

ARTICLES OF INCORPORATION

OF

KENTUCKY EDUCATIONAL DEVELOPMENT FINANCE CORPORATION

PREAMBLE

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BOB BARBA
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY *JB*

The within incorporator hereby declares that the within corporation is created at the request of the Kentucky Educational Development Corporation ("KEDC"), a cooperative association of Kentucky school districts and other educational institutions formed pursuant to Sections 65.210 through 65.300 of the Kentucky Revised Statutes (the "Interlocal Cooperation Act"), for the purpose of acting as an agency and instrumentality of said KEDC in financing the acquisition, construction and equipping of school buildings and related facilities for KEDC,

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS;

That I, Eugene S. Binion, Chairman of the Executive Committee of KEDC, do hereby organize and form a nonprofit and nonstock corporation, under and by virtue of the laws of the Commonwealth of Kentucky and specifically Chapter 273 and Section 58.180 of the Kentucky Revised Statutes to act in providing KEDC member school districts and other educational institutions with services, programs and facilities to assist in the education of the children of the respective school districts or educational institutions and act as a financing vehicle for KEDC, and do hereby adopt the following articles for its charter.

ARTICLE I

The Corporation shall be named and known as Kentucky Educational Development Finance Corporation ("Corporation"), by which it may contract and be contracted with, sue and be sued, adopt a corporate seal and conduct its business.

ARTICLE II

The principal office and place of business of said Corporation shall be 904 West Rose Road, Ashland, Kentucky 41102-7104.

ARTICLE III

It is not the purpose of this organization to operate for pecuniary profit, and the nature of the business and objects and purposes to be transacted, promoted and carried on shall be the acquisition and improvement of real property and the acquisition and operation of personal property for KEDC and the promotion of the public interests of said KEDC, and in that connection without profit to the Corporation or its members, to receive, hold and disburse gifts, bequests and other funds for such purposes, to acquire, own, maintain, sell, mortgage or pledge real estate or personal property and to issue or assume bonds, notes, or other evidence of indebtedness to evidence its obligations and generally to do any and all things necessary and incidental to its general purposes aforesaid and, without limiting the generality of the foregoing, to acquire real estate and acquire and operate personal property for KEDC in order that the Corporation may, on behalf and at the direction of KEDC, provide KEDC with adequate educational building facilities and related

personal property.

ARTICLE IV

The Corporation shall have no capital stock and is not formed for profit, but to provide adequate educational building facilities for KEDC.

All of the assets and earnings shall be used exclusively for the purpose herein set out, including the payment of expenses incidental thereto, and no part of the net earnings shall inure to the benefit of any member or individual, and no substantial part of its activities shall be the carrying on of propaganda or otherwise attempting to influence legislation. In the event of dissolution, all of the assets of the Corporation shall be disbursed in total to KEDC.

ARTICLE V

The Corporation shall commence business as soon as these Articles are filed in the office of the Secretary of State, Frankfort, Kentucky and the Boyd County, Kentucky Court Clerk. The life of the Corporation shall be perpetual, unless sooner dissolved by a majority vote of its members; provided, however, that said Corporation cannot be dissolved so long as any indebtedness is outstanding and unpaid.

ARTICLE VI

The registered agent for the service of process shall be Lawrence Whaley, 904 West Rose Road, Ashland, Kentucky 41102-7104, which address shall also be the registered office of said Corporation.

ARTICLE VII

The affairs and business of the Corporation shall be conducted by its members, who shall constitute the governing body of the Corporation, consisting of eleven members, to be known as its Board of Directors; the Board of Directors shall be the incumbent members of the Executive Committee of Kentucky Educational Development Corporation as elected by the membership of KEDC. Upon any ex officio member of the Board of Directors ceasing to be a member of the KEDC Executive Committee, said person shall no longer be a member of the Corporation's Board of Directors; his successor on the Executive Committee, whether elected or appointed, shall automatically succeed him as a Director for the remainder of his term.

The officers of the Corporation shall consist of a President, a Secretary, a Treasurer, and such Vice-Presidents as the Board of Directors may elect; said officers need not be members of the Board of Directors.

Members shall act as a Board of Directors and shall have full power to make all by-laws to regulate the business of the Corporation as will not be inconsistent with the provisions of the Articles of Incorporation and the laws of the Commonwealth of Kentucky.

The name and addresses of the initial Board of Directors who are the current members of the Executive Committee of KEDC shall be as set forth in Exhibit A to these Articles.

