

**ARTICLES OF INCORPORATION
OF
GRAND MERE PROPERTY RESIDENTIAL DISTRICT
MASTER ASSOCIATION**

COPY

Pursuant to that certain Declaration of Easements, Covenants, Conditions and Restrictions for the Grand Mere Property Residential District dated January 8, 2001, and recorded in Book 791 at Page 276 in the Office of the Register of Deeds of Riley County, Kansas, as the same may be amended from time to time (the "Declaration"), and in compliance with the requirements of the Kansas Corporation Code of 1972, as amended, the undersigned incorporator, for the purpose of forming a corporation not organized for profit, hereby adopts the following Articles of Incorporation:

ARTICLE I

Name

The name of the Corporation is Grand Mere Property Residential District Master Association.

ARTICLE II

Registered Agent and Office

The address of the Corporation's registered office in the State of Kansas is 4011 Kimball Avenue, Manhattan, Riley County, Kansas 66503. The name of its registered agent at such address is Mary L. Vanier.

ARTICLE III

Definitions

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in the Declaration. "Grand Mere" as used herein to describe a place shall refer to the "Residential District" described in the Declaration. The term "Corporation" as used herein shall refer to the "Master Association" described in the Declaration.

ARTICLE IV

Purposes, Powers, and Character of Affairs

Section 1. Purposes and Initial Purposes. The Corporation does not contemplate and will not permit pecuniary gain or profit to any Master Association Members; this prohibition shall not, however, limit or preclude the normal business operations and transactions between or affecting the Corporation and the Developer. The specific purposes and the initial purpose for which the Corporation are formed are:

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- (a) to provide for the orderly development, maintenance, preservation, and architectural control, as provided in the Declaration of Grand Mere; and
- (b) to promote the health, safety, and welfare of the Owners and Occupants within Grand Mere and any additions thereto as may hereafter be brought within the jurisdiction of the Corporation.

Section 2. Powers. For the purposes set forth in Section 1 above, and subject to any limitations set forth in the Declaration, the Corporation shall have the power to have and to exercise any and all powers, rights, and privileges which a corporation organized under the Kansas Corporation Code as a corporation not organized for profit may by law now or hereafter have or exercise. In addition to and not in limitation of the foregoing, the Corporation shall have the power to:

- (a) fix, levy, collect, and enforce payment of, by any lawful means, all charges or Assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation, including all licenses, taxes, or governmental charges levied or imposed against the property of the Corporation; and
- (b) exercise all of the powers and privileges and perform all of the duties and obligations of the Corporation as set forth in the Declaration, said Declaration being incorporated herein as if set forth at length.

Section 3. Limitation on Purposes. Notwithstanding anything herein contained to the contrary, no part of the activities of the Corporation shall be devoted to carrying on propaganda or otherwise attempting to influence legislation, and the Corporation shall make no gift, donation, or contribution to any institution or organization engaged in such activities. No part of the net earnings of the Corporation shall inure to the benefit of any Master Association Member or other person, other than by promoting social and recreational activities, by acquiring, constructing, or providing management, maintenance, and care of the Common Areas, or by a rebate of excess membership dues, fees, or Assessments.

Section 4. Character of Affairs. The character of affairs which the Corporation initially intends to actually conduct in Kansas is to carry out the duties and responsibilities of the Corporation as set forth in the Declaration, including but not limited to the following: to provide for the operation and maintenance of Common Maintenance Areas, to levy and collect Assessments for the Common Expenses, and to exert architectural control over the construction and maintenance of Improvements on Grand Mere.

ARTICLE V
Membership and Voting

The Corporation shall not be authorized to issue stock; rather, its ownership shall be comprised of Master Association Members, as contemplated herein. The members of the Corporation ("Master Association Members") shall consist of the Developer and each of the Community Associations formed as contemplated by the Declaration. Until ninety-five percent (95%) of all land that is residential in nature (including land within any Annexation Property) as shown on the Grand Mere Master Plan has been sold to third parties, and the Developer owns less than two (2) acres of land that is residential in nature as shown on said Grand Mere Master Plan, as such term is defined in the Declaration of Easements, Covenants, Conditions, and Restrictions for the Grand Mere Property Residential District Master Association referred to above, each Association Member shall have one vote. Prior to such date, the Developer shall have the sole and controlling vote regarding management and control of the Corporation. No transfer of membership or voting rights by a Community Association shall be allowed, although exercise of voting rights through execution of a proxy is permitted, as contemplated by the Declaration and Bylaws.

ARTICLE VI
Board of Directors

The control and management of the affairs of the Corporation shall be vested in the Board of Directors, the number of which shall be fixed as provided in the Bylaws. The directors must be Community Association Members, or the spouses of Community Association Members; provided, however, that directors elected by the Developer are not required to be Community Association Members or spouses of Community Association Members. The Board of Directors shall have power and authority to enact bylaws and amendments thereto which are not inconsistent with these Articles of Incorporation or the Declaration. The officers of the Corporation shall be elected as provided by the Bylaws.

ARTICLE VII
Amendments

These Articles may be amended by the affirmative vote of a majority of the Master Association Members of the Corporation cast at a meeting duly noticed and held; provided, however, that during the time period as contemplated by the Declaration and Article V above when the Developer shall have sole voting rights with respect to the Corporation, the sole power to amend these Articles shall be held by the Developer, who may amend these Articles at any time, in its sole discretion.

