

AGREEMENT

BETWEEN

SKAGIT COUNTY, WASHINGTON

AND

THE SAMISH INDIAN NATION

**REGARDING THE PROVISION OF COUNTY SERVICES AND OTHER MATTERS
RELATING TO TRIBAL TRUST LANDS WITHIN SKAGIT COUNTY**

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1. AGREEMENT.

This AGREEMENT REGARDING THE PROVISION OF COUNTY SERVICES AND OTHER MATTERS RELATING TO TRIBAL TRUST LANDS WITHIN SKAGIT COUNTY (“**Agreement**”) is between the Samish Indian Nation (“**Tribe**”) and the Skagit County, Washington (“**County**”). The Tribe and County are each a Party and collectively the “Parties.” The Tribe and County agree as follows.

2. RECITALS.

2.1 The Tribe and the State of Washington (“**State**”) have entered a Tribal-State Compact, Class III Gaming (65 FR 38570, June 21, 2000, “**Compact**”), as amended. The Compact provides authority for the Tribe to construct and operate a permanent gaming facility (“**Gaming Facility**”) on “Indian land” as defined by the Indian Gaming Regulatory Act, 25 U.S.C. § 2701 et seq. (“**IGRA**”).

2.2 The Tribe owns in fee 11.2 acres of land at the southeast corner of Highway 20 and Thompson Road (the “**Property**”). The Property is within the boundaries of the City of Anacortes (“**City**”) and the County of Skagit, Washington. The Tribe has applied to place the Property into trust status pursuant to federal law, at which time the land will become eligible as Indian land under IGRA for a gaming facility. This process takes place pursuant to 25 U.S.C. § 465 and 25 C.F.R. Part 151, and results in the United States of America taking the land into trust for the benefit of the Tribe.

2.3 Once the Property is taken into trust, the Property and the activities taking place on that Property will generally not be subject to the regulatory authority of the County. Because the Property is located within the County, the Tribe is to receive the same County services as other comparable land within the County, so long as the Tribe is willing to pay for those services on the same basis as other County property.

2.4 The Tribe intends to cover all financial impacts and costs that are incurred by the County from the presence of the Tribe’s Gaming Facility within the County, including the costs of regular County services and the cost of any other services and impacts that can be identified by the County or Tribe. In addition, the County under state law serves as the tax revenue disbursement authority for other taxing districts within the County, including but not limited to emergency medical services, the park and recreation district, applicable hospital and education districts, the port district, and the Conservation Futures Fund.

2.5 The County is prepared to support the Tribe’s proposed gaming facility on the Property and desires to enter into this Agreement with the Tribe to address financial impacts and other relevant issues arising from the presence of the gaming facility.

2.6 The County intends to provide services requested by the Tribe to the, the Gaming Facility and any directly-related facilities (e.g., restaurant, lodging or entertainment) located thereon on the same basis as County services are provided to other developments within the County, and to work cooperatively with the Tribe with regard to the Tribe’s construction and operation of the Gaming Facility. The Tribe intends to pay for requested County services to the Property and the Gaming Facility on the same basis such services are paid for by other

developments within the County; to reimburse the County fairly for other expenses the County incurs as a result of the presence of the Property and the Gaming Facility and to offset any impacts the Gaming Facility has on the County, and to work cooperatively with the County with regard to the Tribe's construction and operation of the Gaming Facility.

3. TERM – EFFECTIVE DATE.

3.1 Effective Date. This Agreement shall be effective upon the latter of (1) the execution of this Agreement by both the County and the Tribe; (2) any approval of this Agreement as may be required by the National Indian Gaming Commission and/or Bureau of Indian Affairs; and, (3) the final decision placing the Property in trust status for gaming purposes.

3.2 Term. This Agreement shall remain in effect so long as the Tribe continues to operate the Gaming Facility on the Property or any part thereof.

3.3 Termination. This Agreement may be terminated only by mutual written agreement of the Parties, or by the process set forth in paragraph 10.5 below.

4. SCOPE OF AGREEMENT.

This Agreement addresses and resolves issues that the Tribe and the County have identified as of the date of this Agreement. If issues of concern to either Party with regard to the Tribe's Property or the Gaming Facility arise in the future, the Tribe and County agree to work cooperatively to resolve such issues by the adoption of Agreement amendments or other agreements, as may be necessary and appropriate. The County and the Tribe agree to participate in good faith negotiations toward agreement on such issues whenever requested to do so by the other Party.

