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**OCT 28 1996**

ARTICLES OF INCORPORATION  
OF  
MERCY HOUSING SOUTH EAST

EFFECTIVE  
JANICE H. FAULKNER  
SECRETARY OF STATE  
NORTH CAROLINA

The undersigned, in order to form a nonprofit corporation pursuant to the North Carolina Nonprofit Corporation Act, hereby adopt these Articles of Incorporation as follows:

ARTICLE I  
NAME; OFFICE; AGENT

Section 1. The name of this Corporation shall be Mercy Housing South East.

Section 2. The address of the registered office of this Corporation is 431 North Wilkinson Boulevard, Belmont, North Carolina 28012 and the name of the Corporation's registered agent at such address is Pauline Mary Clifford, RSM. (Gaston County)

Section 3. The principal office of this Corporation is 431 North Wilkinson Boulevard, Belmont, Gaston County, North Carolina 28012.

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.

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 the Sponsor, Mercy Housing Inc.

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.

Section 2. The enumeration of the powers hereinabove shall not be deemed a renunciation of any of the powers conferred in the North Carolina Nonprofit Corporation 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 who is entitled to vote on matters relating to this Corporation and that member shall be Mercy Housing, Inc., hereinafter "Member," a Nebraska 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 affairs of this Corporation shall be managed by a Board of Directors appointed by the Member.

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. The initial Board of Directors shall consist of not less than three Directors, whose names and addresses are as follows:

Patricia O'Roark	601 E. 18th Avenue, Suite 150 Denver, CO 80203
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Lillian Murphy, RSM	601 E. 18th Avenue, Suite 150 Denver, CO 80203
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Patricia Eppelsheimer	601 E. 18th Avenue, Suite 150 Denver, CO 80203
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ARTICLE VII  
DISSOLUTION

In the event that this Corporation shall be dissolved or wound up at any time, then all of the properties, monies, and assets of this Corporation remaining after provision has been made for payment of its known debts and liabilities as provided by law, shall become the exclusive property of Mercy Housing, Inc. or other entity that is designated by Mercy Housing, Inc. and is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. In the event that Mercy Housing, Inc. no longer exists, such properties, monies, and assets of this Corporation shall be transferred exclusively to and become the property of such nonprofit funds, foundations or corporations, organized and operated exclusively for charitable or educational purposes, as are selected and designated by the Board of Directors and the Member of this Corporation; provided, however, that any such funds, foundations and/or corporations shall qualify as an exempt organization or organization under Section 501(c)(3) of the Internal Revenue Code of the United States as that Section exists or may subsequently be amended; provided further, however, that prior to taking any action to permit or cause the voluntary or involuntary dissolution of this Corporation, the Board of Directors shall obtain all approvals required of the Member.

ARTICLE VIII  
REVISION OF ARTICLES OF INCORPORATION

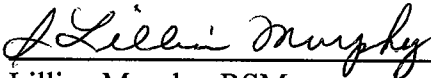
These Articles of Incorporation may be amended upon receiving the affirmative vote of two thirds (2/3rds) of the Directors in office and the approval of the Member or upon action initiated by the Member in a manner provided by law.

ARTICLE IX  
NAME AND ADDRESS OF INCORPORATORS

The name and address of the incorporator of this Corporation is:

Lillian Murphy, RSM	601 E. 18th Avenue, Suite 150
	Denver, CO 80203

IN WITNESS THEREOF, the undersigned has executed these Articles of Incorporation on this 1ST day of OCTOBER, 1996.

  
Lillian Murphy, RSM **INCORPORATOR**

APPROVED BY MERCY HOUSING INC.

By   
President/CEO

10/1/96  
Date