

MARIJUANA COMPACT
Between
THE SQUAXIN ISLAND TRIBE
And
THE STATE OF WASHINGTON

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 Squaxin Island Tribe and The State of Washington" and hereinafter referred to as the "Compact."

II. Parties

The Parties to this Compact are the Squaxin Island Tribe ("Tribe"), and the State of Washington ("State") (collectively, "Parties").

The Tribe's ceded lands and Indian country are physically located within the state of Washington and the Tribe is a federally recognized Indian tribe possessed of the full sovereign powers of a government.

The State of Washington ("State") 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 Washington State government operating under the authority of the Governor, with statutory authority with respect to marijuana under chapters 69.50 and 69.51A RCW. The Compacting legislation 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.

While the federal Controlled Substances Act continues to designate marijuana as a Schedule 1 substance, on August 29, 2013, the United States Department of Justice issued a memorandum to all United States Attorneys setting forth guidance regarding marijuana enforcement. In that memo, James M. Cole, Deputy Attorney General, set forth eight enforcement priorities of particular importance to the federal government, including: 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 other 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. The memo further states that the focus of federal law enforcement resources and efforts will be on those whose conduct interferes with the stated priorities and that state and local governments should provide sufficiently robust regulatory and enforcement systems to protect against these harms.

On October 28, 2014, the United States Department of Justice issued another memorandum to all United States Attorneys providing a policy statement regarding marijuana issues in Indian Country. In that memo, Monty Wilkinson, Director, Executive Office for United States Attorneys, acknowledged that “[t]he eight priorities in the Cole Memorandum will guide United States Attorneys’ marijuana enforcement efforts in Indian Country, including in the event that sovereign Indian Nations seek to legalize the cultivation or use of marijuana in Indian Country.” That memo effectively treats tribal governments the same as state governments in the decision to legalize marijuana.

Through State law and the Board’s implementing rules, the State has decriminalized the production, possession, delivery, distribution, sale, and use of marijuana in the State and has attempted to set forth a civil regulatory system that accomplishes the federal priorities set forth above and keeps marijuana production, processing, and sale in the State regulated and safe for the public.

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 federal priorities, 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 on April 24, 2015, signed by the Governor on May 8, 2015, effective July 24, 2015. Through this legislation, the State authorized the Governor to enter agreements concerning the regulation of marijuana and to delegate the authority to negotiate the agreements 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 sufficient to meet the federal priorities.

The Parties agree that it is in the best interests of the Tribe and the State that they enter into a compact to enhance 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 Squaxin Island Tribe and the State of Washington, as may be amended.
- D. "Essential Government Services" means services provided by the Tribe including, but not limited to, administration, public facilities, fire, police, health, education, elder care, social services, sewer, water, environmental and land use, transportation, utility services, community development, and economic development.
- E. "Indian Country" means the lands of the Squaxin Island Tribe as defined by 18 U.S.C. § 1151, including the Squaxin Island Reservation and all lands held in trust or restricted fee status by the United States for the Tribe or its Tribal Members.
- F. "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."
- G. "Parties" means the State and the Tribe.
- H. "IEI" means Island Enterprises Inc., a corporation wholly owned by the Tribe.
- I. "Processor" means any marijuana processor in Indian Country licensed or otherwise allowed by the Tribe pursuant to Chapter 6.48 of the SITC to process marijuana into useable marijuana, marijuana concentrates, and marijuana-infused products, package and label useable marijuana and marijuana-infused products for sale to retailers, and sell useable marijuana and marijuana and marijuana-infused products at wholesale to retailers.
- J. "Producer" means any marijuana producer in Indian Country licensed or otherwise allowed by the Tribe pursuant to Chapter 6.48 of the SITC to produce and sell marijuana at wholesale to processors and other producers.
- K. "Retailer" means any marijuana retailer in Indian Country licensed or otherwise allowed by the Tribe pursuant to Chapter 6.48 of the SITC to sell useable marijuana, marijuana concentrates, and marijuana-infused products in a retail outlet.
- L. "IER" means Island Enterprises Retail LLC, a wholly owned subsidiary of IEI.
- M. "State" means the State of Washington.
- N. "State Licensee" means any marijuana producer, marijuana processor, or marijuana retailer licensed by the Board pursuant to RCW 69.50, RCW 69.51A, WAC 314-55, or any other regulations promulgated under those RCW chapters, as amended.
- O. "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 RCW 82.08 and RCW 82.12, all as may be amended from time to time.

- P. "SITC" means the Squaxin Island Tribal Code.
- Q. "Tribal Enterprise" means IER or other business owned in whole or in part by the Tribe or IEI and authorized to sell marijuana products under the SITC.
- R. "Tribal Member Business" means a business owned by an enrolled member of the Tribe.
- S. "Tribal Tax" means a tax imposed by the Tribe on marijuana activities.
- T. "Tribe" means the Squaxin Island Tribe.

V. Terms of Agreement

A. Applicability. This Compact applies to the production, processing, and sale of marijuana products in Indian Country where the Tribe, Tribal Enterprise, or Tribal Member Business (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 otherwise provided herein, the production, processing, sale, and possession of marijuana products in Indian Country pursuant to the SITC and in accordance with this Compact are not subject to the terms of RCW 69.50, RCW 69.51A, WAC 314-55, or any other regulations promulgated under those RCW Chapters and any such activities will not be a criminal or civil offense under Washington state law.

B. Retail Sales. The Tribe and/or its Tribal Enterprises may sell marijuana products in Indian Country pursuant to the SITC and this Compact. The current SITC does not permit Tribal Member Businesses to conduct retail sales of marijuana products in Indian Country. However, if the SITC is revised to allow it, then the Tribal Member Business may not purchase from a State Licensee until such time as the Compact is amended to allow it.

1. Initial Location. The first retail location will be operated by IER and located on Mason County tax parcel no. 31918-43-00020.

2. Other sales by the Tribe or a Tribal Enterprise. The Tribe shall notify the State at least 30 days prior to the opening of any other Retailer owned by the Tribe or a Tribal Enterprise. Only new retail locations and not the location set forth in Section V.B.1 above shall be subject to this Section. Such notifications shall include:

- a. The identity of the entity which is operating the retail location;
- b. Location of the premises; and
- c. Certification that the premises is located in Indian Country.

