

Marijuana Compact

Between

and

The State of Washington

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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 _____ Tribe and the State of Washington, hereinafter referred to as the “Compact.”

II. PARTIES

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

The Tribe is located on the _____ Indian Reservation, which is in the state of Washington, and the Tribe is a federally-recognized sovereign Indian tribal government.

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. 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.

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 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.

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 _____ Tribe and the State of Washington, as it may be amended.
- D. “Indian Country,” as defined by 18 U.S.C. § 1151, means all lands within the Tribe’s _____ Indian Reservation and all lands held in trust or restricted fee status by the United States for the Tribe or its Tribal Members. For purposes of illustration only, the Tribe will provide to the Board an electronic map of Indian country in a form that is compatible with the Board’s computer hardware and software.
- 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. “_____ Inc.” means __[insert full name of corporate entity]_____, a corporation chartered under _____ Tribal law and wholly owned by the Tribe. (applicable if the tribe is seeking to create a corporate entity)
- H. “Processor” means any marijuana processor licensed to process, package, and label useable marijuana, marijuana concentrates, and marijuana-infused

products for sale at wholesale to processors and retailers by the Board pursuant to RCW 69.50.325 and any marijuana processor in Indian Country licensed or otherwise allowed by the Tribe or any other tribe with a marijuana compact with the Board.

- I. “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 any marijuana producer in Indian Country licensed or otherwise allowed by the Tribe or any other tribe with a marijuana compact with the Board.
- J. “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 any marijuana retailer in Indian Country licensed or otherwise allowed by the Tribe or any other tribe with a marijuana compact with the Board.
- K. “State” means the State of Washington.
- L. “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 there under.
- M. “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.
- N. “Tribal Police” if applicable means the (insert name of tribal police force)
- O. “Tribal Code” means the _____ Tribal Code.
- P. “Tribal Enterprise” means _____ or other business wholly or majority owned by the Tribe or _____ and authorized to sell marijuana products under the _____.
- Q. “Tribe” means the _____ Tribe.
- R. “Tribal Member Business” means a business owned by an enrolled member of the Tribe.

Commented [A1]: LCB: It is the LCB’s position that the tribal enterprise, must, at a minimum, be majority owned by the Tribe.

- S. “Tribal Tax” means a tax imposed by the Tribe on marijuana activities.

V. GENERAL MATTERS

- A. Sovereign Immunity. The Parties agree that, except for the limited purpose of resolving disputes in accordance with the Dispute Resolution Section below, 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.
- B. Tribe Does Not Submit to State Jurisdiction. By entering into this Compact, the Tribe does not concede that the laws of the State apply to the Tribe, its businesses, agents, or members regarding 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 any immunity from the 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 or reduce 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 otherwise lawful activity of the Tribe or its subdivisions or enterprises nor subject the Tribe of its subdivisions or enterprises to any State jurisdiction not 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 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 otherwise 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 that RCW Chapter, and any such activities will not be a criminal or civil offense under Washington state law.

H. State Licensees.

1. The Tribe may purchase marijuana products from or sell marijuana products to State Licensees or any other entity operating under a valid Compact authorized by the Compacting legislation, including any amendments thereto, with or otherwise authorized by the State. All transactions between the Tribe or 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 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 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 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 must follow 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 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 is not the sole owner of the tribal enterprise producing, processing, or selling marijuana products or receives 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 the board under the criteria in WAC 314-55-020; 314-55-040; and 314-55-045. "Owner" means a "true party of interest", as defined in WAC 314-55-035. If the non-tribal owner does not pass the background check, and the Tribe does not agree to seek a different partial owner, the board may invoke the Dispute Resolution Process of this Compact.

Commented [A2]: LCB: If the definition of "Tribal Enterprise" leaves room to include non-tribal ownership or financing, this language is necessary so that the state can do a background check on the non-tribal entity.

VI. RETAIL SALES

- A. Retail Sales. The Tribe and/or its 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. Initial Location. The retail locations will be operated by _____ and located at _____.
- C. 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 Tribal Enterprise. Only new retail locations and not the location set forth in the Initial Location Section above shall be subject to this Section. Such notifications shall include:
 - 1. The identity of the entity which is operating the retail location;
 - 2. Location of the premises; and

Commented [A3]: LCB: If an initial location is not known at the time of compacting, then this subsection may be removed and once a location is later identified, notice will be given as in subsection C, below.

