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CLERK OF STATE  
STATE OF IDAHO

ARTICLES OF INCORPORATION

OF

ST. MARIES KID ZONE, INC.

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, acting as incorporators of a corporation under the Idaho Business Corporation Act (Act), adopt the following Articles of Incorporation for such corporation:

1. Name. The name of the corporation is St. Maries Kid Zone, Inc.
2. Duration. The corporation shall exist in perpetuity.
3. Registered office and agent. The registered office of the corporation is 829 Cedar Drive, St. Maries, Idaho 83861, and the registered agent at that address is Lynn Masterson.
4. Incorporator. The name of the incorporators are Lynn Masterson and Kaye Harney. The incorporators' addresses are as follows:

Lynn Masterson  
1909 Idaho Avenue  
St. Maries, Idaho 83861

Kaye Harney  
319 11<sup>th</sup> Street  
St. Maries, Idaho 83861

5. Purpose. The purpose for which this corporation is organized is to engage in providing child day care services, and any other lawful business to which corporations may be incorporated under the Act.

6. Directors. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation managed under the direction of, its board of directors, subject to any limitation set forth in a shareholder agreement authorized under Section 30-1-732, Idaho Code. The number of directors constituting the initial board of directors shall be two (2), and the names and addresses of the persons to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualified are:

<u>Name</u>	<u>Address</u>
Lynn Masterson	1909 Idaho Avenue St. Maries, Idaho 83861
Kaye Harney	319 11 <sup>th</sup> Street St. Maries, Idaho 83861

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7. Authorized shares. The aggregate number of shares the corporation is authorized to issue shall be Ten Thousand (10,000), shares of common voting stock, having a par value of \$1.00 per share.

8. Voting Entitlement of Shares.

(1) Except as provided in sections 2 and 4 of this Article, and Article 9, below, providing for cumulative voting for votes cast for directors, each outstanding share, regardless of class, is entitled to one (1) vote on each matter voted on at a shareholders' meeting. Only shares are entitled to vote.

(2) This corporation is not entitled to vote treasury shares. The shares of this corporation are not entitled to vote if they are owned, directly or indirectly, by a second corporation, domestic or foreign, and this corporation owns, directly or indirectly, a majority of the shares entitled to vote for directors of the second corporation.

(3) Section 2 of this Article does not limit the power of this corporation to vote any share, including its own shares, held by it in a fiduciary capacity.

(4) Redeemable shares are not entitled to vote after notice of redemption is mailed to the holders and a sum sufficient to redeem the shares has been deposited with a bank, trust company, or other financial institution under an irrevocable obligation to pay the holders the redemption price on surrender of the shares.

9. Cumulative Voting. All shareholders are entitled to cumulate their votes for directors, that is, they are entitled to multiply the number of votes they are entitled to cast by the number of directors for whom they are entitled to vote and cast the product for a single candidate or distribute the product among two (2) or more candidates.

10. Preemptive Rights. The corporation elects to have preemptive rights.


11. Indemnification/Liability. To the fullest extent permitted by law, and the Act, this corporation shall have the power to indemnify any person and to advance expenses incurred or to be incurred by such person in defending a civil, criminal, administrative or investigative action, suit or proceeding threatened or commenced by reason of the fact said person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Any such indemnification or advancement of expenses shall not be deemed exclusive of any other rights to which such person may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. Any indemnification or advancement of expenses so granted or paid by the corporation shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and personal representative of such a person.

No director or officer shall be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty except liability for:

- (i) The amount of a financial benefit received by a director or officer to which he or she is not entitled,
- (ii) An intentional infliction of harm on the corporation or the stockholders,
- (iii) An intentional violation of criminal law, or
- (iv) Violation of Section 30-1-833, Idaho Code (unlawful distributions).

In witness whereof, I have subscribed these Articles of Incorporation this \_\_\_\_ day of \_\_\_\_\_, 2003.

  
LYNN MASTERSON, Incorporator

  
KAYE HARNEY, Incorporator