

AGREEMENT

WHEREAS the City of Oneida (the "City") is a political subdivision of the State of New York organized as a city with all the rights and powers attendant thereto;

WHEREAS the Oneida Nation (the "Nation") is a federally-recognized Indian nation with all the rights and powers attendant thereto;

WHEREAS the City and the Nation have had disputes with respect to certain issues, including disputes that have resulted in state and federal litigation; and

WHEREAS the City and the Nation share an interest in resolving the disputes between them and in promoting cooperation between them that will promote the general welfare with respect to issues involving public finance, health and safety; and

WHEREAS the Nation owns several non-contiguous parcels located within the City's boundaries; and

WHEREAS the City has developed a comprehensive plan relating to future development in the City, and the Nation wishes to work cooperatively with the City in promoting the goals of the City's comprehensive plan by engaging in development activities that are consistent with the comprehensive plan;

NOW, THEREFORE, the City and the Nation make this Agreement (the "Agreement") and agree to the following terms.

1. For a number of years, the City has submitted real property tax bills to the Nation and has sought interest and penalties in connection with those bills. Upon execution of this Agreement by both parties, the Nation will pay the City an amount that equals or exceeds the total principal amount billed by the City to the Nation, Five Million Eighty Eight Thousand Nine Hundred Eighty Five Dollars and Forty-Six cents (\$5,088,985.46), and the City will waive any

further demand as to principal, penalties or interest with respect to previous property tax bills, which shall be considered fully paid, and will remove any tax liens that may be on the Nation's properties.

2. The City and the Nation agree to "freeze" for the year 2006 the assessed values on all Nation property in the City at the applicable 2005 assessed values and the Nation agrees not to challenge those assessments. With respect to future real property assessments concerning property that is owned or acquired by the Nation within the City, the Nation is entitled to make all available challenges to such assessments, except that the Nation agrees to forego challenges based on arguments that its lands in the City have no taxable value under state law because of federal restrictions on alienation or for any other reasons relating to the Nation's status as a federally-recognized Indian nation, except for discrimination.

3. With respect to future real property tax bills for properties owned or acquired by the Nation in the City, the Nation will pay the City amounts that equal or exceed the amounts shown on the bills. If the Nation challenges an assessment as provided in paragraph 2, it nevertheless will make a timely payment labeled "under protest." Payments will be made on or before the due date shown on the bill. Upon receipt of such payments, the City will waive any demand for further payment as to the property tax bills to which the Nation's payments relate. The City and the Nation contemplate that future tax bills may constitute combination bills which include City/County taxes, library, hydrant or school taxes billed by the City.

4. On all parcels owned or acquired by Nation within the City, the Nation agrees to enforce standards that meet or exceed generally applicable land use standards set forth in the City Code, the City's comprehensive plan, zoning ordinances, fire safety, and all other rules and regulations generally applicable to non-Nation properties throughout the City. The City, through

agents and employees, may conduct such non-discriminatory site visits and testing as reasonably required to determine that such standards have been met or exceeded. With respect to zoning, signage and land usage, existing non-conforming uses, if any, will not be deemed a violation of this Agreement. The Nation will enact ordinances and/or standards that provide for future development of its parcels in the City to be pursued in a manner consistent with the City's comprehensive plan as it exists on the date of this Agreement, until the parcel(s) are taken into trust by the United States for the benefit of the Nation or set aside by the United States for the Nation in the future by or pursuant to federal statute, whichever is earlier. The Nation agrees to give the City advance notice of future construction activity within the City, to provide the City with a copy of the construction plans and specifications in advance of the construction activity, and to undertake reasonable efforts to have future development comport with the City's comprehensive plan as it exists on the date of this Agreement and with the new zoning ordinance which is anticipated to be enacted in the near future. The City agrees that this Agreement does not limit the right of the Nation to have and to enforce public health, safety and other standards that exceed those of the City.