5. TRIBE'S VOLUNTARY CONTRIBUTION FOR SERVICES.

5.1 First Voluntary Contribution.

5.1.1 Tribal Payment to County. The Tribe agrees to make a voluntary financial services contribution to the County annually on April 30. The payment of the contribution shall be equal to the fair market value of the Property in that year multiplied by the rate assessed by the County had the Property not been placed in trust (the "**Section 5.1.1 percentage**"), which shall be based on the fair market value of comparable, privately-owned property of a commercial-retail nature, as determined by assessment of the Property, in an amount equivalent to what would normally be collected as property taxes for a comparable private property that is not held in trust. The Section 5.1.1 Percentage shall be increased or decreased annually by any amount of increase or decrease in the County's levy rate, only, (including regular, special, excess or bond levies) against property within the County or City. The Tribe's payment to the County under Agreement Section 5.1 shall not be subject to RCW 84.72.010. The County will distribute a percentage of the Tribe's annual voluntary financial services donation to the following taxing districts on the same proportionate basis as it would distribute property tax revenues to those districts collected from a private commercial-retail property owner

within the County: Anacortes School District, Fidalgo Park and Recreation District, Skagit County Emergency Medical Services, Port District 1, Conservation Futures Fund, and Skagit County Public Hospital District No. 2. The transmittal of such funds to junior taxing districts will include a statement substantially compliant with the following: "This transfer of funds is a proportionate share of the Samish Tribe's voluntary service contribution to Skagit County to offset local governmental impacts from the location of its Casino within Skagit County." To the extent the Tribe demonstrates that any portion of the amount normally collected for junior taxing districts as property tax has already been properly paid to the City of Anacortes pursuant to Agreement with the Tribe, the amounts payable on behalf of junior taxing districts hereunder may be offset. The County may use funds voluntarily donated by the Tribe to the County under this Agreement, beyond amounts distributed to the districts listed above, for any public purpose the County determines appropriate. The County may consult with the Tribe on preferred appropriate uses for these funds.

5.1.2 Payment Option. The Tribe may choose to make its financial services contribution under this section no less than quarterly, payable to the County. Payment may also be made by electronic or other means, as agreed by the Parties.

5.1.3 Modification of Assessment. The County will submit to the Tribe its annual estimate of the real estate assessment of the Property, on or around October 1 of each year, along with its justification for any proposed changes in assessment. The Tribe shall have thirty (30) days to respond to the County's proposed valuation. The parties shall attempt to negotiate and informally resolve any differences in valuation within thirty (30) days. If the value cannot be agreed upon by Parties within this time frame, the valuation shall be submitted to an independent arbitrator selected by mutual consent of the Parties, whose annual valuation of the Property for purposes of this Agreement shall be final and binding on the Parties.

5.1.4 Valuation Method. The valuation assessment of the Property shall not be based on the actual revenues or projected revenues from gaming at the Gaming Facility. Provided, however, in determining the valuation of the Property and improvements thereon, the cost approach, income (capitalization of net income) approach and comparable sales (if applicable) approach to valuation for comparable commercial/retail property may be employed.

5.2 Second Voluntary Contribution.

5.2.1 Tribal Payment to County. The Tribe agrees to make a voluntary financial services contribution to the County annually on February 1. The payment of the contribution shall be equal to 2% of annual retail sales at the Property (as described under Chapter 82.08 RCW) and 4% for annual sales of lodging facilities (as described under Chapter 67.28 RCW). The Tribe shall provide a year-end accounting no later than 120 days from the end of the Gaming Facility's fiscal year, certified by a Certified Public Accountant licensed in the State of Washington, in order to verify the payments made hereunder. Skagit County agrees to hold such accounting confidential and exempt from

disclosure under public records laws, and will not release such accounting information unless ordered to do so by a court of competent jurisdiction.

5.2.2 Payment Option. The Tribe may choose to make its financial services contribution under this section no less than quarterly, payable to the County. Payment may also be made by electronic or other means, as agreed by the Parties.

5.2.3 Schedule. The Tribe will file annually with the County a statement substantially similar to that required under Chapter 458.20 WAC. If the amount(s) under Agreement Section 5.2 cannot be agreed upon by Parties, the issue(s) shall be submitted to arbitration under Agreement Section 10. In the event the arbitrator determines that the Tribe's payment to County was under-reported by three percent (3%) or more in any year and the under-payment was deliberate, the Tribe shall pay the County's costs and attorney fees, including expert accounting or other fees. If the arbitrator determines that the County's figure regarding what is owed by the Tribe under Agreement Section 5.2 would result in an over-payment by the Tribe, the County shall pay the Tribe's costs and attorney fees, including expert accounting and other fees.

5.3 No Payment in Lieu of Taxation of Gambling Activities. It is understood by the parties that the Tribe shall enact and enforce such laws and regulations, in addition to federal laws and regulations and under the Compact, to address the conduct of gambling activities at the Gaming Facility. As a result, there shall be no payment by Tribe to County in lieu of any County taxation of gambling activities under Chapter 9.46 RCW or other law.

