



**AFTER RECORDING RETURN TO:**  
Spokane County Public Works  
Development Engineering Services, 2<sup>nd</sup> Floor  
1026 W. Broadway Ave  
Spokane, WA 99260-0170

**Document Title:** Amendment to Stormwater Maintenance Agreement  
**Grantor:** Northwood Properties, Inc.  
**Grantee:** Government, Spokane County, Red Oak – Woodland Estates Homeowners’ Association  
**Abbreviated Legal Description:** NE ¼ Sec. 31, T 26 N, R 44 E, W.M., Plat of Red Oak  
**Assessor’s Tax Parcel Numbers:** 46311.9083  
**County Reference No.** BCC Resolution No. 95-0238, P1729G

**AMENDMENT TO  
STORMWATER MAINTENANCE AGREEMENT  
WOODLAND ESTATES- COLUMBIA HEIGHTS DRAINAGE  
0-0397 SERVICE AREA**

THIS AGREEMENT and Declaration of Covenant is entered into and made this 1st Day of June, 2000, by and between NORTHWOOD PROPERTIES, INC., a Washington Corporation having a business address of 9616 East Montgomery Avenue, Spokane, Washington, 99206 (hereinafter referred to as the “SPONSOR”), the RED OAK – WOODLAND ESTATES HOMEOWNERS’ ASSOCIATION a Washington Non-Profit organization having a business address of 9616 East Montgomery Avenue, Spokane, Washington, 99206, (hereinafter referred to as the “RED OAK HOA”), their respective agents, heirs, successors, and/or assigns, and SPOKANE COUNTY, a political subdivision of the State of Washington (hereinafter referred to as the “COUNTY”) (all hereinafter jointly referred to as the “PARTIES”), to wit:

WHEREAS, pursuant to the requirements of RCW 36.32.120(6), the Spokane County Board of County Commissioners has the care of County Property and the management of County funds and business; and

WHEREAS, pursuant to the provisions of RCW Chapter 36.89, Section 9.14.220 of the Spokane County Code, and Spokane County Board of County Commissioners Resolution No. 95-0238, as amended, the COUNTY had assumed maintenance and operation responsibility of drainage facilities which lie outside the County Right of Way, under certain conditions; and

WHEREAS, a system of stormwater collection and disposal (hereinafter referred to as “The Woodland Estates – Columbia Heights Stormwater System”) to be installed will jointly and collectively serve the Woodland Estates – Columbia Heights Area as it is platted and developed, and stormwater drainage facilities will be available to the residents as they occupy the houses therein; and

WHEREAS, said the Woodland Estates – Columbia Heights Stormwater System consists of drainage facilities located within public rights-of-way (hereinafter referred to as “The Public System”), drainage facilities located within private easements and private road tracts (hereinafter referred to as “The Private System”), and a stormwater detention pond (Tract “A” of the Plat of Woodland Estates), and

WHEREAS, there is an established Stormwater Drainage Service Area created by Resolution No. 95-0238 and as subsequently amended of the Spokane County Board of County Commissioners, hereinafter referred to as “The Woodland Estates – Columbia Heights Service Area”); and

WHEREAS, Plats physically located in the Woodland Estates – Columbia Heights Service Area, and discharging stormwater runoff to the Woodland Estates – Columbia Heights Stormwater System have historically been annexed into the said Woodland Estates – Columbia Heights Service Area, and a Service Fee has been levied, after appropriate Notice and Public Hearing on same; and

WHEREAS, current interpretations of the provisions of Initiative 695 (hereinafter referred to as “I-695”) would appear to preclude the direct imposition or levy of a Stormwater Maintenance Service Fee upon the lots in the Plat without a vote of the electorate; and



WHEREAS, in order to comply with conditions of Preliminary Plat Approval, and as an interim measure until the various issues raised by I-695 are more definitely resolved, the Sponsor desires to provide an alternative funding mechanism so as to ensure that the stormwater maintenance responsibility incumbent upon the lots in the Plat, insofar as reimbursement to the County for services provided in accordance with Resolution No. 95-0238 (as amended) is concerned, is perpetually provided for; and

WHEREAS this Amendment intends to modify the said Woodland Estates – Columbia Heights Service Area adopted under Resolution No. 95-0238 (and as subsequently amended) of the Spokane County Board of County Commissioners by:

- (1) Revising the existing Woodland Estates – Columbia Heights Stormwater Service Area Boundary to include the Plat of Woodland Estates – Red Oak (Spokane County Project No. P-1729G);
- (2) Revising the existing Woodland Estates – Columbia Heights Stormwater Service Area service fee structure to account for Maintenance Funding provided by the Sponsor;
- (3) Assigning responsibility for maintenance and operation of the various components of the Stormwater System; and
- (4) Assigning responsibility for any liability arising out of the design, construction, operation, and/or maintenance of the Stormwater System.

