

# COMPACT OF SELF-GOVERNANCE

BETWEEN

THE SKOKOMISH INDIAN TRIBE AND THE UNITED STATES OF AMERICA

## Article I Authority and Purpose

Section 1 – Authority. This agreement, denoted a Compact of Self-Governance (hereinafter referred to as the “Compact”) is entered into by the Secretary of the Interior (hereinafter referred to as the Secretary), for and on behalf of the United States of America pursuant to the authority granted by TITLE II of P.L 103-413, and by the Skokomish Tribal Council by the authority of the Constitution and Bylaws of the Skokomish Indian Tribe of the Skokomish Indian Reservation (hereinafter referred to as the “Tribe”)

Section 2 – Purpose. This Compact shall be liberally construed to achieve its purposes:

- (a) This Compact is to carry out Self -Governance as authorized by Title II of Pub. L. 103-413, which built upon the Self- Governance Demonstration Project, and transfers control of tribal governments, upon tribal request, over funding and decision making of Federal Programs, services, functions, and activities as an effective way to implement the Federal policy of government-to government relations with Indian tribes.
- (b) This Compact is to enable the Skokomish Indian Tribe to redesign programs, activities, functions, and services of the Bureau of Indian Affairs; to reallocate funds for such programs, activities, functions, or services according to its tribal priorities; to provide such programs, activities, functions, and services, as determined by its tribal priorities; to enhance the effectiveness and long term financial stability of its tribal government; to plan, conduct, consolidate, and administer programs, services, functions, and activities, or portions thereof, administered by the Department of the Interior, other than through the Bureau of Indian Affairs, to the extent as provided in the annual funding agreement applicable to such non-BIA program, service, function or activity; and to reduce the Federal-Indian service bureaucracy.
- (c) This Compact is to enable the United States to maintain and improve its unique and continuing relationship to the Skokomish Indian Tribe through tribal self-governance as proposed by the Skokomish Indian Tribe which will allow the Tribe to: take its rightful place in the family of governments in the Federal constitutional system; remove federal obstacles to effective self-governance; reorganize tribal government programs and services; and provide a documented example for the development of future Federal-Indian policy. This policy of self-governance shall permit an orderly transition from federal domination of programs and services to allow the Skokomish

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Indian Tribe the meaningful authority to plan, conduct, and administer those programs and services to meet the needs of the Skokomish people. To implement Self-Governance, the Department of the Interior is also expected to continue their current efforts to reorganize to provide the same level of services to other tribal governments and demonstrate new policies and methods to provide improved service delivery to address tribal needs. In fulfilling its responsibilities under the Compact, the Secretary hereby pledges that the Department will conduct all relations with the Skokomish Tribe on a government-to-government basis.

Section 3 – Tribal Law and Forums. The duly enacted laws of the Skokomish Tribe shall be applied in the execution of this Compact and the powers and decisions of the Tribe's Court shall be respected, to the extent that federal law, construed in accordance with the applicable canons of construction and Title II of Pub.L. 103-413, is not inconsistent.

#### Article II Terms, Provisions and Conditions

Section 1 – Term. The term of this Compact begins October 1, 1995 and shall extend thereafter throughout the time period authorized by Title II of Pub. L. 103-413, and any subsequent amendments thereto.

Section 2 – Effective Date. This Compact shall be effective when signed by the Secretary or an authorized representative of the Tribe. The annual funding agreement required by Pub. L. 103-413 and this Compact shall be signed by the Tribe and the Secretary or an authorized representative and be forthwith submitted by the Secretary or an authorized representative and the Tribe to the Committee on Indian Affairs of the United States Senate, the Committee on Natural Resources of the United States House of Representatives and to the tribes served by the Olympic Peninsula Agency, and shall be effective ninety days after such submission, unless otherwise provided by law. Successor Annual Agreements shall be likewise submitted.

Section 3 – Funding Amount. Subject only to the appropriation of funds by the Congress of the United States and to Section 403(g) of Pub. L. 103-413, the Secretary or an authorized representative shall provide to the Tribe the total amount specified in the Annual Agreement incorporated by reference in Article VI, Section 2.

