions of this MOU, this MOU shall expire on the latter of (i) the twentieth (20th) anniversary of the date of this MOU, or (ii) the date of the expiration or termination of the Tribal-State Compact.

9. Termination Events

Unless otherwise agreed by the Parties, this MOU shall automatically terminate in the event, and on the date, that:

(a) after the Trust Acquisition Date, (i) the Trust Property (A) is thereafter no longer "Indian country" within the meaning of federal law, (B) is removed from trust or restricted status such that the Trust Property is no longer held in trust by the United States for the benefit of the Tribe, or (C) is not eligible for the development or operation of the Project or the Facility for any reason and (ii) the Tribe ceases gaming operations on the Trust Property; or the Tribe submits a written notice to the City to the effect that the Tribe has permanently decided (i) to withdraw or not submit any application requesting that the Secretary accept trust title to the Property for the benefit of the Tribe or (ii) to otherwise cease the development or operation of the Project; or

(b) after the Tribal-State Compact becomes effective, such Tribal-State Compact expires or terminates for any reason or is determined by the Secretary or any court of competent jurisdiction to be unlawful or otherwise ineffective for any reason; or

(c) the Tribe ceases gaming operations on the Trust Property.

10. Suspension Events

If, due to Force Majeure (as hereinafter defined), an act of God, valid business considerations, or the events listed in Section 11, a material portion of the gaming operations previously conducted by the Tribe on the Trust Property are suspended or terminated, the Parties' obligations under this MOU shall be suspended as of the date of such suspension or termination until such time as such operations are resumed. For the purposes of this Section, the term "Force Majeure" shall include, without limitation, the following: earthquake; flood; fire; other natural disasters; changes in law, regulation or governmental policy that has a material adverse affect on the Project; riots; war; or terrorism. Nothing in this Section shall reduce the Tribe's liability for contributions or other payments which become due and payable prior to the date such gaming operations are suspended or terminated.

11. Negotiation Provision

(a) Tribe Renegotiation Events

The Tribe may request that the City renegotiate one or more of the provisions of this MOU if there is a change in law or other circumstances which has a significant and adverse financial impact on the Project or the Facility. Such changes shall be deemed to include, without limitation, the following:

(i) any change in State or federal constitutions, laws, rules or regulations, guidelines or bulletins, or the construction or interpretation thereof, relating to IGRA or gaming on Indian lands, or ending the prohibition on Class III gaming (as defined in IGRA) or the operation of gaming devices by non-Indians in the State;

(ii) a reduction in the scope of gaming permitted on the Trust Property, whether pursuant to a change in federal, State or local constitutions, laws, rules or regulations, the Tribal-State Compact or otherwise; or (iii) the Tribal-State Compact, as amended or interpreted from time to time, (A) does not authorize the Tribe to conduct the scope of Class III (as defined in IGRA) gaming activities authorized by the State 1999 model Tribal-State Gaming Compact, or (B) does not authorize the Tribe to operate at least 2000 gaming devices.

(b) City Renegotiation Events

At the City's request, the Tribe shall renegotiate one or more of the provisions of this MOU if the Tribe materially expands the public spaces of the Facility.

(c) Effect of Expiration or Termination

Upon expiration or termination of this MOU, the provisions of this MOU shall be of no further force or effect and none of the provisions of this MOU shall survive such expiration or termination; provided, however, that the Tribe shall continue to make contributions pursuant to the terms of this MOU which became due and payable prior to any expiration or termination date.

(d) Renegotiation Procedures

All requests by either Party to renegotiate or amend this MOU shall be by written notice addressed to the other Party and shall identify the provisions of this MOU to be negotiated. Upon receipt of such notice, the Parties shall be obligated to renegotiate this MOU in good faith. The Parties shall confer promptly and determine a schedule for commencing negotiations within fifteen (15) days of receipt of notice. The Parties are hereby authorized to designate the person or agency responsible for conducting the negotiations, and shall execute any documents necessary to do so. The purpose of the negotiations will be to renegotiate the provisions of this MOU in good faith so that the Parties will retain substantially the same rights and economic benefits in the aggregate from the Project as contemplated on the date of execution of this MOU. Any requested increase in the level of contributions made by the Tribe pursuant to this MOU shall be consistent with payments by other commercial developers in the City and should account for payments made by the Tribe to the County pursuant to the County MOU.

12. Severability

(a) If any provision of this MOU is held by the Secretary, the arbitrators or a court of competent jurisdiction to be illegal, invalid, unenforceable, or unauthorized under present or future laws, the remaining provisions of this MOU shall remain in full force and effect and shall not be affected by the illegal, invalid, unenforceable, unauthorized or non-compliant provision or by its severance from this MOU. In the event of any such determination, the Parties shall enter into good faith negotiations to replace the invalid provision with a valid provision, the economic effect of which comes as close as possible to that of the invalid provision, which negotiations shall be conducted pursuant to the provisions of Subsection 11(d) of this MOU.

(b) In the event that the entire MOU is declared null and void or is unauthorized, the Parties shall enter into good faith negotiations to negotiate a new memorandum of understanding.

13. Scope

This MOU is intended to apply and shall be construed to apply solely to the Property and, after the Trust Acquisition Date, solely to the Trust Property and shall not be construed to apply to any other property.

14. Dispute Resolution Provisions

(a) Dispute Resolution

In an effort to foster good government-to-government relationships and to ensure implementation of this MOU, the Parties agree to the dispute resolution procedures set forth in this Section.

(b) Meeting

The Parties shall make their best efforts to resolve any dispute specifically arising under this MOU by good faith negotiations whenever possible. The parties shall meet and confer in good faith to resolve any disputes arising under the MOU or concerning its terms or administration as follows:

(i) A Party shall give the other Party, as soon as possible after the dispute arises, written notice setting forth, with specificity, the Party's claims.

(ii) The Parties shall meet and confer in a good faith attempt to resolve such dispute through negotiation not later than ten (10) days after receipt of notice, unless the Parties agree in writing to an extension of time.

(c) Arbitration

If such dispute is not resolved to the satisfaction of the Parties within thirty (30) calendar days after the first meeting, then the Parties may seek to have the dispute resolved by arbitration in accordance with the following procedures:

(i) Upon the request of a Party in writing, the dispute shall be submitted to binding arbitration in accordance with this Subsection.

(ii) The disputes to be submitted to arbitration shall be limited to disputes specifically arising under this MOU.

(iii) In the event that there is any dispute as to whether a matter is subject to the arbitration provisions of this MOU, or any dispute concerning the scope of the matter or matters to be arbitrated, the disagreement as to whether the dispute is subject to the arbitration provisions of this MOU or the scope of such arbitration shall be resolved by the courts referenced in Subsection (d) of this Section.

(iv) The arbitration shall be administered by three (3) arbitrators. The Tribe and the City shall each select one (1) arbitrator and those two (2) arbitrators shall select the third arbitrator. All arbitrators shall be generally familiar with federal Indian law, and commercial business transactions and shall have no interest in the matter.

(v) The arbitration shall be held in Fresno, California, or at such other location as is mutually agreeable to the Parties.

(vi) The arbitration shall be administered in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as modified by the provisions of this MOU.

(vii) The provisions of Section 1283.05 of the California Code of Civil Procedure shall apply; provided that no discovery authorized by that Section may be conducted without leave of the arbitrators.

(viii) Each side shall bear its own costs, attorneys' fees and one-half the costs and expenses of the arbitrators.

