

**SECOND AMENDMENT TO THE ONEIDA TRIBE OF
INDIANS OF WISCONSIN AND THE STATE OF WISCONSIN
GAMING COMPACT OF 1991**

This Agreement ("Agreement") is entered into by and between the Oneida Tribe of Indians of Wisconsin, a sovereign Indian Nation, ("Nation") and the State of Wisconsin ("State") (collectively, "Parties"), and shall become effective immediately upon execution by the Parties.

WHEREAS, Section XXX of the Oneida Tribe of Indians of Wisconsin and the State of Wisconsin Gaming Compact of 1991 ("Compact") provides that it may be amended upon the written agreement of both Parties; and

WHEREAS, the Parties amended the Compact on May 8, 1998; and

WHEREAS, the Parties believe that it is in their mutual interests to amend the Compact in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual promises set forth herein, the Parties do hereby agree to amend the Compact as set forth below:

1. Section III(C) is deleted in its entirety and replaced with the following:
 - C. "Lottery Board" shall be deemed to refer to the State of Wisconsin Department of Administration, Division of Gaming ("Department"), its authorized officials, agents, and representatives.
2. Section III(H) is amended by inserting the words "or 'Nation'" after the word "Tribe" as it first appears in such Section.
3. Article III is amended by adding the following Sections:
 - I. "First Amendment" means the Amendments to the Oneida Tribe of Indians of Wisconsin and the State of Wisconsin Gaming Compact of 1991 executed on May 8, 1998.
 - J. "Second Amendment" means the Amendments to the Oneida Tribe of Indians of Wisconsin and the State of Wisconsin Gaming Compact of 1991 executed on April 25, 2003.
4. Section IV(A) of the Compact is amended by replacing the words "during the term of" preceding "this Compact" with the words "pursuant to", by replacing the semicolon (";") and the word "and" after "3. Blackjack" with the words "and variations of Blackjack" followed

by a semicolon (";"), replacing the period (".") after "where bingo is being played" with a semicolon (";"), and adding the following Subsections:

5. Poker and variations of poker;
 6. Other card games, including banked and non-banked games;
 7. Parimutuel wagering on live simulcast horse, harness, and dog racing events;
 8. Keno and other forms of lotteries;
 9. Craps and other dice games;
 10. Roulette, big wheel, and other wheel games;
 11. Electronic and video facsimile versions of any authorized game; and
 12. Any other game involving prize, chance, and consideration that is played on tables or electronic or mechanical devices, except sports book. For purposes of this Subsection, "sports book" means a betting, gambling, or wagering scheme in which the outcome is determined by an event which occurs outside of the gaming facility at which the wagers are placed, but shall not include parimutuel racing.
5. Sections IV(B) through (G) of the Compact are deleted in their entirety and replaced with the following:
- B. The Nation may not operate any Class III games pursuant to this Compact unless such games are authorized under this Article.
 - C. The Nation shall establish the number of games which may be operated on Tribal lands, the hours and locations of operation, and the limits on wagers or pot sizes as may be deemed appropriate in the sole discretion of the Nation.
 - D. The Nation shall not conduct any Class III gaming or component thereof pursuant to this Compact outside of Tribal lands, including the use of common carriers (such as telecommunications, postal or delivery services) for the purpose of sale of a ticket or playing card to, or placement of a wager by, a person who is not physically present on Tribal lands; however, in the event that federal law permits the use of common carriers for Class III gaming conducted pursuant to this Compact, upon request of the Nation, the State shall in good faith negotiate an amendment to this Compact to allow the Nation to use common carriers for gaming conducted pursuant to this Compact.

Nothing herein shall be construed as prohibiting the Nation from offering wide area progressive games as part of a network with an aggregate prize or prizes, or as prohibiting the Nation from utilizing common carriers for parimutuel wagering or for the conduct of gaming as may be authorized by state or federal law.

- E. In the event that the State operates, licenses, permits, or enters a Tribal-State gaming compact which allows the operation of any games not included in Section (A) above, or in the event that any games excepted from Section (A) above are included in procedures prescribed for another Wisconsin Indian Tribe by the Secretary of the United States Department of the Interior pursuant to Section 11(d)(7)(B)(vii) of the Act, Section (A) above shall be deemed to include such games, and the Nation may operate such games under rules of play adopted pursuant to Article XXXV.
- 6. The word "minor" is deleted from Section V(A) and replaced with the word "person".
 - 7. Section V(F) is amended by replacing the period (".") following the word "conducted" with a comma (","), adding the words "except that such prohibition shall not extend to the Nation's One Stop convenience stores", and adding a period (".") following such words.
 - 8. Section V(G) is hereby created to read as follows:
 - G. The Nation shall maintain a list of persons barred from its gaming facilities (List of Excluded Persons). The Nation shall, upon request, send a copy of its List of Excluded Persons to the State. Upon the State's compilation or update of a list of excluded persons, the State shall provide notice to the Nation of the State's list. Such notice shall include the identity of the person, the nature and scope of the circumstances or reasons that such person should be placed on the Nation's List of Excluded Persons, names of potential witnesses, and a recommendation as to whether the Nation should include such person on its List of Excluded Persons and whether the inclusion should be permanent. The Nation shall not knowingly allow any person whose name appears on the Nation's List of Excluded Persons to gamble at or enter the Nation's gaming facilities. In determining whether a person should be placed on the Nation's List of Excluded Persons, the Nation shall consider whether the person has engaged in any of the following activities:
 - 1. While in a Class III gaming facility possessed, for the purpose of obtaining an unfair advantage, a device to:
 - a. Assist in projecting the outcome of the game;
 - b. Assist in keeping track of the cards played;

