



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

AUG 13 2003

Honorable Sandra Rachal
Chairperson, Sokaogon Chippewa Community
3086 State Highway 55
Crandon, Wisconsin 54520

Dear Chairwoman Rachal:

On April 25, 2003, we received the 2003 Amendments (Amendments) to the Sokaogon Chippewa Community and the State of Wisconsin Gaming Compact of 1991, as Amended February 20, 1998, executed on April 25, 2003.

Under the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. § 2710(d)(8)(C), the Secretary of the Interior (Secretary) may approve or disapprove the Amendments within forty-four days of its submission. If the Secretary does not approve or disapprove the Amendments within the forty-four days, IGRA provides that the Amendments are considered to have been approved, but only to the extent that they are consistent with the provisions of IGRA. Under IGRA, the Secretary can disapprove the Amendments if she determines that the Amendments violate IGRA, any provision of Federal law that does not relate to jurisdiction over gaming on Indian lands, or the trust obligations of the United States to Indians.

We have completed our review of the Amendments, along with the submission of additional documentation submitted by the parties and a number of third parties. Pursuant to Section 11 of IGRA, we have decided to allow the 2003 Amendments to take effect without Secretarial action for the following reason.

Under the 2003 Amendments, Section IV.A of the Compact is amended by adding, *inter alia*, electronic keno, roulette, craps, poker and similar non-house banked card games, and games played at blackjack style tables. We need to determine whether the inclusion of these gaming activities in the Compact complies with the requirements of Section 11(d)(1)(B) of IGRA. In our view, whether the addition of electronic keno and casino table games complies with the Section 11(d)(1)(B) of IGRA, Section U.S.C. § 2710(d)(1)(B), which requires that such gaming activities be permitted in the State of Wisconsin "for any purpose by any person, organization, or entity" is an unsettled issue. As you are well aware, the scope of gaming question is one of the issues raised in the state court litigation in *Dairyland Greyhound Park v. Doyle*, No. 01-CV-2906. In addition, we understand that a petition has been filed with the Wisconsin Supreme Court on April 2, 2003, by the Majority Leader of the Wisconsin Senate and the Speaker of the Wisconsin Assembly seeking a declaratory judgement on several issues relating to the 2003 Amendments, including the permitted scope of

gaming in the State. Although we are mindful that in the *Dairyland* case, the Dane County Circuit has ruled in favor of the Governor, the decision has been appealed to an intermediate court which is unlikely to be the final appeal of the case within the State court system. As a result, we believe that the best alternative available to the Department of the Interior under IGRA is to have the 2003 Amendments go into effect by operation of law.

Our decision to neither approve nor disapprove the 2003 Amendments within 45 days means that the 2003 Amendments are considered to have been approved, "but only to the extent they are consistent with the provisions of [IGRA]." The Amendments will take effect when notice is published in the FEDERAL REGISTER pursuant to Section 11(d)(3)(B) of IGRA, 25 U.S.C. § 2710(d)(3)(B).

Sincerely,


Acting Assistant Secretary - Indian Affairs

Similar letter sent to: Honorable Jim Doyle
Governor of Wisconsin
State Capitol
Madison, Wisconsin
53707

cc: Midwest Regional Director
National Indian Gaming Commission
Wisconsin United States Attorney

**AMENDMENTS TO THE
SOKAOGON CHIPPEWA COMMUNITY
AND THE
STATE OF WISCONSIN GAMING COMPACT OF 1991,
AS AMENDED FEBRUARY 20, 1998**

This Agreement is entered into by and between the SOKAOGON CHIPPEWA COMMUNITY (the "Tribe") and the STATE OF WISCONSIN (the "State") (referred to collectively as "the parties").

WHEREAS, in 1991, the Tribe and the State entered into the Sokaogon Chippewa Community and the State of Wisconsin Gaming Compact of 1991; and

WHEREAS, on February 20, 1998, the parties executed amendments to the Sokaogon Chippewa Community and the State of Wisconsin Gaming Compact of 1991 ("Amendment #1"); and

WHEREAS, Article XXX of the Sokaogon Chippewa Community and the State of Wisconsin Gaming Compact of 1991, as amended on February 20, 1998, provides that it may be amended upon written agreement of both parties; and

WHEREAS, both parties wish the 1991 Compact, as amended, to continue and believe that the amendments to the 1991 Compact contained herein (Amendment #2) serve the best interests of both the State and the Tribe.

The State and the Tribe do hereby agree to amend the Compact as set forth below (which amendments shall be known as "Amendment #2" or "2003 Amendments"):

1. Section III of the Compact is amended as follows:
 - C. The "." after the word "representatives" is deleted and the following language is added:

"or any agency that has assumed the duties of the Lottery Board pursuant to this compact, including the Department of Administration."
 - I. "Gaming Commission" means the Sokaogon Gaming Commission.
 - J. "NIGC" means the National Indian Gaming Commission.
 - K. "MICS" means Minimum Internal Control Standards.

2. Section IV.A. of the Compact is amended by deleting "and" after "3. Blackjack", replacing the period(".") after "where bingo is being played" with a semicolon(";"), and adding the following new provisions after Section IV.A.4.:
 5. Electronic keno; and
 6. Pari-mutuel wagering on live simulcast horse, harness, and dog racing events, including participation in interstate betting pools; and
 7. The game of roulette, the game of craps, the game of poker, and similar non-house banked card games, and games played at Blackjack style tables, such as Let it Ride, Casino Stud, and Casino War; and
 8. The Tribe shall be permitted to offer any additional Class III games which any other federally recognized Indian Tribe in the State of Wisconsin, or any other person or entity, is permitted to offer for any purpose.
 9. Games in paragraphs 5 through 8, above, may not be conducted until the Tribe establishes internal controls in accordance with the provisions of Section XXXVII, below.

