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AUDITOR
ELIZABETH A. LUCE

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Document Title(s) or transactions contained therein:

1. AMENDED DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS,
2. AND RESERVATIONS
- 3.
- 4.

GRANTOR(S) (Last name, first, then first name and initials)

1. Lester C. Morasch, General Partner of Holly Hills Limited Partnership
 - 2.
 - 3.
 - 4.
- Additional Names on page _____ of document.

GRANTEE(S) (Last name, first, then first name and initials)

1. Holly Hills Estates
 - 2.
 - 3.
 - 4.
- Additional Names on page _____ of document.

LEGAL DESCRIPTION (Abbreviated: I.E., Lot, Block, Plat or Section, Township, Range, Quarter/Quarter)

Lots 1 through 60 and Tracts A,B, and C of Holly Hills Phase I, Book J,
Page 355
Lots 1 through 55 and Tracts B,C,D and E of Holly Hills Phase 2, Bk J, Pg 457

Additional Names on page _____ of document.

REFERENCE NUMBER(S) Of Documents assigned or released:

9701060133

Additional Names on page _____ of document.

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER

125008

Property Tax Parcel ID is not yet assigned.
 Additional Names on page _____ of document.

The Auditor/Recorder will rely on the information provided on the form. The Staff will not read the document to verify the accuracy or completeness of the indexing information.

**AMENDED DECLARATION
AND
COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS
AND RESERVATIONS
FOR
HOLLY HILLS ESTATES**

Pursuant to Section 17.2 of the Declaration and Covenants, Conditions, Restrictions, Easements and Reservations ("Covenants") for Holly Hills Estates, recorded under Clark County Auditor's Filing Number 9701660133, the Declarant, Lester C. Morasch, General Partner of Holly Hills Limited Partnership, a Washington limited partnership, hereby amends the Covenants as set forth below. The purpose of this Amendment is to comply with U.S. Department of Housing and Urban Development requirements for government insured mortgages.

1. Article 2. Common Areas And Easements is amended to add Section 2.6 as follows:

"Section 2.6 Each and every Lot Owner shall have a right and easement of enjoyment to all common areas which shall appurtenant to the title of each Lot."

2. Section 4.10 is amended in its entirety to read as follows:

"Section 4.10 Transition Date. The "Transition Date" shall be the date control of the Board passes from the initial Board to the Association. The Transition Date will be either (i) the date designated by Declarant in a written notice to the Owners, which date may be at Declarant's election any date after this Declaration has been recorded; or (ii) after Declarant has transferred title to the purchasers of seventy five percent (75%) of all of the lots in Holly Hills Estates which shall include all phases of the development. For purposes of the foregoing clause (ii), however, transfer of title to a Lot by Declarant to any Participating Builder shall be disregarded and title to any Lot owned by Participating Builder shall not be deemed transferred for purposes of determining the Transition Date until the Lot is further transferred by Participating Builder to a purchaser who is not either a Participating Builder or Declarant. From and after the Transition Date, the then Owners of two-thirds (2/3) of the Lots in the Property shall have the power through written instrument recorded in the real property Records of Clark County, Washington to restrict or eliminate all or any of the approval powers and duties of the Board set forth in this Declaration, excluding the duty to maintain the Common Areas."

3. Article 17, Section 17.2 Authorization to Amend is amended to add the following sentence.

"Notwithstanding the above, if approval has been received for financing by HUD/VA or other agencies set forth in Section 17.1, this Declaration may not be amended without HUD/VA or other agency approval prior to Transition Date."

**AMENDED COVENANTS,
CONDITIONS & RESTRICTIONS**

(\\SERVER\WORDDATA\CLIENTS-CURRENT\H - K\HOLLY HILLS ESTATES, LTD PTRSHIP\AMEND CC&R.DOC)

Except as amended herein, the Covenants remain in full force and effect as originally written.

Dated this 15th day of June, 1998.

DECLARANT:

Holly Hills Limited Partnership
Lester Morasch, General Partner:

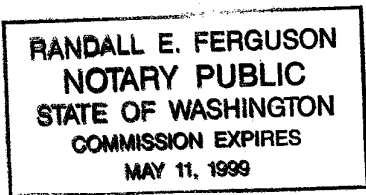
Lester Morasch

STATE OF WASHINGTON)
)ss:
COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that LESTER C. MORASCH, General Partner signed the instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the General Partner of Holly Hills Limited Partnership to be the free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 15th day of June, 1998.

[Signature]
Notary Public in and for the State of
Washington, residing at Janover
My Appointment Expires: May 11, 1999



**AMENDED COVENANTS,
CONDITIONS & RESTRICTIONS**

9807090328

26

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1. COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND RESERVATIONS
- 2.
- 3.
- 4.

GRANTOR(S) (Last name, first, then first name and initials)

1. Lester Morasch, General Partner of Holly Hills Limited Partnership
- 2.
- 3.
- 4.

Additional Names on page _____ of document.

GRANTEE(S) (Last name, first, then first name and initials)

1. *Holly Hills Estates Phase 2*
- 2.
- 3.
- 4.

Additional Names on page _____ of document.

LEGAL DESCRIPTION (Abbreviated: I.E., Lot, Block, Plat or Section, Township, Range, Quarter/Quarter)
 Lots 1 through 55 and Tracts B, C, D and E of Holly Hills Phase 2;
 Book J, Page 457

Additional Names on page _____ of document.

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**DECLARATION
AND
COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS
AND RESERVATIONS**

FOR

HOLLY HILLS ESTATES

THIS DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND RESERVATIONS FOR HOLLY HILLS ESTATES (the "Declaration" is made by Lester Morasch, General Partner of Holly Hills Limited Partnership, a Washington limited partnership ("Declarant") as of this 20th day of November, 1996.

RECITALS

Declarant is the owner of certain real property (the "Property") in the Clark County, Washington, legally described as:

Government Lot 3, except West 20 chains, and East ½ of the Northeast ¼ of Section 4, Township 1 North, Range 3 East of the Willamette Meridian.

The Property is described as all lots within Holly Hills Estates, records of Clark County, Washington.

Declarant wishes to subject the Property to this Declaration.