3. Conditions on Retail Sales.

a. Retail sales of marijuana products by the Tribe and any Tribal Enterprise must be conducted in accordance with Tribal law, SITC Chapter 6.48, and the internal policies and controls of the Tribe or Tribal Enterprise. SITC Chapter 6.48 as it exists on the date of this Compact is attached as Exhibit A. Current copies of SITC Chapter 6.48 and marijuana internal policies and controls of the Tribe and any Tribal Enterprise will be made available for review by the Board upon request. The Tribe agrees

to notify the Board of any changes to the SITC that may affect marijuana products within ten days of the date of adoption by the Tribe.

b. All marijuana products purchased by a Retailer 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 Retailer will input or cause to be input all delivered purchases into the State's tracking system within 24 hours of making any such delivery.

c. All marijuana products purchased by the Tribe or a Tribal Enterprise from the tribal government, tribal enterprise, or member of another federally recognized Indian Tribe with a reservation located within the state of Washington, or sold by the Tribe or a Tribal Enterprise to the tribal government, tribal enterprise, or member of another federally recognized Indian Tribe with 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.

C. Producing and Processing of Marijuana Products. The Tribe may allow the production and processing of marijuana products in Indian Country pursuant to the following terms:

1. Initial Producing and/or Processing Location. The first Producing and/or Processing location will be operated by IER and located on Mason County tax parcel no. 31918-43-00020.

2. Production and/or Processing by the Tribe or a Tribal Enterprise. The Tribe shall notify the State at least 90 days prior to the start of operations of any Producer or Processor owned by the Tribe or a Tribal Enterprise. Only new Producing and/or Processing locations and not the location set forth in Section V.C.1 above shall be subject to this Section. Such notifications shall include:

a. The identity of the entity which is operating the Producer or Processor location;

b. Location of the premises; and

c. Certification that the premises is located in Indian Country.

3. Production or Processing by a Tribal Member Business. The current SITC does not permit production or processing by a Tribal Member Business of marijuana products in Indian Country. However, if the SITC is revised to allow it, then the Tribal Member Business may not purchase from or sell to a State Licensee until such time as the Compact is amended to allow it.

4. Conditions on Producers and Processors.

a. Production and processing of marijuana products by the Tribe and any Tribal Enterprise must be conducted in accordance with Tribal law, SITC Chapter 6.48, and the internal policies and controls of the Tribe or Tribal Enterprise. SITC Chapter 6.48 as it exists on the date of this Compact is attached as Exhibit A. Current copies of SITC Chapter 6.48 and any internal marijuana policies and controls of the Tribe and any Tribal Enterprise will be made available for review by the Board upon request. The Tribe agrees to notify the Board of any changes to the SITC that may affect marijuana products within ten days of the date of adoption by the Tribe.

b. The State may require that marijuana products sold by Producers or Processors to State Licensees be packaged, tested and labeled in compliance with State marijuana laws. With respect to “edibles” this may 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 and State Licensees will be executed through the state traceability system following the same rules as State Licensees.

D. Notice to Local Jurisdictions. 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 any other 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 city, or if outside city limits, the county in 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 related to Indian Country is a matter of intergovernmental courtesy and not required by state law.

2. In accordance with the direction of the Legislature to address problems arising out of cross-border commerce, when any business that is not a Tribal Enterprise or Tribal Member 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 express written consent of the Tribe and any business licensure as may be required by the SITC.

E. 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 agreement authorized by the Compacting legislation, including any amendments thereto, with or otherwise authorized by the State. All transactions between the Tribe and State Licensees must be executed through the State traceability system, and marijuana products purchased from or sold to State Licensees must be packaged, tested and labeled in compliance with State marijuana laws.

2. The State will not cite, fine, or otherwise take any other 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 SITC.

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.

F. Taxes.

1. State Tax. Pursuant to state law, no State Tax or fee, assessment, or other charge imposed by RCW 69.50 or 69.51A may be assessed against or collected from the Tribe, Tribal Enterprises, Tribal Member Businesses, State Licensees, or retail customers related to any commercial activity related to the production, processing, sale, and possession of marijuana products governed by this Compact, except that the State may require State Licensees to pay the fees for the application, issuance and renewal

of licenses under RCW 69.50.325. To the extent any other State Tax; fee, assessment, or other charge imposed by RCW 69.50 or 69.51A; or Tribal Tax is assessed against or collected from any State Licensee related to a sale to or purchase from the Tribe, Tribal Enterprises, or Tribal Member Businesses of any marijuana product, it shall be refunded or otherwise paid by the State to the Tribe within 30 days of receipt by the State. Any amounts so received by the Tribe will be used for Essential Government Services and subject to the independent testing procedures stated in subsection (V)(F)(2)(b).

2. Tribal Tax. 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, unless (1) the sale is to the Tribe, Tribal Enterprise, Tribal Member Business, or an enrolled member of the Tribe; (2) the marijuana product was grown, produced, or processed in Indian Country; (3) the transaction is otherwise exempt from state marijuana taxation under state or federal law; or, (4) the transaction involves 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. The Tribe may choose to levy a Tribal Tax on any transaction that may otherwise be exempt.

a. While not required under State law, the Tribe agrees to use the proceeds of the Tribal Tax for Essential Government Services.

b. At the State's request, the Tribe will retain, at its own expense, an Auditor to test the Tribe's compliance with this section V.F of the Compact. The Auditor will review a sample of records to verify the requirements of this section 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 this section.

G. Safety and Enforcement. The Tribe shall address safety and enforcement issues in accordance with SITC, this Compact, and internal policies and controls of the Tribe or Tribal Enterprise.