6. EMERGENCY MEDICAL SERVICES.

6.1 Provision of Services. The County will provide emergency medical services to the Gaming Facility and other improvements on the Property on the same basis that the County provides such services to other property within the County.

6.2 Emergency Medical Services. The Tribe shall separately fund, through the Skagit County EMS program for advanced life support (paramedic – "ALS") services, ALS services to the Property. The Tribe shall pay the County for ALS services to the Property the current year's levy rate (as published by the Skagit County Assessor) per one thousand dollars (\$1,000) of the fair market value of the Property in that year, based on the fair market value of comparable, privately-owned property of a commercial-retail nature, as determined by assessment of the Property under Agreement Section 5.1.

7. ROAD/TRANSPORTATION SERVICES.

7.1 General.

7.1.1 Transportation Impacts. The Tribe's Property and proposed Gaming Facility is located at the south-east corner of the intersection of State Highway 20 and Thompson Road. In order to transfer the Property into federal trust status for the purpose of gaming pursuant to the Indian Gaming Regulatory Act, the Tribe must and is addressing all transportation-related impacts as part of an Environmental Impact Study and as part of its business plan. The Tribe will be addressing and mitigating any

transportation-related impacts as part of its planning and construction of a Gaming Facility and associated facilities. The Tribe acknowledges that its proposed development may impact local roads, including County roads. The Tribe commits to making any and all necessary road modifications and improvements necessary to maintain the current level of service (LOS "C") on affected State, County and City roads and intersections, and to provide safe access to and from the Property. Local roads in the vicinity of the Tribe's Property include Thompson Road, Summit Park Road, Stevenson Road, and Reservation Road. Other roads may be impacted by the presence of the Tribe's Gaming Facility on the Property. If as a result of traffic increases following commencement of operations, measured over a statistically qualified period, in excess of that identified and mitigated pursuant to the traffic impact study under Section 7.2 and the EIS, the parties shall work cooperatively to address such unanticipated impacts under Agreement Section 4.

7.1.2 Improvement and Benefit Districts. The Tribe consents to the jurisdiction of the County over, and for the inclusion of, the Property within such Local Improvement Districts, Transportation Benefit Districts, or other systems or districts authorized by Washington state law for the funding of improvements to local roads that are impacted by traffic related to the Property. The Property shall be treated in the same manner as other, similarly situated private property. In establishing classifications of property or distinctions among property, the County shall act in good faith and will not use the establishment of a separate class as a basis to assess or charge the Property unique or discriminatory assessments or charges. The Tribe is entitled to all legal rights of any private property to notice and opportunity to contest County actions, including assessments or payment requirements, arising from any such district or system. Notwithstanding RCW 35.50.010, or any other law, the County shall have no right to assert a lien against or foreclose upon the Property for any disputed or delinquent assessment or charge that may arise from a County district or system authorized by this Section 7.1.2. The County's exclusive right to enforce an assessment or charge arising from a County district or system shall be through Agreement Section 10.

7.2 Traffic Impact Study. The Tribe and/or a contractor will conduct a traffic impact study for the Tribe's Property and the proposed Gaming Facility, which shall be done by a reputable consultant satisfactory to the State of Washington and Skagit County. The Tribe will provide a copy of that traffic impact study to the County when completed in draft form and will receive and respond to the County's comments and recommendations with regard to the study and recommendations contained therein. The Tribe will pay on a full cost or shared cost basis (if recommended improvements or modification are not due entirely to the Tribe's development), depending on the conclusions of the traffic impact study, the reasonable cost of necessary street, road or highway improvements determined to be necessary as a result of the study or WSDOT requirements, subject to the Tribe's right to initiate an appropriate dispute resolution process with regard to such costs. In the event the County concludes that the traffic impact study does not adequately identify transportation system improvements to be provided to local streets either on a full cost or shared cost basis by the Tribe, or does not establish an adequate time period for completion of recommended improvements, the County may initiate binding arbitration as established by Section 10 of this Agreement. In any arbitration under this section, the issues to be arbitrated shall be limited to (1) whether the traffic impact study adequately identifies

transportation impacts to the local streets related to operation of the Gaming Facility and any related development on the Property; (2) whether the transportation system improvements identified to be provided either on a full cost or shared costs bases by the tribe pursuant to the final study are sufficient to prevent the Gaming Facility and related development causing the degradation of transportation levels of service on local streets to levels of service that are deemed unacceptable according to transportation industry standards commonly applicable in counties such as the County; (3) if the improvements are necessary to prevent such degradation of levels of service; and (4) whether the time schedule established by the study for completion of required improvements is adequate and, if not, what time schedule would be adequate. The Tribe will provide any transportation system improvements to local streets that are determined by the arbitration process to be necessary to prevent such degradation of levels of service, according to the schedule and on the full or shared cost basis determined by the arbitration process. In the event that Skagit County deems it necessary to engage an independent traffic analysis consultant to rebut the Tribe's assertion in the course of an arbitration as set forth herein and the County is the prevailing party, the Tribe shall pay the County's consultant costs.