WHEREAS, the SPONSOR is responsible for construction of various stormwater facilities to serve the various plats as they are developed; and

WHEREAS, the Spokane County Engineer has recommended that the Spokane County Board of County Commissioners accept the alternative maintenance funding mechanism proposed by the Sponsor; and

WHEREAS, the Spokane County Board of County Commissioners finds that the alternative maintenance funding mechanism proposed by the Sponsor will adequately provide for the maintenance funding responsibility incumbent upon the lots in the Plat insofar as reimbursement to the County for services provided in accordance with Resolution No. 95-0238 (as amended) is concerned, in perpetuity; and

WHEREAS, the Spokane County Board of County Commissioners is willing to accept the alternative maintenance funding mechanism proposed by the Sponsor; and

WHEREAS, the Spokane County Board of County Commissioners, by Resolution No. 0-0397 authorized the execution of an Agreement amending the said Woodland Estates – Columbia Heights Service Area to account for the Plat of Woodland Estates – Red Oak at other than open meeting.

THEREFORE, in consideration of the mutual covenants and conditions hereafter set forth, the Parties hereto agree as follows:

1. Stormwater System  
 For the purposes of this Agreement, the "Red Oak Stormwater System" shall be the system components indicated on the approved plans and Record Drawings for the Plat of Red Oak (Spokane County Project No. P-1729G). There shall be no cost to the County for the construction of the Red Oak Stormwater System.  
 The "Red Oak Public Stormwater System" shall be the system components indicated on the approved plans and Record Drawings for the Plat of Red Oak (Spokane County Project No. P-1729G), and located within the public rights-of-way and public drainage easements.  
 The "Red Oak Private Stormwater System" shall be the system components indicated on the approved plans and Record Drawings for the Plat of Woodland Estates - Red Oak (Spokane County Project No. P-1729G), and located within private drainage easements.
2. Service Area  
 For purposes of this Agreement, "Woodland Estates – Columbia Heights Service Area" shall refer to the Woodland Estates – Columbia Heights Stormwater Service Area as established by said Resolution No. 95-0238 and as subsequently amended. For purposes of this Agreement, "Revised Service Area" shall refer to the Woodland Estates – Columbia Heights Stormwater Service Area as established by said Resolution No. 95-0238 and as subsequently amended, to include the boundaries of the said Plat of Red Oak.
3. Construction  
 The SPONSOR, or his heirs, successors, and assigns, at its sole expense, shall construct the Red Oak Stormwater System, together with all appurtenant structures and piping, to a capacity and design satisfactory to the County Engineer, in accordance with the approved and accepted road and drainage plans on file at the Spokane County Engineer's Office for the Plat.  
 The Red Oak Stormwater System shall be completed by the SPONSOR no later than two years from the date that the County Engineer accepted the respective road and drainage plans for the Plat. To the extent that the respective portions of the RED OAK Stormwater System are not completed or accepted by that date, the COUNTY may, at its option and without the necessity of any prior notice whatsoever, look to the Construction Performance Security as provided in Paragraph 16 below to complete the construction of the Red Oak Stormwater System.
4. Right of Inspection  
 The COUNTY and the SPONSOR agree that the County may observe the course of construction to verify that the Red Oak Stormwater System is being constructed and installed pursuant to the approved plans and specifications. All costs of said observations shall be borne solely by the SPONSOR, and shall include, but are not limited to labor (including all fringe benefits and administrative overhead) and vehicle costs. The COUNTY, to the extent that variations



from the approved plans and specifications are observed, shall notify the SPONSOR of any work found to be unsatisfactory. The SPONSOR shall make corrections within the time period indicated by the County on said notice of unsatisfactory work.

