

**ARTICLES OF INCORPORATION  
OF  
HERITAGE PLACE PHASE III, INC.**

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STATE OF IDAHO

KNOW ALL MEN BY THESE PRESENTS that we, the undersigned, all being of full legal age, do hereby associate ourselves for the purpose of forming a nonprofit corporation under and by virtue of the laws of the State of Idaho under the provisions of the Idaho Nonprofit Corporation Act Chapter 3, Title 30, Idaho Code, and further certify that:

**ARTICLE I**

- (a) The name of the Corporation is Heritage Place Phase III, Inc., referred to as "the Corporation."
- (b) The existence of the Corporation will be perpetual.
- (c) The principal office of the Corporation will be located at 702 W. Walnut, Coeur D'Alene, Idaho, 83814.
- (d) The registered agent of the Corporation is Coeur D'Alene Homes, Inc., whose address is 702 W. Walnut, Coeur D'Alene, ID 83814.
- (e) There shall be no members of the Corporation.

**ARTICLE II**

This is a nonprofit, public benefit corporation. The purposes for which the Corporation is formed, and the business and objects to be carried on and promoted by it, are as follows:

(a) To provide elderly or disabled persons with housing facilities and services specially designated to meet their physical, social, and psychological needs, and to promote their health, security, happiness, and usefulness in longer living, the charges for such facilities and services to be predicated upon the provision, maintenance, and operation thereof on a nonprofit basis.

(b) The Corporation is irrevocably dedicated to and operated exclusively for nonprofit purposes, and no part of the income or assets of the Corporation shall be distributed to, nor inure to the benefit of, any individual.

**ARTICLE III**

The Corporation is empowered:

(a) To buy, own, sell, assign, mortgage, or lease any interest in real estate and personal property and to construct, maintain, and operate improvements thereon necessary or incident to the accomplishment of the purposes set forth in Article II hereof, but solely in connection with the project to be known as Heritage Place Phase III, Inc. assisted under Section 202 of the Housing Act of 1959, as amended or Section 811 of the National Affordable Housing Act.

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(b) To borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business, and to secure the same by mortgage, pledge, or other lien on the Corporation's property.

(c) To do and perform all acts reasonably necessary to accomplish the purposes of the Corporation, including the execution of a Regulatory Agreement with the Secretary of Housing and Urban Development, and of such other instruments and undertakings as may be necessary to enable the Corporation to secure the benefits of capital advances or project rental assistance under Section 202 or Section 811. Such Regulatory Agreement and other instruments and undertaking shall remain binding upon the Corporation, its successors and assigns so long as a mortgage on the Corporation's property is held by the Secretary of Housing and Urban Development.

(d) Upon the dissolution of the Corporation, all of the remaining assets of the Corporation shall be distributed only to one or more organizations created and operated for one or more exempt purposes within the meaning of Article II(a) hereof, other than for religious purposes, all of the foregoing within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States internal revenue law, or shall be distributed to the Secretary of Housing and Urban Development exclusively for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

(e) The Corporation shall have the power to indemnify its officers and directors only by insurance.

#### ARTICLE IV

The number of Directors of the Corporation, shall be seven (7). The original directors are set forth below.

Don Campbell  
P. O. Box 1597  
Hayden, ID 83835

Wally Goodsen  
1817 E. Frisco  
Coeur d'Alene, ID 83815

Clyde Blake  
1137 W. Woodlawn  
Hayden, ID 83835

Jacqueline Olson  
4950 Frazier Drive  
Post Falls, ID 83854

Eileen Cresswell  
1111 Mountain Avenue  
Coeur d'Alene, ID 83815

Donald Schierman  
611 North 17<sup>th</sup> Street  
Coeur d'Alene, ID 83814

Dr. Kirk Weaver  
P.O. Box 3202  
Coeur D'Alene, ID 83816

The directors shall serve without compensation.

The directors of the Corporation shall, at all times, be limited to individuals who are either members of Coeur D'Alene Homes, Inc. or nonmembers who have the approval of the Board of Directors of said sponsoring organization. In the event that a director of the Corporation ceases to be a member of Heritage Place Phase III, Inc., or if the aforesaid approval is withdrawn, then in either event, such shall constitute automatic resignation as a director of the Corporation.

The officers of the Corporation, as provided by the Bylaws of the Corporation, shall be elected by the directors of the Corporation, in the manner therein set out, and shall serve until their successors are elected and have qualified. The directors shall elect the regular officers of the Corporation at an annual meeting, for terms of three (3) years. The secretary and treasurer may be one and the same person.

The annual meeting shall be held on the third Sunday of March of each year, following the annual meeting of Coeur d'Alene Homes, Inc.

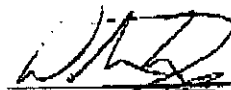
#### ARTICLE V

Bylaws of the Corporation may be adopted by the 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 Articles or of the Regulatory Agreement between the Corporation and the Secretary of Housing and Urban Development pursuant to Article II hereof.

#### ARTICLE VI

So long as a mortgage on the Corporation's property is held by the Secretary of Housing and Urban Development or the Use Agreement remains in effect, these Articles may not be amended without the prior written approval of the said Secretary.

IN WITNESS WHEREOF, the incorporator has hereunto set his hand and seal this 22<sup>nd</sup> day of March, 2005.



Waller Taylor III, Incorporator

Address of Incorporator:  
Kantor Taylor McCarthy P.C.  
1501 Fourth Avenue, #1610  
Seattle, WA 98101-1662

**CONSENT TO APPOINTMENT AS REGISTERED AGENT:**

Coeur D'Alene Homes, Inc. hereby consents to serve as registered agent in the State of Idaho for the following corporation: Heritage Place Phase III, Inc.. As agent for the corporation, I will be responsible to accept service of process in the name of the corporation; to forward all mail and license renewals to the appropriate members of the corporation; and to immediately notify the Office of the Secretary of State of its resignation or of any change in the address of the registered office of the corporation for which it is agent.

DATED March 7, 2005.

Coeur D'Alene Homes, Inc.

By:   
Name: MIKE BRAGENSTEIN  
Title: ADMINISTRATOR

Address of Registered Agent:

702 W. Walnut  
Coeur D'Alene, ID 83814