

ARTICLES OF INCORPORATION  
OF  
THE APPALSHOP, INCORPORATED

Know All Men By These Presents:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a not-for-profit corporation under the laws of the Commonwealth of Kentucky, and to that end to hereby adopt articles of incorporation as follows:

ARTICLE I

The name of the corporation is APPALSHOP, INCORPORATED and by such name it shall be known as a body corporation and its duration is perpetual.

ARTICLE II

The purpose of the corporation is to exercise all the powers conferred upon corporations formed under the non-profit laws of the state of Kentucky in order to accomplish the corporation's charitable and educational purposes, including but not limited to the power to accept donations of money or property whether real or personal, or any interest therein, wherever situated.

The foregoing purposes and all other purposes and powers of this corporation as stated in these Articles of Incorporation shall be exclusively for such charitable purposes as are within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1954 and Chapter 273 of the Kentucky Revised Statute of the Commonwealth of Kentucky.

ARTICLE III

The corporation formed hereby shall have no capital stock and shall have no members.

ARTICLE IV

The names and addresses of the three initial Board of Directors who are to serve until the first annual meeting are:

<u>William B. Richardson</u>	<u>Whitesburg, Ky.</u>
<u>Amelia S. Pickering</u>	<u>Jeremiah, Kentucky</u>
<u>Albert B. Morgan</u>	<u>Whitesburg, Ky.</u>

ARTICLE V

Except for the initial Board of Directors, whose names are set forth in Article IV in these Articles of Incorporation, the Board of Directors shall be elected or appointed as provide in the By-laws.

ARTICLE VI

The by-laws of the Corporation may be adopted or amend by a majority of the directors of the corporation, or as provided in the by-laws of the corporation. Provisions for the regulation of the internal affairs of the corporation, except as provided in these Articles, shall be determined and fixed by the By-laws as adopted by the Board of Directors.

ARTICLE VII

The address of the initial registered office of the corporation and the name of its initial registered agent at such address are:

Albert B. Morgan  
118 Main Street  
Whitesburg, Kentucky 41858

ARTICLE VIII

At all times, and notwithstanding merger, consolidation, reorganization, termination, dissolution, or winding up of the corporation, voluntary or involuntary or by operation of law, or any other provisions hereof:

A: The corporation shall not possess or exercise any power or authority, whether expressly, by interpretation, or by operation of law, that will or might prevent it at any time from qualifying and continuing to qualify as a corporation described in Section 501 (c) (3) of the Internal Revenue Code of 1954 (hereinafter referred to as "the Code"), contributions to which are deductible for federal income tax purposes; nor shall the corporation engage directly or indirectly in any activity that might cause the loss of such qualification under Section 501 (c) (3) of the Code.

B: No part of the assets or net earnings of the corporation shall ever be used, nor shall the corporation ever be organized or operated, for the purposes that are not exclusively charitable or educational within the meaning of Section 501 (c) (3) of the Code.

C: The corporation shall never be operated for the primary purpose of carrying on a trade or business for profit.

D: No substantial part, and, during such time or times that the corporation is a private foundation within the meaning of Section 509 of the Code, no part of the activities of the corporation shall consist of attempting to influence legislation (including action by Congress, any state legislature, any local council or similar governing body, or the public in referendum, initiative, constitutional amendment, or similar procedure)

through propaganda or otherwise (including contacting, or urging the public to contact, members of a legislative body for the purpose of proposing, supporting, or opposing legislation). Nor shall the corporation, directly or indirectly, participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

E: At no time shall the corporation engage in any activities that are unlawful under the laws of the United States, Kentucky, or any other jurisdiction where its activities are carried on.

F: No solicitation of contributions to the corporation shall be made, and no gift, bequest, or devise to the corporation shall be accepted, upon any condition or limitation that in the opinion of the corporation may cause the corporation to lose its federal income tax exemption.

G: Pursuant to the prohibition contained in Section 501 (c) (3) of the Code, no part of the net earnings, current or accumulated, of the corporation shall ever inure to the benefit of any private individual.

H: Notwithstanding any other provision of these Articles, if at any time or times the corporation is a private foundation within the meaning of Section 509 of the Code, then during such time or times:

(1) The corporation shall distribute its income for each taxable year at such time and in such manner as not to subject the corporation to tax under Section 4942 of the Code;

(2) The corporation shall not engage in any act of self-dealing, as defined in Section 4941 (d) of the Code;

(3) The corporation shall not retain any excess business holdings, as defined in Section 4943 (c) of the Code;

(4) The corporation shall not make any investments in such a manner as to subject the corporation to tax under Section 4944 of the Code; and

(5) The corporation shall not make any taxable expenditures as defined in Section 4945 (d) of the Code.

#### ARTICLE IX

Upon the termination, dissolution, or winding up of the corporation in any manner or for any reason, voluntary or involuntary, its assets, if any, remaining after the payment or provision for payment of all liabilities of the corporation, shall be distributed to, and only to, one or more organizations described in Section 501 (c) (3) of the Code.

#### ARTICLE X

The private property of the officers and directors of the corporation shall not be subject to payment of corporate debts to any extent whatever.

#### ARTICLE XI

The corporation shall indemnify any director or officer or former director or officer of the corporation, or any person who may have served at its request as a director or officer of another corporation, whether for profit or not for profit, against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been such director or officer, except in relation to matter as to which he shall

be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of a duty. The indemnification provided by this Article Eleventh shall not be deemed exclusive of any other rights to which such director or officer may be entitled under any By-law, agreement, vote of the Board of Directors, or otherwise. In no case, however, shall the corporation indemnify or reimburse any person for any federal excise taxes imposed on such individual under Chapter 42 of the Code. Further, if at any time or times the corporation is a private foundation within the meaning of Section 509 of the Code, then, during such time or times, no payment shall be made under this Article Eleventh if such payment would constitute an act of self-dealing (as defined in Section 4941 (d) of the Code), or a taxable expenditure (as defined in Section 4945 (d) of the Code).

#### ARTICLE XII

All references contained in these Articles to the Internal Revenue Code of 1954, or to "the Code," shall be deemed to refer to the Internal Revenue Code of 1954, and the Regulations established pursuant thereto, as they now exist or as they may hereafter be amended. Any reference contained in these Articles to a specific section or chapter of the Code shall be deemed to refer to such section or chapter and the Regulations established pursuant thereto as they now exist or as they may hereafter be amended; and to any corresponding provision of any future United States Internal Revenue law and any Regulations established pursuant thereto.

In WITNESS WHEREOF, We have signed and acknowledged  
these Articles of Incorporation this 17 day of January,  
in the year 1975.

William B. Richardson  
Amelia S. Pickering  
Albert B. Morgan

County of Letcher  
(State of Kentucky), ss:

I, Ann C. Holbrook, a Notary Public,  
hereby certify that on the 17 day of January,  
in the year of 1975, personally appeared before me  
William B. Richardson, Amelia S. Pickering, and Albert B Morgan,  
who signed the foregoing document as incorporators, and declared  
that the statements contained therein are true.

ORIGINAL COPY  
FILED  
SECRETARY OF STATE OF KENTUCKY  
FRANKFORT, KENTUCKY

Ann C. Holbrook

My commission expires May 16, 1977

JAN 22 1975

Thelma L. Stovace  
SECRETARY OF STATE  
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