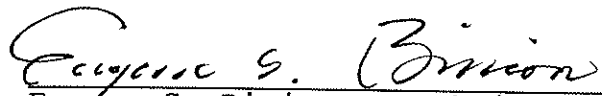
ARTICLE VIII

The maximum indebtedness or liability which the Corporation may at any time incur is unlimited, and its property shall not be used or applied except for the payment of its debts and liabilities lawfully incurred. The Corporation shall incur no indebtedness or liability except upon a majority vote of the members or directors as reflected by the Corporation's records. In connection with the incurring of any indebtedness, such provisions may be inserted in the papers authorizing same as may be deemed necessary for the protection of the holders of such indebtedness, and without limiting the generality of the foregoing, the Corporation may issue or assume from time to time separate bond issues or notes, with such separate or combined security and with such restrictions as the members and the Board of Directors may deem for the best interest of the Corporation.

ARTICLE IX

The private property of the Members or Directors shall not be subject to or in any way liable for any debt or contract of this Corporation.

IN TESTIMONY WHEREOF, witness my hand this 11th day of May, 1994.



Eugene S. Binion, as Chairman of
the Executive Committee of
Kentucky Educational Development
Corporation

ARTICLES OF INCORPORATION
KENTUCKY EDUCATIONAL DEVELOPMENT FINANCE CORPORATION
EXHIBIT A

Initial Board of Directors

<u>Name</u>	<u>Address</u>
Eugene S. Binion	Route 3 Box 236 Olive Hill, KY 41164
Frank Hamilton	281 Rush Fork Lane Wittensville, KY 41274
Stephen Towler	100 Lawson Street Branham Village Prestonsburg, KY 41653
David Barnett	Route 2 Box 257 Flemingsburg, KY 41041
Bill Morgan	193 West Main Owingsville, KY 40360
James Simpson	83 Lansdowne Lane Williamsburg, KY 40769
George Kirk	108 Ridgeway Road Owingsville, KY 40360
Lonnie Anderson	681 Blakes Fork Williamsburg, KY 40769
Dan Branham	1432 Louise Drive Ashland, KY 41102
James Carver	329 South Tyler Street Morgantown, KY 42261
Larry Kelsch	307 Bracken Street Augusta, KY 41002

MINUTES OF THE ORGANIZATIONAL MEETING OF
THE BOARD OF DIRECTORS OF
KENTUCKY EDUCATIONAL DEVELOPMENT FINANCE CORPORATION

The Organizational Meeting of the Board of Directors of Kentucky Educational Development Finance Corporation (the "Corporation") was held at the Moreland residence in Dayton, Kentucky, on June 21, 1994, at 5:00 P.M., E.D.S.T., pursuant to notification of such meeting issued by Incorporator of the Corporation.

There were present the following Members-Directors:

Eugene S. Binion
Frank Hamilton
Stephen Towler

Bill Morgan

Lonnie Anderson

Larry Kelsch

There were absent: David Barnett, James Simpson, George Kirk,
Dan Branham, and James Carver

* * * * *

Thereupon, a motion was made, seconded, and unanimously approved that the following individuals shall be officers of the Corporation:

Eugene S. Binion, President
Jack Moreland, Vice President
Stan Riggs, Secretary-Treasurer

Thereupon, a motion was made, seconded, and unanimously approved that it not be necessary for the Corporation to adopt a corporate seal and that any document evidencing an official and valid action of said Corporation shall not be invalid by virtue of the absence of said seal.

Thereupon, a motion was made, seconded, and unanimously approved that the By-Laws attached to these minutes be approved and adopted.

Thereupon, a motion was made, seconded and unanimously approved that the following Resolution be adopted:

WHEREAS, the Kentucky Educational Development Corporation ("KEDC") desires to acquire, construct, reconstruct, renovate, improve or refinance the acquisition of certain public building facilities for and on behalf of KEDC, consisting of the refinancing of its Central Office Headquarters in Ashland, Kentucky (the "Project"), and

WHEREAS, KEDC is without the lawful means to incur an indebtedness in the amount required for said refinancing, but may lawfully provide for the obtaining of the required sum by renting the property upon which the Project is to be located at a rental which is reasonable in amount and will not cause KEDC to exceed the income and revenues provided for any fiscal year during which KEDC leases the Project, and

WHEREAS, the Corporation has been established as an agency and instrumentality of KEDC as a nonprofit, nonstock public and educational corporation organized under Chapter 273 of Kentucky Revised Statutes and existing by virtue of the laws of the Commonwealth of Kentucky having for its corporate purpose cooperation with KEDC in financing the cost of refinancing the

acquisition, and construction of extensions, additions and improvements to the Project, with the power to borrow money, encumber property and do any and all things necessary or incidental to the purposes of its incorporation, and