(ix) Subject to the provisions of this Section, the arbitrators shall be empowered to grant compensatory and declaratory relief only.

(x) The decision of the arbitrators shall be in writing and shall give reasons for the decision.

(d) Confirmation of Decisions

Any Party to an arbitration in which a decision has been made pursuant to this Section may petition the federal District Court for the Eastern District of California or the State Superior Court for Madera County to affirm the decision. The Parties expressly consent to be sued in such Courts for affirmation of any such decision. A decision shall be affirmed, provided that:

(i) The decision is limited to matters specifically arising under this MOU.

(ii) No monetary damages may be awarded except those which require the payment of sums pursuant to breaches of obligations of the Parties under this MOU and which are not inconsistent with Section 16 (Damages) and the Tribe's limited waiver of sovereign immunity as set forth in Subsection 15(b) (Limited Waiver of Immunity).

(iii) No person or entity other than the Parties is party to the action, unless failure to join a third party would deprive the court of jurisdiction; provided that nothing herein shall be construed to constitute a waiver of the sovereign immunity of the Parties in respect to any such third party.

If an award is affirmed, judgment shall be entered in conformity therewith. The judgment so entered has the same force and effect as, and is subject to all the provisions of law relating to, a judgment in a civil action and may be enforced like any other judgment of the court in which it is entered.

(e) Actions

The express waivers and consents provided for in this Section and Section 15 shall only extend to the following: civil actions specifically arising under this MOU; civil actions to compel arbitration; civil actions to determine whether a matter is subject to arbitration or determine the scope of the arbitration; any arbitration proceeding as provided herein; any action to confirm or enforce any judgment or arbitration award as provided herein; and any appellate proceedings emanating from a matter in which an immunity waiver has been granted. Except as stated herein or elsewhere in this MOU, no other waivers or consents to be sued, either express or implied, are granted by either Party.

(f) Other Dispute Resolutions

This Section may not be construed to waive, limit, or restrict the ability of the Parties to pursue, by mutual agreement, any other method of dispute resolution, including, but not limited to, mediation or utilization of a technical advisor to the Parties; provided, however, that no Party is under an obligation to agree to such alternative method of dispute resolution.

(g) Confidentiality

The Parties agree that any dispute resolution meetings or communications, arbitration proceedings, or agreements among the Parties settling or otherwise relating to any claims of breach of this MOU or otherwise shall be and remain confidential to the extent not prohibited by

applicable law.

15. Limited Waiver of Sovereign Immunity

(a) Waiver

Subject to the provisions of this Section, the Tribe expressly and irrevocably waives sovereign immunity (and any defenses based thereon) in favor of the City (but not as to any other person or entity) as to any disputes specifically arising under this MOU and not as to any other actions, matters or disputes.

(b) Limitations on Tribe's Waiver

The Tribe's waiver of sovereign immunity in favor of the City is specifically limited to permitting, and does permit, the decisions referenced in Subsection 14(c)(ix) and actions referenced in Subsection 14(e). The arbitrators and the courts will have no authority or jurisdiction to issue any monetary award or damages or order the execution or enforcement of any monetary award or damages against any assets or revenues of the Tribe except for the Tribe's share of the net revenues (as defined by IGRA) from the Facility. The Tribe does not waive its sovereign immunity with respect to (i) actions by third parties, or (ii) disputes between the Tribe and the City which do not specifically arise under this MOU.

(c) Tribal Council Resolution

The Tribe represents to the City that that Tribal Council of the Tribe has adopted a resolution in accordance with the Tribe's Constitution which provides that (i) the Tribal Council has the authority to act on behalf of the Tribe in connection with the execution and delivery of this MOU, (ii) the Tribal Council delegates authority to the Chairperson of the Tribe to execute and deliver this MOU on behalf of the Tribe and (iii) the Tribe waives sovereign immunity on a limited basis as set forth in this MOU. A certified copy of the resolution is attached to this MOU as Exhibit B.

16. Damages

The Parties hereby agree that, in the event of default, any damages awarded or arising under this MOU shall be exclusively limited to actual direct damages incurred and which have been demonstrated with substantial certainty. In no instance shall the Parties to this MOU be entitled to special, incidental, indirect, consequential or punitive damages, lost profits or attorney's fees. By acceptance and execution of this MOU, the Parties hereby agree that the only monetary damages contemplated by the Parties as arising from this MOU are actual or direct damages which do not, in any event, exceed the contribution amounts expressly stated in this MOU and that the Parties are precluded from asserting any claims for additional or other monetary damages.

17. Indemnification

The Tribe agrees to indemnify, defend 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 any action or proceeding filed against the City which challenges the City's approval, execution or delivery of this MOU on the basis of claims related to CEQA; provided, however, that the City's defense shall be conducted by outside legal counsel selected by the Tribe and acceptable to the City.

18. Third Party Matters

This MOU is not intended to, and will not be construed to, create any right on the part of any other third party to bring any action or to otherwise enforce any of its terms.

19. Binding MOU

This MOU is intended to be, and shall be construed to be, binding upon the Parties and all successors and successors-in-interest of each Party, including, in the case of the City, future City Councils, and, in the case of the Tribe, future Tribal Councils. The City intends that its approval, execution, delivery and performance of this MOU shall (i) be construed to be administrative actions, as distinguished from legislative actions, and (ii) not be construed to be an express or implied enactment, adoption or amendment of any zoning ordinance, general plan, special plan or elements thereof.

20. Notice

All notices required by this MOU will be deemed to have been given when made in writing and delivered or mailed to the Party and its representatives at their respective addresses as set forth below, or such other address as they may provide to the other Party from time to time:

For the Tribe: North Fork Rancheria of Mono Indians of California
P.O. Box 929
North Fork, California 93643
Telephone: (559) 877-2461
Fax: (559) 877-2467
Attention: Chairperson

With a copy to: Maier Pfeffer & Kim, LLP
510 16th Street, Suite 302
Oakland, California 94612
Telephone: (510) 835-3020
Fax: (510) 835-3040
Attention: John A. Maier, Esq.

For the City: City of Madera
205 W. 4th Street
Madera, CA 93637
Telephone: (559) 664-9222
Fax: (559) 664-9215
Attention: Mayor of the City
City Attorney

21. Governing Law

This MOU shall be governed by, and construed in accordance with, the laws of the State.

22. Construction of MOU

This MOU, together with all Exhibits hereto, constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes all prior negotiations, representations or other agreements, whether written or oral. In the event of a dispute between the Parties as to the language of this MOU or the construction or meaning of any term hereof, this MOU shall be deemed to have been drafted by the Parties in equal parts so that no presumptions or inferences concerning its terms or interpretation may be construed against, or in favor of, any Party based on the preparation or negotiation of this MOU. The headings contained in this MOU are for convenience of reference only and shall not affect the construction or interpretation hereof.

23. Approval by the Department of the Interior

Although the Parties believe approval is not required, the Parties will submit this MOU to the Department of the Interior for either (a) approval pursuant to 25 U.S.C. §81 or (b) a written response that this MOU does not require approval under 25 U.S.C. §81.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have executed this MOU as of the date first set forth above.