3. Section V. of the Compact is amended by adding paragraphs G. and H. as follows:

G. Individuals Excluded from Tribal Gaming Facilities.

1. The Tribe shall permanently exclude from any and all premises on which Class III gaming is conducted any individual found by the Tribe or Department to have committed any of the following activities:
 - a. Using or possessing while in a Class III gaming facility a device to:
 - (1) Assist in projecting the outcome of a game;
 - (2) Assist in keeping track of cards played;
 - (3) Assist in analyzing the probability of the occurrence of an event relating to a Class III game; or
 - (4) Assist in analyzing the strategy for playing or wagering to be used in a Class III game, except as authorized by a Tribal gaming ordinance.
 - (5) For purposes of this Section the term "device" does not include commercial publications, materials distributed by the casino to patrons, or printed materials created by patrons, which assist in the understanding or playing of a game and/or in the formulation of strategy, but do not manipulate the play of the game, probabilities or payout.
 - b. Altering the selection of criteria which determines the result of a Class III game or the amount or frequency of payment in a Class III game.
 - c. Placing a wager after acquiring knowledge, not available to all players, of the outcome of the Class III game which is the subject of the wager or to aid the person in acquiring the knowledge for the purpose of placing a wager contingent on that outcome.
 - d. Claiming, collecting, taking, or attempting to claim, collect or take, money or anything of value in or from a Class III game, with intent to defraud, without having made a wager contingent on winning the Class III game, or claiming, collecting or taking an amount of money or thing of value of greater value than the amount won.
 - e. Attempting any of the foregoing, or aiding another in committing or attempting to commit any of the foregoing.

2. For all persons found by the Tribe to have committed one or more of the foregoing practices, the Tribe shall issue a written notice of its finding and forward the notice to the Department within five (5) days of its issuance. The notice shall contain, at a minimum, the following information for each excluded person:
 - a. Full name, date of birth and all known aliases;
 - b. A physical description;
 - c. The effective date of the exclusion and the reasons therefor;
 - d. A photograph, if available; and
 - e. The person's occupation, last known home address and business address;
 3. The Tribe shall maintain a listing of all persons excluded from its Class III gaming facilities which contains, if available, all information required under sub. 2., above. Nothing in this provision affects the right of the Tribe to exclude a person for any reason that is not prohibited by law.
- H. If the State and a Tribe in Wisconsin amend a current gaming compact or adopt a new gaming compact establishing regulatory standards for comparable Class III gaming facilities governing the play of games authorized under this Compact that are more favorable terms than those provided in this Compact, upon request by the Tribe, the parties shall negotiate the incorporation of substantially similar provisions into this Compact.
4. Section VII.B. of the Compact is amended by deleting "\$10,000" and replacing it with "\$25,000", and by adding the following at the end of the paragraph:

"If the total consideration pursuant to a gaming related contract is more than \$10,000 and less than \$25,000 in any year, the person shall submit disclosure to the Department of all owners, officers, directors and key employees, and fingerprints of those individuals. If the Department has a reasonable belief that the person does not meet the requirements of Section VII.D.1., the Department may require the person to obtain a gaming related contractor certificate, and all the provisions of Section VII. shall apply."

5. Section VII.D. of the Compact is deleted in its entirety and replaced as follows:

D. Certificate issued by Lottery Board.

1. A Certificate shall be issued to a person, and the person may continue to hold a Certificate, unless:
 - a. The person has been convicted of, or entered a plea of guilty or no contest to, any of the following during the immediately preceding 10 years, unless the person has been pardoned:
 - (1) A felony.
 - (2) Any gambling-related offense.
 - (3) Fraud or misrepresentation in any connection.
 - (4) A violation of any provision of chs. 562 or 565, Wis. Stats., a rule promulgated by the Lottery Board or Wisconsin Racing Board, or a Tribal ordinance regulating or prohibiting gaming.
 - b. The person, including any employees or agents, is determined by the Lottery Board to be a person whose prior activities, criminal record if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the operation of gaming or the carrying on of the business and financial arrangements incidental thereto; provided, however, that the fact that a person provided materials, supplies, equipment or services to the Tribe in relation to Class III gaming prior to the date on which this Compact becomes binding on the parties shall not be considered in making determinations under this subdivision.
 - c. The person is determined by the Lottery Board to have knowingly and willfully provided materially important false information to the Lottery Board or to the Tribe, or has refused to respond to questions propounded pursuant to subdiv. D.3.a.
 - d. The Certificate is suspended or revoked.

- e. Determinations of the Lottery Board under subdivs. a., b., c. and d. are subject to judicial review as provided in sec. 227.52, Wis. Stats.
 - f. Except as provided in subdiv. g., if the person is --
 - (1) A partnership, then subdiv. a. applies to the partnership and each general and limited partner of the partnership.
 - (2) An association, then subdiv. a. applies to the association and each officer and director of the association.
 - (3) A corporation, then subdiv. a. applies to the corporation, each officer or director of the corporation and each owner, directly or indirectly, of any equity security or other ownership interest in the corporation. In the case of owners of publicly held securities of a publicly traded corporation, subdiv. a. applies only to those persons who are beneficial owners of 5% or more of the publicly held securities.
 - g. The restrictions under subdiv. a. do not apply to the partnership, association or corporation if the Lottery Board determines that the partnership, association or corporation has terminated its relationship with the partner, officer, director or owner who was convicted or entered the plea or with the partner, officer, director, owner or other individual whose actions directly contributed to the partnership's, association's or corporation's conviction or entry of plea.
 - h. Any conviction, guilty plea or plea of no contest of any partnership, limited partnership, association or corporation shall be imputed to any individual who, though not convicted, directly contributed to the transaction giving rise to the conviction, guilty plea or plea of no contest.
2. Investigations necessary for the determinations under this section shall be conducted by the Lottery Board with the assistance of the Department of Justice. Persons holding Certificates under this section shall be subject to periodic review in order to determine continuing compliance with the requirements of this section.

