

**Articles of Incorporation
Of
Ruritan National Foundation, Inc.**

Section I: Name

The name of the corporation is Ruritan National Foundation, Inc. (hereinafter the “Foundation”).

Section II: Purposes

The Foundation is organized to manage and maintain in trust for the encouragement, promotion and financing of the charitable, educational and benevolent principles and activities of Ruritan Clubs and of Ruritan National, and for charitable, religious, literary, educational, and scientific purposes, including, for such purposes and without limitations, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, now as in force or as amended, or to exempt organizations under Section 501 (c) (4) of the Internal Revenue Code for charitable purposes that are aligned with the purposes of the Foundation; and to the extent consistent therewith, for the conduct of any or all lawful affairs, not required to be stated specifically in these Articles of Incorporation, for which non-stock corporations may be incorporated under Chapter 10 Title 13.1 of the Code of Virginia, as amended.

Section III: Sole Member

- A. The Foundation shall have one member, Ruritan National, hereinafter referred to as the “Sole Member.” The Sole Member shall have full voting rights and such other rights as are granted members under the Virginia Non-Stock Corporation Act.
- B. Should Ruritan National for any reason cease to exist or be unable or unwilling to act as the Sole Member, then the Foundation directors may elect future directors of the Foundation and may fill vacancies on the Board of Directors caused by death, resignation or other causes. Should, for any reason, the Foundation be without both a member and directors, then the judge of the Circuit Court for the city or county in which the principal office of the Foundation is located shall name three directors who may thereafter elect other directors.
- C. The annual meeting of the Foundation may be held at such place, either in or out of the Commonwealth of Virginia, and time as provided in the Bylaws.
- D. A special meeting of the Foundation shall be held on call of the President, the Treasurer, the Secretary, the Board of Directors, or by a majority vote of the Board of Directors of the Sole Member. Special meetings of the Foundation may be held at such place, either in or out of the Commonwealth of Virginia, and time as provided in the Bylaws.

- E. A decision of the Board of Directors may be reversed only by the affirmative vote of two-thirds of the Board of Directors of the Sole Member at the first regularly scheduled meeting of the Board of Directors of the Sole Member after the decision in question.

Section IV: Board of Directors

- A. The affairs of the Foundation shall be managed by a Board of Directors. The President, Vice-President, Treasurer, Secretary, and Promotion Chair shall be the directors. The number of Directors, in addition to those listed in the previous sentence, shall be set forth in the Bylaws (which may establish a variable range for the size of the Board of Directors). The Bylaws may prescribe qualifications for the Directors.
- B. Directors shall be elected at the annual meeting of the Foundation by the Sole Member. Any vacancy occurring on the Board of Directors other than by expiration of the term of a Director shall be filled by the Board of Directors of the Sole Member until the next annual convention of the Sole Member and at such convention any vacancy or vacancies shall be filled by election for such unexpired term or terms.
- C. A Director may be removed only with cause, only at a meeting called for the purpose of removing the Director, and by the procedure defined in the bylaws of the Foundation.
- D. The Board of Directors (reference Articles of Incorporation Section IV:A) may act at regular meetings or special meetings as provided by Section 13.1-865 of the Code of Virginia. Regular and special meetings shall be held upon prior notice of the date, time and place of such meeting, and shall describe the purpose of the meeting.
- E. For the transaction of all business of the Foundation, a quorum of the Board of Directors shall consist of no fewer than 51% of the fixed or prescribed number of Directors.
- F. The Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on such committees. Each committee may have two or more members of the Board of Directors who serve at the pleasure of the Board of Directors. The creation of a committee and appointment of Directors to such committee shall be approved by a majority of all Directors in office when the action is taken. Any such committee shall be governed by the provisions of these Articles governing meetings, actions without meetings, notice of meetings, and quorum requirements for the entire Board of Directors.
- G. A conflict of interest transaction, as described in Section 13.1-871 of the Code of Virginia, shall be authorized, approved, or ratified by the Board of Directors if such transaction receives the affirmative vote of a majority of the Directors on the Board of Directors, or on the committee, who have no direct or indirect personal interest in the conflict of interest transaction, but such transaction may not be authorized, approved, or ratified by a single Director.

- H. The Board of Directors may amend the Bylaws of the Foundation, subject to the veto of any such action by a vote of two-thirds (2/3) of the Board of Directors of the Sole Member at the first regularly scheduled meeting of the Board of Directors of the Sole Member after the decision in question. The Foundation may, in its Bylaws, confer powers upon its Board of Directors in addition to the foregoing, and in addition to the powers and authorities expressly conferred upon them by statute, with the express limitation that the Board of Directors shall not exercise any power or authority conferred herein or by statute upon the sole member. The initial Board of Directors shall consist of five (5) individuals. The names and addresses of the initial directors are as follows:
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| Stephen Funkhouser | P. O. Box 1085 Broadway, Virginia 22815 |
| Gene Austin | 5004 Andrew Street Kingsport, Tennessee 37660 |
| Robert A. Houck | 401 Sperryville Pike, Culpeper, Virginia 22701 |
| Nell Jeffries | 3814 Hinton Rd, Athens, West Virginia 24712 |
| J.J. Bernard Lerch III | 5407 Solomons Island Rd. Lothian, Maryland 27011 |

Section V: Operation

- A. No part of the net earnings of the Foundation shall inure to the benefit of or be distributable to any, trustee, Director or Officer of the Foundation or any private individual, except that the Foundation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the Foundation. Directors (as specified in Section IV:A of the Articles of Incorporation) shall receive no compensation for services rendered, but shall be reimbursed for expenses consistent with the reimbursement policy of the sole member, Ruritan National.
- B. The activities of the Foundation shall not include the carrying on of propaganda, or otherwise attempting to influence legislation, nor shall the Foundation 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. The Foundation shall have all of the rights, powers and privileges now or hereafter given to non-stock corporations under the laws of the Commonwealth of Virginia, except that neither the Foundation nor anyone acting on it's behalf shall conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501 (c) (3) of the Internal Revenue Code of 1986 and its regulations, as amended.