CITY OF MADERA, CALIFORNIA

Date: 10-25, 2006

By: _____
Robert L. Poythress
Mayor

CITY OF MADERA INCORPORATED March 27, 1907 CALIFORNIA

APPROVED AS TO LEGAL FORM BY
CITY ATTORNEY:

Date: 25 Oct, 2006

By: _____
Joseph A. Soldani, Esq.
City Attorney

NORTH FORK RANCHERIA OF MONO
INDIANS OF CALIFORNIA

Date: Oct. 19, 2006

By: _____
Judy E. Fink
Chairperson

APPROVED AS TO LEGAL FORM BY
LEGAL COUNSEL TO THE TRIBE:

Date: Oct 23, 2006

By: _____
John A. Maier, Esq.
MAIER PFEFFER & KIM, LLP
Legal Counsel to the Tribe

EXHIBIT A
TO MEMORANDUM OF UNDERSTANDING

PROPERTY DESCRIPTION

Real Property in the unincorporated area of the County of Madera, State of California, described as follows:

Parcel No. 1: APN: 033-030-010 thru 015 and 017

Parcels 1, 2, 3, 4, 5, 6 and 8 of Parcel Map 3426 in the unincorporated area of the County of Madera, State of California, as per map recorded September 7, 1995, in Book 44, Pages 15 and 16 of Parcel Maps, in the office of the County Recorder of said county.

EXHIBIT B

Tribal Council Resolution

EXHIBIT B
TO MEMORANDUM OF UNDERSTANDING
TRIBAL COUNCIL RESOLUTION

RESOLUTION 06-26

Resolution Authorizing a Limited Waiver of Sovereign Immunity with Respect to the Approval of a Memorandum of Understanding with the City of Madera

WHEREAS: The North Fork Rancheria of Mono Indians of California (the "Tribe") is a federally recognized Indian tribe organized pursuant to the Constitution of the Tribe (the "Constitution"); and

WHEREAS: Article III, Section 2 of the Constitution provides that the governing body of the Tribe is the Tribal Council; and

WHEREAS: Article VI, Section 1 of the Constitution provides the Tribal Council with the authority, on behalf of the Tribe, to negotiate, execute and deliver agreements with local governments and to provide a limited waiver of the Tribe's sovereign immunity; and

WHEREAS: The Tribe desires to enter into a legally binding intergovernmental agreement with the City of Madera (the "City") to mitigate any off-reservation impacts of its proposed gaming facility to be located on Indian lands located near Avenue 17 and Highway 99 in an unincorporated area of Madera County; and

WHEREAS: The Tribal Council, with the assistance of counsel, has negotiated a Memorandum of Understanding (the "MOU") between the Tribe and the City; and

WHEREAS: The Tribal Council has determined that it is in the best interests of the Tribe to enter into the MOU with the City; and

WHEREAS: The Tribal Council recognizes the need for the Tribe to provide a limited waiver of sovereign immunity with regard to disputes specifically arising under the MOU, and to consent to arbitration and to the limited jurisdiction of the courts as

provided and to the extent set forth in the MOU.

NOW, THEREFORE, BE IT RESOLVED, the Tribal Council, as provided and to the extent set forth in the MOU, hereby: (i) grants a limited waiver of the Tribe's sovereign immunity in favor of the City (but not as to any other person or entity) pertaining solely to disputes specifically arising under the MOU, and (ii) consents to arbitration and to the limited jurisdiction of the courts; and

BE IT FURTHER RESOLVED, the Tribal Council hereby approves the MOU on behalf of the Tribe and authorizes Judy E. Fink, the Chairperson of the Tribe, to execute and deliver the MOU to the appropriate City officials on behalf of the Tribe; and

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

CERTIFICATION

As Tribal Secretary of the North Fork Rancheria of Mono Indians of California, I certify that at a meeting of the Tribal Council of the North Fork Rancheria of Mono Indians of California, called and convened on the **17TH day of October, 2006**, at which a legal quorum was present, this resolution was adopted by a vote of 5 For 0 Against, and 0 Abstaining, and said resolution has not been rescinded or amended in any way.

Jacqueline Davis-Van Huss, Secretary — October 17, 2006 Date

Attested to by:

Judy E. Fink, Tribal Chairperson — October 17, 2006 Date

RESOLUTION NO. 06-307

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA APPROVING MEMORANDUM OF UNDERSTANDING WITH THE NORTH FORK RANCHERIA OF MONO INDIANS OF CALIFORNIA RELATED TO INTERGOVERNMENTAL RELATIONS BETWEEN THE PARTIES IN CONNECTION WITH THE ESTABLISHMENT OF A RESORT CASINO AND HOTEL IN THE VICINITY OF THE CITY

WHEREAS, the City of Madera (the "City") is aware of the proposal by the North Fork Rancheria of Mono Indians of California (the "Tribe") to build and operate a resort casino and hotel (the "Project") on Indian lands located in the County of Madera in close proximity to the City; and

WHEREAS, in an effort to foster good government-to-government relations and to mitigate possible impacts of the Project on the City, the Tribe and the City have negotiated a Memorandum of Understanding ("MOU"); and

WHEREAS, the MOU establishes intergovernmental funding mechanisms to assist the City so that the Project will not place a financial burden on the City; and

WHEREAS, the MOU further provides charitable funding to enhance City programs designed to improve the lives of all City residents, including the youth of low income families; and

WHEREAS, the Tribe may proceed with the Project without receiving any approval, license, contract or other entitlement from the City; and

WHEREAS, after public hearing the City has determined that the provisions for intergovernmental funding contained in the MOU will mitigate the financial concerns which the City has regarding the Project; and

WHEREAS, the County of Madera has entered into a similar Memorandum of

Understanding with the Tribe to address the County's financial concerns.

NOW THEREFORE, THE COUNCIL OF THE CITY OF MADERA does hereby resolve, find and order as follows:

1. The above recitals are true and correct.
2. The MOU between the City and the Tribe is hereby approved.
3. The Mayor is authorized to execute the MOU on behalf of the City.
4. This resolution is effective immediately upon adoption.

* * * * * * * * * * *

PASSED AND ADOPTED by the City Council of the City of Madera this 18 day of October, 2006 by the following vote:

AYES: Council Member Poythress, Mindt, Armentrout, Wells, Skeels.

NOES: None.

ABSENT: None.

Robert L. Poythress, Mayor

ATTEST:
SONIA ALVAREZ
CITY CLERK

By Sonia Alvarez

CITY OF MADERA INCORPORATED March 27, 1907 CALIFORNIA

APPROVED AS TO FORM:
JOSEPH A. SOLDANI
CITY ATTORNEY

By Joseph A. Soldani

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made this 19th day of December, 2006, by and between the Madera Irrigation District (the "District") and the North Fork Rancheria of Mono Indians of California (the "Tribe"). (The capitalized terms not otherwise defined herein shall have the meanings set forth in Section 1 below.)