- c. Assist in analyzing the probability of the occurrence of an event relating to a Class III game;
 - d. For purposes of this Subsection, 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 or in the formulation of strategy, but do not manipulate the play of the game, probabilities or payout;
 2. Altered 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;
 3. Placed 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;
 4. Claimed, collected, taken, or attempted 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 claimed, collected or taken, with intent to defraud, an amount of money or thing of value of greater value than the amount won; or
 5. Attempted any of the foregoing, or aided another in committing or attempting to commit any of the foregoing.
9. Section VII(B) is amended by deleting the sum "\$10,000" where it appears in such section and replacing it with the sum "\$50,000", and adding the following sentence at the end of such section, "In the event that the Nation no longer conducts background investigations on vendors entering into gaming-related contracts with the Nation pursuant to the Nation's gaming ordinance, the Nation and the State shall in good faith negotiate an amendment to this provision to provide for background investigations of vendors."
10. Sections VII(C) is amended by deleting the sum "\$10,000" where it appears in such section and replacing it with the sum "\$50,000", and adding the following sentence at the end of such section, "In the event that the Nation no longer conducts background investigations on vendors entering into gaming-related contracts with the Nation pursuant to the Nation's gaming ordinance, the Nation and the State shall in good faith negotiate an amendment to this provision to provide for background investigations of vendors."
11. Section VII(D) of the Compact is amended by adding Subsections (4) and (5) as follows:
 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 Nation 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 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 or services to the Nation until such time as the Department may suspend or revoke the temporary Certificate pursuant to Subsection (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 Nation shall be considered null and void, and all consideration received by the contractor while holding a temporary Certificate shall be returned to the Nation.

5. Suspension or Revocation of a Certificate.
 - a. The Department may suspend or revoke a Certificate:
 1. Upon a determination pursuant to Subsection (D)(1)(a), (b), or (c); or
 2. If the Certificate holder has committed multiple violations of the Compact, or demonstrated an unreasonable disregard for the provisions of the Compact;
 - b. Before suspending or revoking a Certificate, the Department shall inform the Nation of the proposed suspension or revocation, 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 Chapter 227 of the Wisconsin Statutes shall govern the conduct of such hearings.
12. Article VIII is amended by inserting the words "for gaming activity conducted pursuant to this Compact" after the word "contracts".

13. Subsection XV(D)(14) is deleted in its entirety.
14. Subsection XV(E)(2)(a) is amended by replacing the period (".") following the word "wagered" with a semicolon, adding the words "provided, however, that such games may pay out in excess of 100.0 percent when used in a slot tournament", and inserting a period (".") following such words.
15. Subsection XV(E)(2)(b) is amended by replacing the period (".") following the word "wagered" with a semicolon, adding the words "provided, however, that such games may pay out in excess of 100.0 percent when used in a slot tournament", and inserting a period (".") following such words.
16. Section XV(I) is deleted in its entirety and replaced with the following:
 - I. The Nation shall operate its One-Stop convenience stores located at W180 Highway 54 on a site comprising approximately .5 acres, 790 County Road EE on a site comprising approximately 1.4 acres, Highway 29 and County Road U on a site comprising approximately 1.5 acres, and 2730 West Mason Street on a site comprising approximately 1.5 acres, as dual purpose facilities if the Nation conducts Class III gaming at such facilities. For purposes of this Section, "dual purpose facility" means a facility which is operated for retail or other commercial purposes in addition to Class III gaming.
17. Section XVI(B) is deleted in its entirety and replaced with the following:
 - B. Blackjack authorized and operated under this Section shall be conducted on tribally-owned land or land held in trust by the United States on behalf the Nation, but only on such lands within the exterior boundaries of the Nation's Reservation.
18. Subsection XVI(C)(3)(j) is amended by deleting the words "The maximum wager on any hand shall be \$200 before double-downs or splits" and by deleting the period (".") following such words.
19. Subsection XVI(C)(7)(k) is amended by deleting the word "must" and replacing such word with the word "may".
20. Subsection XVI(C)(14)(b) is deleted in its entirety.
21. Subsection XVI(D)(1)(c) is amended by deleting the word "four" and replacing it with the word "six".

22. Section XVII(A) is amended by deleting the words "most recent published standards of the North American Gaming Regulators Association" and replacing such words with the words "Nation's internal gaming regulations".
23. Article XXII is deleted in its entirety and replaced with the following:

XXII. DISPUTE RESOLUTION.

- A. Negotiation. If either the Nation or the State believes the other has failed to comply with the requirements of this Compact, or if a dispute arises over the proper interpretation of any provision of this Compact, then either may initiate negotiation by serving a written notice on the other identifying the specific provision or provisions of the Compact in dispute and specifying in detail the factual basis for any alleged non-compliance or the interpretation of the provision of the Compact. Within twenty (20) days of service of such notice, representatives designated by the Governor of Wisconsin and the Chairperson of the Nation shall meet in an effort to resolve the dispute through negotiation.
- B. Mediation. If either the Nation or the State believes the other has failed to comply with the requirements set forth in this Compact, or if there is a dispute over the proper interpretation of any provision of this Compact, the Nation and the State may agree in writing to settle the dispute by non-binding mediation.
- C. Arbitration. Arbitration pursuant to this Section shall be the sole mechanism for resolving disputes arising under Articles V, VII, VIII, IX, XI, XII, XIII, XIV, XIX, and XXX of this Compact, unless the Nation and the State agree in writing to another form of dispute resolution. Disputes arising under Articles IV, XXIII, and XXXII of this Compact shall not be subject to arbitration, except for disputes regarding claims for monies owed by the State to the Nation under Article XXXII which shall be subject to arbitration upon written demand for arbitration by the Nation. Proposed amendments to this Compact shall not be subject to arbitration.