Section 4 – Payment. Payments shall be made as expeditiously as possible in compliance with applicable Treasury Department regulations and shall include financial arrangements to cover funding during periods under continuing resolutions to the extent permitted by such resolutions. To the extent authorized by law, for each fiscal year covered by the Compact, the Secretary or an authorized representative will pay to the Tribe the funds specified for that fiscal year under the Annual Agreement in advance in the form of an Annual Payment, by using an instrument such as a letter of credit, or other method authorized by law, or a combination thereof, as may be specified in the Annual Agreement. To the extent applicable, each annual payment shall be made on the first day of the first quarter of the fiscal year on or before ten (10) calendar days of the date on which the Office of Management and Budget apportions the appropriations for that fiscal year for the programs, activities, functions and services subject to the Compact.

Section 5 - Reports To Congress. In order to implement Section 405 of Title II of Pub. L. 103-413 throughout the period of the Compact, the United States shall make a written report to the Congress, which shall separately include the views of the Tribe concerning the matters encompassed in Section 405 (b).

Section 6 – Audits.

(a) The Tribe shall provide to the Designated Official an annual single organization-wide audit as prescribed by the Single Audit Act of 1984, 31 U.S. # 7501, et seq., and shall adhere to generally accepted accounting principles and Circular A-128 of the Office Of Management and Budget as follows:

(i) The costs of this Compact consists of the direct and support costs, including indirect costs, actually incurred in the performance of this Compact, determined in accordance with the cost principles set forth in the OMB circular A-87 in effect as of October 1, 1990, except as provided herein; provided, however, that if the Office or Management and Budget revises any provisions of such Circular:

1. The revisions shall not apply to the Compact unless agreed to by the Tribe until the Secretary determines their applicability as provided below.
2. The Secretary shall immediately review the revisions in consultation with the Tribe to determine if the revisions are detrimental to the Self-Governance project or inconsistent with the intent of the Act.
3. If it is determined that the revisions are neither detrimental and inconsistent with the intent of the Act, the Secretary will amend this Compact to include those revisions.

(ii) The Secretary has received the concurrence of the Office of Management and Budget for the term of the annual funding agreement authorized by Title II of Pub. L. 102-413 that allowable costs shall include:

1. Depreciation and Use Allowances. The Computation of use allowances or depreciation shall be based on the acquisition costs of the assets involved. Where actual cost records have not been maintained, a reasonable estimate of the original acquisition costs may be used in the computation.
2. Publication and Printing Costs. Publication costs include the costs of printing or other reproduction through the information media (including processes of composition, plate making, press work, binding, and the end products produced thereby, including books, newspapers and newsletters, as well as radio, television and the production of video tapes) for any purpose in support, including, but not limited to,

providing program-related information to the Skokomish community, if such costs are charged directly to self-governance.

3. Automatic Data Processing Equipment (ADP). The costs of ADP equipment are allowable as direct charges whether or not owned by the Tribe subject to any statutory limitations and to the extent that they are reasonable in light of such factors as rental costs of comparable property; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased.
4. Supplemental Funding. Costs incurred to obtain supplemental funds are allowable as direct charges to the extent that funds generated are used to further the Compact goals and objectives. Funds generated are treated as program income. Costs of investment counsel and staff and similar costs incurred to enhance income from fund raising efforts are allowable.
5. Investment Management. Costs of investment counsel and staff and similar costs incurred to enhance income from fund raising efforts are allowable. Investment management costs associated with pensions plans and self-insurance funds are considered to be an allowable cost under the cost principles and are normally handled as part of the indirect cost or fringe benefit rates that are charged on a consistent basis to all funding sources -
6. Idle Facilities and Idle Capacity. These costs, exclusive of repairs and maintenance, are allowable, except to the extent they are necessary when acquired but are now idle because of changes in program requirements or other causes which could not have been reasonably foreseen.
7. Lobbying. Lobbying costs of compactors/contractors are unallowable to the extent prohibited by applicable statutory restrictions.
8. Professional Service and Litigation Costs. Costs of legal, accounting, consulting and related costs in connection with the prosecution or defense of claims against the Federal Government are unallowable. The costs of such services in connection with contract disputes or other matters related to the performance of the contract until a final administrative decision is reached is allowable.