RECITALS

WHEREAS, the Tribe is a federally recognized Indian tribe; and

WHEREAS, the District is a public agency of the State of California, duly organized, existing and acting pursuant to the laws thereof as a California Irrigation District;

WHEREAS, the federal government terminated its government-to-government relationship with the Tribe pursuant to the California Rancheria Act of 1958; and

WHEREAS, pursuant to litigation, the federal government's government-to-government relationship with the Tribe has been restored; and

WHEREAS, the Secretary does not hold title to land in trust for the benefit of the Tribe which is eligible for gaming; and

WHEREAS, the Tribe has identified the Property, which is located in an unincorporated area of the County within the District Service Area, as land which the Tribe desires to be taken into trust for the purposes of gaming; and

WHEREAS, the Tribe has requested the Secretary to accept trust title to the Property for the benefit of the Tribe and to determine that the Trust Property is eligible for gaming under IGRA;

WHEREAS, the Secretary is preparing an EIS pursuant to NEPA as part of the Trust Acquisition process; and

WHEREAS, after the Trust Acquisition Date, the Tribe intends to use the Trust Property for the development, construction and operation of the Project; and

WHEREAS, the Tribe does not intend to make any physical changes to the environment on the Property prior to the Trust Acquisition Date; and

WHEREAS, the Tribe has not requested the District to issue, the District does not intend to commit itself to issue, and the Tribe would be able to consummate the Trust Acquisition and develop, construct and operate the Project if the District does not issue, any lease, permit, license, certificate or other entitlement for use relating to the Trust Acquisition, the Federal and State Actions or the Project; and

WHEREAS, by executing, delivering and performing this MOU, the District does not intend to express its approval or disapproval of the Project, or to exercise discretionary judgment over the Trust Acquisition, the Federal and State Actions or the Project; and

WHEREAS, the Trust Acquisition, the Federal and State Actions and the Project are not "projects" of the District within the meaning of CEQA and are not subject to the discretionary approval of the District; and

WHEREAS, after the Trust Acquisition Date, the District does not have the legal authority to assess taxes, fees or other assessments against the Trust Property or to collect taxes or other assessments from the Tribe; and

WHEREAS, although not legally required to do so, the Tribe nevertheless desires to make voluntary contributions to the District to mitigate potential impacts of the Trust Acquisition and the Project on the District; and

WHEREAS, the Tribe intends that the total amount of the contributions which the Tribe will make to the District pursuant to this MOU will exceed the total amount of the taxes, fees and other assessments the District would receive from a private developer of a comparable project; and

WHEREAS, but for this MOU, the District would not receive such contributions from the Tribe; and

WHEREAS, the Tribe is not legally required to enter into this MOU in order to consummate the Trust Acquisition and the Federal and State Actions or develop, construct and operate the Project; and

WHEREAS, the District Board of Directors has determined that it is in the best interests of the District to enter into this MOU; and

WHEREAS, the District and the Tribe desire to establish a cooperative and mutually respectful relationship.

NOW, THEREFORE, the Parties hereby agree as follows:

1. Definitions

The terms not defined elsewhere in this MOU shall have the following meanings:

"CEQA" means the California Environmental Quality Act (California Public Resources Code § 21000 et seq.) and the guidelines promulgated thereunder, as the same may be amended or modified from time to time.

"County" means Madera County, California, a political subdivision of the State, and its Departments, agencies and subdivisions.

"CPI Adjustment" means an annual adjustment in the applicable dollar amount which (i) is effective as of July 1 of each year, as applicable, during the term of this MOU and (ii) is equal to the percentage change in the U.S. Department of Labor's Consumer Price Index for all Urban Consumers (CPI-U), U.S. city average for all items, for the previous May to May period, rounded to the nearest Thousand Dollars.

"District" means the Madera Irrigation District, an irrigation district duly organized under the laws of the State and the provisions of the act approved March 7, 1887 (St. 1887, p. 29).

"EIS" means an environmental impact statement prepared by the Secretary as part of the Trust Acquisition process.

"Facility" means the gaming facility and those rooms, buildings, and areas, including parking lots and walkways, a principal purpose of which is to serve the activities of the gaming facility which are located on the Trust Property and described in the EIS.

"Federal and State Actions" means (i) the consummation of the Trust Acquisition, (ii) the NIGC Approvals, (iii) the negotiation and execution of the Tribal-State Compact by the State Governor, the ratification of the Tribal-State Compact by the State legislature and the approval of the Tribal-State Compact by the Secretary, and (iv) the issuance or completion by federal, state or regional Public Agencies of approvals, permits, licenses, certifications, opinions or consultations requested by the Tribe in connection with the Trust Acquisition or the Project.

"IGRA" means the Indian Gaming Regulatory Act of 1988 (25 U.S.C. § 2701 *et seq.*) and the regulations promulgated thereunder, as the same may be amended or modified from time to time.

"MOU" means this Memorandum of Understanding, as the same may be amended by written agreement of the District and the Tribe from time to time.

"NEPA" means the National Environmental Policy Act (42 USC § 4321 *et seq.*) and the regulations promulgated thereunder, as the same may be amended or modified from time to time.

NIGC" means the National Indian Gaming Commission established pursuant to IGRA.

"NIGC Approvals" means (i) the approval by the NIGC of the Tribe's Tribal Gaming Ordinance and (ii) the approval by the Chairman of the NIGC of the Management Agreement between the Tribe and SC Madera Management, LLC.

"Opening Date" means the date on which the Tribe commences commercial gaming operations open to the public on the Trust Property.

"Party" means the District or the Tribe.

"Parties" means the District and the Tribe.

"Project" means the development, construction and operation of the Facility on the Property or the Trust Property.

"Property" means a parcel of approximately 305 acres of land which is located within the unincorporated area of the County and which is identified by the legal description set forth on Exhibit A hereto, or any portion of such land.

"Public Entity" means any federal, State, regional or local government entity, public authority, public agency, public corporation or any subdivision thereof.

"Secretary" means the Secretary of the United States Department of the Interior or his or her representative.

"State" means the State of California.

"Tribe" means the North Fork Rancheria of Mono Indians of California, a federally recognized tribe listed in the Federal Register as the Northfork Rancheria of Mono Indians of California.

"Tribal-State Compact" means all Tribal-State Gaming Compacts for the Project entered into between the Tribe and the State pursuant to IGRA, as approved by the Secretary or allowed to become effective by operation of law pursuant to IGRA.

"Trust Acquisition" means (i) the acquisition by the United States of title to the Property in trust for the benefit of the Tribe, and (ii) the determination by the Secretary or the NIGC that the Trust Property is eligible for gaming pursuant to the requirements of IGRA.

"Trust Acquisition Date" means the date on which the deed to the Property has been conveyed to and executed by the Secretary such that (i) the Trust Property is held in trust for the benefit of the Tribe and (ii) the Secretary or the NIGC has determined that the Trust Property is eligible for gaming pursuant to the requirements of IGRA.

"Trust Property" means, after the Trust Acquisition Date, that portion of the Property which is owned by the United States in trust for the benefit of the Tribe.

"Water Balance" means an accounting of the inputs and outputs of water.

2. Recurring Mitigation Contributions

(a) Recurring Contributions In-lieu of Tax Assessments

In order to mitigate potential economic impacts of the Project on the District related to the loss of tax revenues as a result of the Trust Acquisition, the Tribe shall, as a government funding mechanism, commencing no later than thirty (30) days after the acquisition by the United States of title to the Property in trust for the benefit of the Tribe, contribute to the District recurring contributions in the amount of Eleven Thousand Five Hundred Dollars ($11,500) per annum in lieu of any stand by or other fees, assessments, and taxes to the District related to the Property.

(b) Recurring Contributions For Aquifer Recharge

In order to mitigate potential impacts of the Project on the groundwater basin in the District, the Tribe shall, as a government funding mechanism, no later than thirty (30) days after the acquisition by the United States of title to the property, contribute to the District recurring contributions in the amount of Thirty Six Thousand Dollars ($36,000) per annum as an equitable share of costs associated with District activities such as recharge efforts to help address the overdraft of the groundwater basin associated with the Trust Property. The Parties acknowledge and agree that the amount of this contribution is sufficient to compensate the District for up to 450 acre feet of annual water usage on the Trust Property.