If a dispute is not resolved within thirty (30) days of service of notice as provided for in Section (A) above, either the Nation or the State may serve on the other a written demand for arbitration, and the dispute shall thereafter be resolved by arbitration which shall be conducted in conformance with the rules set forth below and such other rules as the Nation and the State may in writing agree. The term "parties," as used in this Section, refers to the Nation and the State collectively.

1. Arbitration Panel. Each party shall appoint one arbitrator. The two party-appointed arbitrators shall then appoint a third arbitrator, and the three arbitrators shall constitute the panel. Unless the parties agree otherwise, at

least one of the arbitrators shall be an attorney or former judge knowledgeable about the Act, federal Indian law, gaming industry regulation, and jurisdiction within Indian country. If the parties do not appoint an arbitrator with those qualifications, the party-appointed arbitrators shall appoint an arbitrator with those qualifications.

2. Cost of Arbitration. The cost of arbitration shall be borne equally by the parties, with one-half (½) of the cost charged to the Nation and one-half (½) of the cost charged to the State, and each shall bear its own expenses.
3. Pre-hearing Conference. The panel shall hold an initial pre-hearing conference no later than thirty (30) days following the selection of the members of the panel and may permit discovery. Unless the parties agree otherwise, or unless the panel determines that compelling circumstances exist which demand otherwise, the arbitration shall be completed within one hundred and eighty (180) days of the initial pre-hearing conference.
4. Last, Best Offer Format. If the parties agree, the arbitrators shall conduct arbitration proceedings using the "last, best offer" format in accordance with the following:
 - a. No later than forty (40) days before the arbitration hearing (or forty (40) days before the date the dispute is to be submitted to the panel for decision if oral hearings have been waived), each party shall submit to the other party a last, best offer for those issues that will be decided using the last, best offer format.
 - b. No later than ten (10) days after the conclusion of the arbitration hearing (or ten (10) days before the date the dispute is to be submitted to the panel for decision if oral hearings have been waived), a party or the parties may request permission to submit additional last, best offers. The arbitrators may grant such requests if, in their opinion, such additional last, best offers will promote the resolution of the dispute.
 - c. For each issue to be decided using the last, best offer format, the panel shall, for its decision on the issue, adopt one of the last, best offers submitted under this Subsection and no other remedy. If the panel expressly determines that a last, best offer submitted by a party with respect to an issue or issues is not consistent with or does not comply with the Act or the Compact, as they may be amended and as they are interpreted by courts of competent jurisdiction, then the panel

shall reject that last, best offer and shall not consider it in rendering its decision. If the panel expressly determines that all the last, best offers submitted by the parties with respect to an issue or issues are not consistent with or do not comply with the Act or the Compact, as they may be amended and as they are interpreted by courts of competent jurisdiction, then the panel shall reject all the last, best offers and shall allow both parties an opportunity to resubmit last, best offers. If the panel determines that the resubmitted last, best offers should both be rejected, then the panel shall decide the issue or issues as if the parties had elected to have the issue or those issues decided without using the "last, best offer" format.

5. Location. Arbitration shall be conducted at a neutral location or locations within the State of Wisconsin.
6. Stay of Proceedings. Arbitration proceedings shall be stayed during the pendency of any court action or proceeding between the parties involving the same subject matter as the arbitration proceedings.
7. Decision of the Panel. In reaching a decision, the panel shall consider all relevant information, including but not limited to the following factors: (i) the financial cost to the Nation or the State relative to the matter under consideration, (ii) standards applicable to other Wisconsin Indian Tribes that operate comparable facilities, and (iii) relevant industry standards. If the "last, best offer" format is not utilized, or if the panel determines that all last, best offers are not consistent with or do not comply with the Act or the Compact, the decision of the panel shall set forth detailed findings of fact and conclusions of law and a statement regarding the reasons for the panel's determination. The written decision of the panel shall be made promptly and, unless otherwise agreed to by the parties, no later than forty (40) days from the date of the closing of the hearing or, if oral hearings have been waived, no later than forty (40) days from the date the dispute is submitted to the panel for decision. The panel may take additional time to render its decision if the panel determines that compelling circumstances require additional time. Under no circumstances shall the panel have the authority to issue monetary awards, and no decision of the panel shall operate as a waiver of the sovereign immunity of the Nation or the State.
8. The arbitration procedures of this Compact and arbitration awards rendered pursuant to such procedures shall be enforceable under, and otherwise subject to, the provisions of the Federal Arbitration Act (FAA), 9 U.S.C. Section 1, et seq.; provided, however, that no provision of the FAA shall be interpreted

or construed as effectuating a waiver of the sovereign immunity of the Nation by reason of any reference to the FAA herein.