(iii) With the concurrence of the Office of Management and Budget, the Secretary will continue to seek approval of the following costs allowable:

1. Rental/Lease Costs. The building, space, and related facility costs of space, land and personal property whether or not owned by the Skokomish Indian Tribe are allowable subject to any statutory limitations and to the extent that they are reasonable in light of such

factors as rental cost of comparable property; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased.

2. Interest. Except for interest pertaining to charges incurred for new buildings, other interest remains unallowable. At the time of preparation of the Skokomish Tribes FY96 Annual Funding Agreement and first Self-Governance Compact, OMB was still studying whether or not interest expense should be allowable for major building reconstruction and remodeling or fabrication of capital equipment.

No other audit or accounting standards, except as specified in Article IV, Section 2, shall be required by the Secretary or his or her representative of the Tribe. To the extent that Tribal Law is not inconsistent, small and minority business audit firms shall be afforded maximum practical opportunity to participate in fulfilling the requirements herein. The preference requirements of the Indian Self -Determination and Education Assistance Act, as amended, 25 U.S.C. § 450e(b) , shall apply to such audits pursuant to Section 2 of Article V of this Compact.

Section 7 – Records. The following provisions will supplement Tribal Law on document disclosure and will govern record keeping associated with this Compact:

- (a) Except for previously provided copies of tribal records that the Secretary or an authorized representative demonstrates are clearly required to be maintained as parts of the record keeping system of the Department of the Interior, tribal records shall not be considered federal -records for purposes of chapter 5 of title 5, United States Code.
- (b) The Tribe shall maintain a record system, and provide reasonable access to records to the Secretary or an authorized representative, which permits the Department of Interior to meet its minimum legal record keeping requirements under the Federal Records Act, 44 U.S.C. § 3101 et seq., and which will allow for retrocession of this Compact in whole or in part pursuant to Section 13 of this Article.
- (c) The Tribe shall maintain in its record keeping system all documents necessary for the annual audit requirement in Section 6 of this Article, and shall provide reasonable access to records to the Secretary or an authorized representative.

Section 8 – Property.

- (a) At the request of the Tribe, the Secretary or an authorized representative shall make available to the Tribe reasonably divisible real property, facilities, equipment, and personal property that the Department of the Interior had previously utilized to provide the programs, activities, functions and services now consolidated by the Skokomish Tribe pursuant to Article III of this Compact. A mutually agreed upon list specifying the property, facilities, and equipment to be utilized shall also be prepared and periodically revised so that such property can be properly recorded *in the*

Bureau of Indian affairs Property Inventory.

- (b) Subject to the agreement of the General Services Administration, the Secretary hereby delegates to the Tribe the authority to acquire such surplus or “excess” property as may be appropriate in the judgement of the Tribe to support the programs, activities, functions, and services designated under Article III of this Compact. The Secretary or an authorized representative agrees to make best efforts to assist the Tribe in obtaining such confiscated, surplus or excess property as may become available to the Skokomish Tribe, other tribes and Local governments. Upon the request of the Tribe, a Screener Identification Card (General Services Administration Form 2946) shall be issued to the Tribe.
- (c) The Tribe shall determine what capital equipment, leases, rentals, property or services, it shall require to perform its obligations under Title III of this Compact, and shall acquire and maintain such records of such capital equipment, property rentals, leases, property or services through tribal procurement procedures.
- (d) Property and equipment furnished by the federal government for use in the performance of this Compact and Annual Funding Agreement and property which was purchased with funds under any compact or annual funding agreement which has a value in excess of \$5,000 at the time of retrocession, rescission or termination of the funding agreement, and is not donated, shall be subject to reversion with title reverting to the Secretary at the option of the Secretary.
- (e) Property and equipment furnished by the federal government for use in the performance of the Compact and funding agreement or purchased with funds under any funding agreement that is used by the Tribe in the performance of this compact shall remain eligible for replacement on the same basis as if title to such property were vested in the United States.

