

Marijuana Compact

Between

The Nisqually Indian Tribe

and

The State of Washington

Table of Contents

I. INTRODUCTION	1
II. PARTIES.....	1
III. PURPOSE AND INTENT	1
IV. DEFINITIONS.....	3
V. GENERAL MATTERS	4
VI. RETAIL SALES	7
VII. PRODUCING AND PROCESSING.....	9
VIII. NOTICE TO LOCAL JURISDICTIONS	10
IX. TAXATION AND RECORD-KEEPING	11
X. SAFETY AND ENFORCEMENT	12
XI. DISPUTE RESOLUTION	14
XII. COMMUNICATION AND NOTICE	15
XIII. EFFECT, DURATION, AND AMENDMENT	17
XIV. DEPARTMENT OF HEALTH APPENDIX	18

I. INTRODUCTION

This compact is entered into pursuant to House Bill 2000, Chapter 207, Laws of 2015 (the “Compacting legislation”). This document will be cited as the “Marijuana Compact Between the Nisqually Indian Tribe and the State of Washington, hereinafter referred to as the “Compact.”

II. PARTIES

The Parties to this Compact are the Nisqually Indian Tribe (“Tribe”) and the State of Washington (“State”) (collectively, “Parties”).

The Tribe occupies the Nisqually Indian Reservation, which is located within the geographical boundaries of the State of Washington, and is a federally-recognized sovereign Indian tribe.

The State of Washington is a state within the United States of America, possessed of the full powers of a state government. The Washington State Liquor and Cannabis Board (“Board”) is an executive department of the State government with statutory authority with respect to marijuana under chapters 69.50 and 69.51A RCW. RCW 43.06.490 allows the Governor to enter into an agreement with any federally recognized Indian tribe located within the geographical boundaries of the State regarding marijuana and to delegate the power to negotiate such agreement to the Board.

III. PURPOSE AND INTENT

Historically, the production, possession, delivery, distribution and sale of marijuana have been illegal across the United States and in Indian Country. In 2012, Washington voters passed Initiative 502 (“I-502”) which sets forth a tightly regulated, state-licensed system allowing for the production, processing, and retail sale of marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products for recreational purposes within the State of Washington.

Through State law and the Board’s implementing rules, the State has legalized possession of limited amounts of marijuana and the production, processing, and sale of marijuana by licensed businesses and has set forth a civil regulatory system that keeps marijuana production, processing, and sale in the State regulated and safe for the public.

and accomplishes the following priorities: preventing the distribution of marijuana to minors; preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels; preventing the diversion of marijuana from states where it is legal under state law in some form to other states; preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of illegal drugs or other illegal activity; preventing violence and the use of firearms in the cultivation and distribution of marijuana; preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use; preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and preventing marijuana possession or use on federal property.

After serious deliberation, the Tribe, as a sovereign nation, has also determined that present day circumstances make a complete ban of marijuana within Indian Country ineffective and unrealistic and has decriminalized its sale and possession in certain circumstances. At the same time, consistent with the priorities described above, the need still exists for strict regulation and control over the production, possession, delivery, distribution, sale, and use of marijuana in Indian Country.

The State and the Tribe have recognized the need for cooperation and collaboration with regard to marijuana in Indian Country. The State has authorized the entry of this Compact by the Compacting legislation, enacted by the 2015 Regular Session of the Legislature, Laws of 2015, Chapter 207. Through Section 2 of this legislation, codified at RCW 43.06.490, the State authorized the Governor to enter into Compacts concerning the regulation of marijuana and to delegate the authority to negotiate the Compacts to the Board.

The Parties share a strong interest in ensuring that marijuana production, processing, and sales in Indian Country are well-regulated to protect public safety and community interests. The Parties acknowledge that pursuant to federal law, 21 U.S.C. § 812, marijuana is a Schedule I controlled substance and that this Compact does not protect the sales or regulation of marijuana in Indian Country from federal law; however, the Parties have entered into this Compact in order to strengthen their ability to meet these mutual interests and to provide a framework for cooperation to ensure a robust tribal and state regulatory and enforcement system.

The Parties agree that it is in the best interests of the Tribe and the State that they further implement the government-to-government relationship between them, as

recognized in the Centennial Accord of August 4, 1989, by entering into a compact to protect public health and safety, ensure a lawful and well-regulated marijuana market, encourage economic development in Indian Country, and provide fiscal benefits to both the Tribe and the State.

IV. DEFINITIONS

- A. "Auditor" means a certified public accountant licensed and in good standing in the State of Washington.
- B. "Board" means the Washington State Liquor and Cannabis Board and its staff.
- C. "Compact" means this Marijuana Compact Between the Nisqually Indian Tribe and the State of Washington, as it may be amended.
- D. "Indian Country," means (i) all lands within the Nisqually Indian Reservation and (ii) all lands held in trust or restricted fee status by the United States for the Tribe or its Tribal Members, all in accordance with 18 U.S.C. § 1151.
- E. "Marijuana," "marijuana concentrates," "marijuana-infused products," and "useable marijuana" as used in this Compact shall have the same meanings as in RCW 69.50.101 or any amendments thereto. Together, these terms shall be referred to as "marijuana product" or "marijuana products."
- F. "Parties" means the Tribe and the State.
- G. "Processor" means any marijuana processor licensed to process, package, and label useable marijuana, marijuana concentrates, and marijuana-infused products for sale at wholesale to retailers and other processors by the Board pursuant to RCW 69.50.325 and/or any marijuana processor in Indian Country licensed or otherwise allowed to do so by the Tribe or any other tribe with a marijuana compact with the Board.
- H. "Producer" means any marijuana producer licensed to produce and sell marijuana at wholesale to processors and other producers by the Board pursuant to RCW 69.50.325 and/or any marijuana producer in Indian Country licensed or otherwise allowed to do so by the Tribe or any other tribe with a marijuana compact with the Board.

- I. "Retailer" means any marijuana retailer licensed to sell useable marijuana, marijuana concentrates, and marijuana-infused products in a retail outlet by the Board pursuant to RCW 69.50.325 and/or any marijuana retailer in Indian Country licensed or otherwise allowed to do so by the Tribe or any other tribe with a marijuana compact with the Board.
- J. "State" means the State of Washington.
- K. "State Licensee" means any marijuana producer, marijuana processor, or marijuana retailer licensed by the Board pursuant to chapter 69.50 RCW, chapter 314-55 WAC, or any other regulations promulgated thereunder.
- L. "State Tax" means the marijuana excise tax as stated in RCW 69.50.535 and the State and local sales and use tax on sales of marijuana as stated in chapters 82.08 and 82.12 RCW, all as may be amended from time to time.
- M. "Tribal Code" means the Nisqually Tribal Code.
- N. "Tribal Enterprise" means an entity that is wholly-owned by the Tribe, or by an entity that is wholly-owned by the Tribe, and that is authorized to produce, process, and/or sell marijuana products under the Tribal Code.
- O. "Tribal Member Business" means a business owned by an enrolled member of the Tribe.
- P. "Tribal Police" means the Nisqually Tribal Police Department.
- Q. "Tribal Tax" means a tax imposed by the Tribe on certain marijuana activities pursuant to the Tribal Code and in accordance with this Compact.
- R. "Tribe" means the Nisqually Indian Tribe.

V. GENERAL MATTERS

- A. Sovereign Immunity. The Parties agree that, except for the limited purpose of resolving disputes in accordance with the express terms of Article XI (Dispute Resolution) of this Compact, the signing of this Compact by the Tribe does not

constitute, is not intended as, and shall not be construed as, a waiver of sovereign immunity by the Tribe or any of its subdivisions or enterprises, and that any action by the State in regard to marijuana regulation by the Tribe shall be in accordance with the terms of this Compact.

