

**AMENDMENTS TO THE RED CLIFF BAND OF LAKE SUPERIOR CHIPPEWA
INDIANS
AND THE STATE OF WISCONSIN
GAMING COMPACT OF 1991**

This Agreement is entered into by and between the Red Cliff Band of Lake Superior Chippewa Indians ("Tribe") and the State of Wisconsin ("State").

WHEREAS, Section XXX of the Red Cliff Band of Lake Superior Chippewa Indians and the State of Wisconsin Gaming Compact of 1991 provides that it may be amended upon the written agreement of both parties; and Whereas both parties wish the Compact to continue and believe the amendments to the Compact contained herein serve the best interest of both the State and the Tribe,

The State and the Tribe do hereby agree to amend the Compact as set forth below:

1. The term of the Compact shall, pursuant to Section XXV.B. be renewed for a term of five (5) years, from January 15, 1999 to January 15, 2004, subject to further extensions as provided therein.
2. Section V.A. of the Compact is amended by deleting the number "18" wherever it appears in this section and replacing it with the number "21." Section V.A. is further amended by adding the following sentence:

No person under the age of 21 shall be permitted access to any portion of any facility in which any Class III game is conducted, except for purposes of employment pursuant to Section V.B.

The amendments to Section V.A. shall take effect on February 1, 1999.

3. Section XXXII of the Compact entitled "PAYMENT TO THE STATE" is created as follows:
 - A. The Tribe shall make an annual payment to the State for each one year period beginning January 15, 1999 through January 15, 2004 in the amount of \$64,685. In the event the Tribe's net win (total amount wagered less winnings paid) is less than \$3,000,000 for any one year period to which this payment applies, the Tribe may petition the State to reduce this payment amount based upon the Tribe's verifiable inability to pay.

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- B. In the event a change in State law is enacted to permit the operation of electronic games of chance, or other Class III games, as defined in and authorized by this Compact, by any person or entity other than a federally recognized Tribe under the provisions of the Indian Gaming Regulatory Act, 25 U.S.C. 2701 et. seq., or the State Lottery as authorized by Ch. 565 Wis. Stats., the Tribe shall be relieved of its obligations to pay these amounts. In the event that, during the term of this Compact, the State Lottery permits the operation of video lottery terminals or other forms of electronic games of chance not currently operated by the State Lottery, the State and the Tribe shall meet to discuss a reduction of the amount required pursuant to Section XXXII.A.
 - C. Method of Payment. The Tribe shall make the first payment required by Subsection A on or before January 31, 2000, and each subsequent payment on January 31, 2001, January 31, 2002, January 31, 2003 and January 31, 2004 respectively.
 - D. The parties may modify this obligation to pay pursuant to a subsequent agreement.
 - E. In the event that a natural or man-made disaster renders impossible the operation of fifty (50) percent or more of the electronic games of chance operated by the Tribe under this compact for a period of fourteen (14) consecutive days or more, the payment required under this section for the year in which the disaster occurs shall be reduced by a percentage equal to the percentage decrease in the net win (total amount wagered less winnings paid) for the calendar year in which the natural disaster occurred compared with the net win for the previous calendar year, and the State and Tribe shall meet to discuss additional assistance.
4. Section XXXIII of the Compact entitled "ADDITIONAL BENEFITS TO TRIBE" is created as follows:
- Should the State and any other compacting Tribe within Wisconsin amend a current gaming compact or adopt a new gaming compact with terms that are more favorable to the compacting Tribe or to the State than are the terms of this Compact, upon request by Tribe, the parties shall meet to negotiate the incorporation of substantially similar provisions into the Compact and, if applicable and agreeable to the parties, substantially similar provisions shall be incorporated into the Compact.