ARTICLE VIII
Duration and Dissolution

The Corporation shall exist so long as the Declaration is in effect. If the Declaration is terminated, the Corporation may be dissolved at any time if not less than eighty percent (80%) of the votes cast by the Master Association Members at a meeting duly noticed and held shall be cast in favor of dissolution; provided, however, that during the period of time in which the Developer has sole voting rights with respect to the Corporation, the determination with respect to dissolution of the Corporation shall be within the sole discretion of the Developer.

Upon dissolution of the Corporation, other than incident to a merger or consolidation, the assets of the Corporation shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Corporation was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust, or other organization to be devoted to such similar purposes.

ARTICLE IX
Incorporator

The name and the address of the incorporator is as follows:

Mary L. Vanier
4011 Kimball Avenue
Manhattan, Kansas 66503

ARTICLE X
Indemnification

To the fullest extent permitted by law, every director and every officer of the Corporation or any Community Association, the members of any Design Review Committee or other committee appointed by the Board of Directors, Grand Mere Realty, LLC, and the Developer shall be indemnified by the Corporation.

The foregoing rights of the indemnification shall be in addition to and not exclusive of all other rights to which such persons may be entitled at law or otherwise. Appropriate insurance may be obtained to cover any liability exposure created by virtue of the foregoing indemnification.

ARTICLE XI
Non-Liability of Officials

To the fullest extent permitted by law, neither the Developer, any director, any officer, any Design Review Committee member, nor any other member of committees of the Corporation or any Community Association shall be liable to any Master Association Member, Community Association Member, Owner, Occupant, the Corporation, any Community Association, or any Occupant, or other person for any damage, loss, or prejudice suffered or claimed on account of any decision, approval, or disapproval of plans or specifications (whether or not defective), course of action, inaction, omission, error, negligence, or the like made in good faith and which the Developer, director, officer, or member of such committees reasonably believed to be within the scope of his respective duties.

In addition to and not in limitation of the foregoing, a director of the Corporation shall not have any liability to the Corporation or Master Association Members for monetary damages for breach of fiduciary duty as a director, provided that this paragraph shall not eliminate or limit liability of a director (a) for any breach of the director's duty of loyalty to the Corporation or Master Association Members, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under the provisions of K.S.A. 17-6424 and amendments thereto or (d) for any transaction from which the director derived an improper personal benefit.

ARTICLE XII
Conflict of Interest

The Developer, any officer or director of the Corporation, or any member of a Design Review Committee or other committee member, shall not in the absence of fraud be disqualified by his or her office from dealing or contracting with the Corporation either as a vendor, purchaser, or otherwise, nor in the absence of fraud shall the Developer, a director, officer, Design Review Committee member, or member of any other committee be liable to account to the Corporation for any profit realized by him or her from or through any transaction or contract of the Corporation by reason of the fact that he or she, or any firm of which he or she is an officer, director, or stockholder, was interested in such transaction or contract if such transaction or contract has been authorized, approved, or ratified in the manner provided in the Kansas Corporation Code of 1972, as amended, for authorization, approval, or ratification of transactions or contracts between a corporation and one or more of its directors or officers, or between a corporation and any other corporation, partnership, association, or other entity in which one or more of its directors or officers are directors or officers, or have a financial or ownership interest.

ARTICLE XIII
Elections

Elections of directors by written ballot is not required unless the bylaws of the Corporation so provide.

ARTICLE XIV
Amendment

Any provision contained in these Articles of Incorporation may be amended, altered, changed, or repealed, in the manner now or hereafter prescribed by these Articles and Kansas law, and all rights confirmed upon Master Association Members or other persons herein are granted subject to this reservation.

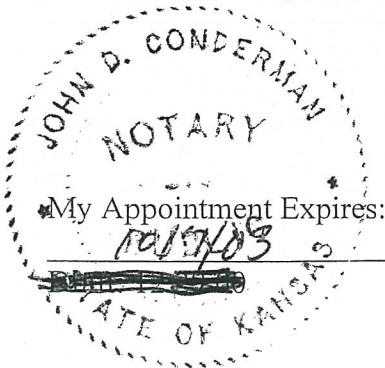
The undersigned incorporator hereinbefore named, for the purpose of forming a corporation not organized for profit pursuant to the laws of the State of Kansas, does hereby adopt the foregoing Articles of Incorporation, and in witness whereof, has set her hand this 8th day of January, 2001.

Mary L. Vanier
Mary L. Vanier, Incorporator

STATE OF KANSAS, COUNTY OF RILEY, ss:

On this 8th day of January, 2001, before me, a Notary Public in and for said County and State, personally appeared Mary L. Vanier, Incorporator of the foregoing Articles of Incorporation, to me known to be the person who executed the foregoing instrument on behalf of Grand Mere Residential District Master Association and acknowledged having executed the same as the free and voluntary act of said Corporation for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



[Signature]
Notary Public

I hereby certify this to be a true and
correct copy of the original on file.
Certified on this date Jan 17, 2001
Ron Thornburgh, Secretary of State