

MAY 16 2008



Jessica Tavares, Chairperson
United Auburn Indian Community of the Auburn Rancheria
10720 Indian Hill Road
Auburn, CA 95603
Fax: (530) 883-2360

Dear Chairperson Tavares:

This is in response to your letter of December 18, 2007, requesting that the National Indian Gaming Commission (NIGC) review the subordination agreement between Wells Fargo Bank and Station Casinos Inc., Station California LLC, and Station Development LLC. Because the Subordination Agreement repeatedly referenced, and is collateral to, the loan agreement between Wells Fargo and the United Auburn Indian Community (Tribe), we requested and reviewed a copy of the loan agreement.

The purpose of our review is to determine whether the subordination or loan agreement is a management contract or agreement collateral to a management contract and, therefore, subject to the review and approval of the NIGC Chairman under the Indian Gaming Regulatory Act (IGRA). After careful review, it is my opinion that neither the subordination nor the loan agreement is a management contract. As such, neither requires the NIGC Chairman's approval.

I note, however, that the loan agreement's arbitration provision, § 11.23, does not exclude essential governmental decisions from compelled arbitration. Arbitration is appropriate for settling monetary disputes, but such provisions should make clear that a tribal government's decisions or actions are not subject to arbitration. I have already expressed my concern about this, though, and the parties have agreed to amend the arbitration provision to assert: "arbitrators shall not have any power to issue any award that would result in the Administrative Agent or any Lender exercising control over the Gaming Enterprise in violation of IGRA." This amendment will alleviate my concern about the arbitration clause.

We will forward a copy of the agreements and this letter to the Bureau of Indian Affairs. If you have any questions, please contact NIGC Attorney Michael Hoenig at (202) 632-7003.

Sincerely,

A handwritten signature in black ink that reads "Penny J. Coleman". The signature is fluid and cursive.

Penny J. Coleman

cc: Christine Swanick, Esq.
Howard Dickstein, Esq.
George Skibine, Director, Department of the Interior Office of Indian Gaming