- B. Tribe Does Not Submit to State Jurisdiction. By entering into this Compact, the Tribe does not agree or concede that the laws of the State apply to the Tribe, its businesses, agents, or members regarding any activities and conduct within Indian Country.
- C. State Does Not Concede Tribal Immunity. By entering into this Compact, the State does not concede that the Tribe has immunity from State law.
- D. This Compact Does Not Create any Third Party Beneficiaries. No third party shall have rights or obligations under or be considered a beneficiary of this Compact.
- E. Jurisdiction. This Compact does not increase, decrease or otherwise affect the jurisdiction of either the Tribe or the State.
- F. No Limitation. The Parties agree that the signing of this Compact and the resultant benefits and obligations shall not be construed as limiting any lawful activity of the Tribe or its subdivisions or enterprises, nor subject the Tribe or its subdivisions or enterprises to any State jurisdiction not expressly agreed to in this Compact.
- G. Applicability. Consistent with RCW 43.06.490, this Compact applies to the production, processing, and sale of marijuana products in Indian Country where the Tribe or a Tribal Enterprise (i) delivers or causes delivery to be made to or receives delivery of marijuana products from a State Licensee or (ii) physically transfers possession of marijuana products from the seller to the buyer within Indian Country. Except as may otherwise be expressly provided herein, the production, processing, sale, and possession of marijuana products in Indian Country pursuant to the Tribal Code and in accordance with this Compact are not subject to the terms of chapter 69.50 RCW and chapter 314-55 WAC, or any other regulations promulgated under said RCW Chapter, and any such activities will not constitute a criminal or civil offense under Washington state law.
- H. State Licensees.
 - 1. The Tribe and Tribal Enterprises may purchase marijuana products from or sell marijuana products to State Licensees or any other entity operating under

a valid compact authorized by RCW 43.06.490, including any amendments thereto, with or otherwise authorized by the State. All transactions between the Tribe or a Tribal Enterprise and State Licensees must be executed through the State traceability system, and marijuana products purchased from or sold to State Licensees must be fully compliant with all State marijuana laws and rules, including packaging, testing, and labelling.

2. The State will not cite, fine, or otherwise take any adverse licensing or other action against any State Licensee for the mere fact that it bought or sold marijuana products from or to the Tribe or a Tribal Enterprise in accordance with the terms of this Compact and the Tribal Code.
 3. To the extent necessary, the State will work with the Tribe and with any State Licensees or otherwise authorized producers, processors, or retailers to assure such entities that the Tribe and Tribal Enterprises are legally authorized to purchase and sell marijuana products pursuant to the terms of this Compact.
- I. Tribal Member Businesses. The current Tribal Code does not permit Tribal Member Businesses to conduct retail sales, producing, processing, research or testing of marijuana products in Indian Country. However, if the Tribal Code is revised to so allow Tribal Member Businesses, then the Tribal Member Business may not purchase from or sell to a State Licensee, or conduct research or testing for transactions with a State Licensee, until such time as State law is amended to allow this activity and this Compact is amended to allow it.
 - J. Buffer Zone Requirements. To maintain community safety, Tribal marijuana producer, processor, and retail businesses in Indian Country shall be required by the Tribal Code to follow the buffer zone requirements outlined in RCW 60.50.331(8), and any subsequent amendments thereto, as may be modified by the Tribe consistent with subsections (b) through (d), and subject to interpretations of the grounds identified in subsection (a) that are within Indian Country, all as codified in the Tribal Code.
 - K. References to Laws, Rules and Policies. References herein to Tribal ordinances, Tribal and State laws, and to Tribal, State, and Board rules and policies, include ordinances, laws, rules, and policies in existence as of the effective date of this Compact, together with any amendments that may be adopted during the term of the Compact. References herein to specific titles, chapters, or sections of the Tribal Code, the Revised Code of Washington, or the Washington Administrative

Code, include the cited titles, chapters, and sections as they exist on the effective date of this Compact, together with any amendments or renumbering that may be adopted during the term of this Compact.

- L. Non-Tribal Partial Owners and Financiers. If the Tribe or a Tribal Enterprise is not the sole owner of the business producing, processing, or selling marijuana products or receiving financing from an organization outside of the Tribe, the non-tribal owner or financier is subject to a criminal history background check and financial investigation performed by both Parties. The Board will use the criteria in WAC 314-55-020; 314-55-040; and 314-55-045. "Owner," as used in this paragraph L., means a "true party of interest," as defined in WAC 314-55-035. For a non-tribal owner or financier to pass the criminal history background check and financial investigation, both Parties must agree. If the non-tribal owner or financier does not pass the criminal history background check and financial investigation, either party may invoke the Dispute Resolution Process of this Compact.
- M. The parties may amend this Compact, in accordance with Article XIII, paragraph B, to address and provide for additional elements of marijuana activity and regulation including, but no limited to, marijuana research, testing and laboratory activities by the Tribe or a Tribal Enterprise.

VI. RETAIL SALES

- A. Retail Sales. The Tribe and/or a Tribal Enterprise may sell marijuana products in Indian Country pursuant to the Tribal Code and this Compact. This compact does not permit Tribal Member Businesses to conduct retail sales of marijuana products in Indian Country.
- B. Retail Sales by the Tribe or a Tribal Enterprise. The Tribe shall notify the State at least 30 days prior to the opening of any Retailer owned by the Tribe or a Tribal Enterprise. Such notifications shall include:
1. The identity of the entity which is operating the retail location;
 2. Location of the premises; and

3. Certification, in the form of a notarized statement executed by a Nisqually Tribal Council Member or an attorney for the Tribe, that the premises is located in Indian Country.

C. Conditions on Retail Sales.

1. Retail sales of marijuana products by the Tribe or any Tribal Enterprise must be conducted in accordance with the Tribal Code and all internal policies and controls of the Tribe or Tribal Enterprise. Tribal Code Title 30, as it exists on the date of this Compact, is attached as Exhibit A. Current copies of Tribal Code Title 30 and any marijuana internal policies and controls of the Tribe and any Tribal Enterprise may be made available online and shall be made available for review by the Board upon request. The Tribe agrees to notify the Board of any changes to the Tribal Code that may affect marijuana products within 20 days of the date of adoption by the Tribe.
2. All marijuana products purchased by the Tribe or a Tribal Enterprise from a State-licensed producer or processor will be verified upon delivery in Indian Country, and confirmation of receipt will be made by executing the delivery invoice. The Tribe or Tribal Enterprise will enter, or cause to be entered, all delivered purchases into the State's tracking system within 24 hours of receiving any such delivery.
3. All marijuana products purchased by the Tribe or a Tribal Enterprise from another tribe, another tribal enterprise, or a business owned by a member of another federally recognized Indian tribe on a reservation located within the State of Washington, or sold by the Tribe or a Tribal Enterprise to another tribe, another tribal enterprise, or a business owned by a member of another federally recognized Indian tribe on a reservation located within the State of Washington, will be recorded in either the Tribe's or the State's tracking system within 24 hours of any such receipt or delivery. The Tribe and any Tribal Enterprise will make such records available for review by the Board upon request.
4. Drive-Through Purchase Facilities are Prohibited. The Tribe agrees not to sell marijuana products at a drive-through purchase facility where marijuana products are sold at retail and dispensed through a window or door to a purchaser who is either in or on a motor vehicle or otherwise located outside the retail premises at the time of sale.

VII. PRODUCING AND PROCESSING

- A. Producing and Processing of Marijuana Products. The Tribe and/or a Tribal Enterprise may produce and process marijuana products in Indian Country pursuant to the following terms:
1. Production and/or Processing by the Tribe or a Tribal Enterprise. The Tribe shall notify the State at least 30 days prior to the start of operations of any Producer or Processor owned by the Tribe or a Tribal Enterprise. Such notifications shall include:
 - a. The identity of the entity which is operating the Producer or Processor location;
 - b. Location of the premises;
 - c. Certification, in the form of a notarized statement executed by a Nisqually Tribal Council Member or an attorney for the Tribe, that the premises are located in Indian Country; and
 - d. If the notification is regarding production operations, to the extent the marijuana is intended to be sold outside Indian Country, the amount of marijuana intended to be grown by the Tribe, for informational purposes in the co-management of the regulated marijuana market within Washington by the Tribe and the State of Washington.
 3. Conditions on Producers and Processors.
 - a. Production and processing of marijuana products by the Tribe or any Tribal Enterprise must be conducted in accordance with Tribal Code Title 30 and all internal policies and controls of the Tribe or Tribal Enterprise. Tribal Code Title 30 as it exists on the date of this Compact is attached as Exhibit A. Current copies of Tribal Code Title 30 and any internal marijuana policies and controls of the Tribe and any Tribal Enterprise may be made available online and shall be made available for review by the Board upon request. The Tribe agrees to notify the Board of any changes to the Tribal Code that may affect marijuana products within 20 days of the date of adoption by the Tribe.

- b. The State and Tribe agree that marijuana products sold by Producers or Processors to State Licensees shall be packaged, tested, and labeled in compliance with State marijuana laws. With respect to “edibles” this shall include State preapproval of the product, packaging, and labeling before sale to State Licensees; PROVIDED, that such preapproval shall not be unreasonably withheld and shall be timely provided. All transactions between the Tribe or Tribal Enterprises and State Licensees will be executed through the State traceability system following the same rules as State Licensees. All marijuana products sold to State Licensees will be fully traceable in the State’s traceability system. Marijuana products will trace back to the plant(s) they were derived from and include results for all required quality assurance testing. All required test results shall be entered into the traceability system by a Board-certified testing laboratory.