24. Article XXIII is deleted in its entirety and replaced with the following:

XXIII. SOVEREIGN IMMUNITY; COMPACT ENFORCEMENT.

- A. Except as expressly provided in Section XIX(B) and Section (B) below, nothing contained in this Compact is intended as, or shall be deemed or construed to be, a waiver of the sovereign immunity of the Nation.
- B. The Nation grants to the State a limited waiver of sovereign immunity and hereby consents to suit in federal court solely with respect to the following claims:
 - 1. Claims for monies which may be due and owing to the State under the terms of this Compact; provided, however, that this waiver shall only be effective for so long as and to the extent that sections 16.007 and 775.01 of the Wisconsin Statutes, or any successor or similar provisions of state law, remain in effect and provide an effective waiver of the State's sovereign immunity which enables the Nation to maintain a suit against the State for any monies which may be due and owing to the Nation under the terms of this Compact. Any waiver of the Nation's sovereign immunity which may become inoperable pursuant to this provision shall be reinstated if, and for so long as, the State thereafter effectively waives its sovereign immunity in a manner which enables the Nation to maintain a suit against the State for any monies which may be due and owing to the Nation under the terms of the Compact.
 - 2. Claims for declaratory relief and injunctive relief, including injunctive relief pending the outcome of arbitration proceedings; provided, however, that in the event that the Nation seeks declaratory relief or injunctive relief against the State, and the Nation is unable to obtain declaratory relief or injunctive relief due to the sovereign immunity of the State, the Nation's waiver of sovereign immunity pursuant to this Subsection shall be null and void. Any waiver of the Nation's sovereign immunity which may become inoperable pursuant to this provision shall be reinstated if, and for so long as, the State thereafter effectively waives its sovereign immunity in a manner which enables the Nation to maintain a suit against the State for injunctive relief to enforce the terms of the Compact.
 - 3. Claims for judicial resolution of disputes regarding arbitration pursuant to Subsection XXII(C)(8) of this Compact; provided, however, that in the event

that the Nation seeks judicial resolution of a dispute regarding arbitration pursuant to Subsection XXII(C)(8), and the Nation is unable to obtain judicial resolution of the dispute due to the sovereign immunity of the State, the Nation's waiver of sovereign immunity pursuant to this Subsection shall be null and void. Any waiver of the Nation's sovereign immunity which may become inoperable pursuant to this provision shall be reinstated if, and for so long as, the State thereafter effectively waives its sovereign immunity in a manner which enables the Nation to maintain a suit against the State for judicial resolution of disputes regarding arbitration pursuant to Subsection XXII(C)(8).

- C. The waiver of the Nation's sovereign immunity provided for in this Article does not extend to any claims brought to enforce obligations which do not arise under the terms of the Compact or to any claims brought by persons or entities other than the State.
- D. Either the Nation or the State may pursue any remedy which it believes is available to it under the law or the Act, including suits against officers or employees of the other for actions taken outside the scope of their authority, subject to any defenses which may be available with respect to such remedies or suits.
- E. If a court determines that the enforcement provisions of this Article are unenforceable against the Nation or the State, the Nation and the State shall immediately enter into negotiations regarding alternative enforcement mechanisms.

25. Article XXV is deleted in its entirety and replaced with the following:

XXV. DURATION AND AUTHORITY.

- A. The Second Amendment is binding on the Nation and the State upon signature by the Chairperson of the Nation and the Governor of the State.
- B. This Compact shall continue in effect, notwithstanding any other provision of this Compact, unless terminated by mutual agreement of the Nation and the State, or unless the Nation duly adopts a resolution revoking Tribal authority to conduct Class III gaming on Tribal lands in accordance with the Act.
- C. If the provisions of Section (B) above are determined to be invalid or unlawful by a court of competent jurisdiction, the term of this Compact shall expire April 25, 2102.
- D. Authority.

1. The Nation and the State voluntarily enter into this Compact pursuant to Section 11(d)(3)(B) of the Act.
 2. By signing this Compact or Amendments to this Compact, the Governor of Wisconsin and the Chairperson of the Nation represent that they are authorized to execute the Compact or Amendments on behalf of the State and the Nation, respectively.
26. Article XXX is deleted in its entirety and replaced with the following:

XXX. AMENDMENT.

- A. This Compact shall not be modified, amended or otherwise altered without the prior written agreement of both the State and the Nation. Modifications, amendments, and alterations of this Compact shall only become effective as provided in the Act.
- B. Periodic Amendment Process.
 1. Within the thirty (30) days preceding each fifth (5th) annual anniversary of July 1, 2004, the State or the Nation may propose amendments to the regulatory provisions of the Compact. The Nation and the State shall enter into good faith negotiations regarding the proposed amendments. Disputes over the obligation to negotiate in good faith under this provision may be resolved under the provisions of Article XXII.
 2. Within the thirty (30) days preceding each twenty-fifth (25th) annual anniversary of July 1, 2004, the Governor as directed by an enactment of a session law by the Wisconsin Legislature, or the Nation may propose amendments to any provision of the Compact. The Nation and the Governor shall enter into good faith negotiations regarding the proposed amendments. Disputes over the obligation to negotiate in good faith under this provision may be resolved under the provisions of Article XXII.

