

TECHNICAL DOCUMENTS

**Agreement
between
the Puyallup Tribe of Indians,
local Governments in Pierce County,
the State of Washington,
the United States of America,
and certain private property owners.**

August 27, 1988

AGREEMENT
August 27, 1988

List of Documents

<u>Document</u>		<u>Number of Pages</u>
1	Lands Conveyed to Tribe	29
2	Payments to Members of Puyallup Tribe	2
3	Permanent Trust Fund for Tribal Members	3
4	Fisheries	46
5	Job Training & Placement Program; Social & Health Service Improvements	11
6	Blair Navigation Project	5
7	Future Governmental Authority, Responsibilities, and Cooperation	8

DOCUMENT 1:
LANDS CONVEYED TO THE TRIBE

INTRODUCTION

This document accompanies and is an integral part of the Agreement. This document describes technical matters regarding the properties to be conveyed to or acquired by the Tribe after the effective date of the Agreement.

A. PROPERTIES TO BE CONVEYED TO OR ACQUIRED BY TRIBE

<u>Lands</u>	<u>Accepted Parcel Sizes (Acreage)</u>
Blair Waterway Property	43.4
Blair Backup Property	85.2
Inner Hylebos Property	72.9
Upper Hylebos Property	5.9
Union Pacific Property (Fife)	57.0 (1)(2)
Torre Property (Fife)	27.4 (3)
Taylor Way/East-West Road Properties Forest, Recreation & Cultural Areas	7.4 600.0 (4)
 TOTAL ACREAGE	 899.2

- (1) Subject to road easement of approximately 4 acres.
- (2) At the Tribe's option, an additional 22 acres can be purchased as discussed in Section G below.
- (3) At the Port's option, the entire 27.4 acres will be conveyed to the Tribe, or 24.4 acres will be conveyed along with a cash payment of \$215,622 (the Port retaining 3 acres for a non-industrial buffer along the east boundary), or none of this property will be conveyed, but will be replaced by a cash payment of \$1,967,000.
- (4) Estimated acreage which the Tribe can purchase with funds provided by the Agreement.

B. IMPROVEMENTS TO CERTAIN PROPERTIES

The local government parties, except as provided in Section G of Document 1, undertake to improve certain properties transferred to

the Tribe as set forth below, and will account to the Tribe for all expenditures and will assure the final completion of the improvements.

The following is a summary of improvements to be made by local governments and private businesses on certain properties to be conveyed to the Tribe:

<u>Property</u>	<u>Estimated Cost of Improvement</u>
Blair Waterway:	
Relocation of power lines	\$490,000
Relocation of Belt Line rail tracks	150,000
Relocation of water lines/ protection of water lines	50,000
Utility corridor & drainage	500,000
General improvements (including cleanup actions set forth in C.9.b.(1) below)	<u>400,000</u>
	\$1,590,000
Blair Backup:	
Relocation of power line into new easement	\$350,000
Protection of water lines	<u>15,000</u>
	365,000
Union Pacific (Fife)	
Grade separation (Total cost \$2 million)	\$800,000
TOTAL IMPROVEMENTS	\$2,755,000
TOTAL LANDS WITH IMPROVEMENTS	\$37,460,000

C. CONVEYANCE STANDARDS

1. Land size differences: It is agreed that the land acreages enumerated above are those accepted by the parties for the purposes of this Agreement. It is recognized that the actual acreages could vary as a result of the independent

licensed survey of each parcel to be conducted at a later date.

As to any variation, plus or minus, from the above Agreement acreages of more than five percent, the overage or shortage will be remedied by cash payment. This acreage variance will be applied to the entire package of property conveyed to the Tribe, i.e. the sum of all surveyed properties conveyed, except for the Blair Waterfront and Blair Backup, which are calculated separately. If the net variance brings the actual total acreage to five percent or more below the total enumerated acreages (as adjusted for Torre property ultimately conveyed) the Tribe will be compensated by cash payment for the acreage between the surveyed amount and 95 percent of that enumerated, at the rate of \$82,000 per acre or fraction thereof. If the net variance brings the actual total acreage to five percent or more above the total enumerated acreage (as adjusted for Torre property ultimately conveyed) the non-Indians will be compensated by cash payment for the acreage greater than 105 percent of that enumerated, at the rate of \$82,000 per acre or fraction thereof. The Blair Waterfront property acreage value shall have a rate adjustment of \$261,000 per acre, and Blair Backup \$110,000 per acre.

2. Conveyance of all parcels on the effective date of the Agreement includes all property, except personal property and trade fixtures.

3. The non-Indian parties to this Agreement shall maintain all properties with reasonable care and in a state of reasonable maintenance through the effective date of the Agreement.

4. All outstanding taxes, utility bills, local improvement assessments (in totality, not just assessments due to date) and other assessments must be paid in full by the owner, prior to transfer to the Tribe. This does not apply to assessments for installations, improvements or maintenance that take place after the effective date of the Agreement.

5. The City of Tacoma and its Tacoma Municipal Belt Line (TMBL) will provide normal services for the Tribe in a manner consistent with the provision of such services to all other customers of the TMBL.

The TMBL has been established as an independent tariff-operated railroad and its rates are governed by the ICC in compliance with the authority of the Tacoma Public Utility Board and the Tacoma City Council. Consistent with sound

business practices and based on cost of service principles, the City will contemplate, where feasible, adoption of rates reflecting volume discounts for the movement of cars based on a yearly period.

The Tribe shall receive the lowest rate available to other customers for comparable service by the TMBL.

6. On properties that are subject to continuing leases, the rent paid to the current lessor must be prorated between that lessor and the Tribe as of the effective date of the Agreement. The leases shall be assigned to the Tribe and the Tribe will perform all obligations as the lessor under the leases. New or modifiable leases shall require lessees to maintain in effect an adequate policy of liability insurance which includes the Tribe as a named insured and holds the Tribe harmless against any claims arising out of the acts or omissions of the lessee. The non-Indian parties responsible for conveying the land shall supply the United States with a warranty deed conveying the land in trust to the United States for the use and benefit of the Puyallup Indian Tribe, and warranting that once conveyed there are no liens or encumbrances except those listed in this Document.

7. Prior to the effective date of the Agreement, the non-Indian parties shall also supply the Tribe with a survey of each tract by an independent licensed surveyor satisfactory to the parties, showing that the area does not materially differ from the acreages and locations shown in this Document. The cost of the survey shall be initially borne by the non-Indian parties, but if the Agreement becomes final, the Tribe shall reimburse the non-Indian parties the cost of the surveys. If required by the United States, each of the lands conveyed to the United States in trust for the Tribe will be accompanied by a final title insurance policy which will be paid for by the non-Indian parties to this Agreement.

8. Filling of Graving Dock, Blair Waterway Property.

The Port intends to utilize the graving dock for permanent placement of dredge material to be excavated from various Port projects which are expected to be completed or underway in the near future. During the period prior to final conveyance of this land to the Tribe, the Port shall be authorized to make such placement of materials, at the Port's option, in accordance with determinations by appropriate Federal, State and local permitting agencies allowing such placement as part of those projects. If the graving dock is fully filled during these placements, appropriate capping will be provided

such that final soil surface is usable for normal container terminal development. The placement of such materials may continue at the Tribe's option after conveyance of the property. Any monitoring requirements specified by the permits will be accomplished by the Port.

9. Contamination Status and Testing Results for Blair Waterway Property.

a. Contamination testing has been undertaken on the Blair Waterway property by the Port. The report is by Applied Geotechnology, Inc., entitled Site Assessment Parcel No. 4, Port of Tacoma, Tacoma, Washington, dated January 15, 1986. At this time, the Port considers the property to be free of any contamination which would render it unsuitable for uses intended by the Tribe, with the following exceptions:

(1) Contamination found to be present within the existing storm drainage water which passes through the property via pipe and ponds from the east into the Blair Waterway, as well as in the sediment in the Waterway below the outfall. Contamination in the pond sediments on the property has not been found to be unacceptably high. (The parties recognize, and include under the provisions of this document, the possibility that contaminated material may continue to pass through the system and be deposited in the Waterway.)

(2) ASARCO slag material used as a surfacing over the bottom and the interior toe of the graving dock structure.

(3) Reichold Chemicals, Inc. on the east side of Alexander Avenue is currently undertaking a site closure under EPA procedures. EPA has determined Reichold has groundwater contamination, some of which is migrating toward the Blair Waterway property. It is understood by the Port that Reichold has full responsibility for investigation and cleanup under the direction of the EPA and will be required to perform post-closure monitoring. Groundwater remediation requires installation of extraction wells on Blair Property, installed and maintained by Reichold, and relocated if they interfere with property development plans.

b. The Port of Tacoma will carry out the following cleanup measures:

(1) The Port will, on a one-time basis as part of its Blair Waterway Navigation Project dredging, remove any contaminated sediments which have been deposited on the floor of the Blair Waterway. The determination as to the level which constitutes contamination requiring removal shall be made by appropriate Federal agencies in the permitting process for the dredging activity. Such cleanup effort is not limited by the estimated cost set forth in Section B above.

(2) If during the approval process for filling of the graving dock, appropriate Federal, State and local permitting agencies require removal of the ASARCO slag material, the Port will remove the material from the graving dock structure and the property before filling proceeds.

10. The federal and State legislation required for this Agreement, or other assurance satisfactory to the Tribe, will provide that the Tribe shall not be liable for cleanup costs or in any other manner for contamination on properties conveyed to the Tribe by this Agreement, except any contamination caused by the Tribe's activities after conveyance of these properties.

11. Contamination Audits and Cleanup Actions.

Contamination audits will be completed by the Port on its properties and as required, cleanup programs will be implemented. Implementation may be prior to the conveyance of such lands to the Tribe. The purpose of the environmental audits is to establish that each parcel of land to be transferred is reasonably usable for commercial/industrial development by the Tribe or will be reasonably usable for commercial/industrial development upon completion of necessary cleanup actions.

a. Conveyance Responsibilities of the Port. If any of these properties are found not to be usable for their commercial or industrial purposes due to their noncompliance with state or federal contamination laws, then the Port will perform such cleanup actions and measures (such as stabilization, capping or other in situ protection, surface cleanup, or water treatment, if necessary) in order to assure that such properties shall be made to

comply with applicable law and can be used for commercial or industrial purposes.

b. Audit Procedures. The Port shall select a consultant within 90 days of the date of ratification of this Agreement. The Port will confer with the Tribe in making this selection, with the purpose of ensuring the work product being of acceptable quality to the Tribe, Port and agencies. Thereafter, the consultant shall develop a plan acceptable to the Port and Tribe for conducting contamination audits on the lands to be conveyed in accord with generally accepted auditing procedures, and shall complete such audits and provide written reports of findings to the Port and Tribe within 12 months of the date of ratification of this Agreement.

c. Cleanup Planning. The Tribe will actively cooperate with the Port in its development of least-cost alternatives for meeting cleanup requirements, if any. The alternative selected in accordance with applicable federal or state law will ensure that the property is provided to the Tribe in at least its present level of improvement and will ensure that the property will be and remain to be reasonably usable for further commercial/industrial development and use by the Tribe.

The Port and Tribe shall review the final audit reports in order to determine whether the properties are in compliance with applicable state and federal contamination law as it relates to reasonable use of the properties for commercial/industrial development. If one or more of the properties requires cleanup action, a plan for such required cleanup shall be promptly developed and delivered to the Port and Tribe within 18 months from the date of ratification of this Agreement.

This plan shall be subject to review by the Port and Tribe, and may be further reviewed by the DOE and/or EPA to ensure that the cleanup plan will be consistent with applicable law and considered adequate to address any contamination associated with the site.

d. Dispute Mechanism. Disputes involving the selection of an auditor, acceptability of the scope of audit and findings of the audit and cleanup plan concerning reasonable usability for commercial/industrial development, and least-cost alternative selected for the cleanup plan shall be resolved either by arbitration or referral to the EPA or DOE. Resolution of disputes

relating to compliance with appropriate federal or state contamination law must be referred to EPA or DOE. Otherwise issues may be resolved by referral to EPA or DOE or arbitration. If arbitration is undertaken, the selection of an arbitrator(s) will be as outlined in the fisheries dispute mechanism. Any dispute with regard to a specific site shall not otherwise affect the program with regard to any other site. Delays resulting from a dispute resolution will result in a corresponding extension of the required progress of the program. Neither party shall utilize this dispute procedure in bad faith so as to interpose delay.

e. Cleanup Procedures & Schedule. If the cleanup plan has been completed by the effective date of this Agreement, the Port within 60 days following the effective date shall proceed diligently to implement the cleanup actions to meet the completion objectives noted below. Within the bounds of applicable state contracting statutes, the Port will confer with the Tribe in making the cleanup consultant/contractor selection with the purpose of ensuring the work product being of acceptable quality to the Port, Tribe and agencies.

All cleanup actions shall be completed no later than three years after the effective date of this Agreement. If a cleanup plan is finalized before the effective date of this Agreement, the Port shall complete all required actions within 18 months from the effective date of this Agreement.

f. Remedies for Unusable Parcels of Land. If any required cleanup action is incomplete or continues beyond the third year after the effective date of the Agreement, the Port shall compensate the Tribe for the economic loss suffered by the Tribe during the fourth and the fifth years by payments of liquidated damages in the annual amount of 10% of the settlement-stated value of the affected parcel or portion of the parcel which remains unusable to the Tribe. If following the two-year period of liquidated damages the cleanup remains incomplete:

(1) Offer Alternative Lands. The Port will identify alternative lands of equal settlement-stated value, suitable for similar uses, for possible transfer to the Tribe in lieu of those lands for which the required cleanup has not been completed within the required five-year period.

Any alternative lands proposed for transfer to the Tribe shall be presented to the Tribe for consideration as soon as practicable but no later than five years after the effective date of this Agreement. The Port shall concurrently provide the Tribe with a copy of the contamination audit for such alternative lands and result thereof. Such alternative lands must be acceptable to the Tribe and upon the Tribe's acceptance shall be immediately available for industrial/commercial use consistent with the terms of this Agreement.

(2) Tribal Acceptance of Cleanup Responsibility.

At the Tribe's option, while fully retaining its rights to seek damages from the Port for economic loss and/or cleanup costs under the warranty clause below, the Tribe may elect to accept the remaining cleanup responsibilities. If this option is elected by the Tribe, the Tribe shall upon acceptance hold the Port harmless from, and indemnify and defend the Port against any federal or state governmental action pursuant to contamination law due to the presence of hazardous materials, dangerous waste, or other pollution on the affected parcels or portions of parcels.

(3) The Tribe may exercise its rights under the warranty clause.

g. Warranty. As concerns contamination on conveyed properties as of the date of conveyance, the Port warrants that the properties transferred to the Tribe pursuant to this Agreement shall be reasonably usable for commercial/industrial development, and shall be subject to action for specific performance and/or damages for breach of warranty within damage limits set forth below. The Port further agrees to hold the Tribe harmless from, and to indemnify and defend the Tribe against any claim or liability which may be asserted by any private or public party due to the presence of hazardous materials, dangerous waste, or other pollution on one or more of the properties transferred to the Tribe. It is agreed that there shall be a ceiling on the Port's liability to the Tribe for economic loss and cleanup. This liability shall not exceed the settlement value of the affected property or portion thereof, directly or indirectly impaired. Solely for the purpose of these damage limitations, the following property values shall apply:

Blair Waterway	\$6.00 per s.f.
Blair Backup	2.53 per s.f.
Inner Hylebos	2.30 per s.f.
Hylebos Marina	3.31 per s.f.
Upper Hylebos	3.63 per s.f.
Torre Property	1.65 per s.f.
Taylor Way Triangle	2.88 per s.f.

12. Restrictions will be placed in the instruments transferring the lands into trust as follows:

a. The Blair Waterway, Blair Backup, Upper Hylebos, and Taylor Way/East-West Road Properties will be used only for commercial and industrial purposes, with an emphasis on maritime-related activities. Such uses will be consistent with uses already established in the area.

b. The Inner Hylebos property will be used only for fisheries, commercial or industrial purposes.

c. The Torre property (Fife) (if conveyed to the Tribe instead of cash) will be used only for commercial, light industrial, retail, residential or agricultural purposes. Such uses will be consistent with uses already established in the area.

d. The Union Pacific (Fife) property will be used only for commercial, industrial, or agricultural purposes. Such uses will be consistent with uses already established in the area and described in Document 1.

e. The Outer Hylebos property conveyed to the Tribe by the Terminal 3 agreement with the Port shall be used only for fisheries, commercial or industrial purposes.

f. Instruments transferring the properties described in the subparagraphs immediately above will also carry a provision allowing a change in uses if the uses in the surrounding community change over time.

D. ENCUMBRANCES

1. Easements

If title search reveals any easements or defects of title not covered below, all/any such easements or defects will be removed or resolved in a manner satisfactory to the parties prior to the effective date of the Agreement.

a. Easements to Remain as They Presently Exist:

(1) Blair Backup property easements #E9466 (10/24/85) and Permit #546 (7/1/75) shall remain.

(2) Inner Hylebos property has no presently known easements or encumbrances. However, any unknown and currently existing easements or encumbrances shall remain.

(3) Upper Hylebos has an access easement to Streich Brothers, which shall remain.

(4) Union Pacific property (Fife) will retain the following easements:

(a) Utility easements filed under Auditor's Nos. 225036, 2992151 and 8203310230.

(b) Slope, culvert, etc. easements filed under Auditor's Nos. 1417674, 1417677 and 1430154.

(5) Taylor Way portion of the Taylor Way/East-West Road property has an easement along the west boundary for a drainage ditch and a second easement of ten feet for a power line, also along the west boundary; both easements shall remain.

b. Easements to be Modified:

(1) Blair Waterway property has existing physical improvements including a water line, a storm drainage system, sanitary sewer and lift station, which, except for the storm drainage system (see below) shall remain as presently existing but within a new easement approximately 150 feet in width. The water line will require a 20-foot easement [#E279 (9/18/30)] the center line of which begins at a point on a northerly line of Lincoln Avenue at a point approximately 655 feet southwesterly of the center line of Alexander Avenue, thence at right angles to said northerly line of Lincoln Avenue 145 feet, thence in a southwesterly direction parallel to Lincoln Avenue a distance of 175 feet more or less to the Blair Waterway pier headline. The storm drainage system shall be rebuilt as a underground pipe system within the modified easement. A ten-foot power line easement

along Alexander Avenue shall remain. However, the power line shall be modified to permit a minimum height clearance of 40 feet (40-foot vehicles) for two each ingress/egress points to be designated by the Tribe. Parties further agree that normal marine terminal equipment wheel loads, such as those for loaded containers on chassis and straddle carriers across the 150-foot easement, shall free the Tribe from responsibility for overload damage to any underlying utilities. The existing City electrical transmission and distribution lines which cross the Blair Waterway from this property shall be removed and rerouted around this parcel or be placed underground within the modified utility easement. The following easements will be modified to reflect this agreement: #E6557 (4/9/70) and #E1062. All modifications will be completed no later than 12 months following the effective date of the Agreement.

(2) Also existing on the Blair Waterway property is a Tacoma Municipal Belt Line tail track which shall be removed before conveyance of the property.

