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April 27, 1998

Minnesota Recreation & Park Association  
Attn: Jon Gurban  
5005 West 36th Street  
St. Louis Park, MN 55416-2661

Re: Lawful Gaming  
Our File No. 3452-12901

Dear Jon:

At your request we have reviewed our files and information on MRPA's consideration of the lawful gaming enterprise.

You will recall that my advice then, now and always, has been that no matter what else happens you absolutely, positively cannot have anything dishonest or illegal in the operation. Nothing would bring disrepute on the Association (and its Executor Director) faster and with a long-lasting impression, than an article in the newspaper that funds had been embezzled, that the operation had not been run properly; or that there had been a failure to report or follow procedures.

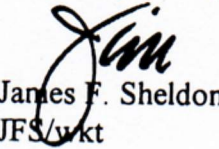
Based on those discussions, the idea was always to have a very professional operation in all respects. There was no room for error or inadvertence. I dug out a page from your lawful gaming board MRPA background sheet from 1994 or 1995 that said "recognizing that the MRPA Administration is reasonably lean (five full-time staff) and that our membership has limited time to volunteer at gaming sites, we prefer to approach lawful gaming as a turn-key operation--hiring, on a contractual basis, the skill and expertise necessary to find and operate lawful gaming operations." (See copy attached hereto). Running lawful gaming operations it seems to me is a little like being pregnant, either you are or you aren't. It is hard to be halfway into the operation. My understanding was that the oversight, the operations, the reporting and the like would be professionally run, monitored and operated with reports to you as necessary.

I probably have not inquired often enough, but it is my understanding that the gaming has been reasonably profitable and that the earnings have been distributed in a reasonably prudent fashion.

Again, with respect to my advice on lawful gaming, it is that the operation must be squeaky clean. No amount of benefit to the Association can be overcome by a bad newspaper article or a censure from the State.

If you have any questions, please give me a call.

Very truly yours,

  
James F. Sheldon  
JFS/wkt  
Enc.