



ShelleyLake

Shelley Lake Estates Homeowner Association

P.O. Box 1872, Veradale, WA 99037

www.shelleylake.org

Homeowner Newsletter

January 1, 2008

Shelley Lake President Letter

I have two important items that need your attention. At our upcoming January 7th 2008 Annual Homeowner meeting we need a minimum 40% quorum of Homeowner Association lot owners present and in proxy for us to conduct official business. With the recently approved 5th Addition this means we need 40% of 248 or 100 home/lot representatives. It is very important for you to attend the Annual meeting or send in your voting proxy. If we do not meet the minimum number of member representation for a quorum we cannot vote on Director or Officer Elections or conduct any other business requiring your vote.

Secondly, the Shelley Lake Board has been working very hard to create a quality homeowner association by taking care of loose ends and setting up processes, committees, and improved communications to better manage the diverse tasks before us. One of the issues we are trying to fix has to do with some inconsistencies between our CC&R's and By-laws that we use to govern our Association. As you may recall in previous homeowner meetings and communications, you approved a change to the CC&R's to allow more flexibility in rebalancing the Director to Homeowners ratio. We now need your continued support in completing the similar change with the By-Laws. The main focus of the By-Law change is to allow for more Directors (the original says 3) and the ability to allocate homeowners

by zones versus by additions or phases of the development. By approving these changes we will end up with the ability to have up to 7 Directors on the Board with approximately 35 homeowners per Director. This change does include the additional 59 lots in the recently approved 5th Addition.

A By-Law change currently requires a yes vote from 2/3 of the total number of homeowners. With 248 total votes (189 lot homeowners plus 59 from 5th Addition currently controlled by Mr. Heitman) we will need 166 yes votes to adopt the proposed changes.

Carefully review the By-Law voting information that was sent to you earlier this month as there are 3 other changes to vote on as well. Please return it to your director as soon as possible so we can determine how our election process will proceed for the Annual meeting in January 7th, 2008. If you have any questions please contact your Director or go to www.shelleylake.org web site and select the Annual Meeting information web link under Announcements.

I want to thank the homeowners that attended the October 22 informational meeting. There were approximately 75 people who attended representing 55 homes. The Board provided updates on projects around the development including the recent agreements with the Developer to address several unfinished items with the earlier additions/phases, 5th Addition expectations, and the well operation lease. The Board also shared our thinking around the

potential dues increase to insure we have the reserve funds to address major repairs/replacement projects. The meeting presentation is available under Meeting Minutes on our web site. Additional details on these topics are shared later in this letter.

As you may know, my term as the Homeowner Association's 4th Addition Director and President ends January 7th, 2008. I hope that you believe I have worked hard over the past year and a half to make Shelley Lake a great place to live. I made a commitment to my fellow 189 homeowners and future 59 homeowners to address some of the tough issues with the development. I believe a good foundation has been laid to address many of these tough issues including the well operation. I really appreciate all the work my fellow Board members, Officers, Committee Members, and volunteers contributed toward the Shelley Lake Association and community. I want to give a special thanks to my wife who was very supportive and helpful to me during this time. No matter what the results in the upcoming election you will see me around the development volunteering my time to help make Shelley Lake a great place to live.

I look forward to seeing all of you at the January 7th Annual Homeowner Association meeting.

Scotty Smith
President

Annual Meeting January 7th
Monday, January 7th, 2008 at 7 pm
at Adams Elementary School, 14707
E. 8th Ave.

Agenda will include a year end status update, 2008 goals, 2007 financial report, 2008 budget, and the election of 4th Addition Director and President and other officers along with potentially 2 new Directors depending on By-Law change approval.

If you are unable to attend please provide your proxy (printed on the back of the enclosed meeting reminder) to your director or a neighbor so we can achieve a quorum and be able to conduct Association elections and business.

Please Return By-Law Ballots
Please return the yellow By-Law ballot to your Director that was included in the last homeowner letter. If you cannot find your copy, you can contact your Director or go to www.shelleylake.org web site and select the web link located under Announcements for the Annual Meeting information. You can view all By-Law related items and print, complete, and sign the ballot.

Remember Homeowner Dues January 2008
Remember, homeowner first half dues are payable by the end of January 2008. Dues have been increased by \$10 to \$40 per month for \$480 per year with \$240 payable in January and \$240 in July. See 2007 financial report for details.

Snow Removal
During the winter weather conditions, please remember to minimize parking along the street edge when it snows to maximize our snow plowing services.

5th Addition Update
The 5th Addition final plat was approved on Oct 30th. This action will add 59 additional homes to the current 189 lots in the Shelley Lake development. Prior to approving

the 5th Addition final plat several conditions were agreed upon with the Developer and the City of Spokane Valley. These agreements include the following conditions:

1. Funds to ensure the perimeter fence around and between 5th and 4th Addition was completed by June of 2008.
2. Completion of the new automobile and pedestrian gates into the 5th Addition.
3. Installation of grass and sprinkler system for a common tract of land located at the intersection of Shelley Lake Lane and 9th Lane.
4. Installation of a bridge or culvert over the Saltese Creek and upgrade to the east shoreline trail.
5. Correction of various misspelled street signs and addition of no-parking signs in fire truck turn-around areas.
6. Lease agreement with Developer for operating the well water pump to supplement the lake water.
7. Funds for enhancing the lake shoreline with irrigation, grass, plants, and trees based on the original development habitat management plan.

The full text of these agreements is available on our web site at www.shelleylake.org or upon request from your Director.

Well Lease Agreement

The Developer agreed to operate the water pump in a manner similar to the past several years while working with the Association Board, government agencies, and potentially water utility providers on implementing a long term solution. The lake level is to be maintained near the ordinary high water mark located around the lake edge. This will prevent overflowing the lake and help minimize damage to the shoreline enhancement work. By limiting the height of the lake to this level it can potentially reduce our monthly water pump power usage bill by turning off the pump when unneeded. With the freezing winter weather approaching it was decided to not run the pump until after spring runoff.

In addition to the water pump lease agreement there is an updated disclosure letter that is pending the Developer's agreement. For those of you who choose to sell your home you should provide this disclosure letter to your realtor or potential homebuyer. If you lose this disclosure letter you can access a new copy on our web site or request a new printed copy to be sent to you from your Director.

4th Addition Nomination

The Director position for the 4th Addition is up for election at the 2008 Annual Homeowner's meeting. Dan Pfeiffer has been nominated. The following is the statement he submitted for your consideration:

Dan Pfeiffer:

I'm currently the Director of Regulatory Affairs for Itron, a leading provider of metering, data collection and software solutions to electric, gas and water utilities across the globe. Earlier in my career in Spokane, I spent 14 years at the Avista Corporation in a range of environmental, regulatory and government relations capacities.

I've been a resident of Shelley Lake for a little over a year and have participated on the Association's Shoreline Committee. I live at 16512 E. 9th Lane with my wife, Ami, and two children, Matt and Jessie. While my wife has spent most of her adult life in Spokane, I was born and raised in Pennsylvania and moved to the NW in the early 80's to finish my education in fisheries science at the University of Idaho in Moscow.

My view of government in general, whether federal, state or our Homeowner's Association Board, is that it should only do what we ("The People") can't do for ourselves. Hence, my priorities for the Board will focus less on parking and landscaping issues that neighbors ought to be able to resolve on their own, and more on the larger issues that threaten to impact our entire community - that is, the quality and quantity of the water in our lake, ensuring the developer keeps his commitments in the 5th Addition, and maintaining our infrastructure.

Please Note: Copies of the 2007 Financial Report and 2008 Budget available to Homeowners upon request.