(3) Blair Backup property north-south power line easements of 150 feet shall be narrowed to 40 feet along Alexander Avenue, and the power line shall be relocated into this modified easement while maintaining a minimum "under line" clearance sufficient to provide for 40-foot high loads to pass under or be stored within the easement as prescribed by Federal safety standards. No permanent structures will be constructed in this area.

A 35-foot power line easement along Taylor Way shall remain. However, it will be reduced to ten feet unless the City finds serious problems which would prevent the reduction and the Tribe would consider those. The power line will be modified underground or overhead to provide two each ingress/egress points with minimum wire height of 40 feet.

The following easements will be modified to reflect this agreement: #E2060 (1/15/45), #E6544 (7/21/61), #E6557 (4/9/70), #E4483 (9/29/31) #E5146 (9/26/61), #E6539 (4/1/43), #E6539A (3/12/62), #E4278 (7/19/32).

An additional power line easement across the existing 150-foot power line easement, #J216 (10/20/43) 15 feet in width and approximately 930 feet from Lincoln Avenue, will remain. However, it will be modified underground or overhead to ensure minimum "under line" clearance sufficient to provide for 40-foot high loads to pass under or be stored within the easement as prescribed by Federal safety standards.

c. New Easements:

(1) If required by the City, the Blair Waterway property shall have an easement along and across the waterway for purposes of constructing and maintaining an underwater power line through the berthing area and from the modified utility easement. The line will be submerged to a depth sufficient not to interfere with navigation and berthing (-45 feet MLLW).

(2) Two 60-foot wide crossing permits or easements for the crossing of Alexander Avenue by unlicensed equipment connecting the Blair Waterway property and the Blair Backup property will be provided by the City at locations to be selected. Reasonable signalization or other traffic restrictions will be implemented by the City on the portion of Alexander Avenue fronting both the Blair waterfront parcel and the Blair Backup parcel, in order to avoid delays of the loading or unloading of ships at the Tribe's property on the Blair Waterway.

If a vacation of the street occurs on that portion of Alexander Avenue between the Blair Waterway and Blair Backup properties south of Lincoln Avenue to the southern boundary of the Blair Waterway Property pursuant to existing law, the City of Tacoma agrees that the abandoned roadway will be conveyed to the Tribe, subject to any easements necessary for the provision of utilities to the area, an agreement on reasonable access to the property in order to service such utilities, and an agreement by the Tribe to conduct its operations on the property in a manner which does not damage such utilities.

The property which would revert to the Tribe is approximately 3.8 acres. If it were transferred

today it would have a value of approximately \$672,000.

The cost of signalization is estimated to be \$60,000-\$100,000.

(3) If the Tribe should decide to construct a conveyor system across Alexander Avenue, the City will agree to such a system if it is environmentally sound and the public is protected from hazardous situations through the use of generally applicable engineering standards for such construction.

(4) A 25' storm drainage easement on either side of the Upper Hylebos property will be required by the City of Tacoma for future drainage improvement.

(5) The East-West Road portion of the Taylor Way/East-West Road properties shall have two each ingress/egress easements created along East-West Road and across Tacoma Municipal Belt Line.

d. Easements to be Extinguished:

(1) Blair Waterway property is bisected by a power line and tower facility. The power line shall be removed from the site and its easement shall be extinguished. This item is also recorded in 3. above as a modification which will allow this line to be wholly or partially relocated underground within the modified utility easement. An easement for Belt Line Railroad access to a small parcel within the site to be conveyed in fee, shall be extinguished.

(2) The Taylor Way portion of the Taylor Way/East-West Road properties currently has a power line easement across it that shall be extinguished, along with actual removal of the power line.

(3) The following easements will be extinguished to reflect this agreement: #E5611 (7/22/64), #E4449 (3/10/50), #E2031 (7/17/44), #E2175 (8/4/47).

2. Leases to Remain or be Provided

a. Short Term Leases (Five Years or Less):

(1) The Blair Waterway property contains a temporary storage area for Blair dredge materials. The Port may require that this area and reasonable access routes from the storage area to the Waterway and/or to Alexander Avenue be leased from the Tribe for a period of up to 12-18 months following the conveyance of that property. The Tribe shall make this land available and provide this lease, if required by the Port, at a rental rate of \$0.0488 per month per square foot, with a 90-day cancellation clause at the option of the Port. If properly permitted in accordance with Subsection C.8. of this document, this material may, at the Port's option, be placed into the graving dock as a means to vacate that area.

(2) Blair Backup property has a month-to-month rental agreement with Reichold Chemical for 13,500 square feet for ingress and egress for \$173 per month, with a 60-day notice of cancellation; a month-to-month rental agreement with Puget Sound Air Pollution Control Agency for \$75 per month for monitoring air pollution; a month-to-month lease to Plum Creek Timber Co. for up to 15.5 acres at \$200 per acre per month for 5 years and a 5-year option as a log storage overflow yard. The Plum Creek lease shall be terminated if necessary to provide sufficient time to complete required cleanup.

(3) The Inner Hylebos property has a month-to-month lease from May 27, 1983 with Foss Maritime for 12 acres of water and 1.8 acres of land for \$250 per month, plus an additional \$1 per bundle for each log bundle handled, charged monthly, and a month-to-month agreement with Oneway Associates, Inc. for \$500 a month. This lease shall be terminated upon the effective date of this Agreement, and conveyance of the property.

(4) The Union Pacific industrial site (Fife) has one residential lease that runs until November 30, 1992, and two residential and three agricultural leases that are cancellable on no more than one year's notice.

(5) The Torre (Fife) property has a month-to-month agreement with Y and Y Farms for crop growing for \$262 per month. If this agreement is terminated when unharvested crops are growing, tenant has the opportunity to harvest, or there will be an adjustment for any damages from loss of crops.

b. Long Term Leases (More Than Five Years):

(1) Blair Backup property has a lease with the Puyallup Indian Tribe effective August 4, 1987 to August 3, 2002 at \$1 per year for 19 acres, with non-exclusive use of rail spur from Taylor Way.

(2) Inner Hylebos property has a lease with Ole & Dick's Boathouses for 7.8312 acres at a base rate of \$5000 per month until June 30, 2009, plus adjustments based on percentages of reported revenues; as adjusted annually by the Consumer Price Index.

E. FOREIGN TRADE ZONE

The current Foreign Trade Zone (FTZ) status of the Blair Backup Property will be retained with property transfer to the Tribe as a part of the Tacoma Foreign Trade Zone, FTZ #86. The Port of Tacoma is the current operator of FTZ #86 under management contract from the Puget Sound Foreign Trade Zone Association (PSFTZA), grantee of FTZ #86. The Port will cause the PSFTZA to enter into a grantor/operator agreement with the Puyallup Tribe, in lieu of the Port, as the FTZ operator of that portion of the Blair Backup Property in FTZ status (approximately 79 of the 85 acres). The same procedure will also apply to the Blair Waterway Property, a property listed in an application for expansion of FTZ #86 now before the Foreign Trade Zone Board.

The Tribe will have the option of remaining a PSFTZA- FTZ #86 grantee contract manager of the property, or, if the Tribe so chooses, separately apply as a separate FTZ grantee. Should the Tribe pursue separate FTZ grantee status, the Port of Tacoma will support the Tribe's application on both the Blair Waterway Property and Blair Backup Property.

F. PORT/TRIBAL ARRANGEMENTS FOR FUTURE FEES, CHARGES AND SERVICES

The Tribal commercial shipping terminal facilities will be subject to Federal maritime laws. The Port and the Tribe agree to work within such federal laws in the following manner:

1. The Port shall not charge fees for service to the Tribe or its tenants or customers on trust lands, or to commercial vessel traffic in transit to trust lands where the Tribe provides such services, or where the Port does not provide the service to the Tribe's facility or its customers and incurs no costs. The Tribe and the Port may agree to contract for such services subject to the limitations of state and federal law as described below.

2. Where permitted under federal law, the Port and the Tribe shall reach an agreement which shall permit the Tribe to collect and remit to the federal government the same fees or costs as would be collected and remitted by the Port.

3. The Tribe agrees that where federal law does not permit the Tribe to collect such fees or costs but requires the Port to collect fees or costs and remit such fees or costs to the federal government (such as fees for dredging), then such collection will be considered as implementing federal maritime law provisions of this Agreement.

G. UNION PACIFIC PROPERTY (FIFE)

The Tribe will receive 57 acres of land in the City of Fife, Washington, described below as Parcels I and II, less what is needed for a public roadway easement through the parcel. The 57-acre parcel is located south of the Union Pacific Railroad Company tracks between Frank Albert Road and 54th Avenue East, as shown on the attached map. The roadway easement, which is estimated to cover 4 acres, is 65 feet wide. It will be located as shown on the map, unless Union Pacific, the City of Fife and the Tribe agree to a different location prior to the effective date of the Agreement.

The Tribe will have a 6-month option, beginning on the effective date of this Agreement, to buy an additional 22 acres of land adjoining the 57-acre parcel, as shown on the attached map. The option parcel is described below as Parcel III. The option price will be the property's fair market value, based on its highest and best use, as of the date and as determined by an M.A.I. appraiser who is mutually satisfactory to the Tribe and Union Pacific. To exercise the option, the Tribe must give Union Pacific written notice within the 6-month period that it wants the property appraised. Within the following 30 days, Union Pacific and the Tribe must agree on a mutually satisfactory appraiser or, if they cannot agree, each choose its own appraiser, and they will jointly select a third appraiser to set the valuation. The appraiser will have 30 days to determine the property's fair market value. Within 10 days after receiving the appraiser's report or prior to

expiration of the 6-month period, whichever occurs last, the Tribe may choose either to purchase the property or release its option. If it elects to buy the property, closing will take place within 120 days thereafter. The cost of the appraisal will be borne by Union Pacific.

Union Pacific and the City of Fife will pay up to \$2 million for the construction of a grade separation structure at Frank Albert Road. (A two-lane underpass is currently estimated to cost \$1.9 million.) Construction will begin within 18 months after the effective date of the Agreement. If it appears construction costs will exceed \$2 million, Union Pacific and the City of Fife will make a good faith effort to modify the specifications for the grade separation structure to reduce costs or to seek funding from other sources, including the Tribe, before abandoning the project.

The easement for a public road through the 57-acre parcel will be dedicated to the City of Fife. The easement will provide that the road is to be constructed to City of Fife standards. Actual construction, maintenance and repair of the road will be by the Tribe at its expense or by others, with expense allocations subject to future negotiation and agreement. The Tribe will be responsible for any rail, utility or other development costs relative to the 57-acre parcel.

Title to the 57-acre parcel and, if the option is exercised, to the 22-acre parcel, will be conveyed subject to the following covenants, exceptions and encumbrances:

1. Covenants running with the land that the property is accepted subject to adjacent railroad uses, including without limitation, odors, noise and other impacts of 24-hour per day railroad operations; and that the property will only be used for agricultural, industrial and commercial uses that are compatible with, do not adversely affect and are not adversely affected by, adjacent railroad operations. Union Pacific's written consent will be required for uses not conforming to this provision. The Tribe or its successors is obligated to pay for any necessary buffers to limit adverse effects of railroad operations on its property, to eliminate incompatible uses of its property or otherwise to cure any breach of these covenants;

2. Covenants running with the land that smoke, dust and other emissions into the air from the property shall not exceed standards for air quality set by the Puget Sound Air Pollution Control Agency Board or its successor State or regional agency; and that noise levels from the property, as

measured from any residential area not on the subject property, shall not exceed dBA levels set in Washington Administrative Code, Chapter 173-60, as hereinafter amended, or if ever repealed, the standards in existence prior to repeal.

3. The Tribe's agreement to convey easements along Frank Albert Road, Levee Road or 54th Avenue East to the City of Fife or other public body having jurisdiction over the roads, if needed to widen those roads in the future. It is understood an easement along Frank Albert Road will not be needed unless that road requires more than a 60-foot right-of-way. Conveyances would be made for just compensation;

4. Encumbrances of record, which include a mineral reservation in favor of Milwaukee Land Company; and

5. Unrecorded licenses and leases of the property, all of which will be assigned to the Tribe. The licenses are for guy wires and anchors. One lease runs until November 30, 1992; the remaining leases are subject to termination on short notice. Union Pacific consents to continuation of these leases, including the residential leases, so long as the lessees do not object to noise and other impacts of railroad operations and do not conduct activities on the lease site that adversely affect railroad operations. Rentals will be prorated as of the effective date of the Agreement.

PARCEL I:

A portion of Parcel 13 and a portion of Parcel 9 of that certain record of survey entitled "The Milwaukee Land Company, Record of Survey, Fife Properties," recorded in Book 12 of Surveys at Page 80, under Auditor's Certificate No. 1180, records of Pierce County, and located in the Southeast Quarter of Section 12 and the Northeast Quarter of Section 13, Township 20 North, Range 3 East of the Willamette Meridian, in the City of Fife, Pierce County, Washington, more particularly described as follows:

Commencing at the southeast corner of said Section 12; thence North 89°30'02" West along the south line of said section, a distance of 25.0 feet, to a point on a line that is 25.0 feet westerly at right angles and parallel with the east line of said Section 12, said point also being the True Point of Beginning; thence North 1°49'27" East along the last said parallel line, a distance of 598.96 feet, more or less, to a point on the south line of the 100-foot-wide Union Pacific

Railroad Company operating right-of-way (shown as CMStP&PRRCo/UPRRCo on said record of survey); thence North 85°43'05" West along a straight line, a distance of 2563.73 feet, more or less, to a point 30.0 feet easterly at right angles from the north-south centerline of said Section 12; thence South 2°42'51" West and parallel with said north-south centerline, a distance of 768.50 feet, more or less, to the north line of said Section 13; thence South 89°30'02" East along the north line of said section, a distance of 710.61 feet to the west line of the land conveyed to the Milwaukee Land Company under Auditor's Fee No. 2621632, records of said county; thence along said west line, South 1°07'40" West a distance of 573.88 feet, more or less, to a point 70 feet north of the north line of the Inter-County River Improvement right-of-way; thence South 59°06'49" East and parallel with said north line, a distance of 387.66 feet, to a point on the northerly meander line of the old Puyallup River; thence South 60°57'58" West along said meander line, a distance of 23.11 feet, more or less, to a point 50 feet northerly of said north line of the Inter-County River Improvement right-of-way; thence South 59°06'49" East and parallel with said north line, a distance of 294.73 feet, more or less, to a point on the north-south centerline of said Northeast Quarter of Section 13; thence North 1°12'58" East along said north-south centerline, a distance of 351.32 feet, to a point on said northerly meander line of the old Puyallup River; thence North 61°17'51" East along said meander line, a distance of 204.26 feet; thence North 75°23'52" East along said meander line, a distance of 132.67 feet; thence North 84°21'02" East a distance of 25.20 feet to a point on a line that is parallel with and 330.0 feet easterly at right angles from the west line of Government Lot 1 of said Section 13; thence North 1°12'58" East along said parallel line, a distance of 442.76 feet, more or less, to a point on the south line of said Section 12; thence South 89°30'02" East along said south line, a distance of 959.48 feet, more or less, to the True Point of Beginning.

PARCEL II:

Beginning at the Northwest corner of Lot 2, Section 13, Township 20 North, Range 3 East of the Willamette Meridian, in Pierce County, Washington; thence running east on the north line of said lot, 418 feet; thence south parallel to the west line of said lot, 439.59 feet, to the northeasterly line of lands conveyed to Pierce County for Inter-County River Improvement, by Deed recorded in Book 509 of Deeds at page 387, under Auditor's No. 920308, records of Pierce County, Washington; thence northwesterly on said north-easterly line, to the west line of said lot; thence North 231.21

feet to the point of beginning, EXCEPTING THEREFROM the westerly 30.0 feet thereof.

Said Parcels I and II contain a total area of 57.0 acres, more or less.

PARCEL III:

A portion of Parcel 13 and a portion of Parcel 9 of that certain record of survey entitled "The Milwaukee Land Company, Record of Survey, Five Properties," recorded in Book 12 of Surveys at Page 80, under Auditor's Certificate No. 1180, records of Pierce County, and located in the Southeast Quarter of Section 12 and the Northeast Quarter of Section 13, Township 20 North, Range 3 East of the Willamette Meridian, in the City of Fife, Pierce County, Washington, more particularly described as follows:

Commencing at the southeast corner of said Section 12; thence North $89^{\circ}30'02''$ West along the south line of said section, a distance of 25.0 feet, to a point on a line that is 25.0 feet westerly at right angles and parallel with the east line of said Section 12; thence North $1^{\circ}49'27''$ East along the last said parallel line, a distance of 598.96 feet, more or less, to a point on the south line of the 100-foot-wide Union Pacific Railroad Company operating right-of-way (shown as CMStP&PRRCo/UPRRCo on said record of survey); thence North $85^{\circ}43'05''$ West along a straight line, a distance of 222.74 feet, more or less, to a point that is 73.0 feet distant southwesterly, measured at right angles to the southwesterly line of said 100-foot-wide operating right-of-way and the True Point of Beginning; thence continuing North $85^{\circ}43'05''$ West along said straight line, a distance of 2,340.99 feet, more or less, to a point 30.0 feet easterly at right angles from the north-south centerline of said Section 12; thence North $2^{\circ}42'51''$ East and parallel with said centerline, a distance of 578.14 feet; thence North $3^{\circ}41'24''$ West and parallel with said centerline, a distance of 240.54 feet, more or less, to a point 73.0 feet distant southwesterly at right angles to said southwesterly line of 100-foot-wide operating right-of-way; thence South $66^{\circ}35'10''$ West parallel with said southwesterly line, a distance of 2,497.22 feet, more or less, to the Point of Beginning.

Containing an area of 22.02 acres, more or less.

H. PLANS AND SPECIFICATIONS APPROVALS

In all cases where the Agreement calls for improvements on or benefits to Tribal property, the Tribe shall have the right of approval of the plans and specifications.

The Tribe agrees to limit the period of review to 30 working days and not to unreasonably withhold such approval as long as such improvements are consistent with the Tribe's intended use of these properties.

