

MEMORANDUM OF UNDERSTANDING RELATING TO
THE JOINT PURCHASE, OWNERSHIP, USE AND
MAINTENANCE OF FUTURE RECREATIONAL LANDS

THIS AGREEMENT is made this 23rd day of July, 1998 by and between Thurston County, a subdivision of the State of Washington, hereinafter called "County" and the City of Lacey, Washington, a municipal corporation, hereinafter called "Lacey."

WHEREAS, there exists a substantial regional need for additional active recreational fields and facilities within both the incorporated and the unincorporated portions of Thurston County, and

WHEREAS, the regional need for such additional recreational lands can best be met through cooperative efforts of the County and the various cities located within the County including such actions as the joint purchase and ownership of recreational lands, the cooperative development of such lands and the sharing of the costs of maintaining recreational facilities, and

WHEREAS, the parties have jointly explored the availability of recreational lands and have determined that there exists a parcel of land of sufficient size and in a location which will serve the needs of the residents both of the City of Lacey and Thurston County, and

WHEREAS, the County has funds available derived from the Conservation Futures Program and Lacey has funds from a dedicated source of utility taxes which funds can be used to carry out the terms of this agreement,

NOW, THEREFORE, it is hereby agreed between the parties as follows:

1. The parties hereby agree that they shall jointly purchase, in accordance with the "Agreement for the Purchase and Sale of Real Estate" attached hereto as Exhibit "A", that certain parcel of real property described in such exhibit. The initial obligations of each of the parties shall be as follows:
 - A. The County shall pay the purchase price and closing costs upon closing of the purchase and sale.
 - B. Lacey shall, through an agreement with other property owners, pay the pro-rata share of sewer line extension costs attributable to such described real property.
 - C. Lacey shall pay to the County, an amount equal to 1/2 of the total of the purchase price and closing costs for said real property. The County shall use at least a

portion of the funds paid pursuant to this subparagraph for the preparation of a site master plan and the first stage of recreational development upon such real property.

It is the intent of the parties that they shall ultimately expend equal amounts towards the purchase of the land, preparation of a master plan or plans and site development. In accordance with this intent, the County shall be given credit for all sums expended pursuant to subparagraph (A) of this section. Lacey shall be given credit for all sums paid to the County pursuant to subparagraph (C) of this section. Further, Lacey shall be given credit for the net amount of sewer line extension costs paid by Lacey after deducting any reimbursement from subsequent connectors to such line, provided however, that such credit shall not exceed the sum of \$250,000. Notwithstanding any provision in this section to the contrary, such credit, when due, shall be adjusted in a manner which, after considering the net interest paid or lost by Lacey on such costs at the State Local Government Investment Pool rate and all other amounts expended by the parties, will result in equal total expenditures by each party. This latter credit shall be effective at such time as the property is connected to public sewer for park development purposes. The amount and timing of all other expenditures by the parties for planning and development shall be subject to the availability of funds and require the mutual agreement of the parties.

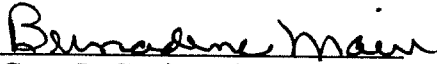
2. A master plan for development of the site, including phasing, cost estimates, methods of financing development and a facility management plan shall be approved by each of the parties prior to being implemented.
3. During such time as the parties jointly own the property, all revenues received in any manner from the property or its use shall be dedicated to the operation, maintenance and capital costs for the facility. It is the intent of the parties that maintenance and operation costs of the facility will, to the maximum extent possible, be covered by facility and user fees. However, if costs of maintenance, operation and capital expenditures exceed such revenues, such excess costs only shall be the joint and equal responsibility of the parties.
4. The parties shall own the property as joint tenants. They may mutually agree to a different ownership status at any time during the first fifteen (15) years following the date of closing of the purchase of the property. After the expiration of fifteen (15) years, the County may, in its sole discretion, transfer its share of ownership to Lacey, provided, that at such date, the County has expended funds for purchase, planning, development, maintenance, operation and additional capital costs in an amount at least equal to that expended by Lacey. When Lacey becomes sole owner of the property and facilities located thereon, Lacey, from that date forward shall be entitled to all revenue and shall be solely responsible for all development, maintenance and operation of the property and facilities located thereon.
5. Each of the parties will further the regional cooperation emphasis set forth in this

memorandum by encouraging active participation and use by all citizens of the County in order to provide the maximum recreational opportunities and offset the costs of development, maintenance and operation. The parties will further cooperate together and with all others in seeking grants and other sources of funding to maximize the potential recreational attributes of the property.

