

ARTICLES OF INCORPORATION
OF
CAMPBELL COUNTY IMAGINATION LIBRARY, INC.
a Kentucky Nonprofit Corporation

The undersigned Incorporator hereby executes these Articles of Incorporation for the purpose of forming and does hereby form a nonprofit corporation under Chapter 273 of the Kentucky Revised Statutes, in accordance with the following provisions:

ARTICLE I

This corporation shall now be named and known as **CAMPBELL COUNTY IMAGINATION LIBRARY, INC.** (hereinafter the "Corporation"), by which name it may contract and be contracted with, sue and be sued, and carry on business consistent with its purposes and powers.

ARTICLE II

The principal office of the Corporation shall be located at **3920 Alexandria Pike, Cold Spring, KY 41076**. Its registered address shall be **40 W. Pike Street, Covington, Kentucky 41011** and its agent for service of process at that address shall be **Claire Parsons**.

ARTICLE III

The Corporation shall be a nonprofit organization, with no capital stock and from which no private pecuniary profit shall ever be derived by any director, officer or other person, except such compensation as may be allowed for services actually rendered to the Corporation. The income of the Corporation shall be devoted solely towards achieving its charitable objectives, including the payment of its operation expenses.

ARTICLE IV

The Corporation is organized and shall be operated exclusively for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States Internal Revenue law (the "Code"). The specific purpose for which the Corporation is formed is to improve early childhood literacy skills by promoting and funding an affiliate of Dolly Parton's Imagination Library for all qualified children living in Campbell County, Kentucky and by collaborating with other organizations within Campbell County that also aim to improve early childhood literacy skills. The Corporation shall do all things necessary and desirable to raise funds for the monthly purchase and distribution of books through Dolly Parton's Imagination Library and for ancillary costs needed for promotion and operating of the program. The Corporation may conduct any activities consistent with such purposes and such other activities the nonprofit corporation laws of the Commonwealth of Kentucky and Section 501(c)(3) of the Code permit, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code. Further, any and all such things and acts in and incidental to the conduct of such activities as are useful, necessary, proper and lawful, are declared purposes.

The Corporation is organized exclusively for the charitable purposes set forth above, and it may in general do things necessary and useful in accomplishing such purposes. All assets and earnings shall be used exclusively for the purposes set forth above, including the payment of incidental expenses; and no part of the net earnings shall inure to the benefit of or be distributable to its Board of Directors, Officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article IV. No substantial part of the Corporation's activities shall be for the carrying on of propaganda or

otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code, as amended, and its regulations.

ARTICLE V

The duration of the Corporation shall be perpetual.

ARTICLE VI

The Corporation shall have the power:

- (a) To raise and receive funds, apply for grants, and solicit sponsorships, the proceeds of which shall be used in a manner consistent with the purposes of the Corporation;
- (b) To receive donations, charitable contributions and establish endowments to be used in a manner consistent with the purposes of the Corporation;
- (c) To employ any personnel needed for carrying out the purposes of the Corporation;
- (d) To purchase, lease, receive, own and to sell, lease, donate, and convey real and personal property of all kinds necessary or desirable to achieve the purposes of the Corporation;
- (e) To borrow money, lend money, give its notes, bonds and other obligations therefor and to secure payment therefor by pledging, assigning, or mortgaging any property it may own or revenue it may reasonably anticipate;
- (f) To receive any donation(s) in the making of which the donor may direct the purposes and uses for which said donation shall be applied. Then, in that event, such donation shall be kept separate from the general fund of the Corporation and the same shall be applied as directed by the donor, provided said purpose does not conflict with the purposes of the said Corporation; and

(g) To do any and all other lawful acts reasonably necessary to carry out the purposes of the Corporation.

ARTICLE VII

The business and affairs of the Corporation shall be governed and conducted by a Board of Directors. The Board of Directors of the Corporation shall consist of not less than five (5) nor more than fifteen (15) persons, as may be determined by the Board from time to time. All appointments to the Board of Directors of the Corporation shall be made by the Campbell County Public Library District Board of Trustees, Inc. Provided, however, that each of the following Campbell County school districts shall nominate and have one (1) representative on the Board of Directors:

1. Campbell County Schools (as selected by the Campbell County School Board), so long as the Campbell County Schools shall continue to exist or desire to participate;
2. The Bellevue Independent School District (as selected by the Bellevue Independent Schools Board of Education), so long as the Bellevue Independent School District shall continue to exist or desire to participate.
3. The Dayton Independent School District (as selected by the Dayton Independent Schools Board of Education), so long as the Dayton Independent School District shall continue to exist or desire to participate.
4. The Fort Thomas Independent School District (as selected by the Fort Thomas Independent Schools Board of Education), so long as the Fort Thomas Independent School District shall continue to exist or desire to participate.
5. The Newport Independent School District (as selected by the Newport Independent Schools Board of Education), so long as the Newport Independent School District shall continue to exist or desire to participate.

