



STATE OF CALIFORNIA

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GAMBLING CONTROL COMMISSION

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August 4, 2005

Ms. Sylvia Burley
10601 Escondido Place
Stockton, California 95121

Yakima Dixie
P.O. Box 41
11178 Sheep Ranch Road
Sheep Ranch, California 95250

Re: Revenue Sharing Trust Fund (RSTF) Distributions

Dear Ms. Burley and Mr. Dixie:

This is to notify you that the California Gambling Control Commission will not release the current RSTF quarterly distribution to the California Valley Miwok Tribe for the quarter ending June 30, 2005, and any subsequent distributions. This action is based on information recently received from the Bureau of Indian Affairs (BIA) regarding the fact that the California Valley Miwok Tribe (the Tribe) does not have a recognized tribal government, nor a recognized tribal chairperson and that, based on the organizational/governmental status of the Tribe, the BIA has taken action to suspend Contract No. CTJ51T62802 (FY 05/06 Mature Status – Aid to Tribal Government Program), pursuant to PL 93-638. We refer you to the following correspondence (copies enclosed):

March 26, 2004 letter from Dale Risling, Sr. (BIA) to Sylvia Burley, copy to Yakima Dixie

February 11, 2005 letter from the Department of Interior, Acting Assistant Secretary – Indian Affairs, Michael D. Olson to Yakima K. Dixie, copy to Sylvia Burley

July 19, 2005 letter from Janice L. Whipple-DePina, (BIA) to Sylvia Burley, copy to Yakima Dixie

These letters reflect, among other things, a long-standing effort to encourage the tribe to organize itself and establish tribal leadership. During the past year to 18 months, the Commission has made quarterly distributions and directed them to Ms. Burley, because she continued to be recognized as the chairperson (3/26/04 letter) or person of authority within the tribe (2/11/05 letter) with whom the BIA conducted business. The July 19, 2005 letter, however, reflects the BIA's decision that the lack of a recognized tribal government or leadership now causes it sufficient concern that it must suspend the above referenced PL 93-638 contract in order to

"safeguard federal funds and until such time as the tribes becomes formally organized and a tribal government is re-established."

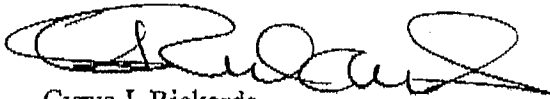
This most recent action and the position of the BIA regarding tribal leadership and organization leave us with no alternative, but to withhold funds until such time as there exists sufficient tribal government organization and leadership to allow the BIA to conduct government-to-government relations with the tribe – either through a recognized tribal chair or representative.

We take this action pursuant to our RSTF trustee responsibilities under Section 4.3.2.1 of the Tribal-State Gaming Compact (the Compact). In taking this action, we want to be clear that there is no question of the tribe's eligibility to receive RSTF distributions, and that we have neither authority over nor responsibility for the composition of tribal government or leadership. However, we believe that our trustee status under the Compact demands that we ensure the RSTF distributions go to the Tribe for the benefit of the Tribe and not merely to an individual member. We have not received any direction in this regard from the BIA, but in situations involving tribal leadership disputes and/or tribal organizational problems, we take our lead from the actions and positions of the BIA. We take no position regarding the future form of tribal government, nor the selection of tribal leadership. We look forward to being able to make distributions as soon as the Tribe's leadership and organizational status is resolved to a degree sufficient to allow the BIA to resume government-to-government relations.

Distributions from the RSTF will remain in the fund until such time as the current situation is resolved, and the Commission is notified of resolution, at which time withheld distributions will be forwarded to the Tribe with appropriate accrued interest.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Cyrus J. Rickards
Chief Counsel

Cc: Peter Glick