

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
KING COUNTY
and
THE MUCKLESHOOT INDIAN TRIBE**

This Memorandum of Understanding (hereinafter "MOU") is entered into by and between King County (the "County") and the Muckleshoot Tribe (the "Tribe");

In consideration of the recitals set forth below and the mutual promises and covenants contained in this Agreement, the County and the Tribe (collectively "the Parties") agree as follows:

Part 1. RECITALS

1.1 This MOU is the outcome of a good faith negotiation between the Parties for the purpose of determining a 2015 payment in lieu of leasehold excise tax (hereinafter "PILT") for the Salish Lodge;

1.2 The 2014 Washington State Legislature amended RCW 84.36.010 to recognize "economic development" as an essential government services for the purpose of qualifying tribally owned property for property tax-exempt status. To qualify property used for economic development, a tribe must have owned the property prior to March 1, 2014;

1.3 The Tribe has expressed an interest in applying for a property tax exemption for the Salish Lodge property, effective in 2015. The Tribe is the sole member of Salish Lodge LLC, the owner of the Salish Lodge;

1.4 Before the Tribe may apply to the State Department of Revenue (DOR) for a property tax exemption for tax year 2015, under the revised law, the County and the Tribe are required to enter into good faith negotiations to determine a payment in lieu of leasehold excise tax (PILT) ;and

1.5. The Salish Lodge property is currently identified by real property tax account number 302408-9064-02 and personal property tax account number 4200-03048352.

PART 2. AGREEMENT

2.1. King County and the Tribe have agreed on a methodology and amount of the PILT for 2015. The amount of the PILT will be 25 percent of the 2014 property taxes billed for the Salish Lodge, including both real and personal property.

2.2. The table below sets forth the calculation for the 2015 PILT for the Salish Lodge.

Salish Lodge LLC	
2014 Real Property Tax Billed (account # 302408-9064-02)	\$393,948
2014 Personal Property Tax Billed (account # 4200-03048352)	\$18,578
Total 2014 Property Tax Billed	\$412,526
2015 PILT (25% of 2014 property tax billed)	\$103,132

2.3 This MOU is effective September 5, 2014 and is intended to be a one year PILT agreement for the Salish Lodge starting and ending in 2015.

2.4 The Parties agree that any future PILT agreements will be negotiated separately from this MOU.

2.5 If the DOR approves the Tribe's 2015 application for property tax exemption, the Tribe agrees to pay the full amount of the 2015 PILT to King County by April 30, 2015. Payment shall be made to King County Treasury, 500 Fifth Avenue, Rm. 600, Seattle, WA 98104.

2.6 Consistent with state law, the County will distribute the payment to the local taxing districts, including the City of Snoqualmie, in the same proportion that each district would have shared if a leasehold excise tax had been levied.

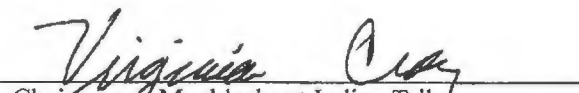
2.7 It is expressly understood and agreed by the Tribe and the County that the parties intend that this MOU to create a legally binding and enforceable obligation upon the part of both Parties.

2.8 Each signatory below warrants that they are lawfully authorized to sign this MOU on behalf of the County and Tribe, respectively.

AGREED to and Signed the date set forth below our signatures


King County Executive

10-12-14
Date


Chairperson, Muckleshoot Indian Tribe

9-26-14
Date



MUCKLESHOOT INDIAN TRIBE
OFFICE OF THE TRIBAL ATTORNEY
39015 - 172ND Avenue S.E. • Auburn, Washington 98092-9763
Phone: (253) 939-3311 • FAX: (253) 876-3181



September 30, 2014

Diane Carlson
King County Executive Office
Chinook Building
Suite 800
401 5th Avenue
Seattle, WA 98104

Re: Muckleshoot Tribe King County PILT MOU on Salish Lodge

Dear Diane,

Enclosed are two originals of a Memorandum of Understanding between King County and the Muckleshoot Indian Tribe concerning the Payment in Lieu of Taxes ("PILT") for 2015 property taxes for the Salish Lodge & Spa sined by Virginia Cross, Chairperson of the Tribe. Please have both originals signed and return one original to me. Thank you for your assistance on this.

Sincerely,

Robert L. Otsea, Jr.
Chief Legal Counsel

Encs.