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5. Section XXXIV of the Compact is created as follows:

- A. In the event that the amendments contained herein are disapproved, in whole or in part, by the Secretary of the Interior, either party may serve on the other a demand for renegotiation of such portion of the Compact amendments of January 1999 as are impacted. The parties shall meet to negotiate revisions to address such objection as may be raised. If a mutually satisfactory solution is not achieved within thirty (30) days of the Secretary's action, either party may during the sixty (60) day period thereafter serve upon the other a notice of nonrenewal of Compact. The Compact shall then expire 180 days after service of a notice of nonrenewal of Compact pursuant to this section.
- B. In the event that a court of competent jurisdiction holds any or all of the amendments to the Compact contained herein to be unenforceable or invalid within six (6) months of the execution of said amendments, either party may serve on the other a demand for renegotiation of such portion of the Compact amendments of January 1999 as are impacted. The parties shall meet to negotiate revisions to address such objection as may be raised. If a mutually satisfactory solution is not achieved within thirty (30) days of the court's holding, either party may during the sixty (60) day period thereafter serve upon the other a notice of nonrenewal of Compact. The Compact shall then expire 180 days after service of a notice of nonrenewal of Compact pursuant to this section.
- C. In the event that a court of competent jurisdiction holds any or all of the amendments to the Compact contained herein to be unenforceable or invalid later than six (6) months after the execution of these Compact amendments, the parties shall meet to negotiate terms to replace those affected by the decision of the court.

6. The Tribe, along with other Wisconsin Indian Tribes, have proposed the development of a plan for the creation of a revenue sharing system among the Tribes so that monies would be directed by the Tribes within Wisconsin having the greatest gaming revenues to the Tribes having the least gaming revenues. The State agrees to work with the Tribes on the development of this plan by February 1999.

7. Section XXXV of the Compact is created as follows:

To the extent that units of local government are providing such services, by July 1, 1999 the Tribe shall have entered into written agreements with all units of local governments providing services to a Class III gaming facility of the Tribe, to reimburse those units of local governments for such services.

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8. The State and Tribe agree to execute contemporaneous with the execution of these Compact amendments documents entitled Memorandum of Understanding Regarding Technical Matters, and Memorandum of Understanding Regarding Government to Government Matters, which documents are incorporated herein by reference.


RED CLIFF BAND OF LAKE SUPERIOR
CHIPPEWA INDIANS

STATE OF WISCONSIN

By:


George P. Newago
Tribal Chair

By:


Tommy G. Thompson
Governor

Date Signed: Jan 15, 1999

Date Signed: January 15, 1999

**MEMORANDUM OF UNDERSTANDING
REGARDING TECHNICAL MATTERS**

Whereas, the State of Wisconsin (State) and the Red Cliff Band of Lake Superior Chippewa Indians (Tribe) have executed amendments to the Red Cliff Band of Lake Superior Chippewa Indians and the State of Wisconsin Gaming Compact of 1991, and

Whereas the State and the Tribe desire to execute this Memorandum contemporaneous with the Compact amendments and incorporate this Memorandum into the Compact amendments, and

Whereas, the State and the Tribe agree that the revisions contained herein will enable both parties to more effectively and efficiently perform the respective responsibilities regarding the Tribe's Class III gaming operation, to the benefit of both parties,

The parties hereby agree that the following terms and provisions are incorporated by reference into the amendments to the Red Cliff Band of Lake Superior Chippewa Indians and the State of Wisconsin Gaming Compact of 1991.

1. The Tribe shall utilize in its Class III gaming operations minimum internal control standards at least as restrictive as those adopted by the National Indian Gaming Commission as set out in 25 C.F.R. Part 542. For any period of time during which this Memorandum is effective and these minimum internal control standards are not finally and effectively promulgated as federal regulations, the Tribe shall use minimum internal control standards at least as restrictive as those adopted by the National Indian Gaming Association. In the event any provision of the minimum internal control standards conflicts with the provisions of this Compact, the terms of the Compact shall control. The Department of Administration, Division of Gaming (Department) and the Tribe may designate, in writing, minimum internal control standards which conflict with the Compact as acceptable for use in the Tribe's Class III gaming facilities. In the event the Department enters into such written designation the written designation shall constitute a waiver, for a duration specified in the written designation, of the State's ability to allege compliance with the designated minimum internal control standard as a violation of the Compact.
2. In order to more efficiently provide the Department with access to the Tribe's slot accounting data generated by the slot accounting system described at Section XV.D.7. of the Compact, the Tribe agrees to provide electronic reports or data in batch format, or in a format defined by the Department, which shall be composed of daily audit report, daily variance report and daily metered activity of individual machines. The Tribe shall, upon request, furnish the Department additional slot accounting information or reports electronically within 24 hours of the request. The Tribe's daily metered activity report shall contain the machines listed by Tribal ID with month to date, hard/soft totals, electronic hard/soft totals, drop variance, jackpots, fills, net win par percentage and variance percentage. Once a month this report shall contain year to date and life to date information. Electronic game of chance notifications shall be submitted electronically.

