

AGREEMENT BETWEEN THE WASHINGTON STATE LIQUOR CONTROL  
BOARD AND THE SUQUAMISH INDIAN TRIBE FOR PURCHASE  
AND RESALE OF LIQUOR IN INDIAN COUNTRY

WHEREAS, the Suquamish Tribe and the Washington State Liquor Control Board desire to enter into a government-to-government business agreement for the sale and purchase of liquor in order that liquor sales may take place on the Suquamish Indian Reservation in accordance with the requirements of federal law (18 U.S.C. § 1161), Suquamish Tribal Ordinance, and state law to the mutual benefit of both the Tribe and the Board, and

WHEREAS, it is recognized by all parties to this agreement that, in conformity with the Governor's Executive Order EO 83-16 the governmental authority of the Tribe over its own affairs and its sovereignty as, and to the extent, declared by the United States Congress is not altered, diminished, or abdicated in anyway by entering into this agreement, and

WHEREAS, the governmental authority and sovereignty of the state of Washington as declared by the Twenty-First Amendment to the United States Constitution and applicable acts of Congress is not altered, diminished, or abdicated in anyway by entering into this agreement, and

WHEREAS, it being the sole intention of the parties to this agreement to establish a government-to-government arrangement whereby liquor may be sold by the Tribe on its reservation within Indian country as defined in 18 U.S.C. § 1151 and § 1154, in conformity with federal law, tribal ordinance, and state law;

NOW, THEREFORE, pursuant to authority of federal law, tribal ordinance, and state law, it is hereby agreed between the Suquamish Tribe, acting by and through its governing tribal council, and the Washington State Liquor Control Board as follows:

1. The Board agrees to sell distilled spirits as well as wine and beer that it handles to the Tribe and the Tribe agrees to purchase all distilled spirits for resale in Indian country from the Board. Should the Tribe be desirous of selling beer and wine not available from the Board, the Tribe agrees to obtain the appropriate state beer and/or wine license and purchase that beer and wine from a state licensed beer and/or wine wholesaler.
2. The Board shall use its best efforts to supply all liquor products ordered by the Tribe. The Tribe shall have its orders filled on equal basis with those made by state liquor stores, state liquor agencies. In the event that the Board's supplies of an allocated item (i.e. one

in short supply) are insufficient to satisfy all orders by all of the Board's customers, available supplies will be equitably available among all customers.

3. Purchase of liquor by the Tribe shall be consummated upon payment by money order, certified check, or tribal check. The payment must be made when the liquor is picked up by the Tribe. The Tribe shall keep in force an Irrevocable Letter of Credit issued by North Sound Bank, or such other bank as the parties shall from time to time agree upon, payable to the Washington State Liquor Control Board in the event a tribal check is not honored for any reason. The Letter of Credit shall be in an amount exceeding the amount of any tribal check given in payment for liquor. The FOB point shall be the seller's distribution center.

4. The purchase price of the distilled spirits shall be the standard case cost to the Board plus a handling charge of 8 percent plus the tax imposed by RCW 82.08.150; Provided, That each year of this agreement, the Tribe may purchase a number of gallons of spirituous liquor free of the tax imposed by RCW 82.08.150. The number of gallons will be determined annually by multiplying the number of tribal members twenty-one years old and over times 3.0 gallons. The Tribe will furnish formal updated population data thirty days prior to the end of each year of this agreement for this purpose.

5. The purchase price of wine and beer handled by the Board, based on weekly deliveries, shall be at the standard case cost to the Board plus a handling charge of 8 percent plus, in case of wine, an amount equal to, and in lieu of, the taxes imposed by RCW 66.24.210.

6. The charges for liquor sold shall be set forth in an invoice prepared by the Board for payment by the Tribe as provided in paragraph 3 above.

7. Sales of liquor to the Tribe by the Board include return privileges for mechanical ordering errors and shipment errors. Claims for stock damaged in transit, missing items, dry breaks, and defective products or containers will be allowed as circumstances and facts indicate in each individual instance.

8. The Tribe agrees to resell all distilled spirits, and beer or wine purchased from the Board, at a per unit total retail price equal to that of the Board's total retail price in effect at that time, including all applicable taxes; Provided, That the Tribe may, at its option, reduce prices on not more than two items per month, with the retail price of those items being no less than 90 percent of the Board's total retail price

including taxes of that item in effect at that time; or, in lieu of the above, the Tribe may elect to reduce prices on each of up to five items in a calendar quarter and each such reduction will be limited to one month with the retail price of these items being no less than 90 percent of the Board's total retail price including taxes of that item in effect at that time; and Provided, Further, that each month the Tribe shall be allowed to select three items, not carried in the tribal store, from the Board's Temporary Price Reduction list for the Tribe's use during the month the items are on Temporary Price Reduction. The Tribe shall be allowed to return unsold full cases of the three items at the end of the month. Credit will be given for the returned items on the basis of the case price the Tribe paid for them.