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

D. Conditions on Retail Sales.

1. Retail sales of marijuana products by the Tribe and any Tribal Enterprise must be conducted in accordance with the Tribal Code and the internal policies and controls of the Tribe or Tribal Enterprise. Tribal Code Chapter _____ as it exists on the date of this Compact is attached as Exhibit _____. Current copies of Tribal Code Chapter _____ and marijuana internal policies and controls of the Tribe and any Tribal Enterprise will be made available online or 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 ten 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 input or cause to be input 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 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 a 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.
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.

Commented [A4]: LCB: The Tribal Code must be adopted prior to execution of the compact and included as an exhibit.

Commented [A5]: Drive through purchase facilities are prohibited for state licensees under RCW 69.50.390

VII. PRODUCING AND PROCESSING

A. 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. Producing and/or Processing Location. The Producing and/or Processing location will be operated by the Tribe and located at _____.

Commented [A6]: LCB: Same comments as above in the respective portions on retail locations.

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 the Producer and/or Processing Location Section 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;
- c. Certification that the premises are located in Indian Country; and
- d. If the notification is regarding production operations, 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 and any Tribal Enterprise must be conducted in accordance with Tribal Code Chapter _____ and the internal policies and controls of the Tribe or Tribal Enterprise. Tribal Code Chapter _____ as it exists on the date of this Compact is attached as Exhibit _____. Current copies of Tribal Code Chapter _____ and any internal marijuana policies and controls of the Tribe and any Tribal Enterprise will be made available online or 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 ten days of the date of adoption by the Tribe.

- b. The State requires 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 must 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 must 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 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 county or to the incorporated cities 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 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 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 section XII.C Notice. If the Tribe does not respond within 20 days, the Board will assume non-consent.

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 Sections 3, 4, and 5 of the Compacting legislation, codified at 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 may be assessed against or collected from the Tribe, Tribal Enterprise, or retail customer purchasing from the Tribe or Tribal Enterprises if covered under the provisions of this Compact.

Commented [A7]: LCB: While reviewing a Draft Compact, the Department of Revenue noted that, under this current language, any sales transaction not covered under IX(A) may be subject to state taxation (e.g. sales by non-tribal retailers located in Indian country). Just FYI.

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 RCW 43.06.490(2), the tribe may allow an exemption from tax for sales to the Tribe, Tribal Enterprise, Tribal Member Business, or an enrolled member of the Tribe on marijuana grown, produced, or processed within Indian Country, or for transactions otherwise exempt from state marijuana taxation under state or federal law. 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 exempted from tax. The Tribe may choose to levy a Tribal Tax on any transaction that may otherwise be exempt.

- C. At the State’s request, the Tribe will retain, at its own expense, an Auditor to test the Tribe’s compliance with this Taxation and Record-Keeping Section 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.

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 Tribal Enterprise.

1. Premises Checks

- a. Premise Checks by the Tribe. The Tribal Police or other authorized agency may conduct its own premises checks in Indian Country to observe compliance with 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 Tribe 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 the Cooperation Section below, the Tribal Police may observe and participate in all 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 its own compliance checks in Indian Country using minors ages 18, 19, or 20 through the Tribal Police or other authorized agency in accordance with Tribal regulations and policies. To the extent it is informed of the results of such checks, the Tribe 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 the Cooperation Section 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. 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.

Commented [A8]: Due to recent compact negotiations, this section clarifies that the Chief of Police will be notified via email prior to a compliance or premises check, and that the checked premises will not be notified in advance of the check by either Party.

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 Dispute Resolution Section 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 following dispute resolution process:

- 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 the Notice Section 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 completion of the process described in the Dispute Resolution, Process Required Section above 180 days after the written notice described in Dispute Resolution, Notice Section above, whichever occurs first, either Party may terminate this Compact upon 30 days' written notice sent to the persons listed in the Communication and Notice, Designated Contacts Section.

- 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 parties fail to come to a resolution, either Party may invoke the Dispute Resolution Process of this Compact.

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 3000 Pacific Ave SE PO Box 43080 Olympia WA 98504 3080 360-664-1650
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For the Tribe:

- 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
3000 Pacific Ave SE
PO Box 43080
Olympia WA 98504 3080
360-664-1650

If to the Tribe:

With a copy to:

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 the Dispute Resolution, Procedure if the Dispute Remains Unresolved Section above or the Change in Classification section below. 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 notice that 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, 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 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.

This Compact is hereby made this ____ day of _____, _____.

STATE OF WASHINGTON _____ TRIBE

Jay Inslee, Governor _____, Chair

WASHINGTON STATE LIQUOR AND
CANNABIS BOARD

Jane Rushford, Board Chair _____
Ollie Garrett, Board Member

Russell Hauge, Board Member _____
Rick Garza, Agency Director