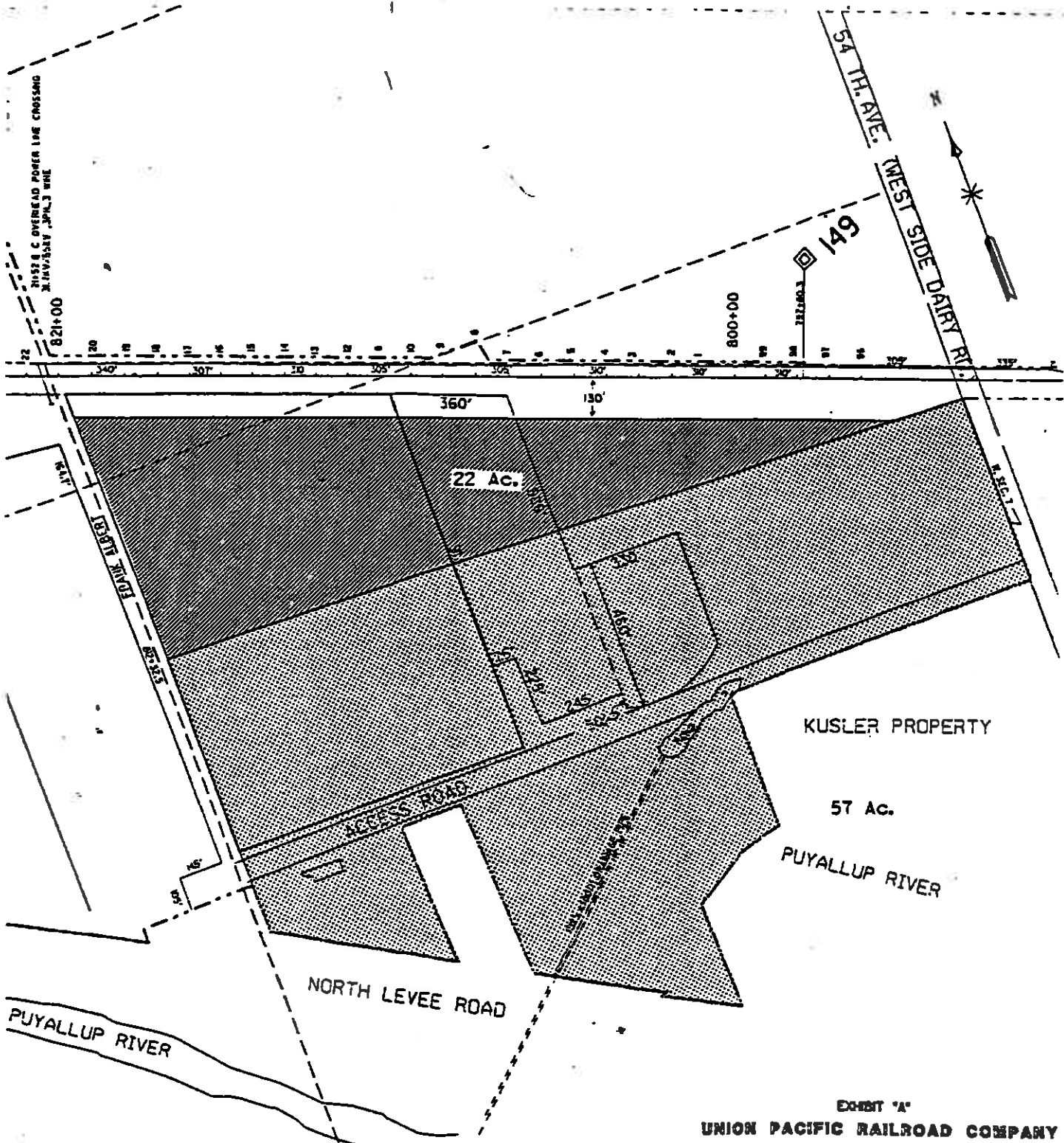



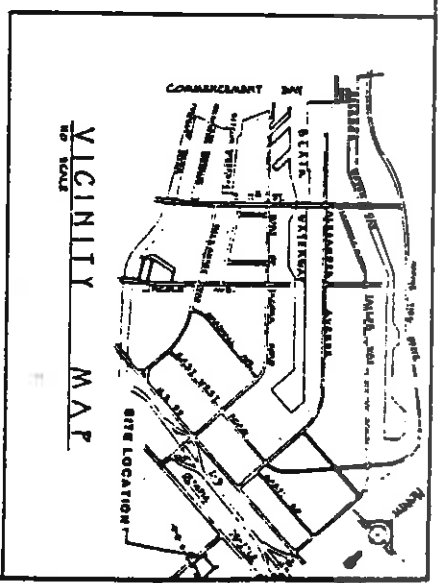
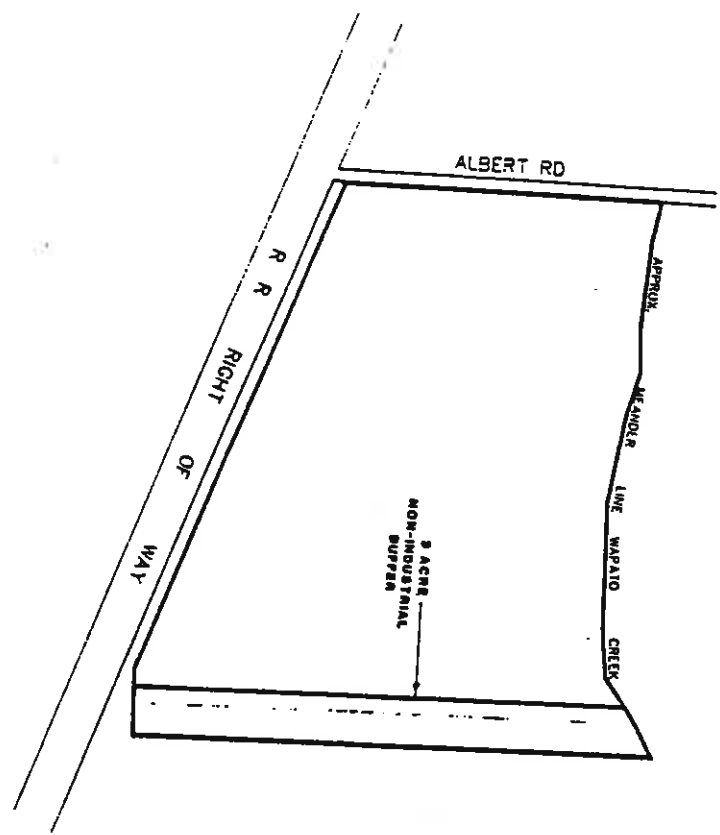


EXHIBIT 'A'
UNION PACIFIC RAILROAD COMPANY
 FIFE, PIERCE COUNTY, WASHINGTON
 PROPERTY TO BE PLACED IN SETTLEMENT

Scale F = 400'
 Office of Director Contracts & Real Estate
 Omaha, Nebraska May 23, 1988

• L E G E N D •
 Settlement property shown 
 Other property shown 
 RR Co. R/W Outlined 

Document 1 - Page 23
 August 27, 1988



TORREY PROPERTY
PORT OF TACOMA PORTION OF INDIAN AGREEMENT

That portion of the Northwest quarter of the northeast quarter of Section 17, Township 20 North, Range 1 East of the Willamette Meridian, 1st 1/4, 2nd 1/4, 3rd 1/4, 4th 1/4, 5th 1/4, 6th 1/4, 7th 1/4, 8th 1/4, 9th 1/4, 10th 1/4, 11th 1/4, 12th 1/4, 13th 1/4, 14th 1/4, 15th 1/4, 16th 1/4, 17th 1/4, 18th 1/4, 19th 1/4, 20th 1/4, 21st 1/4, 22nd 1/4, 23rd 1/4, 24th 1/4, 25th 1/4, 26th 1/4, 27th 1/4, 28th 1/4, 29th 1/4, 30th 1/4, 31st 1/4, 32nd 1/4, 33rd 1/4, 34th 1/4, 35th 1/4, 36th 1/4, 37th 1/4, 38th 1/4, 39th 1/4, 40th 1/4, 41st 1/4, 42nd 1/4, 43rd 1/4, 44th 1/4, 45th 1/4, 46th 1/4, 47th 1/4, 48th 1/4, 49th 1/4, 50th 1/4, 51st 1/4, 52nd 1/4, 53rd 1/4, 54th 1/4, 55th 1/4, 56th 1/4, 57th 1/4, 58th 1/4, 59th 1/4, 60th 1/4, 61st 1/4, 62nd 1/4, 63rd 1/4, 64th 1/4, 65th 1/4, 66th 1/4, 67th 1/4, 68th 1/4, 69th 1/4, 70th 1/4, 71st 1/4, 72nd 1/4, 73rd 1/4, 74th 1/4, 75th 1/4, 76th 1/4, 77th 1/4, 78th 1/4, 79th 1/4, 80th 1/4, 81st 1/4, 82nd 1/4, 83rd 1/4, 84th 1/4, 85th 1/4, 86th 1/4, 87th 1/4, 88th 1/4, 89th 1/4, 90th 1/4, 91st 1/4, 92nd 1/4, 93rd 1/4, 94th 1/4, 95th 1/4, 96th 1/4, 97th 1/4, 98th 1/4, 99th 1/4, 100th 1/4.

Document 1 - Page 28
 August 27, 1988

NO.	REVISION	BY	DATE

PORT OF TACOMA
TORREY PROPERTY: FIFE
PORT OF TACOMA
INDIAN AGREEMENT 1988

DATE: _____
 CHECKED: _____
 DATE: _____
 CHECKED: _____
 DATE: _____

CONTRACT NO. _____
 FIELD BOOK(S) _____
 APPROVED: _____
 DATE: _____

SCALE: 1" = 200'
 DRAWING NO. _____
 SHEET: 5 OF 8

DOCUMENT 2:
PAYMENTS TO MEMBERS OF PUYALLUP TRIBE

INTRODUCTION

This document accompanies and is an integral part of the Agreement. This document describes the manner in which each qualified Tribal member will receive a one-time payment from a fund established under the Agreement.

A. ESTABLISHMENT OF FUND: ELIGIBILITY FOR PAYMENTS

The Tribe will receive \$24 million that will be placed in an annuity fund or other investment program. Each person who is an enrolled member of the Tribe at the time of ratification of this Agreement by an affirmative vote of the Tribe's members will receive a one-time payment from the fund. Each enrolled member who has reached the age of 21 at the time that the Agreement becomes effective will receive the payment as soon as possible after that date. Payments due to each member who is deceased subsequent to the affirmative vote, but prior to the date of distribution, shall be paid to such member's heirs under tribal law. All other members will receive payment upon reaching the age of 21.

B. LEVEL OF PAYMENT TO EACH TRIBAL MEMBER

It is anticipated, based upon the best available information, that each Tribal member qualified to receive a payment from the fund will receive a single payment of approximately \$20,000. The level of payment is the same for each enrolled member who is qualified to receive a payment. This level is based upon an estimated enrolled membership in the Tribe of 1,400 on the date of ratification of the Agreement. Of these 1,400 enrolled members, approximately 67% of the members are at least 21 years of age and will be eligible to receive the payment when this Agreement is implemented as set forth in Section X. The remaining approximately 33% enrolled members will receive the same payment upon reaching the age of 21.

The exact payment that each qualified member will receive may be slightly higher or lower depending on the applicable interest rate, the exact number of enrolled Tribal members and the age distribution of Tribal members on the date the fund is

established. The following examples show ranges of payments that would be made to each member assuming different interest rate levels and the amount left after 21 years:

<u>Interest Rate When Fund Created</u>	<u>Percent of Members at Least Age 21</u>	<u>Range of Payment To Each Tribal Member Age 21</u>
8.0%	67%	\$17,000 - 20,000
8.5%	67%	\$18,500 - 21,000
9.0%	67%	\$20,000 - 22,000

C. MONEY REMAINING IN THE FUND

The fund will be in place for 21 years from the date of ratification of the Agreement. After payments are made to all qualified Tribal members, it is expected that approximately \$2-4 million will be left in the fund. The precise amount may vary depending upon the interest rate, the exact number of Tribal members and the age distribution. The decision of how the remainder will be utilized will be left to a vote of the Tribal members after all payments have been made.

D. SELECTION OF FINANCIAL INSTITUTION

The Board of Trustees referred to in Section III of the Agreement and Document 3 will be responsible for selecting a financial institution or institutions to administer the funds. The financial institution(s) shall be selected by the Board no later than 60 days after the Board is elected. It is the intention of the parties to this Agreement that the payments to each qualified member be made as soon as is practicable and financially prudent, as determined by the Board in consultation with the financial institution.

E. TRIBAL MEMBER ELECTION

Each tribal member at the time of the distribution may elect in \$1,000 increments to leave such monies in the fund. Monies held in the fund on account of such reinvestment shall earn such returns as offered by the Board.

DOCUMENT 3:
PERMANENT TRUST FUND FOR TRIBAL MEMBERS

INTRODUCTION

This document accompanies and is an integral part of the Agreement. This document describes the establishment and administration of a permanent trust fund for tribal members.

A. TRUST FUND

The Tribe and its members shall receive a permanent trust fund totalling \$22 million to be held in trust by the United States for the benefit of the Tribe and its members. The purpose of the fund is to provide the Tribe a permanent resource that enhances the ability of the Tribe to provide services to its members. The full amount provided by this Agreement shall be held in trust permanently. Only the income earned from the trust may be spent. Income earned from the fund shall be used solely for the following purposes:

1. Housing
2. Elderly Needs
3. Burial and Cemetery Maintenance
4. Education and Cultural Preservation
5. Supplemental Health Care
6. Day Care
7. Other Social Services

Examples of Income Available From the Trust Fund

<u>Yield Rates</u>	<u>Income Available to Tribe in a Year</u>	<u>Income Generated Over 20 years*</u>	<u>Funds Remaining in Trust</u>
8.0%	\$1.76 million	\$35.2 million	\$22 million
8.5%	\$1.87 million	\$37.4 million	\$22 million
9.0%	\$1.98 million	\$39.6 million	\$22 million

* The 20 year time period is chosen to demonstrate the amount of income generated over time. The

Trust will be in existence permanently. Thus, the income continues to be generated indefinitely.

B. DISTRIBUTION OF TRUST FUND INCOME AND REVIEW OF TRUST FUND MANAGEMENT

Distribution of the income from the trust fund, and review of trust fund management, shall be directed by a nine-member Board of Trustees composed of the following:

1. Tribal Member Trustees: Three Trustees shall be elected by the Tribal members. Such Trustees shall not be members of the Tribal Council.

2. Tribal Council Trustees: Three Trustees shall be elected by a majority vote of the Tribal Council.

3. Federal Government Designee: The Federal Government, by and through the Bureau of Indian Affairs of the United States Department of Interior, shall appoint a federal employee designee to serve as a Trustee.

4. Financial and/or Social Service Community Trustees: The Tribal and Federal Trustees shall appoint two additional Trustees to be selected from the financial and/or social service community. Such Trustees shall be qualified and competent financial advisors from regionally or nationally recognized financial institutions of sound professional repute, or experts in delivery of social services.

C. TRUST ADMINISTRATION: The Trust Fund shall be administered, directly or by contract, by the Secretary of Interior through the Bureau of Indian Affairs of the United States Department of Interior.

D. DURATION OF TRUST: The Trust Fund shall be in existence for the duration of the existence of the Tribe, as recognized by the United States Government.

E. REVIEW AND REVISION OF TRUST ASSET ALLOCATIONS: Ten years after the date of execution of the Trust, the Tribal members may, by a majority vote of qualified members as defined by the Tribe's Constitution, change the purposes for which the funds are allocated. However, the total Trust principal of \$22 million shall not be reduced.

After the first ten-year review of the Trust Fund allocation, the Tribal members may consider and make periodic revisions or amendments to the purposes for which the trust funds are allocated in

the manner set forth above, at frequencies of no less than five years and no greater than twenty years as set by the Tribal Council.

F. EXEMPTION FROM STATE REPORTING REQUIREMENTS: The Trust shall be exempt from any State reporting requirements generally applicable to charitable or other trusts. The Trust shall be subject to tribal reporting requirements.

DOCUMENT 4:
FISHERIES

A. FISHERIES ENHANCEMENT PROGRAM

Introduction. All parties to this Agreement share a common goal to protect and enhance the fisheries resource including necessary habitat in the Puyallup River and Commencement Bay Basins, while allowing construction and development to occur for the benefit of all citizens, both Indian and non-Indian.

The program elements described below were developed by a cooperative technical team comprised of fisheries experts from the Tribe, Washington Departments of Fisheries and Wildlife, and the University of Washington. Their recommendations were originally submitted to the parties on December 19, 1984 in the "Fisheries Enhancement and Management Program for the Puyallup River Drainage and Estuary."

The intent of this cooperative fisheries program between the Puyallup Tribe, the Washington State Departments of Fisheries and Wildlife, the Port of Tacoma, and local governments is to increase the current level of salmon and steelhead production released directly into the Puyallup River and Commencement Bay Basins and to enhance the fisheries resource by protecting, improving and restoring habitat.

\$7,935,000 will be transferred to the Tribe by the State of Washington for the following agreed upon types of fisheries enhancement programs: (a) new facility site acquisition; (b) hatchery construction and/or improvements to existing facilities; (c) construction and siting of net pen complex; (d) spawning channel construction; (e) improvements to existing intertidal areas; (f) creation of additional wetlands; (g) purchase of enhancement support equipment; (h) research; (i) resource facilities; (j) land acquisition for habitat protection; and (k) Inner Hylebos improvements. In addition, the State will expend \$800,000 for improvements to Wildlife's Clark Creek Hatchery to increase steelhead smolt production; the State will expend and account to the Tribe for the use of those funds, within six years of the effective date of the Agreement.

The Port of Tacoma will provide \$1,300,000 to the Tribe for fisheries enhancement; \$750,000 of that amount will be provided at the time that the Milwaukee fill project is undertaken. These funds are in addition to the \$675,000 transferred from the Port of

Tacoma to the Tribe under the Terminal 3 Agreement; those funds shall be counted as part of the local government contribution to the settlement.

Implementation of the fisheries enhancement activities and programs is subject to applicable permitting requirements of Federal, State and local agencies.

In addition, the Federal government will spend \$100,000 to provide navigational lights and other equipment, to reduce conflicts between Tribal fishing and commercial shipping traffic in Commencement Bay.

Details of those enhancement programs and activities with pre-planned elements are as follows:

1. Puyallup Tribal Hatchery

The State will provide funding to the Tribe to develop and operate a hatchery. Funding will be provided for the purposes of completing a ground water survey on the selected site, subsequent ground water development (if the ground water survey indicates sufficient ground water availability), facility design, and equipment. The total value of the hatchery is approximately \$2.0 million. (Estimated value is given because of the uncertainty of quantities of ground water available.)

2. Department of Wildlife Clark Creek Hatchery

The State of Washington Department of Wildlife will provide improvements valued at \$800,000 to the Clark Creek hatchery for the increased production of steelhead smolts. These improvements are expected to increase the number of smolts released by the state into the Puyallup Watershed from the current level of 100,000, to 200,000 annually. These improvements are contingent upon acquiring water from the City of Puyallup for such purpose. The City will not unreasonably withhold water for the Clark Creek Hatchery.

3. Net Pen Program

a. The State Department of Fisheries will work with the Tribe to locate a net pen rearing site(s). Fisheries will provide technical assistance to the Tribe, upon the Tribe's request, in the development of the Tribe's program.

b. It is agreed by all parties that the initial net pen rearing program will yield approximately 200,000 yearling Coho. If this level of program proves successful, it can be further expanded with the primary limits on the program size being the capacity of freshwater support facilities located within the Puyallup River Drainage.

c. The Tribe and State Departments of Fisheries and Wildlife will jointly identify those potential sites which are biologically and environmentally suitable for net pens. The parties with permitting authority will use their best efforts to facilitate the permitting of pen sites necessary to the implementation of the fisheries enhancement goals of this Agreement.

d. It is agreed upon by all parties that the net pen program can be used to accommodate a pilot program to evaluate the effects of saltwater acclimatization on total survival for zero aged fall Chinook.

e. The Tribal net pen program, including facility design, construction and siting, facility land base and support equipment, and initial operational costs, is estimated to cost \$265,000.

