

INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Agreement (“Agreement”) is dated and effective as of July 1, 2025 by and between the Pechanga Band of Indians, a federally recognized Indian tribe (the “Tribe”), and the City of Temecula, California (the “City”), which are referred to herein collectively as “the Parties” and as to each as a “Party”. The terms “City” and “Tribe” as used herein shall include the Parties’ governmental entities, departments and officials unless otherwise stated.

RECITALS

WHEREAS, the Tribe is a federally-recognized Indian Tribe located on federal trust lands which are located within the geographic boundaries of Riverside County (the “County”) and abut or are near City boundaries; and

WHEREAS, the Tribe has inhabited the Temecula Valley for more than 10,000 years (and according to tribal history and culture, since time immemorial); and

WHEREAS, the Pechanga Indian Reservation was established by Executive Order of the President of the United States on June 27, 1882, affirming the Tribe’s sovereignty and land-base; and

WHEREAS, the Tribe operates a casino featuring Class II and Class III gaming activities, as authorized under the Indian Gaming Regulatory Act (“IGRA”) and that includes a hotel and related amenities (the “Gaming Facility”) which serves to generate independent tribal resources to provide for the health, education, employment, government, general welfare, safety, and cultural needs of the Tribe; and

WHEREAS, the Pechanga Band of Indians generates substantial positive economic, fiscal, and social impacts in Temecula, Riverside County, and surrounding areas. Through direct expenditures related to the tribal government and the operation of gaming and non-gaming-related businesses (such as Pechanga Resort Casino, Temecula Creek Inn, and Pechanga RV Resort), the Tribe actively supports the local economy by making significant contributions to local employment, wages, production, and more. In 2021, Pechanga’s government operations and gaming and non-gaming businesses in Riverside County collectively contributed to an estimated total economic output of \$1.1 billion. This supported 6,468 jobs, contributed \$313.6 million in total labor income (wages and benefits), and generated \$154.4 million in tax revenue at various government levels. Statewide, estimated economic output reached \$1.3 billion, supporting 7,279 jobs, contributing a total of \$384.7 million in labor income, and generating \$181.2 million in tax revenue. Since 2004, Pechanga has provided over \$40 million directly to the City of Temecula for infrastructure improvements and public safety services, including grants of \$5 million for improvements to the I-15 South/Temecula Pkwy off-ramp and construction of an auxiliary lane on the Northbound onramp from Temecula Parkway to the Northbound off ramp to Rancho California Road.

WHEREAS, in addition to the Gaming Facility, which has become a major tourism driver to the Temecula Valley, bringing millions of dollars into the local economy, the Tribe has successfully developed and acquired other economic development or governmental projects that

service the Tribe and the community, including a convenience store, golf course, cultural center, museum, gas station, car wash, RV park, marketplace, and the Temecula Creek Inn resort; and

WHEREAS, To further the government-to-government partnership between the Tribe and City and to foster long-term mutual cooperation, the Tribe has offered to renew this voluntary Intergovernmental Agreement with the City; and

WHEREAS, the Parties recognize that this Agreement is intended to further the government-to-government relationship between the Parties and build trust, mutual respect, good will and cooperation for the benefit of the entire community; and

NOW, THEREFORE, the Parties agree as follows:

AGREEMENT

SECTION 1. PURPOSE OF AGREEMENT

1.1. The purpose of this Agreement is to set forth certain agreements of the Parties that are intended to:

- a. Continue to build and maintain a mutually beneficial government-to-government relationship between the Tribe and the City; and
- b. Create a process to resolve disputes that may arise between the City and the Tribe under this Agreement;
- c. Identify ways for the Tribe and the City to work together to provide additional services and benefits to the Tribal community and the residents of the City of Temecula.
- d. Provide certainty with respect to future planning and development activities throughout the community.

SECTION 2. DEFINITIONS.

