August 1, 2013

Via U.S. Mail

Nicholas Fonseca, Chairman
Shingle Springs Band of Miwok Indians
P.O. Box 1660
El Dorado, CA 95623-1660

Re: Review of Debt Termination Agreement on behalf of the Shingle Springs Band of Miwok Indians

Dear Chairman Fonseca:

This letter responds to the request on behalf of the Shingle Springs Band of Miwok Indians ("the Tribe") and the Shingle Springs Tribal Gaming Authority ("the SSTGA") for the National Indian Gaming Commission's Office of General Counsel to review an agreement. Specifically, you have asked for an opinion whether an agreement between the Tribe and the SSTGA (collectively "the Tribal Parties"), and Lakes KAR-Shingle Springs, LLC, a subsidiary of Lakes Entertainment, Inc. (collectively "Lakes"), is, upon the occurrence of certain conditions precedent, a management contract requiring the NIGC Chairwoman's approval under the Indian Gaming Regulatory Act. You also asked for an opinion whether the agreement violates IGRA's requirement that a Tribe have the sole proprietary interest in its gaming operation.

In my review, I considered the debt termination agreement dated July 16, 2013, by and between the Tribal Parties and Lakes (collectively "the Parties") and an amendment dated July 26, 2013 (collectively the July 16, 2013 agreement and the July 26, 2013 amendment hereinafter referred to as "the Amended Agreement"). The Amended Agreement is meant to sever the Parties' relationships through the termination of all prior understandings, contracts, and agreements, as well as settle of all claims between them.

The Amended Agreement is a key component of the Tribe's overall debt restructuring plan and is itself a condition precedent to the effectiveness of the reduced revenue sharing provisions contained in the Tribe's newly renegotiated compact with the State of California. Due to the contingent nature of the overall debt restructuring plan, certain provisions of the Amended Agreement only become operative upon the occurrence of conditions precedent.

The Amended Agreement is unique in that it has potentially three distinct operative periods – from the closing date which is the date the Amended Agreement is executed by the Parties, to the effective date which is the date upon which all conditions

precedent have occurred, or the termination date which is the date upon which the Amended Agreement terminates if the effective date does not occur before a specified future date. My review, and thus this opinion, was requested to be limited to the Amended Agreement as of the effective date -- the date upon which all the conditions precedent have occurred (the Effective Date).

The Amended Agreement as of the Effective Date contains terms similar to other agreements the Office of General Counsel has already reviewed and analyzed. *See* www.nigc.gov/Reading_Room/Management_Review_Letters.aspx. Applying the same analysis here, it is my opinion that collectively the Amended Agreement as of the Effective Date is not a management contract and does not require the approval of the Chairwoman. It is also my opinion that it does not violate IGRA's sole proprietary interest requirement.

As specified above, this opinion is limited to the Amended Agreement as of the Effective Date. This opinion does not include or extend to the Amended Agreement as of the closing date or termination date, nor does it include or extend to any other agreements or documents not submitted for review.

I anticipate that this letter will be posted to the NIGC's website. Prior to posting, NIGC will notify you and give you an opportunity to identify and request that information subject to the exemptions under FOIA be redacted or withheld. A list of the FOIA exemptions may be found at 25 U.S.C. § 552(b).

If you have any questions, please contact NIGC Senior Attorney Melissa Schlichting at (202) 632-7003.

Sincerely,

Eric Shepard
Acting General Counsel

cc: Alan Fedman, Esq.
Dentons US LLP
(via e-mail: alan.fedman@dentons.com)

Jeff Heimann
Tribal Financial Advisors
(via e-mail: jheimann@tribaladvisors.com)