NOW, THEREFORE, Declarant hereby declares that the Property described above, and all other property and plats contiguous thereto or joined thereto by successive contiguous plats which in the future may be recorded by Declarant or its successors in interest or assigns and to which these declared Covenants, Conditions, Restrictions, Easements and Reservations shall be made applicable by declaration of the Owner or Owners or dedication of any such plat, subject to all restrictions and easements of said plat, shall be held, transferred, sold, conveyed, leased, used and occupied subject to the covenants, conditions, restrictions, easements, assessments, and liens hereinafter set forth which are for the purpose of protecting the value and desirability of and which shall touch and concern and run with title to the Property and which shall be binding on all parties having any right, title, or interest in the Property or any portion thereof, and their respective heirs, successors and assigns, and shall inure to the benefit thereof.

ARTICLE 1. DEFINITIONS

Section 1.1 Words Defined. For the purpose of this declaration and any amendments hereto, the following terms shall have the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

1.1.1 "Association" shall mean the Holly Hills Estates Homeowners' Association described in Article 4 of this declaration, its successors and assigns.

1.1.2 "Board" shall mean the Board of Directors of the Association.

1.1.3 "Common Area" and "Common Area Improvements" shall each have the meaning set forth in Section 2.1.

1.1.4 "Construction" and "Constructed" shall mean any construction, reconstruction, erection or alteration of an Improvement, except wholly interior alterations to a then existing Structure.

1.1.5 "Declarant" shall mean Lester Morasch.

1.1.6 "Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions, Easements and Reservations for Holly Hills Estates, as it may from time to time be amended.

1.1.7 "First Mortgage" and "First Mortgagee" shall mean, respectively, (a) a recorded Mortgage on a lot that has legal priority over all other Mortgages thereon, and (b) the holder of a First Mortgage. For purposes of determining the percentage of First Mortgagees approving a proposed decision or course of action in cases where a Mortgagee holds First Mortgages on more than one Lot, such Mortgagee shall be deemed separate Mortgagee for each such First Mortgage so held.

1.1.8 "Living Unit" shall mean any completed home or residence.

1.1.9 "Lot" shall mean any one of the Lots in Holly Hills Estates together with the Structures and improvements, if any, thereon.

1.1.10 "Mortgage" shall mean a recorded Mortgage or Deed of Trust that creates a lien against a Lot and shall also mean a Real Estate Contract for the sale of a Lot.

1.1.11 "Mortgagee" shall mean the beneficial owner, or the designee of the beneficial owner, of an encumbrance on a Lot created by mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of a Lot.

1.1.12 "Owner" shall mean the record owner, whether one or more Persons, of a fee simple title to a Lot within the Property, including a contract seller, except those having such interest merely for the performance of an obligation.

1.1.13 "Participating Builder" shall mean a Person who acquires from Declarant one or more Lots for the purpose of improving the same for resale to future owners.

1.1.14 "Person" shall mean an individual, corporation, partnership, association, trustee, or other legal entity.

1.1.15 "Phase" shall mean the portion of the premises currently being developed as designated by the Declarant.

1.1.16 "Plat" shall mean the recorded plat(s) of Holly Hills Estates and any amendments, corrections or addenda thereto subsequently recorded.

1.1.17 "Property" shall mean the land described on Exhibit 1 and such additions thereto as may be hereafter subjected to the terms of the Declaration, and all improvements and structures now or hereafter placed on the land.

1.1.18 "Structure" shall mean any building, fence, wall, driveway, walkway, patio, deck, swimming pool, or the like.

1.1.19 "Transition Date" is defined in Section 4.10.

Section 1.2 **Form of Words.** The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine and neuter pronouns shall be used interchangeably.

ARTICLE 2. COMMON AREAS AND EASEMENTS

Section 2.1 Common Areas. "Common Areas" and "Common Area Improvements" shall include, but not be limited to, any and all easements, improvements, and facilities reserved, set forth, described, or depicted in a Plat of any portion of the Property, including without limitation, roadway easements, storm water retention and detention systems and easements, drainage channels and easements, sanitary sewer easements, parks, trails, open spaces, and landscape easements. The above referenced common areas are subject to modifications by the Declarant prior to the completion of the development of all phases of the property.

Section 2.2 Association to Maintain Common Areas. The Association shall have the right and obligation to maintain all common areas.

Section 2.3 Alteration of Common Areas. Nothing shall be altered or constructed upon or removed from the Common Areas except upon the written consent of the Board.

Section 2.4 Association to Maintain Private Roadways and Storm Drain Facilities. The Association shall have the right and obligation to maintain the private roadways and entire storm drain facilities to and including the bio-swale outfall.

Section 2.5 Easements for Utilities and Drainage. Declarant does hereby establish, create, and reserve for the benefit of itself, the Association and all Owners, and their respective heirs and assigns, the following easements:

2.5.1 An easement to all public and private utilities serving this Plat, their successors and assigns, under and upon all areas noted as utility easement within this Plat, in which to install and maintain all necessary utilities, together with the right to enter upon the Lots at all time for the purposes stated; and,

2.5.2 An easement 2.5 feet in width, parallel with and adjacent to all interior Lot lines, and 5 feet in width, parallel with and adjacent to all rear Lot lines for the purpose of utilities and private drainage (hereinafter, the "Utilities and Drainage Easements"). In particular, no lines or wires for the transmission of electric current or for telephone use, cable TV, fire or police signals, or for other purposes, shall be placed on any Lot outside of Structures thereon, unless the same shall be underground or in conduit attached to a Structure. Each Person utilizing the Utilities and Drainage Easements areas located on another Lot shall promptly restore such area to a condition as close to its original condition as reasonable practical after making such use. Each Lot Owner shall maintain the area of his Lot subject to the Utilities and Drainage Easements in a condition which will not interfere with the operation and maintenance of said utilities and systems.

ARTICLE 3. CONSTRUCTION ON LOTS AND USE OF LOTS

Section 3.1 Uniformity of Use and Appearance. One of the purposes of this Declaration is to assure within the Property: (1) a uniformity of use and quality of workmanship, materials, design, maintenance and location of Structures with respect to topography and finish grade elevation. It is in the best interest of each Owner that such uniformity of use be maintained as hereinafter provided. No building (except for Accessory Structures) shall be erected, altered, placed or permitted to remain on any Lot other than one single family dwelling. Accessory Structures including storage buildings are permitted only as allowed by the requirements of Article 3.7.19. Notwithstanding anything herein set forth, the Construction of any Structure shall comply with the more restrictive of either (i) the terms and conditions of this Declaration or (ii) the laws, codes, ordinances and regulations of any government entity having jurisdiction.

