

**ARTICLES OF INCORPORATION**

**OF**

**NATIONAL HOME SERVICE CONTRACT ASSOCIATION**

I, the undersigned incorporator, hereby form and establish a corporation NOT FOR PROFIT under the laws of the State of Kansas.

**ARTICLE FIRST**

The name of this corporation is National Home Service Contract Association.

**ARTICLE SECOND**

The location of its registered office in this state is 12730 S. Pflumm, Suite 102, Olathe, Johnson County, Kansas 66062.

**ARTICLE THIRD**

This corporation is organized NOT FOR PROFIT and the objects and purposes to be transacted and carried on are:

1. Said organization is organized exclusively as a business league not organized for profit and no part of the net earnings of which enure to the benefit of any private shareholder or individual, for the following purposes:

(a) The improvement of business conditions in the home service contract industry;

(b) To encourage sound and ethical business practices, higher business standards and better business methods and cooperation among its members;

(c) To conduct research and promote education, publications and other methods that improve the public's understanding of the value of the home service contract;

(d) To inform its members of changes in laws and practices as well as pending legislation that affects the home service contract market nationwide as well as sponsoring meetings and educational programs; and

(e) To work for the enactment of laws to advance the home service contract industry; promote standards beneficial to consumers and the common interests of the association members and the home service contract industry; contribute to regulatory and legislative proceedings and promote the better understanding and consumer benefits of home service contracts.

2. To further such objects and purposes, the corporation shall have and may exercise all the powers conferred by the laws of the State of Kansas upon corporations formed under the laws pursuant to and under which this corporation is formed, as such laws are now in effect or may at any time hereafter be amended.

3. Specifically, this corporation shall have power to acquire, purchase, hold, lease, convey, mortgage, and pledge such real and personal property in Kansas, other states of the United States and elsewhere, as shall be necessary or convenient to the transaction of its business and the realization of its objects and purposes.

PROVIDED, HOWEVER, that in all events and under all circumstances, and notwithstanding merger, consolidation, reorganization, termination, dissolution, or winding up of this corporation, voluntary or involuntary or by operation of law, the following provisions shall apply:

(a) This corporation shall not have or exercise any power or authority either expressly, by interpretation, or by operation of law, nor shall it directly or indirectly engage in any activity that would prevent this corporation from qualifying (and continuing to qualify) as an organization described in 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

(b) This corporation shall never be operated for the primary purpose of carrying on a trade or business for profit.

(c) No compensation or payment shall ever be paid or made to any member, officer, director, trustee, creator, or organizer of this corporation, or substantial contributor to it, except as an allowance for actual expenditures or services actually made or rendered to or for this

corporation; and neither the whole nor any portion of the assets or net earnings, current or accumulated, of this corporation shall ever be distributed to or divided among any such persons; provided further that neither the whole nor any part or portion of such assets or net earnings shall ever be used for, accrue to, or enure to the benefit of any member or private individual within the meaning of 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

4. Upon the dissolution of this corporation, the governing body shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), as the governing board shall determine. Any such assets not so disposed of shall be disposed of by the district court 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 FOURTH**

The corporation will NOT have authority to issue capital stock, and the conditions of membership shall be fixed by the bylaws.

#### **ARTICLE FIFTH**

The Board of Directors shall have all powers granted by Kansas law and statutes.

#### **ARTICLE SIXTH**

No director shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director.

Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law (i) for breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under the provisions of K.S.A. 17-6424 and any amendments thereto, or (iv) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to the date when such provision becomes effective.

#### **ARTICLE SEVENTH**

The term for which this corporation is to exist is perpetual.

#### **ARTICLE EIGHTH**

No member of this corporation shall benefit financially from the dissolution thereof. In the event of dissolution of this corporation, the assets of this corporation shall be distributed as set forth in ARTICLE THIRD hereof.

#### **ARTICLE NINTH**

The name and residence of the incorporator are: Arthur J. Chartrand, 12730 S. Pflumm, Suite 102, Olathe, Kansas 66062.

#### **ARTICLE TENTH**

The number of directors may be increased or decreased from time to time by amendment of the bylaws.

## ARTICLE ELEVENTH

The names and residences of the persons who are to serve as directors until their successors are elected and qualified are as follows:

Mark F. Lightfoot  
889 Ridge Lake Blvd., 3<sup>rd</sup> Floor  
Memphis, Tennessee 38120

Dan Langston  
P. O. Box 10180  
Van Nuys, CA 91410-0180

Ray Adams  
550 N. Third Street  
Burbank, CA 91502

Bill Jensen  
2950 Buskirk Ave., Suite 201  
Walnut Creek, CA 94596

David J. Jasko  
2675 S. Abilene Street  
Aurora, CO 80014

Lorna Mello  
Two Annabel Lane, #112  
San Ramon, CA 94583

**ARTICLE TWELFTH**

The power to adopt, amend and repeal the bylaws of this corporation shall reside in the Board of Directors of this corporation.

IN TESTIMONY WHEREOF, I have hereunto set my name this \_\_\_\_\_ day of February, 2004.

\_\_\_\_\_  
Arthur J. Chartrand

STATE OF KANSAS, COUNTY OF JOHNSON, ss:

BE IT REMEMBERED, that on this \_\_\_\_\_ day of February, 2004, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Arthur J. Chartrand, who is personally known to me to be the same person who executed the foregoing instrument of writing, and such person acknowledged the execution of the same.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal; the day and year last above written.

\_\_\_\_\_  
Notary Public

My appointment expires: \_\_\_\_\_