7.3 System Development Charge. The Tribe will pay the applicable standard County System Development Charges (and/or impact fees) for county roads applicable to the type and size of development to be constructed, within sixty (60) days after construction of the Gaming Facility commences.

7.4 SR 20 Landscaping. The Tribe shall comply with standards established by the State, in agreement with the County, for landscaping and frontage improvements to SR 20 adjacent to the Property.

8. LAW ENFORCEMENT SERVICES.

8.1 General. Once the Tribe's Property is in trust status, the Property will not generally be subject to State or local law enforcement authority. At present, the Tribe does not have its own law enforcement force, has not enacted criminal laws or procedures applicable to the Tribe or the Property, and does not plan to establish its own law enforcement force in the near future. The Tribe has entered into a similar agreement with the City of Anacortes and, because the preponderance of the Property is or will be located within the City, the parties hereto understand and agree that the City will be principally responsible for providing law enforcement services to the Property and related activities. Nevertheless, to the extent that the Skagit County Sheriff may at times be called upon to respond to the Property, the Tribe desires that the County provide law enforcement services to the Property in coordination with other law enforcement agencies, and in particular the City of Anacortes Police Department. By this Agreement, the Tribe consents and agrees that the County may exercise State and local criminal law jurisdiction over the Property until such time as the Tribe enacts its own criminal code and establishes its own police force. The County will exercise this law enforcement authority over the Property in non-discriminatory fashion. The parties intend to further address this jurisdiction in a separate agreement ("public safety agreement").

8.2 Public Safety Agreement. The Tribe and the County will separately negotiate and finalize such a public safety agreement. The scope of the County's law enforcement authority, procedures for coordination between the County and Tribe, conducting criminal

background checks and other activities may be appropriate subjects for a public safety agreement. In addition to the voluntary payments set forth elsewhere in this Agreement, once the Gaming Facility is operational the Tribe and County will meet on an annual basis to discuss and agree in good faith on a payment to be made by the Tribe to cover the additional impact of the Gaming Facility on County law enforcement. Until such time as a public safety agreement is finalized, the Skagit County Sheriff commits to providing police services to the Gaming Facility commensurate with that provided to similarly situated activities, recognizing that the intent of this Agreement is that the City of Anacortes is principally responsible for provision of law enforcement services.

8.3 Commencement of Tribal Law Enforcement Authority. In the event the Tribe establishes its own police force with authority over the Property and Gaming Facility, the County and the Tribe will negotiate a further or new public safety agreement that will address the enforcement of criminal laws on the Property and in the Gaming Facility; incarceration, prosecution and related activities. A public safety agreement may also include the City of Anacortes and the State.

8.4 Miscellaneous. Nothing in this Agreement affects any civil or criminal jurisdiction the State of Washington or the United States may have over the property pursuant to Public Law 280. Except for authorized federal, state, county, city or tribal law enforcement officers, no person may possess firearms on the Property or in the Gaming Facility.

9. OTHER SERVICES INVOLVING FEES AND CHARGES; REGULATIONS.

9.1 In General. The County and the Tribe have attempted in this Agreement to identify those County services that the Tribe would like the County to provide to the Property and/or the Gaming Facility, or which the County provides to similarly situated properties, for which the County as a standard practice imposes fees or charges on those receiving the services. In the event the County or Tribe identify other County services that either the Tribe would like the County to provide to the Property or that the County provides to properties within its boundaries as a matter of due course, the County and the Tribe will determine on a mutually agreeable basis, subject to arbitration in the event agreement cannot be reached, what level of service will be provided by the County and the fee or charge that the Tribe will pay to the County in exchange for receiving such services.

9.2 Non-Standard Services. The Tribe may request that the County provide, in relation to the Property and the Gaming Facility, services that are not standard County services, that are not covered this Agreement, or that are provided only pursuant to special agreement calling for a requester's payment for such services. One example might be a request for additional police coverage for a special event taking place at the Gaming Facility. In the event the Tribe requests such non-standard services and the County is willing and able to provide the services, the County will provide the service on a cost recovery basis as mutually agreed to by the County and the Tribe, subject to arbitration in the event agreement cannot be reached.