Section 3.2 Building Materials. All homes constructed on each Lot shall be built of new materials, with the exception of "decor" items such as used brick, weathered planking, and similar items. The Board will determine whether a used material is a "decor" item. In making this determination, the Board will consider

whether the material harmonizes with the aesthetic character of Holly Hills Estates development and whether the material would add to the attractive development of the subdivision. All roofs are to be of architectural layered composition roofing of 25 year life, or better. Siding and trim are to be resawn wood, lap siding or an equivalent to be approved by the Board. No T-111, plywood or panel type siding product shall be allowed. Resawn cedar plywood will be allowed for soffits and accent panels.

The exterior of all construction on any Lot shall be designed as to blend in with the natural surroundings and landscaping within Holly Hills Estates. Exterior colors must be approved by the Board. Exterior trim, fences, doors, railings, decks, eaves, gutters and the exterior finish of garages and other accessory buildings shall be designed, built and maintained to be compatible with the exterior of the structure they adjoin. Generally, colors shall be muted earth tones, grays, beige's and similar shades.

Section 3.3 Submission of Plans. At least ten (10) days before commencing Construction of any structure on any Lot, the Owner shall submit to the Board two (2) complete sets of detailed building plans and a site plan showing the location of all proposed Structures (the plans, specifications and site plans are individually and collectively referred to hereinafter as the "Plans"). The Plans shall be submitted in a form satisfactory to the Board, which may withhold its approval by reason of its reasonable dissatisfaction with the location of the Structure on the Lot, color scheme, finish, architecture, height, impact on view from another Lot or Lots, appropriateness of the proposed Structure, materials used therein or because, by reasonable judgment of the Board, would render the proposed Structure inharmonious with the general plan of the development of the Property or other Structures nearby. The Board's approval or disapproval of Plans shall be in writing and approval shall be evidenced by written endorsement on such Plans, one copy of which shall be delivered to the owner of the Lot upon which the Structure is to be constructed. In any judicial action to enforce the Board's decision the losing party shall pay the prevailing party's attorney's fees and costs including those incurred in connection with any appeal.

Section 3.4 Construction. No Structure shall be Constructed or caused to be Constructed on any Lot unless the Plans for the Structure have been approved in writing by the Board (including storage sheds). The Board's review and approval or disapproval of Plans on the basis of cost, aesthetic design, harmony with previously approved Structures on or about other Lots in the Property, location, or consistency with this Declaration shall be absolute and enforceable in any court of competent jurisdiction. The Board's approval of any Plans, however, shall not constitute any warranty or representation whatsoever by the Board or any of its members that such Plans were examined or approved for engineering or structural integrity or sufficiency or compliance with applicable governmental laws, codes, ordinances, regulations, and setbacks and each Owner hereby releases any and all claims or possible claims against the Board or members of the Board and their heirs, successors and assigns, or of any nature whatsoever, based upon engineering or structural integrity or sufficiency of compliance with applicable governmental laws, codes, ordinances, regulations, and setbacks.

If after the expiration of three (3) years from the closing of any sale or other conveyance of a Lot to an Owner, Owner shall not have in good faith commenced the construction of an acceptable Structure thereon, Declarant may, at its option, rescind such sale or conveyance, refund all or such portion of the purchase price as has been paid, if any, without interest thereon, and enter in possession of such Lot.

Section 3.5 Minimum Size.

3.5.1 Floor Area. The floor area of the main house structure, exclusive of open porches, basements, and garages shall be not less than (i) 1,600 square feet for a dwelling containing a single level, and (ii) 1,800 square feet for a dwelling containing two levels or more. All structures shall contain attached garages for two (2) cars or more.

3.5.2 Lot Size. No Lot or portion of a Lot in this plat shall be divided and sold or resold, or ownership change or transferred whereby the ownership of any portion of this plat shall be less than the area required by the City of Camas, Clark County, Washington.

Section 3.6 Maximum Height. All buildings or Structures shall be Constructed in accordance with City of Camas and other applicable codes.

Section 3.7 Repeated Plans. Builders that have plans they wish to duplicate may do so no more than five (5) times within a given phase of Holly Hills Estates with these requirements: Repeated plans must be at least 5 Lots away from each other. Plans repeated over three times within any phase must use an acceptable alternate front elevation approved by the Board.

Section 3.8 Use Restrictions.

3.8.1 Residential Use. The dwellings within the Structures are intended for and restricted to use as single family residences only, on an ownership, rental, or lease basis, and for social, recreational, or other reasonable activities normally incident to such use. In addition to the foregoing, Declarant and any Participating Builder may use dwellings it owns as temporary sales offices and models for sales of other lots and homes.

3.8.2 Maintenance of Buildings and Lots. Each Owner shall, at the Owner's sole expense, keep the interior and the exterior of the Structure on Owner's Lot, as well as the Lot itself, in a clean and sanitary condition, free of rodents and pests, and in good order, condition and repair and shall do all redecorating, painting, landscaping, and maintenance at any time necessary to maintain the appearance and condition of the Structure and the Lot.

3.8.3 Completion of Construction. Any structure erected or placed on any Lot shall be completed as to external appearance within six(6) months from the date construction is started, however, with good cause shown, the Board may extend this term. All front yards and landscaping must be completed within sixty (60) days from the date of completion of the Structure, however, with good cause shown, the Board may extend this term. Rear yards must be seeded, sodded and/or landscaped within one (1) year following the closing of the purchase of the home. All Lots shall be maintained in a neat and orderly condition during construction.

3.8.4 Parking. Other than operable passenger automobiles in regular use, all trucks, campers, trailers, boats, motorcycles, vehicles under repair or other vehicles, or portions thereof, will be prohibited from parking or remaining on any Lot, or in front of any Lot, unless the same is placed in a garage or fenced side or rear yard which places same totally out of public view. Overnight vehicle parking will be prohibited on streets adjoining any Lot or tract, except occasional guest parking shall be permitted for a maximum of twenty-four (24) hours.

3.8.5 Signs. No sign of any kind, except for political signs, and then only for a period of 30 days prior to said election, shall be displayed to the public view on or from any Lot without the prior written consent of the Board, except for "For Rent" or "For Sale" signs not to exceed three (3) square feet in a form not prohibited by any rules and regulations of the Board. In any case, any displayed sign shall be constructed professionally, designed and displayed in a tasteful manner acceptable to the Board.

