

**ARTICLES OF INCORPORATION  
OF  
COUNTRY TERRACE MHP, INC.**

**FILED EFFECTIVE**

2014 MAY 23 PM 2:33

CLERK OF DISTRICT CLERK  
STATE OF IDAHO

The undersigned, acting as the incorporator of the above corporation (hereinafter referred to as the "Corporation") organized pursuant to and subject to the Idaho Business Corporation Act, Chapter 1, Title 30, Idaho Code, as now existing or hereafter amended and supplemented (the "Act"), adopts the following Articles of Incorporation for the Corporation.

**ARTICLE I. NAME**

The name of the Corporation is COUNTRY TERRACE MHP, INC.

**ARTICLE II. PERIOD OF DURATION**

The period of duration of the Corporation is perpetual.

**ARTICLE III. PURPOSES**

Mortgage Loan Requirements. Notwithstanding anything in these Articles to the contrary, unless and until that certain loan (the "Loan") from MC-Five Mile Commercial Mortgage Finance LLC, a Delaware limited liability company, or an affiliate thereof (together with its successors and assigns, the "Lender") to CW-Country Terrace, L.L.C., a Nevada limited liability company (the "Borrower"), evidenced and secured by certain loan documents ("Loan Documents") including, without limitation, (i) a Loan Agreement ("Loan Agreement") and (ii) a mortgage, deed of trust or deed to secure debt (the "Security Instrument") encumbering the real property commonly known as Country Terrace Mobile Home Park, 11 Tuck Circle, Reno, NV 89506, together with related personal property (collectively, the "Property"), has been paid in full in accordance with the terms and provisions of such Loan Agreement, Security Instrument and other Loan Documents, the following provisions shall apply:

1. Special Purpose Entity Representations, Warranties, and Covenants.

A. The Corporation will not:

- (i) engage in any business or activity other than owning an interest in Borrower;
- (ii) acquire or own any assets other than its membership or other equity interest in Borrower;
- (iii) at any time own less than a 0.5% direct equity ownership interest in Borrower;

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(iv) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation); and

(v) fail to cause Borrower to comply with its Limited Liability Company Agreement;

(vi) merge into or consolidate with any Person, or dissolve, terminate, liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure;

(vii) fail to observe all organizational formalities, or fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the applicable Legal Requirements of the jurisdiction of its organization or formation, or amend, modify, terminate or fail to comply with the provisions of its organizational documents;

(viii) own any subsidiary, or make any investment in, any Person (other than Borrower);

(ix) commingle its funds or assets with the funds or assets of any other Person;

(x) fail to maintain all of its books, records, financial statements and bank accounts separate from those of any other Person (including, without limitation, any Affiliates). The Corporation's assets have not and will not be listed as assets on the financial statement of any other Person; provided, however, that the Corporation's assets may be included in a consolidated financial statement of its Affiliates provided that (i) appropriate notation shall be made on such consolidated financial statements to indicate the separateness of the Corporation and such Affiliates and to indicate that the Corporation's assets and credit are not available to satisfy the debts and other obligations of such Affiliates or any other Person and (ii) such assets shall be listed on the Corporation's own separate balance sheet. The Corporation has maintained and will maintain its books, records, resolutions and agreements as official records;

(xi) enter into any contract or agreement with any partner, member, manager, shareholder, director, principal or Affiliate, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arm's-length basis with unaffiliated third parties;

(xii) maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(xiii) assume or guaranty the debts of any other Person, hold itself out to be responsible for the debts of any other Person, or otherwise pledge its assets for the benefit of any other Person or hold out its credit as being available to satisfy the obligations of any other Person;

(xiv) make any loans or advances to any Person;

(xv) fail to file its own tax returns (unless prohibited by applicable Legal Requirements from doing so);

(xvi) fail to (a) hold itself out to the public and identify itself, in each case, as a legal entity separate and distinct from any other Person and not as a division or part of any other Person, (b) conduct its business solely in its own name, (c) hold its assets in its own name or (d) correct any known misunderstanding regarding its separate identity;

(xvii) make any dividend or distribution to its partners, members, managers, shareholders or directors, as applicable, if doing so would cause it to become insolvent or to fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations, provided, however, that the foregoing shall not be deemed to require any partner, member, manager, shareholder or director to make any capital contribution or other equity investment;

(xviii) undertake any of the following without the prior unanimous written consent of all of its partners, members, managers, shareholders or directors, as applicable: (a) file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any Creditors' Rights Laws, (b) seek or consent to the appointment of a receiver, liquidator or any similar official, (c) take any action that might cause the Corporation or Borrower to become insolvent, or (d) make an assignment for the benefit of creditors;

(xix) fail to allocate shared expenses (including, without limitation, shared office space) or fail to use separate stationery, invoices and checks;

(xx) fail to pay its own liabilities (including, without limitation, salaries of its own employees) from its own funds or fail to maintain a sufficient number of employees in light of its contemplated business operations (in each case to the extent there exists sufficient cash flow from the Property to do so);

(xxi) acquire obligations or securities of its partners, members, managers, shareholders, directors or other Affiliates, as applicable; or

(xxii) identify its partners, members, managers, shareholders, directors or other Affiliates, as applicable, as a division or part of it.

