

WHEN RECORDED RETURN TO:

Matthew C. Albrecht
Wolkey McKinley, P.S.
528 E. Spokane Falls Blvd., #502
Spokane, WA 99202

COPY
ORIGINAL FILED OR RECORDED

JAN 3 2008

COUNTY AUDITOR
SPOKANE COUNTY WA

Instrument No. 5628180

Reference # (if applicable): 4063118 and 5339528
Grantor: Shelley Lake Estates Homeowners' Association
Grantee: Shelley Lake Estates Homeowners' Association
Legal Description (abbreviated): Portion of Section 24, T25N, R44E, W.M., Spokane County,
WA
Additional legal(s) on Exhibit A
Assessor's Tax Parcel ID#

**Certificate of Second Amendment to the
Shelley Lake PUD Declaration of Covenants, Conditions, Restrictions, Assessments,
Charges, Servitudes, Liens, Reservations and Easements**

The Declarant, Shelley Lake Developments, caused to be recorded the Shelley Lake PUD Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easements dated December 9, 1996 ("CC&Rs") and recorded in the Auditor's Office of Spokane County, Washington on December 18, 1996 as Instrument No. 4063118.

The Declarant further caused to be recorded an Amendment Annexing Additional Property to the CC&Rs dated February 2, 2006 and recorded in the Auditor's Office of Spokane County, Washington on February 6, 2006 as Instrument No. 5339528.

Pursuant to Section 17.2 of the CC&Rs, by written consent of a majority of the Members of Shelley Lake Estates Homeowners' Association and as certified by two (2) officers of the Shelley Lake Estates Homeowners' Association, the CC&Rs are now amended as follows:

Certificate of Second Amendment - 1

R. E. Excise Tax Exempt

Date *Jan 3 2008*

Spokane County Treas.

By *[Signature]*

1. Section 1.6 Association currently reads as follows:

1.6 Association: SHELLEY LAKE HOMEOWNERS' ASSOCIATION, a Washington nonprofit corporation, registered with the State of Washington under UBI No. 601 752 027, formed by Declarant in conjunction with the establishment of the planned lot development, the Members of which shall be the owners of lots in the Project.

Section 1.6 is hereby amended to read (changes are shown in bold):

1.6 Association: SHELLEY LAKE **ESTATES** HOMEOWNERS' ASSOCIATION, a Washington nonprofit corporation, registered with the State of Washington under UBI No. 601 752 027, formed by Declarant in conjunction with the establishment of the planned lot development, the Members of which shall be the owners of lots in the Project.

2. Section 5.1 Organization of Association currently reads as follows:

5.1 Organization of Association. The Association shall be incorporated under the name of SHELLEY LAKE ASSOCIATION, pursuant to the Washington Nonprofit Corporation Act.

Section 5.1 is hereby amended to read (changes are shown in bold):

5.1 Organization of Association. The Association shall be incorporated under the name of SHELLEY LAKE **ESTATES HOMEOWNERS'** ASSOCIATION, pursuant to the Washington Nonprofit Corporation Act.

3. Section 5.7 Membership Meetings and Voting currently reads as follows:

5.7 Membership Meetings and Voting. Each specific Phase in the Project as established by either being the initial Phase or by the recording of a Declaration of Annexation shall be represented by one Member on the Board of Directors. Declarant shall also act as a Member of the Board of Directors until such time as the Class A Membership equals or exceeds Declarant's Class B Membership. Every Member in any given Phase shall be entitled to one vote, provided, that such vote must be cast through the Director representing that particular Phase. The Members of any given Phase shall elect the Director for that particular Phase pursuant to the Bylaws. All issues requiring a vote of the membership as determined by the Bylaws shall be resolved at a meeting of the Board of Directors at which time each director shall be entitled to cast the votes of the specific Phase which that particular Director represents. The votes cast by any given Board Member shall be identical to the votes cast by the Members represented by such Board Member. By way of example, if there is a Phase with 50 Members and 25 Members vote in favor of a proposal, 20 Members vote against the proposal, and 5 Members do not vote, the Board Member representing such Phase would actually cast 25 in favor votes, 20 against votes and would not vote the remaining 5. The

procedures as to bringing an issue on for voting, the notice to the membership of the proposed vote, the actual voting process, and the ensuing Directors' meeting shall be as is established in the Bylaws.

