

ADDENDUM TO WELL LEASE AGREEMENT

This Addendum to Well Lease Agreement is made this 25 day of October, 2007 by and between SHELLEY LAKE ESTATES HOMEOWNERS' ASSOCIATION, a Washington nonprofit corporation, with an address for notice purposes of P.O. Box 1872, Veradale, WA 99037 ("Landlord") and ROBERT L. HEITMAN, JR., an individual, and SHELLEY LAKE DEVELOPMENT, L.L.C., a Washington limited liability company, with an address for notice purposes of 8225 N. Division, Spokane, Washington 99208 ("Tenant"), and amends and supplements that certain Well Lease Agreement dated October 5, 2007.

For and in consideration of the mutual covenants herein contained, the sufficiency of which is unconditionally acknowledged by Landlord and Tenant, the parties agree as follows:

1. Letter of Credit. At Tenant's request, Tenant will be allowed to provide a letter of credit in a form acceptable to Landlord in place of the performance bond required under Section 4 of the Well Lease Agreement. Tenant agrees to renew such letter of credit in substantially the same form as initially approved as necessary throughout the term of the Well Lease Agreement or to establish a blocked savings account in the then amount of the letter of credit. No such blocked savings account will be deemed established herein until after its form has been approved in writing by both Landlord and Tenant as a further addendum to the Well Lease Agreement. In the event a blocked savings account is established, such addendum must include, at a minimum, that the principal amount of the account shall only be withdrawn with the joint signatures of both Landlord and Tenant, that duplicate account statements shall be sent to both parties, and that Tenant shall be entitled to receive disbursements of interest from the account without the signature of Landlord.

2. Notice and Renewal. Tenant must provide a written copy of the renewed or extended letter of credit, or establish a blocked savings account as provided above, at least thirty (30) days prior to expiration of the term of the then-current letter of credit. If Landlord has not received an acceptable renewal or extension of time for the then-current letter of credit, or a blocked savings account has not been established, at least fifteen (15) days prior to the last effective day of that letter of credit, Tenant will be deemed in default under this Addendum.

3. Liquidated Damages. In the event of Tenant's default under this addendum, Landlord may, without notice to or approval from Tenant, withdraw Thirty-Eight Thousand Five Hundred Dollars (\$38,500.00) or the entire amount secured by the then-current letter of credit or blocked savings account prior to its expiration. Tenant and Landlord agree that in the event of such default by Tenant, damages would be extremely difficult to calculate but would be substantial nonetheless, and that the above amount is a fair estimate of damages likely to be suffered by Landlord. Withdrawal by Landlord shall serve as liquidated damages only for Tenant's breach of this Addendum, and shall not limit Tenant's liability for any other breach or default under the Well Lease Agreement.

Landlord and Tenant hereby agree that except as expressly provided herein, the provisions of the Well Lease Agreement remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have signed this Addendum to Well Lease Agreement as of the dates set forth below their respective signatures.

ACCEPTANCE:

SHELLEY LAKE ESTATES
HOMEOWNERS' ASSOCIATION

Scotty Smith
By: Scotty Smith, President
Date: 10/25/07

By: Christine E Smith
Secretary

SHELLEY LAKE DEVELOPMENT, L.L.C.

Robert L. Heitman, Jr.
By: Robert L. Heitman, Jr., Member
Date: 10-24-07

Robert L. Heitman, Jr.
ROBERT L. HEITMAN, JR.
Date: 10-24-07