3. Any person applying for or holding a Certificate under this section shall:
 - a. Respond, under oath, to such written or oral questions that the Lottery Board may propound in the performance of its responsibilities under this section.
 - b. Pay to the State the amount of the State's actual costs in conducting investigations and making determinations under this section.
 - c. Be fingerprinted on 2 fingerprint cards each bearing a complete set of the person's fingerprints. The Department of Justice may submit the fingerprint cards to the Federal Bureau of Investigation for the purpose of verifying the identity of the person fingerprinted and obtaining records of his or her criminal arrests and convictions.
 - d. Submit to the Lottery Board a list of all states in which the person has done business within the last three years. The list shall include license or permit numbers (if issued) and the operative dates of the license(s) or permit(s).

4. Temporary Certification. The Department may, in its sole discretion, grant a temporary Certificate to an applicant for a Certificate if the following criteria are met: a complete application has been filed with the Department; the Tribe has filed a written request with the Department to grant the applicant a temporary Certificate; and the applicant holds a current gaming license for a position substantially similar to the proposed activities in Wisconsin, issued by one of the States of Nevada, New Jersey, or such other jurisdiction(s) determined by the Department to conduct background investigations of applicants which are substantially similar in scope to those conducted by the Department. The temporary Certificate shall allow the applicant to provide gaming related goods and/or services to the Tribe until such time as the Department suspends or revokes the temporary Certificate pursuant to subdiv. 5, or the Department denies the application for a Certificate. If, after receiving temporary certification, the Department finds cause to deny the contractor a Certificate, or suspend or revoke the temporary Certificate, any contract entered into by the contractor and the Tribe shall be considered null and void, and all consideration received by the contractor while holding a temporary Certificate returned to the Tribe.

5. Suspension or Revocation of a Certificate:

a. The Department may suspend or revoke a Certificate:

- (1) Upon a determination pursuant to subdivs. 1. a., b., or c.; or
- (2) If the Certificate holder has committed multiple violations of the Compact, or demonstrated an unreasonable disregard of the provisions of the Compact;

b. Before suspending or revoking a Certificate, the Department shall inform the Tribe of the proposed denial, unless the State determines immediate action is necessary to protect the public health, safety or welfare or the integrity of class III gaming. Prior to the suspension or revocation of a Certificate, the Certificate holder shall have a right to a hearing before the Department. The provisions of ch. 227, Wis. Stats., shall govern the conduct of such hearings.

6. Section XV.A.4. of the Compact is amended by adding the following sentence to the end of the paragraph:

"The Tribe may operate cashless electronic games of chance in accordance with MICS promulgated by the Tribe pursuant to Section XXXVI, below."

7. Section XV.C.3. of the Compact is amended by deleting it in its entirety and replacing it with the following language:

Games and Operation. The Tribe shall, by ordinance, establish the number of games that may be operated on Tribal lands, the hours and locations of operation.

8. Section XV.D.2 of the Compact is amended as follows:

"a surge protector must be installed on the line that feeds power to the electronic game of chance, unless a surge protector is already installed within the electronic game of chance."

9. Section XV.D.13. of the Compact is amended as follows:

Edit second sentence to read:

"Upon printing a written statement, the game must retain an exact, legible copy of the written statement within the machine or in an on-line electronic game management system approved by an independent gaming test laboratory."

10. Section XV.D.14. of the Compact is amended deleting it in its entirety and replacing it with language as follows:

Wagers. The Tribe shall set, by its own procedures and regulations, the limits of wagers or pot sizes, and other limitations as may be deemed appropriate in the sole discretion of the Tribe.

11. Section XV.D.15. of the Compact is amended as follows:

"The minimum legal age requirement in subsec. V.A. of this compact for a person to play an electronic game of chance must be displayed prominently at each entrance to the gaming floor of the Facility."

12. Section XV.D.16. of the Compact shall be amended by adding the following language:

"This shall not exclude "cashless" technology that may utilize a magnetic stripe card pursuant to MICS promulgated under Section XXXVI, below, provided the "cashless" technology does not allow for access to credit card accounts or bank accounts."

13. Section XV.E.2.c. is created as follows:

"Video games that are not affected by player skill shall pay out a minimum of 80 percent and no more than 100.0 percent of the amount wagered, except in the event electronic games of chance are being utilized in slot tournaments."

14. Section XV.E.2.b. of the Compact is amended by changing the words "maximum payout percent" from "no more than 100.0 percent" to "no more than 103.0 percent."

15. Section XV.E.7 of the Compact is amended as follows:

"The display information required paragraph 8 shall be kept under glass or another transparent substance and may be placed on the machine bezel or control panel."

16. Section XV.F. of the Compact is amended by deleting it in its entirety and replacing it as follows:

No Limitation of Technology.

It shall be recognized that this compact will not be read in such a way that limits the use of future technology which is consistent with Section XXXVI. As new technology is developed, the Tribe may promulgate MICS under the provisions of Section XXXVI. to implement the new technology.