B. FISHERIES PROTECTION

1. Mitigation and Enhancement Measures for Specific Port of Tacoma Development Projects

The Port agrees to construct specific projects as defined below in the manner here described and to carry out the mitigation and enhancement measures described below. If these conditions are met, the Tribe agrees to not oppose the related project in any federal, State, or local permitting processes, and will not seek a restraining order or injunction or otherwise seek to delay or stop construction of the projects. In return, the Port will abide by the project constraints and interim procedures specifically named for these projects. Approval for these projects is provided as a one-time exception to the process described in Subsection D. entitled "Resolving Conflicts Between Development and Fisheries Protection." Additionally, these mitigation and enhancement measures provided by the Port for approval of these specific Port projects are agreed to satisfy the provisions of the Port/Tribe agreement entitled "Fisheries Resource and Habitat Protection and Enhancement Agreement." (Sea-Land Agreement)

a. Mitigation and Enhancement Measures

(1) Port Contribution to Fisheries Enhancement Program.

The Port will provide \$1,300,000 to the Tribe for its use in a broad program of fisheries enhancement as described in Section A. of this document. This payment is an enhancement measure for the approved projects implemented as a part of the overall enhancement program.

(2) Reduced Fill Area and Milwaukee Waterway Shallowing:

The original plan for filling of the Milwaukee Waterway will be reduced to 72.5% of its surface area and the net loss of area in the range of -10 to +8 feet will be totally replaced. This replacement will be by creating new intertidal habitat through shallowing against the remaining banks of the Waterway and newly created waterway end-bank.

(3) Sitcum Waterway End Slope Revision:

The existing end-bank slope of Sitcum Waterway is currently committed to development of new intertidal habitat as mitigation for TTI and Pier 7-D pier extensions. If any of this bank area remains unused for that purpose, the remaining end-bank slope will be increased to 2 horizontal to 1 vertical, provided that such construction shall not interfere with berthing space requirements and storm drain outfalls. Riprapping of any newly created slope will be designed to provide reasonable fisheries intertidal zone habitat.

(4) Pier Construction Standards:

All pier structures to be constructed will be typical pile-pier rather than fill; slopes under the piers in the range of -10 to +8 feet will be no steeper than 2 horizontal to 1 vertical.

(5) Slip 5 Shallowing:

Expansion of the current Slip 5 fishery mitigation intertidal habitat site will be accomplished to totally replace the net loss of area in the range

of -10 to +8 feet resulting from the fill of Slip 1. Net loss of area in the range of -10 to +8 feet resulting from the Terminal 3 pier extension will be replaced at an area ratio to be determined by an under-pier shading study to be carried out by the Port, and not to exceed 1 acre new habitat to 1 acre pier coverage.

(6) Slip 1 Fill Slopes:

Perimeter diking which will form the new channel slope along the Blair Waterway will be no steeper than 2 horizontal to 1 vertical in the range of -10 to +8 feet.

(7) Blair Waterway Dredging Slopes:

The dredging of the Blair Waterway by the Port of Tacoma to widen and deepen the Blair Waterway will be accomplished with slopes no steeper than 2 horizontal to 1 vertical in the range of -10 to +8 feet.

(8) Blair Waterway Bank Improvements:

Many of the existing Blair Waterway banks within the intertidal range of -6 to +6 feet have become overly steep and eroded to hard clay. These slopes along Port-owned frontages south of the Blair Waterway Bridge (outside of existing pier structures) will be jointly identified by the Tribe and Port, and in conjunction with Blair dredging projects will be resloped to be no steeper than 2 horizontal to 1 vertical and riprapped where necessary.

(9) Wapato Creek Blair Waterway Outfall:

The outfall structure will be lowered to an elevation which will allow direct fish passage at low tides. The elevation will be determined by agreement between the Tribe and Port considering reasonable fisheries needs and construction complexities presented at lowest tide ranges. As part of this project, the Port and Tribe will also evaluate other reasonable revisions to the outlet structure which will be accomplished with the lowering.

(10) Wapato Creek Bridging:

Entrances which cross Wapato Creek to newly developed Port-owned properties south of East-West Road will be constructed as bridges rather than culverts.

(11) Inner Hylebos Shallowing:

The Tribe agrees that the Port may create intertidal habitat within the Inner Hylebos property to replace the net loss of area in the range of -10 to +8 feet resulting from the construction of the Northeast Blair Pier, at an area ratio to be determined by an under pier study to be carried out by the Port, and not to exceed 1 acre new habitat to 1 acre pier coverage. This is estimated to be less than 2 acres of new intertidal area. This habitat improvement will be accomplished at no cost to the tribe.

The Port will work with the Tribe to locate future mitigation habitat improvements on the Inner Hylebos property. This will make it possible for the Tribe to use its fisheries funds in other areas.

b. Staged Development:

It is recognized by the parties that the approved development projects will not all be undertaken in the same period. As an example, the Milwaukee Waterway may be filled prior to Slip 1. Accordingly, the various approved mitigation and enhancement projects are to be constructed to coordinate with certain development projects when they are undertaken, as follows:

<u>Development Project</u>	<u>Mitigation & Enhancement</u>
Enhancement Funding (not aligned to a specific project)	\$1,300,000 Fisheries Enhancement Program
Milwaukee Waterway Fill	Milwaukee Waterway Shallowing; Sitcum Waterway End-Slope Revision

Expansion of Port
Terminal 3

*Slip 5 Shallowing; Slip 1 Fill
Slopes and Pier Construction
Standards

Northeast Blair Pier
Habitat

Inner Hylebos Shallowing
Creation; Pier Construction
Standards

Blair Navigation Project;
Blair Dredging

Blair Waterway Bank Improve-
ments on Port Property, Blair
Waterway Dredging Slopes

Blair Bridge Removal and
Replacement (or Bypass)

Wapato Creek Blair Waterway
Outfall

Entrances Over Wapato Creek Bridge in Lieu of Culvert

*If staged filling and construction takes place, mitigation and enhancement will be completed in direct proportion to the area modified by construction.

c. Timing of Approved Project Mitigation and Enhancement

The Port agrees to schedule construction of development projects and of mitigation and enhancement measures with the objective of minimizing fisheries impacts, e.g., critical habitat availability during fish migrations.

The Port will work with Tribal biologists in developing their plans. Within the cost parameters of meeting the area requirements, the Port staff will work with the Tribal staff to maximize the fisheries benefits from the proposed activities and construction design.

The Port agrees that:

(1) All design for the mitigation project including geotechnical investigations and designs, and final plans and specifications will be complete before start of the development project.

(2) Tribal representatives will be welcomed and encouraged to closely participate throughout the entire design and planning process.

(3) Both the mitigation project and development project planning and construction contract specifications will include coordinated, detailed

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scheduling and contractor constraints to accomplish the projects with minimum impact to the fishery during progress of construction.

(4) All permits for the mitigation project will be in hand before any impact to the fishery results from the development project.

The above-described steps will assist the Port in achieving its commitment that the completion dates of mitigation and enhancement projects will be the same as the completion dates of the corresponding development projects.

2. Approved Port of Tacoma Development Projects

a. Milwaukee Waterway Fill

This project consists of filling the waterway to create additional terminal land. The Tribe agrees not to object to the Port filling 72.5 percent of the Milwaukee Waterway and the Port agrees to limit its proposed fill of the Waterway to 72.5 percent. The Tribe agrees not to object to the use of fill material taken from the Blair Waterway dredging project, which will proceed simultaneously. If that material is found to have unacceptably high contamination as determined in the federal permitting process, clean upland material may be used. Included are improvements to be constructed on the completed fill. This filling project also acts as a disposal site for material dredged from the Blair Waterway. As such, it is a part of the Blair Navigation Project described below and in Document 6. As part of this project approval, the Tribe shall, on the effective date of this Agreement, notify the U.S. Army Corps of Engineers that the issues raised by their letters to the Corps on March 1, 1988 relating to the scope of the F.E.I.S., and May 17, 1988 relating to treaty rights, and any other letters submitted in opposition, have been resolved and are no longer to be considered in the NEPA/permit process.

b. Expansion of Terminal 3

This project consists of the filling of Slip 1 and the extension of the current Terminal 3 pier by up to 1000 feet northward. Included are the upland improvements necessary for the terminal expansion.

c. Northeast Blair Pier

This project consists of construction of a 1000 foot apron pier along the northeast bank of the Blair Waterway turning basin. Included are the upland improvements necessary for the terminal's development.

d. Blair Navigation Project

(1) Blair Waterway Dredging

This project consists of dredging of the Blair Waterway to -45 feet MLLW from Commencement Bay to Lincoln Avenue and to -41 feet MLLW from Lincoln Avenue to the south end of the Waterway, plus appropriate advance maintenance and contractor allowances not to exceed 3 feet additional depths. Project dimensions are otherwise as specified in the Blair-Sitcum Project documents of Public Law 99-662. Disposal of the dredged material is currently planned for placement in the Milwaukee Waterway Fill. If found unsuitable for that location, other disposal means found suitable in the permitting process will be accepted.

(2) Blair and Sitcum Waterways Maintenance Dredging

This consists of routine maintenance of channel depths necessitated by siltation and is a normal part of any dredged channel project. It applies to maintenance dredging for the Blair Waterway Dredging Project in (1) above, and to the Sitcum Waterway, which already is at project depths. Disposal of maintenance dredge materials shall be in accordance with applicable federal law.

(3) Blair Bridge Removal and Replacement (or Bypass)

This project consists of removal of the current bridge structure and replacement of it with a new bridge providing a 300 foot navigation opening. Included are associated dredging, necessary bank revisions for abutments, and utilities revisions/relocations. If the bridge is not replaced, the project will consist only of the removal of the existing bridge and utilities revisions/relocations. This is a part of the Blair Project

described in Document 6.

3. General Purpose Local Government Actions

a. Introduction. The general purpose local government parties to this document (hereinafter referred to as "local governments") and the Tribe have a common goal of protecting and enhancing the fisheries resource, including necessary habitat. At the same time, the parties have a common goal of providing economic opportunities for all citizens, Indian and non-Indian alike. The continued growth of the region is an essential element in achieving this latter goal. In order to arrive at a proper balance between these two goals and to ensure that both can be achieved, it is important to the parties that the fisheries resource be conserved and properly managed while, at the same time, providing for residential, commercial, industrial, and other development; natural resource use; and the protection of the lives and property from flooding.

In order to ensure that fisheries resource protection and enhancement are given appropriate priority in their land use planning and regulatory processes, the local governments and the Tribe agree as follows:

(1) As soon as practical following the effective date of the Agreement, the local governments shall, in consultation with the Tribe and other parties as required by law, undertake development of a watershed action plan/plans for the drainage basins comprising Water Resource Inventory Area (WRIA) #10, including the Commencement Bay, Puyallup, and other basins. The plan/plans shall be prepared pursuant to the requirements of the Puget Sound Water Quality Management Plan, related guidelines, and other applicable standards.

(2) When the parties to this Agreement undertake the adoption or amendment of land use or Shoreline Master Programs within the 1873 Survey Area, the consultation process set forth in Document 7 of this Agreement shall be utilized.

b. Objectives. Within the context of the goals and discussion contained in the introduction of this section, the following objectives are set forth which are intended to guide the preparation of the watershed action plan/plans, and any future new or amended land

use plans or Shoreline Master Programs within the 1873 Survey Area:

(1) To protect that fisheries habitat in Commencement Bay and the Puyallup River Basin which is necessary for a productive fishery, while providing for other existing and future beneficial uses.

(2) To protect water quality from significant adverse effects due to the introduction of sediments and point and non-point source pollutants originating from land developments.

(3) To preserve or provide streamside vegetation, as appropriate, for the purposes of maintaining proper water temperature, minimizing increased sedimentation due to erosion, providing for invertebrate food organisms for fish populations, and preventing loss of cover which allows fish to escape predators.

(4) To minimize alteration of in-stream water flows which could be harmful to fish, resulting from structures impounding water, inappropriate channelization of streams and rivers, and improper logging and land clearing practices. In implementing this objective, the parties recognize the need to accommodate flood control facilities and activities required to protect the health, safety, and general wellbeing of persons within the Puyallup River Basin. Further, for the purposes of determining proper logging practices, the parties shall be guided by the regulations governing forest practices as promulgated by the Washington State Department of Natural Resources as a result of the recent Timber, Fish and Wildlife Agreement.

(5) To minimize impacts to wetlands by implementing wetland management programs including policies, regulations, acquisition programs, and/or other mechanisms as needed for wetland protection.

c. Implementation of Regulatory Controls. Subsequent to the adoption of watershed action plans, the local governments shall enact policies, regulatory measures, educational programs, and other measures as appropriate, consistent with the extent of their authority and jurisdiction, to implement the adopted plans.

d. Other Fisheries Habitat Protection Provisions.

(1) Flood Control and Gravel Removal

(a) Pierce County will work with the Tribe and other participants to expand or modify the Puyallup River Basin Flood Control Study for Gravel Removal for Flood Control Purposes to include alternatives which are sensitive to habitat protection while providing necessary flood control measures. Pierce County will develop standards and regulations for gravel removal which are sensitive to habitat protection needs revealed by the Study, in consultation with the Tribe and other local governments.

(b) Until implementation of regulations, standards, and processes, Pierce County agrees to provide the Tribe copies of its applications for hydraulic permits and permit renewals in the Puyallup River Basin, concurrent with their submittal to the Washington Department of Fisheries.

(c) Except as set forth in (a) and (b) above, the removal of gravel for flood control purposes shall not be subject to the provisions of Document 7 of this Agreement. During the interim period, the Tribe and Pierce County will work together in an attempt to make gravel removal for flood control sensitive to habitat protection needs. In addition, in the interim, Pierce County agrees to comply with state hydraulics permits it obtains for gravel removal. The only remedy for violations of such permits remains that which is set forth under applicable laws.

(2) Habitat Protection Program. The local governments and the Tribe will establish a program to protect fisheries habitat, to the extent of their respective jurisdiction and as appropriate, in the Puyallup River Basin, including the Clark's Creek system, Voight Creek system, and South Prairie system, in accordance with the objectives set forth in b. above, to the extent of the local government's authority.

(3) Habitat Protection - Properties of Parties. The local governments and the Tribe will establish programs pursuant to Subsections (1) and (2) above, to protect fisheries habitat for the respective properties which they own and control along the streams designated in Subparagraph (2) above. Such programs shall be in accordance with objectives 3 and 5 of Section b.

(4) Culverts and Floodgates

(a) Design and Operation Improvements

The local governments, in cooperation with the Tribe's Fisheries Management Division, will develop designs for culverts and floodgates and guidelines for installation and maintenance which will provide for improved fish passage. The parties recognize that a primary purpose of culverts and floodgates is to control flooding, and that purpose should not be impaired. It is also recognized that, at times, culverts and floodgates act as a barrier or impediment to fish passage. It is the goal of the parties to balance, to the extent feasible, the need to provide for the adequate functioning of culverts and floodgates as flood control devices and the need to allow for fish passage.

The parties agree to utilize those designs and guidelines when constructing and installing new structures or authorizing such activities on rights-of-way and properties owned or controlled by the local governments and the Tribe in areas of the Puyallup River Basin where fish passage is of concern, and where such designs and guidelines are not inconsistent with state or Federal requirements.

(b) Culverts and Floodgates - Modifications to Existing Facilities

Within one year of the effective date of the Agreement, the local governments, in consultation with the Tribe's Fisheries Management Division, will review all existing culverts and floodgates in areas of the Basin which are identified as having a significant adverse

effect on fish passage with a resultant adverse impact on the fisheries resource, and will determine whether such structures are under the jurisdiction of any of the local governments. If culverts and floodgates owned or controlled by a local government are identified as having such a significant adverse impact on the fisheries resource, the Tribe and the affected local government will cooperatively work to modify or replace such structures to provide improved fish passage. One means of financing such modifications or replacements may be utilization of the mitigation and enhancement program provided for in this document. Other culverts and floodgates owned or controlled by the local governments which are identified as obstructing or impeding fish passage, but not impacting the fisheries resource to the extent of those identified above, will be brought into conformance, where feasible, with the designs and guidelines at such time as the structures need replacement due to deterioration, damage, or other reason of diminished operability, as determined by the local government owning or controlling the structure.

(c) Inspection and Maintenance

The local governments will each develop and implement an inspection and maintenance program to ensure that their culverts and floodgates of concern in terms of fish passage are routinely inspected and maintained in accordance with the guidelines established pursuant to this program.

(5) Dechlorination of Certain Sewage Discharges. The Tribe and the affected local government shall examine each existing or planned discharge from a publicly owned treatment work, to determine whether a system to dechlorinate the discharge is required. If the Tribe and the affected local government agree that such system is not necessary to protect the fisheries resource, it shall not be required, unless otherwise required by law. In the event the Tribe and local government party cannot agree, the dispute may be submitted by agreement of the parties to the dispute resolution system provided

for in this document, and the parties shall agree on the standards to be utilized by the mediator or arbitrator in deciding the issue. If the parties do not agree to submittal, or cannot agree on the standards to be utilized, the local governments reserve the right to proceed without installing a dechlorination system and the Tribe reserves its rights under this document to pursue other remedies.

(6) Vegetation

(a) Removal Agreement. The local governments will, upon the effective date of the Agreement, agree to be bound by the terms of the "Stipulation Re: Vegetation Removal" entered in Puyallup Tribe of Indians v. Stortini, C79-269T, U.S. District Court, Western District of Washington at Tacoma.

(b) Habitat Protection Plan. The local governments will adopt within three years of the effective date of this Agreement, utilizing the process set forth in this section, a fisheries vegetation habitat protection plan consistent with the objectives enumerated in Subsection b.

(7) Adoption of Fisheries Habitat Protection Plan, Programs, and Regulations for Treaty Fishing Rights Purposes.

The Tribe and local governments agree on the need to allow for economic growth, development and flood control while providing necessary protection of our fisheries resource. They do not agree on the extent and scope of the Tribe's treaty rights to protect the fisheries resource.

The Tribe may review existing land use plans, regulations, and policies of participating local governments, to consider if any changes are needed to provide such protection. After review of these documents, the Tribe may submit to the local governments recommendations for changes which would result in greater protection to the fisheries resource. The decisions as to revising their plans and regulations and issuing permits remain exclusively within the decision-making authority of the

participating local governments as to non-t
lands.

The parties agree that upon completion of
review and any resulting changes made by a lo
government, the Tribe shall, within a reasona
period of time, provide written notice to the lo
government whether such provisions, plans
regulations are satisfactory to the Tribe. To
extent that there is agreement, the Tribe, fo
period of time specified in the notice, shall
attempt to object to or otherwise interfere w
the projects which meet these locally adop
standards. To the extent there is not agreeme
then the local government will issue permits
provided for in its plans and regulations, and
Tribe reserves its rights to object to such p
jects subject only to the other terms and con
ditions of this document.

C. ACCESS TO FISHERY

1. Navigation Agreement

Introduction: Purpose and Scope. This agreement by
between the Tribe, the United States, and the City of Taca
is intended to promote the general health, safety and welfa
of all parties who use and enjoy the waters and the harbor
Commencement Bay, particularly during the gillnet fishi
season. It is the intent of the parties to this agreemen
in consultation with the commercial shipping communi
(represented by the Puget Sound Steamship Operators and t
Port Angeles Pilots Association), the Port of Tacoma, and t
United States Coast Guard, to prescribe a means of regulati
vessel traffic and, in particular, deep draft commerci
vessel traffic, thereby eliminating or reducing the potenti
for problems and conflicts during Tribal gillnet fishi
seasons in the waters of Commencement Bay.

