

LUMMI INDIAN BUSINESS COUNCIL

2616 KWINA ROAD · BELLINGHAM, WASHINGTON 98226 · (360)384-1489

DEPARTMENT _____

DIRECT NO. _____

October 12, 2010

Sam Crawford
Whatcom County Council
311 Grand Avenue, Suite 105
Bellingham, WA 98225

RECEIVED

OCT 14 2010

WHATCOM COUNTY
COUNCIL

*distributed to
all cm's on 10/19
per Sam C.*

Re: Lummi Island Ferry- mediation and expectations of good faith

Dear Sam:

You are aware that the Lummi Nation and the Whatcom County Council have agreed to enter into mediation in an effort to resolve the differences between our positions with respect to the lease terms regarding the continuing operation of the Lummi Island Ferry service from Gooseberry Point.

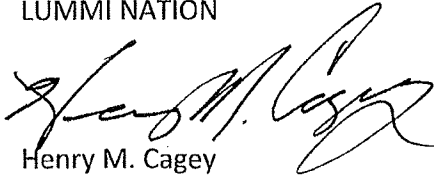
The parties have agreed upon a mediator and it appears that a mediation session will take place by the end of October. This a good sign of progress for this negotiation which has been going on since last winter. The Lummi Nation is approaching the mediation in good faith and expects that the County Council do so as well. It has come to the attention of the Nation; however, through widely distributed emails by County Councilmember(s) that litigation may still be a preferred route to resolving this matter. The Nation disagrees with that viewpoint and will continue to work toward a mutually agreed upon solution.

In the letter dated July 30, 2010, the Lummi Nation requested that the County Council formally respond to proposed lease terms and noted that failure for the County Council to respond could result in termination of ferry services effective October 15, 2010. Since July, the County Council has counter-offered and provided assurances that it is still interested in actively participating to reach a lease agreement regarding the Lummi Island ferry service. In addition, since that time, the parties have agreed to enter into mediation and have successfully worked together to select a mediator. Based on those efforts by the Whatcom County Council and County staff, the Nation is satisfied that the status quo, pursuant to the February 2010 interim agreement may remain in place until December 2010.

It should be noted that the February 2010 interim agreement was intended to be a stop-gap measure while the parties negotiated the substance of a lease agreement that would be approved by the United States. There was no expectation on behalf of the Lummi Nation that an interim agreement would operate for nearly one year without approval by the United States. If through mediation, the parties cannot come up with a resolution and a lease to present to the United States by December 2010, the Nation will ask that the parties revisit the terms of any interim agreement before continuing with negotiations for a longer term lease agreement.

The Lummi Nation looks forward to a productive mediation session and hopes that this matter can be resolved without much further delay.

Sincerely,
LUMMI NATION

A handwritten signature in black ink, appearing to read "Henry M. Cagey". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Henry M. Cagey
Chairman
Lummi Indian Business Council