6. The parties shall, through their authorized officers, sign the Purchase and Sale Agreement in the form set forth on Exhibit "A" or as such Purchase and Sale Agreement shall be modified through the agreement of both parties hereto.

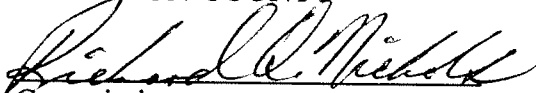
Dated the day and date first above written.

CITY OF LACEY


Greg J. Cuoio, City Manager

BERNADENE MAIN, ACTING CITY
MANAGER

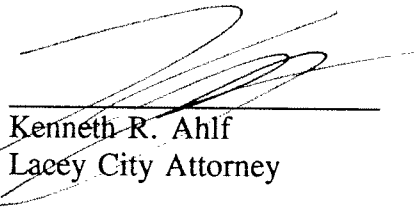
THURSTON COUNTY


Commissioner


Commissioner


Commissioner

Approved as to form:


Kenneth R. Ahlf
Lacey City Attorney

Approved as to form:

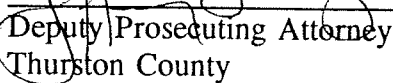

Deputy Prosecuting Attorney
Thurston County

EXHIBIT "B"

**AMENDMENT TO
AGREEMENT FOR THE PURCHASE AND SALE OF REAL ESTATE**

THIS AMENDATORY AGREEMENT is made and entered into this ____ day of _____, 1999, by and between THE OSTROM COMPANY, a Washington corporation, hereinafter called "Seller" and THURSTON COUNTY, a subdivision of the State of Washington, and the CITY OF LACEY, Washington, a municipal corporation, hereinafter called "Purchaser."

WITNESSETH:

1. That certain Agreement for the Purchase and Sale of Real Estate by and between the parties dated July 23, 1998 is hereby amended in the following particulars:

A. That certain contingency calling for an agreement satisfactory to both the Seller and the Purchaser for extending sanitary sewerage services to the property and all provisions related thereto contained in Section 1.A. of said Agreement is hereby waived and deleted.

B. The purchase price set forth in Section 2 of said Agreement is amended to be the total sum of Two Million Five Hundred Eighty Two Thousand Seven Hundred Thirty Six Dollars and 00/100 (\$2,582,736.00.)

C. The time for closing set forth in Section 7 of said Agreement is extended to a date not later than March 15, 1999.

2. It is understood and agreed between the parties that the contingency of furnishing a report or plan for odor control satisfactory to the purchaser as required by Section 1 of said

Agreement has been satisfied and further that the short plat or other appropriate approval for division of the property as required in Section 7 of said Agreement has been completed.

DATED this day and date first above written.

THE OSTROM COMPANY

CITY OF LACEY

President

Greg J. Cuoio, City Manager

THURSTON COUNTY

Commissioner

Commissioner

Commissioner

Approved as to form:

Approved as to form:

Kenneth R. Ahlf
Lacey City Attorney

Deputy Prosecuting Attorney
Thurston County

STATE OF WASHINGTON)
) ss.
County of Thurston)

On this day personally appeared before me William Street, Sr., to me known to be the President of The Ostrom Company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

GIVEN under my hand and official seal this ____ day of March, 1999.

NOTARY PUBLIC in and for the State
of Washington, residing at _____
My Commission Expires: _____

AMENDMENT TO
MEMORANDUM OF UNDERSTANDING RELATING TO
THE JOINT PURCHASE, OWNERSHIP, USE AND
MAINTENANCE OF FUTURE RECREATIONAL LANDS

THIS AMENDATORY AGREEMENT is made this 15 day of March, 1999 by and between Thurston County, a subdivision of the State of Washington, hereinafter called "County" and the City of Lacey, Washington, a municipal corporation, hereinafter called "Lacey."

