

ARTICLES OF INCORPORATION
OF
THE ARTS & CULTURAL COUNCIL
OF THE RAPPAHANNOCK

ARTICLE ONE

NAME

The name of the corporation is The Arts & Cultural Council of the Rappahannock (hereinafter referred to as “the Corporation”).

ARTICLE TWO

PURPOSE

This is a nonprofit corporation, a local arts agency organized exclusively to advance the region’s arts and cultural life, pursuant to Chapter 10 of Title 13.1 of the Code of Virginia (1950, as amended).

ARTICLE THREE

SPECIFIC AND GENERAL PURPOSES

- (a) The specific and primary purpose for which this corporation is formed is:
- (1) to advance the region’s arts and culture, and
 - (2) to enhance the quality of life in the “central Rappahannock region,” which includes the following counties: Stafford, Spotsylvania, Caroline, King George; and the City of Fredericksburg.

(b) The general purpose for which this corporation is formed is to operate exclusively for such educational and charitable purposes as will qualify it as an exempt organization under Internal Revenue Code Section 501 subdivision (c)(3), including for such purposes, the making of distributions to organizations that qualify as tax-exempt under the code.

(c) This corporation shall have and exercise all rights and powers conferred on corporations under the laws of the commonwealth of Virginia, provided, however, that this corporation is not empowered to engage in any activity which in itself is not in furtherance of its purposes as set forth in Subparagraphs (a) and (b) of this ARTICLE THREE.

(d) No part of the net earnings, properties or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member, officer or director of this corporation.

(e) This corporation shall not, as a substantial part of its activities, carry on propaganda or otherwise attempt to influence legislation.

(f) This corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

(g) The corporation shall not engage in any act of self-dealing as defined in Section 4941 subdivision (d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

(h) The corporation shall not retain any excess business holdings as defined in Section 4943 subdivision (c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

(i) The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue code of `1954, or corresponding provisions of any subsequent federal tax laws.

(j) The corporation shall not make any taxable expenditures as defined in Section 4945 subdivision (d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

(k) 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 distributed income imposed by Section 4942 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

(l) Notwithstanding any other provision of these Articles, the organization shall not carry on any activities that are not permitted:

(1) By an organization exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code, or

(2) By an organization, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code.

(n) The Corporation may solicit and receive funds and property by gift, transfer, or bequest, and may administer and apply such funds and property only to further purposes set out in ARTICLE THREE, Sections (a) and (b) above.

ARTICLE FOUR

REGISTERED OFFICE AND REGISTERED AGENT

The initial registered office address and the business address of the corporation is William Street Executive Center, Atrium Suite, 607 William Street, Fredericksburg, Virginia 22401-5773, which is physically located in the City of Fredericksburg, Virginia. The initial registered agent of the corporation, who is a resident of the Commonwealth of Virginia, and a Director of the Corporation, and whose business office is the same is the registered office, is Kathryn Reynolds Willis.

ARTICLE FIVE

DIRECTORS

- (a) The Directors of the Corporation shall be elected at the annual Board meeting.
- (b) The initial Directors are:

Kathryn R. Willis
608 Winterberry Drive
Fredericksburg, VA 22405

Susan Landess
409 Chamonix Drive
Fredericksburg, VA 22405

Nancy Heyward
207 Princess Elizabeth Street
Fredericksburg, VA 22401

Dana Herlong
1009 Prince Edward Street
Fredericksburg, VA 22401

Debby Klein
5702 West Kesslers Crossing
Fredericksburg, VA 22407

Harvey Gold
1008 Brandon Drive
Fredericksburg, VA 22401

ARTICLE SIX

MEMBERS

(a) Membership. General membership is open to any individual or organization that subscribes to the purposes of the organization and pays dues annually.

(b) Rights of members. Each individual member or organization shall have the right to vote on election of directors and other matters presented to membership by the Board.

ARTICLE SEVEN

INDEMNIFICATION

1. In this Article:

“Applicant” means the person seeking indemnification pursuant to this Article.

“Corporation” means the Arts and Cultural Council of the Rappahannock.

“Expenses” includes counsel fees.

“Liability” means the obligation to pay a judgment, settlement, penalty, fine or reasonable expenses incurred with respect to a proceeding.

“Official capacity” means, (i) when used with respect to a director, the office of director in the Corporation or (ii) when used with respect to an individual other than a director, the office in the corporation held by the individual or the employment or agency relationship undertaken by the employee or agent on behalf of the corporation.

“Official capacity” does not include service for any foreign or other domestic

corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise.

“Party” includes an individual who was, is, or is threatened to be made a defendant or respondent in a proceeding.

