

BOOK 36 PAGE 444

STATE OF ALABAMA §
CULLMAN COUNTY § ss.
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I CERTIFY THIS
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ARTICLES OF INCORPORATION OF
THE WALLACE STATE COMMUNITY COLLEGE
FUTURE FOUNDATION, INC.

Dotty Brewer

KNOW ALL PERSONS BY THESE PRESENTS:

I, the undersigned incorporator of The Wallace State Community College Future Foundation, Inc., an Alabama nonprofit corporation (the "Corporation"), do hereby certify that the following Articles of Incorporation have been duly adopted in accordance with the provisions of sections 10-3A-1 to 10-3A-225 Code of Alabama (1975), as amended.

ARTICLE I

NAME OF CORPORATION: The name of the Corporation shall be The Wallace State Community College Future Foundation, Inc.

ARTICLE II

DURATION: The period of duration of the Corporation shall be perpetual.

ARTICLE III

PURPOSES: The purposes for which the Corporation is exclusively organized and operated, and the powers which the Corporation shall have, are as follows:

- (1) To receive, hold, invest, and administer real and personal property and to make expenditures of such property and the income therefrom for the benefit of Wallace State Community College, an educational organization referred to in section 170(b) (1) (A) (ii) of the Code, which is an agency or instrumentality of the State of Alabama. Expenditures for the benefit of Wallace State Community College shall include expenditures which advance the objectives of the college, including the encouragement and subsidation of its students and faculty and the acquisition and maintenance of property, equipment, and furnishings used for, or in conjunction with, the normal functions of its campus. The Corporation is expressly prohibited from engaging in activities which are not in furtherance of these purposes.

(2) The Corporation is expressly prohibited from operating to benefit any organization other than Wallace State Community College. If Wallace State Community College shall ever lose its exemption from federal income tax, incur a substantial failure or abandonment of operations, or engage in dissolution proceedings, the board of directors of the Corporation shall be permitted to substitute another educational organization described in section 170(b)(1)(A)(ii) of the Code which shall then be engaged in purposes similar to those being engaged in by Wallace State Community College at the time of the formation of the Corporation.

(3) The board of directors of the Corporation shall have the power, in its sole and absolute discretion, to create a perpetual endowment fund in furtherance of the purposes of the Corporation, and to receive, maintain, and administer any real and personal property contributed thereto. All funds contributed to this endowment fund shall be designated as principal, and shall be invested and reinvested solely to provide a source of income for the furtherance of the purposes of the Corporation. Principal from this endowment fund shall be distributed for the furtherance of the purposes of the Corporation only upon a two-thirds vote of the board of directors of the Corporation. Any earnings from the investment and reinvestment of this endowment fund shall be designated as income, and shall be distributed for the furtherance of the purposes of the Corporation in the discretion of the board of directors of the Corporation. Any income earned during the fiscal year of the Corporation not distributed for such purposes within 90 days of the end of such fiscal year shall be automatically incorporated into the principal of this endowment fund as an integral part thereof. All funds contained in this endowment fund, regardless of whether income or principal, shall be used solely for the furtherance of the purposes of the Corporation.

(4) Subject to the above paragraphs, the Corporation is authorized to exercise and enjoy all the powers, rights, and privileges granted corporations under the Alabama Nonprofit Corporation Act and by all other applicable local, state, and federal laws, as such may be from time to time amended or supplemented, and the enumeration of certain powers herein is not intended to be exclusive or to be a waiver of any other rights, powers, or privileges the Corporation might otherwise now or hereafter enjoy.

(5) Notwithstanding any other provision hereof, no part of the net earnings of the Corporation shall inure to the benefit of or be distributed to its trustees, officers, directors, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article. No 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.

(6) Notwithstanding any other provision hereof, the Corporation shall not carry on any activities not permitted to be carried on by:

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- (a) A corporation exempt from federal income tax under section 501(c)(3) of the Code; or
- (b) A corporation, contributions to which are deductible under section 170(c)(2) of the Code.

(7) Subject to the foregoing paragraphs, the Corporation shall be an organization exempt from income taxation under section 40-18-32 of the Code of Alabama (1975), as from time to time amended, and shall be devoted exclusively to educational purposes within the meaning of section 217, as amended by Amendments number 325 and number 373, of the Constitution of Alabama of 1901, or any like provision of any future amendment or constitution.