This agreement prescribes a vessel traffic lane for t
movement of deep draft commercial vessels in and out of por
anchoring sites for ships awaiting berthing space or othe
wise seeking safe harbor anchorage, and operation and comm
nication procedures necessary for effective implementatio
It governs navigation matters only on those waters general
known as Commencement Bay and generally described as begi
ning at turning buoy "TC" as the northern boundary, a
running south past Browns Point and Point Defiance to t
Tacoma Harbor, and ending at the mouth of the Puyallup Rive

and the tidelands and inlets which comprise the general Port area and developed lands. Nothing in this agreement shall pertain to the inlets and waterways known as the Puyallup River, Tacoma City Waterway, Milwaukee Waterway, Blair Waterway, Hylebos Waterway, St. Paul Waterway, Sitcum Waterway, and Middle Waterway.

This agreement is subject in part to the approval of the United States Coast Guard. Nothing in this agreement shall alter in any manner Title 72 COLREGS or the rights of the United States to enforce its laws and regulations governing navigable waterways. The Coast Guard has informally communicated with the parties to this agreement that they wish to cooperate with them to assure safety on the waterways of Commencement Bay. This agreement adequately addresses the rights of the Tribe and its members to conduct their fishing activity within Commencement Bay reasonably free from interference by shipping activities.

a. Navigation Lane and Section Boundaries

(1) There shall exist a navigation lane beginning at the turning buoy "TC" (see attached map), off of Browns Point located at 122°27'18" long. W and 47°19'30" lat. N, proceed in a straight line to Position (A) located at 122°28'14" long. W and 47°18'57" lat. N. This line indicates the centerline of the first leg of the vessel traffic lane.

A radius of 1200 yards (with the axis of rotation located at 122°27'38" long. W and 47°18'32" lat. N) connects Position (A) with Position (B) to form a continuous centerline for the vessel traffic lane.

Beginning at Position (B) located at 122°28'16" long. W and 47°18'07" lat. N, proceed in a straight line to Position (C) located at 122°26'23" long. W and 47°16'48" lat. N. This line represents the centerline of the second leg of the vessel traffic lane. These two (2) legs of the vessel traffic lane are to be approximately 500 yards wide (250 yards to each side of the centerline). This will enable inbound and outbound deep draft vessels safe transit of the Tacoma Harbor.

Position CN (122°26'13" long. W, 47°16'52" lat. N) and CS (122°26'27" long. W, 47°16'40" lat. N) represents the apexes of four (4) straight lines drawn to shore which would make up three (3)

transit sections, Section 1, Section 2 and Section 3. Section 1 would be designated for all traffic transiting to or from the Hylebos or Blair Waterways. Section 2 would be designated for all traffic transiting to or from the Sitcum or Milwaukee Waterways. Section 3 would be designated for all traffic transiting to or from the St. Paul, Middle or City Waterway or to the Grain Terminal.

All legs of the vessel traffic lanes (TH) will be marked by range markers of approved design. Sections are identified as follows:

Section 1 Boundaries are: Beginning at Position (CN), proceed in a straight line to Position (D) located at 122°24'50" long. W, 47°17'19" lat. N. Beginning at Position (CS), proceed to Position E located at 122°24'53" long. W, 47°16'42" lat. N. Line CND and Line CSE represent the boundaries of Section 1.

Section 2 Boundaries are: Beginning at Position (CN), proceed in a straight line to Position (E) located at 122°24'53" long. W, 47°16'42" lat. N. Beginning at Position (CS), proceed in a straight line to Position (F) located at 122°25'46" long. W, 47°16'11" lat. N. Line CNE and Line CSE represent the boundaries of Sectors 2.

Section 3 Boundaries are: Beginning at Position (CN), proceed in a straight line to Position (F) located at 122°25'44" long. W, 47°16'11" lat. N. Beginning at Position (CS), proceed in a straight line to Position (G) located at 122°26'44" long. W, 47°16'07" lat. N. Line CNF and Line DCF represent the boundaries of Sectors 3.

b. Anchorage Sites

During the gillnet fishing season described below, there shall be 4 anchorage sites designated in the harbor area. These sites are to be used for ships waiting to offload their cargos, awaiting berthing space, or otherwise in need of anchorage in Commencement Bay. The assignment of the four anchorage sites shall be determined by the Tacoma Harbormaster in accordance with the following priorities: (1) vessels awaiting a berth in Tacoma, (2) vessels which for some reason have been required to vacate a berth in Tacoma and are awaiting

the opportunity to return to that berth, or (3) other such considerations as the Harbormaster shall deem appropriate. However, no priority or discrimination shall be made outside of the provisions set forth in this section toward any vessel calling on a Tribal or other Port facility. The four anchorage sites shall each have a 500-yard radius. The center for each site is as follows:

City Waterway Anchorage	122°26'17" long. W, 47°16'14" lat. N
Sitcum Waterway Anchorage	122°25'22" long. W, 47°16'48" lat. N
Hylebos East	122°25'22" long. W 47°17'26" lat. N
Hylebos West	122°25'43" long. W 47°17'26" lat. N

The City Waterway, Sitcum Waterway, and Hylebos East anchorage sites may be assigned by the Harbormaster without regard to sequence or priority. However, unless extraordinary circumstances require otherwise, the Hylebos West site shall not be used until or unless the other three sites (City Waterway, Sitcum Waterway and Hylebos East), are already in use.

c. Operations and Communications

The parties to this Agreement recognize that from time to time circumstances will require an evaluation of the terms and conditions of this Agreement. Furthermore, the parties recognize that some circumstances require only temporary attention while other circumstances may require a reexamination of the terms of this agreement. Therefore, all parties agree that a flexible approach to the matters of navigation, vessel traffic and anchoring will best meet the needs of the Tribal fisheries and the needs of dynamic and growing commercial port operations, both Tribal and non-Indian, and that temporary adjustments to this agreement will not be unreasonably denied. To this end, the parties to this agreement shall conduct their affairs in the following manner:

- (1) On or before June 30 of each year, the Tribe and the City of Tacoma shall designate an individual or individuals who shall be the principal

authority to enforce this agreement. For the length of the gillnet fishing season, these individuals shall make themselves reasonably available for communication and consultation with one another on matters relating to the terms and conditions of this agreement.

(2) It is understood that the tribal gillnet fishing season depends on the migration of the fish, and that test fishing is usually required to determine when the season is to be opened and precludes pre-set seasons. When season dates are set, the Tribe shall promptly convey that information to the parties to this Agreement, including periods within those dates in which Tribal fisheries will not operate. The dates designated for fishing will become the official calendar for the implementation of this agreement. The Tribe may change this calendar by giving written notice to the Harbormaster.

The Tacoma Harbormaster shall be responsible for communicating through a "Notice to Mariners" the official calendar to the various parties involved in navigation and vessel traffic, including but not limited to: the U.S. Coast Guard, the Puget Sound Steamship Operators, the Port Angeles Pilots Association, the Marine Exchange, the Port of Tacoma, and such other individuals or organizations which he shall deem necessary.

(3) Any vessel, or representative of a company operating a vessel, of 100 tons or more arriving or departing Tacoma Harbor between the beginning and ending dates of the gillnet fishing season will contact the Tacoma Harbormaster at least 3 hours prior to arrival or departure on VHF Channel 9 or by telephone (206) 591-5733. Vessels arriving Tacoma Harbor will provide the following information: ETA to turning point A (see attached map) and destination Tacoma Harbor (berth or anchorage).

Vessels departing Tacoma Harbor will provide the following information: Vessel's present berth or anchorage location, intended route to Position C via vessel traffic lane (Section 1, 2 or 3), and time of departure.

During the fishing season, shipping agents and/or owners should, if at all practicable, attempt to schedule the arrival and departure of their vessels in Tacoma Harbor between the hours of 0800 and 1700.

(4) Upon receipt of notification that a vessel will be arriving or departing, the Harbormaster shall notify the representative of the Tribal fishery, to alert the Tribe to any pending vessel traffic. The Tribal representative shall then notify Tribal fishermen of such traffic and prescribe whatever actions are necessary to clear the appropriate passage.

(5) All vessels engaged in gillnet fishing shall display the proper navigational lights in accordance with Title 72 COLREGS.

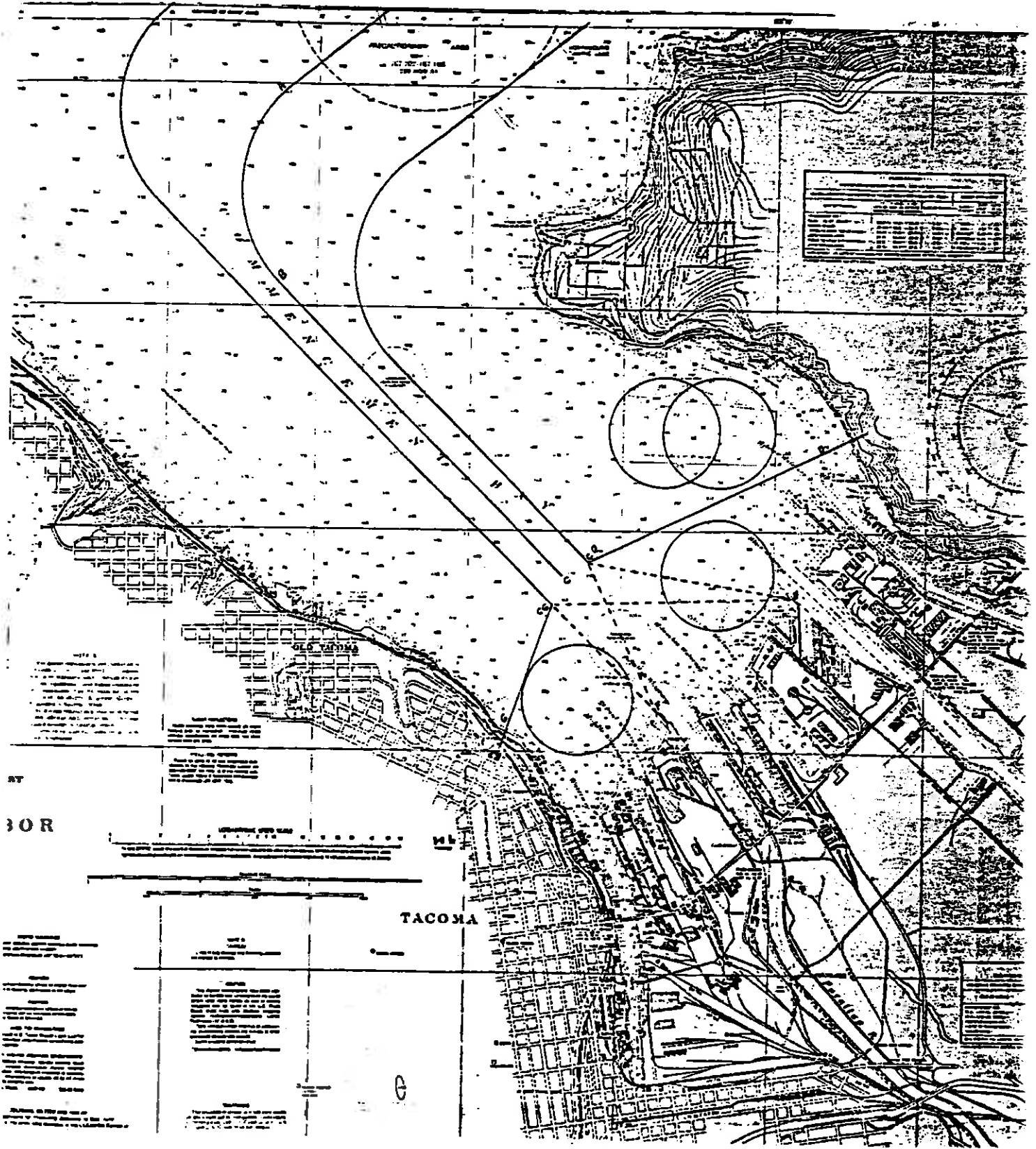
(6) Upon the effective date of the Agreement, the Coast Guard in cooperation with the affected parties shall erect three marker lights which shall distinguish the centerline and the two outer legs of the vessel traffic lane. These lights shall be illuminated during the fishing season to mark the vessel traffic lane and thereby aid those engaged in Tribal gillnet fishing to avoid the vessel traffic lane when ships are passing through the lane.

d. Notification of the United States Coast Guard

This agreement will be submitted to the United States Coast Guard for their information and approval. Upon approval by the Coast Guard, portions of this agreement shall become part of the vessel traffic control system (VTS).

e. Modification

This agreement may be reviewed and renegotiated upon the written request to do so by any of the parties. However, those portions which are adopted by the United States Coast Guard as a part of the vessel traffic control system, or otherwise incorporated in Coast Guard regulations, will be subject to review and subsequent action by the Coast Guard.



2. Fishing Site - Port of Tacoma/Milwaukee Peninsula

The Port of Tacoma agrees to provide and maintain a one-lane gravel road access from the E. 11th Street Puyallup River Bridge to the river mouth for Tribal fisheries access, and will provide emergency vehicle access through the Sea-Land site. The 12 foot wide roadway will be along the east riverbank on Port property. Turn-around space will be provided at the mouth. The Tribe agrees not to assert any claims for access to fishing grounds or activities on any other properties currently owned by the Port.

D. RESOLVING CONFLICTS BETWEEN DEVELOPMENT AND FISHERIES PROTECTION

Introduction. The parties to this Agreement recognize that the Puyallup River and Commencement Bay and are resources of local, regional and national significance. The fisheries resource of the Puyallup River Basin is culturally and economically important to the Tribe; at the same time, the parties acknowledge the international importance of the Port of Tacoma, located at the mouth of the River, and the regional and national significance of the Tacoma metropolitan area as part of the urban core of the Pacific Northwest. The parties share a common goal of providing economic opportunities for all citizens of the area. The continued growth of the region is an essential element in achieving that goal.

It is important to the parties that resources be conserved and properly managed, while providing for commercial development and natural resource use. This section sets forth procedures for resolving conflicts between fisheries resource protection and economic development. No party shall be bound to apply its provisions to other areas or issues, since this process was developed specifically in the context of the Agreement, and to fit the conditions in the Puyallup Basin and Commencement Bay.

1. Scope and Applicability of Procedures

a. Area. This procedure applies to certain projects within the 1873 Survey Area and Commencement Bay, as that area is defined in Section VIII of the Agreement. The procedure may be applied to projects outside that area if the Tribe and the developer agree to do so.

b. Projects. This procedure applies to and is required of any project to be undertaken by a party to this Agreement that will require the issuance of a permit under the authority of any of the following statutes, including regulations enacted pursuant

thereto; provided said procedure shall apply only to that portion of the project subject to the statute:

(1) The Washington Shoreline Management Act of 1971, RCW Ch. 90.58;

(2) Section 404 of the federal Clean Water Act, 33 U.S.C. §1344;

(3) Section 10 of the Rivers and Harbors Appropriations Act of 1899, 33 U.S.C. §403; and

(4) 22 U.S.C. §491, requiring the approval of the Secretary of Transportation for the construction of bridges.

(5) The State Hydraulic Act, RCW 75.20.

The procedure may be applied to other projects in cases where the Tribe and the developer agree to do so.

It is the intent of the parties that this will be a permanent process. Accordingly, if the type and scope of projects requiring permits under any of the statutes listed above are diminished, the Tribe may request and shall receive amendments to this document that incorporate the requirements of those regulations in existence as of the date of implementation of this Agreement.

This procedure is not applicable to gravel removal and flood control activities of Pierce County. See Subsection 3.d. of this document for specific provisions governing those activities.

c. Parties

(1) Government Parties. The governments that are parties to the Agreement are also parties to this procedural requirement. This procedure does not apply to specified Port of Tacoma projects with advance approval, as specified in Section IV of the Agreement.

This document satisfies the provisions of the portion of that agreement entitled "FISHERIES RESOURCE AND HABITAT PROTECTION AND ENHANCEMENT AGREEMENT" which established that Port development and construction projects meet acceptable standards, contain a fisheries enhancement element, and

establish a mechanism for resolving disputes over those commitments.

(2) Other Participating Developers. This procedure is also available to other persons or entities where there is mutual agreement by the Tribe and developer to use this process.

(3) Tribe. The Puyallup Indian Tribe is a party hereto.

d. Exclusivity of Procedure

(1) In General. The parties agree that this is the exclusive procedure for the resolution of disputes between the Tribe and participating developers as to projects described above and, subject to the retained rights specified below, the rights and remedies of the parties are limited to those set forth in this sub-document.

Specifically, the Tribe agrees not to oppose any project in any Federal, State or local permitting process, or to seek a restraining order or injunction, or otherwise to seek to delay or stop construction of a project for which the developer has followed and complied with the procedure and requirements imposed by this sub-document.

Additionally, projects utilizing and complying with these procedures are not subject to the "Land Use Matters - Land Use Decision-Making" procedures, standards or remedies pertaining to land use and consultation in Document 7.

(2) Collateral Attack. It is the intent of the parties that the effect of this sub-document not be diminished or evaded by any means. A participating developer agrees not to change its business or project identity for the primary purpose of evading its obligations.

The Tribe agrees not to avoid this process by lending direct or indirect support, financial or otherwise, to persons or entities opposing a particular development project.

2. Review and Arbitration Procedure

a. Formal Notice to Tribe. The developer will formally request that the Tribe review the proposed project. Information concerning the nature of the project will be provided by the developer at a level of detail normally provided to federal regulatory agencies.

b. Tribal Participation in the Agency Review Process. The Tribe, in addition to other appropriate governmental units, may participate in federal, state, and/or local scoping sessions and all other joint agency sessions held pursuant to federal, state, or local laws and regulations to review the proposed project. The parties shall make every reasonable effort to arrange mutually satisfactory times for these joint agency scoping and review sessions.

A developer will establish reasonable notice and opportunity for the Tribe's participation by sending certified letters to the Fisheries Management Division and Law Office of the Tribe proposing a session at least 15 calendar days after the Tribe's receipt of the letter. If the Tribal officials or staff have a conflict in attending the session, they must, within the 15-day period, provide written notice of the conflict and propose an alternative meeting date within 28 calendar days of the receipt of the developer's letter, or another mutually agreed upon date. Failure of the Tribe to participate in these joint sessions after such notice will constitute its concurrence in the proposed project for purposes of this Agreement.

c. Formal Review Joint Project Review. In addition to participating in the agencies' review process, the Tribe may request a joint Tribal/Developer review to be commenced within 30 days after it receives notice. The review will cover the project and the proposed mitigation and enhancement measures, with the intent of mutually resolving any differences concerning the nature of the facility, preliminary design, level of impacts to existing habitat, and acceptability of the proposed type and level of mitigation and enhancement to be provided.

d. Formal Objections. If the Tribe has an objection to the proposed development plan, or if the Tribe believes that further information or studies are needed, it must state in writing the nature of its objections or the information sought, and deliver that statement to

the developer within 45 calendar days following formal notice by the developer. If further information is provided, the Tribe has 15 calendar days from the receipt of such information or studies to file its written objections to the proposed development plan with the developer. The Tribe may obtain a 15-day extension of this period by notifying the developer prior to the end of the first 15-day period. If a binding decision is issued by a mediator that no further studies are needed, the Tribe has 15 calendar days to file its written objections to a proposed development plan with the developer. Failure to provide a written statement of objections within the required time periods will constitute the Tribe's concurrence in the project.

e. Request for Studies. The Tribe may request studies to establish information not previously available and to evaluate the acceptability of the proposed design of the project or mitigation and enhancement measures. The Tribe and the developer should make every effort to anticipate all study requirements and contingent study requirements, and to agree upon their timing and sequence. The studies required shall be only those necessary to allow a reasonable decision concerning the design of the project and appropriate mitigation and enhancement. Generally, such studies will be reasonable in scope, in length of time to conduct, in expense relative to the likely magnitude of the fisheries impact, in benefit to be gained from such studies, and in relation to the size and cost of the development project.