WITNESSETH:

Section 1 of that certain Agreement entitled "Memorandum of Understanding Relating to the Joint Purchase, Ownership, Use and Maintenance of Future Recreational Lands" dated July 23, 1998 is hereby amended to read as follows:

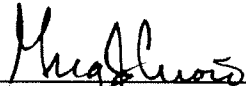
1. The parties hereby agree that they shall jointly purchase, in accordance with the "Agreement for the Purchase and Sale of Real Estate" attached hereto as Exhibit "A" as the same has been modified by that Amendment attached hereto as Exhibit "B", that certain parcel of real property described in Exhibit "A". The initial obligations of each of the parties shall be as follows:
 - A. The County shall pay the purchase price and purchaser's closing costs upon closing of the purchase and sale.
 - B. Lacey shall pay to the County, an amount equal to 1/2 of the total of the purchase price and purchaser's closing costs for said real property. The County shall use at least a portion of the funds paid pursuant to this subparagraph for the first stage of recreational development upon such real property.
 - C. The parties shall each pay 50% of the costs and fees for the preparation of the Site Master Plan referenced in Section 2 hereof.
 - D. As part of developing the property, Lacey shall pay the cost of an approved on-site wastewater treatment facility including the installation of dual plumbing, service to the street and the applicable Lacey General Facility Charges and LOTT Reserve Capacity Charges.

It is the intent of the parties that they shall ultimately expend equal amounts towards the purchase of the land, preparation of a master plan or plans and site development. In accordance with this intent, each party shall be given credit for all sums expended pursuant to this section. The amount and timing of expenditures by the parties for planning and development not specifically required by this section, shall be subject to the availability of funds and require the mutual agreement of the parties.

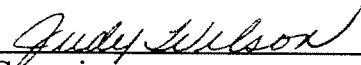
Dated the day and date first above written.

CITY OF LACEY


THURSTON COUNTY



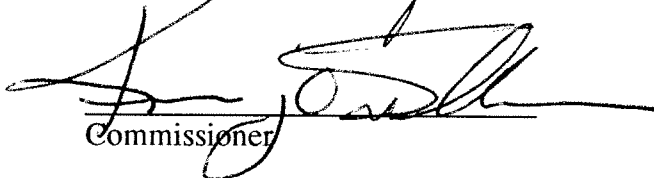
Greg J. Guido, City Manager



Commissioner



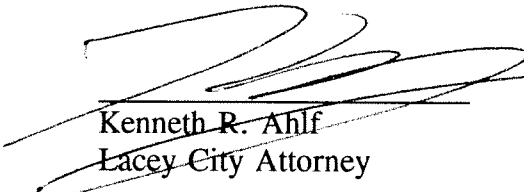
Commissioner



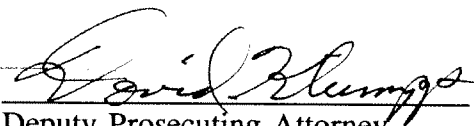
Commissioner

Approved as to form:

Approved as to form:



Kenneth R. Ahlf
Lacey City Attorney



Deputy Prosecuting Attorney
Thurston County

COPY

EXHIBIT "A"

AGREEMENT FOR THE PURCHASE AND SALE OF REAL ESTATE

THIS AGREEMENT is made and entered into this 23rd day of July, 1998, by and between THE OSTROM COMPANY, a Washington corporation, hereinafter called "Seller" and THURSTON COUNTY, a subdivision of the State of Washington, and the CITY OF LACEY, Washington, a municipal corporation, hereinafter called "Purchaser."

WITNESSETH:

1. Sale and Purchase. Subject to the contingencies set forth in this section, the Seller agrees to sell and the Purchaser agrees to purchase in accordance with the terms and conditions set forth herein, that certain real property located in Thurston County, Washington, legally described as follows:

Parcel "B" of Boundary Line Adjustment No. 0931 recorded under Thurston County Auditor's File No. 9006260006 and situated in section 14, Township 18 North, Range 1 West, W.M. except that portion of said parcel lying northerly of the following described line:

Beginning at the southwest corner of Parcel "A" in said Boundary Line Adjustment: Thence North 02°00'45" East along the Westerly line of said Parcel "A" for a distance of 115.00 feet: thence North 88°13'13" West, parallel to the South line of said Parcel "A", for a distance of 728.68, more or less, to a point on the Easterly Right-of-Way line for Marvin Road (State Route 510) being the end of said line and westerly of a line located 60 feet west of the westerly boundary of Parcel "A" of said boundary line adjustment, which line runs parallel with said westerly boundary and extends from the line first described herein and extends north to Steilacoom Road SE. Seller reserves an easement to allow the Seller, its successors and assigns, access for ingress, egress and utilities to the portion of Sellers property which consists of that portion of Parcel "B" of Boundary Line Adjustment No. 0931 which is excepted from the description herein first contained. Said reserved easement shall be over a strip of land 60 feet in width and abutting the easterly boundary of that portion of Parcel "B" of Boundary Line Adjustment No. 0931 excepted from this description.

This agreement to sell and purchase is contingent upon fulfillment of the following conditions:

A. The execution of an agreement satisfactory to both the Seller and the Purchaser providing for the financing, together with other property owners, of an appropriate extension of sanitary sewerage services, the benefits of which will include the subject property. Such agreement shall be in the nature of a latecomers agreement and shall provide that the first \$75,000 of latecomer fees which would otherwise be reimbursed to the Seller under such agreement, shall, instead, be reimbursed to The City of Lacey.

B. The furnishing of a report or plan, satisfactory to the Purchaser, specifying the steps needed for odor control as further specified in this agreement.

The contingencies set forth in this paragraph are to be satisfied prior to August 1, 1998. However, notwithstanding anything in this agreement to the contrary, such satisfaction date shall be extended at the written request of either party to a date no later than September 1, 1998.

2. Purchase Price. The total purchase price is Two Million Eight Hundred Eighty Two Thousand Seven Hundred Thirty Six Dollars (\$2,882,736). This purchase price provides the consideration for the purchase of land set forth in paragraph 1 and the right of first offer to purchase additional lands referenced in paragraph 10. Subject to the contingent escrow provisions, the purchase price shall be paid upon closing.
3. Transfer of Title. Fee title shall be conveyed by the Seller to the Purchaser by Statutory Warranty Deed free of encumbrances or defects except those rights reserved in federal patents or state deeds, building, zoning or use restrictions general to the area, existing easements not inconsistent with Purchaser's intended use, and the matter set forth in that certain commitment for title insurance issued by Transnation Title Insurance Company under order no. 9804918 effective as of 4/20/98 at 8:30 a.m. as special exceptions 2, 3, 4, 6, 7, 9 and 10. Provided, however, that any real property taxes referenced in exceptions 2, 3 and 4 which apply to the property being sold shall be prorated as of closing pursuant to Section 5 hereof. Any increased assessments or taxes which are applied to said property for periods of time prior to closing by virtue of a change in use as described in exception 6, shall be the obligation of the Seller.
4. Title Insurance. Seller shall furnish to Purchaser, a standard form purchaser's policy of title insurance in the amount of the purchase price and shall make available to purchaser prior to closing, preliminary commitment therefore. The title policy to be issued shall contain no exceptions other than those set forth in paragraph 3.

5. Taxes. Taxes for the current year shall be prorated as of the date of closing.
6. Possession. Purchaser shall be entitled to possession upon closing.
7. Time for Closing. The sale shall be closed in the escrow department of the title insurance company providing the preliminary commitment for title insurance called for herein, within 60 days after the satisfaction or waiving of the contingencies set for in paragraph 1 hereof. Provided, however, that except as set forth in the next sentence, closing shall not take place prior to August 1, 1998 nor later than September 30, 1998 except through mutual agreement of all parties. Notwithstanding the foregoing, Seller shall have the right to extend the closing date for five (5) additional one-month periods by delivering to Purchaser (prior to the then-effective closing date) at the addresses set forth herein a written notice expressing Seller's intent to extend the closing date for an additional month. It is understood between the parties that closing cannot take place until the further division of parcel B of Boundary Line Adjustment No. 0931 called for herein, is approved, by Thurston County. The time period for such approval may extend the closing date otherwise called for herein. Seller shall make application for a short plat or other appropriate approval immediately after this agreement is executed by all parties.