6. The Southgate Independent School District (as selected by the Southgate Independent Schools Board of Education), so long as the Southgate Independent School District shall continue to exist or desire to participate.

The Board of Directors shall be appointed in accordance with the By-Laws of the Corporation, provided that the provisions of said By-Laws are consistent with the requirements of this Article VII. The Board of Directors shall have full power and authority to adopt all necessary resolutions, amendments and By-Laws for the Corporation.

The Directors of the first Board of Directors of the Corporation are: Robb Smith, Bellevue Independent Schools; David Rust, Campbell County Schools; Jay Brewer, Dayton Independent Schools; Bill Bradford, Fort Thomas Independent Schools; Kelly Middleton, Newport Independent Schools; and JC Morgan, Campbell County Public Library.

ARTICLE VIII

The Corporation shall have no members.

ARTICLE IX

Each person who is or was a director or officer of the Corporation, whether elected or appointed, and each person who is or was serving at the request of the Corporation as a director or officer of another corporation, whether elected or appointed, including the heirs, executors, administrators, or estate of any such person, shall be indemnified by the Corporation to the full amount against any liability, and the reasonable cost or expense (including attorney fees, monetary or other judgments, fines, excise taxes, or penalties and amounts paid or to be paid in settlement) incurred by such person in such person's capacity as a director, officer, or employee or arising out of such person's status as a director, officer, or employee; provided, however, no such person shall be indemnified against any such liability, cost, or expense incurred in connection with any action, suit, or proceeding in which such person shall have been adjudged liable on the basis that personal benefit was improperly

received by such person, or if such indemnification would be prohibited by law. Such right of indemnification shall be a contract right and shall include the right to be paid by the Corporation the reasonable expenses incurred in defending any threatened or pending action, suit, or proceeding in advance of its final disposition; provided, however, that such advance payment of expenses shall be made only after delivery to the Corporation of an undertaking by or on behalf of such person to repay all amounts so advanced if it shall be determined that such person is not entitled to such indemnification. Any repeal or modification of this Article IX shall not affect any rights or obligations then existing. If any indemnification payment required by this article is not paid by the Corporation within Ninety (90) calendar days after a written claim has been received by the Corporation, the director, officer, or employee may at any time thereafter bring suit against the Corporation to recover the unpaid amount and, if successful, in whole or in part, such person shall be entitled to be paid also the expense of prosecuting such claim. The Corporation may maintain insurance, at its own expense, to protect itself and any such person against any such liability, cost, or expense, whether or not the Corporation would have the power to indemnify such person against such liability, cost, or expense under the Kentucky Nonprofit Corporation Act or under this Article IX, but it shall not be obligated to do so. The indemnification provided by this Article IX shall not be deemed exclusive of any other rights which those seeking indemnification may have or hereafter acquire under any By-Law, agreement, statute, vote of the Board of Directors, or otherwise. If this Article IX or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each such person to the full extent permitted by any applicable portion of this Article IX that shall not have been invalidated or by any other applicable law.

ARTICLE X

Notwithstanding the provisions of Article IX, the private property of the Directors of the

Board of Directors of this Corporation shall be exempt from liability for any and all debts of the Corporation.

ARTICLE XI

No Director shall be personally liable to the Corporation for monetary damages for breach of his duties as a director to the extent provided in KRS 273.248 now in effect or as may hereafter be amended, except for liability:

- (a) For any transaction in which the Director's personal financial interest is in conflict with the financial interests of the Corporation;
- (b) For acts or omissions not in good faith or which involve intentional misconduct or are known to the Director to be a violation of law; or
- (c) For any transaction from which the Director derives an improper personal benefit.

If the Kentucky Revised Statutes are amended after approval of this Article XI to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director of the Corporation shall be deemed to be eliminated or limited by this provision to the fullest extent then permitted by the Kentucky Revised Statutes, as so amended. Any repeal or modification of this Article XI shall not adversely affect any right or protection of a Director of the Corporation existing at the time of such repeal or modification.

ARTICLE XII

The Articles of Incorporation may be altered or amended by a majority vote of the Board of Directors, at any time it may desire, by signing, executing, acknowledging and recording such amendments in the manner required by law.

ARTICLE XIII

(a) No person shall possess any property right in or to the property or assets of the Corporation. The Corporation may only be dissolved by a vote of two-thirds of its Board of Directors. Any property or assets to be distributed pursuant to this Article shall occur only after all proper claims against this Corporation have been satisfied. Upon the dissolution of the Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation, shall be distributed to the Campbell County Public Library District Board of Trustees and each Campbell County School District participating in the Campbell County Imagination Library at the time of dissolution *pro-rata* in accordance with the amount of money each has contributed to the Corporation.

(b) No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

(c) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and preapproved by the Corporation and to make payments and distributions in furtherance of the purposes set forth in Article IV of these Articles of Incorporation.

(d) 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 taxation under Section 501(c)(3) of the Internal Revenue Code, or the 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 the corresponding section of any future