Section 9 - Savings. If it becomes apparent that funds allocated by the Tribe pursuant to its budget process, to any activity as defined in the Annual Funding Agreement are in excess of that needed for such activity, the Tribe may reallocate that excess to any other activity under this Compact. Any funds not expended during the term of any of the fiscal years of this Compact may be carried over to the succeeding Fiscal year, but such carry-over shall not diminish the amount of funds that the Tribe is authorized to receive in that succeeding Fiscal year or in any subsequent Fiscal year.

Section 10 - Use of Motor Vehicles. Subject to the agreement of the General Services Administration, the Secretary hereby authorizes the Tribe to obtain Interagency Motor Pool Vehicles and related services, if available, for performance of any activities under this Compact

Section 11 – Regulatory Authority. The Secretary and the Tribe agree to utilize the following procedures governing the establishment and application of regulations under this Compact:

- (a) Program Guidelines. The Tribe is not required to abide by federal program guidelines, manuals, policy directives, etc. except for those which it specifically agrees to. The Tribe may adopt its own guidelines to be used in place of the existing

federal guidelines. however, if the Tribe decides to replace federal guidelines, the Tribe shall give written notice to the Designated Official.

- (b) Federal Regulations. The Tribe agrees to abide by all federal regulations as published in the Federal Register unless waived in accordance with Section 403 (i) (2) of Title II of Pub. Law 103-413.
- (c) In order to put to good use the Secretary's waiver authority as authorized by Section 403 and (i) of Pub.L.103-413, the Secretary will seek to expedite the waiver of any federal regulations which the Secretary or the Tribe determine presents an obstacle to the carrying out of the Compact and annual funding agreement, its purposes, and the programs, activities, functions, and services pursuant to the Compact, under the following procedures:
  - (i) if at any time the Tribe determines that one or more specific federal regulations requires waiver to effectively carry out the Compact or Annual Funding Agreement, the Tribe may submit a written request for waiver to the Designated Official, identifying the regulation sought to be waived and the basis for the request.
  - (ii) Not later, than 60 days after receipt by the Secretary of a written request by the Tribe to waive application of a federal regulation f or any funding agreement, the Secretary shall either approve or deny the requested waiver in writing to the Tribe. A denial of a request may be made only upon a specific finding by the Secretary that identified language in the regulation may not be waived because such waiver is prohibited by federal law. The Secretary's decision shall be final for the Department.

#### Section 12 - Disputes

- (a) Section 110 of Pub.L. 93-638, as amended, shall apply to disputes under this Compact and any annual funding agreement.
- (b) In addition or as an alternative to remedies and procedures prescribed by Section 110 of Pub.L. 93-638, as amended, the parties jointly may:
  - (i) Submit disputes under this Compact to third-party mediation, which for purposes of this Section means that the Secretary or an authorized representative and the Tribe nominate third parties who together choose a third party mediator("Third party" means a person not employed by or significantly involved with either the Tribe or the Secretary or the Department of the Interior); or
  - (ii) Submit the dispute to the Tribe's Court; or
  - (iii) Submit the dispute to mediation processes provided for under the Tribe's law.
  - (iv) The Secretary shall be expected to accept decisions reached by mediation

processes or the Tribal Court, but he/or she shall not be bound by any decision which might be in conflict with the interests of tribal members, other Indians or the United States.

Section 13 – Retrocession. The retrocession provisions of Section 105(e) of Pub. L. 93-638, as amended, and any regulations thereunder, are herein adopted, except that the effective date of such retrocession of this Compact, in whole or in part, shall be 45 calendar days from the date of request by the Tribe unless the Tribe requests an effective date that is more than 45 calendar days, in which case the Tribe's requested date shall be the effective date of such retrocession. If the United States and the Tribe mutually agree to an effective date of less than 45 calendar days from the date of the request by the Tribe, the mutually-agreed upon date shall be the effective date of such retrocession.

Section 14 – Tribal Administrative Procedures. Tribal law and tribal forums shall provide administrative due process rights pursuant to the Indian Civil Rights Act of 1968, 25 U.S.C. § 1301, et seq., that persons, or groups of persons, may have with respect to services, activities, programs, and functions that are provided by the Tribe pursuant to this Compact.