VIII. NOTICE TO LOCAL JURISDICTIONS

- A. The Parties agree that it is in the best interests of both Parties that notice be provided to neighboring jurisdictions prior to the commencement of operations of a Producer, Processor, or Retailer.
 1. When the Tribe or a Tribal Enterprise proposes to open a new Producer, Processor, or Retailer the Tribe will provide, at least 30 days prior to the commencement of operations, written notice to the county or to the incorporated cities with geographical boundaries within which the activity will occur. The Parties agree that the purpose of the notice is to facilitate an exchange of information that may be helpful to all parties concerned in addressing unanticipated impacts with the understanding that such notice is a matter of intergovernmental courtesy only and not required by law.
 2. In accordance with the direction of the Legislature in RCW 43.06.490(3)(c) and RCW 69.50.331 to address problems arising out of cross-border commerce, when any business that is not a Tribal business applies to the Board for a Producer, Processor or Retailer license for a location in Indian Country, the Board agrees that such license will not be granted without the person or business first obtaining the express written consent of the Tribe. The Tribe agrees to respond to the express written consent request within 20 days of notification from the Board. The express written consent request shall

be delivered to each of the Tribe's contacts consistent with Paragraph C (Notice) of Article XII. If the Tribe does not respond within 30 days, the Board will assume that the Tribe does not consent to the license and the subject license application will, consequently, be denied.

IX. TAXATION AND RECORD-KEEPING

The Parties recognize that RCW 43.06.490(2)(a) provides that "Each marijuana agreement adopted under this section must provide for a tribal marijuana tax that is at least one hundred percent of the state marijuana excise tax imposed under RCW 69.50.535 and state and local sales and use taxes on sales of marijuana." The Parties further recognize that RCW 69.50.555, 82.08.9997, and 82.12.9997, provide exemptions from certain state taxes under the circumstances described in those sections.

A. State Tax.

Pursuant to RCW 69.50.555, no State Tax or fee, assessment, or other charge imposed by RCW 69.50, or otherwise imposed by State law, on the production, processing, and/or sale of marijuana products, may be assessed against or collected from the Tribe, any Tribal Enterprise, or retail customer purchasing from the Tribe or a Tribal Enterprises so long as the Tribe is in compliance with Paragraph B. of this Article IX.

B. Tribal Tax.

1. Sales of marijuana products. The Tribe shall impose and maintain a Tribal Tax that is equal to at least 100 percent of the State Tax on all sales of marijuana products in Indian Country, except that, consistent with the language in RCW 43.06.490(2), the Tribe may allow an exemption from Tribal Tax for (i) sales to the Tribe, a Tribal Enterprise, a Tribal Member Business, or an enrolled member of the Tribe on marijuana grown, produced, or processed within Indian Country, and (ii) transactions otherwise exempt from State Tax under State or federal law (including, but not limited to, sales to the Tribe, a Tribal Enterprise, a Tribal Member Business, or an enrolled member of the Tribe that occur within Indian Country). Medical marijuana products used in the course of medical

treatment by a clinic, hospital, or similar facility owned and operated by the Tribe within Indian Country are hereby exempted from State Tax. The Tribe may choose to levy a Tribal Tax on any transaction that is otherwise exempt from State Tax.

- C. At the State's request, the Tribe will retain, at its own expense, an Auditor to test the Tribe's compliance with this Article IX. The Auditor will review a sample of records to verify the requirements of Paragraph B of this Article IX and will provide the State with a report detailing the results of the testing procedures, to include identification of any instances of noncompliance with the terms of said Paragraph B.

X. SAFETY AND ENFORCEMENT

- A. The Tribe shall address safety and enforcement issues in accordance with the Tribal Code, this Compact, and internal policies and controls of the Tribe or a Tribal Enterprise.

1. Premises Checks

- a. Premise Checks by the Tribe. The Tribal Police or other Tribally-authorized agency may conduct premises checks in Indian Country to observe compliance with the Tribal Code and this Compact and to provide support and education to Tribal Enterprises and staff. To the extent it is informed of the results of such premises checks, the Nisqually Tribal Council will share the results of the premises checks with the Board.
- b. Premise Checks by the Board. The Board, through its staff, may also conduct premises checks. Prior to conducting any such check, the Board will contact the Tribal Police to provide reasonable notice of such premises check. Except as provided in Subparagraph 3 (Cooperation) below, the Tribal Police may observe and participate in all such premises checks. The Board will share the results of such premises checks with the Tribe.

2. Compliance Checks - Minors

- a. Compliance Checks by the Tribe. The Tribe may conduct compliance checks in Indian Country, using minors ages 18, 19, or 20, through the Tribal Police or other Tribally-authorized agency in accordance with Tribal regulations and policies. To the extent it is informed of the results of such checks, the Nisqually Tribal Council will provide the results of the checks to the Board. No criminal action may be taken against any minor who purchases marijuana as part of such a compliance check.
 - b. Compliance Checks by the Board. Board staff may also conduct compliance checks. Prior to conducting any such check, the Board will contact the Tribal Police to provide reasonable notice of such compliance check. Except as provided in Subparagraph 3 (Cooperation) below, the Tribal Police may observe and participate in all compliance checks. The Board will share the results of such compliance checks with the Tribe.
3. Cooperation. Both Parties will cooperate in good faith to undertake all Board requested premises and compliance checks jointly. The Tribal Police will make reasonable efforts to arrange and conduct all Board requested premises and compliance checks within 24 hours of being provided notice of such request by the Board. All such notices shall be given via email to the Chief of Police and, if requested by the Tribe, the Chairman of the Tribe. The Tribe will provide the relevant email addresses to the Board. If the relevant email addresses change, the Tribe will provide the new email addresses to the Board. If the Tribal Police are unable or unwilling to arrange and conduct a requested premises or compliance check 48 hours after receiving the original notice, the Board may then perform the premises or compliance check on its own without the Tribal Police; Provided That, if the Board fails to receive a response to the Board email notice from the Chief of Police within said 48 hour period, the Board shall attempt to contact the Chief of Police via telephone prior to the Board's performance of the premises or compliance check. The locations to be checked will not be notified in advance of the check by either Party. Should either Party have any concerns arising out of a premises or compliance check or the results thereof, the Parties will meet in good faith to discuss any suggested changes to protocols for the premises and compliance checks themselves or for marijuana sales by the Tribe or Tribal Enterprise that were checked.

4. Transportation Outside Indian Country. Transportation of marijuana products outside the boundaries of Indian Country shall be conducted in compliance with State law and Board rules.

XI. DISPUTE RESOLUTION

- A. Process Required. Neither Party, nor any officer or official acting on behalf of a Party, may petition any court to enforce this Compact unless (a) the dispute resolution process described in this Article XI has been followed in good faith to completion without successful resolution or (b) the other Party fails to enter into the dispute resolution. Should a dispute arise between the Parties regarding compliance with this Compact by either Party, the Parties will attempt to resolve the dispute through the dispute resolution process set forth below in this Article XI.
- B. Notice. Either Party may invoke the dispute resolution process by notifying the other, in writing, of its intent to do so. The notice must set out the issues in dispute and the notifying Party's position on each issue.
- C. Meet and Confer. The first stage of the process will include a face-to-face meeting between representatives of the two Parties to attempt to resolve the dispute by negotiation. The meeting must be convened within 30 days after the receiving Party's receipt of the written notice described in Paragraph B immediately above. The representatives of each Party will come to the meeting with authority to settle the dispute. If the dispute is resolved, the resolution will be memorialized in a writing signed by the Parties.
- D. Mediation. The second stage of the process will be that if the Parties are unable to resolve the dispute within 60 days after receipt of the initial written notice, the Parties will engage the services of a mutually agreed-upon qualified mediator to assist them in attempting to negotiate the dispute. Costs for the mediator will be divided equally by the Parties. The Parties will pursue the mediation process in good faith until the dispute is resolved or until 90 days after the date of the mediation demand, whichever occurs first. The Parties may continue mediation after the 90-day period by mutual agreement. If the Parties cannot agree on a format for the mediation process, the format will be determined by the mediator. If the dispute is resolved, the resolution will be memorialized by the mediator in a writing signed by the Parties, which will bind the Parties.