17. Section XVI.A.13. of the Compact is amended by deleting it in its entirety.
18. Section XVI.B.2. of the Compact is amended by deleting it in its entirety.
19. Section XVI.C.3.j. of the Compact is amended by deleting the first sentence of the paragraph.

20. The following phrase in the first sentence of Section XVI.C.3.k. is deleted:

"within the wager limit set in subdiv. j., and"

21. Section XVI.C.7.c. of the Compact is amended as follows:

Edit the last sentence to read:

"The first card which has been placed face down in the discharge rack, otherwise known as the "bum card", shall be disclosed or not disclosed based upon provisions established by the Tribe."

22. Section XVI.C.7.k. of the Compact is amended as follows:

Edit the paragraph to read:

"Whenever all players leave a table, the dealer must repeat the procedures contained in paragraph 5, above; when either the table remains empty for a time period of thirty (30) minutes or upon the request of a guest."

23. Section XVI.C.17. of the Compact is amended by deleting it in its entirety and replacing it with the following language:

"All tip bets won by a dealer and all other tips shall be deposited in a locking tip box in the dealer's pit area. The Tribe shall establish provisions to pool and distribute tips based upon a formula established by the Tribe. Cash tipping shall be prohibited."

24. Section XVI.C.20.b. of the Compact is amended as follows:

Edit language to read:

"A dealer who dealt cards from a shoe may not regroup the cards from that shoe; except, under alternative secure provisions promulgated pursuant to Section XXXVI., below."

25. Section XIX.A. of the Compact is deleted in its entirety and amended as follows:
- A. During the term of this Compact, the Tribe shall maintain general liability insurance for bodily injury and property damage with combined limits of not less than \$250,000 for any one person and \$4,000,000 for any one occurrence for personal injury, and \$2,000,000 for any one occurrence for property damage. The requirements of this section are not intended to permit causes of action for injuries outside the coverage of the general liability insurance required by this section.

26. Section XX.A. of the Compact is amended to add the following language at the end of the section:

The Tribe and the State, when requesting records retained by the other party, agree to pay the other party's costs of locating, retrieving and/or reproduction of records over twenty-four (24) months old, which costs shall be consistent with those allowed under Chapter 19 of the Wisconsin Statutes (2001-02), except that pre-payment shall not be required.

27. Section XXII of the Compact is deleted in its entirety and replaced with the following:

Section XXII. DISPUTE RESOLUTION.

- A. **Purpose.** The Tribe and the State agree that it is in the best interest of both parties that any dispute under this Compact be resolved in a fair, efficient, timely and equitable manner.
- B. **Matters Subject to Dispute Resolution.** Unless otherwise provided herein, or upon mutual agreement, any dispute between the Tribe and the State arising under this Compact shall be resolved pursuant to terms of this Section XXII.
- C. **Negotiation.** If either the Tribe or the State believes the other has failed to comply with the requirements of this Compact then either party may serve a written notice on the other identifying the specific provision or provisions of the Compact in dispute and specifying in detail the factual bases for any alleged non-compliance and/or the interpretation of the provision of the Compact proposed by the party providing notice. Within seven (7) days following delivery of the written notice of dispute, the party receiving the notice shall serve a detailed written response on the other party. Within ten (10) days following delivery of the written notice of dispute, representatives designated by the Governor of Wisconsin and the Tribe shall meet at a neutral site, or other mutually agreed upon location, to resolve the dispute. If a resolution is not reached after one negotiation session between the parties required by this section, either party may serve on the other a written demand for mediation under the provisions of Section XXII.D., below. The requirements of this Section XXII.C. shall be a pre-requisite to pursuing mediation under Section XXII.D.

D. Mediation. If the parties fail to resolve the dispute through negotiation as set forth in Section XX:11.C., above, the parties shall then attempt to resolve the dispute by non-binding mediation according to the procedures set forth below:

1. Within seven (7) days of service of the notice of demand for mediation the parties shall appoint a mediator. If the parties are unable to agree on a mediator, each party shall select a mediator, and the two shall select a third mediator who shall conduct the mediation.
2. The parties shall attempt to agree on the number of mediation sessions to be scheduled to resolve the dispute, but in no event shall less than two mediation sessions be scheduled. Both mediation sessions shall be held within fourteen (14) days of the selection of the mediator, unless the parties agree otherwise. After at least two mediation sessions have occurred, either party may notify the other that mediation has failed and the parties shall schedule a final mediation session no later than ten (10) days after notification of the failure of mediation, unless parties agree to another mutually acceptable date.
3. The costs of mediation shall be borne equally by the parties.
4. Mediation pursuant to this Section XX:11.D. shall be a pre-requisite to pursuing arbitration under Section XX:11.E., below.

DI. Arbitration. In the event the parties fail to resolve their dispute through negotiation and mediation, then either party may serve a written demand on the other for arbitration and the dispute shall be resolved through arbitration at a neutral location. The arbitration shall be conducted in accordance with the following procedure:

1. Within five (5) business days from the date of receipt of the demand by the other Party, the Parties shall meet to select an arbitrator who shall have demonstrated experience in gaming and federal Indian law
2. If the Parties cannot agree on an arbitrator, each Party shall select an arbitrator and the two arbitrators shall select a single, who shall conduct the arbitration.
3. Within 30 days from the date the arbitrator is appointed, the arbitrator shall hold a scheduling conference at which the arbitrator shall establish a date for the filing of pre-hearing motions, completion of discovery and for conducting a hearing on the matter.
4. The schedule shall provide that the arbitration process shall be completed within 180 days from the date of the arbitrator's order establishing the schedule, unless the Parties agree otherwise.
5. The arbitration shall be conducted in accordance with the Federal Rules of Civil Procedure and Evidence.