5. The City agrees that it will give the Nation reasonable notice of any request for site visits and testing, and the Nation agrees to permit such site visits and testing within a reasonable time. In the event of a health or safety emergency or a need to repair City infrastructure (for example, breaks in sewer or water lines) on Nation property, the Nation agrees to permit the City access to the property upon reasonable notice from the City to address the emergency or repair. Reasonable notice will consist of telephone or radio notice to the Nation police dispatcher immediately prior to or en route to a visit, if possible. Nation health and safety or other officials may accompany City officials or employees during any site visit. Further,

Nation and City officials will, as appropriate, consult and cooperate regarding public health and safety issues of mutual concern. The Nation hereby invites City public safety (*i.e.*, law enforcement, fire protection) representatives, at mutually agreeable times and upon reasonable notice to the Nation, to tour any Nation facilities that receive public safety services from the City for the purpose of familiarizing public safety personnel with the facilities so they are better prepared to respond to emergencies that may arise in any of the facilities, and Nation health and safety or other officials shall accompany City personnel during the tour(s) or any visit occasioned by an emergency or the City's need to make an infrastructure repair.

6. The Nation represents that it has codes and ordinances designed to promote and protect public health and safety.

7. The City and the Nation agree to dismiss without prejudice all litigation now pending between them in any court.

8. The City and the Nation agree to binding arbitration to enforce the terms of this Agreement. Any dispute, controversy or claim arising out of this Agreement in whole or in part or relating to its subject matter in whole or in part, including without limitation any claim of violation resulting from the site visits and/or testing referred in paragraphs 4 and 5 above or to health, safety, zoning and signage standards and regulations generally applicable to properties within the City under paragraph 4, shall be resolved by arbitration, and any resulting award will be enforceable in the United States District Court for the Northern District of New York. The party seeking arbitration will serve upon the other a notice of demand to arbitrate. The demand must describe with particularity the nature of the dispute and the relief that the demanding party seeks. The City's Mayor and Common Council or their designees and the Nation Representative or his/her designee will meet and confer within ten (10) calendar days of the receipt of the

arbitration demand and will attempt in good faith to resolve the dispute. If the dispute has not been resolved within twenty (20) calendar days of the service of the arbitration demand, the dispute will be determined by arbitration by a panel of three arbitrators, none of whom shall be from Madison County or Oneida County, New York, and the arbitration will be pursuant to the rules of the American Arbitration Association. Each party shall pay for its own legal fees and costs in connection with the arbitration, and the parties shall equally share in paying the arbitrators' fee and related costs. Arbitration shall occur in the City of Oneida unless the parties agree otherwise.

9. This Agreement does not apply with respect to any land after it is taken into trust by the United States for the benefit of the Nation or set aside in the future by the United States for the Nation by or pursuant to federal statute.

10. Any party to this Agreement may withdraw from it effective March 15, 2010, by giving ninety (90) days prior notice of intent to withdraw. In the event no such notice is given, the Agreement shall be automatically renewed for successive five (5) year terms.

11. The City and the Nation waive any immunities they may have, including sovereign immunity, for the sole purpose of enforcing the terms of this Agreement by a party to this Agreement pursuant to the enforcement provisions herein, and for no other purpose, and no other or third party has any rights on account of this waiver or under this Agreement.

12. Any term of this Agreement that is determined to be invalid or unenforceable will be severed, and the remainder of this Agreement will be enforced.

13. Notice required by or related to this Agreement will be made in writing and served by FedEx or certified mail, return receipt requested: if by the Nation, to the Mayor of the

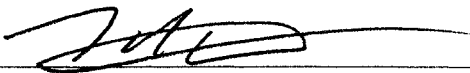
City of Oneida, 109 N. Main Street, Oneida NY 13421; and, if by the City, to the Oneida Indian Nation Representative, 5218 Patrick Road, Verona, NY 13478.

14. This Agreement constitutes the parties' complete agreement governing all of the subject matters addressed herein, and is an integrated document. There are no other agreements, oral or written.

15. This Agreement may not be modified or amended except by a writing of equal formality signed by both parties.


Made this 15th day of March, 2006.

City of Oneida, New York



Leo Matzke, Mayor

Oneida Indian Nation



Ray Halbritter, Nation Representative