

REVISED AND RESTATED
ARTICLES OF INCORPORATION
OF
MERCY TWIN FALLS, INC.

FILED

SECRETARY OF STATE
STATE OF IDAHO

IDAHO SECRETARY OF STATE

01/05/1998

01/05/1998

01/05/1998

01/05/1998

01/05/1998

01/05/1998

01/05/1998

01/05/1998

01/05/1998

01/05/1998

01/05/1998

01/05/1998

ARTICLE I

NAME; OFFICE; AGENT

Section 1. The name of this Corporation shall be Mercy Twin Falls, Inc.

Section 2. The address of the registered office of this Corporation is 1512 12th Avenue Road, Nampa, ID, 83651, and the name of the Corporation's registered agent at such address is Mary Pridmore.

ARTICLE II

PERIOD OF EXISTENCE

This corporation shall have perpetual existence.

ARTICLE III

PURPOSES

Section 1. The Corporation is organized for charitable purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code, as amended, exclusively to:

- (a) Provide low income and homeless persons, potentially homeless persons or otherwise disadvantaged persons with housing facilities and educational and supportive services; and,
- (b) Contribute to the fulfillment of the purposes of Mercy Housing Inc, a Nebraska nonprofit corporation, which is exempt from federal income tax as an organization described in Section 501 (c)(3) of the Internal Revenue Code of 1986.
- (c) Enable the financing of the construction of such rental housing with the assistance of mortgage insurance under the National Housing Act.
- (d) Enter into, perform, and carry out contracts of any kind necessary to or in connection with, or incidental to, the accomplishment of purposes of the corporation, including, expressly, any contract or contracts with the Secretary of Housing and Urban Development which may be desirable or necessary to comply with the requirements of the National Housing Act, as amended, and the Regulations of

the Secretary thereunder, relating to the regulation of mortgagors as to rents, sales, charges, capital structure, rate of return, and methods of operation.

- (e) Acquire any property, real or personal in fee or under lease, or any rights therein or appurtenant thereto, necessary for the construction and operation of such project.
- (f) Borrow money and to issue evidence of indebtedness, and to secure the same by mortgage, deed of trust, pledge, or other lien, in furtherance of any or all of the objects of its business in connection with said project.

This Corporation shall be operated exclusively for educational and charitable purposes and in a manner which is consistent with and supportive of the Mission and Philosophy of its Sponsor.

Section 2. No part of the net earnings of this Corporation shall inure to the benefit of, or be distributable to its directors, officers, or other private persons, except that this Corporation shall be authorized and empowered to pay reasonable compensation for services rendered.

Section 3. No substantial part of the activities of this Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and this Corporation shall not participate in or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office.

Section 4. Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170 (c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

ARTICLE IV POWERS

Section 1. This Corporation, in order to carry out its purposes, shall have the power to do any and all things as fully and to the same extent as natural persons could do, and this Corporation shall have such powers as may be necessary or incidental to the attainment of the purposes of this Corporation as set forth in Article III hereof. By way of example, but not of limitation, the Corporation shall have the following powers:

A. The Corporation is empowered 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, acting by and through the Federal Housing Commissioner, and of such other instruments and undertakings as may be necessary to enable the Corporation to secure the benefits of financing with the assistance of mortgage insurance under the provisions of the National Housing Act. Such Regulatory Agreement and other instruments and undertakings shall remain binding upon the Corporation, its successors and assigns, as long as a mortgage on the Corporation's property is insured or held by the Secretary of Housing and Urban Development.

B. This Corporation is empowered to buy, own, sell, convey, 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 elsewhere herein; however, this corporation shall have the power to own and manage the following multifamily housing project as its sole asset: Willswood Apartments, FHA Project No. 124-44023.

C. This Corporation is empowered 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.

D. This Corporation is empowered 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, acting by and through the Federal Housing Commissioner, and of such other instruments and undertakings as may be necessary to enable the Corporation to secure the benefits of financing with the assistance of mortgage insurance under the provisions of the National Housing Act. Such Regulatory Agreement and other instruments and undertakings shall remain binding upon the Corporation, its successors and assigns, so long as a mortgage on the Corporation's property is insured or held by the Secretary of Housing and Urban Development.

E. This Corporation is empowered to indemnify its officers and directors only by insurance.

Section 2. The enumeration of the powers hereinabove shall not be deemed a renunciation of any of the powers conferred in the Act, for nonprofit corporations, charitable societies or religious associations, but rather all such powers shall be deemed fully vested in this Corporation as though hereinabove specifically enumerated.