The following terms shall be defined in this Agreement as set forth in this Section:

- 2.1. "City" means the City of Temecula, an incorporated California city that is located within the boundaries of the County.
- 2.2. "County" means Riverside County, California.
- 2.3. "Effective Date" means the date this Agreement is executed by both Parties and so designated above in the introduction to this Agreement.
- 2.4. "Gaming Facility" means: (1) the gaming facility and hotel existing on the date of this Agreement that are located on the Reservation.
- 2.5. "IGRA" means the Indian Gaming Regulatory Act, 25 U.S.C. § 2701, *et seq.*
- 2.6. "Reservation" means those lands held in trust by the federal government for the benefit of the Tribe.
- 2.7. "Tribe" means the Pechanga Band of Indians, a federally recognized Indian tribe.
- 2.8. "Term" means the term of this Agreement.
- 2.9. "Voluntary Agreement" means this voluntary intergovernmental agreement.
- 2.10. "Work Plan" means the document, which provides a reasonable approximation of the delivery timeline and expenditures for projects and services which will be funded by the Pechanga Community Fund, as described in Section 4 below.

3 PECHANGA COMMUNITY FUND

3.1 Annual Funding. The Tribe will deposit Nine Hundred and Fifty Thousand Dollars (\$950,000.00) annually into the Pechanga Community Fund account for the purposes of funding programs and services that achieve the broad objectives below, which will be further outlined in a Work Plan, subject to mutual agreement on an annual basis by the Pechanga Tribal Council and the City. Funding purposes shall be focused on:

- a. Additional public safety services.
- b. Funding for traffic improvement projects and maintenance.
- c. Loans or payments to help cover the cost of bond financing for mutually agreed upon capital projects.

3.2 Capital Improvement Projects. The Tribe and City recognize that future Capital Improvement Projects may arise. Nothing herein shall preclude the Tribe and City from agreeing to additional grants for specific Capital Improvement Projects.

3.3 One-Time Grant. The Tribe will make a one-time deposit of Eight Hundred and Fifty Thousand Dollars (\$850,000.00) into the Pechanga Community Fund account for the purposes of funding programs and services as described in Section 3.1 of this Agreement as soon as practical following the approval of this Agreement by the parties.

4 CONFIDENTIALITY OF PROPRIETARY INFORMATION

4.1 To the extent authorized by the California Public Records Act (Government Code Section 7920.000, *et seq.*), and subject to all provisions of such Act, the Parties agree that proprietary and confidential operational and financial information shall be deemed confidential and shall not be shared with any third party. The Parties acknowledge and agree that such proprietary information includes all documents obtained, observations made, or conclusions drawn directly or indirectly under this Agreement concerning the proprietary operation or financial information concerning the Gaming Facility, including without limitation, where the source or information comes from, inspection reports, plan reviews, and all documents related to examinations of financial information, negotiations, consultations, disputes or other activities under this Agreement.

4.2 Prior to providing such information to the City, or permitting the City access to such information, but without implying that providing such access or information is necessarily required, the Tribe shall notify the City in writing that such information is confidential or proprietary.

4.3 The City shall promptly provide the Tribe notice of any Public Records Act request related to this Agreement and shall afford the Tribe, within the time limits allowed under the Public Records Act, an opportunity to seek an injunction by the Court against any such disclosure.

5 DISPUTE RESOLUTION

5.1 Meet and Confer Process. In recognition of the government-to-government relationship between the Tribe and the City, the Parties shall make their best efforts to resolve disputes that occur under this Agreement by good faith negotiations whenever possible. Therefore, the Parties hereby establish a threshold requirement that disputes arising under this Agreement shall first be subject to a good faith meet and confer procedure to give the Parties an opportunity to work together to solve identified issues.

