



WHEN RECORDED RETURN TO:

BRIAN C. BALCH
LAYMAN, LAYMAN, McKINLEY & ROBINSON, PLLP
601 S. DIVISION STREET
SPOKANE, WA 99202-1335

Reference # (if applicable): 8908140079 1054.249 121004.1-11
Grantor(s): (1) _____ (2) _____
Grantee(s): (1) _____ (2) _____
Legal Description (abbreviated): _____
Additional legal(s) on page _____
Assessor's Tax Parcel ID# 34022.4301, .4303, .4304

**AMENDED STORMWATER AND DRAINAGE
MAINTENANCE AGREEMENT AND COVENANT**

THIS AMENDED STORMWATER AND DRAINAGE MAINTENANCE AGREEMENT AND COVENANT (this "Agreement") is made this 18th day of November 2004, between INVERNESS HOMEOWNERS ASSOCIATION, a Washington nonprofit corporation ("Inverness") and THE GLENNGRAE OWNERS ASSOCIATION, a Washington nonprofit corporation ("Glenngrae"), as follows:

RECITALS

WHEREAS, Inverness is responsible for implementing and administering operation and common area maintenance functions, including obligations related to stormwater, on behalf of the real property legally described on Exhibit "A" attached hereto (referred to below as the "Inverness P.U.D."); and

WHEREAS, Glenngrae is responsible for implementing and administering operation and common area maintenance functions, including obligations related to stormwater, on behalf of the real property legally described on Exhibit "B" attached hereto (referred to below as the "Glenngrae P.U.D."); and

WHEREAS, on August 14, 1989 an Easement was executed by the then owner of the property subsequently platted as the Inverness P.U.D. in favor of Glenngrae providing for inspection and maintenance of drainage facilities within a portion of the property subsequently platted as



Inverness P.U.D., which Easement was recorded August 14, 1989 in the Office of the Spokane County, Washington Auditor under Recording Number 8908140079;

WHEREAS, on November 27, 1991 an Easement was executed by the then owner of the property subsequently platted as the Inverness P.U.D. in favor of Glenngrae providing for the construction, maintenance and operation of storm drainage facilities now existing or hereafter required over a portion of the property subsequently platted as Inverness P.U.D., which Easement was recorded November 27, 1991 in the Office of the Spokane County, Washington Auditor under Recording Number 9111270344;

WHEREAS, on or about January 1, 1993 a Maintenance Agreement was entered between Inverness and Glenngrae referring back to the 1991 Easement described immediately above, which Maintenance Agreement provided, among other things, for joint maintenance of common drainage facilities located within the Inverness P.U.D., and which Maintenance Agreement provided that it ran for a term of ten years, which term has now expired; and

WHEREAS, Glenngrae and Inverness desire to provide for continuation of cooperative maintenance of shared Stormwater System utilized by both of them and located within the Inverness P.U.D. as provided in this Agreement;

NOW THEREFORE, Inverness and Glenngrae covenant and agree as follows:

1. Term of Agreement. This Agreement is made and entered effective for a term commencing as of January 1, 2003 and terminating December 31, 2011, with an option in favor of Glenngrae to extend the term of this Agreement for an additional two years to then expire December 31, 2013, as provided below. To exercise its option to extend the term of this Agreement, Glenngrae must provide to Inverness written notice of its election to extend this Agreement for the two year option period, which notice must be received by Inverness no later than November 30, 2011.

2. Maintenance Functions. Inverness will take responsibility for properly administering routine maintenance obligations of the Stormwater System, and in compliance with all legal requirements, consisting of mowing the lawn areas within the common area tract adjacent to the pond, weeding the pond and the banks for the pond on a regular basis, abating mosquitoes, and



irrigating the landscaping improvements within the Stormwater System. In addition, Inverness will provide, as reasonable and appropriate, proper performance of non-routine maintenance obligations consisting of eradication of cattails (whether by digging, cutting, applying herbicide, or other appropriate means); repairs to the structures of the Stormwater System facilities including the drainage pond banks and bottom, entry and exit pipes and grates, and similar items; and dredging of the pond in order to cause it to reasonably maintain the dimensional requirements pursuant to the drainage plan approved by Spokane County.

