

APPENDIX W

PAYMENT IN LIEU OF TAXES AGREEMENT LETTERS



ARTHUR D. CURTIS
PROSECUTING ATTORNEY

CURT WYRICK
CHIEF DEPUTY

JAMES R. MILLER
CHIEF CRIMINAL DEPUTY

RICHARD S. LOWRY
CHIEF CIVIL DEPUTY

SHARI JENSEN
ADMINISTRATOR

February 5, 2008

Steve Horenstein
Attorney at Law
PO Box 694
Vancouver WA 98666-0694

Edward Fleisher
Attorney at Law
2834 Nisqually View Loop NE
Olympia WA 98516-2354

Dear Steve and Ed:

On March 2, 2004, Clark County and the Cowlitz Indian Tribe entered into a Memorandum of Understanding (MOU). Section 11.1 of the MOU reads as follows:

Payments in Lieu of Taxes. The Tribe shall compensate the County and local districts on a biannual basis in lieu of property taxes for revenue lost resulting from the removal of the CLARK COUNTY SITE FROM THE TAX ROLLS consistent with the customary assessment procedures used by the County Assessor and the State Constitution, to the extent not otherwise specifically provided for in (a) this MOU or (b) any Class III Gaming Compact entered into between the Tribe and the State pursuant to the federal Indian Gaming Regulatory Act (including payments from Impact Mitigation Fund discussed at Paragraph 17.4 below).

On October 6, 2007, the Cowlitz Tribal Council adopted Ordinance No. 07-02 which contains virtually the identical language set forth above in Section (H)(1) of the Ordinance. The only change was the term "Tribe's Trust Land" was substituted for the term "Clark County Site" as used in the MOU.

The parties recognized that if the land located in Clark County was taken into trust by the federal government, the land would not be subject to the property taxes set forth in RCW Title 84. The Tribe therefore agreed to make a payment in lieu of taxes, equivalent to the taxes which would have been due if the sovereign immunity exemption did not apply, to offset this loss of tax revenue. This letter is written to ensure that there is a clear understanding between the parties as to the meaning of property taxes as used in the MOU and in the Cowlitz Tribal Ordinance No. 07-02.

CIVIL DIVISION

1013 FRANKLIN STREET
(360) 397-2478 OFFICE

PO BOX 5000

VANCOUVER, WASHINGTON 98666-5000
(360) 397-2184 FAX

February 5, 2008

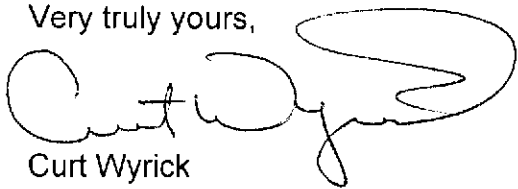
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The payment in lieu of taxes was intended to equal all property taxes which would have been received for the real property, improvements and personal property located in Clark County had the Tribe been subject to property taxes which are set forth in RCW Title 84.

Please by written confirmation indicate this is the understanding of the Cowlitz Tribe as to the meaning of property taxes used in both the MOU and Cowlitz Tribal Ordinance No. 07-02.

Thank you for your prompt reply.

Very truly yours,

A handwritten signature in black ink, appearing to read "Curt Wyrick". The signature is stylized with a large, sweeping flourish at the end.

Curt Wyrick
Chief Deputy

/ml



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WWW.MILLERNASH.COM

Stephen W. Horenstein

Admitted in Washington and Oregon
steve.horenstein@millernash.com
(360) 737-1470 direct line

February 6, 2008

Mr. Curt Wyrick
Clark County Prosecuting Attorney's Office
1013 Franklin Street, 4th Floor
Post Office Box 5000
Vancouver, Washington 98666-5000

Subject: Memorandum of Understanding — Fees in Lieu of Taxes

Dear Curt:

Thank you for your letter of February 5, 2008, setting forth Clark County's position on the Cowlitz Tribe's obligation to pay fees in lieu of property taxes to Clark County as provided for in both the Memorandum of Understanding between the Cowlitz Tribe and Clark County dated March 2, 2004, and the Cowlitz Tribal Ordinance No. 07-02, adopted on October 6, 2007.

We have reviewed this letter with Chairman John Barnett of the Cowlitz Tribe. The Cowlitz Tribe concurs that it is obligated to make payments in lieu of property taxes as outlined in your letter. We do reserve the right to contest valuation issues just as any taxpayer has the right to do.

Very truly yours,

Ed Fleisher
Counsel to the Cowlitz Tribe

Very truly yours,

Stephen W. Horenstein
Counsel to Salishan-Mohegan

cc: Mr. John Barnett