1. Premises Checks

a. By the Tribe. The Squaxin Police Department or other authorized agency may conduct its own premises checks in Indian Country to observe compliance with the SITC 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, IER or IEI will share the results of the premises checks with the Board.

b. By the Board. The Board, through its staff, may also conduct premises checks. Prior to conducting any such check, the Board will contact the Squaxin Island Police Department to provide reasonable notice of such premises check Except as provided in subsection (c) below, the Squaxin Police Department must observe and participate in all premises checks. The Board will share the results of such premises checks with IEI, IER, and the Tribe.

c. Cooperation. Both Parties will cooperate in good faith to undertake all Board requested checks jointly. The Squaxin Police Department will make reasonable efforts to arrange and conduct all Board requested premises checks within 24 hours of being provided written notice of such request by the Board. All such written notice shall be sent to the Chief of Police and the Chairman of the Tribe. However, if the Squaxin Police Department is unable or unwilling to arrange and conduct such requested premises check 48 hours after receiving the original written notice the Board may then perform the premises check on its own without the Squaxin Police Department. Should either Party have any

concerns arising out of a premises check or the results thereof, the Parties will meet in good faith to discuss any suggested changes to protocols of the premises checks themselves or of marijuana sales by the Tribe or Tribal Enterprise that were checked.

2. Compliance Checks-Minors

a. By the Tribe. The Tribe may conduct its own compliance checks in Indian Country using minors ages 18, 19, or 20 through the Squaxin Island Police Department or other authorized agency in accordance with Tribal regulations and policies. To the extent it is informed of the results of such checks, IER or IEI 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. By the Board. Board staff may also conduct compliance checks. Prior to conducting any such check, the Board will contact the Squaxin Police Department to provide reasonable notice of such compliance check. Except as provided in subsection (c), below, the Squaxin Police Department must observe and participate in all compliance checks. The Board will share the results of such compliance checks with IEI, IER, and the Tribe.

c. Cooperation. Both Parties will cooperate in good faith to undertake all Board requested checks jointly. The Squaxin Police Department will make reasonable efforts to arrange and conduct all Board requested compliance checks within 24 hours of being provided written notice of such request by the Board. All such written notice shall be sent to the Chief of Police and the Chairman of the Tribe. However, if the Squaxin Police Department is unable or unwilling to arrange and conduct such requested compliance check 48 hours after receiving the original written notice the Board may then perform the compliance check on its own without the Squaxin Police Department. Should either Party have any concerns arising out of a compliance check or the results thereof, the Parties will meet in good faith to discuss any suggested changes to protocols of the compliance checks themselves or of marijuana sales by the Tribe or Tribal Enterprise that were checked.

H. Dispute Resolution.

1. Neither Party, nor officers acting on either Party's behalf, may petition any court to enforce this Compact unless (a) the dispute resolution process described in subsections (a) through (d) below has been followed in good faith to completion without successful resolution or (b) the other Party fails to enter into the dispute resolution process. Should a dispute arise between the Parties regarding compliance with this Compact by either Party, or by their officers, employees or agents, the Parties will attempt to resolve the dispute through the following dispute resolution process:

a. 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.

b. 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 subsection (a). The representatives of each Party will come to the meeting with the authority to settle the dispute. If the dispute is resolved, the resolution will be memorialized in a writing signed by the Parties.

c. Mediation. The second stage of the process will be that if the Parties are unable to resolve the dispute within sixty (60) days after the receiving Party's receipt of the written notice sent under subsection (a) above, 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 borne equally by the Parties. The Parties will pursue the mediation process in good faith until the dispute is resolved or until the mediator determines that the Parties are not able to resolve the dispute. If the Parties cannot agree on a format for the mediation process, the format will be that directed 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.

d. Arbitration.

- (1) If a Party terminates the process before completion, or if the mediator determines that the dispute cannot be resolved in the mediation process, or if the dispute is not resolved within one hundred and twenty (120) days after the date the mediator is selected, either Party may initiate binding arbitration proceedings under the rules of the American Arbitration Association ("AAA"), but AAA need not administer the arbitration. If the arbitrator determines that a Party is in violation of a material provision of this Compact, and such violation is not or cannot be cured within thirty (30) days after the arbitrator's decision, then the other Party may terminate this Compact with sixty (60) days' prior written notice.
- (2) The arbitrator shall have no authority to award monetary damages or issue injunctive or other equitable relief.
- (3) Each Party will bear its own legal costs incurred under this section. All costs of the arbitrator will be shared equally.

2. 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, of or 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.

3. 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 must not be construed as a waiver of, the sovereign immunity of the Tribe or any of its subdivisions or enterprises.

I. Sovereign Immunity. The State agrees that, except for the limited purpose of resolving disputes in accordance with subsection (H) above, the signing of this Compact by the Tribe does not imply a waiver of sovereign immunity by the Tribe or any of its subdivisions or enterprises and is not intended as a waiver of sovereign immunity and that any action by the State in regard to marijuana regulation by the Tribe shall be in accord with this Compact.

J. No Limitation. The Parties agree that the signing of this Compact and the resultant benefits and obligations shall not be construed as limiting any otherwise lawful activity of the Tribe or its subdivisions or enterprises nor subject the Tribe or its subdivisions or enterprises to any State jurisdiction not agreed to in this Compact.

VI. 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: Rick Garza, Agency Director
Liquor and Cannabis Board
3000 Pacific Avenue SE
Olympia, WA 98504-3080
rjg@liq.wa.gov
(360) 664-1650

For the Tribe: David Lopeman, Chairman
Squaxin Island Tribe
10 SE Squaxin Lane
Shelton, WA 98584
dlopeman@squaxin.us
(360) 426-9781

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.

B. 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
3000 Pacific Avenue SE
Olympia, WA 98504-3080

If to the Tribe: Chairman
Squaxin Island Tribe
10 SE Squaxin Lane
Shelton, WA 98584

With a copy to: Legal Department
Squaxin Island Tribe
3711 SE Old Olympic Hwy
Shelton, WA 98584

VII. 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. 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.

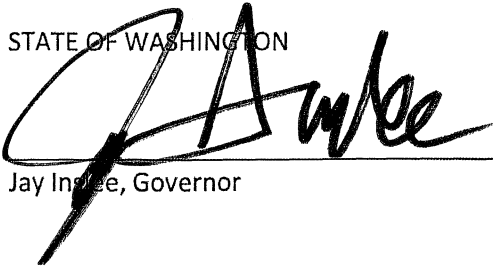
B. Amendment. No amendment or alteration of this Compact shall arise by implication or course of conduct. This Compact may be altered only by a subsequent written document, approved by the Parties, expressly stating the Parties' intention to amend this Compact

C. Severability. If any provision of this Compact or its application to any person or circumstance is held invalid, the remainder of the Compact is not 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 (as described in III, above) 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 with 60 days written notice.

