

## **ARTICLES OF INCORPORATION**

WE THE UNDERSIGNED having associated for the purposes of forming a nonprofit, non-stock corporation, under and pursuant to the laws of the Commonwealth of Kentucky, and more particularly Chapter 273, Kentucky Revised Statutes, hereby certify as follows:

### **ARTICLE I – NAME**

The name of the corporation is: Teatro Tercera Llamada, Inc.

### **ARTICLE II – PURPOSE**

The corporation is organized and operated exclusively for literary or educational purposes as described within Section 501(c) (3) of the Internal Revenue Code (or the corresponding provision of any further federal tax code), including for such purposes that making of distributions to organizations and individuals for the purposes of engaging in activity falling within the purposes of the Corporation and permitted for an organization exempt under said Section 501 (c) (3).

The purpose of the Corporation shall be more specifically stated as follows:

- a. Teatro Tercera Llamada brings Spanish Language Theater and produces original, relevant Spanish language plays for adults and children in Kentucky.

### **ARTICLE III – Principal Address and Registered Agent**

The Address of the registered office of the corporation is 12102 Edenwood Drive, Louisville, KY 40206. The principal office address, which shall be used for all business communication is P.O. Box 43676 , Louisville, KY 40253

The name of the initial registered agent for service of process, located at such address, is Haydee Canovas, 12102 Edenwood Drive, Louisville, KY 40243

### **ARTICLE IV – Powers**

The Corporation shall be irrevocably dedicated to and operated exclusively for, nonprofit purposes. The Corporation shall have no capital stock and no power to issue certificates for shares of capital stock or to declare dividends. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons, except for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article IV hereof.

### **ARTICLE V – Restrictions of Activities**

In carrying out the corporate purposes described in Article IV, The Corporation shall have all powers granted by the laws of the Commonwealth of Kentucky, including in particular those

listed in Kentucky Revised Statutes Chapter 273.171 (or corresponding provision of any later state statute) except as follows and as otherwise stated in these Articles:

- a. No substantial part of the activities of the Corporation shall be 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.
- b. Notwithstanding any other provisions of the Articles, the Corporation shall not carry on any other activities not permitted to be carried on:
  1. By a corporation exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code, or corresponding provisions of any later Federal tax laws.
  2. By a corporation, contributions to which are deductible under Section 170 (c)(2) of the Internal Revenue Code, or corresponding provisions of any later Federal tax laws.
- c. If and so long as the Corporation is a private foundation as defined in Section 509 (a) of the Internal Revenue Code, or any corresponding provisions of any later Federal tax laws:
  1. The Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code, or corresponding provisions of any later Federal tax laws.
  2. The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code, or corresponding provisions of any later Federal tax laws.
  3. The Corporation shall not retain any excess business holding as defined in Section 4942 (c) of the Internal Revenue Code, or corresponding provisions of any later Federal tax laws.
  4. The Corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code, or corresponding provisions of any later Federal tax laws.
  5. The corporation shall not make any taxable expenditure as defined in Section 4945 (d) of the Internal Revenue Code, or corresponding provisions of any later Federal tax laws.

#### **ARTICLE VI –Incorporator**

The name and address of the incorporator is Haydee Canovas, 12102 Edenwood Dr. Louisville ,KY 40243.

**ARTICLE VII – Board of Directors**

Section 1. Powers and Numbers: The business and affairs of the corporation are to be conducted by a board of directors, the number of directors that constitute the board shall be fixed by a resolution of the board; provided, however, that the initial Board of Directors shall consist of no less than three Directors. Any action taken by the board to increase or decrease the number of directors shall require a majority vote of the existing board. The names and addresses of the members of the initial Board of Directors are:

<u>DIRECTOR</u>	<u>ADDRESS</u>
Haydee Canovas	12102 Edenwood Dr. Louisville, KY 40243
Carlos Manuel Chavarria	1603 Deerwood Ave. Louisville, KY 40205
Meybol Rodriguez Fernandez	7207 Patrick Henry Ct. Louisville, KY 40214

Section 2. Election and Term. The directors shall be elected by majority vote of the Board of Directors on an annual basis. Each director shall serve a term of two years or until the earliest of the director’s death, resignation or removal.