(c) Annual Adjustment

The dollar amounts of the contributions referenced in Section 2(a) and 2(b) shall be adjusted by the CPI Adjustment as of the July 1 following the Opening Date and each July 1 thereafter.

(d) Payment for Exceedences

In the event the amount of annual water usage monitored and reported by the Tribe pursuant to Section 4(c) exceeds 450 acre feet, within thirty (30) days of the District's receipt of such report, the Tribe shall replace the difference between the actual water usage and 450 acre feet by either (1) paying to the District the equivalent of the current market cost to deliver the replacement water, including all transfer and wheeling fees, to the District, or (2) purchasing and delivering such replacement water to the District.

(e) Payment Terms

Where recurring contributions are to be made on a per annum basis, the contribution shall be made in two (2) equal semiannual installments, unless the recipient agrees otherwise. The first recurring contribution shall be prorated for the applicable period. Unless otherwise specified, the first recurring contribution shall be made thirty (30) days after the acquisition by the United States of title to the Property in trust for the benefit of the Tribe.

(f) Contribution Terms

The Parties acknowledge and agree that, in the event the Trust Acquisition Date or the Opening Date does not occur for any reason, contributions payable after the Trust Acquisition Date or the Opening Date, as the case may be, shall not be due, provided, however, that so long as the United States owns the Property in trust for the benefit of the Tribe, Recurring Contributions In-Lieu of Tax Assessments under Paragraph 2(a) herein shall continue and, if the Tribe pursues other development options, the Tribe shall work with the District to develop an alternative MOU to address water supply, water quality, flood control and other water-related impacts.

3. Environmental Review

(a) NEPA Matters

The Parties acknowledge their understanding that (i) in connection with the Secretary's decision with respect to whether to accept trust title to the Property, the Secretary is required to comply with NEPA, (ii) the Secretary has accepted the Tribe's request to prepare the EIS, as distinguished from a less comprehensive environmental assessment, (iii) the Secretary has and will continue to provide public notices relating to the preparation of the EIS in accordance with NEPA, (iv) the Secretary has provided the District and other Public Entities, and will provide the public, with the opportunity to comment on the draft EIS, and (v) the District's opportunity to comment on the draft EIS includes the opportunity to comment on the adequacy of any proposed mitigation measures intended to mitigate potential impacts of the Trust Acquisition and the Project.

(b) Environmental Laws

In connection with the Tribe's application to the Secretary to accept trust title to the Property, the Tribe shall provide the Secretary with such information, assistance and cooperation as shall be necessary or appropriate to enable the Secretary to comply with the following federal statutes, Executive Orders, regulations, standards and processes, to the extent applicable:

(i) the Endangered Species Act;

(ii) the Farmland Protection Policy Act;

(iii) the National Historic Preservation Act;

(iv) the Clean Air Act;

(v) the National Ambient Air Quality Standards;

(vi) Executive Order No. 11988 (Floodplain Management);

(vii) Executive Order No. 11990 (Protection of Wetlands);

(viii) Section 404 of the Clean Water Act; and

(ix) Executive Order No. 12898 (Federal Actions to Address Environmental Justice in Minority Populations and Low Income Populations).

(c) CEQA Matters

(i) The Trust Acquisition, the Federal and State Actions, the Project and the approval, execution, delivery, performance and consummation of the transactions contemplated by this MOU are not activities that, within the meaning of CEQA, (A) are directly undertaken by the District and the surrounding communities, (B) are supported, in whole or in part, through contracts, grants, subsidies, loans or other forms of assistance from the District or the surrounding communities, or (C) involve the issuance of a lease, permit, license, certificate or other entitlement for use by the District or the surrounding communities.

(ii) By approving, executing, delivering, performing and consummating the transactions contemplated by this MOU, the District does not, and does not commit itself to, (A) issue any lease, permit, license, certificate or entitlement for use, (B) develop, construct or improve any facilities or cause any other physical changes to the environment, or (C) approve, shape, deliberate on or otherwise exercise judgment over the Trust Acquisition, the Federal and State Actions or the Project.

(iii) The Trust Acquisition, the Federal and State Actions and the Project, the approval, execution and delivery of this MOU and the performance and consummation of the transactions contemplated by this MOU are not "projects" (as such term is defined in CEQA) of the District.

(iv) This MOU is intended and should be construed to be a government payment and funding mechanism which does not commit the District or the Cities to make any physical changes in the environment.

(v) The District does not, in any event, have sufficient information as of the date of this MOU to make any commitment to the Tribe to make any physical changes in the environment.

(vi) If and to the extent the District hereafter determines that it is required to comply with CEQA with respect to any "project" (as such term is defined in CEQA) which causes a physical change in the environment, the District fully intends to comply with CEQA at such time.

4. Minimizing Impacts on Water Resources

The Parties acknowledge their understanding that potential effects to water resources, including surface water and groundwater, associated with development of the Project and any other reasonably foreseeable future uses of the Property, will be analyzed in the Water Balance in the EIS being prepared by the Bureau of Indian Affairs.

(a) Grading and Drainage

A grading and drainage plan has been prepared as part of the Project to ameliorate the loss of floodplain storage on the Trust Property. The plan incorporates fill to elevate the finished floor of the Facility at least one foot above the elevation of the Federal Emergency Management Agency 100-year floodplain to minimize the impact of a significant flood event on the building structure and patron safety. The resulting loss of floodplain storage and increased stormwater runoff will be mitigated under the plan through the construction of an onsite detention system, including a storm drainage basin, grassy swales, and stormwater detention basins. This detention system will accommodate excess water draining from impervious surfaces, minimize impacts on water quality from stormwater runoff, and provide some recharge to the groundwater basin.

(b) Wastewater

Wastewater treatment and disposal may occur either on-site or off-site at the City of Madera wastewater treatment plant. In the event the Tribe develops and constructs its own wastewater treatment system on the Trust Property, the Tribe shall construct an immersed membrane bioreactor system or similar system to provide tertiary-treated water for reuse or disposal. The treated effluent will comply with California Department of Health Services' regulations under Title 22, Division 4, Chapter 3 of the California Administrative Code and the Regional Water Quality Control Board Basin Plan. The Project shall incorporate measures to minimize wastewater flows and to use the reclaimed water for such purposes as toilet flushing and landscape irrigation.

In the event the Tribe develops and constructs its own wastewater treatment system on the Trust Property, the Tribe shall provide the District the right to purchase surplus treated effluent at the going market rate for Class II water, provided, however, that the treated effluent achieves the requisite standards for agricultural use for crops intended for human consumption. Any remaining treated effluent which is not recycled or purchased by the District may be discharged through surface water disposal, spray

disposal, sub-surface disposal, or a combination of these methods, provided that the Tribe shall consult with the District prior to such discharge to (1) identify impacts to the District's operations from the discharge and (2) take whatever mutually agreeable actions are necessary to mitigate such impacts. If surface water disposal is used, the Tribe would be required to obtain a National Pollutant Discharge Elimination System permit for wastewater discharge into the on-site creek as required by the Clean Water Act (33 U.S.C. § 1311) from the United States Environmental Protection Agency.

(c) Reporting

The Tribe shall monitor its water usage on the Trust Property and report annually to the District on such usage.