5.2 Dispute Resolution Process. Disputes arising between the Parties regarding a Party's alleged failure to meet its obligations imposed by this Agreement, including a refusal to meet and confer, shall be addressed through the following process:

a. The Parties may meet and confer informally to discuss their concerns. This stage may include an informal exchange of views among Tribal and City personnel and shall remain confidential in accordance with applicable law.

b. A Party invoking the meet and confer provisions of this Agreement shall provide written notice to the other Party, identifying with specificity the alleged issue or issues, the specific provision breached, and the actions requested to resolve the dispute. Within seven (7) business days after receipt of the notice, the recipient party shall provide a written response agreeing or disagreeing with the complaint. If the Parties agree upon the issues complained of, they will set forth detailed steps to address the alleged breach of the Agreement. If the Parties disagree, they shall proceed in accordance with the next subsection, 6.2(c).

c. The Parties shall formally meet and confer in good faith within ten (10) business days of receipt of such notice, or at such other time as the Parties may agree in writing, to attempt to resolve the dispute. If both Parties agree, a mediator may be used to help resolve the dispute at this stage. The Parties and mediator, if any, shall ensure that any disputed issues are clearly and directly communicated according to any agreed upon process and timeline. Multiple meetings under this step may be reasonably required depending upon the nature of the dispute, provided that the meet and confer process shall be completed within thirty (30) days of formal initiation unless extended in writing by mutual agreement of the Parties.

d. To the extent allowed by law, such writings as may be prepared and transmitted between the Parties pursuant to this Section 6 shall be confidential.

6 BINDING ARBITRATION PROCEDURE

6.1 Subject to compliance with the meet and confer process stated above and the limitations herein as to the scope of any order, either Party may initiate binding arbitration to resolve any dispute arising out of this Agreement, regarding the interpretation of any the Agreement's provisions and/or rights and obligations of the Parties under the Agreement.

6.2 The arbitration shall be conducted by arbitrator(s) in accordance with the JAMS Comprehensive Arbitration Rules & Procedures (the "Rules") then in effect at the time of the initiation of arbitration. The arbitration shall take place in or near Temecula, including any location

on the Reservation, or at another location mutually agreed upon by the Parties. The arbitrator shall be a retired federal or California superior court judge selected pursuant to the following terms:

a. The arbitrator shall be from the list of prior approved arbitrators with experience in matters similar to the subject matter of this Agreement. In the event the Parties cannot agree upon an arbitrator, the Parties agree that Rule 15 of the Rules shall govern the selection of the arbitrator.

b. Subject to the terms of this Section, the arbitrator shall have jurisdiction to interpret and apply the terms of the Compact and this Agreement but shall lack jurisdiction to modify the Agreement or relieve a Party of its obligations, or add to those obligations under the Agreement, except in the event that material terms of this Agreement are determined to be void or that the provisions of the Compact are in material conflict with the terms of this Agreement. In the latter instance, the arbitrator may order the Agreement modified to conform to the Compact, with the least change necessary in order to maintain the relative positions of the Parties at the time the Agreement was entered into.

c. This Agreement does not provide for, and the arbitrator shall not have jurisdiction to order, remedies with respect to federal, state, or City laws, regulations, ordinances, codes or other laws against the City, including its government entities, officials, members or employees or its real property, and shall only consider or evaluate such laws and issue such orders as expressly permitted under this Agreement.

d. Equitable relief shall be limited to compelling some actual performance that is expressly described in this Agreement or preventing a Party from failing to take such action.

e. Any controversy regarding whether an issue is subject to arbitration shall be determined by the arbitrator, but the arbitrator's jurisdiction shall be limited to ordering forms of relief agreed to in this Agreement.

f. The arbitrator shall render an award consistent with Rule 24 of the Rules. The Parties agree to be bound by the provisions of Rule 17 of the Rules relating to informal and formal discovery rights and obligations, subject to the agreement of the Parties or order of the arbitrator otherwise. In any event, any discovery conducted shall be subject to the confidentiality provisions of this Agreement to the extent such provisions may be lawfully enforced, and the arbitrator shall make such orders as are necessary to enforce such provisions.

g. Following an arbitration order or award, either Party may appeal pursuant to the JAMS Optional Arbitration Appeal Procedure as set forth in Rule 34 of the Rules. In the event appeal is sought, no order of the arbitrator shall be considered to be final until the appeal is concluded, including any matters that may be pending as to such order by a reviewing court under Section 9.