The serial number required by Section XV.C. of the Compact may be provided to the Department at any time prior to the installation.

A twenty-four (24) hour advance notice shall be submitted to the Department in writing for purposes of maintenance and upgrading. The Tribe and Department may agree to implement alternative electronic mechanisms for the submission of the above mentioned data in writing.

All data provided, pursuant to this section, shall be treated as confidential pursuant to Section X.B. of the Compact and such data shall not be disclosed in the form of statewide aggregate totals without permission of the Tribe.

3. The Tribe shall provide any necessary authorization for either the Department or the State Treasurer to initiate ACH (Automated Clearinghouse) debit entries from an account(s) and financial institution(s) specified by the Tribe. The electronic transfer of funds shall be solely for the purpose of collecting monies due to the State of Wisconsin pursuant to Section XXIV. and Section XXXII. of the Red Cliff Band of Lake Superior Chippewa and State of Wisconsin Gaming Compact, as amended. Representatives from the Tribe and the Department shall by March 1, 1999 cooperatively develop written procedures to be followed by the Department and the Tribe in implementing the automated funds transfer specified herein.

RED CLIFF BAND
OF LAKE SUPERIOR
CHIPPEWA INDIANS

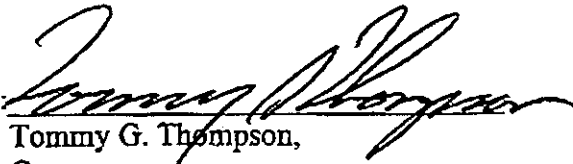
By:


George P. Newago,
Tribal Chair

Date Signed: Jan 15, 1999

STATE OF WISCONSIN

By:


Tommy G. Thompson,
Governor

Date Signed: January 15, 1999

**MEMORANDUM OF UNDERSTANDING REGARDING GOVERNMENT TO
GOVERNMENT MATTERS**

This Memorandum of Understanding is entered into by and between the Red Cliff Band of Lake Superior Chippewa Indians ("TRIBE") and the State of Wisconsin ("STATE").

WHEREAS, TRIBE and STATE on this date have entered into amendments to the Red Cliff Band of Lake Superior Chippewa Indians and the State of Wisconsin Gaming Compact of 1991; and

WHEREAS, said amendments provide for the payment of monies by TRIBE to STATE; and

WHEREAS, the parties desire to specify the usage to be made of such monies; and

WHEREAS, the Governor and the Tribal Chair wish to meet on a regular basis to address government to government issues of mutual concern;

NOW THEREFORE IT IS AGREED that in the event a payment is made to the State under the Compact amendments, the Governor shall undertake his best efforts within the scope of his authority to assure that monies paid to the STATE hereunder shall be expended upon:

- 1) Economic development initiatives to benefit federally recognized Wisconsin Tribes or their enrolled members,
- 2) Economic development initiatives in Red Cliff and regions around Red Cliff,
- 3) Promotion of tourism within the northwest region of the State of Wisconsin, and
- 4) Support of programs and services which benefit the Red Cliff Tribe or its members, and
- 5) Law enforcement initiatives on the reservation.

IT IS FURTHER AGREED that the STATE and the TRIBE shall establish a schedule of regular meetings to address economic development initiatives at Red Cliff, law enforcement, public safety, and other issues of mutual concern. The first such meeting shall occur no later than July 15, 1999 and each July 15 thereafter for the duration of this compact. One meeting between the STATE and the TRIBE each year shall contain an accounting of the funds expended in accordance with this agreement.

RED CLIFF BAND OF LAKE SUPERIOR
CHIPPEWA INDIANS

By: _____

George P. Newago
Tribal Chair

Date Signed: Jan 17, 1999

STATE OF WISCONSIN

By: _____

Tommy G. Thompson
Governor

Date Signed: January 15, 1999