9.3 Additional System Development Charges. In the event the County enacts other system development charges and/or impact fees, *e.g.*, for schools or libraries, and such charges

are in place and effective sixty (60) days or less after the Tribe has commenced construction of its Gaming Facility, the Tribe will be responsible for such charges under the same conditions and circumstances as similarly situated properties would be subject to such charges.

10. DISPUTES AND REMEDIES.

10.1 General. Jurisdiction under this Section 10 is limited to the terms and provisions of this Agreement, and no jurisdiction is granted for any other dispute or issue.

10.2 Notice. In the event either the County or Tribe believes that the other Party is not complying with any provision of this Agreement, the County or Tribe will first give written notice to the other Party of the alleged violation, identifying the specific provision of this Agreement that the other Party is allegedly not complying with, the factual basis for the alleged noncompliance, and the suggested solution to the alleged non-compliance.

10.3 Informal Resolution. The Tribe and County agree to cooperate to the greatest degree possible in the implementation and enforcement of this Agreement. If a violation of this Agreement is alleged by either Party as set forth above, the Parties will have thirty (30) days to meet and attempt informal resolution of the alleged violation. This time period may be extended as long as may be necessary by mutual agreement of the Parties. If it is agreed that noncompliance exists, the Party who is in violation will have thirty (30) days to cure the noncompliance or, in the event it is not practicable to cure the noncompliance within this time frame, initiates steps to cure the noncompliance within this time frame with due diligence and completes the cure as soon as reasonably practicable. In such event, the notifying Party will not have any other remedy under this Agreement.

10.4 Arbitration.

10.4.1 Initiation. If the parties have not reached informal resolution of any alleged noncompliance under this Agreement, then the Party alleging noncompliance may give the other Party written notice initiating arbitration. Similarly, a Party seeking arbitration as provided elsewhere in this Agreement may initiate arbitration by giving written notice to the other Party as provided for in this Agreement. The parties shall attempt to agree on an arbitrator. If the County and Tribe cannot agree on an arbitrator, they will each, within a fifteen (15) day period, appoint their own arbitrator, who will jointly select a third arbitrator. If the two arbitrators cannot agree on a third arbitrator, the third arbitrator will be appointed by either the presiding judge for the Superior Court of Skagit County or the presiding judge of the United States District Court for the Western District of Washington, at the option of the parties.

10.4.2 Arbitration Process. Arbitration shall be conducted pursuant to the rules for commercial arbitration maintained by the American Arbitration Association (“**AAA Rules**”), including authority of the Arbitrator to authorize and compel discovery. Except for application of AAA Rules, the American Arbitration Association shall have no interest or involvement in Agreement arbitration proceedings. Unless otherwise determined by the arbitrator or arbitration panel, within forty five (45) days after the arbitrator or arbitration panel has been selected, the arbitrator or arbitration panel will

conduct and complete an arbitration hearing on the matter in dispute, and will render its decision. The decision of the arbitrator or arbitration panel will be binding on the County and the Tribe. The Tribe and the County will each pay one-half of the cost of the single or third arbitrator. Arbitration shall be the sole and exclusive judicial remedy available to the parties under this Agreement, except as set out in this Section 10.

10.5 Compliance with Arbitration Decision. The decision of an arbitrator or arbitration panel rendered under this section shall be final for the County and the Tribe. In the event the Party against whom an arbitration decision is rendered does not comply with the arbitration decision, the prevailing Party may seek judicial enforcement in the United States District Court for the Western District of Washington pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 et seq. A Party may also seek judicial resolution under this subsection of a dispute over whether the Party is in fact complying with the arbitration decision. If, after a final arbitration or judicial decision, the noncompliant Party has not complied with the arbitration decision and does not comply with that decision, the prevailing Party may terminate this Agreement upon ninety (90) days written notice to the noncompliant Party. The Tribe shall remain responsible for all payments to County under this Agreement during any period prior to Agreement termination.

10.6 Standing to Arbitrate and Enforce Arbitration Decision. Enforcement of this Agreement, and standing to initiate dispute resolution, arbitration, or any other remedy provided for in this Agreement is limited to the County and the Tribe. No provision or language in this section or anywhere in this Agreement shall be deemed to confer standing on any third party to enforce the rights of the County or the Tribe, or to grant any substantive rights to any person or entity other than the substantive rights specifically granted to the County and the Tribe in this Agreement.