The Purchaser and Seller shall deposit with the closing agent all instruments, documents and monies necessary to complete the sale in accordance with this agreement. Seller shall pay the premium for a standard form owner's policy of title insurance in the face amount of the purchase price, real estate excise taxes if any are required, and one-half of the Title Company's escrow fee. Purchaser shall pay the cost of recording the conveyance of the property and one-half of the Title Company's escrow fee. Purchaser and Seller shall each pay their own attorneys' accountants', and other professionals' fees.

In the event Seller wishes to structure the sale of the property as part of a like-kind exchange under Section 1031 of the Internal Revenue Code, Purchaser agrees to cooperate with Seller in effecting such exchange, subject to the provisions of this Section 7 and the contingent escrow provisions for odor removal set forth herein. Purchaser shall not be liable for any obligations or costs incurred with respect to the like-kind exchange nor shall Purchaser be materially or economically impacted due to such like-kind exchange, nor shall Purchaser be required to take title to any other property in connection with any such exchange, nor shall such cooperation delay or interfere with the closing hereunder. Further, Seller shall indemnify Purchaser against damages or expense, including fees and costs in defending against same, incurred by Purchaser arising under or from the like-kind exchange.

8. Conditions of Property and Indemnity Agreements. Seller agrees to hold the

individual Purchasers harmless from any and all claims made by someone other than the Purchasers under the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Super Fund Amendments and Reauthorization Act of 1986 or under Washington State Model Toxics Control Act, or under both said Acts (collectively "Environmental Laws") or any other claim whatsoever based upon a finding or claim that soils or any other portion of said real property contain contaminants which contaminants were upon said real property or within the soils located on said real property prior to the closing of the purchase and sale called for herein. Each of the individual Purchasers agrees to hold the Seller harmless from any such claims made upon the basis of the placement of contaminants upon such real property subsequent to the closing of the purchase and sale called for herein. These hold harmless agreements shall include complete indemnification, including the providing of legal defense by the indemnitor(s) to the indemnitee(s). As used herein, "contaminants" shall mean any substance or matter defined as a toxic or hazardous substance or material or pollutant or contaminant under any Environmental Law to the extent they are present in amounts or levels which require remediation or removal pursuant to applicable clean up standards under the Environmental Laws.

Purchasers are aware of the issuance of an Independent Remedial Action report for the subject property by Stemen Environmental, Inc. dated November 3, 1997 (the "Stemen Report") and agree, in developing such property, to follow the recommendations contained in the Stemen Report. Notwithstanding anything herein to the contrary, Seller shall have no duty to indemnify the Purchasers to the extent any claim pertains to contaminants located within the Farm Waste Disposal Area identified in the Stemen Report that has been disturbed by any activities of Purchasers or their agents within the Farm Waste Disposal Area.

9. Odor Mitigation. Seller owns and operates a commercial mushroom farm (the "Mushroom Farm") at 8323 Steilacoom Road SE, Lacey, Washington, in the immediate vicinity of the property. It is known and acknowledged by Seller and Purchaser that composting, which is an integral part of the growing of mushrooms at the Mushroom Farm, causes odors that could affect the development of the property.

It is further known and acknowledged by Seller and Purchaser that Mushroom Farm operations involve large truck activity entering and leaving the Mushroom Farm property, and that Seller intends to continue and expand the operations of the Mushroom Farm in the future. However, nothing in this acknowledgement shall negate or detract from the Seller's obligation to mitigate composting odors as set forth in this section.

In order to mitigate such odors, Seller has elected and agrees to construct an indoor composting facility at the Mushroom Farm. This facility will be constructed to

current U.S. Industry Standards for sound odor management practices.

On or before July 20, 1998, Seller shall provide to Purchaser a descriptive summary of and preliminary plans for the development of the indoor composting facility together with a consultant's report specifying the steps needed to control odor. Purchaser shall have ten (10) days following Purchaser's receipt of said items to determine, in its discretion whether the actions called for in said items are acceptable to Purchaser. Purchaser shall not unreasonably withhold such acceptance.

If Purchaser determines that the plans and specifications are not acceptable, Purchaser may cancel this Agreement.

