

FILED

OCT 09 2003

177035-96

NONPROFIT ARTICLES OF INCORPORATION OF
TERWILLIGER SOUTH NO. 2 HOMEOWNERS ASSOCIATION

OREGON
SECRETARY OF STATE

The undersigned natural person of the age of eighteen (18) years or more, acting as incorporator under the Oregon Nonprofit Corporation Law, adopts the following Articles of Incorporation:

ARTICLE 1

The name of the corporation shall be Terwilliger South No. 2 Homeowners Association (the "Corporation"), and its duration shall be perpetual.

ARTICLE 2

The purposes for which the Corporation is organized shall be to engage in any lawful activity for which corporations may be organized under ORS Chapter 65. The primary purpose of the Corporation shall be to serve as the governing body for Terwilliger South No. 2, a planned community located in Multnomah County, Oregon. The real property constituting Terwilliger South No. 2 consists of Lots 19 through 36, inclusive, and Tracts D, E and F, as set forth on that plat for Terwilliger South No. 2, which was filed in the Plat Records of Multnomah County, Oregon, as No. 98-068226, Plat Book 1238, Pages 21-22. The lots and tracts of Terwilliger South No. 2 are subject to the covenants, conditions, and restrictions set forth in that certain Amended, Restated and Superceding Declaration of Covenants, Conditions, and Restriction for Terwilliger South No. 2, which was recorded in the deed records of Multnomah County, Oregon, as Fee No. 98053627 (the "Declaration"). The Corporation shall be a mutual benefit corporation. The Corporation shall have members. All owners of lots in Terwilliger South No. 2 shall be members of the Corporation, and there shall be no other members.

ARTICLE 3

The address of the initial registered office of the Corporation shall be 4950 SW First Avenue, Portland, Oregon 97239, and the name of its initial registered agent at such address shall be Pam Mudge. The initial principal office of the Corporation shall be 4950 SW First Avenue, Portland, Oregon 97239, and notices shall be sent to this address.

ARTICLE 4

The name and address of the incorporator of the Corporation are as follows:

Karna R. Gustafson
Landye Bennett Blumstein LLP
3500 Wells Fargo Center
1300 S.W. Fifth Avenue
Portland, OR 97201

ARTICLE 5

On dissolution or final liquidation of the Corporation, its assets shall be distributed to an unincorporated association of the same name or as otherwise permitted by applicable law.

ARTICLE 6

No director or uncompensated officer of the Corporation shall be liable to the Corporation or its members for conduct as a director or officer for any act or omission occurring after the date when these Articles are filed with the Oregon Secretary of State, except such release of liability shall not apply to the following: (a) any breach of the director's or officer's duty of loyalty to the Corporation or its members; (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) any unlawful distribution; (d) any transaction from which the director or officer derived an improper personal benefit; and (e) any act or omission in violation of ORS 65.361 to 65.367.

ARTICLE 7

The 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 conduct of the individual was in good faith; (b) the individual reasonably believed that the individual's conduct was in the best interests of the Corporation, or 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 conduct of the individual was unlawful.

The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct described in this section.

The Corporation shall not indemnify a director: (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 in which the director was adjudged liable on the basis that personal benefit was improperly received by the director.

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.

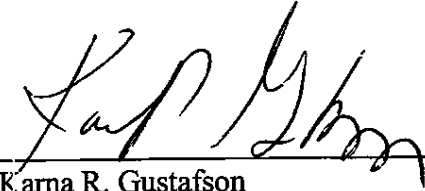
ARTICLE 8

The Board of Directors of the Corporation, by a majority vote, may amend these Articles with respect to any matter permitted in ORS 65.434. All other amendments to these Articles shall require approval of the owners of lots of Terwilliger South No. 2 by the same percentage vote required to amend the Declaration.

ARTICLE 9

I, the undersigned incorporator, declare under penalties of perjury that I have examined the foregoing and, to the best of my knowledge and belief, it is true, correct and complete.

DATED this 9th day of October, 2003.



Karna R. Gustafson
Incorporator