Section 15 – Successor Annual Agreement. Negotiations for a successor Annual Agreement, as provided for in Article VI, Section 2, shall begin no later than 120 days in advance of the conclusion of the preceding Annual Agreement. Pursuant to Sections 403(b) and (g) and Section 404 of Pub. L. 103-413, the Secretary shall make best efforts to continue and to promote self-governance in preparing his/or her budget for subsequent years. The Tribe is hereby assured that future funding of successor Annual Agreements shall only be reduced pursuant to the provisions of Section 106(b) of Pub. L. 93-638, as amended. The Secretary or an authorized representative agrees to prepare and supply relevant information, and promptly to comply with the Tribe's requests for information reasonably needed to determine the funds that may be available for a successor Annual Agreement as provided for in Article VI, Section 2 of this Compact.

Section 16 – Secretarial approval.

- (a) Every contract entered into by the Tribe in connection with a program, activity, function, or service encompassed by this Compact, shall be in writing, identifying the interested parties, their authorities and purposes, state the work to be performed, the basis for any claim, the payments to be made, and the term of the contract which shall be fixed. Contracts which comport with the requirements of this section but which might be void without secretarial approval under 25 U.S.C. § 81, shall be expeditiously reviewed by the Secretary under the following procedures:
  - (i) if at any time the Tribe determines that a contract may be subject to 25 U.S.C. § 81, the Tribe may submit a written request for approval to the Designated Official and the Secretary or an authorized representative shall render a written decision to the Tribe within thirty (30) days of receipt of the request.
  - (ii) if the Secretary or an authorized representative determines that 25 U.S.C. § 81 does not apply, he/or she shall proceed to review the contract and shall make a determination indicating that he/or she would not wish his/or her view



of 25 U.S.C. § 81 to subject the contract to an assertion it is null and void and, not wishing to disrupt the Tribe's legitimate contracting activity, has accommodated the Tribe by reviewing and approving (or Disapproving) the contract.

- (iii) for the period that the agreement entered into under Title II of Pub. L. 103-413 is in effect, the provisions of section 2103 of the Revised Statutes of United States (25 U.S.C. 81) and section 16 of the Act of June 18, 1934 (25 U.S.C. 476) shall not apply to attorney and other professional contracts by Indian tribal governments participating in self-governance operating under any annual funding agreement.

Section 17 – Matching Funds. All funds provided under this Compact and any annual, funding agreement entered into pursuant to Title II of Pub. L. 103-413, and all funds provided under contracts or grants made pursuant to Pub.L.93-638, as amended, shall be treated as non-federal funds for purposes of meeting matching requirements under any federal law.

### Article III Obligations of the Tribe

Section 1 - Consolidation. With the exception of the specific responsibilities of the United States identified and retained in Article IV, Section 3, and the programs, activities, functions, and services funded as provided in Section 403 (b) (4) of Pub. L. 103-413, the Tribe will perform the programs, activities, functions and services as provided for in the Annual Agreement, as provided in Article VI, Section 2 of this Compact. To the extent a program, activity, function, or service included within such Annual Agreement was included within a contract or grant entered into pursuant to P.L. 93-638, as amended or subject to any obligation arising from such contract or grant, that contract or grant is terminated and the parties' obligation shall be governed by this Compact.

Section 2 - Amount of Funds. The total amount of funds covered by the consolidation and redesign provided for in Section 1 of this Article that the Secretary or his/or her authorized representative shall make available to the Skokomish Tribe shall be determined in an Annual Agreement between the Secretary and the Skokomish Indian Tribe, which shall be incorporated in its entirety to this Compact and attached hereto as provided for in Article VI, Section 2.

Section 3 - Triba1 Programs. The Tribe agrees to provide such programs, activities, functions, and services that are identified in the Annual Agreement. The Tribe pledges to practice utmost good faith in upholding its responsibly to provide such program, activities, functions and services.

