



OFFICE OF THE GOVERNOR

August 27, 2013

Chairman Raymond Hunter
Jamul Indian Village
PO Box 612
Jamul, CA 91935

Dear Chairman Hunter,

In accordance with Section 10.8.3 of the Tribal-State Gaming Compact between the State of California and the Jamul Indian Village (Compact), I am responding to your letter of August 23, 2013, regarding the Tribe's compliance with its Compact obligations under Section 10.8.2 with respect to the Jamul Indian Village Gaming Facility ("Project").

The State is committed to fulfilling its obligations under the Compact and ensuring that the Tribe is likewise fully compliant. To that end, the State has reviewed the Final Tribal Environmental Evaluation and accompanying Mitigation Monitoring and Reporting Plan approved by the Tribe for the Project. I have also met with you, other members of the Tribal Council, and representatives of the Tribe on approximately 20 occasions during the past three years to review and discuss the Tribe's progress. These meetings have given me a clear understanding of the Tribe's good faith efforts to mitigate significant off-Reservation impacts of the Project.

In the context of monitoring the Tribe's compliance under the Compact, we have had several meetings with the relevant state agencies, including the California Department of Transportation (CalTrans). I have had several opportunities to personally inspect the Project site and tour State Route ("SR") 94 to learn about the intersections and improvements that the Tribe intends to construct or fund to mitigate the Project's significant traffic impacts.

As you are aware, the State supports the Tribe's efforts to mitigate any and all of the significant off-Reservation impacts, provided that such mitigation is consistent with the Compact. It is my understanding the CalTrans and the California Department of Fish and Wildlife are working cooperatively with the Tribe, and will continue to do so, as it seeks necessary approvals to implement the mitigation measures specified in the Final Tribal Environmental Evaluation and Mitigation Monitoring and Reporting Plan.

I have also met with San Diego County Supervisor Dianne Jacob, as well as county staff, to

obtain further information on avenues for cooperation between the Tribe and the County on mitigation measures. I am pleased to learn about your recent meeting with county staff and hopeful that the Tribe and the County can build on the positive aspects of your most recent meeting to reach an agreement that benefits the residents of both jurisdictions.

It is my understanding that the Tribe has complied with its specific obligations under Section 10.8.2(a), which describe the period prior to the commencement of a project, to inform the public of the Project; identify potential adverse off-Reservation environmental impacts; submitting environmental impact reports to the appropriate state and local government agencies; consulting with the board of supervisors; and affording the affected members of the public an opportunity to comment.

Section 10.8.2(b) obligates the Tribe, during the conduct of the Project, to keep the board and potentially affected members of the public apprised of the Project's status, and to make good faith efforts to mitigate any and all such adverse off-Reservation environmental impacts. The Jamul General Council's Resolution 2013-03, "Acceptance/Certification of the Final Tribal Environmental Evaluation for the Jamul Indian Village Gaming Development Project," (Resolution) affirms the Tribe's commitment to mitigating adverse off-Reservation environmental impacts. The Resolution acknowledges that certain mitigation measures are the responsibility and jurisdiction of other governmental agencies. Your letter identifies these measures and projects the costs of undertaking appropriate steps to mitigate the impacts. These cost and measures are identified in the table below.

Description	August 2013 Estimate
Total Cost of Mitigation (Direct CalTrans only)	\$5,035,000
Total Cost of Mitigation (Cumulative CalTrans only)	\$3,325,000
Traffic Impact Fee ¹	\$570,024
Total Cost of Access Improvements (Widening of SR 94 from Melody Road to Project Site)	\$7,189,000
Estimated Cost for Right of Way Acquisitions	\$204,756
Total Cost	\$16,323,780

¹ Fair Share is calculated based on the Jamul-De Laura rate for Commercial Retail use. It assumes a 203,000 square-foot facility.

If the tribe implements the measures directed by the Resolution, applies for the necessary approvals from the State and County governments, and, prior to the opening day of the Project, deposits into an escrow account for the benefit of the responsible government agencies an amount equal to the amount estimated to construct traffic improvements (to be set forth in the CalTrans Encroachment Permits), plus the Tribe's fair share payments to the State and County to mitigate the Project's considerable traffic impacts, it will have made a good faith effort to mitigate off-Reservation impacts as required by the Compact.

As acknowledged in the Resolution, the Compact obligates the Tribe, during the conduct of the

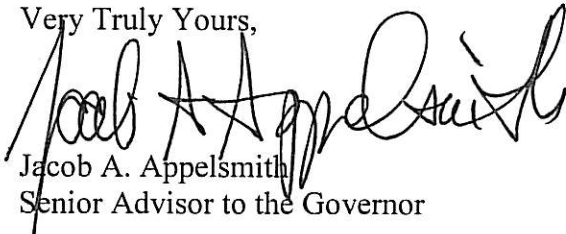
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Project, to keep the board and potentially affected members of the public apprised of the Project's status. We appreciate your efforts to collaborate with State and local governments, and members of the local community, as you develop and implement plans to use your Tribal lands in a manner consistent with Federal law. We will continue to monitor the issue to verify that your commitment to mitigation and exceptional efforts at outreach and transparency do not stop now.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Jacob A. Appelsmith". The signature is fluid and cursive, with a large initial "J" and "A".

Jacob A. Appelsmith
Senior Advisor to the Governor