Section 5.7 is hereby amended to read (changes are shown in bold):

5.7 Membership Meetings and Voting. ~~[Removed by amendment]Each specific Phase in the Project as established by either being the initial Phase or by the recording of a Declaration of Annexation shall be represented by one Member on the Board of Directors. Declarant shall also act as a Member of the Board of Directors until such time as the Class A Membership equals or exceeds Declarant's Class B Membership. Every Member in any given Phase shall be entitled to one vote, provided, that such vote must be cast through the Director representing that particular Phase. The Members of any given Phase shall elect the Director for that particular Phase pursuant to the Bylaws. All issues requiring a vote of the membership as determined by the Bylaws shall be resolved at a meeting of the Board of Directors at which time each director shall be entitled to cast the votes of the specific Phase which that particular Director represents. The votes cast by any given Board Member shall be identical to the votes cast by the Members represented by such Board Member. By way of example, if there is a Phase with 50 Members and 25 Members vote in favor of a proposal, 20 Members vote against the proposal, and 5 Members do not vote, the Board Member representing such Phase would actually cast 25 in favor votes, 20 against votes and would not vote the remaining 5. The procedures as to bringing an issue on for voting, the notice to the membership of the proposed vote, the actual voting process, and the ensuing Directors' meeting shall be as is established in the Bylaws.~~

4. Section 5.8 Board of Directors currently reads as follows:

5.8 Board of Directors. The affairs of the Association shall be managed by a Board of Directors, which shall be established and which shall conduct regular and special meetings according to the provisions of the Bylaws of the Association and Article 5.7 above.

Section 5.8 is hereby amended to read (changes are shown in bold):

5.8 Board of Directors. The affairs of the Association shall be managed by a Board of Directors, which shall be established and which shall conduct regular and special meetings according to the provisions of the Bylaws of the Association ~~and Article 5.7 above~~. **The Board of Directors shall be elected in accordance with the provisions set forth in the Bylaws.**

5. Section 17.2 Amendment (first paragraph only) currently reads as follows:

17.2 Amendment. This Declaration may be amended by recording with the County

Auditor of Spokane County, Washington, a Certificate of Amendment. Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of a vote by the Association at which a proposed amendment is to be considered. A resolution adopting a proposed amendment may be proposed by an owner to the Board of Directors or by Declarant or the Board itself, who shall then act upon such notice pursuant to the Bylaws. The resolution shall be adopted by the vote of the Members, via the Director or each given Phase, pursuant to the Bylaws, or by written consent of Members representing not less than a majority of the voting power of the Association, provided that the specified percentage of the voting power of the Association necessary to amend a specified provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that provision, if any. A copy of each amendment shall be certified by at least two (2) officers of the Association and the amendment shall be effective when the certificate of amendment is recorded. Declarant may amend this Declaration at any time prior to activation of the Association, provided, that Declarant then has a majority of the available votes, taking into consideration the triple vote for each lot owned by Declarant. In such event, Declarant shall be authorized to record a Certificate of Amendment signed by Declarant only. Notwithstanding the foregoing, any of the following amendments, to be effective, must be approved in writing by the record holders of a majority of the first mortgages on all of the lots in the Project at the time of such amendment, based upon one (1) vote for each mortgage owned:

Section 17.2 (first paragraph only) is hereby amended to read (changes are shown in bold):