Section 4 - Trust Services for Individua1 Indians. To the extent that the Annual Agreement endeavors to provide trust services to individual Indians that were formerly provided by the Secretary or an authorized representative, the Tribe will maintain at least the same level of service as was previously provided by the Secretary or an authorized representative. The Tribe pledges to practice utmost good faith in upholding its responsibility to provide such services.

Trust services for Individual Indians means only services that pertain to land or financial management connected to individually held allotments.

Section 5 – Reallocation. Reallocation of funds from one program, activity, function, or service to another within a General Budget Category, or from one General Budget Category to another shall be governed only by tribal law and procedure and shall not require Secretarial consent. In the event a reallocation involves 30% or more, on a cumulative annual basis, of funds for a physical resource trust or trust fund management function performed by the Tribe, the Tribe shall provide notice to the Secretary’s Designated Official, together with an explanation of how the Tribe’s responsibilities will continue to be fulfilled.

#### Article IV Obligations of the United States

Section 1 – Trust Responsibilities. The United states reaffirms its trust responsibility to the Skokomish Indian Tribe of the Skokomish Indian Reservation to protect and conserve, the trust resources of the Skokomish Indian Tribe, and of individual Indians, of the Skokomish Indian reservation. Nothing in this Compact is intended to, nor should be interpreted, to terminate, waive, modify, diminish or reduce the Trust responsibility of the United States to the Tribe or individual Indians. The Secretary pledges to practice utmost good faith in upholding said trust responsibility.

Section 2 - Trust Evaluations. Pursuant to Pub. L. 103-413, Section 403 (d), the United States shall monitor through an annual trust evaluation the trust functions performed by the Tribe pursuant to Article III and the Annual Agreement.

Further, the United States shall reassume any program, service, function or activity, or portions thereof, if there is a finding of imminent jeopardy to a physical trust asset, natural resource, or the public health and safety.

In the absence of a definition of imminent jeopardy pursuant to negotiated rule making, imminent jeopardy shall mean significant devaluation and/or loss of a physical trust asset or natural resource or the intended benefit from such asset or resource; or significant diminishment of public health and safety caused by the Tribe’s action or inaction.

Evaluations shall not be burdensome and shall be conducted on a cost effective basis.

- (a) For purposes of this section, a Trust Evaluation will entail a determination that trust functions assumed by the Skokomish Indian Tribe are carried out in compliance with all applicable federal laws and regulations, unless a regulation waiver has been approved in accordance with section 403 (i) (2) (A) as may be verified through:
  - (1) A review of transactions.
  - (2) On-site inspections of those trust resources.

- (3) A review of tribal management practices.
  - (4) Any other criteria, processes or appropriate practices as may be negotiated in the annual funding agreement.
- (b) Information and analysis obtained in the performance of such evaluations shall be immediately provided to the Tribe's designated representative.
  - (c) If the United States' Designated Official makes findings which indicate a risk of imminent jeopardy, the United States' Designated Official shall immediately notify the Tribe of the specific concerns.
  - (d) Unless there is imminent jeopardy, the United States shall not take back the responsibility for management of that program, service, activity, or function, or portion thereof. If, however, resources are available, the United States will provide appropriate assistance to the Tribe to enable the protection and conservation of physical trust assets, natural resources and preservation of public health and safety.
  - (e) If there is imminent jeopardy, as defined in this subsection, the United States shall, upon two (2) days advance written notice to the Tribe, immediately take over the responsibility for the management of such endangered physical trust asset, natural resource or public health and safety, and may use a reasonable portion of funds remaining for such program for that purpose, notwithstanding any other provisions of this Compact.

Section 3 – Programs Retained. As specified in the Annual Agreement, the United States hereby retains the programs, services, functions, and activities with respect to the Tribe that are not specially assumed by the Tribe in the Annual Agreement. The Secretary agrees that a Program Outcome Evaluation shall be performed by a Compact Evaluation Team, which shall consist of one representative off the Secretary, and one representative of the Tribe, annually as to each program, activity, function, or service which is retained by the United States pursuant to this section. Evaluations shall not be burdensome and shall be conducted on a cost effective basis. The findings and recommendations of the Evaluation Team shall be reported to the Tribe and Secretary or his/or her authorized representative.