6. Each Party shall pay for one half($\frac{1}{2}$) of the cost of the arbitration. The parties shall be bound by any award entered by the arbitrator.
7. The arbitrator shall have the authority to provide such relief and issue such orders as are authorized by the Federal Rules of Civil Procedure.
8. Any action to compel arbitration, determine whether an issue is arbitrable or to confirm an award entered by the arbitrator shall be brought in the United States District Court under the Federal Arbitration Act, 9 U.S.C. Sections 1, et. seq.

F. Disputes Resolved by Courts of Competent Jurisdiction. Unless the parties agree otherwise, if a dispute arises regarding compliance with or the proper interpretation of the requirements of the Compact under §§ IV (Authorized Class III Gaming), XXII (Dispute Resolution), XXIII (Sovereign Immunity), XXXII (Payment to the State), and XXIV (Reimbursement of State Costs), the dispute shall be resolved by a court of competent jurisdiction, but only after the parties have complied with the provisions of Section XXII, A through D., above. For purposes of this Section XX:11.F., the court of competent jurisdiction shall be the United States District Court.

G. Other Relief.

1. The Tribe or the State may seek in a court of competent jurisdiction prior to engaging in the Dispute Resolution procedures set forth above, provisional or ancillary remedies, including preliminary injunctive relief, or permanent injunctive relief.
2. A violation of any provision in this Compact shall be subject to the jurisdiction of the United States District Court, pursuant to § 11(d)(7)(A)(ii) of the Act. A willful failure to abide by or implement a final, non-appealable arbitration decision issued pursuant to Section XXII.E, above, shall constitute a violation of the Compact.

28. Section XXIII of the Compact is deleted in its entirety and replaced as follows:

XXIII. SOVEREIGN IMMUNITY; COMPACT ENFORCEMENT.

- A. This Compact does not alter any waiver of either State or Tribal immunity which may have been effectuated by Congress in passing the Act. This Compact in no way limits the application of 25 U.S.C. sec. 2710(d)(7)(A) [1991] which the parties believe provides an enforcement mechanism for violation of this Compact.
- B. In addition to other enforcement mechanisms, both the State and the Tribe agree that legal action to enforce any provision of this Compact may be brought in federal court by either the State or the Tribe against any official or employee of either the State or the Tribe. Relief in said legal action shall be limited to prospective declaratory or injunctive relief. An allegation that an official or employee violated this Compact shall be deemed an allegation that said official or employee is acting in excess of his/her authority for purposes of jurisdiction only. The State and the Tribe shall bear their own costs of litigation for any action to enforce this Compact, including but not limited to, attorneys' fees.
- C. The Tribe and the State, to the extent the State or the Tribe may do so pursuant to law, expressly waive any and all sovereign immunity with respect to any claim brought by the State or the Tribe to enforce any provision of this Compact. This waiver includes legal actions to collect money due to the State or the Tribe pursuant to the terms of the Compact; to obtain an order to specifically enforce the terms of any provision of the Compact; or to obtain a declaratory judgment and/or enjoin any act or conduct in violation of the Compact. Nothing contained herein shall be construed to waive the immunity of the Tribe or the State, except for legal actions arising under the terms of this Compact. This waiver does not extend to other claims brought to enforce other obligations that do not arise under the Compact or to claims brought by parties other than the State and the Tribe. In addition, the State agrees that State officials and employees may not engage in unauthorized activity. State officials and employees are not authorized under law to engage in activity that violates the terms of the Compact; that violates an arbitration decision entered under Section XXII; or, with respect to subject matters governed by the Compact that is not authorized by the Compact. The Tribe may maintain a legal action against State officials, agents, or employees to prevent unauthorized activity without regard to whether or not the State has waived its sovereign immunity.

- D. These enforcement provisions are an essential and reciprocal part of this Compact, and if they are found unenforceable against the Tribe or the State, or should the courts otherwise determine they lack jurisdiction to enforce the Compact, the parties will immediately resume negotiations to create a new enforcement mechanism. Disputes regarding the obligation to negotiate in good faith shall be resolved pursuant to the provisions of Sections XXII A. through D.
- E. In the event that the Tribe is unable to obtain a judicial resolution under any procedures provided for by law including the procedures set out in Sections 16.007 and 775.01 of the Wisconsin Statutes (2001-02), of a dispute regarding an obligation by the State to make payments to the Tribe pursuant to the terms of this Compact due to the immunity of the State from legal actions, then the waiver of immunity granted by the Tribe to allow legal actions for money owing to the State by the Tribe pursuant to the terms of this Compact shall immediately be deemed null and void and shall have no further force or effect. Any waiver of immunity which has been nullified shall be reinstated if the State ratifies a waiver of sovereign immunity in Section XXII., or otherwise waives the State's sovereign immunity for judicial enforcement of any obligation of the State to make payments to the Tribe pursuant to the terms of this Compact.
- F. In the event that it is necessary for either party to seek judicial resolution of a dispute pursuant to Section XXII and the party is unable to obtain the judicial remedy because the other party is immune from suit, then any waiver of immunity authorizing suit pursuant to Section XXII granted by the party seeking relief shall immediately be deemed null and void and shall have no further force or effect. Any waiver of immunity which has been nullified shall be reinstated, if the State ratifies the waiver of sovereign immunity in Section XXII., or waives the State's sovereign immunity to allow judicial enforcement of disputes under Section XXII.E.8.