9. The Tribe may advertise its retail outlet's location and services in any medium which serves the reservation community and people who reside in close proximity to the Tribe's reservation; Provided, That advertisements of spirituous liquor may only be placed in print media and that the Tribe shall limit any media advertising of the tribe-initiated price reductions, as provided in paragraph 8, to newspapers which are published in Kitsap County. Any such advertising will contain no direct comparisons between Suquamish prices and state prices.

10. In recognition of the fact that this agreement is a government-to-government agreement, it is agreed that the Tribe shall not be considered part of or under the control and supervision of the Board's Stores and Agencies Division. A representative of the Board shall have the right to visit the Tribe's retail outlet at any time during regular business hours; Provided, That the representative shall identify himself/herself to the staff person at the outlet; and Provided, Further, That the representative shall not undertake any review of the Tribe's compliance with this agreement at the time of such visit except in the presence of the Tribal Administrator, business operations manager, or liquor store manager.

11. The Tribe agrees that all liquor sold by the Tribe shall be sold from a tribal store located within the exterior boundaries of the Suquamish reservation. Said store shall be located along State Highway 305 on property the legal description of which is: That portion of the southwest quarter of the southwest quarter, section 29, township 26 north, range 2 east, Willamette Meridian, in Kitsap County, Washington, described as follows: Beginning at the southwest corner of said section 29; thence north 89° 58' 29" east along the south line of said section 29 to the easterly margin of State Highway 305, being the true point of beginning; thence continuing along said south line of said section 29,

north 89° 58' 29" east 428.95 feet, more or less, to the westerly margin of Sandy Hook Road; thence along said easterly margin in a southwesterly direction to the south line of said section 29 and the true point of beginning.

Relocation of the tribal outlet shall be subject to prior agreement between the Tribe and the Board.

12. The Board agrees that it will not open any additional state liquor stores or agencies within six (6) miles of the Tribe's store unless such state liquor stores or agencies are already operating as of the date of this agreement.

13. The Tribe agrees that all external signing shall meet applicable zoning ordinances.

14. The hours of sale of distilled spirits, beer and wine, by the Tribe shall be set by the Tribe but shall not include the hours between 2 a.m. and 6 a.m. on weekdays and, in accordance with RCW 66.16.080, there shall be no sale or delivery of distilled spirits on Sunday.

15. The Tribe agrees with the Board that all sales of liquor in Indian country will conform to the requirements of federal law, the Tribe's federally approved tribal liquor ordinance, and state law relating to liquor transactions.

16. The Tribe agrees not to import any distilled spirits, beer or wine, into Indian country except as provided in this agreement.

17. The Tribe agrees to conduct a three-year test program to determine the effect on liquor sales of point of sale material and other in-store display items. All point of sale material and other display items furnished by suppliers for this test program shall be within the limits prescribed by applicable federal regulations under the Federal Alcohol Administration Act and Title 27 CFR. Provided, that if the Tribe unintentionally utilizes supplier items that exceed the amount allowable by Federal Regulation, it shall not be considered a violation of this agreement. The Tribe agrees to share with the Board the data developed from this study.

18. The term of this agreement shall be for a period of 3 years and shall include an option to renew for an additional 5 years subject to satisfactory renegotiation of the terms and conditions hereof. This agreement shall remain in force during the renegotiation period unless canceled by one of the parties.

19. Time of performance under this agreement is of the essence.

20. This agreement shall inure to the benefit of and be binding upon the parties named herein and upon their successors in interest. This agreement may not be assigned by either party.

21. If at any time prior to the expiration of this agreement the Tribe elects to discontinue its retail sales of liquor, the Board shall buy back from the Tribe the entire inventory, originally purchased from the Board, remaining in the Tribe's possession by paying the Tribe the current sale price to the Suquamish Tribe, subject to adjustment for a pro rata share of the tax exemption quota for the period.

22. Should the Tribe's retail liquor outlet fail to comply with this agreement, federal law, tribal ordinance, and provisions of Washington State Law relating to liquor transactions (including WAC 314-37-010 as amended by the Board on November 30, 1983), this agreement shall be null and void; Provided, That no subsequent amendment to WAC 314-37-010 shall affect in anyway the terms of this contract.

IN WITNESS WHEREOF, The parties have signed this agreement to commence on the 9<sup>th</sup> day of December 1986.

WASHINGTON STATE LIQUOR  
CONTROL BOARD BY:

SUQUAMISH INDIAN TRIBE BY:

L. H. Pedersen  
L. H. Pedersen, Chairman

Bennie Armstrong  
Bennie Armstrong, Chairman

Kazuo Watanabe  
Kazuo Watanabe, Member

Robert D. Hannah  
Robert D. Hannah, Member

APPROVED AS TO FORM:

John G. Hennen  
John G. Hennen  
Senior Assistant Attorney General