This Compact is hereby made this 30th day of September, 2015.

STATE OF WASHINGTON


Jay Insee, Governor


SQUAXIN ISLAND TRIBE

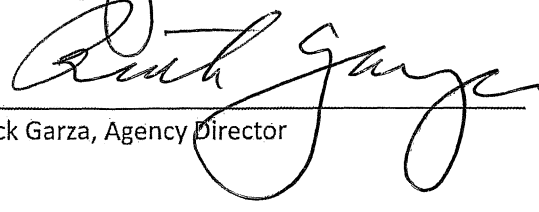

David Lopeman, Chairman

WASHINGTON STATE LIQUOR AND CANNABIS BOARD


Jane Rushford, Board Chair


Ruthann Kurose, Board Member


Russ Hauge, Board Member


Rick Garza, Agency Director

[Exhibit A]

NEW SECTION. **Sec. 1.** As a consequence of the legalization of recreational marijuana in Washington State, the Squaxin Island Tribe is now surrounded by jurisdictions that allow the production, sale, and consumption of marijuana. The federal government has suggested such activities may continue indefinitely due to the exercise of federal prosecutorial discretion. In light of this change in circumstances, the Squaxin Island Tribe has determined it is too costly and impractical to continue the Tribe's prohibition of marijuana in Squaxin Island Indian Country, and instead adopts here a new approach that will allow law enforcement resources to be focused on violent and property crimes and generate new tax revenue for essential government services. In adopting this new approach, it is the intent of Council to comply with all federal guidance providing for prosecutorial discretion in favor of tribal governments, including specifically that Policy Statement Regarding Marijuana Issues in Indian Country issued to all United States Attorneys on October 28, 2014, and this Resolution shall be interpreted and administered liberally to achieve that intent. Further, this Resolution is intended to implement that Marijuana Compact between the Squaxin Island Tribe and the State of Washington and this Resolution shall be interpreted and administered liberally to achieve that intent.

NEW SECTION. **Sec. 2.** When used in this Chapter, unless the context clearly requires otherwise:

A. "Marijuana" or "marihuana" means all parts of the plant *Cannabis*, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

B. "Marijuana concentrates" means products consisting wholly or in part of the resin extracted from any part of the plant *Cannabis* and having a THC concentration greater than sixty percent.

C. "Marijuana-infused products" means products that contain marijuana or marijuana extracts and are intended for human use. The term "marijuana-infused products" does not include useable marijuana.

D. "Useable marijuana" means dried marijuana flowers. The term "useable marijuana" does not include marijuana-infused products.

E. "THC concentration" means nanograms of delta-9 tetrahydrocannabinol per milliliter of a person's whole blood. THC concentration does not include measurement of the metabolite THC-COOH, also known as carboxy-THC.

Sec. 3. SITC § 9.12.025 (Definitions) and Res. 07-31 §36 are each amended to read as follows: In this code, unless a different meaning is plainly required or otherwise specified:

"Acted" includes, where relevant, omitted to act.

"Actor" includes, where relevant, a person failing to act.

"Benefit" is gain or advantage to the beneficiary, including any gain or advantage to a third person pursuant to the desire or consent of the beneficiary.

"Bodily injury" or "physical injury" means physical pain, illness, or an impairment of physical condition.

"Building," in addition to its ordinary meaning, includes any dwelling, fenced area, vehicle, railway car, cargo container, or any other structure used for lodging of persons or for carrying on business therein, or for the use, sale or deposit of goods; each unit of a building consisting of two or more units separately secured or occupied is a separate building.

"Council" or "Tribal Council" means the Squaxin Island Tribal Council.

"Court" or "Tribal Court" means the Squaxin Island Tribal Court, including the Court of Appeals.

"Deadly weapon" means any explosive or loaded or unloaded firearm, and shall include any other weapon, device, instrument, article, or substance, including a vehicle as defined in this section, which, under the circumstances in which it was used, attempted to be used, or threatened to be used, is readily capable of causing death or serious bodily injury.

"Dwelling" means any building or structure, though movable or temporary, or a portion thereof, which is used or ordinarily used by a person for lodging.

"Government" includes any branch, subdivision, or agency of the Squaxin Island Tribal Government, or the United States Government.

"Government function" includes an activity that a public servant is legally authorized or permitted to undertake on behalf of a government.

"Includes" or "including" means includes but is not limited to.

"Indian country," consistent with the meaning given in 18 U.S.C. 1151 means:

1. All land within the limits of the Squaxin Island Indian Reservation under the jurisdiction of the United States government, notwithstanding the issuance of any patent, and, including rights-of-way running through the reservation; and

2. All Indian allotments or other lands held in trust for a Squaxin Island Tribal member or the Tribe, the Indian titles to which have not been extinguished, including rights-of-way running through the same.

"Indicted" and "indictment" include "informed against" and "information," and "informed against" and "information" include "indicted" and "indictment".

"Judge" includes every judicial officer or court officer authorized alone, or with others, to hold or preside over a court.

"Malice" and "maliciously" shall import an evil intent, wish, or design to vex, annoy, or injure another person. Malice may be inferred from an act done in willful disregard of the rights of another, or an act wrongfully done without just cause or excuse, or an act or omission of duty betraying a willful disregard of social duty.

"Marijuana," "marihuana," "marijuana concentrates," "marijuana infused products," "useable marijuana", and "THC concentration" shall have the same meaning as under Section 2 of this Resolution.

"Officer" and "public officer" means a person holding office under tribal government, or in the federal government who performs a public function and in so doing is vested with the exercise of some sovereign power of government, and includes all assistants, deputies, clerks and employees of any public officer and all persons lawfully exercising or assuming to exercise any of the powers or functions of a public officer.

"Omission" means a failure to act.

"Peace officer" means a duly appointed or authorized, tribal or federal law enforcement officer.

"Pecuniary benefit" means any gain or advantage in the form of money, property, commercial interest, or anything else the primary significance of which is economic gain.

"Person," "he," "she" or "actor" include any natural person and, where relevant, a corporation, association, partnership, and other similar entities.

"Place of work" includes but is not limited to all the lands and other real property of a farm or ranch in the case of an actor who owns, operates, or is employed to work on such a farm or ranch.