7 JUDICIAL REVIEW AND ENFORCEMENT

7.1 The Parties agree that the prevailing party in any arbitration contemplated under Section 8 hereof may seek to confirm and enforce any arbitration award that has become

final by filing a petition with any Superior Court in the State of California, pursuant to the provisions of California Code of Civil Procedure, Section 1285, *et seq.* In any arbitration or court action, each Party shall bear its own costs and attorneys' fees in any court action or arbitration proceeding brought pursuant to this Agreement.

7.2 Nothing in this Agreement shall preclude or restrict the ability of Parties to voluntarily pursue, by mutual agreement, any other method of dispute resolution.

8 **NOTICES**

8.1 Notices pursuant to this Agreement and service of process in any judicial or arbitration proceeding is waived in favor of delivery of documents by (i) delivery by a reputable document delivery service, such as but not limited to, Federal Express, that provides a receipt showing date and time of delivery or (ii) by Certified Mail – Return Receipt Requested to the following:

8.2 For the Tribe:

Tribal Chairperson
Pechanga Band of Indians
12705 Pechanga Road
Temecula, CA 92592
Tel: 951-676-2768

With a copy simultaneously delivered to:

General Counsel
Pechanga Office of General Counsel
12705 Pechanga Road
Temecula, CA 92592
Tel: 951-770-6171

8.3 For the City:

City Manager
City of Temecula
41000 Main Street
Temecula, CA 92590
Tel: 951-506-5100

With copy simultaneously delivered to:

Peter M. Thorson
Richards, Watson & Gershon
350 South Grand Ave., 37th Floor
Los Angeles, CA 90071
Tel: 213-626-8484

8.4 Either Party may change the names and address to which notices and service of process may be delivered by written notice to such persons as listed in the subsection or by subsequent notice of changes.

9 MUTUAL LIMITED WAIVER OF SOVEREIGN IMMUNITY

9.1 The Parties agree that the Parties' waiver of immunity from arbitration or suit, or the enforcement of any order or judgment related thereto, is limited to the express provisions of Sections 7 and 8 of this Agreement, and neither the agreement to arbitrate nor any other provision of this Agreement shall be construed as creating any implied waiver of such immunity.

9.2 The Parties each expressly covenant and agree that they may each sue and be sued, including the resolution of disputes in arbitration and the judicial enforcement thereof, as provided in Sections 7 and 8 above, to resolve any controversy arising from this Agreement or to enforce or interpret the terms and conditions of this Agreement, as provided for in this Agreement. The Parties, their officers and agents expressly agree to waive governmental immunities, including sovereign immunity, in connection with any claims arising from this Agreement, as provided for herein for the enforcement of any arbitration award, or judgment to enforce such an award, or enforcement of any easement created as a result of this Agreement. The Parties further consent to the jurisdiction of an arbitrator and/or specified court under this Agreement including the consent to be sued and bound by a lawful order or judgment, to the extent provided for herein. Each of the Parties represent that its agreement to such dispute resolution processes and waivers has been effectively and lawfully granted and that nothing further needs to be done to effectuate those processes.

9.3 With respect to any action arising out of the Agreement for which there is a waiver of sovereign immunity, the Tribe and City expressly consent to the jurisdiction of the United States District Court for the Central District of California and, as limited herein to, the Superior Court of the State of California for Riverside County and all related appellate courts, and/or an arbitrator selected pursuant to this Agreement and specifically waive sovereign immunity for that purpose. The Parties specifically agree that the applicable court shall have jurisdiction to enter judgments enforcing rights and remedies provided for in this Agreement which shall be binding and enforceable on the Parties, subject to the limitations set forth in this Agreement. No Party to this Agreement shall contest jurisdiction or venue of the above-referenced courts, provided their jurisdiction and venue are invoked in the order specified, but only for disputes or claims arising out of this Agreement. Neither the Tribe nor the City shall plead or invoke the doctrine of exhaustion of Tribal or other administrative remedies, defenses of immunity or indispensable Parties beyond those contemplated in this Agreement.