5. Certification

The SPONSOR, or his authorized agent, shall also conduct such inspections as specified by the County Engineer, and shall provide construction documentation and certified Record Drawings for Red Oak Stormwater System upon its completion, all bearing the seal of a Washington State-licensed Professional Engineer, prior to the County's Acceptance Inspection of the Stormwater System.

6. Easements and Conveyances

The SPONSOR has previously conveyed ownership of Tract A of the Plat of Woodland Estates to Spokane County for use as a stormwater detention facility to receive runoff from Plats in the Woodland Estates – Columbia Heights Stormwater Service Area. The SPONSOR has provided perpetual easements for maintenance access and the conveyance and disposal of stormwater runoff into, through, and out of any and all other components of the Red Oak Stormwater System located outside the County Right of Way.

7. Warranty

All work performed by the SPONSOR or his agents, and all facilities constructed in connection with the construction of the Stormwater System shall be guaranteed against defects in design, for a period of six (6) years from the date of acceptance as provided on Paragraph 9 below.

All work performed by the SPONSOR or his agents, and all facilities constructed in connection with the construction of the Stormwater System shall be guaranteed against defects in workmanship and materials for a period of two (2) years from the date of acceptance as provided on Paragraph 9 below.

8. Additions

No service areas outside the Revised Service Area shall be connected to any portion of the Woodland Estates – Columbia Heights Stormwater System during the life of this Agreement, without the express written approval of Spokane County.

9. Acceptance

Upon completion of the Red Oak Stormwater System, and the County Engineer's acceptance of construction documentation and Record Drawings as described above, the COUNTY and the SPONSOR shall jointly conduct an Acceptance Inspection to verify that the Stormwater System construction is complete, and in compliance with the approved plans and specifications. Upon completion to the satisfaction of the County Engineer of any work items discovered at the Acceptance Inspection, the COUNTY shall accept the construction of the Red Oak Public Stormwater System, and the RED OAK HOA shall accept the construction of the Red Oak Private Stormwater System.

Maintenance responsibility for the respective portions of the system shall remain with the SPONSOR, and the warranty period for the entire Stormwater System shall not commence, until the Red Oak Stormwater System has been accepted by the COUNTY and the RED OAK HOA.

The SPONSOR shall advise all persons, firms, or corporations employed by the Sponsor to sell Lots within the Service Area of the necessity of the County's acceptance of the public portions of the Stormwater System for operation and maintenance prior to the County's establishment and maintenance of any of the public roads within the Woodland Estates – Columbia Heights Service Area. The SPONSOR shall ensure all initial sales agreements for undeveloped lots within these plats shall carry notice to purchaser of same.

10. Operation and Maintenance

Upon the County Engineer's acceptance of the construction of the Red Oak Stormwater System, the COUNTY shall accept the RED OAK Public Stormwater System for ownership and maintenance, and the RED OAK HOA shall accept the Red Oak Private Stormwater System for ownership and maintenance. The COUNTY and the RED OAK HOA, respectively, either directly or under contract, shall provide the personnel, vehicles, equipment, and materials necessary to operate and maintain their respective portions of the Red Oak Stormwater System. The COUNTY and the RED OAK HOA shall respectively keep a current and accurate record of the costs of operating and maintaining their respective portions of the Red Oak Stormwater System. Said records shall be available, upon reasonable request, for the inspection of those parties responsible for the Annual Service Charge.

11. Annual Service Fee

The Spokane County Board of County Commissioners recognizes and accepts that current interpretations of I-695 would appear to preclude the direct imposition or levy of a Stormwater Maintenance Service Fee upon the lots in the Plat unless approved by a vote of the electorate. As an interim measure, until the various issues raised by I-695 are more definitely resolved, the Sponsor proposes to provide an alternative funding mechanism so as to ensure that the stormwater maintenance responsibility incumbent upon the lots in the Plat, insofar as reimbursement to the County for services provided in accordance with Resolution No. 95-0238 (as amended) is concerned, is perpetually provided for.