3.8.6 Animals. Animals, including horses, livestock, poultry, reptiles or pigs shall not be kept on any Lot. Household pets cannot exceed three (3) in number, provided that unweaned puppies or kittens may be kept. All animal enclosures must be kept in a clean, neat and odor free condition at all times. All household pets are to be licensed in accordance with local animal licensing ordinances. The Board may, at any time, require the removal of any pet which it finds disturbing other Owners or tenants unreasonably, in the Board's determination, and may exercise this authority for specific pets even though other pets are permitted to remain.

Notwithstanding anything set forth herein, all Owners shall comply with all applicable governmental laws, codes, ordinances, regulations and licensing requirements pertaining to animals.

3.8.7 Temporary Structures. No Structure of a temporary character, trailer, tent, shack, garage, barn or other outbuilding shall be installed, placed or used on any Lot as a residence, either temporarily or permanently. Jobsite trailers and the like may be kept on site during construction of a residence, so long as their appearance is kept up. The Declarant may provide temporary buildings for use by the developer, for a sales office or for other administrative purposes during the development period.

3.8.8 Clothes Lines. No washing, rugs, clothing, apparel or any other article shall be hung from the exterior of any Structure or on a Lot so as to be visible from the streets and roadways adjoining the Lot.

3.8.9 Radio and Television Aerials. No television or radio aerial shall be erected or placed on any Lot which is more than six (6) feet in height above the highest point (exclusive of chimneys) on the Structure upon which it is erected. No rotary beams, separate towers or other similar devices shall be constructed on any Lot without the written approval of the Board. No large satellite receiving dishes or other such electronic receiving devices shall be located on any Lot. All aerial dishes more than twenty-four (24) inches in size must receive prior written approval from the Board.

3.8.10 Trash Containers and Debris. All trash shall be placed in sanitary containers either buried or screened so as not to be visible from adjoining Structures, streets or roadways. No Lot or any portion thereof shall be used as a dumping ground for trash or rubbish of any kind. Yard rakings, dirt and debris resulting from landscaping work or construction shall not be dumped onto any Lot, street or roadway. Compost piles may be kept upon the Lots provided they are kept in a clean, neat and sanitary condition and are not visible from any adjoining Lot, street or roadway.

3.8.11 Offensive Activity. With the exception of mineral recovery operations operating pursuant to valid rights and operating permits, no noxious or offensive trade, craft, business, profession, commercial or manufacturing enterprise or commercial activity of any kind, shall be conducted or permitted on any Lot, nor shall goods, equipment, vehicles or materials used in connection therewith, be kept, parked, stored, dismantled or repaired outside of any Lot or on any street within the Property. Limited child day care, so long as no more than four (4) children are in attendance at any one residence, is permitted. Any such day care must be strictly limited in scope of operation. Business activities such as home offices, bookkeeping, data processing, etceteras, are not considered to be offensive and are permitted. No noxious or offensive activity, including but not limited to the creation of excess levels of noise, shall be carried on in any Lot, nor shall anything be done therein which may be or become an annoyance or nuisance to other Owners or tenants.

3.8.12 Setbacks. Setbacks will be per City of Camas requirements. For purposes of this Section, eaves, steps and open porches shall not be considered as part of the Structure, provided that this Section shall not be construed to permit any portion of a Structure on any Lot to encroach upon any other Lot. All Structures shall also comply with all applicable governmental laws, codes, ordinances and regulations pertaining to setbacks.

3.8.13 Fences. No fence shall be constructed on any Lot without prior written approval of the Board, which approval may be granted or denied in the Board's sole discretion. All fences shall be constructed in a good and workman-like manner of suitable fencing materials and shall be artistic in design and shall not detract from the appearance of any adjacent Structures. No fence higher than three feet shall be constructed in areas from the front of Structure to the street.

3.8.14 Underground Utilities. All utility lines or wires located outside a dwelling unit shall be in utility conduits attached to such units or underground.

3.8.15 Drainage. All building downspouts, footing drains, and drains from all impervious surfaces, shall be connected to the approved permanent storm drain. Any and all drainage from a Lot, which in the reasonable opinion of the Board causes erosion problems, shall be piped at the Lot Owner's expense to the nearest underground public storm sewer line. All roof drains that are allowed shall be connected to the public storm water system. Absolutely no dumping of any pollutants into any storm water system shall be permitted.

3.8.16 Damage. Any damage to streets, plat improvements, entry structure, fences, landscaping, mailboxes, lights and lighting standards by Lot Owners, their children, contractors, agents, visitors, friends, relatives or service personnel shall be repaired by such Owner to its original condition and approval of the Board within twelve (12) days from the occurrence of such damage.

3.8.17 Driveways. All driveways shall be paved with Portland cement concrete from the edge of the paved street to the garage.

3.8.18 View Control Plan. The Board shall have the authority to promulgate, alter, amend and enforce a view control plan for the purpose of providing a uniform and equitable system for the maintenance of views from Lots within the Property. Such plan may obligate Owners to prune, trim or remove trees, shrubs or other vegetation as necessary to protect and maximize views. The expense of any such required pruning, trimming or removal shall be borne as agreed between affected parties or as determined by the Board.

3.8.19 Accessory Structures. No storage structures, outbuildings, carports, garages, sheds or other structures not deemed to be residential dwelling units, except for the originally constructed garage, shall be allowed on any Lot without written approval of the Architectural Control Committee. Further, any approved structure must be located within the side and/or rear yard and must blend with the dwelling Structure, maintaining a continuity of building lines, color, materials and workmanship to the dwelling Structure.

3.8.20 Compliance with Laws. Notwithstanding anything to the contrary set forth herein, each Owner and the Association shall comply with the more restrictive of either (i) the terms and conditions of this Declaration, or (ii) the laws, codes, ordinances, and regulations of any government entity having jurisdiction.

Section 3.9 Solar Panels. Solar panels on any structure shall be prohibited.

Section 3.10 Maintenance of Lots During the Construction Period. Each Lot Owner, exclusive of the Declarant, shall have a responsibility to generally maintain the Lot in a neat and clean appearance after construction commences for a residence on said Lot. After clearing of vegetation for construction, the debris from the clearing operation shall be promptly removed from the Lot and disposed of, off site, in an approved location. In no instance shall any vegetation cleared from a Lot be deposited on another Lot, with the exception of joint clearing on adjacent Lots.

