

GIBSON, DUNN & CRUTCHER LLP

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September 21, 2005

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T 89758-00001

Michael V. Brady, Esq.
Diepenbrock Harrison
400 Capitol Mall, Suite 1800
Sacramento, CA 95814-4413

Re: *Karuk Tribe*

Dear Mr. Brady:

This letter responds to the letter dated September 6, 2005 from Brian Meek, the City Manager for the City of Yreka, concerning the Karuk Tribe. Since you represent the City of Yreka, I am addressing this response to you, but you are free to share it with your client.

Mr. Meek's letter expresses the City's concerns over any tribal casino's impact on the City's vital services, including its water supply.

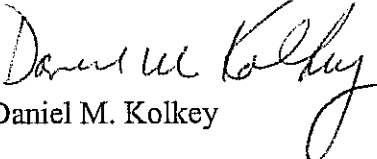
The Governor's Office is not presently engaged in any negotiations with the Karuk Tribe concerning the authorization of a tribal casino within or near the City of Yreka. However, please rest assured that the Governor is sensitive to the environmental and other impacts on local jurisdictions that may be caused by an authorization of class III gaming. All of his compacts have provided arrangements for mitigation of such impacts in a fashion that addresses the concerns of local jurisdictions while respecting the tribe's sovereignty.

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Accordingly, the information set forth in Mr. Meek's letter is useful. He should not hesitate to write us again with any concerns.

Very truly yours,


Daniel M. Kolkey

DMK/h

cc: Peter Siggins, Esq.
Stephanie Shimazu, Esq.

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