The SPONSOR agrees and covenants to pay on an annual basis the funds that would, but for I-695, otherwise be levied upon the lots in the Plat. The Sponsor has paid to Spokane County the amount of \$1160.25 (One Thousand One Hundred Sixty and 65/100 USDollars) to be deposited in the Northwoods Stormwater Service Area Account (Spokane County Fund 110, Org 5310000, Project Code WOODLA), receipt of which is hereby acknowledged by Spokane County. The SPONSOR, and his heirs, successors, and assigns, further agrees to pay the amount of \$1160.25 (One Thousand One Hundred Sixty and 65/100 USDollars) no later than April 10, 2001, and April 10<sup>th</sup> of every year thereafter in perpetuity until such time as the interpretations of the provisions of I-695 are definitely resolved, and the Northwoods Service Area is then further amended as deemed necessary by Resolution of the Spokane County Board of County Commissioners. In the event that the payment due date occurs on a legal holiday or other non-business day, the payment shall be due on the next regular business day.



The SPONSOR has also posted an interim financial security in the principal amount of \$10,700.06 (Ten Thousand Seven Hundred and 06/100 USDollars) to ensure that the annual fee is paid as required for a period of ten years; a copy is attached at enclosed Exhibit "A", and incorporated herein by reference.

The Parties contemplate that ownership and maintenance responsibilities for this Service Area will devolve from the County to a Master Committee of the Woodland Estates Planned Unit Developments. The Sponsor covenants that said Master Committee will be (1) fully authorized to act on behalf of the member Homeowners' Associations within the Woodland Estates - Columbia Heights Area comprising the Master Committee, and (2) all proper authorizations and other actions needed for devolution of will occur no later than October 25, 2000.

All parties to this agreement shall use best efforts to cause ownership and maintenance responsibilities for the Service Area to devolve from the County to the Master Committee as expeditiously as reasonably possible. The Sponsor covenants that in the event the Master Committee has not assumed the said ownership and maintenance responsibilities by October 25, 2000, the Sponsor will then post a permanent financial security, in a form acceptable to the Spokane County Engineer and the Spokane County Prosecuting Attorney, in the principal amount of \$77,350.00 (Seventy-Seven Thousand Three Hundred Fifty and NO/100), to be used to fund the County's maintenance expenses on behalf of the lots in this Plat in perpetuity. Upon receipt of said principal amount by the County Engineer, the prior posted interim principal amount (to wit: \$10,700.00), less any expenditures for annual maintenance fees, shall be returned to the Sponsor within 15 business days.

The SPONSOR acknowledges that failure to remit the required annual fee constitutes a material breach of this Agreement, and shall constitute grounds for the County Engineer to invoke the said financial security, with no requirement for prior notice whatsoever.

The principal amount of the financial security is estimated to be sufficient to provide the currently required annual fee, given a real rate of return (rate of interest earned on principal amount minus rate of inflation) of 1.5%. The interim financial security (\$10,700.06) is estimated to be sufficient to generate the currently required annual payment for a period of ten years, at a real rate of return of 1.5%. The permanent financial security (\$77,350.00) is estimated to provide the currently required annual payment in perpetuity, at a real rate of return of 1.5%. The proceeds of the financial security shall be used solely for the purpose of generating a yearly income equal to at least the current annual fee that would otherwise be levied to each of the lots in this Plat, namely \$55.25 (Fifty-Five and 25/100 USDollars) per lot. Any excess income generated shall remain the property of the County, and shall be deposited in the said Woodland Estates - Columbia Heights Service Area Account. The said yearly income generated by said principal amount shall be for the exclusive purpose of reimbursing the COUNTY for services provided by the COUNTY in the operation, maintenance and repair of the facilities affected by the said Account, as well as the administration of the said Account.

Said financial security, as appropriate, shall be renewed annually by the SPONSOR, his heirs, successors, or assigns, until released by written direction of the County Engineer. A Notice of Renewal shall be provided by the SPONSOR, his heirs, successors, or assigns, to the Stormwater Accounts Administrator at the Spokane County Engineer's Office January 15, 2001, and no later than January 15<sup>th</sup> of each year thereafter. The PARTIES acknowledge and agree that a failure to renew said financial security and provide the required Renewal Notice by the required deadline shall constitute a material breach of this Agreement. In the event of such a breach, the COUNTY shall have the authority and ability to lien each of the lots in this Plat in the amount \$55.25 (Fifty-Five and 25/100 USDollars), or in other amount in accordance with the Fee Schedule then in effect for the Service Area, annually until all past due annual fees are deposited to the said Northwoods Service Area Account, and the financial security is re-established in a form and amount acceptable to the Spokane County Engineer.