Section 3. Vacancies and Newly Created Directorships. Vacancies and newly created directorships resulting from an increase in the authorized number of directors by resolution of the board, shall be filled through appointment by majority vote of the Board of Directors.

Section 4. Removal of Director. Any Director may resign at any time by giving written notice to the Board of Directors. The resignation shall take effect at the time specified therein, and unless otherwise specified in the written notice, the acceptance of the written notice shall not be necessary to make it effective.

**ARTICLE VIII- Conflict of Interest**

Section 1. Purpose of Conflict of Interest Policy. The purpose of the conflict of interest policy is to protect this tax-exempt organization’s (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

## Section 2. Definitions

1. Interested Person – Any director, principal officer, or member of a committee with Board of Directors delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial Interest – A person has financial interest if the person has, directly or indirectly, through business, investment, or family:
  - a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
  - b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.
3. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph 2, a person who has a financial interest may have a conflict of interest only if the appropriate Board of Directors or committee decides that a conflict of interest exists.

## Section 3. Procedures

1. Duty to Disclose – In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with Board of Directors delegated powers considering the proposed transaction or arrangement.
2. Determining whether a Conflict of Interest Exists- After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
3. Procedures for Addressing the Conflict of Interest
  - a. An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  - b. The chairperson of the Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

- c. After exercising due diligence, the Board of Directors or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  - d. If a more advantageous transaction or arrangement is not reasonable possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decisions as to whether to enter into the transaction or arrangement.
4. Violations of the Conflicts of Interest Policy
- a. If the Board of Directors or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
  - b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### Section 4. Records or Proceedings

The minutes of the Board of Directors and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes take in connection with the proceedings.

#### Section 5. Compensation

1. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to the member's compensations.
2. A voting member of any committee whose jurisdiction includes compensation matters and who received compensation, directly or indirectly, from the Organization

for services is precluded from voting on matters pertaining to the member's compensation.

3. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### Section 6. Annual Statements

Each director, principal officer and member of a committee with Board of Directors delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflict of interest policy.
2. Has read and understands the policy.
3. Has agreed to comply with the policy, and
4. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

#### Section 7. Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excessive benefit transaction.

### **ARTICLE IX – Limitation of Director Liability**

- a. The directors, officers, employees and members of this Corporation shall not be held personally liable for any debt or obligation of the Corporation solely because of the position in the Corporation.

- b. Any person serving on the Board of Directors of this Corporation shall not be held personally liable for monetary damages resulting from the breach of his or her duties as a director unless such act, omission or breach:
  - i. Concerned or concerns a transaction in which the directors' personal financial interests was or is in conflict with the financial interests of the Corporation;
  - ii. Was not in good faith or involved or involves intentional misconduct on the part of the director;
  - iii. Was known by the director to be a violation of law; or
  - iv. Resulted in an improper personal benefit to the director.
- c. Any director or officers or former director or officers of the Corporation may be indemnified by the Corporation against any expenses actually and reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, civil or criminal, in which she or he is made a party by reason of being or having been such director or officer, except in relation to matters as to which she or he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty to the Corporation. The Corporation may make any other indemnification permitted by law and authorized by its Articles of Incorporation, or its By-Laws or a resolution adopted after notice to members entitled to vote.

#### **ARTICLE X – Dissolution**

In the event of dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, dispose of all assets of the Corporation exclusively for the purposes of the Corporation, in such manner, or to such organizations organized and operated exclusively for charitable or educational purposes as shall at the time qualify as an exempt organization under Section 501(c)(3) of the Internal Revenue Code (of corresponding provisions of any later Federal tax laws), as the Board of Directors shall determine.

The remaining assets, if any, shall be disposed of by the Circuit Court for the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organizations as said Court shall determine are organized and operated exclusively for such purposes.

#### **ARTICLE XI -Amendments**

Amendments to these Articles shall be made pursuant to the provisions of Kentucky Revised Statutes 273.263 (or corresponding provisions of any later state statute).

