

WISCONSIN DEPARTMENT OF
ADMINISTRATION

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June 5, 2003

George Skibine, Director
Office of Indian Gaming Management
Department of Interior, Bureau of Indian Affairs
1848 C Street NW - Room 2070
Washington D.C. 20240

VIA FACSIMILE

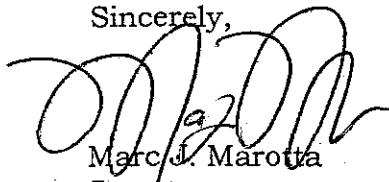
RE: Revision to Paragraph 16 of the Second Amendment to the Ho-Chunk Nation and State of Wisconsin Gaming Compact

Dear Mr. Skibine:

Attached please find a revised paragraph 16 to the *Second Amendment to the Wisconsin Winnebago Tribe, now known as the Ho-Chunk Nation, and the State of Wisconsin Gaming Compact of 1992* (hereafter, Second Amendment). It is the intent of the State of Wisconsin that this revised paragraph 16 replace the existing paragraph 16 contained in the Second Amendment, which is currently being reviewed by the Department of the Interior.

If you require anything further in this matter please contact me.

Sincerely,



Marc J. Marotta
Secretary

cc: Clarence Pettibone, Ho-Chunk Nation Vice President
Ho-Chunk Nation Legislature Representatives:
Wade Blackdeer
Gerald Cleveland Sr.
C. Funmaker-Romano
Elliott Garvin
George Lewis
K. Lonetree-Whiterabbit
Myrna Thompson
Tracy Thundercloud
Sharyn Whiterabbit
Dallas WhiteWing

REVISED PARAGRAPH 16 TO THE
SECOND AMENDMENT TO THE COMPACT

16. Paragraph 9 of the Amendment shall be modified by deleting it in its entirety and substituting in its place the following Paragraph:

If any Indian tribe ("tribe"), other than the Nation, submits an application to the Secretary of the Interior ("Secretary"), under 25 U.S.C. §2719(b)(1)(A), and receives a determination ("Determination") that a proposed gaming establishment ("Establishment") on off-reservation trust lands acquired by the United States for the tribe after January 1, 2003, is in the best interest of that tribe and its members and is not detrimental to the surrounding community, the State shall send a written notice ("Notice") to the Nation that it has received a submission from the Secretary to concur in the Determination. The Governor of the State shall not concur in the Determination if the Nation has notified ("Notification") the State, within sixty (60) days of receipt of the Notice, that the operation of the Establishment will cause a substantial reduction ("Reduction") of Class III gaming revenues at any of the Nation's existing gaming facilities, unless the State has entered into a binding indemnification agreement with the Nation to compensate it for the Reduction, or the mandatory negotiations required herein have concluded and the binding arbitration procedures have commenced. Within thirty (30) days of the date that the State receives the Notification, the State and the Nation ("Parties") shall meet and engage in good faith negotiations for a reasonable period of time not to exceed thirty (30) days for the purpose of concluding the indemnification agreement. If, at the end of the thirty (30) day period, the Parties have not concluded an indemnification agreement (i.e. reached agreement on whether the operation of the Establishment will cause a Reduction and if so, the amount of the Reduction to be paid to the Nation), the matter will be resolved through binding arbitration to be concluded within One Hundred Eighty (180) days from the date that a single arbitrator is chosen to conduct the arbitration. The arbitration shall be conducted under the AAA's commercial arbitration rules, or under such rules as are mutually agreed to by the Parties. The Parties shall be bound by the arbitrator's decision, which shall be enforceable in any federal or state court of competent jurisdiction, and the Parties to the arbitration shall expressly agree to waive exhaustion of any administrative remedy and, in the case of the Nation, any tribal court remedy, as a precondition or defense to the arbitration or to any court judgment confirming an award entered by the arbitrator under this Paragraph. Any indemnification agreement entered into between the Parties or any award entered by an arbitrator pursuant to this Paragraph shall provide that any amount owed by the State to the Nation shall be paid by reducing the amount of the Nation's payment ("Payment") that it makes to the State, pursuant to Paragraph 12 of this Second Amendment. The amount of the reduction in the Payment shall be the amount of the indemnification as agreed to by the Parties or as determined by arbitration. If the amount of the Reduction exceeds the amount of the Payment, then the Governor shall seek an appropriation ("Appropriation") from the State Legislature to pay the Nation the difference between the amount of the Reduction and the Payment. If the Parties conclude an agreement within the thirty day period required herein, or the arbitration proceedings required herein have commenced, the Governor can then act on the Determination. In addition to any remedies available to the Nation against the State under the Compact for a breach of its terms, if the State fails to follow the notification procedures and/or the procedures to determine the existence of and/or the amount of a Reduction or if the Governor

concurr in the Determination, where such Determination would result in a Reduction without a binding indemnification agreement between the Parties, as provided by this Paragraph, or a commencement of the arbitration proceedings as provided by this paragraph, the Nation shall be relieved of its obligation to make any payments to the State pursuant to Paragraph 12 of this Second Amendment. At any time, but not more frequently than once every twelve (12) months, either Party may request renegotiation of any payment established pursuant to this Paragraph. Such renegotiation shall be subject to the negotiation, arbitration, appropriation, payment and enforcement provisions of this Paragraph.