At the time of closing, Seller shall present to Purchaser evidence of financial commitments in an amount adequate to construct said indoor composting facility. In the event such evidence is not forthcoming it is agreed by both parties that from the net proceeds due Seller, there shall be held in escrow an amount equal to 120% of the estimated costs of constructing said indoor composting facility. Such escrow fund shall require the consent of both the Seller and the Purchaser for release. Portions of said escrow fund shall be disbursed to pay the direct costs of performing the odor control activity necessary to fulfill the Seller's obligation. All interest earned upon the escrowed funds shall belong to the Seller. When such work has been satisfactorily completed the balance of the escrowed funds shall be released to the Seller.

Seller agrees that the Seller shall complete said facility on or before December 31, 1999. It is known and acknowledged by Purchaser and Seller that Seller shall be entitled to make changes to said plans and specifications before, during and after construction that may be required for the issuance of building permits or to comply with governmental regulations or that are intended to improve quality, or to increase capacity, or to increase efficiency or to lower cost without adversely affecting quality, capacity or efficiency. Purchaser acknowledges and agrees that Seller shall not be required to seek Purchaser's consent to such changes.

Purchaser acknowledges that even though the composting operations will be done with an indoor composting facility, the Mushroom Farm may occasionally give rise to a certain amount of odor no matter how good its management practices. Nothing in this provision is intended to be a covenant or guarantee that the Mushroom Farm and its operation will be totally odor free at all times.

10. First Offer to Purchase Additional Land. As part of the consideration for the transaction contemplated by this Agreement, Seller and Purchaser shall, concurrently with the closing of the transaction contemplated by this Agreement, execute and deliver to the other a Right of First Offer Agreement in the form attached hereto as

Exhibit "1" and made a part hereof as though fully set forth at length, which right of first offer agreement shall survive closing for a period of ten (10) years.

11. Legal Expenses. If either party to this Agreement brings suit or otherwise becomes involved in any legal proceedings seeking to enforce the terms of the Agreement, or to recover damages for their reach, the prevailing party shall be entitled to recover its costs and expenses (including fees of attorneys, expert witnesses, accountants, court reporters and others) incurred in connection therewith including all such costs and expenses incurred in: (i) trial and appellate court proceedings, (ii) connection with any and all counterclaims asserted by one party to this Agreement against another whether or not such counterclaims arise out of or are otherwise related to this Agreement, (iii) in bankruptcy or other insolvency proceedings, and (iv) in post-judgment collection proceedings.
12. Authority. Purchasers and Seller each warrant and represent that they have the authority to enter into this agreement.
13. Non-Merger. The terms and provisions of this agreement shall not merge in but shall continue in force and survive the closing of this purchase and sale transaction and shall further survive beyond the date upon which the full purchase price is paid and the deed delivered.
14. Commissions. Seller and Purchaser each represent to the other that they have not dealt with any real estate broker in connection with the negotiations leading to this Agreement. Seller and Purchaser each agree to indemnify and hold each other harmless from and against the claims of any and all brokers or other intermediaries claiming to have had any dealings, negotiations or consultations with the indemnifying party in connection with this Agreement or the sale of the Property.
15. Notices. All notices, demands, consents, approvals and other communications which are required or desired to be given by either party to the other hereunder shall be in writing and shall be hand delivered or sent by United States registered or certified mail, postage prepaid, return receipt requested, addressed to the appropriate party at its address set forth below, or at such other address as such party shall have last designated by notice to the other. Notices, demands, consents, approvals, and other communications shall be deemed given when delivered or three days after mailing; provided, however, that if any such notice or other communication shall also be sent by telecopy or fax machine, such notice shall be deemed given at the time and on the date of machine transmittal if the sending party receives a written send verification on its machines and forwards a copy thereof with its mailed or courier delivered notice or communication.

