

VIKEN, VIKEN, PECHOTA, LEACH & DEWELL

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September 30, 1994

William Kindle
President
Rosebud Sioux Tribe
Tribal Building
Rosebud, SD 57570

Dear William:

I received your letter of September 30 and I respond as follows. I think that I stated in the Council meeting that the change in corporate structure of BBC did not comply with the management agreement. When Betty Redowl asked for my recommendation, I recommended, in my opinion, that the Tribe should proceed on under the management agreement with BBC. Soon after that, Ronald Valandra made a motion to have BBC revert to its corporate structure as originally represented to the Tribe. It is my recollection that BBC agreed to this and indicated that course as one of the solutions even before Ronald Valandra made the motion.

Not every breach requires or demands that a contract be voided or that adversarial action be taken. In my opinion, it is more important at this point in time that the casino be built and operated rather than becoming engaged in legal proceedings pertaining to a breach of the management agreement.

Was the management agreement complied with in light of what we know as to the change in corporate structure? No. Could the Tribe institute proceedings for noncompliance? Yes. Should the Tribe take action to invalidate the agreement? In my opinion, no.

Sept 10 1994 Neil

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To	William Kindle		
From	Terry Pechota		
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William Kinclie
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If the Tribe was going to take action on the noncompliance, you would have to give notice of the breach under Section 9.7, which would give BBC time to cure the problem. I presume that BBC would then do essentially what Valandra's motion requires them to do, i.e., revert to the corporate ownership as originally represented.

If you have any questions, please advise.

Sincerely,

TERRY L. PECHOTA, LEACH & DEWELL


Terry L. Pechota

TLP/sn
Enc.