During construction of each residence, periodic efforts shall be made by the Owner, or the Owner's construction representative, to pick up scrap materials and other construction debris and to dispose of said materials. No dumping of any such debris or refuse shall be allowed on adjoining Lots or on any Common Area or Common Maintenance Areas within the Plat of Holly Hills Estates. Upon completion of the construction on any Lot and prior to the occupancy of the Structure, the Lot Owner shall be responsible for keeping the landscaping improvements and the Structure itself in a clean and neat appearance. This shall include the responsibility for regular landscape maintenance, watering, trimming, and upkeep to present a finished, manicured appearance of said premises from the adjacent right of way. In the event that the Lot Owner, or the Owner's construction representative, fails to meet standards set forth in this Section, the Board shall have the right to complete such clean up activity, and charge back to the Lot Owner the cost of such clean up activity in accordance with the provisions as set forth in Articles 6 and 7.

ARTICLE 4. HOME/LOT OWNER'S ASSOCIATION.

Section 4.1 Form of Association. The Owners of Lots within the Property shall constitute the members of the Holly Hills Estates Homeowners' Association. The rights and duties of the members and the Association shall continue to be governed by this Declaration and the Association's Articles of Incorporation and the Association Bylaws. In the case of any conflict between this Declaration and the Articles or Bylaws of the Association, the Articles and Bylaws shall control.

Section 4.2 Board of Directors. The affairs of the Association shall be governed by a Board of Directors (the "Board") which prior to the Transition Date shall be composed of one or more members as determined by the Declarant. The initial Board shall be as described in the Articles of Incorporation of Holly Hills Estates Homeowners' Association. Subject to any specific requirements hereof, the Board shall have authority to establish operating rules and procedures. In the event of death or resignation of any member or members of the Board, the remaining member or members, if any, shall have full authority to appoint a successor member or members. Members of the Board shall not be entitled to any compensation for services performed pursuant to this Declaration. Upon the Transition Date and without further action by any person or persons, (i) the term of the initial Board members and their then successors shall end, and (ii) the initial Board members and their then successors shall be released from any and all liability whatsoever for claims arising out of or in connection with this Declaration, exempting only claims arising prior to the Transition Date.

Section 4.3 Qualification for Membership. Each fee owner of a Lot (including Declarant) on the Property shall be a member of the Association and shall be entitled to one membership vote and one vote for each Lot Owned; provided, that if a Lot has been sold on contract, the contract purchaser shall exercise the rights of an Owner for purposes of the Association, and this Declaration except as hereinafter limited, and shall be the voting representative unless otherwise specified. Ownership of a Lot shall be the sole qualification for membership in the Association.

Section 4.4 Transfer of Membership. The Association membership of each Owner (including Declarant) shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except upon transfer of title to the Lot and then only to the transferee of title to the Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association to the new Owner.

Section 4.5 Number of Votes. The total voting power of the Association at any given time shall equal the number of Lots included within the Property at that time. The Owner or Owners of each Lot within the Property shall be entitled to one vote. If a person (including Declarant) owns more than one Lot, he or she shall have the votes appertaining to each Lot owned.

Section 4.6 Voting. If a Lot is owned by husband and wife and only one of them is at a meeting, the one who is present will represent the marital community. The vote for a Lot must be cast as a single vote, and fractional votes shall not be allowed. If joint Owners are unable to agree among themselves how their vote shall be cast, they shall lose their right to vote on the matter in question.

Section 4.7 Pledged Votes. An Owner may, but shall not be obligated to, pledge his vote on all issues or on certain specific issues to a Mortgagee; provided, however, that if an Owner is in default under a Mortgage, on his Lot for ninety (90) consecutive days or more, the Owner's Mortgagee shall automatically be authorized to declare at any time thereafter that the Lot Owner has pledged his vote to the Mortgagee on all issues arising after such declaration and during the continuance of the default. If the Board has been notified of any such pledge to a Mortgagee, only the vote of the Mortgagee will be recognized on the issues that are subject to the pledge.

Section 4.8 Annual and Special Meetings. Within the period commencing thirty (30) days before the Transition Date and ending thirty (30) days after the Transition Date, there shall be a meeting of the members of the Association and thereafter there shall be an annual meeting of the members of the Association in the first quarter of each fiscal year at such reasonable place and time as may be designated by written notice from the Board delivered to the Owners no less than thirty (30) days before the meeting. At the first such meeting, and at each annual meeting thereafter, the Owners shall elect by majority vote individuals to serve as Board members until a successor is elected at the next annual meeting. Each Lot shall be entitled to one vote for each director and the voting for directors shall be non-cumulative. The financial statement for the preceding fiscal year (if any) and the budget the Board has adopted for the pending fiscal year shall be presented at the annual meeting for the information of the members. Special meetings of the members of the Association may be called at any time upon not less than fourteen (14) days prior written consent to all Owners, for the purpose of considering matters which require approval of all or some of the Owners, or for any other reasonable purpose. Any First Mortgagee of a Lot may attend or designate a representative to attend the meetings of the Association.

Section 4.9 Books and Records. The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures (if any) of the Association, in a form that complies with generally accepted accounting principles. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Association shall be available for examination by the Lot Owners, Mortgagees, and the agents or attorneys of either of them, during normal business hours and at any other reasonable time or times.

Section 4.10 Transition Date. The "Transition Date" shall be the date control of the Board passes from the initial Board to the Association. The Transition Date will be either (i) the date designated by Declarant in a written notice to the Owners, which date may be at Declarant's election any date after this Declaration has been recorded; or (ii) the one hundred and twentieth (120th) day after Declarant has transferred title to the purchasers of eighty percent (80%) of all of the lots in Holly Hills Estates which shall include all phases of the development. The For purposes of the foregoing clause (ii), however, transfer of title to a Lot by Declarant to any Participating Builder shall be disregarded and title to any Lot owned by Participating Builder shall not be deemed transferred for purposes of determining the Transition Date until the Lot is further transferred by Participating Builder to a purchaser who is not either a Participating Builder or Declarant. From and after the Transition Date, the then Owners of sixty percent (60%) of the Lots in the Property shall have the power through written instrument recorded in the real property Records of Clark County, Washington to restrict or eliminate all or any of the approval powers and duties of the Board set forth in this Declaration, excluding the duty to maintain the Common Areas.

ARTICLE 5. NOTICES FOR ALL PURPOSES.

All notices given under the provisions of this Declaration or rules or regulations of the Association shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, the notice shall be deemed to have been delivered on the third day of regular mail delivery after a copy has been deposited in the United States mail, first class, postage prepaid, addressed to the Person entitled to such notice at the most recent address known to the Board. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board may be given to any Board member or mailed to the following address: 2311 N.W. Walden Drive, Camas, WA 98607.