3. Responsibility for Operation of Maintenance Functions. Inverness shall be responsible for performing management functions with regard to the Stormwater System. Except as expressly provided below, however, Inverness shall not be entitled to request or receive payments from Glenngrae in connection therewith. When performing its maintenance functions, Inverness shall keep an accurate record of all costs to operate and maintain the Stormwater System, but the routine maintenance fee shall not be adjusted upward or downward during the term of this Agreement based on any variation between anticipated costs and actual costs incurred. Upon reasonable prior request, and at reasonable times, such records shall be opened for inspection by representatives of Glenngrae.

4. Payment of Fees. Upon execution of this Agreement, Glenngrae will pay to Inverness a lump sum amount of \$7,200.00 for maintenance expenses for 2003 and 2004. Commencing January 1, 2005, Glenngrae shall pay to Inverness, as Glenngrae's share of routine maintenance expenses, a monthly sum of \$300.00. On January 1, 2006 and on each January 1 thereafter while this agreement remains in effect, the monthly payment for Glenngrae's share of routine maintenance expenses shall increase by \$5.00. (\$305.00 per month in 2006, \$310.00 per month in 2007, etc.) The annual increase shall also be imposed each year during the optional two year extension period should Glenngrae elect to extend the term of this Agreement as provided in Section 1.

In addition, upon Inverness performing the non-routine maintenance items as described above in this Agreement and which are not covered within the fee for routine maintenance, Inverness shall submit to Glenngrae detailed invoicing and other reasonable documentation as may be requested by Glenngrae, showing the amount of third party expenses paid for such non-routine



maintenance items. Inverness shall not include any fees payable to members of Inverness for accounting, overhead, administrative expenses, or the like. Rather, the invoices shall include only third party expenditures Inverness is required to pay for the actual maintenance items. Prior to performing any of non-routine maintenance items described in the preceding sentence, Inverness shall obtain at least three bids from qualified and, if applicable, licensed contractors to perform the specific non-routine maintenance item or items and shall select the lowest of the bids so obtained. Glenngrae shall pay 70% of the amount of the actual documented invoices for such non-routine maintenance expenses, with payments therefore to be made by Glenngrae to Inverness at the time of making the routine assessment payment coming due which is at least ten days following Glenngrae's receipt of the invoice.

5. No Responsibility of Spokane County or the City of Spokane to Maintain. Absent further agreement, neither Spokane County nor the City of Spokane will assume responsibility for the operation or maintenance of the Stormwater System.

6. Potential Termination of Agreement. The parties acknowledge that it is possible Spokane County and/or the City of Spokane may undertake drainage improvements within the vicinity of Inverness and Glenngrae which could include elimination of the existing drainage pond as a detention pond, thereby causing Inverness's and Glenngrae's responsibility for direct maintenance of storm drainage facilities as described above in this Agreement to terminate. In that event, the term of this Agreement shall be considered terminated immediately and Glenngrae shall not be required to make further payments to Inverness. From and after that point, any and all landscape maintenance, including items associated with the common area tract within which the Stormwater System is now located, will revert to and be the sole obligation and responsibility of Inverness.

7. To the extent inconsistent herewith, the two Easements and Maintenance Agreement referred to in the recitals above in this Agreement are amended and superseded in their entirety.

8. Survival of Covenants and Binding Effect. All of the promises, covenants, terms and conditions of this Agreement shall survive any conveyance hereunder, and this Agreement shall extend to and bind the successors and assigns of the respective parties hereto. This Agreement shall



be recorded to provide constructive notice to all purchasers of any portions of the real property within Inverness or Glenngrae.

9. Governing Law. This Agreement shall be governed by the laws of the State of Washington.

10. Effectiveness. This Agreement is made and entered effective as of the date first above written.

11. Representations of Authority. The persons executing this Agreement represent that they have the authority to execute this document on behalf of the parties to be bound hereby.