5. Confirmation of Rights

(a) Right to Farm

The Tribe recognizes the importance of agriculture to the economy of Madera County and supports the operation of properly conducted agricultural operations within the County of Madera. The Tribe acknowledges the possible inconvenience or discomfort arising from such operations, including, but not limited to, noise, odors, fumes, dust, smoke, insects, operation of machinery (including aircraft) during any 24 hour period, storage and disposal of manure, and the application by spraying or otherwise of chemical fertilizers, soil amendments, herbicides and pesticides. The Tribe is prepared to accept such inconveniences or discomfort as a normal and necessary aspect of operating the Project in a County where agriculture is the primary economic engine and recognizes the right of farms and agricultural operations located near the Facility to engage in agricultural activities for commercial purposes in a manner consistent with proper and accepted customs and standards without incurring liability for nuisance as set forth under California Civil Code Section 3482.5. The Tribe has no jurisdiction, intent, or inherent sovereign powers to interfere with the right to farm as guaranteed under State or local law.

(b) Existing Entitlements

The District has existing easements, rights of way, and rights to maintain and operate its irrigation canals and pipelines that encumber portions of the Property. The Tribe is aware of these encumbrances on the Property and recognizes the District's rights in this regard. These encumbrances run with the land and therefore remain in effect regardless of ownership. Thus, the Trust Acquisition will not impact the District's rights with respect to the encumbrances.

6. Promotion of Local Agriculture

The Tribe recognizes the importance of agriculture to the economy and character of Madera County and intends to promote local agriculture by: (i) establishing arrangements with local providers for the sale and purchase of local agricultural products at the Facility, and (ii) establishing an agricultural demonstration project for educational purposes on the Property.

(a) Water and Agricultural Advisory Committee

To facilitate a constructive and mutually beneficial relationship between the Tribe and the local agricultural community, the Tribe and the District shall establish an advisory committee to be known as the Water and Agricultural Advisory Committee to advise the Tribe in the development and implementation of the Tribe's efforts to promote local agriculture. The Water and Agricultural Advisory Committee shall be composed of at least one (1) representative of the District and one (1) representative of the Tribe, but may be expanded upon mutual agreement of the Tribe and the District to include representatives from interested agencies and organizations such as the Madera County Farm Bureau with expertise in agricultural production, commerce, or education. The Water and Agricultural Advisory Committee shall meet on an as-needed basis, but no less than twice per year, in accordance with procedures established by such Committee.

7. Term

(a) Effective Date

This MOU shall not become effective unless and until the following events have occurred:

(i) this MOU has been approved or ratified by the District Board of Directors, approved as to form by the District Counsel, and executed and delivered by the District; and

(ii) this MOU has been approved or ratified by the Tribe's Tribal Council, approved as to form by legal counsel to the Tribe, and executed and delivered by the Tribe.

(b) Expiration Date

Subject to the early termination provisions of this MOU, this MOU shall expire on the later of (i) the twentieth (20th) anniversary of the date of this MOU, or (ii) the date of the expiration or termination of the initial term of the Tribal-State Compact.

(c) Automatic Extensions

If this MOU has not been terminated prior to its expiration date, this MOU shall be automatically extended for a period of twenty (20) years; provided, however, that,

commencing not later than one hundred eighty (180) days prior to such expiration date, the Parties shall meet and confer to determine whether to adjust the dollar amounts of the recurring contributions made by the Tribe under this MOU. As part of such determination, the Parties shall consider whether such dollar amounts are: (i) sufficient to mitigate the project's environmental and economic impacts on the resources of the District, and (ii) consistent with payments by other commercial developers in the District. If the Parties determine there is no need to adjust such dollar amounts, or if the Parties otherwise are unable to agree upon any such new dollar amounts, the then existing dollar amounts shall remain in effect, and, if such dollar amounts are annually adjusted by the CPI Adjustment, they shall continue to be annually adjusted by the CPI Adjustment.

8. Termination Events

Unless otherwise agreed by the Parties, this MOU shall automatically terminate in the event, and on the date, that:

(a) after the Trust Acquisition Date, the Trust Property (A) is thereafter no longer "Indian country" or "Indian lands" within the meaning of federal law, or (B) is removed from trust or restricted status such that the Trust Property is no longer held in trust by the United States for the benefit of the Tribe; or

(b) the Tribe submits a written notice to the District to the effect that the Tribe has permanently decided to withdraw or not submit any application requesting that the Secretary accept trust title to the Property for the benefit of the Tribe.

9. Suspension Events

If, due to Force Majeure (as hereinafter defined), an act of God, valid business considerations, or the events listed in Section 11, a material portion of the gaming operations previously conducted by the Tribe on the Trust Property are suspended or terminated such that the Tribe's water usage on the Property ceases, the Parties' obligations under Paragraph 2(b) of this MOU shall be suspended as of the date of such suspension or termination until such time as such operations are resumed. For the purposes of this Section, the term "Force Majeure" shall include, without limitation, the following: earthquake; flood; fire; other natural disasters; changes in law, regulation or governmental policy that has a material adverse affect on the Project; riots; war; or terrorism. Nothing in this Section shall reduce the Tribe's liability for Recurring Contributions In-Lieu of Tax Assessments under Paragraph 2(a) of this MOU or payments which become due and payable prior to the date such gaming operations are suspended or terminated.

10. Effect of Expiration or Termination

Upon the expiration or termination of this MOU, the provisions of this MOU shall be of no further force or effect and none of the provisions of this MOU shall survive such expiration or termination; provided, however, that the Tribe shall continue to make contributions pursuant to the terms of this MOU which became due and payable prior to any expiration or termination date.

11. Renegotiation Provision

(a) Tribe Renegotiation Events

The Tribe may request that the District renegotiate one or more of the provisions of this MOU if there is a change in law or other circumstances which results in a permanent and significant reduction in the amount of water consumed on the Property. For the purposes of this Paragraph, "permanent and significant reduction" shall mean a reduction of at least thirty percent (30%) over the remaining term of this MOU.

(b) District Renegotiation Events

At the District's request, the Tribe shall renegotiate one or more of the provisions of this MOU in the event the annual water usage on the Trust Property exceeds 525 acre feet.

(d) Renegotiation Procedures

All requests by either Party to renegotiate or amend this MOU shall be by written notice addressed to the other Party and shall identify the provisions of this MOU to be negotiated. Upon receipt of such notice, the Parties shall be obligated to renegotiate this MOU in good faith. The Parties shall confer promptly and determine a schedule for commencing negotiations within fifteen (15) days of receipt of notice. The Parties are hereby authorized to designate the person or agency responsible for conducting the negotiations, and shall execute any documents necessary to do so. The purpose of the negotiations will be to renegotiate the provisions of this MOU in good faith so that the Parties will retain substantially the same rights and economic benefits in the aggregate from the Project as contemplated on the date of execution of this MOU. Any requested increase in the level of contributions made by the Tribe pursuant to this MOU shall be consistent with payments by other commercial developers in the District.

12. Tribal District Advisory Committee

(a) Jurisdiction

The District and the Tribe agree to establish a committee to be known as the Tribal District Advisory Committee. Matters within the jurisdiction of the Tribal District

Advisory Committee shall include questions related to implementation of this MOU and concerns over any matter within the scope of this MOU.

(b) Composition

The Tribal District Advisory Committee shall be composed of three (3) representatives of the District and three (3) representatives of the Tribe.

