

**ADDENDUM TO REAL ESTATE PURCHASE
AND SALE AGREEMENT**

THIS ADDENDUM to Real Estate Purchase and Sale Agreement ("Addendum") is made this date by and between the Port of Chelan County, a Washington municipal corporation (the "Port"), and Mill Property Associates, a Washington joint venture ("Mill Property Associates"), sometimes collectively referred to as the "Parties."

RECITALS

- A. The Parties have invested a significant amount of time and effort to resolve issues associated with the sale of the property to the Port, including but not limited to providing water from a domestic water system to the property, resolving title issues, and designing and obtaining approvals for improved access to the property.
- B. Circumstances have changed since the execution of the Real Estate Purchase and Sale Agreement in November of 1999 (the "Agreement") and the Parties would like to reflect the status of the transaction in this Addendum. The real property legally described in the Agreement shall be referred to as the "Property" in this Addendum.

Now therefore, in light of the above Recitals, which are incorporated herein by this reference, and in consideration of the mutual covenants set out below, the Parties agree as follows:

- 1. With regard to the construction of the access road as set out in Section 3 of the Agreement, the Parties acknowledge that the variance for the access road has been obtained, but a shoreline substantial development permit is still necessary. The Port agrees to pursue the shoreline substantial development permit following the approval of the comprehensive plan for the Peshastin Water District that includes the Property in the approved service area of the Water District.
- 2. Mill Property Associates shall construct its portion of the access road (identified in the Agreement as "Grantor's Portion") before December 31, 2001. This obligation shall survive closing.
- 3. The Parties have previously agreed to share equally in the money received from any outside source for the access road, including the intersection at the eastern end of the road. Since the Parties have agreed to construct separate portions of the access road as their allocation of the financial responsibility associated with the road, the Agreement needs to be revised to reflect how the Parties will allocate the benefit from any grant or other money received from an outside source. In light of the foregoing, Section 3.3 of the Agreement is revised to read as follows:

3.3 Grant money may be available to apply toward the Road Improvement Costs. In addition, Chelan County may participate in a portion of the costs of constructing the intersection at the eastern end of the access road (the

“Intersection”). The initial \$18,612 received from any grant or the initial \$18,612 in savings arising due to the participation of Chelan County shall be applied toward the obligation set forth in Section 3.5.2, below. In the event money is awarded or savings are derived in excess of \$18,612, then Grantor agrees to construct the access road beyond station 17+75 as depicted on Exhibit D (the western terminus of Grantor’s Portion) for a distance that will result in the expenditure of money by the Grantor equal to one-half of any money received in excess of \$18,612 as a result of a grant or participation or contribution by Chelan County for the access road or Intersection.

4. The last sentence of Section 4 of the Agreement is hereby stricken. The Parties agree to have a floating period for closing. Therefore, the Parties agree that closing will occur within 90 days after approval of the later of the shoreline substantial development permit or the binding site plan.

5. The dates in Section 5.2 of the Agreement are amended as follows: (a) Mill Property Associates shall have until December 1, 2000 to resolve the title issues, and (b) the Port shall have until December 15, 2000 to accept the condition of title, or to terminate the Agreement, all as more fully set forth in Section 5.2.

6. The date in Section 15 of the Agreement is revised as follows: the Port shall have 150 days following approval of the comprehensive water plan for the Peshastin Water District which includes the Property in the approved service area to obtain approval for the binding site plan and obtain a shoreline substantial development permit. If the County approvals are not obtained within the 150 day period, the Agreement shall terminate, unless this contingency is waived by the Port prior to expiration of the 150 day period.

7. Section 16 of the Agreement is hereby revised to read as follows:

16.1 Grantee and Grantor understand and acknowledge that a domestic water system servicing the Property is not in place, and that if Grantee acquires the Property it will, in all likelihood, have to contribute financially to improvements to the existing system. Closing is specifically contingent upon the Grantee obtaining satisfactory evidence in the form of a commitment from the Peshastin Water District that (1) the Property can be served by public water system for the Peshastin area pursuant to the terms of a comprehensive water plan approved by the Department of Health and the Department of Ecology, and (2) that water Availability Certificates are available to the Property to allow it to be developed into parcels for technology, business, or similar uses. The Parties are pursuing change applications through the Chelan County Conservancy Board to assist the Peshastin Water District with obtaining the necessary approvals so that domestic water will be provided to the Property. This Agreement shall terminate if the two contingencies identified above are not satisfied within 90 days following the decision by the Chelan County Conservancy Board on the pending change

applications submitted by the Peshastin Water District, unless this contingency is waived by the Grantor prior to the expiration of the 90 day period.

8. Section 17 of the Agreement is hereby stricken.

Except as modified by this Addendum, the Parties hereby affirm and ratify all terms and conditions of the Agreement.

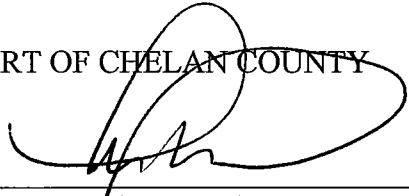
GRANTOR:

GRANTEE:

MILL PROPERTY ASSOCIATES

PORT OF CHELAN COUNTY

By: William P Burnett



Mark Urdahl, General Manager

Name: William P Burnett

Its: Board Representative/Manager

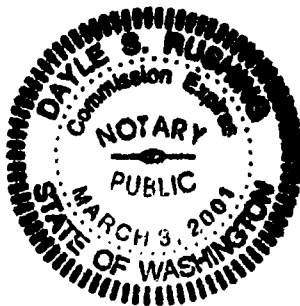
Date signed: 6-14-2000

Date signed: 6-23-2000

STATE OF WASHINGTON)
)ss.
County of Chelan)

I certify that I know or have satisfactory evidence that Pat Burnett is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Representative/Mgr. of MILL PROPERTY ASSOCIATES to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 14 day of June, 2000.



Dayle S. Rushing
Dayle S. Rushing
(printed name)
NOTARY PUBLIC, State of Washington
My appointment expires 3-3-2001

