

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
YAVAPAI-PRESCOTT INDIAN TRIBE AND  
THE TOWN OF PRESCOTT VALLEY, ARIZONA

This Memorandum of Understanding is entered into and is effective as of February 11, 2010 by and between the Yavapai-Prescott Indian Tribe (“Tribe”), acting through its Board of Directors, and the Town of Prescott Valley, Arizona (“Town”), acting through its Town Council.

R E C I T A L S:

WHEREAS, the Tribe signed a Tribal-State Gaming Compact with the State of Arizona on May 20, 2003 (“Compact”); and

WHEREAS, Section 12 of the Compact, entitled “Payment of Regulatory Costs; Tribal Contributions” allows the Tribe to make 12% of its total contributions required by Section 12(b) of the Compact to cities, towns or counties for government services that benefit the general public, including public safety, mitigation of impacts of gaming, or promotion of commerce and economic development; and

WHEREAS, the parties have a common objective to allow the Tribe to specifically designate its contributions (“Funds”) to the Town for particular purposes pursuant to this Memorandum of Understanding (“MOU”);

NOW, THEREFORE, in consideration of the foregoing Recitals, the Parties agree as follows:

O P E R A T I O N:

1. The Tribe shall pay a portion of its annual 12% contribution for the calendar year 2008 required under Section 12(b) of the Compact to the Town. The Tribe shall make these payments in the manner and time required by Sections 12(d), (e), (f) and (g) of the Compact.

2. The Tribe shall pay the Funds to the Town in amounts and on such date(s) as designated by the Tribe for the specific purpose of assisting the Town with funding for the (1) Prescott Area Coalition for Tourism, (2) Boys and Girls Clubs of Central Arizona, (3) Junior Achievement of Arizona, Inc., (4) Arizona Women’s Heritage Trail, (5) Yavapai Big Brothers Big Sisters, (6) Highlands Center for Natural History and (7) Mayer Fire District (collectively “Recipients”). The Town and the Tribe agree that the Recipients are permitted purposes under Section 12 of the Compact. The Town shall disburse the Funds to the Recipients in amounts recommended by the Tribe within 20 days of the Town’s receipt of the Funds from the Tribe.

3. The Town shall enter into grant/funding agreements with the Recipients that provide the following:

(1) the Town shall disburse the Funds to the Recipients;

(2) the Recipients agree to not use the Funds for the purpose of attempting to influence legislation within the meaning of IRC Section 501(c)(3), to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, to induce or encourage violations of law or public policy, to cause any private inurement or improper private benefit to occur, nor to take any other action inconsistent with IRC Section 501(c)(3);

(3) the Town shall disburse the Funds to the Recipients in amounts recommended by the Tribe no later than twenty (20) days of the Town's receipt of the Funds from the Tribe; and

(4) incorporation by reference hereto of all other terms and conditions of this MOU.

4. The Town understands that the Tribe cannot make the contributions for any purpose other than that permitted by the Compact. Therefore, the Town must use the contribution only for the purposes stated herein. If any of the Recipients cease to exist or is otherwise unable to carry out its purposes hereunder, the Town shall have the authority to determine how to use and disburse the Funds and shall notify the Tribe within fifteen (15) days of such determination and the Town's use of the Funds.

5. Any notices relating to this MOU shall be sent by U. S. Mail, postage prepaid, to the following:

Tribe:

Yavapai-Prescott Indian Tribe  
ATTN: President  
530 E. Merritt  
Prescott, AZ 86301

The Town:

Town of Prescott Valley  
ATTN: Mayor  
7501 E. Civic Circle  
Prescott Valley, AZ 86314

6. This MOU is effective on the date written on the first page and shall continue unless terminated by any party upon 30 days' written notice. This MOU will terminate in the event of lack of funding by the Tribe from the operation of its Gaming Facilities, as defined by the Compact or a change in any other applicable law that no longer requires the Tribe to make such contributions. This MOU will also terminate if any of the Recipients cease to exist, or is otherwise unable to carry out its purposes. This MOU may be modified or amended only by written agreement among the parties.

7. This MOU does not confer any rights or benefits on any third party, the Town, the Recipients or any other distributee of the Tribe's contributions.

8. Nothing in this agreement obligates the Tribe to make (1) any current or future expenditures in advance of the availability of gaming revenues from its Class III Net Win or (2) any future contributions to the Town or any of the Recipients beyond calendar year 2010, unless this MOU is extended upon written agreement by the Tribe and the Town.

9. The Town shall perform all services provided under this Agreement in compliance with all applicable laws and regulations of the Tribe and all federal, state and local government entities.

10. Questions relating to the validity of the MOU, its interpretation, its performance and its enforcement, shall be brought in the Yavapai-Prescott Tribal Court. All such questions shall be governed by and construed in accordance with Tribal law. In the event that there is no applicable Tribal ordinance, federal law shall apply, and in the absence of federal law, the law of the State of Arizona shall apply.

11. Nothing contained in this Agreement shall be construed as a waiver of the Tribe's sovereign immunity.

12. The Town shall retain and shall require the Recipient to retain all data and records relating to the performance of this MOU. All such data and records shall be subject to inspection by the Tribe. Upon request, the Town and/or the Recipients shall produce legible copies of any such data and records. At any time during the term of this MOU or any extensions thereof and one (1) year thereafter, the Town's and/or the Recipients' books and records shall be subject to audit by the Tribe or its auditors to the extent that such books and records relate to the performance of this MOU.

13. The Town shall provide to the Tribe at the end of each fiscal year either financial statements prepared in accordance with federal single audit regulations or financial statements prepared in accordance with generally accepted accounting principles, relating to the Town's performance and the Recipients' receipt of Funds under this MOU.

DATED: \_\_\_\_\_

YAVAPAI-PRESCOTT INDIAN TRIBE

By \_\_\_\_\_  
Ernest Jones, Sr., President

By \_\_\_\_\_  
Lorna Galeano, Secretary/Treasurer

DATED: \_\_\_\_\_

TOWN OF PRESCOTT VALLEY

By \_\_\_\_\_  
Harvey C. Skoog, Mayor

By: \_\_\_\_\_  
Diane Russell, Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Ivan Legler, Town Attorney