

**RESTATED ARTICLES OF INCORPORATION  
OF  
HOLLY HILLS ESTATES HOMEOWNERS' ASSOCIATION,  
a Washington nonprofit corporation**

Holly Hills Estates Homeowners' Association hereby adopts the following Restated Articles of Incorporation which amend and supercede the Articles of Incorporation originally filed on February 28, 1997, and all other amendments thereto, under the Washington Nonprofit Corporation Act (Chapter 24.03 RCW).

ARTICLE I  
Name

The name of the Corporation shall be Holly Hills Estates Homeowners' Association (hereinafter referred to as the "Corporation" or the "Association").

ARTICLE II  
Registered Office and Agent

The address of the Corporation's initial registered agent, including the street number and the name of the original registered agent at such address is listed on the Articles of Incorporation filed on February 28, 1997. The address of the current registered office of the Corporation shall be 14707 NE Rawson Mill Road, Brush Prairie, WA 98606. The name of the current registered agent of the Corporation at such address shall be Gregory Denning.

ARTICLE III  
Period of Duration

The period of duration of the Corporation shall be perpetual.

ARTICLE IV  
Purpose and Powers

Section 1. Specific Purpose. The Corporation is organized for the purpose of governing Holly Hills Estates, Phase I, Phase II, Phase III, and Phase IV, and any other property subsequently incorporated or annexed into existing or subsequent phases of Holly Hills Estates, pursuant to the Declaration of Covenants, Restrictions, Easements and Reservations for Holly Hills Estates filed with the Clark County Auditor's Office as it may be amended from time to time.

Section 2. Powers. The Corporation may exercise the following powers:

- (1) Adopt and amend bylaws, rules, and regulations;
- (2) Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect assessments for common expenses from owners;

- (3) Hire and discharge or contract with managing agents and other employees, agents, and independent contractors;
- (4) Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more owners on matters affecting the homeowners' association, but not on behalf of owners involved in disputes that are not the responsibility of the Association;
- (5) Make contracts and incur liabilities;
- (6) Regulate the use, maintenance, repair, replacement, and modification of common areas, fences, roads, easements, buildings, signs, lights, and any other improvements and other areas under the jurisdiction of the Association;
- (7) Cause additional improvements to be made as a part of the common areas and other areas under the jurisdiction of the Association;
- (8) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property;
- (9) Grant easements, leases, licenses, and concessions through or over the common areas and other areas under the jurisdiction of the Association and petition for or consent to the vacation of streets and alleys;
- (10) Impose and collect any payments, fees, or charges for the use, rental, or operation of the common areas and other areas under the jurisdiction of the Association;
- (11) Impose and collect charges for late payments of assessments and, after notice and an opportunity to be heard by the Board of Directors or by the representative designated by the Board of Directors and in accordance with the procedures as provided in the Bylaws or rules and regulations adopted by the Board of Directors, levy reasonable fines in accordance with a previously established schedule adopted by the Board of Directors and furnished to the owners for violation of the Bylaws, rules, and regulations of the Association;
- (12) Exercise any other powers conferred by the Bylaws;
- (13) Exercise all other powers that may be exercised in this state by the same type of corporation as the Association;
- (14) Exercise any other powers necessary and proper for the governance and operation of the Association; and
- (15) Indemnify any director or officer or former director or officer or other person in the manner and to the extent provided in RCW 23B.08.500 through

23B.08.600, as now existing or hereafter amended.

Section 3. General Purpose. In general, and subject to such limitations and conditions as are or may be prescribed by law, or in the Corporation's Restated Articles of Incorporation or Bylaws, the Corporation shall have all powers now or hereafter are conferred by law upon a corporation organized for the purposes set forth above, or are necessary or incidental to the powers so conferred, or are conducive to the attainment of the Corporation's purposes, or as set forth in Chapter 24.03 of the Revised Code of Washington (Washington Nonprofit Corporation Act) and Chapter 64.38 of the Revised Code of Washington (Washington Homeowners Association Act).

#### ARTICLE V Dissolution

Section 1. Qualified under Internal Revenue Code. Upon the dissolution of the Corporation, if the Corporation is qualified under Section 501(c) of the Internal Revenue Code, no member or private person, corporate or individual, or other private interest, shall be entitled to any distribution or division of its remaining funds and any other property rights and interest in property, and the balance thereof, after the payment of all debts and liabilities of the Corporation of whatsoever kind and nature shall be equally distributed to such organizations that shall qualify under Section 501(c) of the Internal Revenue Code, as amended, and as provided by the Corporation.

Section 2. Not Qualified under Internal Revenue Code. Upon the dissolution of the Corporation, if the Corporation is not qualified under Section 501(c) of the Internal Revenue Code, the net assets of the Corporation shall be distributed to the members of the Corporation on a pro rata basis equal to the percentage of the individual interest of each member as set forth in the Bylaws.