The Board's address may be changed from time to time by the execution and recording of an instrument in the real property Records of Clark County, Washington which (i) refers to this Declaration and this Article 5 and (ii) sets forth the Board's new address.

ARTICLE 6. AUTHORITY OF THE BOARD.

Section 6.1 Adoption of Rules and Regulations. The Board is empowered to adopt, amend, and revoke on behalf of the Association detailed administrative rules and regulations necessary or convenient from time to time to insure compliance with the general guidelines of this Declaration to promote the comfortable use and enjoyment of the Property and to govern the operation and procedures of the Association. The rules and resolutions may, without limitation, authorize voting by proxy or mail, or both, on Association matters. The rules and regulations of the Association shall be binding upon all Owners and occupants and all other Persons claiming any interest in the Property.

Section 6.2 Enforcement of Declaration, Etc. The Board shall have the power to enforce the provisions of this Declaration, and the rules and regulations of the Association for the benefit of the Association. The failure of any Owner to comply with the provisions of this Declaration, or the rules and regulations of the Association (acting through the Board) and any aggrieved Lot Owner for recovery of damages, or injunctive relief, or both. If a legal action is brought to interpret or enforce compliance with the provisions of this Declaration, or the rules and regulations of the Association, the prevailing party shall be entitled to judgment against the other party for its reasonable expenses, court costs, and attorneys' fees in the amount awarded by the Court. Furthermore, any noncomplying owner shall also be liable for reasonable attorneys fees (any legal fees based on an hourly rate and not exceeding \$750.00 shall be deemed reasonable) incurred by the Association for collection efforts, demand letters or other legal services not requiring the filing of a lawsuit.

Section 6.3 Goods and Services. The Board shall acquire and pay for as common expenses of the Association all goods and services reasonably necessary or convenient for the efficient and orderly construction and maintenance of all portions of the Common Areas not maintained by public utility companies or a governmental entity. The goods and services shall include (by way of illustration and not limitation) utility services for the common areas, policies of insurance, and maintenance, repair, landscaping, entrance, gardening, street lighting and general upkeep of the Common Areas. The Board may hire such employees as it considers necessary.

Section 6.4 Protection of Common Area. The Board may spend such funds and take such action as it may from time to time deem necessary to preserve the Common Areas, settle claims, or otherwise act in what it considers to be the best interest of the Association.

ARTICLE 7. ASSOCIATION BUDGET, ASSESSMENTS, AND LIENS.

Section 7.1 Owner's Covenant to Pay Assessments. By acceptance of a deed to a Lot or Living Unit, execution of a contract therefore, or any other means of acquisition of an ownership interest, whether or not it shall be so expressed in any such deed or other instrument, the Owner thereof covenants and agrees thereby, on behalf of himself and his heirs, successors, and assigns, to pay the Association, in advance all general and special assessments levied as provided herein. Holly Hills Limited Partnership, the Developer, is not subject to paying the general or special assessments.

Section 7.2 Association Budget. The Association shall prepare, or cause to be prepared, an operating budget for the Association, at least annually, in accordance with Generally Accepted Accounting Principles. The operating budget shall set forth all sums required by the Association, as estimated by the Association, to meet its annual costs and expenses, including, but not limited to, all management and administration costs, operating and maintenance expenses of the Common Areas, planting strips, entry signs, storm drain facilities and services furnished to or in connection with the Common Areas, including the amount of all taxes and assessments levied against, the cost of liability and other insurance on the Common Areas, and including charges for any services furnished by or to the Association; the cost of utilities and other services, and the cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and a reserve for replacements. The funds required to meet the Association's annual expense shall be

raised from a general assessment against each Owner and Living Unit as provided hereafter. The Association may revise the operating budget after its preparation at any time and from time to time, as it deems necessary or advisable in order to take into account and defray additional costs and expenses of the Association.

Section 7.3 Levy of General Assessment. In order to meet the costs and expenses projected in its operating budget, the Association shall by Association action, determine and levy in advance on every Owner a general assessment. The amount of each Owner's general assessment shall be the Association's operating budget divided by the sum of the number of Lots. The Association shall make reasonable efforts to determine the amount of the general assessment payable by each Owner for any assessment period at least 30 days in advance of the beginning of such period and shall at that time prepare a roster of the Owner's and the general assessment allocated to each, which shall be kept in the office of the Association and shall be open to inspection by any Owner upon reasonable notice to the Association. Notice of the general assessment shall thereupon be sent to each Owner, provided however that notification to an Owner of the amount of an assessment shall not be necessary to the validity thereof. The omission by the Association, before the expiration of any assessment period, to fix the amount of the general assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of these Articles or a release of any Owner from the obligation to pay the general assessment, or any installment thereof, for that or any subsequent assessment period, but the general assessment fixed for the preceding period shall continue until a new assessment is fixed. Upon any revision by the Association of the operating budget during the assessment period for which such budget was prepared, the Association shall, if necessary, revise the general assessment levied against the Owners and give notice of the same in the same manner as the initial levy of a general assessment for an assessment period.

Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum assessment shall be ten dollars (\$10.00) per month.

7.3.1 From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year by not more than ten percent (10%) of the maximum assessment for the previous year without a vote of the membership.

7.3.2 The authority of the Board of Directors of the Association as described to fix the annual assessment shall be limited to the authority to fix annual assessments at an amount not in excess of the maximum, without prior owner approval as specified above.

Section 7.4 Payment of General Assessment. Upon Association action, installments of the general assessment may be collected on a monthly, quarterly, semi-annual or annual basis. Any Owner may prepay one or more installments on any assessment levied by the Association without premium or penalty.

Section 7.5 Non-Discriminatory Assessment. No assessment shall be made at any time which may unreasonably discriminate against any particular Owner or group of Owners in favor of other Owners. However, a special assessment may be made against a particular Owner by a two-thirds majority vote of the Board to which such oversight responsibility has been delegated, in the event that, after notice from the Association of failing to maintain their Lot or Living Unit in a condition comparable to the other Lots or Living Units in Holly Hill Estates has been given to the Owner thereof, the Association elects to expend funds to bring such Owner's Lot or Living Unit up to such comparable standard.

Section 7.6. Commencement of Assessment. The general assessments provided for herein shall commence on each lot upon the date when the Declarant transfers title of a lot and/or Living Unit to a purchaser. The due dates of any special assessment payments shall be fixed by the Association action authorizing such special assessment.

