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November 15, 2004

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By Facsimile

Ms. Roseann B. MacKechnie
Clerk of Court
United States Court of Appeals for the
Second Circuit
Thurgood Marshall United States Courthouse
40 Centre Street
New York, N.Y. 10007
Attn: Nadege Richards

Re: Cayuga Indian Nation v. Pataki, et al., Nos. 02-6111(L) and related
appeals

To The Honorable Court:

This letter updates the Court with respect to the settlement process in the above appeal, and is not intended as the regular biweekly status update required by the Court's Orders of August 9 and 27, 2004 and the Amended Order of June 4, 2004. Late Friday afternoon, I was informed by the Governor's Office that the State and the Seneca-Cayuga Tribe of Oklahoma ("Tribe") executed that day a Settlement Agreement to resolve all of the Tribe's claims, including the Tribe's cross-appeals, in the instant case. The United States and the Cayuga Indian Nation of New York ("Nation") are not signatories to the Settlement Agreement, and, therefore, the appeal by the Defendants-Appellants with respect to those parties, and the cross-appeals by the Nation, would continue.

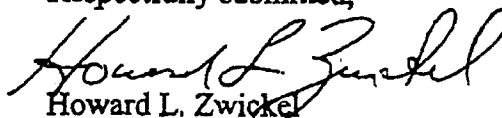
The Settlement Agreement fully resolves, subject to several contingencies that will postpone its effective date, the Tribe's land and monetary claims in the underlying lawsuit. It also includes, *inter alia*, provisions related to a gaming facility in the Catskills, a Tax Agreement, the status of the Tribe's claims to sovereignty over any properties within the State, the applicability of federal, state and local regulatory provisions to the Catskill property, indemnification of the State by the Tribe, mutual releases, judicial review in the event of enforcement, contribution to the counties and general provisions.

The Settlement Agreement is not effective or binding until approximately seven contingencies listed in the Agreement have been performed and completed. The contingencies

include the enactment by the New York State Legislature and approval by the Governor of implementing legislation ("State Settlement Legislation"), the enactment by the United States Congress and approval by the President of implementing legislation that, *inter alia*, authorizes and ratifies the Settlement Agreement and extinguishes the Tribe's claims to any land or reservation in New York State, and the Tribe receiving all approvals and authority to open a Class III gaming facility in the Catskills. The Settlement Agreement terminates in the event all of the contingencies have not been performed and completed by September 1, 2005, unless such deadline is extended by mutual written consent of the parties.

The Settlement Agreement further provides that promptly following the effective date of the Agreement, i.e., when all of the contingencies have been completed, the Tribe shall voluntarily and completely withdraw with prejudice its cross-appeals that are pending before this Court, dismiss with prejudice all claims against the State and related entities and individuals, dismiss with prejudice all claims against any persons (other than the State) and related entities and individuals still pending in the District Court and dismiss with prejudice pending litigation in Seneca-Cayuga Tribe of Oklahoma v. Town of Aurelius, et al., No. 03-CV-0690 (N.D.N.Y.) (McCurn, S.J.).

Respectfully submitted,



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cc: Martin R. Gold
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(By Facsimile)