"Prison" means any place designated by law for the keeping of persons held in custody under process of law, or under lawful arrest, including but not limited to any federal, state, or tribal correctional institution or juvenile detention center, or any county, city, or tribal jail or juvenile detention center.

"Prisoner" includes any person held in custody under process of law, or under lawful arrest.

"Property" means anything of value, whether tangible or intangible, real or personal.

"Public servant" means any person other than a witness who presently occupies the position of or has been elected, appointed, or designated to become an officer or employee of government, including a legislator, judge, judicial officer, juror, and any person participating as an advisor, consultant, or otherwise in performing a governmental function.

"Signature" includes any memorandum, mark, or sign made with intent to authenticate any instrument or writing, or the subscription of any person thereto.

"Statute" means the Tribal Constitution or an act of the Tribal Council or General Council.

"Threat" means to communicate, directly or indirectly, the intent:

1. To cause bodily injury in the future to the person threatened or to any other person; or
2. To cause physical damage to the property of a person other than the actor; or
3. To subject the person threatened or any other person to physical confinement or restraint; or
4. To accuse any person of a crime or cause criminal charges to be instituted against any person; or
5. To expose a secret or publicize an asserted fact, whether true or false, tending to subject any person to hatred, contempt, or ridicule; or
6. To reveal any information sought to be concealed by the person threatened; or
7. To testify or provide information or withhold testimony or information with respect to another's legal claim or defense; or
8. To take wrongful action as an official against anyone or anything, or wrongfully withhold official action, or cause such action or withholding; or
9. To bring about or continue to strike, boycott, or other similar collective action to obtain property which is not demanded or received for the benefit of the group which the actor purports to represent; or
10. To do any other act which is intended to harm substantially the person threatened or another with respect to his or her health, safety, business, financial condition, or personal relationships.

"Tribe" means the Squaxin Island Tribe.

"Vehicle" means a "motor vehicle" as defined in the vehicle and traffic laws, any aircraft, or any vessel equipped for propulsion by mechanical means or by sail.

Words in the present tense shall include the future tense; and in the masculine shall include the feminine and neuter genders; and in the singular shall include the plural; and in the plural shall include the singular.

Sec. 4. SITC § 9.12.1005 (Substances which are illegal without a valid prescription) and Res. 02-129 (part) are each amended to read as follows:

Any substance that contains any quantity of a chemical that falls within the following categories is illegal to possess without a valid prescription. The full list of chemicals contained within these categories can be found in the Uniform Controlled Substances Act. If there is any doubt as to whether a substance is illegal or not, the Court shall be guided by the provisions of the Uniform Controlled Substances Act.

A. Illegal Substances.

1. Opiates including but not limited to substances commonly known as opium, heroin, morphine, methadone, and codeine;

2. Hallucinogenic substances including but not limited to substances commonly known as MDA, LSD, PCP, mescaline, peyote, and psilocybin;

~~((3. Marijuana;))~~

~~((4))~~3. Cocaine in any form including but not limited to the powder and the rock or "crack" form;

~~((5))~~4. Depressants including but not limited to methaqualone, diazepam (Valium), secobarbital, and pentobarbital; and

~~((6))~~5. Stimulants including but not limited to any form of amphetamine.

The chemical composition of a substance may be proved by any acceptable method of identification, including but not limited to identification by a trained law enforcement officer, field tests, laboratory tests, or trained canine officer.

B. The possession, by a person twenty-one years or older, of useable marijuana, marijuana concentrates, or marijuana infused products in amounts that do not exceed those set forth in Section 11(C) or (D) of this Resolution is not a violation of this section, this Title, or any other provision of Tribal law.

C. The Tribe shall assert no violation of any lease, sublease, or similar instrument on the basis of a tenant's actions in compliance with this Resolution, whether or not such instrument was effective before or after the enactment of this Resolution, except to the extent such instrument explicitly references this Resolution and states an intent to prohibit tenant conduct otherwise permitted by this Resolution.

Sec. 5. SITC § 9.12.1010 (Illegal drugs) and Res. 02-129 (part) are each amended to read as follows:

~~A. Any person who possesses for personal use or grows or manufactures for personal use any of the substances listed in Section 9.12.1005 is guilty of a gross misdemeanor.~~

B. Any person who grows, manufactures, delivers, or possesses with intent to sell, deliver, or manufacture, any of the substances listed in Section 9.12.1005 shall be guilty of a felony. The term "manufacture" shall not apply to growing for personal use.

C. Any person who creates, delivers, or possesses a counterfeit illegal drug shall be guilty of a felony. A counterfeit illegal drug is a substance which, although not in fact containing any illegal drug, or not in fact containing the drug it purports to contain, was intended to be understood by others to be a substance listed in Section 9.12.1005.

D. Any person who offers, arranges, or negotiates for the delivery of an illegal drug listed in Section 9.12.1005 and then delivers any other substance in lieu of an illegal drug listed in Section 9.12.1005 shall be guilty of a felony.

E. The production, manufacture, processing, packaging, delivery, distribution, sale, or possession of marijuana, marijuana concentrates, useable marijuana, or marijuana-infused products in compliance with that Chapter established under Section 19 of this Resolution and SITC § 9.12.1005 shall not constitute a violation of this section, this Title, or any other provision of Tribal law. The production, manufacture, processing, packaging, delivery, distribution, sale, or possession of marijuana in a manner not substantively in compliance with that Chapter established under Section 19 of this Resolution and SITC § 9.12.1005 shall be a crime punishable under subsections A through D of this Section as if marijuana were an illegal substance identified under Section 9.12.1005.

Sec. 6. SITC § 9.12.905 (Minor consuming liquor) and Res. 02-129 (part) are each amended to read as follows:

A. No person under twenty-one (21) years of age shall consume any liquor or marijuana.

B. "Consume" means the act of consuming liquor or marijuana, the condition of having consumed liquor or marijuana, and the condition of being under the influence of liquor or marijuana.

C. Any violation of this section is a misdemeanor.

Sec. 7. SITC § 9.12.910 (Opening or consuming liquor in a public place) and Res. 02-129 (part) are each amended to read as follows:

A. No person shall open ~~((the))~~ a package containing liquor or marijuana or consume liquor or marijuana in a public place as defined under SITC § 9.12.915.