Section 7.7 Certificate of Assessment Payment. Upon request, the Board shall furnish written certificates certifying the extent to which assessment payments on a specified Lot or Living Unit are paid and current to the date stated therein. Issuance of such certificates shall be conclusive evidence of payment of any assessments therein declared to have been paid. A reasonable charge may be made by the Association for the issuance of such certificate.

Section 7.8 Special Assessments. In addition to the general assessments authorized by this Article, the Association may, by Association action, levy a special assessment or assessments at any time, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate repair, or replacement of described capital improvement located upon or forming a part of the Common Areas, including necessary fixtures and personal property, related thereto, or for such other purpose as the Association may consider appropriate; provided, however, that any such assessment must have the prior favorable vote of Owners representing two-thirds of members who are voting in person or by proxy at a meeting duly called for this purpose. The amount of each Owner's special assessment for any year shall be the total special assessments for such year, divided by the sum of the number of Lots.

Section 7.9 Effects of Non-Payment of Assessment. If any assessment payment is not made in full within thirty (30) days after it was first due and payable, there shall be assessed a late payment penalty of ten percent (10%) of the assessment, the unpaid amounts shall constitute a lien against the Lot assessed and shall bear interest from such due date at the rate of twelve percent (12%) per annum until paid. By acceptance of a deed to a Lot or Living Unit, execution of a contract therefor, or any other means of acquisition of an ownership interest, and whether or not it shall be so expressed in any such deed or other instrument, each Owner shall be deemed to grant thereby to the Association, its agents and employees, the right and power to bring all actions against such Owner personally for the collection of such assessments as a debt, and to enforce the liens created by this Declaration in favor of the Association by foreclosure of the continuing liens in the same form or action as is then provided for in this Declaration for the benefit of the Association as a corporate entity, and the Association shall have the power to bid in at any lien foreclosure sale and to acquire, hold, lease, mortgage, and convey the Lot or Living Unit foreclosed against.

Section 7.10 Lien to Secure Payment of Assessments. Declarant hereby creates in the Association perpetually the power to create a lien in favor of the Association against each Lot and Living Unit, to secure to the Association the payment to it of all assessments, interest, costs, and attorneys fees; and Declarant hereby subjects all Lots and Living Units perpetually to such power of the Association. Such lien shall arise in accordance with the terms of this Declaration without the necessity of any further action by the Association, and any such lien when created, shall be a security interest in the nature of a mortgage in favor of the Association. Such lien shall become continuing lien in the amount stated in the assessment from the time of the assessment, but expiring prorata as the assessment payments are made, and shall also be the personal obligation of the person or entity who is the Owner of the Lot or Living Unit at the time of the assessment. The personal obligation to pay a prior assessment shall not pass to successors in interest unless expressly assumed by them; provided, however, that in the case of a sale or contract for the sale of any Lot or Living Unit which is charged with the payment of any assessment, the person or entity who is the Owner immediately prior to the date of such sale shall be personally liable for the amounts of the monthly installments due prior to said date, and the new Owner shall be personally liable for the amounts of the monthly installments becoming due on or after such date. The foregoing limitation on the duration of the personal obligation of an Owner to pay assessments shall not, however, affect the validity or duration of the continuing lien for unpaid assessments against the respective Lot or Living Units.

Section 7.11 Suspension for Non-Payment of Assessment. If an Owner shall be in arrears in the payment of any assessment due, or shall otherwise be in default of the performance of any terms of the Governing Documents of the Association for a period of thirty (30) days, said Owner's voting rights shall without the necessity of further action by the Association, be suspended (except as against foreclosing secured parties) and shall remain suspended until all payments, including interest thereon, are brought current and any other

default is remedied. No Owner is relieved of liability for assessments by non-use of the Common Areas or by abandonment of a Lot or Living Unit.

Section 7.12 Reserves for Replacement. As a common expense the Association shall establish and maintain a reserve fund for planter strips and entry signs, by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Association. Such fund shall either be deposited with a banking institution, the accounts of which are insured by any agency of the United States of America or, in the discretion of the Association, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The reserve fund shall be expended only for the purpose of affecting the replacement of the Common Areas and any improvements thereon, developed as a part of Holly Hills Estates, and for start-up expenses and operating contingencies of a non-recurring nature. The Association may establish such other reserves for such other purposes as it may from time to time consider to be necessary or appropriate. The proportional interest of any Owner in any such reserves shall be considered an appurtenance of his Lot or Living Unit and shall not be separately withdrawn, assigned, or transferred or otherwise separated from the Lot or Living Unit to which it appertains and shall be deemed to be transferred with such Lot or Living Unit.

ARTICLE 8. SUBORDINATION OF LIENS.

Section 8.1 Intent of Provisions. The provisions of this Article 8 apply for the benefit of each Mortgagee who lends money for the purposes of construction or to secure the payment of the purchase price of a Lot or Living Unit.

Section 8.2 Mortgagee's Non-Liability. The holder of a Mortgage shall not, by reason of the security interest only, be liable for the payment of any assessment or charge, nor for the observance or performance of any covenant or restriction, excepting only those enforceable by equitable relief and not requiring the payment of money, and except as hereafter provided.

Section 8.3 Mortgagee's Rights During Foreclosure. During the pending of any proceeding to foreclose a Mortgage, including any period of Redemption, the holder of the Mortgage, or the receiver, if any, may exercise any or all of the rights and privileges of the Owner of the encumbered Lot or Living Unit, including but not limited to the right to vote in the Association to the exclusion of the Owner's exercise of such rights and privileges.

Section 8.4 Mortgagee as Owner. At such time as a Mortgagee shall become the record Owner of the Lot or Living Unit previously encumbered by the Mortgage, the Mortgagee shall be subject to all of the terms and conditions of this Declaration, including the obligation to pay for all assessments and charges in the same manner as any Owner.

Section 8.5 Mortgagee's Title Free and Clear of Liens. A Mortgagee or other secured party acquiring title to a Lot or Living Unit through foreclosure, suit, deed or trust sale, deed in lieu of foreclosure, or equivalent method, shall acquire title to the encumbered Lot or Living Unit free and clear of any lien authorized by or arising out of the provision of this Declaration, insofar as such lien secures the payment of any assessment or charge installment due but unpaid before the final conclusion of any such proceeding, including the expiration date of any period of redemption. The Association may treat any unpaid assessments against a Lot or Living Unit foreclosed against as a common expense, in which case it shall prorate such unpaid assessments among the remaining Lot and Living Unit shall be liable for its prorated share of such expense in the same manner as for any other assessment.

