

STATE OF ALABAMA
SHELBY COUNTY

ARTICLES OF INCORPORATION

OF

KNOWLWOOD, INC.

KNOW ALL MEN BY THESE PRESENTS,

That for the purpose of forming a corporation under and pursuant to the provisions of the laws of the State of Alabama and more particularly of Chapter 2 A of Title 10 of the Code of Alabama 1975, as last amended, the undersigned Billy Frank Knowles and Katherine Knowles, desiring to become a body corporate, have associated themselves together, and have agreed upon and adopted this Articles of Incorporation, the same to constitute and become a charter for carrying on the business hereinafter specified upon the proper filing hereof pursuant to law.

FIRST: The name of the corporation is:

Knowlwood, Inc.

SECOND: The period of duration of this corporation is perpetual.

THIRD: The purpose or purposes for which the corporation is organized are:

(a) To design, develop and construct assisted living facilities, communities, buildings, structures and other similar, related or unrelated structures and institutions.

(b) To purchase or otherwise acquire, and to hold, own, mortgage, pledge, sell, transfer, or in any manner dispose of, and to deal and trade in goods, wares, merchandise, and personal property of any and every class and description and wherever situated.

(c) To buy, sell, mortgage, rent, improve, exchange, and otherwise acquire, hold, dispose of and deal in real property, both improved and unimproved; to build, repair, and alter houses and other buildings thereon and to manage, develop, improve and subdivide, either into residential or business subdivisions, real property.

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(d) To undertake and carry on any business, transactions, or operation commonly undertaken or carried on by manufacturers, processors, financiers, and contractors, and generally to enter into, carry on, assist, promote or participate in financial, commercial, mercantile, industrial and other business works, contracts, undertakings and operations.

(e) To raise money by the issuing of shares and otherwise, to borrow money for its corporate purposes, and to make, accept, endorse, guarantee, execute and issue bonds, bills of exchange and other obligations, and to mortgage, pledge and hypothecate any stocks, bonds or other evidences of indebtedness and any other property held by it, and to invest money so raised, borrowed or otherwise obtained in carrying out the objects of the corporation heretofore enumerated.

(f) To carry on any or all of its operations and business and to promote its objects within the State of Alabama or elsewhere, without restrictions as to place or amount, and to do any or all of the things herein set forth to the same extent as natural persons might or could do, and in any part of the world, as principals, agents, contractors, trustees, or otherwise, along or in company with others.

(g) And generally to do and perform the acts and enjoy the powers conferred by the general laws of the State of Alabama; and in addition to the objects stated aforesaid, the corporation shall have the power to conduct and carry on any business or activity not prohibited by law, nor required by law to be specifically stated in these articles.

The objects and purposes specified in each subparagraph of Paragraph Third shall, unless otherwise expressly provided, be in no way limited by reference to, or inference from, the terms of any other subparagraphs of Paragraph Third, each of such subparagraphs being regarded as creating independent objects and purposes. All words and clauses appearing this Paragraph Third are used in their broadest sense and shall be so construed. Nothing herein contained, however, shall be construed as authorizing this corporation to carry on the business of banking or that of a trust company, or the business of insurance.

FOURTH: The aggregate number of shares which the corporation shall have authority to issue is ONE HUNDRED (100), consisting of one class of common stock with the par value of TEN DOLLARS (\$10.00) per share.

FIFTH: Provisions for the regulation of internal affairs of the corporation are: None.

SIXTH: The address of the initial registered office of the corporation is 4804 Highway 25, Montevallo, Alabama 35115, and the name of its initial registered agent at such address is Billy Frank Knowles.

SEVENTH: The number of its directors constituting the initial board of directors of the corporation is two (2), and the names and addresses of the persons who are to serve as directors until the first annual meeting of the shareholders or until their successors are elected and shall qualify are:

Billy Frank Knowles
260 Griffin Road
Chelsea, Alabama 35043

Katherine Knowles
12347 Old Highway 280
Sterrett, Alabama 35147

EIGHTH: The name and address of each incorporator is:

Billy Frank Knowles
260 Griffin Road
Chelsea, Alabama 35043

Katherine Knowles
12347 Old Highway 280
Sterrett, Alabama 35147

NINTH: The names and addresses of the initial officers of the corporation are as follows:

Billy Frank Knowles
Chief Executive Officer
260 Griffin Road
Chelsea, Alabama 35043

Katherine Knowles
President, Vice President,
Secretary and Treasurer
12347 Old Highway 280
Sterrett, Alabama 35147

TENTH: (A) The Board of Directors shall have power to alter, amend and repeal the by-laws of the Corporation or adopt new by-laws for the corporation at any regular or special meeting of the Board, provided that the Board of Directors may not alter, amend, or repeal any by-law which establishes the number of directors, the time or place of stockholders' meeting, or what constitutes a quorum at such stockholders' meetings, or which was adopted by the stockholders and specifically provides that it cannot be altered, amended or repealed by the Board of Directors.

(B) The stockholders may alter, amend, repeal the by-laws of the Corporation or adopt new by-laws for the Corporation at any annual meeting or at a special meeting called for the purpose, and all by-laws made by the directors may be altered or repealed by the stockholders.

IN WITNESS WHEREOF, we, the undersigned incorporators, have hereunto set our hands and seals on this 11th day of November, 1996.

KNOWLWOOD, INC.

Billy Frank Knowles (SEAL)
Billy Frank Knowles (Incorporator)

Katherine Knowles (SEAL)
Katherine Knowles (Incorporator)

STATE OF ALABAMA
SHELBY COUNTY

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Billy Frank Knowles and Katherine Knowles, whose names are signed to the foregoing Articles of Incorporation, and who are known to me, acknowledged before me on this day that, being informed of the contents of such instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 11th day of November, 1996.

Danny Hand
Notary Public

Commission Expires
12/15/96

STATE OF ALABAMA

I, Jim Bennett, Secretary of State of the State of Alabama, having custody of the Great and Principal Seal of said State, do hereby certify that pursuant to the provisions of Section 10-2B-4.02, Code of Alabama 1975, and upon an examination of the corporation records on file in this office, the following corporate name is reserved as available:

Knowlwood, Inc.

This domestic corporation name is proposed to be incorporated in Shelby County and is for the exclusive use of Frank C Ellis Jr, P O Box 587, Columbiana, AL 35051 for a period of one hundred twenty days beginning October 15, 1996 and expiring February 13, 1997.

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol, in the City of Montgomery, on this day.

October 15, 1996

Date



Jim Bennett

Secretary of State



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