17.2 Amendment. This Declaration may be amended by recording with the County Auditor of Spokane County, Washington, a Certificate of Amendment. Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of a vote by the Association at which a proposed amendment is to be considered. A resolution adopting a proposed amendment may be proposed by an owner to the Board of Directors or by Declarant or the Board itself, who shall then act upon such notice pursuant to the Bylaws. The resolution shall be adopted by the vote of the Members, ~~via the Director or each given Phase,~~ pursuant to the Bylaws, or by written consent of Members representing not less than a majority of the voting power of the Association, provided that the specified percentage of the voting power of the Association necessary to amend a specified provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that provision, if any. A copy of each amendment shall be certified by at least two (2) officers of the Association and the amendment shall be effective when the certificate of amendment is recorded. Declarant may amend this Declaration at any time prior to activation of the Association, provided, that Declarant then has a majority of the available votes, taking into consideration the triple vote for each lot owned by Declarant. In such event, Declarant shall be authorized to record a Certificate of Amendment signed by Declarant only. Notwithstanding the foregoing, any of the following amendments, to be effective, must be approved in writing by the record holders of a majority of the first mortgages on all of the lots in the Project at the time of such amendment, based

upon one (1) vote for each mortgage owned:

This Second Amendment shall be recorded and included as a portion of the CC&Rs. This Second Amendment is simply an addition to the recorded CC&Rs and the recorded Amendment Annexing Additional Property to the CC&Rs.

DATED this 2nd day of January, 2008.

Shelley Lake Estates Homeowners' Association, a Washington nonprofit corporation

Scotty Smith

By: Scotty Smith
Its: President

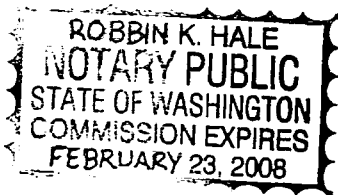
Christine E Smith

By: Christine E. Smith
Its: Secretary

STATE OF WASHINGTON)
COUNTY OF SPOKANE }ss

On this 2nd day of January, 2008 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Scotty Smith, to me known to be the President of Shelley Lake Estates 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 he/she is authorized to execute the instrument.

GIVEN under my hand and official seal this 2nd day of January, 2008.

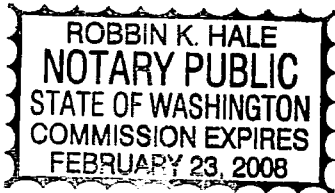


Robbin K. Hale
Print Name: Robbin K. Hale
NOTARY PUBLIC in and for the state of WA,
residing at Spokane County
My Appointment Expires: 02-23-08

STATE OF WASHINGTON)
COUNTY OF SPOKANE)^{ss}

On this 2nd day of January, 2008 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Christine E. Smith, to me known to be the Secretary of Shelley Lake Estates 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 he/she is authorized to execute the instrument.

GIVEN under my hand and official seal this 2nd day of January, 2008.



Robbin K. Hale
Print Name: Robbin K. Hale
NOTARY PUBLIC in and for the state of WA,
residing at Spokane County
My Appointment Expires: 02-23-08

Exhibit A

Legal Description

Real property all located within Section 24, Township 25 North, Range 44 East, W. M., Spokane County, WA platted as follows:

Shelley Lake, a Planned Unit Development, as per Plat recorded in Volume 24 of Plats, Pages 59, 60 and 61, situate in the City of Spokane Valley, County of Spokane, State of Washington.

Shelley Lake First Addition, a Planned Unit Development, as per Plat recorded in Volume 25 of Plats, Pages 54 and 55, situate in the City of Spokane Valley, County of Spokane, State of Washington.

Shelley Lake Second Addition, a Planned Unit Development, as per Plat recorded in Volume 25 of Plats, Pages 93 and 94, situate in the City of Spokane Valley, County of Spokane, State of Washington.

Shelley Lake Third Addition, a Planned Unit Development, as per Plat recorded in Volume 27 of Plats, Pages 5 and 6, situate in the City of Spokane Valley, County of Spokane, State of Washington.

Shelley Lake Fourth Addition, a Planned Unit Development, as per Plat recorded in Volume 29 of Plats, Pages 12 and 13, situate in the City of Spokane Valley, County of Spokane, State of Washington.

Shelley Lake Fifth Addition, a Planned Unit Development, as per Plat recorded in Volume 34 of Plats, Pages 48, 49 and 50, situate in the City of Spokane Valley, County of Spokane, State of Washington.