Section 8.6 Survival of Assessment Obligation. After the foreclosure of a security interest in a Lot or Living Unit, any unpaid assessments shall continue to exist and remain as a personal obligation of the Owner against whom the same was levied, and the Association shall use reasonable efforts to collect the same from such owner.

Section 8.7 Subordination of Assessment Liens. The liens for assessments provided for in the Declaration shall be subordinate to the lien of any Mortgage or other security interest placed upon a Lot or Living Unit as a construction loan security interest or as a purchase price security interest, and the Association will, upon demand, execute a written subordination document to confirm the particular superior security interest. The sale or transfer of any Lot or Living Unit or any interest therein shall not affect the liens provided for in this Declaration except as otherwise specifically provided herein, and in the case of a transfer of a Lot or Living Unit for purposes of realizing a security interest, lien shall arise against the Lot or Living Unit for any assessment payments coming due after the date of completion of foreclosure (including the expiration date of any period of redemption).

ARTICLE 9. FAILURE OF BOARD TO INSIST ON STRICT PERFORMANCE NO WAIVER.

The failure of the Board in any instance to insist upon the strict compliance with this Declaration or rules and regulations of the Association, or to exercise any right contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition, or restriction. The receipt by the Board of payment of any assessment from an Owner, with knowledge of any breach by the Owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for the Board.

ARTICLE 10. LIMITATION OF LIABILITY.

So long as a Board member, or Association member, or Declarant has acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such Person, then no such Person shall be personally liable to any Owner, or to any other Person, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of such Person; provided, that this Article shall not apply where the consequences of such act, omission, error, or negligence are covered by any insurance actually obtained by the board.

ARTICLE 11. INDEMNIFICATION.

Each Board member, and Declarant shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not he holds such position at the time such expenses and liabilities are incurred, except to the extent such expenses and liabilities are covered insurance and except in such cases wherein such Board member or Declarant is adjudged as guilty of willful misfeasance in the performance of his or her duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

ARTICLE 12. INSURANCE.

At such times as the Board deems appropriate, the Board shall cause the Association to purchase and maintain as a common expense a policy or policies which the Board deems necessary or desirable to provide casualty insurance, comprehensive liability insurance; with such deductible provisions as the Board deems advisable, insurance, if available, for the protection of the Association's directors and representatives from personal liability in the management of the Association's affairs, and such other insurance as the Board deems advisable. The Board shall review the adequacy of the Association's insurance coverage at least annually.

ARTICLE 13. DAMAGE AND REPAIR OF DAMAGE TO PROPERTY.

In the event of any casualty, loss or other damage to the Common Area for which the then current assessments by the Board are insufficient to repair or restore, or for which there are not insurance proceeds

available to the Board for such restoration or repair, the Board may make a special assessment against each Lot within the Property for its pro rata share of the cost and expenses to repair and/or restore the Common Areas. The special assessment shall be payable, at the determination of the Board in either monthly or quarterly installments or in a lump sum amount. The Board shall notify each Lot Owner of any special assessment not less than twenty (20) days prior to the date such special assessment or the first installment thereon is due and payable, which notice shall be accompanied by a reasonably detailed statement of the Board's estimated costs and expenses of repairing and/or restoring the Common Areas.

ARTICLE 14. AMENDMENTS OF DECLARATION.

Any Lot Owner may propose amendments to this Declaration to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners of twenty percent (20%) or more of the Lots then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice may be given. Notice of a meeting at which an amendment is to be considered shall include the complete text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of Persons entitled to vote as determined by the Association By-laws, after notice has been given to all Persons entitled to receive notice of a meeting of the Association. The consent of eighty percent (80%) of the Owners shall be required for adoption of either (i) an amendment changing the voting power or portion of assessments appurtenant to each Lot, or (ii) an amendment of Section 3.7 or of this Article 14. All other amendments shall be adopted if approved by sixty percent (60%) of the Lot Owners. Once an amendment has been adopted by the Association, the amendment will become effective when a certificate of the amendment, executed by a member of the Board, has been recorded in the real property records of Clark County, Washington.

ARTICLE 15. ANNEXATION AND SUBDIVISION.

Residential property other than Common Areas may be annexed or added to the Property only with the consent of two-thirds (2/3) of the Association. No Lot shall be subdivided or combined without the approval of 95% of all Lot Owners. Notwithstanding the foregoing, no Lot or portion of any Lot shall be divided and sold or resold or transferred whereby ownership of any Lot shall be less than the area required by the City of Vancouver, Clark County, Washington

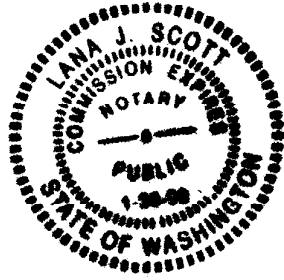
ARTICLE 16. DURATION.

The covenants, conditions, restrictions, easements and reservations of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Owners, their respective legal representatives, heirs, successors, and assigns, for a period of thirty (30) years from the date this Declaration is recorded, after which time the covenants, conditions, restrictions, easements and reservations shall be automatically extended for successive periods of ten (10) years unless an instrument, signed by a 2/3 of the then Owners has been recorded agreeing to terminate the covenants, conditions, restrictions, easements and reservations.

ARTICLE 17. RESERVATION OF DECLARANT'S RIGHT TO AMEND TO COMPLY WITH FNMA, FHLMC OR FHA REQUIREMENTS.

Section 17.1 Amendment by Declarant. Declarant reserves the right to amend this Declaration as may be necessary to comply with Federal Home Loan Mortgage Corporation ("FHLMC") Federal National Mortgage Association ("FNMA") or Federal Housing Administration ("FHA") regulations or requirements as necessary to enable the holders of first mortgages or deeds of trust to sell first mortgages or deeds of trust to

Dated this 20th day of November, 1996.



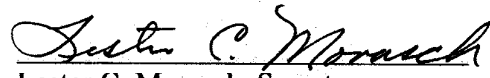
Lana J. Scott
Notary Public in and for the State of
Washington, residing at Vancouver
My appointment expires: 1-30-99

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Holly Hills Homeowner's Association, a Washington State Non-Profit Corporation, and

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the _____ day of _____, 19____.


Lester C. Morasch, Secretary