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FILED

MAR 15 2000
OREGON
SECRETARY OF STATE

NONPROFIT ARTICLES OF INCORPORATION OF
NOROLA MEADOWS HOMEOWNERS' ASSOCIATION

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 Norola Meadows 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 Norola Meadows, a planned community located in Washington County, Oregon. The real property constituting Norola Meadows consists of lots 1 through 20, inclusive, and Tract "A," as set forth on that plat for Crandall Townhouses, which was filed in the Plat Records of Washington County, Oregon as Plat No. 99077398. The lots and tracts of Crandall Townhouses are subject to the covenants, conditions, and restrictions set forth in that certain Amendment to and Restatement of Declaration of Covenants, Conditions, and Restrictions for Crandall Townhouses (now known as Norola Meadows), which was recorded in the Deed Records of Washington County, Oregon as Instrument No. 99136139 (the "Declaration"). The Corporation shall be a mutual benefit corporation. The Corporation shall have members. All record owners of lots in Norola Meadows shall be members of and have voting rights in the Corporation, and there shall be no other members. Membership shall be appurtenant to, and inseparable from, ownership of a lot in Norola Meadows.

ARTICLE 3

The address of the initial registered office of the Corporation shall be 3500 Wells Fargo Center, 1300 S.W. Fifth Avenue, Portland, Oregon 97201, and the name of its initial registered agent at such address shall be J. David Bennett. The initial principal office of the Corporation shall be 2636 N.W. 26th Avenue, Suite 210, Portland, Oregon 97210, and notices shall be sent to this address.

ARTICLE 4

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

J. David Bennett
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 a nonprofit organization with similar purposes.

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.

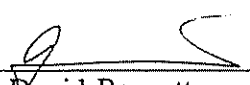
ARTICLE 8

All amendments to these Articles shall require approval of the owners of lots of Norola Meadows by the same percentage vote required to amend the Declaration. Notwithstanding the foregoing, the annexation of additional property to Norola Meadows, the merger or consolidation of the Corporation with any other entity, the dissolution of the Corporation, and the amendment of these Articles shall require the prior approval of the U.S. Department of Housing and Urban Development/U.S. Department of Veterans Affairs so long as there is a Class B membership, as defined in 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 March, 2000.



J. David Bennett
Incorporator