ARTICLE V
MEMBERSHIP

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

ARTICLE VI
BOARD OF DIRECTORS

Section 1. The business and affairs of this Corporation shall be managed by a Board of Directors, two-thirds of whom shall be appointed by the Member and one-third of whom shall be appointed by the Resident Council of Mercy Twin Falls.

Section 2. The number, qualifications, term, method of acting and method of appointment and removal of the Board of Directors shall be set forth in the Bylaws of this Corporation.

ARTICLE VII
DISSOLUTION

The Corporation is bound, to the same extent as the original executing party, by the mortgage note, mortgage, Regulatory Agreement and other documents that have been executed in connection with the HUD insured mortgage loan affecting the Corporation's property. Upon any dissolution, no title or right to possession and control of the Corporation's property financed under such HUD-insured mortgage loan, and no right to collect the rents therefrom, shall pass to any person who is not so bound in a manner satisfactory to the Secretary of Housing and Urban Development.

Upon 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 III (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 VIII
REVISION OF ARTICLES OF INCORPORATION

These Articles of Incorporation may be amended upon receiving the affirmative vote of two-thirds of the directors in office and the approval of the Member. So long as a mortgage on the Corporation's property is insured or held by the Secretary of Housing and Urban Development or the Regulatory Agreement remains in effect, these Articles may not be amended without the prior written approval of the said Secretary.

ARTICLE IX
BYLAWS

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.

IN WITNESS THEREOF, the undersigned have executed these Articles of Incorporation on this 9th day of DECEMBER, 1997.

Maury W. Ordmore
President, Mercy Twin Falls, Inc.

Patricia J. Epelshimer
Assistant Secretary, Mercy Twin Falls, Inc.

APPROVED BY MERCY HOUSING IDAHO, INC.

By Patricia J. Rozek
President

Dated 12.9.97

APPROVED BY MERCY HOUSING, INC.

By Lillian Murphy
President/CEO

Dated 12.9.97

CONSENT OF MERCY HOUSING IDAHO, INC.

The undersigned, Mercy Housing Idaho, Inc. an Idaho nonprofit corporation ("Mercy Idaho"), sole member of Mercy Twin Falls, Inc., an Idaho nonprofit corporation ("Twin Falls"), hereby consents and agrees to, and authorizes and approves Twin Falls' execution of, Restated Articles of Incorporation and Amended and Restated Bylaws, ~~copies of which are attached hereto as Exhibits A and B, respectively.~~ Mercy Idaho further authorizes the officers and directors of Twin Falls to take such actions as they, in their sole discretion, deem necessary and appropriate to consummate the amendment of Twin Falls' Articles of Incorporation and Bylaws, all as more particularly described in the resolutions of Twin Falls ~~attached hereto as Exhibit C,~~ all of which resolutions are hereby ratified, confirmed and approved.

Executed as of this 9TH day of DECEMBER, 1997.

MERCY HOUSING IDAHO, INC.
an Idaho nonprofit corporation

By: Patricia D. Roark
Title: PRESIDENT

MERCY TWIN FALLS, INC.

Assistant Secretary's Certificate

The undersigned, Patricia J. Eggleheimer as Assistant Secretary of Mercy Twin Falls, Inc., an Idaho nonprofit corporation (the "Corporation"), pursuant to Section 30-3-94 of the Idaho Nonprofit Corporation Act, as amended, hereby certifies that she has been duly elected, qualified and is acting in such capacity and that, as such, she is familiar with the facts herein certified and is duly authorized to certify the same, and hereby further certifies in connection with adoption and approval of the Corporation's Revised and Restated Articles of Incorporation to which this Certificate is attached (the "Restated Articles") that:

1. The Restated Articles contain amendments to the Corporation's original Articles of Incorporation requiring the consent and approval of Mercy Housing Idaho, Inc. ("MHII"), the Corporation's sole member; and
2. MHII, as sole member of the Corporation, is entitled to one vote and has voted to approve, authorize and adopt the Restated Articles, and such vote was sufficient to approve, authorize and adopt the Restated Articles as the Revised and Restated Articles of Incorporation of the Corporation.

IN WITNESS WHEREOF, the undersigned has set her hand and the seal of the Corporation as of the 9TH day of DECEMBER, 1997.

Mercy Twin Falls, Inc.,
an Idaho nonprofit corporation

By: Patricia J. Eggleheimer

Title: Asst. Secretary