

FILED EFFECTIVE

**ARTICLES OF INCORPORATION
OF
INDEPENDENCE HILL, INC.**

2004 JUN -3 A 11: 58

STATE
OF IDAHO

The undersigned, in order to form a nonprofit corporation under and by virtue of the laws of the state of Idaho, hereby adopt these Articles of Incorporation as follows:

**ARTICLE I
NAME**

The name of the Corporation is Independence Hill, Inc., referred to as "the Corporation."

**ARTICLE II
EXISTENCE**

The existence of this Corporation will be perpetual.

**ARTICLE III
AGENT FOR SERVICE**

The initial agent for service of process of the Corporation is Corporation Service Company, whose address is 1401 Shoreline Drive, Suite 2, Boise, Idaho, 83702.

**ARTICLE IV
PURPOSES**

This corporation is a non-profit public benefit corporation and is not organized for the private gain of any person. It is organized under the Idaho Nonprofit Corporation Act of the state of Idaho for charitable purposes.

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) This Corporation is organized exclusively for charitable purposes, including, for such purposes, the making of distributions to organizations which qualify as exempt organizations under 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 to the Secretary of Housing and Urban Development for the time being exclusively for a public purpose. In pursuance of the foregoing purposes, the Corporation shall have the power to provide low-income elderly persons and handicapped persons with housing facilities and services specially designed 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; and

IDAHO SECRETARY OF STATE
06/03/2004 05:00
CK: 31544 CT: 19577 BH: 746511
1 @ 39.00 = 39.00 INC NONP # 20
1 @ 20.00 = 20.00 NON EXPIR # 21

(b) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its exempt purposes.

(c) No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and this Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

(d) Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from Federal income taxation under 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 (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended, or corresponding section of any future United States internal revenue law.

ARTICLE V **POWERS**

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 IV hereof, but solely in connection with the project assisted under Section 811 of the National Affordable Housing Act.

(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 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 IV(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.

ARTICLE VI **MEMBERSHIP**

This Corporation shall have only one member and that member shall be Mercy Housing Idaho, Inc., hereinafter "Member," an Idaho nonprofit public benefit corporation. The powers, duties and rights reserved to the Member shall be identified in the Bylaws of the Corporation.

ARTICLE VII **BOARD OF DIRECTORS**

The number of Directors of the Corporation, qualifications, terms, method of appointment and removal shall be set forth in the Bylaws of the Corporation. The Directors shall serve without compensation. The initial Directors are set forth below.

<u>NAME:</u>	<u>TERM:</u>
Sr. Lillian Murphy, RSM 1999 Broadway, Suite 1000 Denver, Colorado 80202	Three Years
Patricia O'Roark 1999 Broadway, Suite 1000 Denver, Colorado 80202	Three Years
Chuck Wehrwein 1999 Broadway, Suite 1000 Denver, Colorado 80202	Three Years
Kathleen Krebs 1999 Broadway, Suite 1000 Denver, Colorado 80202	Three Years

The directors of the Corporation shall, at all times, be limited to individuals who are either members of Mercy Housing, Inc. or nonmembers who have the approval of the Board of Trustees of the said sponsoring organization. In the event that a director of the Corporation ceases to be a member of Mercy Housing, Inc., or, if the aforesaid approval is withdrawn, then, in either event, such shall constitute automatic resignation as director of the Corporation.

The officers of the Corporation, as provided by the By-Laws of the Corporation, shall be elected by the directors of the Corporation, in the manner therein set out, and shall serve until their successors have been qualified and elected. The directors shall elect officers of the Corporation at an annual meeting, for terms of two (2) years. The secretary and treasurer may be one and the same person.

ARTICLE VIII

ADOPTION OF BYLAWS

By-Laws of the Corporation may be adopted by the Directors, subject to the Approval of the Member, 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 V hereof.

ARTICLE IX
REVISION OF ARTICLES OF INCORPORATION

These Articles of Incorporation may be amended upon receiving the affirmative vote of a two-thirds (2/3) majority of the Directors in office at the time and the approval of the Member. 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.

ARTICLE X
NAME AND ADDRESS OF INCORPORATOR

The name and address of each incorporator:

Sr. Lillian Murphy, RSM 1999 Broadway, Suite 1000 Denver, CO 80202

IN WITNESS THEREOF, the undersigned have executed these Articles of Incorporation on this 1st day of JUNE 2004.

Sr. Lillian Murphy, Incorporator
Sr. Lillian Murphy, RSM

APPROVED MERCY HOUSING IDAHO

Janem Gref
President

6/1/04
Date

APPROVED MERCY HOUSING, INC.

Sr. Lillian Murphy
President/CEO

6/1/04
Date