If the necessity for and scope of studies is mutually agreed to between the developer and the Tribe, or ordered by the mediator/arbitrator, the studies will be accomplished. Once the specified studies and any contingent studies are completed, no further studies will be required of the developer, unless unanticipated and unforeseen results or events compel the conclusion that further studies are necessary. The developer shall bear the costs of all studies agreed to or required hereunder.

If a study is conducted by a third party, the developer and the Tribe shall have a right to have input at the following stages of the study: planning and design, including the nature of any tests and examinations and the way in which they are to be carried out; conduct of the study in the field and laboratory, including the

right to be present when such activities are carried out; and, preparation of reports describing the study results.

f. Formal Acceptance. If the Tribe timely objects to a proposed development plan, the parties will negotiate in good faith in an attempt to resolve their differences for at least 15 calendar days following the receipt by the developer of the Tribe's objection. Following the expiration of that 15-day period, either party may elect to proceed to mediation, as described below. All other disputed matters will be negotiated for a minimum of 5 calendar days before proceeding to mediation.

g. Failure to Agree - Mediation.

(1) Scope. Any matters in dispute which are subject to this procedure may be resolved using the mediation provisions of this section. It is intended that negotiating and mediating methods be utilized to encourage timely settlement of disputes, and the methods set forth may be varied by mutual agreement to achieve greater effectiveness. The parties agree to conduct their negotiations in good faith; each party agrees not to engage in any tactics or measures designed to hinder, delay, or obstruct the accomplishment of the other party's objectives. The mediator or arbitrator may take any such tactics into account in rendering an advisory or binding decision.

(2) Request for Mediation. If negotiations fail to produce agreement on any disputed issue, and the specified minimum negotiating periods have elapsed, either party may request the services of a mediator (see Subsection i, below). Mediation should commence as soon as the mediator has been selected and is available, and must continue for at least 15 calendar days, unless agreement is reached or it is apparent to the parties or to the mediator that further negotiations would be futile.

(3) Decision by Mediator.

(a) After the above time requirements have been satisfied, either party may request an opinion from the mediator as to the matters in dispute. Except as provided in the following

subsection, the opinion of the mediator shall be binding upon the parties.

(b) Prior to the mediator's decision, either party may elect arbitration of issues pertaining to the nature, scope, timing and success of mitigation and any enhancement requirements, set forth in Subsection h.

h. Arbitration

(1) Request for Arbitration. A party may request arbitration by delivering notice of such request to the other party.

(2) Arbitration Procedures.

(a) The party first requesting arbitration has the responsibility for arranging for services of the designated arbitrator and shall deliver a copy of this Agreement to the arbitrator. Ex parte telephone communications solely for the purpose of securing the arbitrator's service and arranging a hearing date are not prohibited.

(b) The parties shall attempt to agree on a date and place of hearing. If agreement cannot be reached promptly, the arbitrator shall make those choices. The hearing shall take place within 20 to 30 days following the selection of the arbitrator, and if the designated arbitrator cannot serve within that time period, a party may opt for the selection of a different arbitrator. Dates set for hearing may be continued upon mutual agreement or for good cause shown to the arbitrator.

(c) The arbitrator may require any party to attend as a witness, and to bring any book, record, document or other evidence. Depositions of any party may be taken in the same manner and upon the same grounds as provided for in the taking of depositions in the Federal Rules of Civil Procedure.

(d) The arbitrator's award is final and binding on the parties, except when:

1. the award was procured by fraud, corruption or other undue means; or

2. the award or the procedure by which it was issued exceeds the arbitrator's authority; or

3. arbitration was held without proper notice to the aggrieved party.

(e) Post-hearing briefs, if required, shall be submitted within 14 calendar days from the final day of hearing.

(f) Written arbitration awards shall be issued within 20 calendar days from the date of hearing or the arbitrator's receipt of post-hearing briefs, shall be short and succinct, and shall be limited to the standards and criteria set out in this document. Unless otherwise agreed, such ruling shall not require mitigation and enhancement of the developer which are more onerous than those proposed by the Tribe, nor less onerous than those proposed by the developer. The parties' contract with the arbitrator(s) shall provide that a reasonable portion of the arbitrator's fees will be paid only after a decision is timely rendered.

(g) Unless otherwise agreed, the selected arbitrator(s) will retain continuing jurisdiction to:

1. modify an award in order to correct evident miscalculation of figures or an evident mistake in the description of any person, thing or property referred to in the award;

2. rule on issues regarding compliance with a prior award; enhancement and mitigation credits; and penalties, forfeitures and other such remedies.

i. Selection of the Mediator or Arbitrator

(1) Qualifications. A mediator should have the personal characteristics and demonstrated skills

needed for effective mediation. That person preferably should be a capable fisheries biologist. An arbitrator should have the skills and experience necessary to hold a satisfactory hearing and render a reasoned decision. While a capable fisheries biologist is preferable, other persons who are neutral in their perception of the issues, such as former judges, environmental officials and experienced arbitrators, are acceptable. If necessary, the parties may select or the arbitrator may appoint a capable fisheries biologist to assist the arbitrator in the resolution of factual disputes.

(2) Procedure.

(a) The parties may informally meet and confer to select the mediator or arbitrator. If agreement is not reached, the party requesting mediation or arbitration shall submit to the other the name(s), with needed biographical data, of one or more qualified persons to act as a mediator or arbitrator.

(b) The other party has 10 calendar days to select a name from the list, or to propose one or more qualified persons (with needed biographical data) to the other party. The requesting party has 10 calendar days to respond. Failure to respond within the 10 day period constitutes acceptance of the other party's proposed name(s).

(c) If agreement is not reached with those procedures, either party may invoke the tripartite process set forth in the following subsection. Alternatively, the parties may agree to forego that procedure, and either party may petition to the Federal District Court for the Western District of Washington, Southern Division, for appointment of an arbitrator. The court's selection shall be from a list of four names, two names (with brief biographies) having been submitted by each party.

(d) If a party elects to use a tripartite process, then each party has 10 calendar days to select an arbitrator, and the parties' selected arbitrators shall choose a third

neutral arbitrator. If agreement cannot be reached as to the third arbitrator, then a petition shall be made to the Federal District Court for the appointment of an arbitrator, using the procedure in the preceding subsection.

(3) Cost Sharing for Mediation and Arbitration. The parties shall equally share the total mediation/arbitration costs (including costs of a mediator who also renders a binding decision.)

j. Other Provisions

(1) Selection of Study Entity. Where the developer and the Tribe cannot agree as to who will conduct any additional studies, the mediator/arbitrator will make that determination based on the following criteria:

(a) The entity should have expertise in fisheries science, including familiarity with the subject matter and geographic area of the proposed project;

(b) The entity should have the personnel and equipment needed to carry out the studies in a competent, objective, and timely manner;

(c) The entity should have the ability to present the study results in a written form in an accurate, objective and understandable manner;

(d) The entity must be willing to perform the work for a reasonable fee;

(e) Any work which the entity has done previously involving fisheries-related studies must demonstrate that it meets the above qualifications;

(f) Subject to the following subsection, in those cases where the Tribe's Fisheries Management Division has the resources and qualifications to conduct the studies, it shall be given strong consideration as the appropriate entity, taking into account its

knowledge of and experience with the Puyallup River watershed and its fisheries.

(g) The Tribe and the developer each retain the right to veto the other's first choice of study entity; if such veto is exercised, then the vetoed entity will not be designated.

(2) Summary of Time Constraints. See page 45.

3. Mitigation Standards and Procedures

Introduction: Purpose. The parties have jointly developed standards and procedures for mitigation, to be applied by developers and the Tribe. The standards include scope, design and timing criteria which incorporate the intent of the parties contained in the Agreement, as well as other "performance type criteria." "Performance type criteria" address the desired results rather than the means by which they are accomplished.

It is the intention of the parties to this document that future development projects within the area defined above shall contain mitigation elements.

a. Definitions

(1) Development Plan. The term "development plan" means a comprehensive plan pertaining to mitigation and any enhancement measures, as well as those elements of project design that will relate to protection of the fisheries habitat. Such plan must be agreed to or specified by the arbitrator prior to any loss of habitat, and must include the design, scope and timing of mitigation and enhancement measures, any contingency plans, standards for measuring the plan's success (i.e., performance standards), the post-project monitoring, study and evaluation obligations of the developer, and the specific obligations of the developer should its plans fail.

(2) Habitat. The term "habitat" means those portions of the land or water which are necessary elements of aquatic food requirements.

(3) Impact Ratio. A dredge/fill project's "impact ratio" is (a) the ratio of the intertidal area impacted by the development to the total intertidal

area existing at the time of development in that half of the bay where the proposed development would be located, and (b) the ratio of the wetland area impacted by development to the total wetland area existing at the time of development in that half of the bay where the proposed development would be located. Prior to the implementation of the Agreement, the parties will jointly undertake, utilizing existing information, a baseline and classification study to designate existing wetlands and intertidal areas and to determine the appropriate line dividing Commencement Bay into half-sectors. This study will take place as mutually agreed by the parties.

(4) Mitigation. The term "mitigation" means those projects undertaken to provide compensation for any and all impacts of a proposed development on the production and habitat of naturally spawning and artificially spawning stocks.

b. Utilization of Criteria. The criteria and requirements set forth in this section shall be utilized:

(1) by the developer to establish proposed mitigation and enhancement;

(2) by the Tribe in its evaluation of proposed mitigation and enhancement; and

(3) by the mediator or arbitrator in resolving disputes.

c. Mitigation by Replacement of Habitat

(1) Design, Timing and Location - Goals

(a) Biological Value. Mitigation projects must have the same or equivalent biological value and function as the habitat proximately damaged or lost as a result of the project.

(b) Timing.

1. All projects. Mitigation projects must proceed concurrently with the loss or impact of habitat, meaning that ordinarily the development project will not result in a temporary loss of habitat

during critical migration periods. Mitigation projects must be completed simultaneous with completion of the development project.

2. Larger impact development projects. As to dredge/fill projects having a greater than 1% impact ratio, the following steps will be taken, unless mitigation takes place prior to development:

- o All design for the mitigation project, including geotechnical investigations and designs, as well as final plans and specifications will be complete before the start of the development project.

- o Tribal representatives will be welcomed and encouraged to participate closely throughout the entire design and planning process.

- o Both the mitigation project and development project planning and construction contract specifications will include coordinated, detailed scheduling and contractor constraints to accomplish the project with minimum impact to the fishery during the progress of construction.

- o All permits for the mitigation project will be in hand before any impact to the fishery results from the development project.

(c) Area. Replacement of habitat will be based upon area of habitat lost or harmed as a result of the proposed project unless a quality credit is found to be a viable alternative.

The appropriate ratio of replacement habitat to area lost or harmed for each project shall be determined by agreement of the parties or decision of the mediator or arbitrator.

(d) Location. Mitigation projects must take place in reasonably close proximity to the impacted or lost habitat.

(2) Evaluation Criteria. The following considerations will be utilized in resolving conflicts:

(a) Value and Function. The increased or decreased biological value or function of the replacement habitat as compared to the impacted or lost habitat will be taken into account, as will the importance of the lost habitat to the designated fisheries resource. Although the biological productivity or functions of the replacement habitat will be taken into consideration, it is understood that biological productivity and function are not, as a general rule a substitute for area of habitat impacted; i.e., productivity is not directly interchangeable with area. The parties agree that the area requirements are of greater importance when the development project involves filling or dredging in intertidal or wetland areas, and are of lesser importance when the development project involves pier construction or similar activity which does not eliminate the habitat. The degree of interchangeability will be determined by this process.

(b) Risk of Temporary or Permanent Loss of Habitat. The following will be taken into account in assessing whether the mitigation will be effective:

1. The proven effectiveness of the proposed mitigation measures, considering their similarity or dissimilarity to neighboring habitat, and considering whether such measures in the past have been implemented by the developer or by third parties. Less risk will be associated with habitat bearing similar characteristics, and greater credence will be given to measures previously implemented by the developer.

2. The proposed timing of the mitigation project to the extent that timing

either results in a temporary loss of habitat or affects the risks (upward or downward) regarding the effectiveness of the project;

3. The likelihood that the mitigation measures will be completed on time and the probabilities generally regarding the effectiveness of mitigation projects, coupled with, for example, the contingency plans and margins for error built into the mitigation development plan.

4. The degree of reliability in the developer's past record for completing mitigation and enhancement measures on time and correcting any subsequent problems.

5. The willingness of the developer to assume obligations, such as those specified in Subsection (c) below, which will encourage the timely completion of an effective project.

6. When two or more dredge/fill projects having greater than 1% impact ratio are to be constructed simultaneously and in the same half of Commencement Bay, the impact, if any, of such simultaneous construction may be considered in determining the risk to the habitat.

(c) Project Incentives. The developer and the Tribe may agree to, or if reasonable, the mediator/arbitrator may impose, the following incentives to encourage the timely and effective completion of mitigation:

- a. a performance bond or other security or financial arrangements to offset the risks regarding the effectiveness of the project;
- b. additional resource improvement to offset the risks regarding the effectiveness of the project, "bankable" to the extent of success beyond that which is required to

satisfy the basic mitigation and enhancement obligations hereunder;

- c. the retention of rights to additional suitable land to be used for mitigation, coupled with a realistic contingency plan, should initial mitigation measures fail;
- d. contingency plans to fund additional enhancement measures to fully offset the negative project impact.

(d) Minimum Adjustment Factor. When consideration is made of the factors set forth in the preceding subsections, an assessment shall be made of the probability of the proposed development plan meeting the requirements for mitigation and enhancement. The physical area of replacement habitat which would be required will generally be approximately 10% in order to compensate for the risks of failure or delay of such projects. A larger or smaller adjustment factor may be deemed appropriate after consideration of the factors set forth in the preceding subsections. Provided, however, that incremental habitat improvements attributable to that 10% mitigation increase, where the mitigation and the increased amount have been proven effective and result in a net improvement to the habitat, will be credited, to the extent of such net improvement, to the enhancement requirements, if any. They also may be credited to a mitigation bank.

(3) Remedies for Late Completion.

(a) Timeliness. Mitigation shall be deemed timely when it is completed prior to or simultaneous with the completion of the associated development project. A developer will avoid an assertion of untimely completion by installing the mitigation prior to the construction of the development project.

(b) Remedies - Wetland and Intertidal Dredge/Fill. Remedies for untimely completion of wetland and intertidal dredge/fill projects will be agreed upon by the parties or

determined by the arbitrator, but in all cases will depend upon and be commensurate with the damage caused to the habitat by untimely completion, as follows:

1. Projects with 1% or less impact ratio. The remedy shall be a monetary sum or the creation of additional habitat, as deemed appropriate.

2. Projects with 1% to 10% impact ratio. The remedy shall be a monetary sum or the creation of additional habitat, as deemed appropriate.

3. Projects with greater than 10% impact ratio. The remedy shall be the creation of additional habitat. Provided that where the late completion was due to reasons of bad faith, a monetary penalty also will be assessed.

4. Multiple Projects. The considerations expressed in Subsection 3.c.(2)(b). above also are applicable here.

(c) Remedies - Other Projects. In all other cases, the parties may agree to, or the arbitrator is limited to, the imposition of monetary remedies for the late completion of projects, unless there is significant or lasting harm to the fisheries habitat.

(d) Monetary Remedies. All monetary remedies hereunder shall be payable to the Tribe to be used for fisheries purposes.

(4) Other Considerations

(a) Evaluation Species. Final design criteria of replacement habitat will be made according to habitat requirements of selected evaluation species.

(b) Mitigation "Banks". Mitigation banks may be created by: suitable measures taken in advance of development, or by mitigation projects which improve the habitat, to the extent of such improvement. Mitigation banks

should not be centralized, must be located to accommodate the needs of the fish, and should not be used to substitute for critical habitat. Mitigation credits banked previously may be used to satisfy mitigation requirements hereunder.

Credits from mitigation banks will be used where appropriate only in close proximity to the banked project, and must perform the same or equivalent biological value and function.

(c) Incremental Value. If it is determined that an improvement to existing habitat is entitled to mitigation credit, such improvement will receive credit only for the increased value and/or area created.

(d) Termination of Pollution. Simple termination of an activity harmful to the fisheries habitat may receive credit as mitigation only if the parties so agree.

(e) Cleanup. The cleanup of contaminated areas not otherwise required by law, where such contamination exists as of the date of this Agreement, and where the area otherwise would constitute suitable fisheries habitat, or the removal of obstructions to fish passageways, may receive credit as mitigation.

(f) Required Analysis. In order to determine whether a project may go forward, and, if so, what mitigation steps will be necessary, the evaluation of project impacts must include an analysis of the impact of the project on the fisheries resource, and habitat, and related construction, operation and maintenance activities, and timing. The current environmental baseline of the area and use by the fisheries resource may be considered and placed into the context of the development and related mitigation measures.

- d. Mitigation by Means Other Than Habitat Replacement. Other measures which improve the fisheries resource may receive credit as mitigation, if determined to provide an adequate offset to the project's fisheries impacts.

4. Enhancement Requirements

a. Definition. The term "enhancement" means projects undertaken to increase the production of naturally spawning or artificially propagated stocks, or to improve the habitat of such stocks. Enhancement activities include, but are not limited to, acquisition, construction, and improvement of habitat or propagation facilities, protective designation for public lands, provision of buffer zones, or fish stocking.

b. General Requirement. The developer shall be required to contribute to an enhancement project or fund, designated by mutual agreement or by the mediator/arbitrator, an amount equal to 10% of the amount the developer spends on required mitigation measures. Alternatively, if mutually agreed, the developer may undertake an enhancement project, such as one of the following:

- (1) Improving the quality of intertidal substrates;
- (2) Resloping existing intertidal areas;
- (3) Creating additional wetlands;
- (4) Providing net pens;
- (5) Providing or supplementing a hatchery stocking program;
- (6) Creating new spawning channels;
- (7) Creating new coho overwintering ponds.

It is the Tribe's view that if the construction or development project is to take place in the estuary, items (1) through (5) usually will be the appropriate enhancement measures. If the construction or development project is to take place in an upriver area, items (5) through (7) usually will be the appropriate enhancement measure.

c. Projects Which Improve or Increase the Habitat. The incremental costs or value, as appropriate, of mitigation measures that are proven effective, and that produce a net improvement or increase to the habitat, may be credited toward the enhancement requirement set

forth in the preceding subsection, or may be banked if permitted by that subsection.

d. DeMinimus Impact. Notwithstanding the above, no enhancement is required for dredge and fill projects having less than a 1% impact ratio, and for projects where fisheries impact does not occur because of the design and execution of the development project.

e. Continuing Duties of Developer.