WHEREAS, there will be presented to the Members-Directors of the Corporation certain instruments designed to carry out a plan of refinancing the cost of the acquisition of the Project by the Corporation for and on behalf of KEDC;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED BY THE MEMBERS-DIRECTORS OF THE KENTUCKY EDUCATIONAL DEVELOPMENT FINANCE CORPORATION, AS FOLLOWS:

1. RESOLVED THAT, the President and Secretary are hereby authorized to execute for and on behalf of the Corporation a certain Mortgage, Security Agreement and Indenture of Trust in favor of First & Peoples Bank and Trust Company, Russell Kentucky, as trustee (the "Trustee"), which instrument authorizes the issuance, execution and delivery of \$275,000 Kentucky Educational Development Finance Corporation First Mortgage Revenue Bonds, Series of 1994, secured by a first mortgage lien upon and a first pledge of the revenues derived from the lease of the Project property identified in said Mortgage, Security Agreement and Indenture of Trust to KEDC; said Mortgage, Security Agreement and Indenture of Trust being in the same form as that

to be prepared by Henry M. Reed III, Louisville, Kentucky (the "Bond Counsel"), and

2. RESOLVED FURTHER THAT, the President and Secretary are hereby authorized to execute for and on behalf of the Corporation a certain Contract, Lease and Option (the "Lease") between said Corporation and KEDC whereunder the Project shall be leased to KEDC for one year at a time, with the option in KEDC to renew said Lease from year to year until such time as the Bonds have been completely paid and retired. Such Lease being in the same form as that to be prepared by Bond Counsel, and

3. RESOLVED FURTHER THAT, the President and/or Secretary-Treasurer are hereby authorized to advertise for the public sale of said \$275,000 of Bonds; either of said officers being authorized to accept the best bid submitted without further action by the Board of Directors and certify the results to the Trustee.

RESOLVED FURTHER THAT, the President and Secretary-Treasurer are hereby authorized to execute such further documents as may be necessary to effect the authorization, sale and delivery of the Bonds.

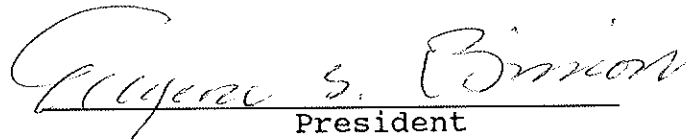
* * * * *

The minutes were then read by the Secretary-Treasurer and no corrections being found necessary, a motion was made, seconded and unanimously approved that the minutes be approved as read and signed.

Thereupon, the President signed said minutes, with the approval of the Members-Directors present.


The President, noting that the minutes were approved as read then ordered that said minutes be promptly recorded by the Secretary and that such minutes be open to public inspection at reasonable times.

There being no further business to come before the meeting, a motion was made, seconded, and unanimously carried that the meeting adjourn.



President

Attest:



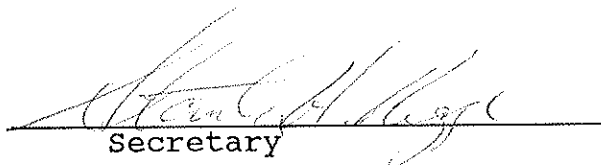
Secretary-Treasurer

CERTIFICATE

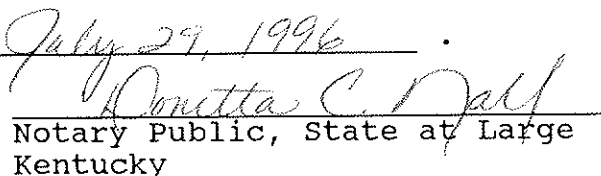
The undersigned, Stan Riggs, hereby certifies that he is the duly elected and acting Secretary-Treasurer of Kentucky Educational Development Finance Corporation, and that the foregoing is a true copy of the minutes of the Organizational Meeting of said Members-Directors of said Corporation held on the 21st day of June, 1994 in Dayton, Kentucky, insofar as said minutes pertained to the matters hereinbefore set forth.

It is further certified that the foregoing minutes were read and approved at said meeting, and were promptly recorded and are open to public inspection at reasonable meetings.

The undersigned further certifies that notice of the time and place of said Organizational Meeting was caused to be delivered personally or by mail or telephone, at least twenty-four hours prior to the time of such meeting, to each local newspaper of general circulation, each news service, each local radio or television station which had on file at the time of the giving of such notice or since such time with the Kentucky Educational Development Corporation a written request to be notified of special meetings.


Secretary

Subscribed and sworn to before me this 21st day of June, 1994.

My commission expires July 29, 1996 .

Notary Public, State at Large
Kentucky

(Seal)