10.7 Extent of Remedies. Remedies under this Agreement and this section are expressly limited to (a) actual damages; (b) specific performance under this Agreement; and (c) the County's right to cease utility or other service to the Property if payment for such services are not received within thirty (30) days following an agreement of the Parties regarding a dispute or the decision in arbitration under this Agreement Section 10. It is the express agreement of the County and the Tribe that remedies under this Agreement will not include claims other than those relating directly to compliance with the specific terms of this Agreement, and that in particular claims in tort or for punitive damages are prohibited. In the event of arbitration, the arbitrator shall award attorney fees and costs (including pre-litigation costs) to the substantially prevailing party in an action arising hereunder. Otherwise, the Tribe and the County will each be responsible for their own attorney costs and expenses associated with enforcement and implementation of this Agreement, except as otherwise specifically stated herein.

10.8 Limited Waiver of Sovereign Immunity. The Tribe and the County agree to waive their respective sovereign immunity, in limited fashion, for purposes of this Agreement. The waiver of sovereign immunity made by each Party is limited to the specific actions and remedies authorized in this Agreement, and is made only in favor of the other Party and not for any other person, party or entity. The County and the Tribe expressly consent to the jurisdiction of the United States District Court for the District of Western Washington for the claims specifically authorized in this Agreement. The Tribe specifically waives any legal right it may

have under federal law to exhaustion of Tribal Court remedies before any action may be brought by the County in District Court as set out in this section.

10.9 Alternative Dispute Resolution. The County and the Tribe may by separate written agreement pursue alternative dispute resolution methods rather than the arbitration and judicial proceedings authorized under this section. In the event the County and Tribe agree to pursue alternative dispute resolution for a particular claim, the Parties shall do so in writing and indicate whether the dispute resolution methods set out in this section are waived or not.

11. MISCELLANEOUS.

11.1 Amendments. Either the County or the Tribe may give the other Party written notice at any time, initiating negotiations to amend, modify or terminate this Agreement. In such event, the Parties will enter into good faith negotiations regarding the proposed amendment, modification or termination. This Agreement will remain in effect until amended, modified or terminated pursuant to such negotiations, or terminated as elsewhere provided by this Agreement.

11.2 Taxation or Regulation by the County. Nothing in this Agreement shall be deemed to authorize the County to impose any tax, fee, charge, or assessment upon the Tribe, Tribal Property or any Tribal activity, or to exercise any regulatory authority over the Tribe, Tribal Property or any Tribal activity, except for fees, charges or regulatory authority expressly authorized by this Agreement.

11.3 Preservation of Tribal Self-Government. Nothing in this Agreement authorizes the County to regulate or interfere in any manner with the government of the Tribe.

11.4 Rights Limited to County and Tribe. This Agreement is exclusively for the benefit of and governs only the respective authorities and relations between the Tribe and the County, and does not create, grant or confer any rights whatsoever to any third party, person or entity.

11.5 Notices. All notices authorized under this Agreement shall be given by first class mail, postage prepaid. Notice so mailed shall be deemed to have been received on the third (3) business day following the date of mailing. Notices shall be to the following addresses or to such alternative addresses as are provided for in a written notice given by one Party to the other:

For the County:

Board of County Commissioners
Skagit County
1800 Continental Place
Suite 100
Mt. Vernon, WA 98213

For the Tribe:

General Manager
Samish Indian Nation
P.O. Box 217
Anacortes, WA 98221

The Parties are also encouraged to communicate with each other by phone, e-mail, or by other communication methods, but the method specified in this section is required for all official notices unless expressly agreed to in the alternative in writing.

11.6 Severability. In the event any section or provision of this Agreement is held invalid, either Party may initiate negotiations pursuant to Agreement Section 11.1 to amend or modify this Agreement in response to such invalidity and, if the Party is not satisfied with the outcome of such negotiations, may terminate this Agreement by giving written notice of termination to the other Party pursuant to the terms of this Agreement. If neither Party exercises its rights under this subsection, it is the intent of the County and the Tribe that the remaining sections and provisions of the Agreement will continue in full force and effect.

11.7 Integration – Construction. This Agreement contains the complete and exclusive expression of the County’s and the Tribe’s intent and agreement. Both Parties were advised by legal counsel, and participated in the drafting of this Agreement. There shall be no construction of this Agreement based on the origination or edits of any provision of this Agreement by a Party.

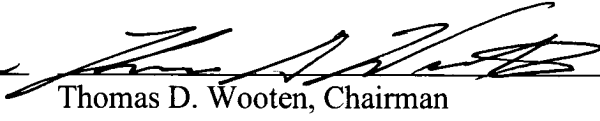
12. EXECUTION AND APPROVAL

Each of the below representatives of the Parties represent and warrant that each has been duly authorized to execute the Agreement for and on behalf of the identified Party.