29. Section XXV of the Compact is deleted in its entirety and replaced with the following:

XXV. EFFECTIVE DATE AND DURATION

- A. Effective date.** The Compact, as amended on February 20, 1998, shall remain in effect. The 2003 Amendments are binding on the Tribe and the State upon signature by the Chairperson of the Tribe and by the Governor of the State. The 2003 Amendments shall become effective as provided for in the Act.
- B. Termination.** This Compact shall continue in effect, notwithstanding any other provision of this Compact, until terminated by mutual agreement of the parties, or by a duly adopted ordinance or resolution of the Tribe revoking the authority of the Tribe to conduct Class III gaming upon its lands, as provided for in Section 11(d)(2)(D) of the Act.
- C. Enforceability.**
1. The State and the Tribe voluntarily enter into this Compact pursuant to Section 11(d)(3)(B) of the Act.
 2. By signing this Compact and/or amendments to this Compact, the Governor of Wisconsin and the Chairperson of the Tribe represent they are authorized to execute the Compact and amendments on behalf of the State and the Tribe, respectively.

30. Section XXX of the Compact, entitled "AMENDMENT," is amended and replaced with the following:

XXX. AMENDMENT AND PERIODIC ENHANCEMENT OF COMPACT PROVISIONS.

- A.** This Compact shall not be modified, amended or otherwise altered without the prior written agreement of both the State and the Tribe.

B. Periodic Amendment Process.

1. Within the thirty (30) days preceding each fifth (5th) annual anniversary of July 1, 2004, the State or the Tribe may propose amendments to the Compact to improve the regulation of gaming under the Compact. The Tribe and the State shall then enter into good faith negotiations regarding the proposed amendments. Disputes over the obligation to negotiate in good faith under this provision shall be resolved through Dispute Resolution conducted in accordance with the provisions of Section XXII.
2. Within the thirty (30) days preceding each twenty-fifth (25th) annual anniversary of July 1, 2004, the State, by the Governor as directed by an enactment of a session law by the Wisconsin Legislature, or the Tribe may propose amendments to any provision of the Compact. The Tribe and the State shall then enter into good faith negotiations regarding the proposed amendments. Disputes over the obligation to negotiate in good faith under this provision shall be resolved through Dispute Resolution conducted in accordance with the provisions of Section XXII.

31. Section XXXII of the Compact entitled "PAYMENT TO THE STATE", as created by Paragraph 3. of Amendment #1, is amended as follows:

Section XXXII.A. of Amendment #1 is deleted in its entirety and replaced with the following:

- A. Net win shall mean the total amount wagered in Class III gaming, less the amount paid out in prizes, including the actual cost of non-cash prizes, which shall mean any personal property distributed to a patron as the results of a specific legitimate wager. Commencing on January 31, 2004, and each January 31 thereafter, the Tribe shall make annual payments equal to a percentage of the Tribe's annual Class III net win based on the following:
 1. The Tribe shall pay an amount to the State equal to 1.75% of the Tribe's net win, excepting the first \$5,000,000.
 2. In the event that the Tribe's net win exceeds \$35,000,000 but is less than \$40,000,000 (the "transition plateau"), the Tribe shall make payment to the State in accordance with paragraph A.1. above plus one-half of the difference described in paragraph A.3. below.

3. In the event the Tribe's net win falls within the transition plateau described in paragraph A.2., above, one-half of the difference between the amount the Tribe would have paid to the State under the terms of A.1., above, and an amount equal to 3% of Class III Net Win, shall be retained by the Tribe and used for educational or social service purposes as appropriated by the Tribe.
4. In the event the net win of the Tribe exceeds \$40,000,000 per annum, the Tribe shall make annual payments based upon the schedule below:

NET WIN	PAYMENT TO STATE
\$0 - \$80,000,000	3% of Class III Net Win
\$80,000,001 - \$150,000,000	4.5% of Class III Net Win
\$150,000,000 and over	5% of Class III Net Win

5. Beginning in 2007, the first \$100,000.00 of the annual amount required to be paid by this Section XXXII shall be retained by the Tribe and paid directly to any local government(s) in either Forest or Langlade Counties, or both, with whom the Tribe has entered into a written agreement regarding the use of said funds. If the Tribe and any local governments have not reached such an agreement, the \$100,000 shall be paid to the State.

Section XXXII.C. of Amendment #1 is deleted in its entirety.

Section XXXII.B of Amendment #1 is deleted in its entirety and replaced with the following:

B. Exclusivity.

1. In the event a change in State law permits the operation of electronic games of chance, or other Class III games that are not permitted by State law on January 1, 2003, by any person or entity (including the State or a political subdivision of the State) other than a federally recognized Tribe under the provisions of the Act; or
2. If the Wisconsin Legislature enacts an amendment to the Wisconsin Constitution that authorizes any entity, other than a federally recognized Tribe under the provisions of the Act, to engage in gaming, except as was authorized by the 1993 Amendment to the Wisconsin Constitution; then the Tribe shall thereafter be relieved of its obligation to pay the amounts required in this Section XXXII.

Section XXXII.D. of Amendment #1 is deleted in its entirety and replaced with the following:

- D. Within the thirty (30) days preceding the twenty-fifth (25th) annual anniversary of July 1, 2004, if the net win of the Tribe exceeds \$150,000,000 per year averaged over the three highest years between 2023 thru 2027, the Tribe's payment to the State shall equal 6% of the Tribe's annual net win, notwithstanding any other provision of this Compact. If in any year subsequent to 2028, the Tribe's net win again falls below \$150,000,000, the Tribe's payment shall correspond with the schedule established in Section XXXII.B.4, above. So long as the Tribe has paid out at least one 6% per annum payment of its net win to the State under this provision, it shall make payments at the 6% per annum rate at any time the Tribe's net win exceeds \$150,000,000.