Section VI: Dissolution

- A. The Foundation is intended to exist in perpetuity. However, in accordance with 13.1-902 of the Code of Virginia, the Board of Directors, by affirmative vote of the Directors constituting at least two-thirds (2/3) of the full Board, may propose dissolution for submission to the Sole Member. Dissolution shall be authorized only by a 2/3 vote of the delegates attending an annual convention of the Sole Member.

- B. In the event of dissolution or final liquidation for any reason, all net assets of the Foundation, or the net proceeds from the sale thereof, (i.e., the net assets remaining after all liabilities and obligations of the Foundation have been paid, satisfied, discharged or adequate provision therefore having been made, and after satisfaction of any conditions specified by any donor or transferor of assets to the Foundation requiring the return, transfer or conveyance in the event of dissolution or final liquidation of the Foundation) shall be distributed under the direction of the Board of Directors, or by order of a court of proper jurisdiction, to some one or more corporations, trust funds, foundations, or other organizations created in the United States which shall at the time qualify as an organization(s) exempt from taxation within the meaning of Section 501 (c) (3), or described in Section 170 (c) (1) or Section 170 (c) (2) of the Internal Revenue Code of 1986, as now in force or as amended.

Section VII: Indemnification of Directors and Officers

- A. Each Director and Officer who is or was a party to any proceeding (including a proceeding by or in the right of the Foundation) shall be indemnified by the Foundation against any liability imposed upon or asserted against him (including amounts paid in settlement) arising out of conduct in his official capacity with the Foundation or otherwise by reason of the fact that he is or was such a Director or Officer or is or was serving at the request of the Foundation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, except there shall be no indemnification in relation to matters as to which he shall have been finally adjudged to be liable by reason of having been guilty of (i) willful misconduct or (ii) a knowing violation of criminal law in the performance of his duty as such Director or Officer.
- B. The Foundation is empowered to contract in advance to indemnify any Director or Officer to the extent indemnification is granted under Section A. The Board of Directors is also empowered to cause the Foundation to indemnify or contract in advance to indemnify any other person not covered by Section A. who was or is a party to any proceeding, by reason of the fact that he is or was an employee or agent of the Foundation, or is or was serving at the request of the Foundation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise to the same extent as if such person were specified as one to whom indemnification is granted under section A.
- C. The Foundation shall advance, pay for and/or reimburse the reasonable expenses incurred by an Officer or Director who is a party to any proceeding in advance of the final disposition thereof if (i) the Officer or Director furnishes the Foundation a written statement of his good faith belief that he has met the standard of conduct described in Section A above and (ii) the Officer or Director furnishes the Foundation a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that he did not meet the standard of conduct. The undertaking required by clause (ii) above shall be an unlimited general obligation of the Officer or Director but

need not be secured and may be accepted without reference to financial ability to make repayment.

- D. The foregoing provisions are intended to provide indemnification with respect to those monetary damages for which the Virginia Non-Stock Corporation Act permits the limitation or elimination of liability. In addition, to the full extent if any, that the Virginia Non-Stock Corporation Act as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of directors, a Director or Officer of the Foundation shall not be liable to the Foundation or its sole member for monetary damages arising out of a single transaction occurrence or course of conduct in excess of \$0.
- E. The Foundation may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board of Directors may determine, on behalf of any person who is or was a Director, Officer, employee or agent of the Foundation, or is or was serving at the request of the Foundation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against or incurred by such person in any such capacity or arising from his status as such, whether or not the Foundation would have power to indemnify him against such liability under the provisions of this Article.
- F. The provisions of this article shall be applicable to all actions, claims, suits or proceedings commenced after the adoption hereof, whether arising from any action taken or failure to act before or after such adoption. No amendment, modification or repeal of this article shall diminish the rights provided hereby or diminish the right of indemnification with respect to any claim, issue or matter in any then pending or subsequent proceeding that is based in any material respect on any alleged action or failure to act prior to such amendment, modification or repeal.
- G. Except to the extent inconsistent with this Article, terms used herein shall have the same meanings assigned them in the Indemnification Article of the Virginia Non-Stock Corporation Act, as now in effect or hereafter amended. Without limitation, it is expressly understood that reference herein to Directors, Officers, employees or agents shall include former Directors, Officers, employees and agents and their respective heirs, executors, and administrators.

Section VIII Amendments

The Articles of Incorporation may be amended or restated by the Board of Directors and the Sole Member in accordance with Sections 13.1-886 and/or 13.1-889 of the Code of Virginia, as amended.

Section IX: Registered Office

The address of the registered office is 5451 Lyons Road, Dublin, Virginia 24084, situate in the County of Pulaski, Virginia. The name of its initial registered agent is Gary C. Hancock, who is