The Parties agree and acknowledge that for the purposes of this Section only, the RED OAK HOA shall not be considered an heir, successor or assign of the SPONSOR.

The SPONSOR shall advise all persons, firms, or corporations employed by the Sponsor to sell Lots within the Service Area of the terms of this Section, and shall ensure that all initial sales agreements for undeveloped lots within the Service Area shall carry notice to purchaser of same.

12. Service Charge Rate

In the event that (1) ownership and maintenance responsibilities do not devolve to the Master Committee as contemplated *supra*, and (2) I-695 is found to be unconstitutional by the Supreme Court of the State of Washington or otherwise determined by Spokane County to be not applicable to Service Charges levied under Spokane County Code Section 9.14.220, 9.14.225 or other sections as may be applicable, the Sponsor covenants that all lots within the Plat shall, at the County's option, be subject to levies for service charges imposed by the County in accordance with the applicable provisions of Spokane County Code then in effect, as well as the fee structure then in effect for the Woodland Estates - Columbia Heights Service Area, or as may be implemented by some future Amendment to this Agreement. Notice to this effect shall be placed in the Plat Dedication.

13. Excess or Insufficient Charges **NOT USED**

14. Additional Charges

Unless provided otherwise herein, the annual charges provided for in this Agreement are in addition to any service charges which may be levied on lots within the Service Area for other services provided by Spokane County.

The County may in the future develop Comprehensive Stormwater Management Plan for the larger drainage basin containing this Service Area. In the event that the Stormwater System is incorporated into a system contemplated by a Comprehensive Plan, or the Service Area is served by another system contemplated by a Comprehensive Plan, the County may determine to levy a single annual rate for the stormwater services in lieu of, or in addition to the annual charges provided for herein.

15. Survival of Covenants and Binding Effect

All of the promises, covenants, terms and conditions of this Agreement shall survive the conveyance hereunder, and this Agreement shall be binding upon and shall accrue to the heirs, successors, and assigns of the respective parties to this Agreement. The terms of this Agreement shall be included in the sales agreements conveying any portion of the lots within the Service Area.



16. Financial Security In Lieu of Construction and Certification Prior to Final Plat Approval

In lieu of construction and certification of the storm drainage facilities prior to Final Plat Approval, the SPONSOR has posted with the County Engineer a financial security to ensure the satisfactory construction, inspection, and certification of the various public and private portions of the RED OAK Stormwater System. Upon the County Engineer's acceptance of the various portions of the Stormwater System, the financial security may be adjusted in accordance with the County Engineer's policy at that point in time. The SPONSOR will provide a security for the satisfactory performance of any repairs or other remedies required by the construction warranties required by the various Plats.

To the extent that the respective storm drainage facilities are not constructed and certified by the acceptance expiration date of the respective road and drainage plans, a material breach of the financial security will exist. Said breach shall be grounds for the County Engineer to invoke the financial security and complete the work by an appropriate means.

17. Remedies

The Parties to this Agreement respectively reserve the right to pursue any and all legal remedies available to cure any breach of this Agreement by any of the other Parties, including and/or in addition to any remedies otherwise mentioned in this Agreement.

18. Indemnification of Spokane County

a. During Construction:

The SPONSOR shall defend, indemnify and hold harmless the COUNTY, RED OAK HOA, and their respective agents, officers, and employees with respect to any and all suits and/or claims of any nature for damages for injury or death and/or damage to real or personal property arising from the design, operation or maintenance of the various portions of the Stormwater System under construction, until such time as the COUNTY and the RED OAK HOA accept the constructed facilities, respectively. Said duty to indemnify, hold harmless, and defend shall include, by way of example and not limitation, any costs and attorneys fees incurred in defending against any such suit or claim, the amount of any judgment or arbitration entered in connection with any such suit or claim or the amount paid in settlement of any such suit or claim.