SKAGIT COUNTY, WASHINGTON

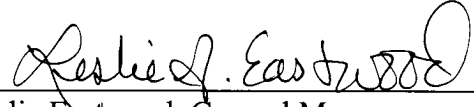
SAMISH INDIAN NATION

See attached signature page
Skagit County Commission


Thomas D. Wooten, Chairman

Date: _____

Date: Oct 28 2015


Leslie Eastwood, General Manager

Date: 10-29-2015

APPROVED AS TO FORM:

APPROVED AS TO FORM:


County Attorney

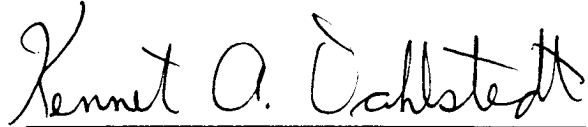

Tribal Attorney

Date: 11-30-15

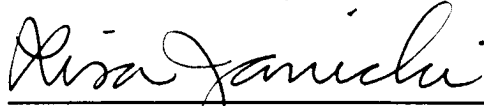
Date: 10/30/15

DATED this 14 day of December, 2015.

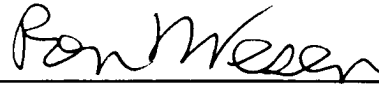
**BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON**



Kenneth A. Dahlstedt, Chair



Lisa Janicki, Commissioner

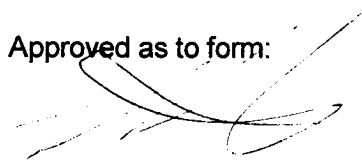


Ron Wesen, Commissioner

Attest:


Clerk of the Board

Approved as to form:



Civil Deputy Prosecuting Attorney

ADDENDUM
AGREEMENT BETWEEN
SKAGIT COUNTY, WASHINGTON
AND
SAMISH INDIAN NATION
LAW ENFORCEMENT SERVICES
FOR CAMPBELL LAKE PROPERTY

1. Agreement

This Addendum is to the Agreement Regarding the Provision of Services and Other Matters Relating to Tribal Trust Lands Within Skagit County (“Agreement”) between the Samish Indian Nation (“Tribe”) and Skagit County Washington (“County”), Skagit County Contract No. 20150575. The Tribe and County are each a party to this Addendum and collectively the “Parties”. The Tribe and County agree as follows:

2. Recitals

2.1. Skagit County and the Samish Indian Nation (Tribe) previously have entered into an Agreement (Agreement) for Services for the Tribe’s proposed development of a gaming enterprise at property identified as 11.2 acres of land located at the southeast corner of Highway 20 and Thompson Road (“Property”).

2.2. The Agreement contains a provision under which the parties agree that the County will exercise State and local law criminal law jurisdiction over the Property once the Property is transferred into trust and held by the United States for the benefit of Tribe until such time that the Tribe enacts its own criminal code and establishes its own police force. *See Section 8 of Agreement.*

2.3. The Tribe has trust property located at Campbell Lake which is approximately 79 acres which is held in trust by the United States for the benefit of the Samish Indian Nation (“Campbell Lake Property”). The Tribe plans to establish a cannabis enterprise on a portion of the Campbell Lake property pursuant to a compact with State of Washington’s Liquor and Cannabis Board, and wishes to secure County law enforcement services for its cannabis enterprise at its Campbell Lake property from the County.

2.4 The Tribe intends to pay for the costs that are incurred by the County for the provision of law enforcement at the cannabis enterprise at its Campbell Lake property.

3. Term:

3.1 Effective date: The terms of this Addendum shall become effective on the date the Addendum is executed by both the Tribe and County.

3.2 Term: The term of this Agreement shall be for as long as the Tribe operates a cannabis enterprise on a portion of its Campbell Lake Property or until the Tribe establishes its own police force and assumes law enforcement responsibility for the Tribe

3.3 Termination: This Agreement may be terminated by mutual written agreement of the Parties or pursuant to process established in Section 10.5 of the Agreement.

4. Scope of Addendum

The parties agree the scope of this Addendum is to allow the County to provide law enforcement services to the Tribe's cannabis enterprise which is located on a portion of the Tribe's Campbell Lake property. Unless explicitly stated herein, the Agreement between the Tribe and County remains in full force and effect.

5. Law Enforcement Services

In addition to the law enforcement services agreed upon in Section 8 of the Agreement, the parties agree that the County will provide law enforcement to enforce tribal and state cannabis laws on the portion of the Tribe's Campbell Lake property on which the cannabis enterprise is located.

6. Payment

The Tribe will make two payments to the County as set forth herein.

