



May 10, 2021

Greg Smith
Hobbs Straus Dean & Walker
1899 L Street NW, Ste. 1200
Washington, D.C. 20036

Re: Review of Agreements between the Catawba Indian Nation and Kings Mountain Sky Boat Partners, LLC

Dear Mr. Smith:

This letter responds to your December 24, 2020 and March 10, 2021 requests for the National Indian Gaming Commission's Office of General Counsel to review an Amended and Restated Ground Lease between the Catawba Indian Nation (Tribe) and Kings Mountain Sky Boat Partners, LLC.¹ Specifically, you have asked for my opinion whether the Amended and Restated Ground Lease is a management contract requiring the NIGC Chairman's approval under the Indian Gaming Regulatory Act and whether the Amended and Restated Ground Lease violates IGRA's requirement that the Tribe have the sole proprietary interest in its gaming activity.

In my review, I considered the following submissions:

- Development Agreement between the Catawba Indian Nation and Kings Mountain Sky Boat Partners, LLC (executed July 6, 2020; 75 pages);
- Developer Security Agreement between the Catawba Indian Nation and Kings Mountain Sky Boat Partners, LLC (executed July 6, 2020; 13 pages);
- Ground Lease between the Catawba Indian Nation and Kings Mountain Sky Boat Partners, LLC (executed July 6, 2020; 28 pages);
- Equipment Lease Agreement between Catawba Indian Nation and Kings Mountain Equipment Supply, LLC (executed July 6, 2020; 16 pages);
- Equipment Lease Agreement between Catawba Indian Nation and Las Vegas Games Partners, LLC (executed July 6, 2020; 16 pages);
- Development Phase Note between Catawba Indian Nation and Delaware North Companies Gaming & Entertainment, Inc. (executed August 3, 2020; 11 pages);
- Security Agreement between Catawba Indian Nation and Delaware North Companies Gaming & Entertainment, Inc. (executed August 3, 2020; 18 pages);
- Ground Lease between Kings Mountain Land Development Partners, LLC and Kings Mountain Sky Boat Partners, LLC (executed September 3, 2020; 32 pages);

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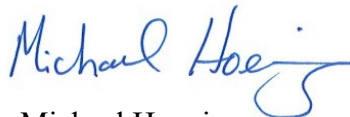
- First Amendment to Development Phase Note (executed March 22, 2021, 6 pages);
- Catawba Casino Corporation Pro Forma (dated April 12, 2021, 2 pages);
- Financial Model Notes (dated April 12, 2021, 1 page);
- Two Kings Catawba Casino Financial Summary (undated; 1 page); and
- Amended and Restated Ground Lease between Catawba Indian Nation and Kings Mountain Sky Boat Partners, LLC (undated, unexecuted; 39 pages);

Based on my review of these documents and discussions with the Tribe's and Sky Boat's representatives, the Amended and Restated Ground Lease appears to be a collateral agreement to several agreements that the Tribe has already executed. In particular, the Amended and Restated Ground Lease is collateral to the Development Agreement, Developer Security Agreement, Ground Lease, and possibly the Equipment Lease Agreements,² all executed on July 6, 2020.

I have referred the executed agreements to NIGC's Compliance Division to determine whether the executed agreements violate IGRA's management contract and sole proprietary interest requirements. As a result, I decline to issue any opinion regarding the Amended and Restated Ground Lease until the Compliance Division has finished its review of the executed agreements. Once the Compliance Division has finished its review, I may revisit your request for my opinion.

If you have any questions, please contact NIGC Staff Attorney Steve Iverson at (202) 632-7003 or by email at steven_iverson@nigc.gov.

Sincerely,



Michael Hoenig
General Counsel