B. Notwithstanding subsection (A), the Tribe may permit the consumption of liquor in such public places as it may identify for that purpose, provided such action is in conformance with all applicable law, including that Memorandum of Agreement Between the Washington State Liquor Control Board Concerning Authorization of Liquor Sales.

~~((B))~~ C. Any violation of this section is a misdemeanor.

Sec. 8. SITC § 9.12.915 (Intoxication in a public place) and Res. 02-129 (part) are each amended to read as follows:

A. No person who is ~~((intoxicated))~~ under the influence of intoxicating liquor or drugs or glue shall be or remain in any public place.

B. "Public place" is defined as any place to which the general public has unrestricted access or any property owned by or held in trust for the Squaxin Island Tribe, which includes being in public view, but does not include being inside of private dwellings or buildings.

C. A person is under the influence of intoxicating liquor or drugs or glue if he or she would be unable to legally drive in Indian country under SITC § 9.12.965.

~~((C))~~D. Any violation of this section is a misdemeanor.

Sec. 9. SITC § 9.12.965 (Driving while under the influence of intoxicating liquor or drugs or glue) and Res. 07-31 §47 are each amended to read as follows:

A. What Constitutes. A person is guilty of driving while under the influence of intoxicating liquor or any drug or glue if he or she drives a vehicle within Indian country while:

1. He or she has 0.08 grams or more of alcohol per two hundred ten (210) liters of breath as shown by analysis of the person's breath;

2. He or she has 0.08 percent or more weight of alcohol in the person's blood as shown by analysis of the person's blood;

3. He or she has a THC concentration of 5.00 or more;

~~((3))~~4. He or she is under the influence of or affected by intoxicating liquor or any drug or glue or other mind-altering substance; or

~~((4))~~5. He or she is under the combined influence of or affected by intoxicating liquor and any drug or glue or other mind-altering substance.

B. The fact that any person charged with a violation of this section is or has been entitled to use of such drug under the laws of this Tribe or of any other Tribe or state shall not constitute a defense against any charge of violating this section.

C. Driving while under the influence is a gross misdemeanor.

NEW SECTION. Sec. 10.

A. Wholly owned enterprises of the Squaxin Island Tribe are the only persons or entities authorized to manufacture, process, package, deliver, distribute, or sell, or possess marijuana in quantities in excess of the quantities identified under Section 11 of this Resolution and solely to the extent provided under this chapter.

B. It is the intent of Council to undertake a substantive review of the costs and benefits of authorizing the manufacture, processing, packaging, delivery, distribution, sale, or possession of marijuana in quantities in excess of the quantities identified under Section 11 by Tribal members licensed and regulated by the Tribe informed by community input.

NEW SECTION. Sec. 11. The following acts, when performed by a wholly owned enterprise of the Tribe or its employee in compliance with Tribal Law, shall not constitute criminal or civil offenses under Tribal law:

A. Purchase and receipt of useable marijuana, marijuana concentrates, or marijuana-infused products that have been properly packaged and labeled from a wholly owned enterprise of the Tribe or a state-licensed producer or processor

B. Possession of useable marijuana, marijuana concentrates, or marijuana-infused products;

C. Delivery, distribution, and sale of any combination of the following amounts of useable marijuana, marijuana concentrates, or marijuana-infused product to any person twenty-one years of age or older:

1. One ounce of useable marijuana;
2. Sixteen ounces of marijuana-infused product in solid form;
3. Seventy-two ounces of marijuana-infused product in liquid form; or
4. Seven grams of marijuana concentrates.

D. Effective July 1, 2016, delivery, distribution, and sale of any combination of the following amounts of useable marijuana, marijuana concentrates, or marijuana-infused product to a qualifying patient or his or her designated provider, as those terms are defined under chapter 69.51A RCW, if the patient or provider is in possession of a valid authorization and recognition card, as defined under RCW 69.51A.010, and the patient is recorded in that database established under Section 21 of Chapter 70, Laws of 2015, Washington State (2SSB 5052):

1. Forty-eight ounces of marijuana-infused product in solid form;
2. Three ounces of useable marijuana;
3. Two hundred sixteen ounces of marijuana-infused product in liquid form; or
4. Twenty one grams of marijuana concentrates.

E. Producing, processing, packaging, and labeling marijuana, useable marijuana, and marijuana-infused products; and

F. Delivery, distribution, and sale of useable marijuana or marijuana-infused products to wholly owned enterprises of the Tribe or to state licensed producers, processors, or retailers.

NEW SECTION. Sec. 12. All wholly owned enterprises of the Squaxin Island Tribe shall employ reasonable and effective inventory methods that allow marijuana to be tracked from seed to sale.

NEW SECTION. Sec. 13. All wholly owned enterprises of the Squaxin Island Tribe engaged in the production or processing of marijuana shall employ third party laboratories to conduct quality assurance tests consistent with those specified under WAC 314-55-102 or successor regulations.

NEW SECTION. Sec. 14. All wholly owned enterprises of the Squaxin Island Tribe shall employ reasonable and effective security procedures and systems that safeguard marijuana from theft and diversion, including marijuana intended for destruction as waste.

NEW SECTION. Sec. 15.

A. Marijuana products may not be sold or advertised within in or on, or within one thousand feet of, the real property comprising a public or private elementary, vocational, or secondary school or a public or private college, junior college, or university, or a playground, or housing facility owned by a public housing authority, or within 100 feet of a public or private youth center, public swimming pool, or video arcade facility.

B. For the purposes of this section:

1. The term "playground" means any outdoor facility (including any parking lot appurtenant thereto) intended for recreation, open to the public, and with any portion thereof containing three or more separate apparatus intended for the recreation of children including, but not limited to, sliding boards, swingsets, and teeterboards.

2. The term "youth center" means any recreational facility and/or gymnasium (including any parking lot appurtenant thereto), intended primarily for use by persons under 18 years of age, which regularly provides athletic, civic, or cultural activities.

3. The term "video arcade facility" means any facility, legally accessible to persons under 18 years of age, intended primarily for the use of pinball and video machines for amusement containing a minimum of ten pinball and/or video machines.