(1) Responsibility for Success. In all cases, the developer is responsible for ensuring that mitigation and enhancement measures, if any, set forth in its development plan are properly implemented, that the completed measures operate and function as set forth in that plan, and that such measures continue to function for a reasonable period of time. What constitutes a reasonable period of time is based upon what fisheries biologists would expect for the undisturbed habitat, including naturally occurring upset conditions. In addition, the developer must perform any post-mitigation studies or evaluations which were specified at the time of agreement or decision on the original development plan.

(2) Performance Standards. Performance standards measuring the success or failure of mitigation and enhancement projects either will be agreed upon in advance by the parties or determined by the arbitrator. Examples of such standards are:

(a) Whether selected evaluation species, which are to be specified in advance of the mitigation, are as abundant as in the area replaced.

(b) Whether water quality is at least as good as in the area replaced.

(c) Whether the fill material used to create habitat is at least as good a quality as agreed to in project plans.

(d) Whether the amount of habitat created has been maintained over time.

f. Other

(1) Obligation of Tribe. When the Tribe undertakes development as described in Section D.1.b of this document, it will deliver notice to the planning departments of the affected governmental parties. Those parties will designate one party to review the Tribe's proposed development plans and to enforce the requirements of this document. All procedures, standards and requirements stated herein will apply to the Tribe. Provided, however, the Tribe's Blair Waterway property development is considered a preagreed project where the required mitigation and enhancement will be accomplished for the purposes of this Agreement by Blair Waterway bank improvements to be carried out by the Port as a part of the Blair Navigation project, to standards established for such slopes. Pier construction by the Tribe will be typical pile-pier construction and not fill-type construction. Slopes under the piers in the range of -10 to +8 will be no steeper than 2 horizontal to 1 vertical.

(2) Habitat Replacement - Natural and Artificial Stock. To the extent that, in the future, the Puyallup system is not managed by the Puyallup Tribe for natural stocks, the parties and the arbitrator may take that fact into account in determining the importance of habitat replacement where the use of such habitat is different for artificial stocks than for natural stocks.

(3) Fishing Activity and Access. If the Tribe, as part of this procedure, alleges that a proposed project will interfere with or obstruct the usual and accustomed fishing activities of its members, including access to usual and accustomed fishing grounds, that issue, unless resolved in this Agreement or mutually resolved to the satisfaction of the Tribe and the developer, shall be submitted to the prescribed mediation and arbitration process, if necessary. The standard for resolving disputes is that a proposed project will not unreasonably obstruct or interfere with the usual and accustomed fishing activities of the Tribe or its members, and will not unreasonably interfere with access to the Tribe's usual and accustomed fishing grounds.

In determining whether there is unreasonable interference with the fishing activities or access to the Tribe's usual and accustomed fishing grounds, other sources of access shall be considered.

g. Federal Court Jurisdiction. Subject to the exhaustion of the procedures specified in Section D of this document, all parties hereto consent to suit in the Federal District Court for the Western District of Washington, Southern Division, for actions seeking to enforce (but not review the merits of) decisions of mediators/arbitrators, as well as development plan obligations and dispute resolution procedures. All governmental parties to this document, including the Puyallup Indian Tribe, agree to a limited waiver of their sovereign immunity from suit, if any, to the extent of the consent expressed herein. That waiver of sovereign immunity and consent to jurisdiction is limited to the following forms of relief: specific performance, or, if the court determines that specific performance is not feasible, a remedy specified by the court which will provide a benefit equivalent to that which was contemplated by the parties with respect to any required performance hereunder.

Summary of Time Periods
Set Forth in Section D.

<u>Action</u>	<u>Time Period</u> (Calendar Days)	<u>Following</u>
Tribe-developer agency review	15-28	Letter proposing a meeting
Joint party review	30	Notice to Tribe
Tribal acceptance, objection, or request for further studies	45	Notice to Tribe
Negotiations-need for studies/study entity	5	Request for studies
Mediator/arbitrator nomination-response	10	Receipt of
Mediation-need for studies/binding decision	15	Availability of mediator
Tribal acceptance or objection to development plan	15	Decision of mediator-No studies needed
Tribal acceptance or objection to development plan	15+15	Completion of studies, ordered by mediator or otherwise
Negotiation of plan disputes	15	Tribe's objections
Mediation of plan disputes	15	Availability of mediator
Arbitration hearing	20-30	Selection of arbitrator
Decision	20	Hearing or briefs

DOCUMENT 5:
JOB TRAINING & PLACEMENT PROGRAM;
SOCIAL & HEALTH SERVICE IMPROVEMENTS

INTRODUCTION

This document accompanies and is an integral part of the Agreement. This document describes the establishment of programs for job training and placement, and social and health service improvements.

A. JOB TRAINING & DEVELOPMENT

To address the long term employment and training needs of the Tribe, the Washington State Employment Security Department, Bates Vocational/Technical Institute and the Tribal Job Training Partnership Act (JTPA) Office will cooperatively administer a comprehensive program designed to serve 265 Tribal members over a four year period beginning no later than 24 months after the effective date of the Agreement. The program will be administered under the guidance of a steering committee composed of representatives from the Tribe, Employment Security Department, Bates Vocational/Technical Institute, Tacoma-Pierce County Private Industry Council, Commencement Bay Tideland Owners Committee and private employers providing jobs to the Tribe under Section V. of the Agreement.

Services provided by this Agreement will include the following major program components: pre-employment training classes, basic skills remediation, job search workshops, on-the-job training, vocational training, and technical assistance for development of Tribal industries. In addition to the services listed above, this program will:

1. Provide counseling to employers and to employees placed through this program, where needed;
2. Maintain records of the job positions filled, the identities of the Tribal members hired, the number of hours worked, and other matters related to this program;
3. Maintain a list of employers who are participating in this program and complying with the requirements of this document;

4. Determine whether the employment goal is being met, using the standards set forth in Section B. of this document; and

5. Attempt to resolve concerns, problems, and disputes which may arise under this program.

The total value of this job training and development program is \$937,000. This amount includes the one-year training program developed under the Terminal 3 agreement between the Port of Tacoma and the Tribe that is valued at \$133,000.

The elements of the program and detailed implementation provisions are:

1. Pre-Employment Training Classes

All program participants will initially be enrolled in a six week pre-employment training class conducted each quarter, valued at \$160,000. The Tribe will assist in the recruitment of Tribal members for the class (up to 265 participants). The instructor for this class will be provided by Bates Vocational/ Technical Institute on a quarterly basis provided at least 12, but no more than 15, Tribal members enroll into the program in a given quarter. This course is custom designed to overcome the unique barriers to employment faced by Tribal members prior to entry into the labor market. These classes include instruction in the following areas: Self-esteem and confidence building, budgeting, interest and aptitude test analysis and interpretation, career planning, self-employment, job-seeking and jobkeeping skills, retaining a job, dressing for the job, dealing with rejection and failure, dealing with success, obstacles to employment, cross cultural sensitivity, and balancing work and family.

2. Basic Skills Remediation

At the time of enrollment in the pre-employment class, all participants will be assessed for reading and math skill levels. Those found to be functioning below minimum requirements for the local market will be encouraged to enroll into a competency-based basic skill remediation program which will operate 15 hours per week, up to the value of \$60,000 for staffing support. Participants will continue to receive individualized instruction until minimum standards are achieved (estimated at 25 students per year for four years).

3. Job Search Workshops and On-the-Job Training

Following the pre-employment classes, participants will attend a three day job search strategy workshop valued at \$32,000. The workshops will be offered quarterly by the Employment Security Department at the Tacoma Job Service Center. The workshop is designed to meet the special needs of Tribal members entering the labor market. Each participant will receive assistance from the workshop instructor for placement in on-the-job training (60 participants) or direct placement in unsubsidized employment (30 participants). The on-the-job training portion of the program is valued at \$260,000. An Employment Security Account Executive (AE) will work with the workshop instructor to match eligible clients to identified job openings. The AE will work closely with private businesses in the community that agree to provide 115 private sector jobs for Tribal members. The Employment Security Department will be responsible for placement of program enrollees in the jobs provided by the private sector.

4. Vocational Training

For some participants completing the pre-employment classes, vocational training may be a more appropriate option than job search. Referrals will be made for an estimated 75 participants for occupational skill training with local educational agencies. Occupational skill training offered under this portion of the program is valued at \$200,000.

5. Support Services and Follow-up

All participants are eligible to receive up to \$50 per week while participating in the pre-employment training classes. Payments are only made for hours in attendance. Other support services to be provided when needed to assure full participation in program activities or employment include child care, emergency housing, transportation, tools, food, and clothing. The value of these support services is \$140,000. Follow-up counseling will occur for at least one year after placement in employment or training. Counseling will be provided as necessary to resolve problems on the job, in order to assure long term job retention.

6. Technical Assistance

One professional staff person will be made available for a nine-month period beginning not later than 12 months after the effective date of the Agreement, to assist the Tribe in the development of potential business ventures. The value of

this technical assistance is \$35,000. Ideas for business ventures previously considered include a freeze facility and a chassis manufacturing operation. In addition, a job skills training program valued at \$50,000 will be offered for up to 25 Tribal members to meet the specific occupational training needs for such a venture.

7. Implementation

In order to effectuate this job training and development program, the Tribe will provide sufficient office and classroom space for operation of the pre-employment and basic skills classes for the four-year period. The Tribe will also provide adequate telephone service and access to normal office equipment for two staff persons, and shall coordinate services provided under this program with services otherwise provided by the Tribe's JTPA office;

8. Audit

The Tribe shall have the right to verify amounts expended under the job training and development program.

9. Training for Hatchery Operations

The State Departments of Fisheries and Wildlife agree to work with the Tribe and the Department of Employment Security to provide training to at least four Tribal members in the operations of fish hatcheries. Such training will be provided as a part of the State's commitment for job training in Section V. of the Agreement. This training will be provided within two years of the effective date of this Agreement.

B. PRIVATE SECTOR JOBS

1. A job placement program ("Jobs Program") will be implemented by the Employment Security Department in cooperation with the Tribe to provide for placement of Tribal members in jobs to match the member's skill and training. 115 jobs for Tribal members valued at \$2,500,000 will be provided by private businesses in the community with placement through the Employment Security Department. In addition, the private sector will provide a coordinator for implementation of this commitment, at a cost of \$100,000.

a. Administration

The program will be jointly administered by the Employment Security Department (hereafter "Department"), the

Tribal Employment Office (hereafter "Office"), and the Commencement Bay Tideland Owners Committee (hereafter "Committee"). The Employment Security Department Account Executive (hereafter "AE") and the Commencement Bay Tideland Owners Committee Employers Committee Administrator (hereafter "ECA") shall meet regularly to discuss appropriate job positions to be made available under this program to qualified Tribal members. The AE shall coordinate job referral efforts with the pre-employment training class instructor, the job search workshop instructor, the Tribe's JTPA office staff, and participants completing the job training and placement program described in Section I. The Tribal Employment Office Director (hereafter "TEOD") shall provide to the AE on a regular basis a list of qualified Tribal members who meet minimum qualification standards for positions made available by the ECA.

The responsibility for providing these 115 jobs is placed solely on the private businesses in the community. The Department shall not be held responsible for providing jobs. The Department will assist the Tribe and the Committee by assuring that eligible Tribal members are referred to jobs made available by private businesses in the community.

2. Program Guidelines

a. The term "Tribal members" as used in this document shall include Tribal members and non-member spouses. It is the intent of this program to develop full-time jobs. There will be an enforceable two-year commitment for a minimum of 2,000 hours for each job, subject to qualified Tribal members utilizing the program and applying for the jobs.

b. The following guidelines will be used to determine whether the goal of 115 jobs^a is being met:

(1) The extent to which the Jobs Program is referring a sufficient number of applicants who meet the employers' minimum qualification standards for the positions, on a job-by-job basis;

(2) The extent to which the employers are providing job openings for which Tribal members have the necessary skills and experience;

(3) The extent to which employers are employing qualified applicants referred by the Jobs Program for job openings.

(4) The extent to which Tribal members have obtained employment through other channels, such as other special employment programs, Tribal enterprises, and Tribal member businesses;

(5) The extent to which Tribal members who have obtained jobs through this program continue to hold those positions.

c. At the end of the two-year commitment period specified above, the parties participating in this program will evaluate the jobs program and discuss whether to continue the program in its current or modified form.

d. Notwithstanding the limitations in this document, the Committee shall provide job openings which represent a fair cross-section of the job market and provide Tribal members the opportunity to earn, on average, wages and salaries roughly commensurate with the job market as a whole.

3. Program Operation

a. The Tribe agrees that a Tribal member (or a spouse of a Tribal member) must meet the following conditions to be considered eligible to participate in the Jobs Program:

(1) The member must be certified as an enrolled member of the Puyallup Indian Tribe (or spouse of an enrolled member of the Tribe);

(2) The member (or spouse) must possess the minimum experience and skill qualifications established by the employer for the specific job opportunity;

(3) The member (or spouse) must meet the employer's established terms and conditions of employment; and

(4) The member (or spouse) must meet the employer's established specific standards for satisfactory job performance and progress.

b. The parties agree that job openings will be referred and Tribal members will be hired in accordance with the following terms and conditions:

(1) Each employer agrees to refer all available job openings to the AE with a written statement of the minimum skills, qualifications and abilities required for each job opening.

(2) Job openings filled from within by current employees, and job openings filled by former employees with seniority recall rights, and job openings which must be filled exclusively through a union hiring hall, will not be considered as job openings for purposes of the Jobs Program. In addition, with the mutual written agreement of the employer and the Jobs Program, other types of categories of job positions may be excluded from consideration in the jobs program under this document.

(3) Upon receiving notice of a job opening, the AE will screen the lists of available candidates provided by the TEOD, the pre-employment class instructor, the job search workshop instructor and the Tribe's JTPA office staff. If qualified individuals are available, the Jobs Program will arrange for job application interviews.

(4) If an employer decides not to hire an applicant referred by the AE, the reasons for not hiring will be discussed on a confidential basis with the Office counselor in order to enhance the applicant's potential for employment in a subsequent position.

(5) Tribal members (or spouses) placed by this program will have the same employee rights and benefits as they would have if they were hired apart from this program. Tribal members hired under this program shall not be discriminated against in the terms and conditions of employment.

c. The employers participating in the Jobs Program agree:

(1) To provide at least 2,000 hours of employment per job position pledged. Each job position pledge will be fulfilled after 2,000 hours of paid

employment have been credited to that position. A Tribal member who has worked 2,000 hours shall not be terminated, however, except for good cause.

(2) For each Tribal member hired, there will be a 60 day trial period. If the member leaves the position, either voluntarily or involuntarily, the number of hours worked by that employee shall be subtracted from the 2,000 hours guaranteed. However, the private sector shall remain obligated to provide the remaining hours.

(3) If, after that 60 day period, a Tribal member placed by this program leaves the position without cause or is terminated for cause, the private sector's obligation to provide that job position shall be deemed fulfilled. Before terminating an employee for cause, an employer must first seek counseling from the Jobs Program.

(4) If, after the 60 day period, a Tribal member placed by this program leaves the position with cause or is terminated without cause, the number of hours worked by that employee shall be subtracted from the 2,000 hours guaranteed, but the private sector shall remain obligated to provide the remaining hours for that position. In order to satisfy the requirement for leaving with cause under this paragraph, the employee must first seek counseling from the Office.

(5) Hours worked by any Tribal member hired under the Interim Jobs Program of 1986 shall be counted toward the hours obligated under this Agreement.

(6) Where jobs are provided through the development of new business with the Tribe, the parties to this document, together with the non-Indian parties involved in such new businesses, shall agree whether such jobs shall be counted toward the fulfillment of the employment goal.

4. Enforcement

Subject to the qualifications contained in this document, failure to meet the employment goal shall constitute a violation of the Agreement which shall be remedied as provided in that Agreement and/or as specified in this document. The Commencement Bay Tideland Owners Committee will assume

responsibility to obtain sufficient job opportunities to meet the goals of Section V.B. of the Agreement and section B.1. of this document within 24 months of the effective date of this Agreement.

C. SOCIAL & HEALTH SERVICE IMPROVEMENTS

A. The following funds will be provided for the capital purposes set forth below:

CAPITAL PROJECTS

20 Bed Elder Care Facility	\$ 500,000
20 Bed Youth Substance Abuse Facility	\$ 500,000
42 Child Day Care Center	\$ 250,000
Mental Health Center Computer	\$ 5,000

TOTAL CAPITAL FUNDS \$1,255,000

Capital Projects Explanation

The Department will provide \$1,255,000 for construction and equipment costs associated with the four projects noted above. Funds will be disbursed coincident with the construction schedule of the projects and must be used or committed within 24 months of the effective date of the Agreement. The Department will not purchase, donate or supply land for the facilities. The amounts shown are for construction and equipment. Responsibility for ownership, operation and staffing rests solely with the Tribe. The estimated amounts are sufficient to build and equip these facilities, to safely meet building code standards and appropriate care as reflected in State licensure provisions. Expenditures above the pledged amounts will be borne by the Tribe.

The size of the day care center reflects perceived needs and State licensure provisions. A forty-two child facility can handle eight infants (staff ratio at 4:1), 14 toddlers (staff ratio at 7:1) and 20 preschoolers (staff ratio at 10:1). A full staff includes seven day care teachers and one administrator in order to staff the facility for a ten to twelve hour day.

The computer is intended to permit the existing Tribal mental health services to tie into the State mental health computer systems, and may additionally be used for other Tribal purposes.

2. The following funds will be provided for the training purposes set forth below:

TRAINING TRUST FUND

Qualified Alcoholism Counselor Training	\$ 10,000
Day Care Training	\$ 20,000
Child Welfare Training	\$ 65,000
Mental Health Training	\$ 22,000
Social Service Management Training	\$ <u>10,000</u>

TOTAL TRAINING FUNDS \$ 127,000

TOTAL ALL FUNDS

\$1,382,000

Training Trust Fund Explanation

The State will provide \$127,000 to fund training, based on the expected cost over five years. Where possible, training will be provided to Tribal employees in DSHS training programs. Tribal employees (through the trust fund) will be charged no more than the rate charged DSHS employees. Where DSHS does not provide training, the amount is anticipated to be sufficient to purchase training from state, college or private programs open to the general public. This money shall be held in a trust account, with the principal and income from the fund to be used for the training described below.

a. Qualified Alcoholism Counselor Training - \$10,000 will be provided to pay for the required 30 hour per year continuing education classes at \$10 per hour for five people over a five year period ($30 \times \$10 \times 5 \times 5 = \$7,500$). The remaining \$2,500 is available for additional training.

b. Day Care Training - \$20,000 will be provided to pay tuition for 15 employees to attend community college to become Certified Day Care teachers. The cost is \$24 per credit and 45 credits are needed ($15 \times \$24 \times 45 = \$16,200$). This assumes seven employees will attend college in the first year and two more employees will attend college each of the following four years. The remaining \$3,800 is available for additional training.

c. Child Welfare Training - \$65,000 will be provided to pay for 13 people to attend the DSHS-Children's Academy six week training program at \$4,000 each ($13 \times$

\$4,000 = \$52,000). This assumes five people will attend the first year and two more each year for the remaining four years. The remaining \$13,000 is available for additional training. Additional training could be purchased from DSHS on a space available basis or from other sources.

d. Mental Health Training - \$22,000 will provide computer training (\$2,000 over five years) and forty hours per year of professional continuing education at \$20 per hour for five people (40 x \$20 x 5 x 5 = \$20,000). Some of the required training is available from DSHS.

e. Social Service Management Training - \$10,000 will provide training in social services management at 20 days of training per year, at \$100 per day for 5 years.