(c) Meeting Times

The Tribal District Advisory Committee shall meet on an as-needed basis, but not, in any event, less than annually, in accordance with procedures established by such Committee.

(d) Authority

The Tribal District Advisory Committee may make recommendations to the Tribe and the District which both Parties shall consider before implementing any actions concerning the subject matter of this MOU.

13. Severability

(a) If any provision of this MOU is held by the Secretary, the arbitrators or a court of competent jurisdiction to be illegal, invalid, unenforceable, or unauthorized under present or future laws, the remaining provisions of this MOU shall remain in full force and effect and shall not be affected by the illegal, invalid, unenforceable, unauthorized or non-compliant provision or by its severance from this MOU. In the event of any such determination, the Parties shall enter into good faith negotiations to replace the invalid provision with a valid provision, the economic effect of which comes as close as possible to that of the invalid provision, which negotiations shall be conducted pursuant to the provisions of Subsection 11(d) of this MOU.

(b) In the event that the entire MOU is declared null and void or is unauthorized, the Parties shall enter into good faith negotiations to negotiate a new memorandum of understanding.

14. Scope

This MOU is intended to apply and shall be construed to apply solely to the Property and, after the Trust Acquisition Date, solely to the Trust Property and shall not be construed to apply to any other property.

15. Dispute Resolution Provisions

(a) Dispute Resolution

In an effort to foster good government-to-government relationships and to assure that the Tribe is not unreasonably prevented from engaging in gaming and other commercial activities and benefiting therefrom, the Parties agree to the dispute resolution procedures set forth in this Section.

(b) Meeting

The Parties shall make their best efforts to resolve any dispute specifically arising under this MOU by good faith negotiations whenever possible. The Parties shall meet and confer in good faith to resolve any disputes arising under the MOU or concerning its terms or administration as follows:

(i) A Party shall give the other Party, as soon as possible after the dispute arises, written notice setting forth, with specificity, the Party's claims.

(ii) The Parties shall meet and confer in a good faith attempt to resolve such dispute through negotiation not later than 10 days after receipt of notice, unless the Parties agree in writing to an extension of time.

(c) Arbitration

If such dispute is not resolved to the satisfaction of the Parties within sixty (60) calendar days after the first meeting, then the Parties may seek to have the dispute resolved by arbitration in accordance with the following procedures:

(i) Upon the request of a Party in writing, the dispute shall be submitted to binding arbitration in accordance with this Subsection.

(ii) The disputes to be submitted to arbitration shall be limited to disputes specifically arising under this MOU.

(iii) In the event that there is any dispute as to whether a matter is subject to the arbitration provisions of this MOU, or any dispute concerning the scope of the matter or matters to be arbitrated, the disagreement as to whether the dispute is subject to the arbitration provisions of this MOU or the scope of such arbitration shall be resolved by the courts referenced in Subsection (d) of this Section.

(iv) The arbitration shall be administered by three (3) arbitrators. The Tribe and the District shall each select one (1) arbitrator and those two (2) arbitrators shall select the third arbitrator. All arbitrators shall be generally familiar with federal Indian law and commercial business transactions and shall have no interest in the matter.

(v) The arbitration shall be held in Fresno, California, or at such other location as is mutually agreeable to the Parties.

(vi) The arbitration shall be administered in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as modified by the provisions of this MOU.

(vii) The provisions of Section 1283.05 of the California Code of Civil Procedure shall apply; provided that no discovery authorized by that Section may be conducted without leave of the arbitrators.

(viii) Each side shall bear its own costs, attorneys' fees and one-half the costs and expenses of the arbitrators.

(ix) The arbitrators shall be empowered to grant compensatory and declaratory relief, but not specific performance.

(x) The decision of the arbitrators shall be in writing and shall give reasons for the decision.

(d) Confirmation of Decisions

Any Party to an arbitration in which a decision has been made pursuant to this Section may petition the federal District Court for the Eastern District of California or the State Superior Court for Madera County to affirm the decision. The Parties expressly consent to be sued in such Courts for affirmation of any such decision. A decision shall be affirmed, provided that:

(i) The decision is limited to matters specifically arising under this MOU.

(ii) No monetary damages may be awarded except those which require the payment of sums pursuant to breaches of obligations of the Parties under this MOU and which are not inconsistent with Section 17 and the Tribe's limited waiver of sovereign immunity as set forth in Subsection 16(b).

(iii) No person or entity other than the Parties is a party to the action, unless failure to join a third party would deprive the court of jurisdiction; provided that nothing herein shall be construed to constitute a waiver of the sovereign immunity of the Parties in respect to any such third party.

If an award is affirmed, judgment shall be entered in conformity therewith. The judgment so entered has the same force and effect as, and is subject to all the provisions of law relating to, a judgment in a civil action and may be enforced like any other judgment of the court in which it is entered.

(e) Actions

The express waivers and consents provided for in this Section and Section 16 shall only extend to the following civil actions specifically arising under this MOU: civil actions to compel arbitration; civil actions to determine whether a matter is subject to arbitration or to determine the scope of the arbitration; any arbitration proceeding as provided herein; any action to confirm or enforce any judgment or arbitration award as provided herein; and any appellate proceedings emanating from a matter in which an immunity waiver has been granted. Except as stated herein or elsewhere in this MOU, no other waivers or consents to be sued, either express or implied, are granted by either Party.

(f) Other Dispute Resolutions

This Section may not be construed to waive, limit, or restrict the ability of the Parties to pursue, by mutual agreement, any other method of dispute resolution, including, but not limited to, mediation or utilization of a technical advisor to the Parties; provided, however, that no Party is under an obligation to agree to such alternative method of dispute resolution.

(g) Confidentiality

The Parties agree that any dispute resolution meetings or communications, arbitration proceedings, or agreements between the Parties settling or otherwise relating to any claims of breach of this MOU or otherwise shall be and remain confidential to the extent not prohibited by applicable law.

16. Limited Waiver of Sovereign Immunity

(a) Waiver

Subject to the provisions of this Section, the Tribe expressly and irrevocably waives sovereign immunity (and any defenses based thereon) in favor of the District (but not as to any other person or entity) as to any disputes specifically arising under this MOU and not as to any other actions, matters or disputes.

(b) Limitations on Tribe's Waiver

The Tribe's waiver of sovereign immunity in favor of the District is specifically limited to permitting, and does permit, the decisions referenced in Subsection 15(c)(ix) and actions referenced in Subsection 15(e). The arbitrators and the courts will have no authority or jurisdiction to issue any monetary award or damages or order the execution or enforcement of any monetary award or damages against any assets or revenues of the Tribe except for the Tribe's share of the net revenues (as defined by IGRA) from the Facility. The Tribe does not waive its sovereign immunity with respect to (i) actions by

third parties, or (ii) disputes between the Tribe and the District which do not specifically arise under this MOU.

(c) Tribal Council Resolution

The Tribe represents to the District that the Tribal Council of the Tribe has adopted a resolution in accordance with the Tribe's Constitution which provides that (i) the Tribal Council has the authority to act on behalf of the Tribe in connection with the execution and delivery of this MOU, (ii) the Tribal Council delegates authority to the Chairperson of the Tribe to execute and deliver this MOU on behalf of the Tribe and (iii) the Tribe waives sovereign immunity on a limited basis as set forth in this MOU. A certified copy of the resolution is attached to this MOU as Exhibit B.