B. As long as any portion of the Debt remains outstanding, the Corporation will not:

(i) dissolve, merge, liquidate or consolidate;

(ii) except in connection with a sale or other transfer permitted under the Loan Documents, sell all or substantially all of its assets;

(iii) amend its organizational documents or Borrower's organizational documents with respect to the matters set forth in this Article III, without the consent of Lender; or

(iv) take any Material Action with respect to itself, Borrower or any other entity in which Borrower has a direct or indirect legal or beneficial ownership interest.

2. Standards Governing Actions. To the fullest extent permitted by applicable law, the directors of the Corporation shall at all times take into account the interests of Borrower's creditors

as well as the interests of its shareholders in connection with all matters subject to the consideration or vote of the directors.

3. Indemnification. Notwithstanding any provision hereof to the contrary, any indemnification claim against the Corporation arising under these Articles, the bylaws or the Corporation or the laws of the state of organization of the Corporation to indemnify its members or officers are hereby fully subordinated to its obligations arising under the Loan Agreement, Security Instrument or any other Loan Document and shall only constitute a claim against the Corporation to the extent of, and shall be paid by the Corporation in monthly installments only from, the excess of net operating income for any month over all amounts then due under the Security Instrument and the other Loan Documents.

4. Priority of Distributions. The Corporation's assets shall be utilized at all times to satisfy any and all of the Corporation's obligations and liabilities to Lender in accordance with the Loan Agreement, Security Instrument and other Loan Documents prior to paying or distributing any of such proceeds to satisfy other obligations or liabilities of the Corporation.

5. Conflicting Provisions. To the extent this Article III conflicts with any other provisions of these Articles of Incorporation or any other organizational or formation document of the Corporation, this Article III shall control.

6. Definitions. Capitalized terms used but not defined in this Article III have the meanings ascribed to them in the Loan Agreement. "Material Action" shall mean, with respect to any Person, to institute proceedings to have such Person be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against such Person or file a petition seeking, or consent to, reorganization or relief with respect to such Person under any applicable federal, state, local or foreign law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of such Person or a substantial part of its property, or make any assignment for the benefit of creditors of such Person, or admit in writing such Person's inability to pay its debts generally as they become due, or declare or effectuate a moratorium on the payment of any obligation, or take action in furtherance of any such action.

#### **ARTICLE IV. CAPITALIZATION**

The aggregate number of shares of capital stock which the Corporation shall have authority to issue is 10,000 shares of common stock. The par value of each share is no par.

#### **ARTICLE V. PREEMPTIVE RIGHTS**

The Shareholders of the Corporation shall have preemptive and preferential rights of subscription to any shares of stock of the Corporation, whether now or hereafter authorized, or to any securities convertible into such shares or carry a right to subscribe or acquire shares.

## **ARTICLE VI. REDEMPTION**

The Corporation shall have the right to purchase, redeem, take, receive or otherwise acquire, hold, own, pledge, transfer or otherwise dispose of its own shares, and purchases or redemptions of its own shares, whether direct or indirect, may be made to the extent of unreserved and unrestricted capital surplus available therefor.

## **ARTICLE VII. DISTRIBUTION FROM CAPITAL SURPLUS**

When and as determined by the Board of Directors, the Corporation may, from time to time distribute to its Shareholders out of capital surplus of the Corporation a portion of its assets in cash or property.

## **ARTICLE VIII. CUMULATIVE VOTING**

A Shareholder entitled to vote at each election for Directors shall have the power to cumulate votes for the election of Directors.

## **ARTICLE IX. REGISTERED OFFICE AND AGENT**

The address of the initial registered office of the Corporation is 463 S. Moon Beam Way, Eagle, Idaho 83616, and the name of its initial registered agent at the office is Karen Werner.

## **ARTICLE X. BOARD OF DIRECTORS**

The number of Directors of the Corporation shall be as specified in the Bylaws. The number of Directors constituting the initial Board of Directors is two (2), and the name and address of the persons who are to serve as Directors until the first annual meeting of the Shareholders and until their successors shall have been elected and qualified are:

**Name:**

**Address:**

Karen Werner

463 S. Moon Beam Way, Eagle, Idaho 83616

Fred L. York

2091 McLean Boulevard, Eugene, Oregon 97405

## **ARTICLE XI. INCORPORATOR**

The name and address of the incorporator of the Corporation is Thomas C. Morris, 12550 W. Explorer Dr., Ste. 100, Boise, Idaho 83713.

DATED this 23 day of MAY, 2014.

  
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Thomas C. Morris