27. Article XXXII is deleted in its entirety and replaced with the following:

XXXII. PAYMENT TO THE STATE.

- A. On or before June 30, 2004, the Nation shall make a payment to the State in the amount of \$20,000,000 (Twenty Million Dollars) ("First Installment Payment"). On or before June 30, 2005, the Nation shall make a payment to the State in the amount of \$20,000,000 (Twenty Million Dollars) ("Second Installment Payment"). On or before June 30, 2006, and on or before June 30 of each succeeding year, the Nation

shall make a payment to the State ("Annual Payment") which shall constitute a percentage of the net win from Class III gaming conducted pursuant to this Compact and shall be determined in accordance with the following schedule:

<u>Year</u>	<u>Amount of Annual Payment</u>
2006	6% of net win for the previous fiscal year
2007	5% of net win for the previous fiscal year
2008	4% of net win for the previous fiscal year
2009	5% of net win for the previous fiscal year
2010	4% of net win for the previous fiscal year
2011	5% of net win for the previous fiscal year
2012 and thereafter	4.5% of net win for the previous fiscal year

If in any fiscal year the Nation's net win from gaming conducted pursuant to this Compact exceeds \$350,000,000 (Three Hundred Fifty Million Dollars), the amount of the Annual Payment calculated with reference to that fiscal year shall be 5.5% of the net win.

For purposes of this Section, "fiscal year" shall be defined as the period beginning October 1 of a given year and ending September 30 of the following year. In addition, "net win" shall be defined as the amount wagered in Class III gaming, less fills and the amount paid out in jackpots and prizes, including the actual cost to the Nation of any noncash prize which is distributed to a patron as the result of a specific, legitimate wager.

Beginning in 2008 and in each year thereafter, the Annual Payment shall be reduced by the amount paid by the Nation in the immediately preceding calendar year to local units of government pursuant to service agreements, and by the amount of any unused credit for previous years, up to a maximum reduction of \$1,500,000 (One Million Five Hundred Thousand Dollars) per year. If in any fiscal year the Nation's net win from gaming conducted pursuant to this Compact exceeds \$350,000,000 (Three Hundred Fifty Million Dollars), and the amount of the Annual Payment increases to 5.5% of net win as provided for above, the maximum amount of reduction shall be \$2,000,000 (Two Million Dollars) for such year and the following year, and shall thereafter be \$2,500,000 (Two Million Five Hundred Thousand Dollars). The Nation shall be entitled to a credit in the amount of \$1,500,000 (One Million Five Hundred Thousand Dollars) per year for payments made by the Nation in the years 2003 through 2007 to local units of government pursuant to service agreements entered into by the Nation with such local units of government. Such credit may only be applied against the payment to the State as provided for above.

The Governor shall use his best efforts within the scope of his authority to ensure payments received by the State pursuant to this Section are allocated and expended in accordance with the May 8, 1998 Memorandum of Understanding Regarding Government to Government Matters.

B. Exclusivity.

1. Upon the passage of any State law which permits the operation of any games, which would be Class III games if conducted by an Indian Tribe pursuant to the Act, by any person or other entity other than a federally recognized Wisconsin Indian Tribe under the provisions of the Act, and other than the State Lottery, parimutuel racing, and charitable gaming as authorized by State law and operated as of January 1, 2003, the Nation's obligation to make payments to the State pursuant to Section (A) above shall terminate upon the date of passage of such law and all Installment Payments previously made by the Nation shall be immediately refunded by the State to the Nation.
2. Upon final approval of any amendment to the Wisconsin Constitution that authorizes any person or entity, other than a federally recognized Wisconsin Indian Tribe under the provisions of the Act, to engage in gaming, except as authorized by the 1993 Amendment to the Wisconsin Constitution, the Nation's obligation to make payments to the State pursuant to Section (A) above shall terminate upon the date of final approval of such amendment and all Installment Payments previously made by the Nation shall be immediately refunded by the State to the Nation.
3. In the event that the State executes a Tribal-State gaming compact, or executes an amendment to an existing Tribal-State gaming compact, and such compact or amendment provides for any form of protection from or consideration for competition from gaming conducted by another Indian Tribe pursuant to section 20 of the Act, or any similar or successor provision of law, and such compact or amendment is approved by the Secretary of the United States Department of the Interior or otherwise becomes effective by operation of law, upon the Nation's request, the State shall in good faith negotiate an amendment to this Compact for the purpose of incorporating provisions in this Compact under which the Nation's obligation to make payments pursuant to Section (A) above shall terminate and the State shall be required to refund to the Nation all Installment Payments previously made by the Nation upon the date on which the State enters into an agreement for or otherwise approves the operation of a gaming facility by another Indian Tribe under section 20 of the Act or any successor provision of law within fifty (50) miles of the exterior boundaries of the Nation's Reservation.