#### ARTICLE VI Members

The corporation shall have members who shall at all times consist exclusively of the owners of real property, both developed and undeveloped, over which the Corporation has jurisdiction which shall be Holly Hills Estates, Phase I, Phase II, Phase III, and Phase IV, and any other property subsequently incorporated or annexed into existing or subsequent phases of Holly Hills Estates. The Corporation shall set forth the qualifications and voting rights for membership in the Corporation in its Bylaws.

#### ARTICLE VII Board of Directors

The number, names and addresses of the directors consisting of the initial Board of Directors of the Corporation are as set forth in the original Articles of Incorporation filed on February 28, 1997. The number of directors of the Corporation shall not be less than three (3) nor more than five (5) directors and may be increased or decreased by amendment to

the Bylaws of the Corporation. The powers and duties, number, qualifications, terms of office, manner of election, time and criteria for removal of directors shall be set forth in the Bylaws of the Corporation.

## ARTICLE VIII Director Liability Limitations

A director shall have no liability to the Corporation for monetary damages for conduct as a director, except for acts or omissions that involve intentional misconduct by the director, or a knowing violation of law by a director, where the director votes or assents to a distribution which is unlawful or violates the requirements of these Restated Articles of Incorporation, or for any transaction from which the director will personally benefit in money, property, or services to which the director is not legally entitled. If the Washington Nonprofit Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be eliminated or limited to the full extent permitted by the Washington Nonprofit Corporation Act, as so amended. Any repeal or modification of this Article VIII shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification for or with respect to an act or omission of such director occurring prior to such repeal or modification.

## ARTICLE IX Indemnification

Section 1. Definitions. The following definitions shall apply to the provisions of this Article IX pertaining indemnification:

9.1.1 "Director" means an individual who is or was a director of the Corporation or an individual who, while a director of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. A director is considered to be serving an employee benefit plan at the Corporation's request if the director's duties to the Corporation also impose duties on, or otherwise involve services by, the director to the plan or to participants in or beneficiaries of the plan. "Director" includes, unless the context requires otherwise, the estate or personal representative of a director.

9.1.2 "Expenses" include counsel fees.

9.1.3 "Liability" means the obligation to pay a judgment, settlement, penalty, fine, including an excise tax assessed with respect to an employee benefit plan, or reasonable expenses incurred with respect to a proceeding.

9.1.4 "Official capacity" means: (a) when used with respect to a director, the office of director in the Corporation; and (b) when used with respect to an individual other than a director the office in a corporation held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Corporation. "Official

capacity" does not include service for any other foreign or domestic corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise.

9.1.5 "Party" includes an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

9.1.6 "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal.

## Section 2. Scope of Indemnification.

9.2.1 Except as provided in Subsection 9.2.2 of this section, Corporation shall indemnify an individual made a party to a proceeding because the individual is or was a director against liability incurred in the proceeding if: (a) the individual acted in good faith; and (b) the individual reasonably believed: (i) in the case of conduct in the individual's official capacity with the Corporation, that the individual's conduct was in its best interests; and (ii) in all other cases, that the individual's conduct was at least not opposed to its best interests; and (c) in the case of any criminal proceeding, the individual had no reasonable cause to believe the individual's conduct was unlawful.

9.2.2 The Corporation may not indemnify a director under this section: (a) in connection with a proceeding by or in the right of the Corporation in which the director was adjudged liable to the Corporation; or (b) in connection with any other proceeding charging improper personal benefit to the director, whether or not involving action in the director's official capacity, in which the director was adjudged liable on the basis that personal benefit was improperly received by the director.

9.2.3 Indemnification permitted under this section in connection with a proceeding by or in the right of the Corporation is limited to reasonable expenses incurred in connection with the proceeding.

9.2.4 Corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because of being a director of the Corporation against reasonable expenses incurred by the director in connection with the proceeding.

## Section 3. Advancement of Cost.

9.3.1 Corporation shall pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if: (a) the director furnishes the Corporation a written affirmation of the director's good faith belief that the director has met the standard of conduct described in Subsection 9.2.1; and (b) the director furnishes the Corporation a written undertaking, executed personally or on the director's behalf, to repay the advance if it is ultimately determined that the director did not meet the standard of conduct.

9.3.2 The undertaking required by Subsection 9.3.1 of this section must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment.

9.3.3 Authorization of payments under this section may be made by resolution adopted by the Board of Directors.

#### Section 4. Prohibition on Indemnification.

9.4.1 Corporation may not indemnify a director under Section 2 unless approved in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because the director has met the standard of conduct set forth in Subsection 9.2.1.