6.1.1 Tribal Payment to County. The Tribe agrees to make a voluntary financial services contribution to the County annually on April 30. The payment of the contribution shall be equal to the fair market value of the portion of the Campbell Lake Property ("Enterprise Property") on which Tribe's marijuana operation is located in that year multiplied by the rate assessed by the County had that Enterprise Property not been

placed in trust (the “**Section 6.1.1 percentage**”), which shall be based on the fair market value of comparable, privately-owned property of a commercial-retail nature of a similar business as determined by assessment of the Enterprise Property, in an amount equivalent to what would normally be collected as property taxes for a comparable private property that is not held in trust. The Section 6.1.1 Percentage shall be increased or decreased annually by any amount of increase or decrease in the County’s levy rate, only, (including regular, special, excess or bond levies) against property within the County or City. The Tribe’s payment to the County under Agreement Section 6.1 shall not be subject to RCW 84.72.010. The County will distribute a percentage of the Tribe’s annual voluntary financial services donation to taxing districts on the same proportionate basis as it would distribute property tax revenues to those districts collected from a private commercial-retail property owner within the County, consistent with levy code that would be applicable to the Enterprise Property were it not held in trust. The transmittal of such funds to taxing districts will include a statement substantially compliant with the following: “This transfer of funds is a proportionate share of the Samish Tribe’s voluntary service contribution to Skagit County to offset local governmental impacts from the location of its cannabis enterprise within Skagit County.” To the extent the Tribe demonstrates that any portion of the amount normally collected for taxing districts as property tax has already been properly paid to the City of Anacortes pursuant to Agreement with the Tribe, the amounts payable on behalf of taxing districts hereunder may be offset. The County may use funds voluntarily donated by the Tribe to the County under this Agreement, beyond amounts distributed to the districts listed above, for any public purpose the County determines appropriate. The County may consult with the Tribe on preferred appropriate uses for these funds.

6.1.2 Payment Option. The Tribe may choose to make its financial services contribution under this section no less than quarterly, payable to the County. Payment may also be made by electronic or other means, as agreed by the Parties.

6.1.3 Modification of Assessment. The County will submit to the Tribe its annual valuation notice of the Campbell Lake Property, on or around October 1 of each year, along with its justification for any proposed changes in assessment. The Tribe shall

have thirty (30) days to respond to the County's proposed valuation. The parties shall attempt to negotiate and informally resolve any differences in valuation within thirty (30) days. If the value cannot be agreed upon by Parties within this time frame, the valuation shall be submitted to an independent arbitrator selected by mutual consent of the Parties, whose annual valuation of the Property for purposes of this Agreement shall be final and binding on the Parties.

6.1.4 Valuation Method. The valuation assessment of the Enterprise Property may utilize the following approaches: determining the valuation of the Property and improvements thereon, the cost approach, income (capitalization of net income) approach and comparable sales (if applicable) approach to valuation for comparable commercial/retail property may be employed.


6.2. In addition to the voluntary payment set forth under paragraph 6.1, the Tribe will make an annual payment to the County on February 1 each year for the services provided herein. The payment will be equal to 3.5 % of the annual gross sales made by the Tribe's marijuana operation. The Tribe shall provide a year- end accounting no later than 120 days from the end of the marijuana operation's fiscal year, certified by a Certified Public Accountant licensed in the State of Washington, in order to verify the payments made hereunder. Skagit County agrees to hold such accounting confidential and exempt from disclosure to the extent allowable by public records laws, and will not release the accounting information unless ordered to do so by a court of competent jurisdiction.

The Tribe and County agree that the payments required under this Addendum will not become due and payable unless or until the Tribe's cannabis enterprise becomes operational.


7. Each of the below representatives of the parties warrants and represents that each has been duly authorized to execute this Addendum for and on behalf of the identified party.

Dated

SAMISH INDIAN NATION



Thomas D. Wooten, Chairman

Date: Jan 11 2017


Leslie Eastwood, General Manager

Date: 12-20-2016

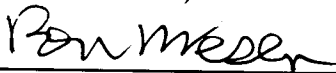
APPROVED AS TO FORM:


Tribal Attorney


Date: Jan 20, 2017

**BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON**

February 7, 2017



Ron Wesen, Chair

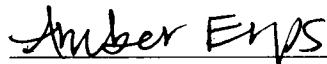


Kenneth A. Dahlstedt, Commissioner



Lisa Janicki, Commissioner

ATTEST:



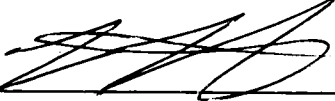
~~Linda Hammons, Clerk of the Board~~

APPROVED:



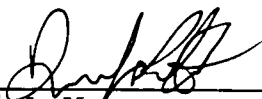
Will Reichardt, Skagit County Sheriff

APPROVED AS TO FORM:



Will Honea, Deputy Prosecuting Attorney

APPROVED AS TO INDEMNIFICATION:



Risk Manager

APPROVED AS TO BUDGET:



Budget and Finance Director