(8) The following restrictions shall apply to the Corporation during any period of time in which the Corporation is, or is deemed by the Internal Revenue Service to be, a private foundation, as such term is defined in section 509 of the Code:

- (a) 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 Code.
- (b) The Corporation shall not engage in any act of self-dealing as defined in section 4941(d) of the Code.
- (c) The Corporation shall not retain any excess business holdings as defined in section 4943(c) of the Code.
- (d) The Corporation shall not make any investments in such manner as to subject it to tax under section 4944 of the Code.
- (e) The Corporation shall not make any taxable expenditures as defined in section 4945(d) of the Code.

(9) Upon dissolution or final liquidation of the Corporation, the board of directors of the Corporation shall, after paying or making provisions for the payment of all the liabilities of the Corporation, distribute all the remaining assets of the Corporation to Wallace State Community College for its support or benefit, provided that Wallace State Community College is in existence and exempt from federal income tax within the meaning of section 501(c)(3) of the Code at such time. In the event Wallace State Community College is not in existence or is not exempt from federal income tax at such time, then the board of directors of the Corporation shall distribute such assets exclusively to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes that shall at that time qualify as an exempt organization or organizations under section 501(c)(3) of the Code, as the board of directors of the Corporation shall determine. Any assets not so distributed shall be distributed by the Circuit Court of Cullman County, Alabama, exclusively to such organization or organizations organized and operated exclusively for such purposes, as the said court shall determine.

(10) The Corporation is and shall henceforth be obligated to indemnify and hold harmless all directors and officers of the Corporation, whether or not their terms shall have expired, of and from any loss, expense, and liability or claim of liability of

every kind whatsoever which they may at any time pay or incur as a direct or indirect consequence or result of any actions taken or omitted or alleged to have been taken or omitted by the Corporation, by the directors or officers, or by themselves as such directors and officers, excepting only such as may be paid or incurred in relation to matters as to which they, respectively, shall be adjudged by action, suit, or proceeding to be liable for gross negligence or misconduct in the performance of their duties for the Corporation. Such indemnification shall be cumulative and not exclusive to any other rights to which the directors or officers may be entitled under any laws, agreements, corporate actions or otherwise.

ARTICLE IV

MEMBERS: The Corporation shall have no members.

ARTICLE V

DIRECTORS:

(a) The management and control of the Corporation shall be vested in a board of directors consisting of not less than three members.

(b) The maximum number of directors of the Corporation and the manner in which the members of the board of directors shall be elected or appointed and their term of office shall be prescribed in and by the bylaws of the Corporation.

(c) The number of directors constituting the initial board of directors of the Corporation is three. The names and address of the persons who are to serve as the initial directors of the Corporation until the first meeting thereof, or until their successors are duly elected and qualified, are:

| <u>Name</u> | <u>Address</u> |
|-------------------|---|
| Dr. Vicki Hawsey | 801 Main Street, N.W. Hanceville, AL. 35077 |
| Dr. Jenny Folsom | 801 Main Street, N.W. Hanceville, AL. 35077 |
| Ms. Janice Morgan | 801 Main Street N.W. Hanceville, AL. 35077 |

ARTICLE VI

AMENDMENT: These articles of incorporation may only be amended with the approval of such amendment by a majority of the members of the board of directors of the Corporation. In no event may any amendment to these articles of incorporation be made that would authorize the board of directors to conduct the affairs of the Corporation in any manner or for any purpose contrary to the provision of section 501(c) (3) of the Code, or that would adversely affect the Corporation's qualification as an organization exempt from federal income tax under section 501(c) (3) of the Code.

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ARTICLE VII

REGISTERED OFFICE AND AGENT: The address of the registered office of the Corporation is 801 Main Street, NW, Hanceville, AL. 35077 and the registered agent of the Corporation at such address shall be Dr. Vicki P. Hawsey.

ARTICLE VIII

DEFINITION OF CODE: The term "Code" as used herein is defined as the Internal Revenue Code of 1986, as from time to time amended or recodified, including any regulations promulgated thereunder. References to the Code and the provisions thereof shall be deemed to include references to the like provisions of any future revenue laws of the United States of America.

ARTICLE IX

INCORPORATOR: The name and address of the incorporator is as follows:

| <u>Name</u> | <u>Address</u> |
|---------------------|---|
| Vincent T. Cheatham | 1643 Northwood Drive NW Cullman, AL. 35058 |

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal on this the 30th day of July, 2004.

Vincent T. Cheatham
Vincent T. Cheatham