9.4 The City and the Tribe may not join or consent to the joinder of any third party to any action (including but not limited to any arbitration) contemplated herein, unless failure to join such party would deprive the court or arbitration tribunal of jurisdiction; provided that nothing in this Agreement shall be construed to constitute a waiver of the sovereign immunity or other protection from lawsuit (or other dispute resolution process), or the effect, orders or judgments thereof, of either the Tribe or the City with respect to any claim of any kind by any such third party. In the event of intervention by any third party into any such action without the consent of the Tribe and the City, nothing herein shall be construed to constitute a waiver of any immunity

with respect to such third party, and no arbitrator or court shall have jurisdiction to award any relief or issue any order as against the City or Tribe with respect to such third party in that or any other proceeding.

10 MISCELLANEOUS PROVISIONS

10.1 No Authority Over Tribal Activities. Nothing in this Agreement is intended to confer or expand the jurisdiction of any local, state or federal agency or other governmental body, nor is this Agreement intended to infringe or otherwise usurp the authority of any regulatory body including local, state, federal or Tribal agencies that may have jurisdiction over or related to Tribal activities, development or Projects. Further, nothing in this Agreement shall be construed to relieve the Tribe's obligation to comply with the National Environmental Policy Act (NEPA) as may be required as part of any trust application or any other Project requirement.

10.2 No Third Party Beneficiaries. This Agreement is not intended to, and shall not be construed to, create any right on the part of a third party including, without limitation, no rights in any Interested Persons, nor does it create any private right of action for any third party nor permit any third party to bring an action to enforce any of its terms.

10.3 Amendments. This Agreement may be modified or amended only by mutual and written agreement of the Parties.

10.4 Final Agreement. This Agreement contains the entire agreement of the Parties as to the subject matter of this Agreement and supersedes any other agreements of the Parties to the contrary, except for those certain "Intergovernmental Agreement" between the Tribe and the City dated as of November 17, 2015, and July 1, 2021 which agreements shall remain in full force and effect in accordance with their terms without any changes. However, this Agreement shall not prohibit any future agreements contemplated by the Parties. Except as provided above, the Agreement is intended both as the final expression of the agreement between the Parties with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement consistent with California Code of Civil Procedure section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing approved and signed by the Parties.

10.5 Severability of Provisions. The invalidity of any provisions or portion of this Agreement as determined by a court of competent jurisdiction or any State or federal agency having jurisdiction and thereof and the authority to do so, shall not affect the validity of any other provisions of this Agreement or the remaining portions of the applicable provisions, unless such provision is material to the reasonable expectation of the Parties. Without limiting the foregoing, if any provision of the Agreement is declared invalid as aforesaid, then the Parties shall use their best efforts to renegotiate the terms of the invalid provisions.

10.6 Force Majeure. The Parties shall not be liable for any failure to perform, or for delay in performance of a Party's obligations, and such performance shall be excused for the period of the delay and the period of the performance shall be extended when a force majeure event occurs; provided however that the party whose performance is prevented or delayed by such event of force majeure shall give prompt written notice (i.e., within seventy-two (72) hours of the event)

of such event to the other party. For purposes of this Section, the term “force majeure” shall include, without limitation, war, epidemic, rebellion, riot, civil disturbance, earthquake, fire, flood, acts of governmental authorities (other than the City or Tribe), acts of God, acts of terrorism (whether actual or threatened), acts of the public enemy and in general, any other severe causes or conditions beyond the reasonable control of the Parties, the consequences of which in each case, by exercise of due foresight such party could not reasonably have been expected to avoid, and which by the exercise of due diligence it would not have been able to overcome, when such an event prevents the Tribe from performing at a level sufficient to meet its obligations under this Agreement due to substantial changes in the Tribe’s ability to offer gaming activities, ceasing the gaming or hotel operations for an extended period, or prevents the City from meeting its obligations under this Agreement due to an interruption of City government operations. An interruption of performance, or the delayed occurrence of any event, under this Agreement caused by an event of force majeure shall as far as practical be remedied with all reasonable dispatch. During any period in which a party is excused from performance by reason of the occurrence of an event of force majeure, the party so excused shall promptly, diligently, and in good faith take all reasonable action required in order for it to be able to commence or resume performance of its obligations under this Agreement.