9.4.2 The determination shall be made: (a) by the board of directors by majority vote of a quorum consisting of directors not at the time parties to the proceeding; (b) If a quorum cannot be obtained under (a) of this subsection, by majority vote of a committee duly designated by the Board of Directors, in which designation directors who are parties may participate, consisting solely of two or more directors not at the time parties to the proceeding; (c) by special legal counsel: (i) selected by the board of directors or its committee in the manner prescribed in (a) or (b) of this subsection; or (ii) if a quorum of the Board of Directors cannot be obtained under (a) of this subsection and a committee cannot be designated under (b) of this subsection, selected by majority vote of the full Board of Directors, in which selection directors who are parties may participate; or (d) by the Membership, but Lots owned by or voted under the control of directors who are at the time parties to the proceeding may not be voted on the determination.

9.4.3 Approval of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, approval of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under Section 4 to select counsel.

#### Section 5. Exceptions to Indemnity Limitations.

9.5.1 Corporation shall have power to indemnify or agree to indemnify a director made a party to a proceeding, or obligate itself to advance or reimburse expenses incurred in a proceeding, without regard to the limitations in this Article IX, provided that no such indemnity shall indemnify any director from or on account of: (a) acts or omissions of the director finally adjudged to be intentional misconduct or a knowing violation of law; (b) conduct of the director finally adjudged to be in violation of Subsection 9.2.1; or (c) any transaction with respect to which it was finally adjudged that such director personally received a benefit in money, property, or services to which the director was not legally entitled.

9.5.2 Any determination as to any indemnity or advance of expenses under Subsection 9.5.1 of this section shall be made in accordance with Section 4 herein.

Section 6. Indemnification of Officers and Employees.

9.6.1 An officer of the Corporation who is not a director is entitled to mandatory indemnification under this Article IX and in each case to the same extent as a director.

9.6.2 Corporation may indemnify and advance expenses to an officer, employee, or agent of the Corporation who is not a director to the same extent as to a director.

9.6.3 Corporation may also indemnify and advance expenses to an officer, employee, or agent who is not a director to the extent, consistent with law, that may be provided herein or by specific action of the Board of Directors.

Section 7. Insurance. Corporation may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee, or agent of the corporation, or who, while a director, officer, employee, or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation or other enterprise, against liability asserted against or incurred by the individual in that capacity or arising from the individual's status as a director, officer, employee, or agent, whether or not the corporation would have power to indemnify the individual against the same liability as provided in this Article IX.

Section 8. Compliance with Statutes. The provisions of Article IX shall be interpreted consistent with and to the fullest extent permitted for indemnification pursuant to RCW 23B.08.500 to RCW 23B.08.600, as applied to nonprofit corporations under Washington law. If any section or provision of Article IX shall be determined to be invalid by any court of competent jurisdiction, then the remaining provisions of Article IX shall remain in full force and effect.

ARTICLE X  
Bylaws

Bylaws of the Corporation may be adopted by the Board of Directors at any regular meeting or any special meeting called for that purpose, so long as they are not inconsistent with the provisions of these Restated Articles of Incorporation. The authority to make, alter, amend or repeal bylaws is vested in the Board of Directors and may be exercised at any regular or special meeting of the Board of Directors. The Bylaws may contain any provision for the regulation and management of the internal affairs of the Corporation not inconsistent with these Restated Articles of Incorporation or Chapter 24.03 or the Revised Code of Washington (Washington Nonprofit Corporation Act).

ARTICLE XI  
Amendment to Articles of Incorporation

These Restated Articles of Incorporation of the Corporation may be further amended, altered, or repealed, from time to time, by the adoption by the Board of Directors of a resolution setting forth the proposed amendment and directing that it be submitted to a vote of the members of the Corporation having voting rights which may be at an annual or a special meeting. Notice in the form of a record setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member of the Corporation entitled to vote at such meeting within the time and in the manner provided for in the Bylaws for the giving of notice of meetings to members. The proposed amendment shall be adopted upon receiving at least two-thirds of the votes of members present at such meeting or represented by proxy are entitled to cast.

ARTICLE XII  
Authorization for Restatement of Articles

This amendment to and Restatement of the Articles of Incorporation were adopted on February 22, 2012, at a meeting at which a quorum existed which was properly noticed and constituted and which received at least two-thirds affirmative vote of the members of the Corporation entitled to vote who were present or represented by proxy. This Restatement of Articles of Incorporation shall be effective upon its filing by the Secretary of State.

This document is hereby executed under the penalty of perjury under the laws of the state of Washington at Camas, Washington, on February 22 2012, and is, to the best of my knowledge, true and correct.

HOLLY HILLS ESTATES HOMEOWNERS' ASSOCIATION

By: *Niki Warnell*  
Its President  
PRINT NAME: Niki Warnell

Attested:

By: *Lisa Algstam*  
Its Secretary  
PRINT NAME: Lisa Algstam