- E. Procedure if the Dispute Remains Unresolved. After (i) completion of the process described in Paragraphs C. and D. above or (ii) expiration of 180 days after receipt of the written notice described in Paragraph B. above, whichever event in (i) or (ii) occurs first, either Party may terminate this Compact upon 30 days' written notice sent to the persons listed for the other Party in Paragraph C. of Article XII below.

- F. Defense of This Compact. In any action filed by a third party challenging either the Tribe's or the State's authority to enter into or enforce this Compact, the Parties each agree to support the Compact and defend each of their authority to enter into and implement this Compact; provided, however, that this provision does not waive, and shall not be construed as a waiver of, the sovereign immunity of the Tribe or any of its subdivisions or enterprises.

- G. Traceability. Should either Party have any concerns arising out of operation of the traceability system or the results thereof, the Parties will meet in good faith to discuss any issues. If the Parties fail to come to a resolution, either Party may invoke the Dispute Resolution Process of this Article XI.

XII. COMMUNICATION AND NOTICE

- A. Designated Contacts. The Parties agree to maintain regular and open communication regarding the administration and implementation of this Compact. The Parties agree that the following individuals will be designated primary contacts regarding administration of this Compact:

For the State:	Agency Director Liquor and Cannabis Board PO Box 43080 Olympia WA 98504 3080 360-664-1650
For the Tribe:	Office of the Tribal Attorney Nisqually Indian Tribe 4820 She-Nah-Num Drive SE Olympia WA 98513 360-456-5221

- B. The Parties agree that if either Party believes that the goals and objectives of this Compact are not being met, that they will meet promptly to discuss any issues and concerns.
- C. Notice. Any notice that may be or is required to be sent under this Compact shall be sent as follows:

If to the State: Office of the Governor
PO Box 40002
Olympia WA 98504 0002

With a copy to: Agency Director
Liquor and Cannabis Board
PO Box 43080
Olympia WA 98504 3080
360-664-1650

If to the Tribe: Chairman
Nisqually Indian Tribe
4820 She-Nah-Num Drive SE
Olympia WA 98513
360-456-5221

With a copy to: Office of the Tribal Attorney
Nisqually Indian Tribe
4820 She-Nah-Num Drive SE
Olympia WA 98513
360-456-5221

XIII. EFFECT, DURATION, AND AMENDMENT

- A. Term. This Compact shall remain in effect for a term of ten years unless the Parties mutually agree in writing that the Compact should be vacated or terminated and superseded by a new compact between the Parties within that time frame, or unless the Compact is terminated pursuant to Paragraph E. of Article XI or Paragraph D. of this Article XIII. The Compact shall be automatically renewed for successive periods of ten years unless a Party provides written notice to the other, no later than 120 days before the expiration of the then current ten-year period, that it wishes to modify the terms of the Compact or that it declines to renew the Compact.
- B. Amendment. No amendment or alteration of this Compact shall arise by implication or course of conduct. This Compact may be altered only by a subsequent written document, executed by the Parties, expressly stating the Parties' intention to amend this Compact.
- C. Severability. If any provision of this Compact or its application to any person or circumstance is held invalid, the remainder of the Compact shall not be affected.
- D. Change in Classification. If the classification of marijuana as a Schedule I drug is altered in any way or federal marijuana enforcement policy changes, the Parties agree to meet and discuss the need to modify this Compact. If such modifications cannot be agreed upon, then either Party may terminate this Compact upon 60 days written notice.
- E. Renegotiation. The Parties may renegotiate the nature and/or scope of this Compact upon the written notice and request by either Party if and when:
1. Laws in the State governing marijuana are enacted allowing activities which are now prohibited, or prohibiting activities that are now allowed;
 2. The Tribe wishes to engage in forms of marijuana-related businesses other than those authorized in this Compact; or
 3. Federal laws or policies governing marijuana change.

- F. Most Favored Nation Provision In Another Compact. If, at any time after the effective date of this Compact, the State enters into an agreement, compact, or consent decree with any other federally recognized Indian tribe or governmental agency thereof relating to the regulation of marijuana in Indian country which includes a “most favored nation” provision, then, upon the Tribe’s written request, this Compact will be amended to include such provision. A “most favored nation” provision is defined as language by which the State agrees to accord a tribe or tribal government agency the same favorable terms that are offered in later agreements with any other tribe or tribal government agency. This will not be construed to require that the State offer the Tribe the option to receive the same terms offered to every tribe or tribal government agency in the absence of a most favored nation provision in the Compact. Notwithstanding the foregoing, the parties agree that this “most favored nation” provision does not apply to Article IX, Section A of this Compact.

XIV. DEPARTMENT OF HEALTH APPENDIX

Pursuant to RCW 43.06.490, the parties hereby add, as Exhibit B, the “Memorandum of Agreement between the Nisqually Indian Tribe and the Washington State Department of Health Concerning Medical Marijuana.” Exhibit B is added in the form attached hereto and is hereby incorporated by reference. Exhibit B represents a standalone agreement and shall apply strictly and solely according to its terms to describe the relationship between the Department of Health and the Tribe with respect to access and use of the medical marijuana authorization database.

This Compact is hereby made this 1st day of May, 2020.

STATE OF WASHINGTON

NISQUALLY INDIAN TRIBE



Jay Inslee, Governor

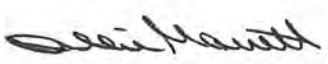


E.K. Choke, Chairman

WASHINGTON STATE LIQUOR AND
CANNABIS BOARD



Jane Rushford, Board Chair



Ollie Garrett, Board Member



Russell Hauge, Board Member



Rick Garza, Agency Director

EXHIBIT A

**NISQUALLY INDIAN TRIBE
TRIBAL CODE**

TITLE 30 – COMMERCIAL MARIJUANA ACTIVITY



Nisqually Indian Tribe

TITLE 30
COMMERCIAL MARIJUANA ACTIVITY

Table of Contents

Chapter 1 General Provisions	1
Section 30.01.01 Title	1
Section 30.01.02 Definitions.....	1
Section 30.01.03 Findings.....	3
Section 30.01.04 Tribal Sovereign Immunity and Jurisdiction Preserved.....	3
Section 30.01.05 Tribal Court Jurisdiction	4
Section 30.01.06 References to Washington State Laws and Regulations.....	4
Section 30.01.07 Severability	4
Section 30.01.08 Effective Date	4
Section 30.01.09 Authorized Commercial Marijuana Activity	4
Chapter 2 Taxation.....	4
Section 30.02.01 Taxes	4
Section 34.02.02 Tax Records	5
Chapter 3 Buffer Restrictions	6
Section 30.03.01 Buffer Restrictions – Class A	6
Section 30.03.02 Buffer Restrictions – Class B.....	6
Section 30.03.03 Buffer Measurement	6
Chapter 4 Production and Processing	6
Section 30.04.01 Procurement, Production and Processing for Wholesale and Retail Sales	6
Section 30.04.02 Production and Sale of Plant, Seeds and Tissue	7
Section 30.04.03 Quality Standard, Packaging, Labeling, Product Preapproval.....	7
Section 30.04.04 Restriction on Minors	7
Section 30.04.05 Samples	7
Section 30.04.06 Storage and Inventory	8
Section 30.04.07 Waste Disposal.....	8
Section 30.04.08 Traceability	8
Chapter 5 Retail Sales.....	8
Section 30.05.01 Retail Sales Authorized.....	8

Section 30.05.02 Hours of Retail Sales	8
Section 30.05.03 Restrictions on Minors.....	8
Section 30.05.04 Transaction Limits	9
Section 30.05.05 Postings.....	9
Section 30.05.06 Samples.....	9
Section 30.05.07 Intoxicated persons	10
Section 30.05.08 Consumption.....	10
Section 30.05.09 Storage and inventory	10
Section 30.05.10 Waste disposal	10
Section 30.05.11 Traceability	10
Chapter 6 Licensing.....	10
Section 30.06.01 Entity License Not Required.....	10
Section 30.06.02 Employee License Not Required	10
Section 30.06.03 Background Check Requirement	11
Chapter 7 Safety and Security.....	11
Section 30.07.01 Alarm System Requirements	11
Section 30.07.02 Camera and Surveillance System Requirements	11
Section 30.07.03 Employee Identification Requirements; Logging Requirements.....	11
Section 30.07.04 Transport of Product	11
Chapter 8 Advertising and Signage	12
Section 30.08.01 Restrictions on Content in Signage and Advertising.....	12
Section 30.08.02 Buffer Restrictions on Signage and Advertising	12
Section 30.08.03 Additional Restrictions on Signage and Advertising.....	12
Chapter 9 Medical Marijuana	12
Section 30.09.01 Compliant Medical Marijuana Products Authorized	12
Section 30.09.02 Recognition Cards.....	12
Section 30.09.03 Access to Medical Marijuana Authorization Database.....	13
Section 30.09.04 Confidentiality and Nondisclosure	13
Chapter 10 Compliance and Enforcement	13
Section 30.10.01 Premise and Compliance Checks Authorized.....	13
Section 30.10.02 Use of Minors for Premise and Compliance Checks.....	13
Section 30.11.01 Insurance Requirements – General	14

Section 30.11.02 Coverages..... 14
Section 30.11.03 Indemnified Parties; Limitations; Definitions 14

TITLE 30
COMMERCIAL MARIJUANA ACTIVITY

Chapter 1
General Provisions

Section 30.01.01 Title

This Title shall be known as the Nisqually Indian Tribe Commercial Marijuana Activity Code.