To Purchasers: Thurston County
2000 Lakeridge Drive SW
Olympia, WA 98502
Attention: Chief Administrative Officer
Facsimile: (360) 754-4101

City of Lacey
P.O. Box 3400
Lacey, WA 98509
Attention: City Manager
Facsimile: (360) 412-3186

With a copy to: Chief Civil Deputy
Thurston County
2000 Lakeridge Drive SW
Olympia, WA 98502
Facsimile: (360) 754-3349

Lacey City Attorney
1230 Ruddell Rd SE Ste 201
Lacey, WA 98503
Facsimile: (360) 491-1805

To Seller: The Ostrom Company
8323 Steilacoom Road SE
Olympia, WA 98513
Facsimile: (360) 438-2594

With a copy to: Foster Pepper & Shefelman
1111 Third Avenue #3400
Seattle, WA 98101
Attention: Bruce Coffey
Facsimile: (206) 447-9700

16. Assignment. Purchaser's rights under this Agreement are not assignable and Purchaser covenants not to assign its rights hereunder without the prior written consent of Seller.

17. Appraisal Costs. The parties have jointly ordered an appraisal from Anderson Appraisal Inc., which appraisal has been delivered. The Seller shall pay one-half of

the fee incurred for said appraisal for up to a maximum obligation by the Seller of \$1,750.00. All other costs of such appraisal shall be paid by the Purchaser.

DATED this day and date first above written.

THE OSTROM COMPANY

William Street
President

CITY OF LACEY

Bernadene Main
Greg J. Cuoio, City Manager

BERNADENE MAIN, ACTING CITY MANAGER

THURSTON COUNTY

Richard W. Nichols
Commissioner

Shane Chugan
Commissioner

Judy Wilson
Commissioner

Approved as to form:

Kenneth R. Ahlf
Lacey City Attorney

Approved as to form:

Deputy Prosecuting Attorney
Thurston County

STATE OF WASHINGTON)
County of Thurston) ss.
)

On this day personally appeared before me William Street, Sr., to me known to be the President of The Ostrom Company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

GIVEN under my hand and official seal this 16 day of

July, 1998.

Kristine E. Erickson-Moran

NOTARY PUBLIC in and for the State
of Washington, residing at Shelton
My Commission Expires: 3/20/02

AMENDMENT TO
AGREEMENT FOR THE PURCHASE AND SALE OF REAL ESTATE

THIS AMENDATORY AGREEMENT is made and entered into this 15 day of March, 1999, by and between THE OSTROM COMPANY, a Washington corporation, hereinafter called "Seller" and THURSTON COUNTY, a subdivision of the State of Washington, and the CITY OF LACEY, Washington, a municipal corporation, hereinafter called "Purchaser."

WITNESSETH:

1. That certain Agreement for the Purchase and Sale of Real Estate by and between the parties dated July 23, 1998 is hereby amended in the following particulars:

A. That certain contingency calling for an agreement satisfactory to both the Seller and the Purchaser for extending sanitary sewerage services to the property and all provisions related thereto contained in Section 1.A. of said Agreement is hereby waived and deleted.

B. The purchase price set forth in Section 2 of said Agreement is amended to be the total sum of Two Million Five Hundred Eighty Two Thousand Seven Hundred Thirty Six Dollars and 00/100 (\$2,582,736.00.)

C. The time for closing set forth in Section 7 of said Agreement is extended to a date not later than March 15, 1999.

2. It is understood and agreed between the parties that the contingency of furnishing a report or plan for odor control satisfactory to the purchaser as required by Section 1 of said

Agreement has been satisfied and further that the short plat or other appropriate approval for division of the property as required in Section 7 of said Agreement has been completed.

DATED this day and date first above written.

THE OSTROM COMPANY

William Street
President

CITY OF LACEY

Greg J. Cuio
Greg J. Cuio, City Manager

THURSTON COUNTY

Judy Johnson
Commissioner

Wiane Chequell
Commissioner

Kenneth R. Ahlf
Commissioner

Approved as to form:

Kenneth R. Ahlf
Lacey City Attorney

Approved as to form:

David Klump
Deputy Prosecuting Attorney
Thurston County

STATE OF WASHINGTON)
County of Thurston) ss.
)

On this day personally appeared before me William Street, Sr., to me known to be the President of The Ostrom Company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

GIVEN under my hand and official seal this 2nd day of March, 1999.

KENNETH R. AHLF
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
AUGUST 27, 2000

Kenneth R. Ahlf
NOTARY PUBLIC in and for the State
of Washington, residing at Lacey
My Commission Expires: 8-27-2000