Section XXXII.E. is created as set forth below:

- G. The State and the Tribe agree to cooperate and to consult in the preparation of the budget of the State of Wisconsin to the extent it proposes the appropriation of the funds made available to the State of Wisconsin under this Section XXXII of the Compact. The State and the Tribe shall cooperate as is appropriate for governments that share their revenue to fund programs or activities to achieve goals of mutual interest.

32. Section XXXV of the Compact, as created by Paragraph 5 of Amendment #1, is deleted in its entirety and replaced with the following:

Section XXXV. TRANSITION.

- A. In the event that Section XXV (Effective Date and Duration) of the 2003 Amendments is disapproved, in whole or in part, by the Secretary of the Interior or are found unenforceable or invalid by a court of competent jurisdiction, the Tribe shall not be required to make any further payments under Section XXXII, above, and the parties shall negotiate in good faith to reach agreement on substitute provisions for Sections XXV and XXXII. In the event that any portion of these 2003 Amendments other than Section XXV is disapproved, in whole or in part, by the Secretary of the Interior or are found by a court of competent jurisdiction to be unenforceable or invalid, either party may serve on the other a demand for renegotiation of such portion of the amendments as are impacted. The parties shall negotiate in good faith to reach agreement on substitute provisions. If a mutually satisfactory solution is not achieved within sixty (60) days of the Secretary's action or the court's decision, the parties shall resolve the dispute pursuant to Section XXII. of the Compact, or if that provision is invalid, Section XXII of the 1991 Compact.
- B. If the 2003 Amendments, or Section XXXII (Payment to the State) of the 2003 Amendments, are not approved or are found invalid or unenforceable the parties acknowledge their intent that the terms of the Compact, as amended on February 20, 1998, including Section XXV, thereof, shall remain in effect and shall govern the conduct of Class III gaming on Tribal lands for its full term. In addition the parties agree that the 1991 Compact shall be deemed to have automatically renewed for an additional term of five years commencing on August 22, 2003 pursuant to Section XXV.B. of the 1991 Compact.

33. Section XXXVI of the Compact, as created by Paragraph 9 of Amendment #1 is deleted in its entirety and replaced with the following:

Section XXXVI. Severability. Each provision of this Compact shall stand separate and independent of every other provision. If a court of competent jurisdiction finds any provision of this Compact to be invalid or unenforceable, it is the intent of the parties that the remaining provisions shall remain in full force and effect.

34. Section XXXVII of the Compact is created as set forth below:

Section XXXVII. MINIMUM INTERNAL CONTROL STANDARDS.

- A. Minimum Internal Control Standards Applicable to the Conduct of Games (Rules of Play).
1. The rules of play for all Class III games conducted by the Tribe shall be promulgated by the Tribe as minimum internal control standards ("MICS") pursuant to this Section. The standards governing game play shall provide an accurate payout ratio for each game, ensure the fairness of the playing of the game that the MICS seeks to regulate, ensure the revenue generated from the playing of the game is adequately counted and accounted for in accordance with Generally Accepted Accounting Principles for casinos, and provide a system of internal control standards that are consistent with industry standards and practices for comparable gaming facilities. The Parties shall comply with the MICS established under this Section. Until a set of MICS is established addressing the software, hardware and other requirements currently governed by Sections XV. and XVI. of the Compact, the Tribe may continue to conduct gaming under Sections XV. and XVI. and the MICS in effect as of the effective date of this Amendment. MICS addressing the software, hardware and other requirements currently governed by Sections XV. and XVI shall supersede those provisions upon promulgation pursuant to this Section.

2. Within thirty (30) days from the date of submission of either party's MICS, the parties shall submit any objections they may have to any or all of the MICS submitted. If objections are submitted, the Parties shall, within ten (10) days of submission, the Parties meet and confer at a neutral location for a reasonable period of time not to exceed thirty (30) days for the purpose of attempting in good faith to resolve the objection(s) to the proposed MICS. If at the end of the thirty (30) day period, the parties' objection(s) have not been resolved to their mutual satisfaction, then the matter shall be resolved subject to the provisions of Section XXII.D. If the matter is not resolved by mediation, the matter shall be resolved pursuant to Section XXXVII.D., below. Until a set of MICS is established under this Section the Tribe may continue to conduct gaming under Sections XV and XVI of the Compact and the MICS in effect as of the effective date of this Amendment, as well as under the agreed upon rules for new games.

B. Minimum Internal Control Standards Applicable to Class III Gaming Facility Operations.

1. Within sixty (60) days from the date of execution of this Compact by the Parties, the Tribe shall submit to the State MICS for all areas subject to the MICS promulgated by the National Indian Gaming Commission ("NIGC") to be used at each Class III gaming facility of the Tribe. These standards shall meet or exceed the MICS promulgated by the NIGC. The minimum internal control standards shall ensure the revenue generated from the playing of the games is adequately counted and accounted for in accordance with Generally Accepted Accounting Principles for casinos, industry standards and practices for comparable gaming facilities, and ensure compliance with relevant provisions of the Compact. The Parties shall comply with the MICS established under this Section.