17. Damages

The Parties hereby agree that, in the event of default, any damages awarded or arising under this MOU shall be exclusively limited to actual direct damages incurred and which have been demonstrated with substantial certainty. In no instance shall the Parties to this MOU be entitled to special, incidental, indirect, consequential or punitive damages, lost profits or attorney's fees. By acceptance and execution of this MOU, the Parties hereby agree that the only monetary damages contemplated by the Parties as arising from this MOU are actual or direct damages which do not, in any event, exceed the contribution amounts expressly stated in this MOU and that the Parties are precluded from asserting any claims for additional or other monetary damages.

18. Indemnification

The Tribe agrees to indemnify, defend and hold harmless the District from and against any and all claims, losses, proceedings, damages, causes of action, liability, costs and expenses (including reasonable attorneys' fees) arising from any action or proceeding filed against the District which challenges the District's approval, execution or delivery of this MOU on the basis of claims related to CEQA; provided, however, that the District's defense shall be conducted by outside legal counsel selected by the Tribe and acceptable to the District.

19. Third Party Matters

This MOU is not intended to, and will not be construed to, create any right on the part of any third party to bring any action or to otherwise enforce any of its terms.

20. Binding MOU

This MOU is intended to be, and shall be construed to be, binding upon the Parties and all successors and successors-in-interest of each Party, including, in the case of the District, future District Boards of Directors, and, in the case of the Tribe, future Tribal Councils. The District intends that its approval, execution, delivery and performance of this MOU shall (i) be construed to be administrative actions, as distinguished from legislative actions, and (ii) not be construed to be an express or implied enactment, adoption or amendment of any zoning ordinance, general plan, special plan or elements thereof.

21. Notice

All notices required by this MOU will be deemed to have been given when made in writing and delivered or mailed to the Party and its representatives at their respective addresses as set forth below, or such other address as they may provide to the other Party from time to time:

For the Tribe:

North Fork Rancheria of Mono Indians of California
P.O. Box 929
North Fork, California 93643
Telephone: (559) 877-2461
Fax: (559) 877-2467
Attention: Chairperson

With a copy to:

Maier Pfeffer & Kim, LLP
510 16th Street, Ste, 302
Oakland, California 94612
Telephone: (510) 835-3020
Fax: (510) 835-3040
Attention: John A. Maier, Esq.

For the District:

Madera Irrigation District
12152 Road 28 ¼
Madera, CA 93637-9199
Telephone: (599) 673-3514
Fax: (599) 673-0564
Attention: President of the Board of Directors

22. Governing Law

This MOU shall be governed by, and construed in accordance with, the laws of the State.

23. Construction of MOU; Amendment

This MOU, together with all Exhibits hereto, constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes all prior negotiations, representations or other agreements, whether written or oral. In the event of a dispute between the Parties as to the language of this MOU or the construction or meaning of any term hereof, this MOU shall be deemed to have been drafted by the Parties in equal parts so that no presumptions or inferences concerning its terms or interpretation may be construed against, or in favor of, any Party based on the preparation or negotiation of this MOU. The headings contained in this MOU are for convenience of reference only and shall not affect the construction or interpretation hereof. This MOU may not be amended except by the mutual written agreement of both Parties.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have executed this MOU as of the date first set forth above.

MADERA IRRIGATION DISTRICT

Date: December 19, 2006

By: _____
Ronald H. Pistoresi
President of the Board of Directors

APPROVED AS TO LEGAL FORM BY
DISTRICT LEGAL COUNSEL:

Date: December 20, 2006

By: _____
Michael A. Campos, Esq.
District Legal Counsel

NORTH FORK RANCHERIA OF MONO
INDIANS OF CALIFORNIA

Date: December 19, 2006

By: _____
Judy E. Fink
Chairperson

APPROVED AS TO LEGAL FORM BY
LEGAL COUNSEL TO THE TRIBE:

Date: December 21, 2006

By: _____
John A. Maier, Esq.
Maier Pfeffer & Kim, LLP
Legal Counsel to the Tribe

EXHIBIT A
TO MEMORANDUM OF UNDERSTANDING

PROPERTY DESCRIPTION

Real Property in the unincorporated area of the County of Madera, State of California, described as follows:

Parcel No. 1: APN: 033-030-010 thru 015 and 017

Parcels 1, 2, 3, 4, 5, 6 and 8 of Parcel Map 3426 in the unincorporated area of the County of Madera, State of California, as per map recorded September 7, 1995, in Book 44, Pages 15 and 16 of Parcel Maps, in the office of the County Recorder of said county.

EXHIBIT B
TO MEMORANDUM OF UNDERSTANDING
TRIBAL COUNCIL RESOLUTION

RESOLUTION NO. 06-34

Resolution Authorizing a Limited Waiver of Sovereign Immunity with Respect to the Approval of a Memorandum of Understanding with the Madera Irrigation District

WHEREAS: The North Fork Rancheria of Mono Indians of California (the "Tribe") is a federally recognized Indian tribe organized pursuant to the Constitution of the Tribe (the "Constitution"); and

WHEREAS: Article III, Section 2 of the Constitution provides that the governing body of the Tribe is the Tribal Council; and

WHEREAS: Article VI, Section 1 of the Constitution provides the Tribal Council with the authority, on behalf of the Tribe, to negotiate, execute and deliver agreements with local governments and to provide a limited waiver of the Tribe's sovereign immunity; and

WHEREAS: The Tribe desires to enter into a legally binding intergovernmental agreement with the Madera Irrigation District (the "District") to mitigate groundwater impacts of its proposed gaming facility to be located on Indian lands located near Avenue 17 and Highway 99 in an unincorporated area of Madera County; and

WHEREAS: The Tribal Council, with the assistance of counsel, has negotiated a Memorandum of Understanding (the "MOU") between the Tribe and the District; and

WHEREAS: The Tribal Council has determined that it is in the best interests of the Tribe to enter into the MOU with the District; and

WHEREAS: The Tribal Council recognizes the need for the Tribe to provide a

limited waiver of sovereign immunity with regard to disputes specifically arising under the MOU, and to consent to arbitration and to the limited jurisdiction of the courts as provided and to the extent set forth in the MOU.

NOW, THEREFORE, BE IT RESOLVED, the Tribal Council, as provided and to the extent set forth in the MOU, hereby: (i) grants a limited waiver of the Tribe's sovereign immunity in favor of the District (but not as to any other person or entity) pertaining solely to disputes specifically arising under the MOU, and (ii) consents to arbitration and to the limited jurisdiction of the courts referenced in the MOU; and

BE IT FURTHER RESOLVED, the Tribal Council hereby approves the MOU on behalf of the Tribe and authorizes Judy E. Fink, the Chairperson of the Tribe, to execute and deliver the MOU to the appropriate District officials on behalf of the Tribe; and

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

CERTIFICATION

As Tribal Secretary of the North Fork Rancheria of Mono Indians of California, I certify that at a meeting of the Tribal Council of the North Fork Rancheria of Mono Indians of California, called and convened on the __11th____ day of December 2006, at which a legal quorum was present, this resolution was adopted by a vote of __3___ For __0__ Against, and __0__ Abstaining, and said resolution has not been rescinded or amended in any way.

Jacqueline Van Huss, Tribal Secretary

Dec. 11, 2006
Date

Attested to by:

Judy E. Fink, Tribal Chairperson

Dec. 11, 2006
Date