The SPONSOR shall maintain a policy of liability insurance, with an insurance company with an A.M. Best rating of A- or better, with limits of at least \$1,000,000.00 per occurrence, in which the COUNTY, the RED OAK HOA, and their respective agents, officers, and employees are named as additional insured. Said policy shall provide coverage with respect to any and all claims for injury/death and/or damage to any and all persons, including employees of the SPONSOR or the maintenance company retained by the SPONSOR, or property, real or personal, arising from the design, operation, or maintenance and failure of the Stormwater System

The Sponsor has provided a copy of said policy at attached Exhibit "B-1", which is incorporated herein by reference. Upon renewal of the policy, a copy of the certificate or other document constituting notice of the renewal of this policy shall be transmitted to the Office of the County Risk Manager and to the Office of the County Engineer within 10 days of receipt of said certificate or other document.

b. After Acceptance:

The RED OAK HOA shall defend, indemnify and hold harmless Spokane County, its agents officers and employees with respect to any and all suits and/or claims of any nature for damages for injury or death and/or damage to real or personal property arising from the design, operation or maintenance of the Stormwater System, in perpetuity. Said duty to indemnify, hold harmless, and defend shall include, by way of example and not limitation, any costs and attorneys fees incurred in defending against any such suit or claim, the amount of any judgment or arbitration entered in connection with any such suit or claim or the amount paid in settlement of any such suit or claim.

The RED OAK HOA shall maintain a policy of liability insurance, with an insurance company with an A.M. Best rating of A- or better, with limits of at least \$1,000,000.00 per occurrence, in which Spokane County, its officers, agents and employees are named as additional insured. Said policy shall provide coverage with respect to any and all claims for injury/death and/or damage to any and all persons, including employees of the RED OAK HOA or the maintenance company retained by the RED OAK HOA, or property, real or personal, arising from the design, operation, or maintenance and failure of the Stormwater System.

The SPONSOR, as the controlling interest in the RED OAK HOA, has provided a Letter of Commitment from a duly authorized insurance agent (at attached Exhibit "B-2", which is incorporated herein by reference) that said policy shall be provided on behalf of the RED OAK HOA. Upon issuance (and/or renewal) of the policy, a copy of the certificate or other document constituting notice of the issuance (and/or renewal) of this policy shall be transmitted to the Office of the Spokane County Risk Manager and to the Office of the Spokane County Engineer within 10 days of receipt of said certificate or other document.

It is further understood and agreed that this requirement is a material term of this Agreement and Declaration of Covenant and that in the event that either the SPONSOR or the RED OAK HOA respectively shall fail to procure or keep the insurance required in this paragraph in full force and effect, the COUNTY, without waiving any other remedy available to it, may procure said insurance and shall be entitled to pursue an action at law for breach of this term of agreement and shall be entitled to Liquidated Damages in the amount of the premiums paid by the COUNTY for said insurance, together with interest at the rate of 12% per annum, costs of suit and attorneys' fees, and other expenses incurred in pursuing said action.



19. Modification

This Agreement may not be modified except through a prior written amendment executed with the same formalities as the present Agreement.

20. Venue

This Agreement shall be construed as having been made and delivered in the State of Washington, and the laws of the State of Washington shall be applicable to its construction or enforcement. Any action at law, suit in equity or judicial proceeding for the enforcement of this Agreement or any provision thereto shall be instituted only in court of competent jurisdiction within Spokane County, Washington.

21. Binding Effect

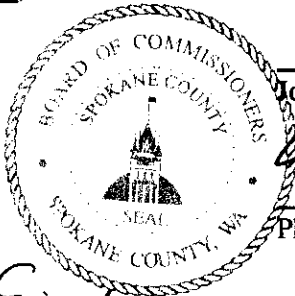
This Agreement and Declaration of Covenant shall inure to and be binding upon the SPONSOR, the MASTER COMMITTEE, the COUNTY, and their respective agents, heirs, successors, and/or assigns.

22. Merger

This Agreement constitutes the entire agreement of the parties with respect to the subjects covered by this Agreement and supersedes all previous agreements or representations dealing with said subjects, written or oral.

APPROVED BY THE BOARD this  
1 day of June, 2000.

BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON



John Roskelley  
John Roskelley, Chair

ATTEST:  
VICKY M. DALTON  
CLERK OF THE BOARD

Phillip D. Harris  
Phillip D. Harris, Vice-Chair

BY: Daniela Erickson  
Daniela Erickson, Deputy

M. Kate McCaslin  
M. Kate McCaslin

**FOR RESPONSIBILITY TO CONSTRUCT:**

**SPONSOR:**  
NORTHWOOD PROPERTIES, INC.  
A Washington Corporation

Theodore G. Gunning  
By: THEODORE G. GUNNING  
Its: PRESIDENT

Diane D. Gunning  
By: DIANE D. GUNNING  
Its: TREASURER

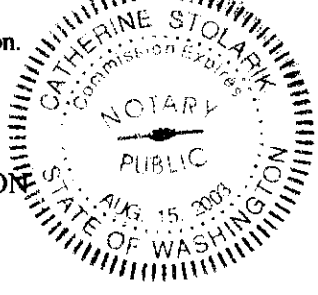
State of Washington )  
)ss  
County of Spokane

I certify that I know or have satisfactory evidence that Theodore G. Gunning and Diane D. Gunning are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the President and Treasurer, respectively, of Northwood Properties, Inc., a Washington Corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated 6-1-00

Catherine Stolarik  
Notary Public in and  
for the State of Washington.

My Appointment Expires: 8-15-03



**FOR RESPONSIBILITY TO MAINTAIN:**  
RED OAK – WOODLAND ESTATES HOMEOWNERS' ASSOCIATION  
A Washington Corporation

Theodore G. Gunning  
By: THEODORE G. GUNNING  
Its: PRESIDENT



State of Washington )  
 )ss  
County of Spokane )

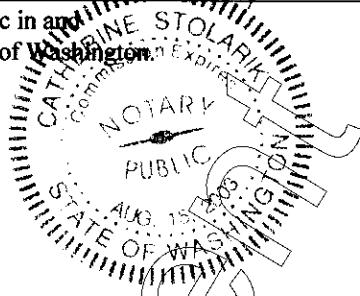
I certify that I know or have satisfactory evidence that Theodore G. Gunning is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of the Red Oak – Woodland Estates Homeowners' Association, a Washington Corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated 6-1-00

Catherine Stolarik

Notary Public in and for the State of Washington

My Appointment Expires: 8-15-03



Unofficial Document



**Attachment "A"**  
**Sponsor's Interim Financial Security for Annual Payment**

Unofficial Document





**INTERIM ASSIGNMENT for MAINTENANCE FUNDING**

For security purposes only, NORTHWOOD PROPERTIES, INC. ("Developer") hereby assigns to SPOKANE COUNTY, a political subdivision of the State of Washington, the following:

Savings Certificate Number 103691 S1.1

in the face amount of \$10,700.06 (Ten Thousand Seven Hundred and 06/100 USDollars),

and held in and by THEODORE G. GUNNING

Bank of SPOKANE TEACHERS CREDIT UNION Branch

This assignment is made as security for the full and faithful performance by the Developer of the annual payment of Stormwater Service Area maintenance fees allocable to the various lots in the Plat of Woodland Estates - Red Oak, Spokane County project No. PE-1729G, ("Project"), as defined in the Amendment to the Woodland Estates - Columbia Heights Stormwater Service Area Agreement for this Project.

Any interest benefits accruing under said savings certificate shall remain the property of the Developer. The said savings certificate may be released to the Developer or any other party only with the prior written consent and agreement of the Spokane County Engineer.

The undersigned Developer hereby authorizes the Bank to pay over to Spokane County all, or a sufficient portion of the monies in the savings certificate referenced hereinabove, upon (1) written documentation being received from the Spokane County Engineer indicating that the purposes for which the savings certificate was assigned have not been fully and faithfully performed as required; and (2) a statement from the County Engineer of that amount of money which the County deems necessary to complete such obligation. Upon receipt of such written documentation, the Developer hereby authorizes the Bank to release to Spokane County that amount of money requested, up to the maximum amount in the savings certificate.

Said SAVINGS ASSIGNMENT FOR MAINTENANCE FUNDING/BOND PURPOSES in the amount of \$10,700.06 for the payment of Stormwater Service Area maintenance fees for this project, shall remain in effect until such time released by the County Engineer.

A copy of all such documentation and correspondence with the Bank shall be provided by the County Engineer to the Developer at the address noted below.

DATED this 4th day of May 2000.