Section 30.01.02 Definitions

Unless a different meaning is clearly indicated herein, the terms used in this Title 30 shall have the meaning designated below.

- (1) "Auditor" means a certified public accountant licensed and in good standing in the State of Washington.
- (2) "Authorization" is defined as stated in RCW 69.51A.010.
- (3) "Board" means the Washington State Liquor and Cannabis Board and its staff.
- (4) "Commercial marijuana activity" means all planting, growing, producing, cultivating, processing and/or selling of marijuana products within Indian country in accordance with this Title 30 and other Tribal law.
- (5) "Compact" means the Marijuana Compact between the Nisqually Indian Tribe and the State of Washington, as it may be amended from time-to-time.
- (6) "Designated provider" is defined as stated in RCW 69.51A.010.
- (7) "Essential government services" means services provided by the Tribe including, but not limited to, administration, public facilities, fire, police, health, education, elder care, general welfare, social services, sewer, water, environmental and land use, transportation, utility services, community development and economic development.
- (8) "Indian country" means all lands within the Nisqually Indian Reservation and all lands held in trust or restricted fee status by the United States for the Tribe or its Tribal members, all as provided in 18 U.S.C.§1151.
- (9) "Marijuana," "marijuana concentrates," "marijuana-infused products" and "useable marijuana" are defined as stated in RCW 69.50.101 or any amendments thereto.

- (10) "Marijuana product" or "marijuana products" means, collectively, marijuana, marijuana concentrates, marijuana-infused products and useable marijuana.
- (11) "Medical marijuana authorization database" is defined as stated in RCW 69.51A.010.
- (12) "Processor" means any marijuana processor licensed to process, package, and label marijuana products for sale at wholesale to retailers and other processors by the Board pursuant to RCW 69.50.325 and/or any marijuana processor in Indian Country licensed or otherwise allowed to do so by the Tribe or any other tribe with a marijuana compact with the Board.
- (13) "Producer" means any marijuana producer licensed to produce and sell marijuana at wholesale to processors and other producers by the Board pursuant to RCW 69.50.325 and/or any marijuana producer in Indian country licensed or otherwise allowed to do so by the Tribe or any other tribe with a marijuana compact with the Board.
- (14) "Qualifying patient" is defined as stated in RCW 69.51A.010.
- (15) "Recognition card" is defined as stated in RCW 69.51A.010.
- (16) "Retailer" means any marijuana retailer licensed to sell marijuana products in a retail outlet by the Board pursuant to RCW 69.50.325 and/or any marijuana retailer in Indian country licensed or otherwise allowed to do so by the Tribe or any other tribe with a marijuana compact with the Board.
- (17) "State" means the State of Washington.
- (18) "State licensee" means any entity licensed by the Board pursuant to chapter 69.50 RCW, chapter 314-55 WAC, or any other regulations promulgated thereunder.
- (19) "State tax" means the marijuana excise tax as stated in RCW 69.50.535 and the State and local sales and use tax on sales of marijuana as stated in chapters 82.08 and 82.12 RCW, all as may be amended from time to time.
- (20) "Tribal code" means the Nisqually Tribal Code.
- (21) "Tribal enterprise" means an entity that is wholly-owned by either (i) the Tribe, or (ii) an entity that is wholly-owned by the Tribe, and that is authorized to produce, process and/or sell marijuana products under this Title.
- (22) "Tribal member" means an enrolled member of the Tribe.
- (23) "Tribal police" means the Nisqually Tribal Police Department.

(24) “Tribal tax” means a tax imposed by the Tribe on certain commercial marijuana activities pursuant to this Title and in accordance with the Compact.

(25) “Tribe” or “Tribal” means or refers to the Nisqually Indian Tribe.

Section 30.01.03 Findings

Historically, starting in 1937, the production, possession, delivery, distribution and sale of marijuana have been illegal across the United States and in Indian country. In 2012, Washington voters passed Initiative 502 (“I-502”) which sets forth a regulated, State-licensed system allowing for the production, processing, and retail sale of marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products for recreational purposes within the State. The State has further refined its laws which, along with the rules of the Board, embrace the following priorities: preventing the distribution of marijuana to minors; preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels; preventing the diversion of marijuana from states where it is legal under state law in some form to other states where it is not; preventing State-authorized marijuana activity from being used as a cover or pretext for the trafficking of illegal drugs or other illegal activity; preventing violence and the use of firearms in the cultivation and distribution of marijuana; preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use; preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and preventing marijuana possession or use on federal property.

In moving marijuana from a criminal framework to a civil/regulatory framework, the State no longer has jurisdiction over marijuana cultivation and sales in Indian country. At the same time, if the Tribe were to continue to criminalize marijuana, the Tribe would have a disparity between Tribal citizens and non-citizens with little, if any, assistance from the State with criminal prosecution of non-citizens. In consideration of this jurisdictional gap, and after serious deliberation, the Tribe, as a sovereign nation, has determined that present day circumstances make a complete ban of marijuana within Indian country ineffective and unrealistic. Consequently, the Tribe has decriminalized the sale and possession of marijuana in certain circumstances. Consistent with the priorities described above, the need still exists for strict regulation and control over the production, possession, delivery, distribution, sale, and use of marijuana in Indian country. As such, and in furtherance of the collaborative approach pursued in the Compact, the Tribe adopts this Title to provide a robust regulatory program that embraces the priorities described above.

Section 30.01.04 Tribal Sovereign Immunity and Jurisdiction Preserved

(1) Nothing in this Title is intended nor shall be construed as a waiver of sovereign immunity by the Tribe, or any Tribal department, commission, committee, board,

agency, entity and/or subdivision. This Title does not constitute a waiver of the Tribe's sovereign immunity for any purpose or in any circumstances.

- (2) Nothing in this Title is intended, nor shall be construed, as limiting the jurisdiction of the Tribe or as a grant of jurisdiction to the United States or to a State, local or other tribal government.

Section 30.01.05 Tribal Court Jurisdiction

The Nisqually Tribal Courts shall have jurisdiction over all matters and proceedings arising under this Title 30.

Section 30.01.06 References to Washington State Laws and Regulations

References in this Title to Washington statute (RCW) and Washington regulation (WAC) include the cited titles, chapters and sections as in effect on the effective date of this Title, together with any amendments or renumbering made thereto after the effective date of this Title.

Section 30.01.07 Severability

If any provision of this Title or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Title which can be given effect without the invalid provision or application, and to this end the provisions of this Title are severable.

Section 30.01.08 Effective Date

This Title 30 shall be effective on the date of its approval by resolution of the Nisqually Tribal Council.

Section 30.01.09 Authorized Commercial Marijuana Activity

No person or entity, other than the Tribe and Tribal enterprises, is authorized to engage in Commercial marijuana activity in Indian country by the provisions of this Title 30.

Chapter 2 Taxation

Section 30.02.01 Taxes

- (1) There is hereby levied a Tribal tax on the same activities within Indian country on which the State tax is levied outside Indian country. The Tribal tax is in an amount equal to one hundred percent (100%) of the State tax amount. Should the State tax amount increase or decrease after the effective date of this Title, the Tribal tax amount

shall automatically increase or decrease so as to at all times be and remain equal to the State tax amount.