C. Suspended operations.

1. If the Nation is unable to operate Class III games authorized by this Compact for a period of twenty-one (21) consecutive days or more for any reason beyond the control of the Nation, including any adverse court decisions, rulings, or orders, the payments required under Section (A) above for the year in which such inability to operate Class III games first occurs shall be reduced by a percentage which is equal to the number of days the Nation is unable to operate such games divided by 365. In the event the Nation is unable to operate Class III games for more than 365 consecutive days, the Nation's obligation to make payments under Section (A) above shall be suspended until such time as the Nation is again able to operate Class III games. The preceding formula shall then be applied to determine the reduction of the payment, if any, for the year in which the Nation resumes operation of Class III games. If the Nation has made full payment for any year in which a reduction is applicable, the State shall refund the amount of the reduction to the Nation. In the alternative, the Nation may elect to deduct the amount of any such reduction from future payments.
2. If the Nation is unable to operate Class III games authorized by this Compact, other than blackjack or electronic games of chance, for a period of twenty-one (21) consecutive days or more for any reason beyond the control of the Nation, including any adverse court decisions, rulings, or orders, the payments required under Section (A) above for the year in which such inability to operate such games first occurs shall be reduced by a percentage which is equal to: $(\text{number of days Nation is unable to operate such games} \div 365) \times 40\%$. In the event the Nation is unable to operate such games for more than 365 consecutive days, the preceding formula shall be applied to the next 365 day period. If the Nation has made full payment for any year in which a reduction is applicable, the State shall refund the amount of the reduction to the Nation. In the alternative, the Nation may elect to deduct the amount of any such reduction from future payments.
3. If the Nation is unable to operate 25% or more of its electronic games of chance for a period of twenty-one (21) consecutive days or more for any reason beyond the control of the Nation, including any adverse court decisions, rulings, or orders, the payments required under Section (A) above for the year in which such inability to operate such games first occurs shall be reduced by a percentage which is equal to: $(\text{number of days Nation is unable to operate such games} \div 365) \times \text{actual percentage of such games which the Nation is unable to operate}$. If the Nation has made full payment for any year in which a reduction is applicable, the State shall refund the

amount of the reduction to the Nation. In the alternative, the Nation may elect to deduct the amount of any such reduction from future payments.

D. If at any time the State is authorized to impose any tax, fee, assessment, or other charge directly on the Nation's Class III gaming revenues, other than as expressly contemplated in this Compact, upon the date of passage of any law imposing such tax, fee, assessment, or charge, or upon the date of passage of any law imposing a tax exclusively on patrons' winnings generated at the Class III gaming facilities, the Nation shall be relieved of the obligation to make any payments provided for in Section (A) above. Nothing in this Subsection shall be construed to prevent the application of the Wisconsin Income Tax to income derived from patrons' winnings generated at the Class III gaming facilities.

E. If for any reason the Nation's obligation to make any payments under Section (A) above shall terminate, or such payments shall be reduced, such termination or reduction shall not adversely affect the validity of this Compact. In addition, if the Nation is entitled to a refund of any payments made under this Article, then the State shall be indebted to the Nation in that amount, and the Nation may recover such amount from the State under any procedures provided by the laws of the State of Wisconsin for the recovery of unpaid debts of the State, including sections 16.007 and 775.01, Wis. Stats.

28. Article XXXIII is amended by adding the following paragraph:

If the State and a Wisconsin Indian Tribe amend a current gaming compact or adopt a new gaming compact establishing regulatory provisions for a comparable Class III gaming facility that contain more favorable terms than those provided in this Compact, upon request by the Nation, the State shall in good faith negotiate the incorporation of substantially similar provisions into this Compact.

29. Article XXXIV is deleted in its entirety and replaced with the following:

XXXIV. TRANSITION.

A. In the event that Sections XXV(B) and (C) of the Second Amendment are disapproved in their entirety by the Secretary of the United States Department of the Interior or are found unenforceable or invalid in their entirety by a court of competent jurisdiction, the Nation's obligation to make payments to the State pursuant to Section XXXII(A) above shall terminate upon the date of such disapproval or finding and all Installment Payments previously made by the Nation shall be immediately refunded by the State to the Nation. Thereafter the State and the Nation shall negotiate in good faith to reach agreement on substitute provisions for Articles

XXV(B) and XXXII(A). Disputes regarding the obligation to negotiate in good faith under this provision may be resolved pursuant to the provisions of Article XXII.

- B. In the event that any portion of the Second Amendment other than Section XXV(B) is disapproved, in whole or in part, by the Secretary of the United States Department of the Interior, or is found unenforceable or invalid by a court of competent jurisdiction, either the Nation or the State may serve on the other a demand for renegotiation of such portions of the Compact that are affected. The State and the Nation shall thereafter negotiate in good faith to reach agreement on substitute provisions. Disputes regarding the obligation to negotiate in good faith under this provision may be resolved pursuant to the provisions of Article XXII.
- C. In the event that the Second Amendment is disapproved in its entirety by the Secretary of the United States Department of the Interior or is found unenforceable or invalid in its entirety by a court of competent jurisdiction, the State and the Nation acknowledge their intent that the terms of the Compact, as amended on May 8, 1998, shall remain in effect and shall govern the conduct of Class III gaming on Tribal lands for its full term. In addition, the State and the Nation agree that the Compact, as amended May 8, 1998, shall be deemed to have automatically renewed for an additional term of five (5) years commencing on November 8, 2003, pursuant to Section XXV(B) of the Compact.

30. Article XXXV is deleted in its entirety and replaced with the following:

XXXV. PROCEDURES FOR RULES OF PLAY AND MINIMUM INTERNAL CONTROL STANDARDS.

- A. The Nation shall promulgate rules of play and minimum internal control standards for all Class III games conducted by the Nation pursuant to this Compact. Such rules and standards shall set forth an accurate payout ratio for each game, reasonably ensure the fairness of the playing of the game, reasonably ensure that revenue is adequately counted and accounted for in accordance with generally accepted accounting principles for casinos, provide a system of internal controls and procedures for game play that are consistent with industry standards and practices, and ensure compliance with the Compact. The Nation shall comply with rules of play and minimum internal control standards established pursuant to this Article. Until minimum internal control standards are established addressing the hardware, software, and other substantive requirements currently governed by Articles XV, XVI, and XVII of this Compact, the Nation may continue to conduct gaming under Articles XV, XVI, and XVII and under the minimum internal control standards in effect on the date of the Second Amendment. Minimum internal control standards addressing the hardware, software, and other substantive requirements currently governed by Articles XV, XVI, and XVII shall supersede those provisions upon

promulgation pursuant to this Article. Those matters committed to the discretion of the Nation pursuant to Section IV(B) of this Compact are specifically excluded from the requirements of this Article.