“Proceeding” means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

2. The Corporation shall indemnify any person who was or is a party of any proceeding, including a proceeding by or in the right of the Corporation to procure a judgment in its favor, by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, partner or officer of another corporation, partnership, joint venture, trust or other enterprise, against any liability incurred by him in connection with such proceeding if (i) he believed, in the case of conduct in his official capacity, that his conduct was in the best interests of the Corporation, and in all other cases that his conduct was at least not opposed to its best interest, and in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful, and (ii) he was not guilty of gross negligence or willful misconduct.

3. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a

presumption that the Applicant did not meet the standard of conduct described in Section (2) of this Article.

4. Notwithstanding the provisions of Section (2) of this Article: (a) no indemnification shall be made in connection with a proceeding by or in the right of the Corporation to procure a judgment in its favor in respect to any claim, issue or matter as to which the Applicant shall have been finally adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Corporation unless, and only to the extent that, the court in which such proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, the Applicant is fairly and reasonably entitled to indemnification; and (b) no indemnification shall be made in connection with any proceeding charging the Applicant with improper benefit to himself, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

5. To the extent that the Applicant has been successful on the merits or otherwise in defense of any proceeding referred to in Section (2) of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses actually and reasonably incurred by him in connection therewith.

6. Any indemnification under Section (2) of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a

determination that indemnification of the applicant is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections (2) and (4).

The determination shall be made:

(a) By the Board of Directors by majority vote of a quorum consisting of Directors not at the time parties to the proceeding:

(b) If a quorum cannot be obtained under subsection (a) of this section, by a majority vote of a committee duly designated by the Board of Directors (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to the proceeding:

(c) By special legal counsel:

(i) Selected by the Board of Directors or its committee in the manner prescribed in subsection (a) and (b) of this section; or

(ii) If a quorum of the Board of Directors cannot be obtained under subsection (a) of this section and a committee cannot be designated under subsection (b) of this section, selected by majority vote of the full Board of Directors, in which selection directors who are parties may participate; or

(d) By the members, but directors who are at the time parties to the proceeding may not vote on the determination.

Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under subsection (c) of this section to select counsel.

7. (a) The Corporation may pay for or reimburse the reasonable expenses incurred by any Applicant who is a party to a proceeding in advance of final disposition of the proceeding if:

- (i) The Applicant furnishes the Corporation a written statement of his good faith belief that he has met the standard of conduct described in Sections (2) and (4);
- (ii) The Applicant furnishes the Corporation 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; and
- (iii) A determination is made that the facts then known to those making the determination would not preclude indemnification under this Article.

(b) The undertaking required by paragraph (ii) of subsection (a) of this section shall be an unlimited general obligation of the applicant but need not be

secured and may be accepted without reference to financial ability to make repayment.

(c) Determinations and authorizations of payments under this section shall be made in the manner specified in Section (6).

8. The Board of Directors is hereby empowered, by a majority vote of a quorum of disinterested directors, to cause the Corporation to indemnify or contract in advance to indemnify any person not specified in Section (2) of the Article 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 Corporation, or is or was serving at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, to the same extent as if such person were specified as one to whom indemnification is granted in Section (2). The provision of Sections (3) through (7) of this Article shall be applicable to any indemnification provided hereafter pursuant to this Section (8).

9. Every reference herein to directors, officers, employees, or agents shall include former directors, officers, employees, and agents and their respective heirs, executors, and administrators. The indemnification hereby provided and provided hereafter pursuant to the power hereby conferred on the Board of Directors shall not be exclusive of any other rights to which any person may be entitled, including any right under policies of insurance that may be purchased and maintained by the Corporation or others, with respect to claims, issues or matters in relation to which the Corporation would not have the power to indemnify such person under the provisions of this Article.

10. The Corporation 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 Corporation, or is or was serving at the request of the Corporation 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 him in any such capacity or arising from his status as such, whether or not the Corporation would have power to indemnify him against such liability under the provisions of this Article.

ARTICLE EIGHT

DISTRIBUTION OF ASSETS ON DISSOLUTION

This Corporation is one that does not contemplate pecuniary gain or profit to the principals thereof and it is organized solely for nonprofit purposes. On the winding up and dissolution of this Corporation, after payment of adequate provision for the debts and obligations of the Corporation, the remaining assets shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for arts and cultural purposes and which has established its tax-exempt status under Section 501 subdivision (c)(3) of the Internal Revenue Code. Any assets not so disposed of by the Board of Directors upon dissolution shall be disposed of for the foregoing purposes in

such manner as may be directed by decree of the Circuit Court of the City of
Fredericksburg, VA.

We, the undersigned, constituting the incorporators of this Corporation, for the
purpose of forming this nonprofit arts and cultural organization under the laws of the
Commonwealth of Virginia, have executed these Articles of Incorporation this 19 day of
November, 2008.

Kathryn Willis
Incorporator

Harvey Gold
Incorporator

Dana Herlong
Incorporator

Nancy Heyward
Incorporator

Debby Klein
Incorporator

Susan Landess
Incorporator