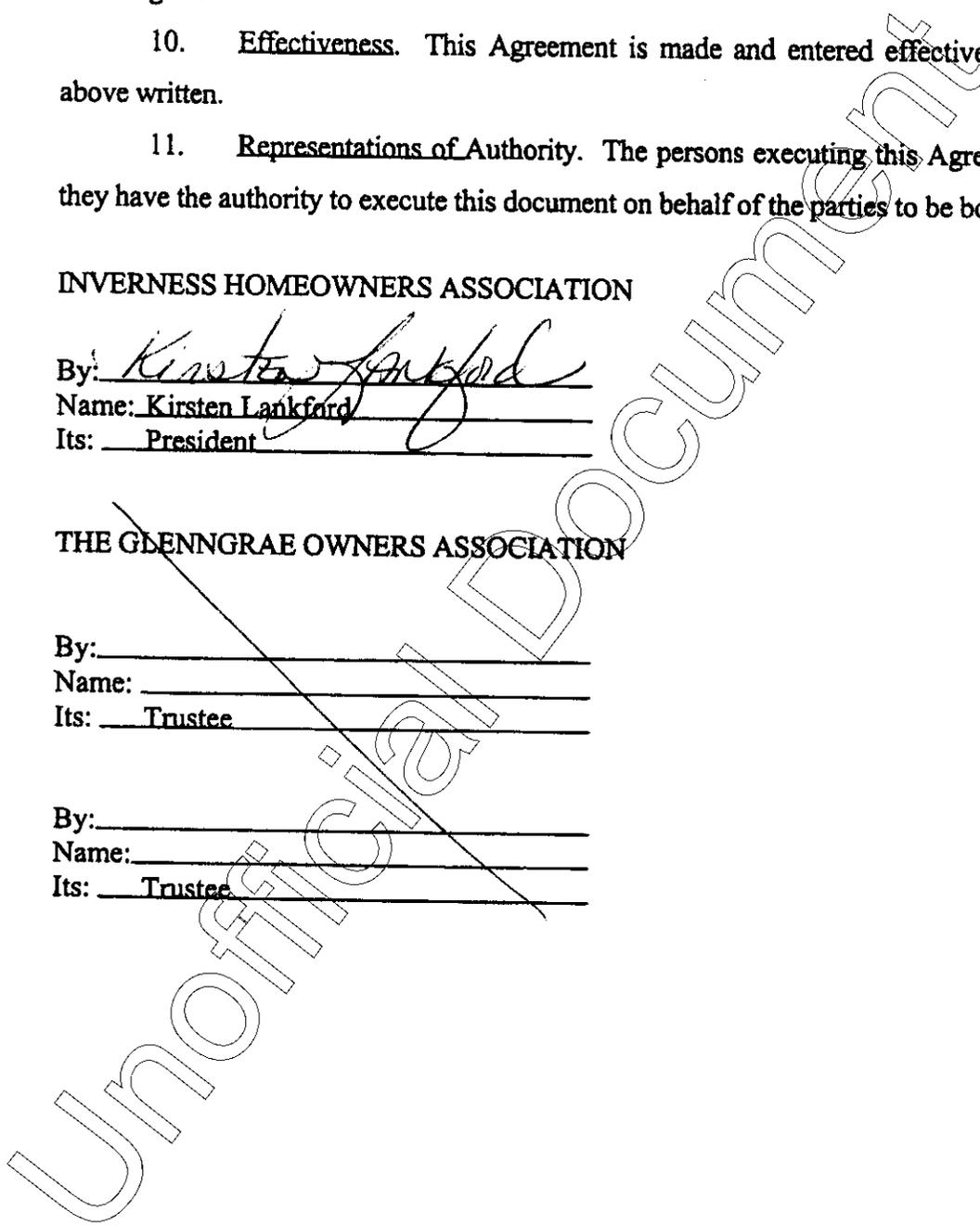
INVERNESS HOMEOWNERS ASSOCIATION

By: Kirsten Lankford
Name: Kirsten Lankford
Its: President

THE GLENNGRAE OWNERS ASSOCIATION

By: _____
Name: _____
Its: Trustee

By: _____
Name: _____
Its: Trustee





be recorded to provide constructive notice to all purchasers of any portions of the real property within Inverness or Glenngrae.