- (2) The Tribal tax amount shall be collected for remittance to the Tribe within Indian country in the same manner as the State tax is collected for remittance to the State outside Indian country. Tribal taxes shall be paid to the Tribe at the Tribe's Financial Services Office on a monthly basis in arrears no later than the fifteenth (15th) day of the calendar month following the monthly period for which the Tribal tax is due and payable. A completed and executed Tribal tax return, in a form prescribed by the Tribe, shall be submitted with each monthly Tribal tax payment. The remitter shall maintain accurate records of all transactions subject to the Tribal tax for no less than three (3) years, and such records shall be available for inspection by the Tribe or the Tribe's auditor at any time.
- (3) If the monthly Tribal tax amount and Tribal tax return form are not received by the Tribe's Financial Services Office on or before the date when due, a penalty shall be assessed in an amount equal to two percent (2%) of the delinquent Tribal tax amount.
- (4) The Tribe will use the proceeds of the Tribal tax for essential government services and as otherwise determined by the Nisqually Tribal Council.
- (5) The Tribe hereby exempts from the Tribal tax the following:
 - (a) Sales to the Tribe, to Tribal enterprises and to Tribal members that occur within Indian country; and
 - (b) Medical marijuana products used in the course of medical treatments by a clinic, hospital or similar facility owned and operated by the Tribe within Indian country.
- (6) The Tribe may, in its discretion, allow an exemption from the Tribal tax for the following:
 - (a) Sales of marijuana grown, produced or processed within Indian Country; and
 - (b) Activities that would otherwise be exempt from State tax under State or federal law.

Section 34.02.02 Tax Records

Appropriate tax records shall be maintained by the Tribe so that an auditor may verify that the Tribal tax amounts required by this Chapter 2 have been paid to the Tribe.

Chapter 3 Buffer Restrictions

Section 30.03.01 Buffer Restrictions – Class A

Class A Buffer: No commercial marijuana activity may occur within one thousand (1,000) feet of the perimeter of the grounds of any of the following entities, whether they are located within or outside of Indian country:

- (1) Elementary or secondary school; or
- (2) Playground.

Section 30.03.02 Buffer Restrictions – Class B

Class B Buffer: No commercial marijuana activity may occur within one hundred (100) feet of the perimeter of the grounds of any of the following entities, whether they are located within or outside of Indian country:

- (1) Recreation center or facility;
- (2) Child care center;
- (3) Public park;
- (4) Public transit center;
- (5) Library; or
- (6) Any game arcade, where admission is not restricted to persons age twenty-one or older.

Section 30.03.03 Buffer Measurement

Buffer Measurement. The buffer distance shall be measured as the shortest straight-line distance from the property line of the location for a facility for the commercial marijuana activity to the property line of the entities listed in Sections 30.03.01 and 30.03.02 above.

Chapter 4 Production and Processing

Section 30.04.01 Procurement, Production and Processing for Wholesale and Retail Sales

The Tribe or a Tribal enterprise may procure from a producer or processor, and/or produce, harvest, trim, dry, cure, process, package and/or label, marijuana:

- (1) To be provided for sale at retail by the Tribe or a Tribal enterprise;
- (2) To be sold to another tribe with a marijuana compact; or
- (3) To be sold to a State licensee in accordance with the licensee's license type.

Section 30.04.02 Production and Sale of Plant, Seeds and Tissue

The Tribe or a Tribal enterprise may produce and sell:

- (1) Marijuana plants, seed and plant tissue culture to a producer; and
- (2) Marijuana plants to members of a registered cooperative under the conditions provided in WAC 314-55-410.

Section 30.04.03 Quality Standard, Packaging, Labeling, Product Preapproval

- (1) Any marijuana produced and/or processed by the Tribe or a Tribal enterprise must be produced and processed in a safe and secure manner and meet all quality assurance testing requirements in accordance with the Compact, this Title and the Tribe's policies and procedures. Marijuana products must also be packaged and labeled in such a way as to not be especially appealing to children, and for marijuana edibles, must be packaged in child-proof packaging.
- (2) Any marijuana to be sold to a State licensee shall comply with all applicable State laws and regulations regarding quality assurance testing, packaging and labeling, and for marijuana edibles, State preapproval of the product, packaging and labeling prior to sale to the State licensee is required.

Section 30.04.04 Restriction on Minors

No person under the age of 21 years may be present at any marijuana production or processing facility owned by the Tribe or a Tribal enterprise.

Section 30.04.05 Samples

No marijuana samples may be received from any producer or processor or given to another producer, processor, retailer or employee, except in accordance with the Compact, this Title and the Tribe's policies and procedures. Samples provided to a State licensee must also comply with all applicable State laws and regulations regarding sampling.

Section 30.04.06 Storage and Inventory

All marijuana will be stored in a way to minimize theft and in accordance with the Compact, this Title and Tribal policies and procedures. In any event, for each category of marijuana product, no more than six (6) months of average inventory shall be kept on site.

Section 30.04.07 Waste Disposal

All marijuana waste must be disposed of in a way that renders the marijuana unusable and in accordance with the Compact, this Title and Tribal policies and procedures.

Section 30.04.08 Traceability

Any transaction between the Tribe or a Tribal enterprise and a State licensee will be entered into the State traceability system following the same rules as apply to State licensees. All marijuana products sold to any State licensee will be fully traceable in the State's traceability system. Such marijuana products will trace back to the plant(s) they were derived from and include results for all required quality assurance testing. All required test results must be entered into the State's traceability system by a Board-certified testing lab.

Chapter 5 Retail Sales

Section 30.05.01 Retail Sales Authorized

The Tribe or a Tribal enterprise may sell at retail marijuana products in accordance with the Compact and this Title.

Section 30.05.02 Hours of Retail Sales

Hours during which retail sales may occur will be established by the retail operation.

Section 30.05.03 Restrictions on Minors

- (1) No person under the age of 21 years may enter the retail store at which marijuana products are sold or purchase any marijuana product, except that a qualified patient with a recognition card (1) who is at least 18 years of age may enter the retail store and purchase marijuana products for personal medical use or (2) who is under the age of 18 years and is accompanied by their designated provider may enter the retail store, but may not purchase products for their personal medical use.
- (2) The form of identification that is acceptable to verify a person's age for the purpose of purchasing marijuana product must not be expired and must be one of the following:

- (a) Driver's license, instruction permit or identification card issued by any state, province of Canada, U.S. territory or the District of Columbia, or "Identicard" issued by the Washington State Department of Licensing per RCW 46.20.117;
- (b) United States armed forces identification card issued to active duty, reserve and retired personnel and to personnel's dependents, which may include an embedded, digital signature in lieu of a visible signature;
- (c) Passport;
- (d) Merchant Marine identification card issued by the United States Coast Guard; and
- (e) Enrollment card issued by the governing authority of a federally recognized Indian tribe located in Washington, if the enrollment card incorporates security features comparable to those implemented by the Department of Licensing for Washington driver's licenses.

Section 30.05.04 Transaction Limits

- (1) A single transaction is limited to one ounce of useable marijuana, sixteen ounces of marijuana-infused product meant to be eaten or swallowed in solid form, seven grams of marijuana-infused extract or marijuana concentrate for inhalation, and seventy-two ounces of marijuana-infused product in liquid form meant to be eaten or swallowed.
- (2) A single transaction to a qualifying patient or designated provider who is entered into the medical marijuana authorization database is limited to three ounces of useable marijuana, forty-eight ounces of marijuana-infused product meant to be eaten or swallowed in solid form, twenty-one grams of marijuana-infused extract or marijuana concentrate for inhalation, and two hundred sixteen ounces of marijuana-infused product in liquid form meant to be eaten or swallowed.

Section 30.05.05 Postings

The retail store shall post all notices and warnings in accordance with the Compact, this Title and Tribal policies and procedures.

Section 30.05.06 Samples

No free samples of marijuana products may be provided to customers. Samples may be provided to employees in accordance with the Compact, this Title and Tribal policies and procedures.

Section 30.05.07 Intoxicated persons

No marijuana products may be sold to persons who appear to be intoxicated.

Section 30.05.08 Consumption

No marijuana products may be consumed on the retail premises.

Section 30.05.09 Storage and inventory

All marijuana products must be stored in such a way to protect from theft and in accordance with the Compact, this Title and Tribal policies and procedures. No more than four months' inventory may be kept on site.

Section 30.05.10 Waste disposal

All unsold marijuana products will be returned to the entity from which they were purchased or disposed of in accordance with the Compact, this Title and the Tribe's policies and procedures.

Section 30.05.11 Traceability

All marijuana products delivered from a producer or processor licensed by the State will be entered into the State's traceability system within 24 hours of receipt. All marijuana products purchased from a producer or processor operated by another tribe, tribal enterprise or tribal member will be recorded in either the Tribe's or the State's tracking system within 24 hours of delivery.

Chapter 6 Licensing

Section 30.06.01 Entity License Not Required

The Tribe need not be issued a license under Tribal law to engage in commercial marijuana activity. Any Tribal enterprise engaged in commercial marijuana activity will be established pursuant to organizational documentation under Tribal law and need not be issued a license to so engage. The Tribe may revoke any Tribal enterprise organizational document if the Tribal enterprise fails to comply with its obligations under this Title and under the Compact.