Section 4 – Financial and Other Information. The Tribe shall be eligible for new programs, activities, services and functions on the same basis as other tribes and the Secretary shall advise the Tribe of the funding available for such programs. To assist the Tribe in monitoring compliance with Title II of Pub.L.103, the United States shall provide:

- (a) monthly copies of Bureau of Indian Affairs. Status of Obligations reports of the Central Office concerning Portland Area obligations;
- (b) monthly Status of Obligations reports of the Area Office concerning programs, activities, functions, and services performed in the Portland Area which are comparable to those performed by the Tribe under this Compact; and

(c) revisions in such program plans, guidelines or budgets as they are made.

Responses providing other information which may be requested by the Tribe shall be made within ten working days.

## Article V Other Provisions

Section 1 – Designated Officials. On or before the effective date of this Compact, both the United States and the Tribe shall provide each other with a written designation of a senior official as its representative/liaison official for notices, proposed amendments to the Compact and other purposes of this Compact.

Section 2 – Indian Preference in Employment in Employment. Contracting and Subcontracting. Tribal Law shall govern the provision of Indian preference in Employment, Contracting, and Subcontracting pursuant to this Compact. Section 104 of Pub. L. 93-638, as amended, shall apply to individuals who leave federal employment for tribal employment.

Section 3 - Insurance. The Tribe shall be fully covered by such liability insurance or equivalent coverage that the Secretary or his/or her authorized representative provides or obtains pursuant to Section 102 (c) of Pub.L. 93-638, as amended. Additionally, the Tribe will be fully covered by all liability coverage under the Federal Tort Claims Act that is made available to the Secretary or his/or her authorized representative or to P.L. 93-638 contractors and their employees under federal law, as the same may be amended from time to time, and shall be responsible in the same manner as P.L. 93-638 contractors.

Section 4 - Compact Modifications or Amendments. To be effective any modification of this Compact shall be in the form of a written amendment to the Compact, and shall require the written consent of the Tribe and the United States.

Section 5 – Construction. In the implementation of this Compact, the Secretary, to the extent feasible, shall interpret Federal laws and regulations in a manner that facilitates this Compact in accordance with Section 403(i) of Pub. L. 103-413.

Section 6 – Officials Not To Benefit. No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of any contract executed pursuant to this Compact, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to any contract under this Compact if made with a corporation for its general benefit.

Section 7 – Covenant Against contingent Fees. The parties warrant that no person or selling agency has been employed or retained to solicit or secure any contract executed pursuant to this Compact upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul any contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise

recover, the full amount of such commission, percentage, brokerage, or contingent fee.

Section 8 – Penalties. The parties agree that the criminal penalties set forth in 25 U.S.C. 450d apply to all activities conducted pursuant to this Compact.

Section 9- Wage and Labor Standard. The parties agree that the wage and labor provisions set forth in 25 U.S.C. 450e apply to all laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting or redecorating of buildings or other facilities in connection with this Compact.

Section 10 - Non-BIA Programs. Subject to the provisions of the regulations to be promulgated pursuant to Section 407 of Title II of Pub.L.103-413, the administration of programs, services, functions, or activities under Section 403 (b) (2), (b) (3) , and (c) of Title II of Pub. L. 103-413, shall be controlled by the terms of the applicable annual funding agreements.

Article VI Attachments

Section 1 – Approval of Compact. The resolution of the Skokomish Indian Tribe approving this Compact is attached hereto as Attachment 1.

Section 2 – Annual Agreement. The negotiated and duly approved Annual Agreement with respect to the Skokomish Indian Tribe identifying those programs, services, functions, and activities, to be performed, the General Budget Category assigned, and the funds to be provided, is hereby incorporated in its entirety in this Compact and attached hereto as Attachment 2. This Compact shall be in effect only during the term of any such Annual Agreement

DATED THIS 7<sup>th</sup> DAY OF June, 1995.

SKOKOMISH INDIAN TRIBE

BY Patrick LaClair Chairman

UNITED STATES OF AMERICA DEPARTMENT OF THE INTERIOR

BY Ada E. Deer Assistant Secretary

JUL 20 1995

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