DOCUMENT 6:
BLAIR NAVIGATION PROJECT

INTRODUCTION

This document accompanies and is an integral part of the Agreement. This document describes the manner in which the Blair Navigation Project will be accomplished.

A. PROJECT DESCRIPTION

1. History

The evaluation of national benefits that could be realized from deepening and widening of the Blair Waterway was originally undertaken in the mid-1970's. It was reported to Congress after completion of feasibility studies that this plan was in the best interests of both the United States and the local community, as a vital improvement to our maritime capacity to meet domestic and foreign trade objectives. This conclusion was confirmed in the early 1980's, with continuous funding being provided to complete preliminary engineering studies of the East 11th Street Blair Bridge replacement for the purpose of widening the navigation passage.

The project which is formally identified as the Blair-Sitcum Federal Water Resources Project was subsequently authorized by Congress in PL 99-662, the 1986 Federal Water Resources Act. As authorized, the legislation allows for the bridge to be replaced by a by-pass road. However, funding for final studies, detailed design and construction has not been provided.

2. Physical Features

The project consists of dredging the Blair Waterway channel, and either replacement or permanent removal of the East 11th Street bridge, to widen and deepen the channel from its mouth at Commencement Bay to the turning basin at its head. No further deepening of the Sitcum Waterway is contemplated.

The channel dredging will increase the current water depths of about -40 feet MLLW to -45 feet MLLW to Lincoln Avenue, and to -41 feet MLLW to the turning basin. Actual dredging will include an additional 1 foot of advance maintenance

dredging and a 2 foot contractor's allowance, both of which are accepted dredging project standards. Channel widths will be increased relative to the deepening, but existing banks and nearby slopes of the waterway will not be altered. A primary channel widening will occur at the East 11th Street bridge, where it will be increased from 150 feet to 300 feet.

A key element of the project is the widening of the navigation opening at the East 11th Street bridge. As prescribed in the authorized federal project, the existing bridge will be demolished and either replaced by a new bridge allowing a 300 foot wide navigation opening, or left unreplaced in favor of a bypass highway to be constructed around the waterway. If the bypass highway is chosen, the estimated cost of bridge construction, less demolition and utilities relocation costs, would be transferred to the bypass highway project. This decision for replacement of the bridge or a bypass road will be made jointly by the Port of Tacoma, City of Tacoma and the State of Washington.

Another element of the Blair Project is provision of a dredged material placement site. That designated site is the Milwaukee Waterway, making it an indirect part of the Blair Project.

A final element of the project is long term maintenance of the new channel widths and depths. Included is occasional maintenance dredging and disposal of sediment accumulations in both the Blair and Sitcum Waterways. The Sitcum Waterway is included in the project for maintenance only, as its prescribed depth is already in place.

3. Project Costs

Estimated costs are:

<u>Dredging and Disposal</u>	<u>Estimated Cost</u>
Environmental, Mitigation, Engineering and Administration; Dredging and Material Placement (including a contingency fund)	\$10,000,000*
<u>Bridge</u>	
All elements (including a contingency fund)	\$41,000,000
<u>Total Project</u>	\$51,000,000

*The actual costs will be approximately \$13 million.

The additional \$3 million will be paid by the Port of Tacoma.

B. PROJECT FUNDING

The parties to this Agreement agree that the common benefit of this project to the United States, Tribe, non-Indian entities and the entire community warrants its inclusion in this Agreement. Accomplishment of the project will be as prescribed in the following schedule of funding and in-kind work:

1. Dredging and Disposal

The Port of Tacoma will fund and accomplish all of the project dredging and dredge material placement as an in-kind contribution to this Agreement. Although the total estimated value of that work is \$13,000,000, the Port will limit its contribution credit to \$10,000,000 for purposes of this Agreement.

2. Bridge Replacement or Bypass Funding

Cash funding from this Agreement in the amount of \$41,000,000 will be placed into an appropriately established escrow account in the control of the Washington State Department of Transportation, with the precise limitation of its use for accomplishment of the bridge removal and replacement of the bridge or as a part of the bypass road project. The proper use of these funds will be monitored by the U.S. Army Corps of Engineers or other appropriate federal agency for the federal government.

C. ACCOMPLISHMENT OF THE PROJECT

All dredging and disposal will be completed by the Port of Tacoma using their own funds. Demolition of the East 11th Street bridge and utility relocations will be completed by the Washington State Department of Transportation using the funds from this Agreement held in escrow. Replacement of the East 11th Street bridge, including all elements, if the chosen option, will be performed by the Washington State Department of Transportation using the funds held in escrow from this Agreement. A bypass road project or portion thereof, if the chosen option, will be constructed by the Washington State Department of Transportation using the funds held in escrow from this Agreement.

D. TRIBAL INCENTIVES

It is recognized by the Tribe that this project represents a broad, positive value to the community, including Tribal and Non-Indian interests. More specifically, Tribal interests are met in the following ways:

1. Blair Waterway and Blair Backup Properties

Simultaneous with the "unlocking" of all other lands along the Blair Waterway, these valuable waterfront and maritime support lands conveyed to the Tribe will become part of the most desirable port development area on the West Coast. The deepening of the waterway and widening of the navigation opening at the East 11th Street Bridge site will provide the channel with appropriate depths and widths to accommodate the largest container and general cargo vessels anticipated by the maritime industry for the foreseeable future.

2. Long Term Annual Participation Payments

As a recognition of Tribal participation in the Blair Navigation Project and for the Tribe's assistance to the Port during the process of permit issuance for developments undertaken by the Port during and after the project construction, the Port shall provide long term annual payments to the Tribe which they can use for economic development, including development of their own facilities on the Blair Waterway. These payments will be provided over a 20 year period starting upon the date of completion. The project elements and payment schedule will be:

Blair Waterway East 11th Street Bridge Navigation Opening

Participatory payments will begin upon completion of replacement of the existing bridge with a 300 feet wide navigation opening, or upon completion of permanent removal of the existing bridge as part of a permanent bypass solution. They will continue annually at one year intervals thereafter through the 20th year.

Upon Project Completion	Years <u>2 to 5</u>	Years <u>6 to 10</u>	Years <u>11 to 15</u>	Years <u>16 to 20</u>
\$50,000	\$50,000 per year	\$100,000 per year	\$150,000 per year	\$200,000 per year

Total payments to Tribe over the 20 year period = \$2,500,000.

E. BYPASS ROAD RIGHT-OF-WAY

Construction of the bypass road element of this project requires that an elevated bridge be placed over the Puyallup River and a portion of the Tribal-owned land along the Puyallup River. It is agreed that the Tribe will provide land in fee for construction of

bridge supports and their foundations and easements for the overhead crossing of the bridge structure. The Tribe will be paid just compensation for the conveyances in fee for the supports and their foundations and the easement for the elevated structure. Use and necessity is recognized by the Tribe and necessary progress of construction will not be delayed by the Tribe while just compensation is determined. The Tribe shall have a reversionary interest in the land occupied by the footings if such lands are no longer used for transportation purposes.

It is further agreed that the bridge to be constructed over Tribal lands will be designed within the following criteria:

1. Crossing of the Puyallup River will be downstream from and no closer than 300 feet from the railroad bridge downstream from the Highway 99 Bridge.
2. The required bridge right-of-way will be no greater than 150 feet normal to centerline of bridge.
3. The bridge will be elevated over Tribal lands, i.e., not requiring filling over Tribal lands.
4. Support columns and their foundations placed on Tribal lands will be accomplished such that the land remains accessible for their fishermen under the bridge.
5. If piers for bridge support are found to be necessary within the river, no more than two lines of supports will be constructed; such supports shall be constructed parallel to the River bank. Every reasonable effort will be made during design to locate each line of supports as near as possible to banks, thereby maximizing the opening between supports; with one support no more than 25 feet from the east bank, and the span between supports no less than 300 feet.

DOCUMENT 7:
FUTURE GOVERNMENTAL AUTHORITY, RESPONSIBILITIES, AND COOPERATION

INTRODUCTION

This document accompanies and is an integral part of the Agreement. This document contains the agreement among the Tribe, Pierce County, the cities of Puyallup, Fife, and Tacoma, the State of Washington, and the United States pertaining to factors for land use decision-making within the 1873 Survey Area; a procedure for consultation regarding proposed land use actions and resolving potential future land use and development conflicts, including future trust lands or changes in use of current trust lands; and law enforcement cooperation. If there is any conflict between this document and the Agreement, the Agreement controls.

A. SCOPE

1. Area

The consultation process applies to and is required of participating parties within the 1873 Survey Area as described in Section VIII of the Agreement. The consultation process also applies to any land proposed for future trust status or change in use on trust property.

2. Parties

The parties to this document are the Puyallup Indian Tribe, Pierce County, the cities of Fife, Puyallup, and Tacoma, the State of Washington, and the United States. The parties agree to apply the factors for land use decision-making, utilize the consultation process, and enter into service agreements.

3. Periodic Review

The parties agree to conduct a formal review of this document every five years, or more frequently as needed, and to engage in good faith negotiations in the event amendments are desired by any party. This document shall remain in full force unless the parties agree in writing to amendments as part of the good faith negotiations.

B. LAND USE PLANNING AND REGULATORY DECISIONS

1. Preamble

The parties to this document agree to consult and discuss all development and revisions to their respective land use plans.

In developing these plans and resolving future problems, the Tribe and general purpose local governments (i.e., cities and county) agree to use the standards described below and intergovernmental compacts in resolving their differences.

The Tribe and the general purpose local governments agree to use the consultation process described in Section C. of this document as the procedure for resolving any differences or concerns over proposed plans or plan changes within the 1873 Survey Area.

Before the Tribe or its members files any trust land applications in the future, or authorizes a substantial change in use of land in trust under Section VIII of the Agreement, the Tribe will use the consultation process set forth in Section C. of this document, to allow other governments to raise concerns.

The Tribe agrees to develop a comprehensive land use plan of its own within a reasonable period of time after the effective date of this Agreement. The Tribe may adopt by reference the appropriate local government land use plans. The Tribe's land use plan shall address all or a part of the 1873 Survey Area, consistent with Section VIII.A. of the Agreement. The Tribe agrees not to assert the jurisdiction of its plan or land use regulations over non-trust lands.

2. Guidelines for Evaluating Land Use Decisions

Land use planning and land use regulatory decisions made by the Tribe, Pierce County, the cities of Fife, Puyallup, and Tacoma, the State of Washington, and the United States affecting any property within the 1873 Survey Area, as described in Section VIII. of the Agreement, will be made only after consideration of community interests, both Indian and non-Indian. When adopting or amending land use plans or regulations within the 1873 Survey Area, the parties will utilize the land use factors set forth below to guide their review and deliberations, and each government will give careful consideration to and will accommodate as many of the listed factors as possible.

It is recognized by the parties that, in evaluating and acting upon permit applications within their jurisdiction, each party is required to follow applicable laws, including land use plans and regulations. Each party will in addition to their adopted land use plans, programs, and regulations give consideration to the following land use guidelines and will accommodate as many of the listed factors as possible. However, the land use factors set forth below shall only be additional considerations to the provisions of the applicable land use plans and regulations, and shall not supersede or otherwise replace the provisions of such plans or regulations. The factors to be considered are:

- a. The need of the Tribe and its members for increased land;
- b. The objectives of federal Indian policy;
- c. The protection of established or planned residential areas from uses or developments which would adversely affect such residential areas. ("Planned areas, development, or uses," as utilized in this factor and following factors, shall mean areas, developments, or uses provided for or permitted under adopted land use plans, zoning regulations, land use programs, or other official actions of any participating government.);
- d. Protection of the health, safety, and welfare of the community;
- e. Preservation of open spaces, which are publicly owned and/or officially designated and whose intended purpose is clearly for open space. Also, the protection of rivers, streams, and marine waters, including their ability to support the fisheries resource;
- f. Protection of the physical environment from adverse impacts;
- g. Opportunity for economic growth and diversity, consistent with the other factors set forth herein; and in the location of Indian economic enterprises, the extent of the Tribe's economic base and land base to support economic activities;
- h. Provisions for providing public facilities and services necessary to support development, such as utilities, roads, public transportation, parks, recreation facilities, and schools;

i. Avoidance of adverse effects on existing and planned development and uses on adjacent lands and within surrounding neighborhoods;

j. Concern that land may be put into trust for the primary purpose of allowing non-Indian businesses to avoid state and local taxation, or where the Tribe receives no significant immediate benefits from the transaction;

k. Of particular importance to the local governments who are parties to this Agreement in evaluating a proposed change from fee to trust status is the impact resulting from the removal of the land from the local government tax rolls. The local governments and the Tribe will address their concerns about the appropriate division of lands between trust and non-trust status and between Tribal and local governmental tax rolls. If these issues cannot be resolved through later negotiations, then the local governments reserve the right to object to proposed impacts of individual parcels or the aggregate impacts of the total amount of land placed in the trust status, pursuant to 25 CFR 151 or its successor.

In acting upon a proposal, each party shall take into consideration the other's adopted land use plans and regulations, and, further, each party reserves the right to use its land use plan and regulations when it applies the above guidelines to a proposal or when reviewing and commenting upon a proposal pursuant to the consultation process set forth in Section C. of this document.

C. CONSULTATION FOR SUBSTANTIAL ACTIONS CONCERNING TRUST AND NON-TRUST LANDS

1. Preamble

When the Tribe or any general purpose local government which is a party to this document receives an application for a permit which is defined as a "substantial action" in subsection 2.b. of this section, or itself proposes to take a "substantial action" as herein defined concerning property located within the 1873 Survey Area, the issuing government agency will notify the other affected government and give an opportunity for consultation and discussion.

2. Definitions

a. General purpose local governments participating in this Agreement are Pierce County and the cities of Fife, Puyallup, and Tacoma.

b. A "substantial action" is any regulatory action requiring a public hearing such as a rezone, shoreline permit, or special or conditional use permit, or subdivision, a legislative action such as the adoption of land use plans or amendments thereto, and certain environmental review actions such as environmental impact statements related to any of the preceding regulatory or legislative actions, and proposed declarations of non-significance pursuant to the State Environmental Policy Act (SEPA) Rules (WAC 197- 11340(2)), as adopted and in effect at the time of the execution of the document. Also, any similar land use or environmental actions to those noted above and any substantial change in use of trust or non-trust lands shall constitute a "substantial action." Further, any proposal to place lands in trust shall constitute a "substantial action."

Administrative and ministerial actions which are non-discretionary in nature and which may not require a public hearing, such as administrative site plan reviews, temporary use permits, building permits, occupancy permits, enforcement orders, or short plats are not to be considered "substantial actions" for the purposes of the consultation process set forth herein.

3. Procedures

a. The Tribe or general purpose local government which receives an application for or intends to take a "substantial action," as defined in paragraph 2.b. above, within the 1873 Survey Area will give timely notice to the other party in writing and will transmit a summary of the request, a copy of the project plans, any environmental documents, and any other pertinent information filed in conjunction with the application.

b. The Tribe or the general purpose local government, taking or responsible for approving the "substantial action," will provide an opportunity for written and/or oral comment by the other party, consistent with established land use permit and environmental review procedures. The Tribe and local government will make

available appropriate representatives to discuss any concerns or questions raised by the other entity.

c. The Tribe or the general purpose local government will make good faith efforts to accommodate the concerns of the other party in rendering its decision, consistent with the adopted plans, programs, and legal standards governing the decision. In each case where an objection is filed and this consultation process is invoked, the decision-maker will enter a decision in writing setting forth the reasons for the decision and explaining the evaluation of all relevant factors.

d. To the extent a decision is adverse to an objecting entity, the decision-maker will explain in the decision why an adverse decision was necessary and will set forth any restrictions or conditions intended to minimize the adverse impact on the objecting entity.

e. The local governments have no duty to provide services to trust lands unless the Tribe or its members request such services, and there is a mutually satisfactory agreement regarding payment for such services.

f. As provided in Section VIII.B. of the Agreement for the future placement of lands in trust and/or changes in the use of existing trust lands, the Secretary of Interior shall comply with applicable federal law, regulations and procedures.

The Tribe shall notify the other parties of the decision of the Secretary as to requests for the acquisition of land in trust status.

This document does not limit whatever jurisdiction the appropriate court would otherwise have to review the merits of a decision in cases filed pursuant to Section XI. of the Agreement. Further, the parties retain whatever authority they would otherwise have to bring suit in Federal court to remedy violations of Federal law which are independent of this document. In addition, the parties retain whatever authority they would otherwise have to file suit in the State, local or Tribal courts to remedy violations of State, local or Tribal law.

Proposals that are subject to the fisheries dispute resolution procedure set forth in Document 4 to the

Agreement shall not be subject to the consultation process set forth herein.

On the fifth (5th) year following the effective date of this Agreement the participating local governments and the Tribe shall review how the system for placing new lands in trust has worked. To the extent that any party determines the system is not working, it will suggest changes and attempt to reach agreement with the other parties. The Tribe and the local governments reserve the right to propose changes in the federal process for placing lands in trust, in the event there is no agreement.

D. LAW ENFORCEMENT

In order to exercise the highest degree of cooperation, the Puyallup Indian Tribe and the State and its political subdivisions, through their respective law enforcement authorities, agree to the following program:

1. The Puyallup Tribal police will be primarily responsible for law enforcement over Tribal members on trust lands in the 1873 Survey area. Local and state police agencies shall be primarily responsible for law enforcement over non-Tribal members and on non-trust lands, as presently provided by law.
2. Each jurisdiction is responsible for its own criminal investigations, pursuit of alleged criminals, and arrests, and for all liability or damage arising from incidents or actions involving its officers, whether or not the authority being exercised is that of the employing jurisdiction or of other jurisdictions under deputization. The employing jurisdiction will hold harmless other jurisdictions whose authority is being exercised by officer.
3. All parties agree to minimize jurisdictional disputes by formal and informal consultation on matters of mutual interest. Specific jurisdictional problems shall be the subject of continuing and regular consultations.
4. When investigations, hot pursuit, or potential arrests might involve a jurisdictional dispute, police activities shall be guided by the following:
 - (a) When the criminal investigation, pursuit, or potential arrest is not time-sensitive, the involved police agency shall consult with the appropriate other police agencies in order to determine which agency has

jurisdiction, which court should arraign any suspect, and other matters; and

(b) When time is of the essence to stop a crime in progress, to prevent injury to person or damage to property, or to apprehend suspects, the police agency involved shall notify immediately the appropriate counterpart police agencies and shall take only such steps necessary to prevent injury or damage or to arrest criminal suspects.

5. Each jurisdiction may agree to limited, reciprocal cross-deputization of Tribal police and non-Indian police when necessary to carry out the law enforcement functions described herein.

Further, the various police agencies, the Puyallup Indian Tribe, and the local governments agree to facilitate participation of the respective police agencies in any local or Tribal training programs.