10.7 Governing Law. This Agreement shall be construed according to applicable federal and California substantive law to the extent not inconsistent with the express provisions of this Agreement, unless federal law as to the Tribe or the City, or California law as to the City, prohibits such Parties from abiding by such express provision, in which case the provision will be deemed to be invalid and resolved, if possible, under the severability provisions in Section 13.5. Notwithstanding the foregoing, California rules of construction shall be applied in interpreting this Agreement. This Agreement shall be deemed to have been drafted jointly by the Parties and shall not be construed as having been drafted by, or construed against, one Party against another.

10.8 Term; Obligations to Continue. The Term of this Agreement shall be for the period of three (3) years, unless sooner terminated pursuant to the terms of this Agreement. The Tribe shall have the option to extend this Agreement in three-year increments until the expiration or termination of the Compact in place at the time of this Agreement. Unless specifically designated otherwise, all of the Parties’ obligations under this Agreement shall continue through the Term, including any extensions thereof. Notwithstanding the end of the Term, any covenant, term or provision of this Agreement which, in order to be effective, or is necessary to enforce an unfulfilled material term of this Agreement or obligation that may continue beyond the end of the Term shall survive termination.

Because the Tribe’s ability to dedicate these funds to the City are predicated on the Tribe’s gaming rights that exist as of the effective date of this Agreement, the Tribe shall have the right to amend or terminate this Agreement in the event of a change in California or federal law expanding gaming to non-tribal entities. The Tribe shall provide 90 days’ written notice informing the City of its intent to either amend or terminate the Agreement;

10.9 Payments. Unless otherwise indicated, all payments made pursuant to this Agreement shall be made payable to the City of Temecula. For projects and services identified in the Work Plan, payments shall be made as scheduled in the Work Plan.

10.10 Representations. By entering into this Agreement each signatory represents that, as of the Effective Date, the undersigned has the authority to execute this Agreement on behalf of their respective governing bodies.

10.11 Duplicate Originals. At least two copies of this Agreement shall be signed and exchanged by the Parties each of which shall be considered an original document.

10.12 Approval. Each Party's execution, delivery and performance of this Agreement shall be approved by resolution of each Party's respective governing body, which shall provide that the Party shall not enact a law impairing the rights and obligations under this Agreement.

10.13 Obligation on Related Entities. This Agreement binds the Parties and their departments, affiliates, agents, representatives, successors, contractors, officials and related entities, which such Agreement shall also be reflected in a resolution of each Party's respective governing body approving the Agreement.

10.14 Authority/Authorization. The City and Tribe each represent and warrant that each has performed all acts precedent to adoption of this Agreement, including but not limited to matters of procedure and notice and each has the full power and authority to execute this Agreement and perform its obligations in accordance with the above terms and conditions, and that the representative(s) executing this Agreement on behalf of each Party is duly authorized to so execute and deliver the Agreement.

January 13, 2026

IN WITNESS WHEREOF, the Parties hereby execute and enter into this Agreement with the intent to be bound thereby through their authorized representatives whose signatures are affixed below.

PECHANGA BAND OF INDIANS

BY: _____

Mark Macarro, Tribal Chairman
Pechanga Band of Indians

Attest

Nichole Sutter
Tribal Secretary

Approved as to Form:

Steve M. Bodmer
General Counsel

January 13, 2026

CITY OF TEMECULA

BY: _____
Jessica Alexander
Mayor

Attest

Randi Johl-Olson, JD, MMC City Clerk

Approved as to Form:

Peter M. Thorson
City Attorney