Section 30.06.02 Employee License Not Required

Employees of the Tribe or a Tribal enterprise engaged in commercial marijuana activity need not be licensed.

Section 30.06.03 Background Check Requirement

The manager of any Tribal enterprise engaged in commercial marijuana activity must undergo a background check prior to employment. Such manager shall not have been convicted of, or entered a plea of guilty or no contest to, any of the following criminal offenses: any felony within the preceding 10 years, or any other crime involving dishonesty within the preceding 10 years, including, but not limited to, fraud, forgery, possession of a forgery device, theft, counterfeiting, embezzlement and making a false representation.

Chapter 7 Safety and Security

Section 30.07.01 Alarm System Requirements

A security alarm system must be maintained on all perimeter entry points and perimeter windows of structures within which commercial marijuana activity occurs. The security alarm system shall comply with the Compact, this Title and Tribal policies and procedures.

Section 30.07.02 Camera and Surveillance System Requirements

Cameras must cover the entire premises on which commercial marijuana activity occurs, including all points of ingress and egress. The camera and surveillance system specifications, including the time period for which recordings must be maintained, shall comply with the Compact, this Title and Tribal policies and procedures.

Section 30.07.03 Employee Identification Requirements; Logging Requirements

- (1) All employees on the premises or engaged in the transportation of marijuana products shall hold and display an identification badge, including name and photograph.
- (2) All nonemployee visitors, other than retail store customers, shall be required to hold and properly display an identification badge at all times while on the premises.
- (3) A log must be kept and maintained showing the full name of each nonemployee visitor, other than retail store customers, entering the premises, badge number issued, the time of arrival, time of departure and the purpose of the visit.

Section 30.07.04 Transport of Product

All transportation of product to or from a State licensee located outside Indian country shall comply with State transportation laws. All other transportation of product shall comply with the Compact, this Title and Tribal policies and procedures.

Chapter 8 Advertising and Signage

Section 30.08.01 Restrictions on Content in Signage and Advertising

The Tribe or a Tribal enterprise may display signage or engage in advertising within Indian country. Such signage or advertising shall not contain any statement or illustration that:

- (1) Is false or misleading;
- (2) Promotes overconsumption of marijuana products; or
- (3) Is designed in a manner that would be especially appealing to children or persons under 21 years of age.

Section 30.08.02 Buffer Restrictions on Signage and Advertising

All signage and advertising shall be consistent with the buffer requirements contained in Chapter 3 of this Title.

Section 30.08.03 Additional Restrictions on Signage and Advertising

Any signage or advertising located outside of Indian country shall comply with RCW 69.50 and WAC 314-55.

Chapter 9 Medical Marijuana

Section 30.09.01 Compliant Medical Marijuana Products Authorized

Compliant products. The Tribe or a Tribal enterprise may produce, process and/or sell marijuana for medical use, as follows:

- (1) Produced or processed. Any marijuana products produced and processed by the Tribe or a Tribal enterprise for sale to a State licensee as a compliant marijuana product must meet the standards established by WAC 246-70.
- (2) Sold at retail. Any marijuana products sold by the Tribe or a Tribal enterprise at retail as a compliant marijuana product must meet the standards established by WAC 246-70.

Section 30.09.02 Recognition Cards

At a retail outlet, the Tribe or a Tribal enterprise may accept valid authorizations, enter data into the medical marijuana authorization database and issue recognition cards to qualifying patients

and designated providers consistent with the Compact, this Title and Tribal policies and procedures. All recognition cards will meet the standards established by WAC 246-71-040(3).

Section 30.09.03 Access to Medical Marijuana Authorization Database

- (1) All employees of the retail outlet will have access to the medical marijuana authorization database sufficient to electronically verify whether a recognition card is valid.
- (2) Only employees of the retail outlet with the proper training and certification as a medical consultant under the standards established by WAC 246-72 will have access to the medical marijuana authorization database necessary to enter new qualifying patients and designated providers into the database and issue a recognition card or to enter information to obtain a renewed or replacement recognition card.
- (3) Notwithstanding the foregoing, Tribal police and prosecutorial officials will have access to the database consistent with the provisions of RCW 69.51A.230(1)(d).

Section 30.09.04 Confidentiality and Nondisclosure

- (1) No records from the medical marijuana authorization database shall be disclosed, other than as permitted herein.
- (2) Any person over whom the Tribe has criminal jurisdiction and who knowingly or intentionally accesses or discloses information from the medical marijuana authorization database other than as permitted in this Chapter commits a crime that is hereby designated as a class I offense under Title 10 of the Tribal code.

Chapter 10 Compliance and Enforcement

Section 30.10.01 Premise and Compliance Checks Authorized

The Tribal police may conduct premises and compliance checks of any commercial marijuana activity to observe compliance with the Compact, this Title and Tribal policies and procedures, as well as to provide support and education to a Tribal enterprise and staff to ensure any problems are corrected. For any serious or ongoing non-compliance issues that arise, results will be reported to the Nisqually Tribal Council.

Section 30.10.02 Use of Minors for Premise and Compliance Checks

Notwithstanding the prohibition on minors contained in this Title, the Tribal police may use minors who are 18, 19, or 20 years of age to conduct minor compliance checks. No criminal

action may be taken against any minor who purchases marijuana as part of such compliance check.

Chapter 11 Insurance and Indemnity

Section 30.11.01 Insurance Requirements – General

Marijuana licensees shall have insurance coverage as set forth in Section 30.11.02. The intent of the insurance requirement is to protect the consumer should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of a marijuana licensee. Marijuana licensees shall furnish evidence in the form of a certificate of insurance satisfactory to the Board that insurance, in the kinds and minimum amounts set forth in Section 30.11.02, has been secured. Failure to provide proof of insurance may result in license cancellation.

Section 30.11.02 Coverages

- (1) Commercial general liability insurance. A licensee shall at all times carry and maintain commercial general liability insurance and commercial umbrella insurance for bodily injury and property damage arising out of licensed activities. The insurance shall cover such claims as may be caused by any act, omission or negligence of the licensee or its officers, agents, representatives, assigns or servants. The insurance shall cover bodily injury, including disease, illness and death, and property damage arising out of the licensee's premises/operations, products and personal injury. The limits of liability insurance shall not be less than one million dollars.
- (2) Insurance carrier rating. The insurance required in subsection (1) of this section shall be issued by an insurance company authorized to do business within the State of Washington that has a rating of A – Class VII or better in the most recently published edition of Best's Reports.
- (3) Additional insured. The Tribe, or the Tribal enterprise, and its employees, agents and officials, shall be named as additional insureds on all general liability, umbrella and excess insurance policies. All policies shall be primary over any other valid and collectable insurance.

Section 30.11.03 Indemnified Parties; Limitations; Definitions

The Tribe will indemnify any Tribal Council member, Tribal enterprise board member and employee or manager of the Tribe or a Tribal enterprise made party to any proceeding because of their role in commercial marijuana activity against personal liability incurred in a proceeding if:

- (1) The individual acted in their official capacity;

- (2) The individual acted in good faith;
- (3) The individual reasonably believed their conduct was in the best interests of the Tribe;
and
- (4) The individual acted in accordance with this Title, the Compact and Tribal policies and procedures.

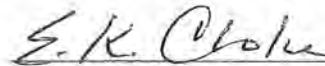
The term "proceeding," as used in this Section 30.11.03, means any threatened, pending or completed action, suit or other proceeding, whether civil, criminal, administrative or investigative, related to commercial marijuana activity.

The term "liability," as used in this Section 30.11.03, means the obligation to pay a judgment, settlement, penalty, fine or reasonable expenses, including legal expenses, incurred with respect to a proceeding.

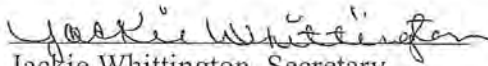
CERTIFICATION

The undersigned hereby certify that the foregoing Title 30 (Commercial Marijuana Activity) to the Nisqually Tribal Code was approved and adopted by the Nisqually Tribal Council pursuant to Resolution No. 74 dated September 19, 2019.