- B. **Rules of Play.** Prior to operating any game for which rules of play have not been established under this Compact, the Nation shall adopt rules of play for such game and provide a copy of such rules to the Department. The Nation may operate such game pursuant to such rules fourteen (14) days after the Nation provides a copy of the rules to the Department, provided that such rules are substantially similar to rules in effect in another gaming jurisdiction within the United States. Within ninety (90) days of receipt of the rules, the Department shall submit any objection it may have to any rule or rules by serving a written notice of objection on the Nation. All such objections shall be based upon the criteria set forth in Subsection (D)(3) below. The notice of objection shall state with specificity the reasons therefor with reference to such criteria, and shall propose an alternative rule for each rule which is the subject of an objection. Within thirty (30) days of submission of any objection, the Department and the Nation shall meet in an attempt to resolve the objection. If the objection is not resolved within twenty (20) days of such meeting, either the Nation or the Department may serve upon the other a demand for arbitration pursuant to Section (D) below. The Nation may continue to utilize any rule subject to an objection by the Department while the procedures set forth in Section (D) below are completed, unless the objection is based, in whole or in part, upon the fact that the rule substantially and materially deviates from rules in effect in gaming jurisdictions within the United States.
- C. **Minimum Internal Control Standards.** Within ninety (90) days of the effective date of the Second Amendment, the Nation shall submit to the Department a copy of all minimum internal control standards in use at each Class III gaming facility of the Nation. Such standards shall be at least as stringent as the minimum internal control standards established by the National Indian Gaming Commission. Within ninety (90) days of receipt of such standards, the Department shall submit any objection it may have to any standard or standards by serving a written notice of objection on the Nation. All such objections shall be based upon the criteria set forth in Subsection (D)(3) below. The notice of objection shall state with specificity the reasons therefor with reference to such criteria, and shall propose an alternative standard for each standard which is the subject of an objection. Within thirty (30) days of submission of any objection, the Department and the Nation shall meet in an attempt to resolve the objection. If the objection is not resolved within twenty (20) days of such meeting, either the Nation or the Department may serve upon the other a demand for arbitration pursuant to Section (D) below. The Nation may continue to utilize any standard subject to objection while the procedures set forth in Section (D) below are completed.

- D. Arbitration pursuant to this Section shall be conducted in accordance with the following rules and such other rules as the Nation and the Department may in writing agree.
1. The panel shall consist of three members. The Nation and the Department shall each appoint one arbitrator. The two party-appointed arbitrators shall appoint a third arbitrator. Such third arbitrator shall either be a certified public accountant or have substantial experience with regulatory compliance issues relevant to gaming. No person who has performed services or whose firm has performed services for either the State or the Nation in the preceding twelve (12) months may serve on the panel.
 2. The cost of arbitration shall be borne equally by the parties, with one-half (1/2) of the cost charged to the Nation and one-half (1/2) of the cost charged to the Department, and each shall bear its own expenses.
 3. Decision of the Panel
 - a. If, as appropriate and relevant to its subject matter, a rule or standard adopted by the Nation sets forth an accurate payout ratio, reasonably ensures the fairness of game play, reasonably ensures that revenue is adequately counted and accounted for in accordance with generally accepted accounting principles for casinos, and is consistent with the terms of the Compact, the panel shall approve such rule or standard unless it determines that an alternative rule or standard offered by the Department would:
 - i. Materially decrease the risk of diversion of revenue, and the benefit is not outweighed by the cost of compliance;
 - ii. Materially increase the ability to safeguard assets, and the benefit is not outweighed by the cost of compliance;
 - iii. Materially increase the ability to preserve reliable records, accounts and reports of transactions, and the benefit is not outweighed by the cost of compliance; or
 - iv. Materially increase the integrity or fairness of the conduct of games, and the benefit is not outweighed by the cost of compliance.
 - b. If the panel determines that a rule or standard proposed by the Nation or an alternative rule or standard proposed by the Department is not

consistent with industry standards or practices, but meets the criteria set forth in Subsection (a) above, the panel may approve such rule or standard but shall make specific findings regarding how the proposed rule or standard is better suited to its purposes than industry standards or practices.

4. To the extent practicable, the Nation and the Department shall stipulate to all facts not reasonably in dispute. At the request of either the Nation or the Department, 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. Any and all proceedings may be conducted telephonically. The Nation and the Department shall simultaneously submit, at a time determined by the panel after the factual record is finalized, a written statement in support of its position. The panel shall decide the matter within thirty (30) days of receipt of the written submissions. The decision of the panel shall be final and non-appealable. No decision of the panel shall operate as a waiver of the sovereign immunity of the Nation or the State.
- E. Amendment. The Nation shall submit a copy of any amendments to the rules of play or minimum internal control standards to the Department within fourteen (14) days of adoption. Within thirty (30) days of receipt of such amendment, the Department shall submit any objection it may have to such amendment to the Nation by serving a written notice of objection on the Nation. All such objections shall be based upon the criteria set forth in Subsection (D)(3) above, and the notice of objection shall state with specificity the reasons therefor with reference to such criteria. The Nation may continue to utilize any amended rule or standard subject to objection by the Department while the procedures set forth in Section (D) above are completed. The State may propose new areas to be subject to the minimum internal control standards. Such proposals shall specify the justification for the extension or the minimum internal control standards, and proposed minimum internal control standards which address the issues raised in the statement of justification. Such proposals shall be subject to the provisions of this Article, including the timeframes for response and consultation pursuant to Section (C), and the arbitration procedures pursuant to Section (D).