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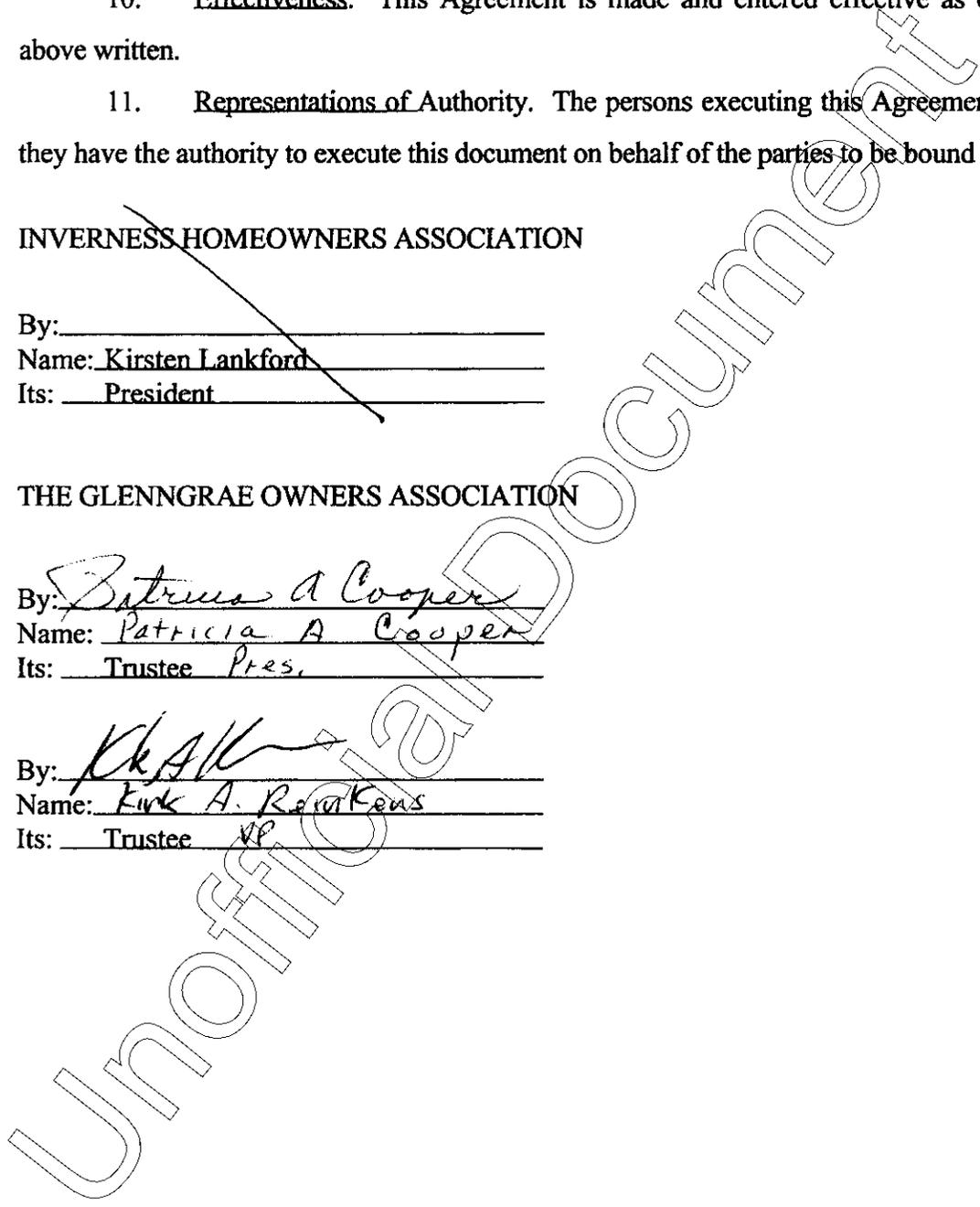
~~INVERNESS HOMEOWNERS ASSOCIATION~~

~~By: _____
Name: Kirsten Lankford
Its: President~~

THE GLENNGRAE OWNERS ASSOCIATION

By: Patricia A Cooper
Name: Patricia A Cooper
Its: Trustee Pres.