4. The term "swimming pool" includes any parking lot appurtenant thereto.

NEW SECTION. Sec. 16.

A. Useable marijuana, marijuana concentrates, or marijuana-infused products sold within the jurisdiction of the Squaxin Island Tribe may not contain any statement, or illustration that:

1. Is false or misleading;
2. Promotes over consumption;
3. Represents the use of marijuana has curative or therapeutic effects;
4. Depicts a child or other person under legal age to consume marijuana, or includes:
 - a. Objects, such as toys, characters, or cartoon characters suggesting the presence of a child, or any other depiction designed in any manner to be especially appealing to children or other persons under legal age to consume marijuana; or

b. Is designed in any manner that would be especially appealing to children or other persons under twenty-one years of age.

B. All advertising must contain the following warnings:

1. "This product has intoxicating effects and may be habit forming.";
2. "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug.";
3. "There may be health risks associated with consumption of this product."; and
4. "For use only by adults twenty-one and older. Keep out of the reach of children."

NEW SECTION. Sec. 17.

A. Useable marijuana when sold at retail must include accompanying material that contains the following warnings that state:

1. "Warning: This product has intoxicating effects and may be habit forming. Smoking is hazardous to your health";
2. "There may be health risks associated with consumption of this product";
3. "Should not be used by women that are pregnant or breast feeding";
4. "For use only by adults twenty-one and older. Keep out of reach of children";
5. "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug";
6. Statement that discloses all pesticides applied to the marijuana plants and growing medium during production and processing.

B. All marijuana concentrates and marijuana-infused products sold at retail must include accompanying material that contains the following warnings that state:

1. "There may be health risks associated with consumption of this product";
2. "This product is infused with marijuana or active compounds of marijuana";
3. "Should not be used by women that are pregnant or breast feeding";
4. "For use only by adults twenty-one and older. Keep out of reach of children";
5. "Products containing marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug";

6. "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by two or more hours";

7. Statement that discloses all pesticides applied to the marijuana plants and growing medium during production of the base marijuana used to create the extract added to the infused product; and

8. Statement that discloses the type of extraction method, including any solvents, gases, or other chemicals or compounds used to produce or that are added to the extract.

C. Labels affixed to the container or package containing useable marijuana sold at retail must include:

1. The business or trade name and Washington state unified business identifier number of the licensees that produced, processed, and sold the useable marijuana, or, if grown or processed in Squaxin Island Indian country by a wholly owned enterprise of the Tribe, a statement to that effect;

2. Inventory ID number;

3. Concentration of THC, THCA, CBD, including a total of active cannabinoids (potency profile);

4. Net weight in ounces and grams or volume as appropriate;

5. Warnings that state: "This product has intoxicating effects and may be habit forming";

6. Statement that "This product may be unlawful in some jurisdictions."

7. Date of harvest.

D. Labels affixed to the container or package containing marijuana-infused products sold at retail must include:

1. The business or trade name and Washington state unified business identifier number of the licensees that produced, processed, and sold the useable marijuana, or, if produced or processed in Squaxin Island Indian country by a wholly owned enterprise of the Tribe, a statement to that effect;

2. Inventory ID number;

3. Date manufactured;

4. Best by date;

5. For products meant to be eaten or swallowed, recommended serving size and the number of servings contained within the unit, including total milligrams of active tetrahydrocannabinol (THC), or Delta 9;

6. Net weight in ounces and grams, or volume as appropriate;
7. List of all ingredients and any allergens;
8. Warning statement that "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by two or more hours.";
9. If a marijuana extract was added to the product, disclosure of the type of extraction process and any solvent, gas, or other chemical used in the extraction process, or any other compound added to the extract;
10. Warnings that state: "This product has intoxicating effects and may be habit forming";
11. Statement that "This product may be unlawful in some jurisdictions" or a comparable statement.

E. Labels affixed to the container or package containing marijuana concentrates sold at retail must include:

1. – The business or trade name and Washington state unified business identifier number of the licensees that produced, processed and sold the marijuana concentrate or, if produced or processed in Squaxin Island Indian country by a wholly owned enterprise of the Tribe, a statement to that effect;
2. Inventory ID number;
3. Date manufactured;
4. Best by date;
5. Net weight in ounces and grams, or volume as appropriate;
6. If a marijuana extract was added to the product, disclosure of the type of extraction process and any solvent, gas, or other chemical used in the extraction process, or any other compound added to the extract;
7. Concentration of THC (total Delta 9 and Delta 9 THC-A) and CBD;
8. Warnings that state "This product has intoxicating effects and may be habit forming"; and
9. Statement that "This product may be unlawful in some jurisdictions" or a comparable statement.

NEW SECTION. Sec.18.

A. There is levied a tax on the retail sale of marijuana in the amount of thirty-seven percent of the selling price on each retail sale in Indian country of marijuana concentrates, useable marijuana and marijuana-infused products. This tax is separate and in addition to the sales and use tax and is not part of the measure of the sales and use tax. The tax must be paid by the buyer to the seller.

B. All revenues from taxes levied under this section shall be dedicated to essential government services.

C. Sales of marijuana concentrates, useable marijuana, and marijuana-infused products that are grown, produced or processed in Indian country are exempt from the tax levied under this Section.

Sec. 19. The Tribe shall indemnify, defend, and hold harmless any elected official, officer, or employee of the Tribe or its enterprises from civil or criminal prosecution arising from his or her good faith implementation of his or her responsibilities arising out of or relating to the implementation of this Resolution.

Sec. 20. It is the intent of Squaxin Island Tribe that the enactment of this Resolution shall not impair the Tribe's right to receive any grant funding, preferred lending or similar third party payments. This Resolution shall be liberally construed to avoid any such impairment.

Sec. 21. Section 2 and Sections 10 through 18 of this Resolution shall be codified as new chapter 6.48 under Title 6 of the Squaxin Island Tribal Code.

AMENDMENT NO. 1
to the
MARIJUANA COMPACT
Between
THE SQUAXIN ISLAND TRIBE
And
THE STATE OF WASHINGTON

This document is Amendment No. 1 to the "Marijuana Compact between the Squaxin Island Tribe and the State of Washington," which is an agreement between the parties that took effect on September 30, 2015 ("the Compact").