NISQUALLY TRIBAL COUNCIL



E.K. Choke, Chairman



Jackie Whittington, Secretary

EXHIBIT B

**MEMORANDUM OF AGREEMENT
BETWEEN
THE NISQUALLY INDIAN TRIBE
AND
THE WASHINGTON STATE DEPARTMENT OF HEALTH
CONCERNING MEDICAL MARIJUANA**

1. Government-to-Government Relations.

The Nisqually Indian Tribe (the “Tribe”) and the State of Washington, of which the Department of Health (the “Department”) is an agency, are sovereign governments. The Tribe and the Department agree to the terms and conditions within this Memorandum of Agreement (“MOA”) for the purposes of furthering the government-to-government relationship acknowledged in the Centennial Accord and Chapter 43.376 RCW and providing safe and regulated access to medical use of marijuana for qualifying patients.

Nothing in this MOA shall constitute or be construed as a waiver of sovereign immunity by the Tribe.

2. Definitions.

“Authorization” shall have the same meaning as in RCW 69.51A.010(1), as amended.

“Department” means the Washington State Department of Health.

“Designated Provider” shall have the same meaning as in RCW 69.51A.010(4), as amended.

“Marijuana” shall have the same meaning as in RCW 69.50.101(x), as amended.

“Marijuana Compact” or “Compact” means the agreement entered into pursuant to RCW 43.06.490, between the Tribe and the State, as may be amended from time to time.

“Medical Marijuana Authorization Database” or “Database” means the secure and confidential database established in RCW 69.51A.230, as amended.

“Medical Marijuana Consultant” or “Consultant” means a person holding a valid medical marijuana consultant certificate issued by the Secretary of the Washington State Department of Health or the Secretary’s designee, as provided in Chapter 246-72 WAC, as amended.

“Medical use of Marijuana” shall have the same meaning as in RCW 69.51A.010(16), as amended.

“Parties” means the parties to this MOA, the Washington State Department of Health and the Nisqually Indian Tribe.

“Qualifying Patient” shall have the same meaning as in RCW 69.51A.010(19), as amended.

“Recognition Card” shall have the same meaning as in RCW 69.51A.010(20), as amended.

“State” means the State of Washington.

“Tribe” means the Nisqually Indian Tribe.

“Tribe’s Cannabis Retail Outlet” means any marijuana retail store owned and operated by the Tribe or a Tribal Enterprise as defined in the Compact.

3. Statement of Work.

a. Programs Receiving and Providing Information for Database.

- i. When a Qualifying Patient or Designated Provider presents an Authorization at the Tribe’s Cannabis Retail Outlet, the Tribe’s Cannabis Retail Outlet will access and enter the Authorization into the Department administered Medical Marijuana Authorization Database.
- ii. Tribe’s Cannabis Retail Outlet will issue Recognition Cards to Qualifying Patients and Designated Providers to the extent consistent with Tribal law. Such Recognition Cards may include the Tribal name and/or logo, at the discretion of the Tribe, so long as placement of the Tribal name and/or logo does not cover or obscure any other information on the Recognition Card.
- iii. Tribe’s Cannabis Retail Outlet will issue Recognition Cards solely to those persons in possession of a valid Authorization under RCW 69.51A.030(3).
- iv. Tribe’s Cannabis Retail Outlet will verify the age of every Qualified Patient and Designated Provider by inspecting the Qualified Patient’s or Designated Provider’s photographic identification. In the event of an inexact match of names on the identification and the Authorization, Tribe’s Cannabis Retail Outlet will ensure that the Qualifying Patient or Designated Provider named on the Authorization form is the same person presenting the Authorization for entry into the Database.
- v. Tribe’s Cannabis Retail Outlet will check the Database to ensure that a Designated Provider is not currently associated with a different Qualifying Patient before associating the Designated Provider with a new Qualifying Patient in the Database. If a Designated Provider is still associated with a different Qualifying Patient, Tribe’s

Cannabis Retail Outlet will not enter the Designated Provider into the Database as associated with the new Qualifying Patient.

- vi. Tribe's Cannabis Retail Outlet will enter that information described under WAC 246-71-020(9) in the Database.
 - vii. Tribe's Cannabis Retail Outlet will ensure all Recognition Cards it issues meet the requirements of WAC 246-71-040(3).
 - viii. Tribe's Cannabis Retail Outlet will collect and remit quarterly to the Department the then-current service fee (\$1 per Recognition Card as of the date of this MOA) associated with Recognition Cards. The Tribe may, in its discretion, charge an additional Tribal service fee.
 - ix. The Department will make available to the Tribe's Cannabis Retail Outlet the software and access permissions necessary to accomplish the foregoing, subject to the terms and conditions herein. Tribe's Cannabis Retail Outlet is responsible for obtaining the equipment identified in WAC 246-71-040(1).
- b. Restrictions on Access.
- i. All employees of Tribe's Cannabis Retail Outlet will have access to the Database, including any necessary Department provided credentials, sufficient to electronically verify whether a Recognition Card is valid.
 - ii. Only employees of Tribe's Cannabis Retail Outlet with the training and certification described in Subsection 3(c) will have access to the Database, including any necessary Department provided credentials, necessary to enter new Qualifying Patients and Designated Providers into the Database and issue a Recognition Card.
 - iii. Only employees of Tribe's Cannabis Retail Outlet with the training and certification described in Subsection 3(c) will have access to the Database, including any necessary Department provided credentials, necessary to enter information to obtain a renewed or replacement Recognition Card for a Qualifying Patient or Designated Provider.
 - iv. Notwithstanding the foregoing, the Tribal Police, as defined in the Compact, will have access to the Database consistent with RCW 69.51A.230(1)(d).
- c. Certified Medical Marijuana Consultants.
- i. Only Tribe's Cannabis Retail Outlet Staff certified as Medical Marijuana Consultants under Chapter 246-72 WAC will be allowed to enter Qualifying Patients and Designated Providers' information into the Database and issue Recognition Cards. The Parties agree to revisit at a later date the terms under which the Tribe may certify medical marijuana consultants, wherein such certification by the Tribe would occur in

- lieu of State certification currently prescribed under Chapter 246-72 WAC, and consultants certified by the Tribe would be authorized to enter Qualifying Patient and Designated Provider information into the Database and issue Recognition Cards.
- ii. Tribe's Cannabis Retail Outlet staff may satisfy the requirements for initial training under this subsection through participation in a State approved training program. In the event the Tribe elects to satisfy the initial training requirements by using a Tribally-approved program for such elements, the Tribe will provide the syllabus and instructor qualifications to the Department on request. A Tribally-approved training program that meets or exceeds the elements identified under WAC 246-72-110 shall be considered approved by the State.

4. Confidentiality and Nondisclosure.

- a. The Tribe shall not disclose records in the Medical Marijuana Authorization Database.
- b. The Tribe shall have adequate policies and procedures in place to ensure compliance with the confidentiality requirements of this Section.
- c. The Tribe, its enterprises, and the employees of each may use information gained by reason of this MOA only for the purposes of this MOA.
- d. The Tribe shall enact and maintain, with respect to individuals over whom the Tribe has criminal jurisdiction, Tribal law penalties with respect to the unauthorized disclosure of information from the Database or the misuse of the Database as follows: imprisonment up to a term of one year and/or a fine not to exceed \$5000.

5. Disputes.

Disputes shall be referred to a Dispute Board. Each party to this MOA shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, contract terms and applicable statutes and regulations and make a determination regarding the dispute. These dispute resolution procedures shall not modify or reduce the Tribe's right to judicial proceedings.

6. Termination for Default.

If either party believes the other has failed to meet any material obligation under this MOA, it may notify the other in writing. Such writing must include a summary of the facts giving rise to the asserted default. The other party shall have ten business days in which to either (i) cure the asserted default (provided that, if it will reasonably take longer than ten business days to cure the default the cure period shall be a reasonable period agreed to by the Parties) or (ii) invoke the dispute procedures set forth immediately above in Section 5.

7. Termination for Convenience.

Either party may terminate this MOA by giving the other at least one hundred eighty (180) calendar days prior written notice.

8. Term.

Unless otherwise terminated in accordance with Sections 6 or 7 above, this MOA shall continue in effect for so long as the Compact remains in effect.

9. Amendment.

No amendment or modification of this MOA may arise by implication or course of conduct. This MOA may be amended only by a subsequent written document, approved by the Parties and signed by their duly authorized representatives, expressly stating the Parties' intention to amend this MOA.

10. Jurisdiction.

This MOA does not expand or limit the jurisdiction of either the Tribe or the State.

11. Severability.

If any provision of this MOA or its application to any person or circumstance is held invalid, the remainder of the MOA is not affected.

This MOA is hereby made this 10th day of October, 2019.



John Wiesman, DrPH, MPH, Secretary
Washington State Department of Health



E.K. Choke, Chairman
Nisqually Indian Tribe