By: Kirk A. Reinken
Name: Kirk A. Reinken
Its: Trustee VP





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Spokane Co, WA

STATE OF WASHINGTON)
)ss.
COUNTY OF SPOKANE)

On this 3rd day of November 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Kirsten Lankford to me known to be the President of INVERNESS HOMEOWNERS ASSOCIATION, a Washington nonprofit corporation, the corporation that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute the instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



[Signature]
NOTARY PUBLIC in and for the State of Washington, residing at Spokane.
My commission expires: Oct 1, 2008.
LARRY MUNDAHL
Print Name

STATE OF WASHINGTON)
)ss.
COUNTY OF SPOKANE)

On this _____ day of _____, 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be a Trustee of THE GLENNGRAE OWNERS ASSOCIATION, Washington nonprofit corporation, the corporation that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



NOTARY PUBLIC in and for the State of Washington, residing at Spokane.
My commission expires: _____

Print Name



COUNTY OF SPOKANE

)ss.
)

On this _____ day of _____ 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Kirsten Lankford to me known to be the President of INVERNESS HOMEOWNERS ASSOCIATION, a Washington nonprofit corporation, the corporation that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute the instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

NOTARY PUBLIC in and for the State of
Washington, residing at Spokane.
My commission expires: _____

Print Name

STATE OF WASHINGTON

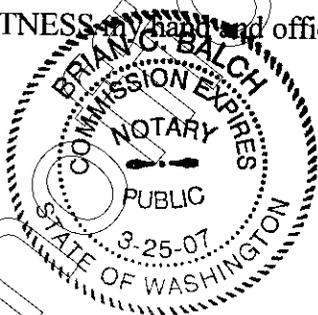
)
)ss.

COUNTY OF SPOKANE

)

On this 18th day of November 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Patricia A. Cooper, to me known to be a Trustee of THE GLENNGRAE OWNERS ASSOCIATION, Washington nonprofit corporation, the corporation that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute the instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

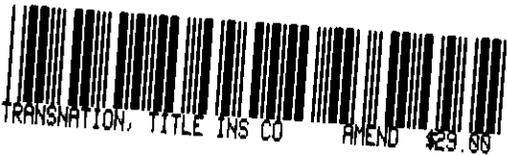


Brian C. Balch

NOTARY PUBLIC in and for the State of
Washington, residing at Spokane.
My commission expires: 3/25/07

Brian C. Balch

Print Name

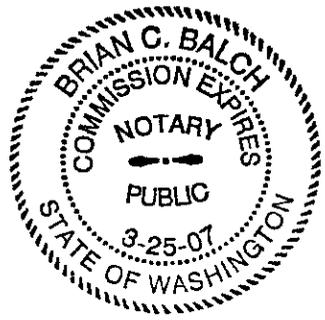


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Spokane Co, WA

STATE OF WASHINGTON)
)ss.
COUNTY OF SPOKANE)

On this 18th day of November 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Kirk A. Reinkens, to me known to be a Trustee of THE GLENNGRAE OWNERS ASSOCIATION, Washington nonprofit corporation, the corporation that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



Brian C. Balch
NOTARY PUBLIC in and for the State of Washington, residing at Spokane.
My commission expires: 3/25/07
Brian C. Balch
Print Name

Unofficial Document



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Spokane Co, WA

EXH...

INVERNESS P.U.D., as per plat recorded in Volume 20 of Plats, pages 67, 68, and 69, records of Spokane County;

Situate in the County of Spokane, State of Washington.

Unofficial Document



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Spokane Co, WA

EXHIBIT "B"

GLENNGRAE, a Planned United Development, as per plat recorded in Volume 19 of Plats, page 9;

Situate in the County of Spokane, State of Washington.

Unofficial Document