Pursuant to RCW 43.06.490, the parties have agreed to amend the Compact by adding, as Appendix A, the "Memorandum of Agreement between the Squaxin Island Tribe, and the Washington State Department of Health Concerning Medical Marijuana." Appendix A is added in the form attached hereto and is hereby incorporated by reference.

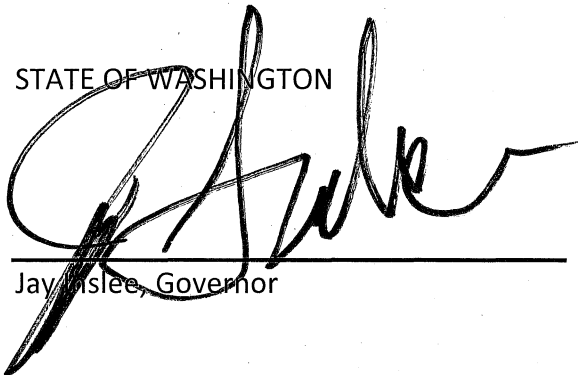
Amendment No. 1 and Appendix A represent a standalone agreement and shall apply strictly and solely according to their terms to describe the relationship between the Department of Health and the Tribe with respect to access and use of the medical marijuana authorization database. No amendment or change to the substantive and existing obligations under the Compact, express or implied, is contained herein.

No other changes are made to the Compact.

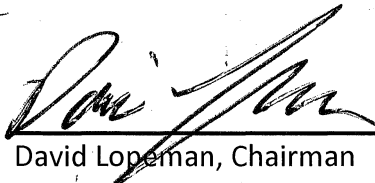
This Amendment No. 1 is hereby executed this 7th day of July, 2016.

STATE OF WASHINGTON

SQUAXIN ISLAND TRIBE



Jay Inslee, Governor



David Lopeman, Chairman

APPENDIX A
to the
MARIJUANA COMPACT
Between
THE SQUAXIN ISLAND TRIBE
And
THE STATE OF WASHINGTON,
entitled
MEMORANDUM OF AGREEMENT
BETWEEN
THE SQUAXIN ISLAND TRIBE,
AND
THE WASHINGTON STATE DEPARTMENT OF HEALTH
CONCERNING MEDICAL MARIJUANA

MEMORANDUM OF AGREEMENT
BETWEEN
THE SQUAXIN ISLAND TRIBE,
AND
THE WASHINGTON STATE DEPARTMENT OF HEALTH
CONCERNING MEDICAL MARIJUANA

1. Government-to-Government Relations.

- a. The Squaxin Island Tribe (the "Tribe") and the State of Washington, of which the Department of Health is an agency, are sovereign governments. The Tribe and the Department of Health (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, meeting the goals articulated in memoranda issued by the United States Department of Justice, often referred to as the Cole and Wilkinson memoranda, and providing safe and regulated access to medical use of marijuana for qualifying patients.
- b. Nothing in this MOA shall be construed as a waiver of sovereign immunity.

2. Definitions.

- a. "Authorization" shall have the same meaning as in RCW 69.51A.010(1), as amended.
- b. "Department" means the Washington State Department of Health.
- c. "Designated Provider" shall have the same meaning as in RCW 69.51A.010(4), as amended.
- d. "Marijuana" shall have the same meaning as in RCW 69.50.101(v), as amended.
- e. "Marijuana Compact" or "Compact" means the agreement entered into pursuant to House Bill 2000, Chapter 207, Laws of 2015, between the Squaxin Island Tribe and the State of Washington on September 30, 2015.
- f. "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.

- g. "Medical Marijuana Authorization Database" or "Database" means the secure and confidential database established in RCW 69.51A.230, as amended.
- h. "Medical use of Marijuana" shall have the same meaning as in RCW 69.51A.010(16), as amended.
- i. "Parties" means the parties to this MOA, including the Washington State Department of Health and the Squaxin Island Tribe.
- j. "Qualifying Patient" shall have the same meaning as in RCW 69.51A.010(19), as amended.
- k. "Recognition Card" shall have the same meaning as in RCW 69.51A.010(20), as amended.
- l. "State" means the State of Washington.
- m. "Tribe" means the Squaxin Island Tribe.

3. Statement of Work.

- a. Programs Receiving and Providing Information for Database.
 - i. Island Enterprises Retail LLC d/b/a Elevation ("IER") will access and enter Authorizations into the Department administered Medical Marijuana Authorization Database.
 - ii. IER 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. IER will issue Recognition Cards solely to those persons in possession of a valid Authorization under RCW 69.51A.030(3).
 - iv. IER 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, IER 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. IER 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,

IER will not enter the Designated Provider into the Database as associated with the new Qualifying Patient.

- vi. IER will enter that information described under WAC 246-71-020(9) in the Database.
- vii. IER will ensure all Recognition Cards it issues meet the requirements of WAC 246-71-040(3).
- viii. IER 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 IER the software and access permissions necessary to accomplish the foregoing, subject to the terms and conditions herein. IER is responsible for obtaining the equipment identified in WAC 246-71-040(1).

b. Restrictions on Access.

- i. All employees of IER 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 IER 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 IER 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, Squaxin Island Tribal Police will have access to the Database consistent with RCW 69.51A.230(1)(d).

c. Certified Medical Marijuana Consultants.

- i. Only IER 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.

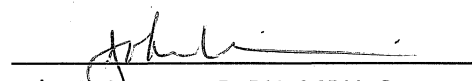
- ii. IER staff may satisfy the requirements for initial training under this subsection through participation in a State approved training program. In the event the Tribe elects to satisfy the initial training requirements by using a Tribally-approved program for such elements, the Tribe will provide 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, to the extent it has not done so already, Tribal law penalties at least as severe as those of the State with respect to the disclosure of information from the Database or the misuse of the Database.
- 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 termination. The other party shall have ten business days in which to cure the 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.
- 7. Termination for convenience.** Either party may terminate this MOA by giving the other at least thirty calendar days' 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 that Marijuana Compact between the Squaxin Island Tribe and the State of Washington remains in effect.
9. **Amendment.** No amendment or alteration of this MOA may arise by implication or course of conduct. This MOA may be altered 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 21 day of June, 2016.



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



David Lopeman, Chairman
Squaxin Island Tribe

