



December 21, 2004

Merlene Sanchez
Chairperson
Guidiville Indian Rancheria
P.O. Box 339
Talmage, CA 95481

Dear Chairperson Sanchez:

This letter is in response to your letter of December 9, 2004. Your letter raises questions regarding our analysis of the development agreement between the Tribe and N.G.V, and requests an opinion as to whether new information you provide changes our opinion as expressed in our letter of July 21, 2004. After reviewing the additional information provided to the Tribe by N.G.V., we are still convinced that the agreement would grant the developer a proprietary interest in violation of the Indian Gaming Regulatory Act (IGRA).

When we reviewed the development agreement we looked at the transaction as a whole. Even if the NIGC interpretation of the "Additional Base Rent" provision was incorrect, the other provisions would still lead us to conclude that the developer would be granted an impermissible proprietary interest in the gaming activity.

Absent the above referenced provision, the developer is still receiving a high level of compensation for providing little or no continuing services. Additionally, the Tribe still does not obtain legal title to the casino for years. b4

The fact that the development agreement is not a management agreement is incidental to whether or not the NIGC has jurisdiction. If a violation of IGRA is occurring, the NIGC has jurisdiction. The fact that the violation is memorialized in a development agreement is irrelevant.

If you have any more questions, please contact John Hay.

Sincerely,

A handwritten signature in cursive script that reads "Penny J. Coleman".

Penny J. Coleman
Acting General Counsel