BANK: SPOKANE TEACHERS CREDIT UNION

ADDRESS: 13501 E. SPRAGUE

CITY, STATE, ZIP: SPOKANE, WA 99216

PHONE: 509-927-1954

AUTHORIZED REPRESENTATIVE: CINDI L. BAILEY

TITLE: SENIOR LOAN OFFICER

DEVELOPER Northwood Properties

ADDRESS: 9616 E. Montgomery

CITY, STATE, ZIP: Spokane, WA 99206

PHONE: 509-924-7950

**DEVELOPER**  
NORTHWOOD PROPERTIES, INC.  
A Washington Corporation

Theodore G. Gunning  
By: THEODORE G. GUNNING  
Its: PRESIDENT

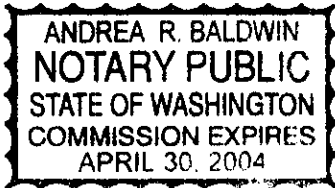


*Diane D. Gunning*  
By: DIANE D. GUNNING  
Its: TREASURER

State of Washington )  
  )ss  
County of Spokane )

I certify that I know or have satisfactory evidence that Theodore G. Gunning and Diane D. Gunning are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the President and Treasurer, respectively, of Northwood Properties, Inc., a Washington Corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated 5-4-00



*Andrea R. Baldwin*  
Notary Public in and  
the State of Washington.  
My Appointment Expires: 4-30-04

**BANK:**  
COMPANY NAME SPOKANE TEACHERS CREDIT UNION  
A Washington Corporation

*Cindi L. Bailey*  
By: (typed Name) CINDI L. BAILEY  
Its: (Position) SENIOR LOANS/MEMBER SERVICE OFFICER

State of Washington )  
  )ss  
County of Spokane )

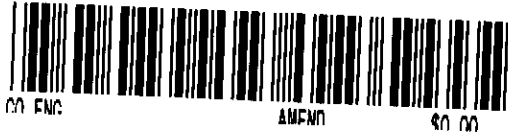
I certify that I know or have satisfactory evidence that CINDI L. Bailey is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the (type of authority, e.g., officer, trustee, etc.) of (name of party on behalf of whom instrument was executed) STCU to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated 5-4-00

*Robyn G. Lewis*  
Notary Public in and  
for the State of Washington.  
My Appointment Expires: 12-12-02



Unofficial Document



**Attachment "B"**  
**B-1: Sponsor Insurance Policy**  
**B-2: Red Oak HOA Insurance Policy – Commitment Letter**

Unofficial Document



B-1

ACORD. CERTIFICATE OF LIABILITY INSURANCE				DATE (MM/DD/YY) 05/15/00	
PRODUCER MOLONEY, O'NEILL, CORKERY & JONES (509) 325-3024 FAX 325-1803 1206 N LINCOLN #200 SPOKANE WA 99201		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.			
INSURED NORTHWOOD PROPERTIES INC  9616 E MONTGOMERY SPOKANE WA 99206		COMPANIES AFFORDING COVERAGE			
		COMPANY A AMERICAN STATES INSURANCE CO			
		COMPANY B			
		COMPANY C			
		COMPANY D			
COVERAGES					
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.					
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	02CC982522	12/31/99	12/31/00	GENERAL AGGREGATE \$ PRODUCTS COMP/OP AGG \$1,000,000 PERSONAL & ADV INJURY \$1,000,000 EACH OCCURRENCE \$1,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				WC STATUTORY LIMITS OTHER EL EACH ACCIDENT \$ EL DISEASE-POLICY LIMIT \$ EL DISEASE-EA EMPLOYEE \$
	OTHER				
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS SPOKANE COUNTY, ITS OFFICERS, AGENTS AND EMPLOYEES ARE NAMED AS ADDITIONAL INSUREDS BUT ONLY AS THEIR INTEREST MAY APPEAR. RE: RED OAK HOMEOWNERS ASSOCIATION					
CERTIFICATE HOLDER SPOKANE COUNTY 1026 W BROADWAY SPOKANE WA 99208-5647			CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE Harold H Seim		
ACORD 25-S (1/95)			SW A © ACORD CORPORATION 1988		

**COPY**



B-2

05-23-00 15:12 FROM-MOLONEY ONEILL

T-412 P.02/02 F-630

Moloney O'Neill,  
Corkery & Jones Inc.

RE: RED OAK HOMEOWNERS ASSOCIATION

It is our intent to issue a policy naming the Red Oak Home-owners Association as primary insured and name Spokane County as an additional insured at the appropriate time.

Sincerely,

*Sharon Work*  
Sharon Work, AAI, CTC

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