

2003 MAY 22

## ARTICLES OF INCORPORATION

### OF THE

### THE ANNAPOLIS COMMUNITY FOUNDATION, INC.

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**FIRST:** I, David E. Stahl, whose post office address is 100 Severn Avenue, No. 607, Annapolis, Maryland 21403, being over eighteen (18) years of age, hereby form a corporation under and by virtue of the General Laws of the State of Maryland.

**SECOND:** The name of the Corporation (which is hereinafter referred to as the "Corporation") is:

#### THE ANNAPOLIS COMMUNITY FOUNDATION, INC.

**THIRD:** The purposes for which the Corporation is formed are:

**A.** The Corporation is organized exclusively for charitable purposes and to qualify as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, or the corresponding provision of any future United States Internal Revenue Law, (hereinafter referred to as the "Code"), and to that end to take and hold, by bequest, devise, gift, purchase, or lease, either absolutely or in trust, any property, real personal or mixed, without limitation as to amount of value; to sell, convey, and dispose of any such property, and to invest, and reinvest the principal thereof, and to deal with and expend the income and/or principal of property received, for any of the purposes, for which the Corporation is formed, without limitation, but no gift, bequest or devise of property shall be accepted if it be conditioned or limited in such manner as shall require the disposition of the income or its principal for other than tax exempt purposes that shall, in the opinion of the Board of Trustees, jeopardize the federal income tax exemption of the Corporation pursuant to Sections 501(c)(3) of the Code; to receive, take title to, hold and use the proceeds and income of stocks, bonds, obligations, domestic or foreign, but only for some or all of the foregoing purposes; and, in general, to exercise any, all and every power for which a non-profit corporation organized under the applicable provisions of the Annotated Code of Maryland can be authorized to exercise, but only to the extent that exercise of such powers are in furtherance of exempt purposes.

**B.** 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 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 THIRD. The Corporation shall not earn a profit, nor shall the Corporation engage in a regular business of a kind

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ordinarily carried on for profit. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

C. The Corporation is organized for the purpose of enhancing the quality of life and conditions of the citizens the City of Annapolis, Maryland, and to that end, as qualified and limited by subparagraphs A and B of this Article THIRD, shall perform the following:

1. Enhance the health, welfare and well-being of the citizens of the City of Annapolis, Maryland;
2. Initiate new, and support existing programs to enhance the cultural, social, and educational lives of the citizens of Annapolis, Maryland;
3. Encourage, support and facilitate philanthropy in Annapolis through doner services and community partnerships;
4. Enhance the quality of life for all citizens by building a community endowment, grant-making and providing leadership on key community issues. Grant-making shall be focused primarily, but not necessarily exclusively, on:
  - Arts and culture
  - Civic Affairs
  - Economic development
  - Environmental matters
  - Social services
  - Urban beautification; and
5. Raise and expend funds in support of the purposes.

**FOURTH:** The post office address of the principal office of the Corporation in this State is 100 Severn Avenue No. 607, Annapolis, Maryland, 21403. The name of the Resident Agent of the Corporation is Arlene Berlin whose post office address is 162 Duke of Gloucester Street, Annapolis, Maryland 21401. This Resident Agent is an individual actually residing in this State. ✓

**FIFTH:** The Corporation is not organized for profit; it shall have no capital stock and shall not be authorized to issue capital stock. The membership of the Corporation is as follows:

A. **Board of Directors** . The control and management, and all powers of the Corporation, are vested in a Board of Directors. The number of directors of the Corporation shall be nineteen (19), which number may be increased or decreased by the Board of Directors by amendment of the bylaws, except that the Board of Directors shall never be less than three (3). The President by

virtue of his office, shall be a member of the Board of Directors and shall normally preside at meetings thereof.

**B. Officers.** The officers of the Corporation shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Directors by amendment to the bylaws may create other officers and assistant officers. The President shall normally preside at meetings of the Board of Directors, and other meetings of the Corporation. The duties of each officer of the Corporation shall be more fully prescribed in the bylaws.

**C. Members.** The Board of Directors shall be the voting members of the Corporation.

**D. Election of Directors.** Except for the initial Board of Directors whose names are set forth in Article "SIXTH" of these Articles, the Board of Directors shall be elected or appointed as provided in the bylaws.

**SIXTH:** The names of the directors, who shall act until the first annual meeting or until their successors are duly chosen and qualified, are:

Ellen Moyer  
David E. Stahl  
Kathleen Nieberding

**SEVENTH:** Upon the dissolution of the Corporation's affairs, or upon the abandonment of the Corporation's activities due to its impracticable or inexpedient nature, the assets of the Corporation then remaining in the hands of the Corporation shall be distributed to any other charitable organization (as hereinafter defined) of this or any other state for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future Federal tax code, or shall be distributed to the City of Annapolis.

**EIGHTH:** **A.** To the fullest extent permitted by Maryland statutory or decisional law, as amended or interpreted, no director or officer of this Corporation shall be personally liable to the Corporation or its members for money damages. No amendment of the charter of the Corporation or repeal of any of its provisions shall limit or eliminate the benefits provided to directors and officers under this provision with respect to any act or omission which occurred prior to such amendment or repeal.

**B.** The Corporation may by its bylaws make any other provisions or requirements for the arrangement or conduct of the business of the Corporation, provided the same be not

inconsistent with these Articles of Incorporation nor contrary to the laws of the State of Maryland or of the United States.

**NINTH:** To the maximum extent allowed by Federal law (Federal Volunteer Protection Act) and State law (Maryland Code, Courts and Judicial Proceedings Article), no agent of or volunteer acting for or on behalf of the Foundation shall be exempt from liability for any acts or omissions arising from or related in anyway the activities of the Foundation. The Foundation shall have similar limitations of liability and shall maintain insurance appropriate to effectuate these limitations on liability.

**TENTH:** **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, or corresponding provisions of any subsequent federal tax laws

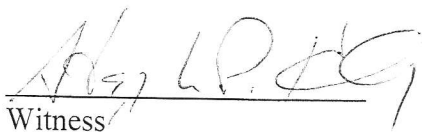
**B.** The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code, or corresponding provisions of any subsequent federal tax laws.


**C.** The Corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Code, or corresponding provisions of any subsequent federal tax laws.

**D.** The Corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code, or corresponding provisions of any subsequent federal tax laws.

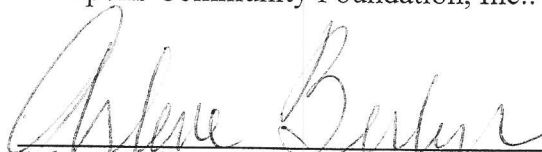
**E.** The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Code, or corresponding provisions of any subsequent federal tax laws.

IN WITNESS WHEREOF, I have signed these Articles of Incorporation this 29<sup>th</sup> day of April 2003, and I acknowledge the same to be my act.

  
Witness

  
David E. Stahl, Incorporator

I consent to serve as Resident Agent for The Annapolis Community Foundation, Inc..

  
Arlene Berlin