31. The May 8, 1998 Memorandum of Understanding Regarding Technical Matters is deleted in its entirety and replaced with the following:

XXXVI. DATA REPORTING.

- A. The Nation shall submit information from its slot accounting systems to the Data Collection System ("DCS") maintained by the State, utilizing the hardware, software, reporting requirements and formats for the specified information in use on the date of the Second Amendment. The Nation and the State acknowledge that DCS is intended to be a uniform state-wide system applicable to all Wisconsin Indian Tribes.
- B. The Nation shall submit to the Department on a monthly basis, in an electronic format determined in the reasonable discretion of the Nation, the following daily revenue information for table games: type of table game, table number, shift, opening inventory, fills, credits, adjustments, closing inventory, drop, and win/loss. The Nation shall submit such information not later than fourteen (14) days after the conclusion of each calendar month.
- C. All information submitted by the Nation pursuant to Sections (A) and (B) above shall be confidential, and shall not be disclosed by the State. In order to protect and preserve the confidentiality of this information, the State shall, with respect to all information submitted by the Nation, maintain and enforce the minimum internal control standards of the Department in effect on the date of the Second Amendment.
- D. Either the Nation or the Department may propose amendments to the hardware, software and reporting requirements that affect the manner in which the Nation reports information under Section (A) above. In addition, either the Nation or the Department may propose amendments to the minimum internal control standards maintained by the State pursuant to Section (C) above. If the Nation and the Department do not agree upon a proposed amendment within sixty (60) days of the date on which such amendment is proposed, either the Nation or the Department may serve on the other a demand for last, best offer arbitration, and the matter shall be resolved by arbitration in accordance with the rules set forth below and such other rules as the Nation and the Department may in writing agree.
1. The panel shall consist of three members. Within ten (10) days of service of a demand for arbitration, the Nation and the Department shall each appoint one arbitrator. The two party-appointed arbitrators shall appoint a third arbitrator. Such third arbitrator shall have substantial experience with regulatory compliance issues relevant to gaming. No person who has performed services or whose firm has performed services for either the State or the Nation in the preceding twelve (12) months may serve on the panel.

2. The cost of arbitration shall be borne equally by the parties, with one-half (1/2) of the cost charged to the Nation and one-half (1/2) of the cost charged to the Department, and each shall bear its own expenses.
3. Within thirty (30) days of selection of the panel, the Nation and the State shall each submit to the panel a last, best offer with respect to the proposed amendment. Unless the panel determines that a longer period of time is necessary, within thirty (30) days of submission of such last, best offers, the panel shall select one of the last, best offers in accordance with the following:
 - a. With respect to proposed amendments to the hardware, software, and reporting requirements under Section (A) above, the panel shall select the last, best offer submitted by the Department if the panel determines that such last, best offer: (i) is reasonably necessary to allow the Department to maintain electronic monitoring under Section (A) above, (ii) is not unduly burdensome on the Nation, and (iii) does not compromise the confidentiality of the information submitted by the Nation. In no event shall the panel select a last, best offer which requires the Nation to allow access to computer systems or networks maintained by the Nation other than a stand alone computer node upon which information is uploaded by the Nation, unless the panel specifically determines and makes written findings that an alternative offered by the State or the Nation provides the same or greater security for the information submitted by the Nation and the Nation's computer systems and networks than a stand alone computer node.
 - b. With respect to proposed amendments to the minimum internal control standards maintained by the State under Section (C) above, the panel shall select the last, best offer which provides greater security for and protection of the information submitted by the Nation unless the panel determines that the cost of compliance with such last, best offer outweighs the benefit to be derived. In no event shall the panel select a last, best offer which presents an unreasonable risk to the security for and confidentiality of the information submitted by the Nation.
4. To the extent practicable, the Nation and the Department shall stipulate to all facts not reasonably in dispute. At the request of either the Nation or the Department, 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. Any and all proceedings may be conducted telephonically. The decision of the panel shall be final and non-appealable. No decision of the panel shall operate as a waiver of the sovereign immunity of the Nation or the State.

32. Article XXXVII is created as follows:

XXXVII. SEVERABILITY.

Should any provision of this Compact, or part thereof, be held under any circumstances in any jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision of this Compact or any other part of such provision, except as expressly provided in this Compact.

ONEIDA TRIBE OF INDIANS OF
WISCONSIN

STATE OF WISCONSIN

By: *Cristina Danforth*
Cristina Danforth
Chairwoman

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

Date Signed: 4/24/03

Date Signed: 4/25/03

Consistent with 25 U.S.C.A. Sec. 2710 (d)(8), the Second Amendment to the Oneida Tribe of Indians of Wisconsin Gaming Compact, dated April 25, 2003, is hereby approved on this _____ day of _____, 2003, by the Assistant Secretary - Indian Affairs, United States Department of the Interior.

UNITED STATES DEPARTMENT OF
THE INTERIOR