2. Within thirty (30) days from the date of submission of either party's MICS, the parties shall submit any objections they may have to any or all of the MICS submitted. If objections are submitted, the Parties shall, within ten (10) days of submission, Parties meet and confer at a neutral location for a reasonable period of time not to exceed thirty (30) days for the purpose of attempting in good faith to resolve the objection(s) to the proposed MICS. If at the end of the thirty (30) day period, the parties' objection(s) have not been resolved to their mutual satisfaction, then the matter shall be resolved subject to the provisions of Section XXII.D. If the matter is not resolved by mediation, the matter shall be resolved pursuant to Section XXXVII.D., below.
- C. Amendment of Minimum Internal Control Standards. Tribes with a net win of \$35,000,000 or less, as evidenced in fiscal year 2002 gaming audit, may propose and implement changes to the MICS at any time, subject to the objection of the State; the State may propose MICS with respect to implementation of new technology and associated equipment, and accounting standards directly related to the new technology at any time, or at any time in January 2005, and in January of odd-numbered years thereafter, subject to the agreement of the Tribe, which agreement shall not be unreasonably withheld. Disputes between the parties regarding proposed amendments to the MICS pursuant to this paragraph shall be resolved in accordance with Section XXXVII. A.2. or B.2., as applicable.
- D. Appeal of Proposed Changes or Amendments to MICS. Either party may appeal any part of any proposed amendments or changes to minimum internal control standards required by this Section XXXVII to a three-member arbitration panel:
1. The panel shall consist of three members, one of whom shall be a C.P.A., and one of whom one shall be experienced in the regulation of gaming, which criteria may be met by substantial experience with regulatory compliance issues while employed by a regulated entity. Of the three arbitrators, one will be chosen by the Tribe, one chosen by the Department, and the third chosen by the two panel members. No person who has performed services, or whose firm has performed services, for either the Department or the Tribe's gaming facility in the preceding year, may serve on the panel.

2. For any proposed amendments or changes to MICS established pursuant to Paragraph A. of this Section, the panel shall select from the two proposals submitted by the Parties the one which best assures: (a) the fairness of the playing of the game that the MICS seek to regulate; (b) that the revenue generated from the playing of the game is adequately counted and accounted for in accordance with Generally Accepted Accounting Principles for casinos, and (c) a system of internal control standards consistent with industry standards and practices for comparable gaming facilities. For any proposed amendments or changes to MICS established pursuant to Paragraph B of this Section, the panel shall select from the two proposals submitted by the Parties the one which best assures: (a) that the revenue generated from the playing of the games is adequately counted and accounted for in accordance with Generally Accepted Accounting Principles for casinos, (b) a system of internal control standards consistent with industry standards and practices for comparable gaming facilities, and (c) compliance with relevant provisions of the Compact.
3. Except as provided within this Section XXXVII.D., the arbitrators shall conduct the arbitration in accordance with the provisions of Section XXII.E., above. To the extent practicable, the parties shall stipulate to all facts not reasonably in dispute. At the request of either party, the panel may take testimony from witnesses if it feels that such procedures are necessary for an informed resolution of the controversy. The formal rules of evidence shall not apply to witness testimony, and the panel shall determine the permissible scope and extent of any proffered testimony, but the panel shall observe basic principles of relevancy, materiality and probative value. At a time determined by the panel after the factual record is finalized, each party shall simultaneously submit a written statement in support of its position. Upon mutual agreement of the parties, any and all proceedings may be conducted telephonically. The panel shall decide the matter within thirty (30) days of receipt of the testimony and written submissions. The decision of the panel shall be final and non-appealable. The parties shall equally share the cost of the panel and meeting facilities, If any, and bear its own cost of the proceedings.

E. Regulatory Requirements Regarding Data Collection System and Records.

1. The Parties agree that the Tribe shall report information from its slot accounting systems to the Data Collection System ("DCS") maintained by the State, utilizing the hardware, software and reporting formats for the specified information in use on the date of this Amendment #2, except that the Parties agree that at no time shall the DCS be used for live, online monitoring of the Tribe's online accounting system. All costs related to the acquisition, installation and maintenance of the DCS shall be borne by the State.
2. Notwithstanding any other provision of this Compact, the Parties shall meet and confer regarding any proposed modifications to the hardware, software and reporting formats utilized by the DCS that would affect the manner in which the Tribe reports its information. Any modifications proposed by either Party shall be implemented by the other Party, unless the other Party objects to the modification pursuant to the procedures contained in Section XXXVII.D., above, except that the arbitrators shall approve the proposed modification if it is determined to be reasonably necessary to allow the State to maintain electronic monitoring of the specified information or shall reject the amendment if it is determined to be unreasonably burdensome on the Tribe.
3. The Tribe shall submit to the Department of Administration, Division of Gaming, in an electronic format maintained by the Tribe, the following daily revenue information for table games: (1) Type of table game; (2) Table number; (3) Shift; (4) Opening Inventory; (5) Fills; (6) Credits; (7) Adjustments; (8) Closing Inventory; (9) Drop, and (10) Win/(loss). This information shall be submitted no later than 21 days after the conclusion of the previous calendar month.

IN WITNESS WHEREOF, the Sokaogon Chippewa Community (Mole Lake Band of Lake Superior Chippewa Indians) and the State of Wisconsin have hereunto set their hands and seals.

SOKAOGON CHIPPEWA COMMUNITY
(MOLE LAKE BAND OF LAKE
SUPERIOR CHIPPEWA INDIANS)

By *Sandra Rachal*
Sandra Rachal
Chairperson

Executed on this 24th day of April, 2003

STATE OF WISCONSIN

By *James E. Doyle*
James E. Doyle
Governor

Executed on this 25th day of April, 2003