

**ARTICLES OF INCORPORATION
OF THE
VIRGINIA BEACH PARKS AND RECREATION FOUNDATION**

The undersigned, acting as the incorporator of a corporation under the Virginia Nonstock Corporation Act, adopts the following provisions.

ARTICLE I

NAME

The name of the corporation is the **Virginia Beach Parks and Recreation Foundation** (the "Foundation").

ARTICLE II

PURPOSES AND POWERS

A. The purpose of the Foundation is to support the Department of Parks and Recreation for the City of Virginia Beach, Virginia by raising funds, accepting gifts, providing other resources to enhance existing programs, services, facilities, and technology, and performing other activities, in each case as are consistent with the exemptions of Section 501(c)(3) of the Internal Revenue Code for charitable, educational, and promotion of amateur athletics activities. In order to achieve Virginia Beach City Council's vision - "A Community For A Lifetime" - the Foundation will cultivate the development of new programs, services, facilities, and technology, and the acquisition of open space areas (blueways & greenways) for active or passive recreation, parks, or preserves.

B. The Foundation shall have the power to conduct all lawful affairs for which corporations may be incorporated under the Virginia Nonstock Corporation Act, which do not violate the Foundation's status as a tax exempt entity under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time (or the corresponding provision of any future United States Internal Revenue Law), and which are not required to be specifically stated in these Articles of Incorporation, including, as applicable and without limitation, the acquisition, ownership, management, maintenance, leasing, and divestiture of real or personal property and the making of gifts, contributions or other distributions of Foundation assets to or for the benefit of the City of Virginia Beach, Virginia and/or its residents.

ARTICLE III

TAX EXEMPTION

A. The Foundation is organized exclusively for the purposes stated above, within the meaning of Section 501(c)(3) of the Internal Revenue Code. No part of the net earnings of the Foundation shall inure to the benefit of, or be distributable to, its directors, officers or other private persons, except that the Foundation shall be authorized to pay reasonable compensation

for services rendered and to make payments and distributions in furtherance of the purposes set forth above. No substantial part of the activities of the Foundation shall be the carrying on of propaganda or otherwise attempting to influence legislation, except as and to the extent permitted by the provisions of the Internal Revenue Code, for organizations exempt from tax under Section 501(c)(3) of the Internal Revenue Code, or any successor provision. The Foundation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Foundation shall not carry on any other activities not permitted to be carried on by any Foundation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue law).

B. In the event of dissolution, the assets of the Foundation remaining after the payment of all outstanding liabilities shall be transferred to the City of Virginia Beach, Virginia to be used for exclusively public purposes. In the event the City of Virginia Beach, Virginia is unwilling or unable to receive the remaining assets, such assets shall be transferred to one or more non-profit organizations operating for substantially similar purposes and exempt from Federal Income Tax under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1954 or future amendments thereto or to a federal, state or local government body to be used for exclusively public purposes.

ARTICLE IV

REGISTERED AGENT AND OFFICE

The registered office of the Foundation is 222 Central Park Avenue, Suite 1500, Virginia Beach, VA 23462, which is located in the City of Virginia Beach, Virginia. The name of the Foundation's registered agent is Jeffrey W. Breeser, who is a resident of the Commonwealth of Virginia and a member of the Virginia State Bar, and whose business address is the same as the registered office of the Foundation.

ARTICLE V

MEMBERS

The Foundation will have members, who shall be organized into one or more classes as set forth in the Foundation's Bylaws, and each with such qualifications and rights (including voting rights or the lack thereof) as provided therein.

ARTICLE VI

BOARD OF DIRECTORS

A. The management of the property, affairs, and business of the Foundation shall be vested in its Board of Directors. The Board of Directors shall be comprised of no fewer than three (3) nor more than fifteen (15) directors, and shall be divided into the following two (2)

classes: Appointed Directors and Ex Officio Directors. The qualifications, rights, and duties of the respective classes of directors shall be as set forth in the Foundation's Bylaws.

B. The Board of Directors shall be self-perpetuating, and, except for ex officio directors and the other initial directors (who shall be appointed by the Incorporator), directors shall be elected or appointed as provided in the Foundation's Bylaws. The Chairperson of the Parks and Recreation Commission of Virginia Beach and the Chairperson of the Virginia Beach Open Spaces Subcommittee shall be ex officio members of the Board of Directors.

ARTICLE VII

LIMITATION OF LIABILITY AND INDEMNIFICATION

A. Limitation of Liability. Provided that a director or officer shall not have engaged in (i) any breach of his or her duty of loyalty to the Foundation, (ii) acts or omissions not in good faith or which involve willful misconduct or a knowing violation of law, or (iii) any transactions from which the director or officer derived an improper or personal benefit, the liability of an officer or director of the Foundation in any proceeding brought by or in the right of the Foundation shall be limited or eliminated to the fullest extent that the Virginia Nonstock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of directors or officers of the Foundation.

B. Indemnification.

1. To the fullest extent permitted and in the manner prescribed by the Virginia Nonstock Corporation Act and any other applicable law, the Foundation shall indemnify, against all liability incurred in a proceeding (and advance reasonable expenses to), any director or officer of the Foundation, who is, was, or is threatened to be made a party to any such threatened, pending, or completed action, suit, or proceeding (whether civil, criminal, administrative, arbitrative, or investigative), including an action by or in the right of the Foundation, by reason of the fact that he or she 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. The Board of Directors is empowered, by majority vote of a quorum of disinterested directors, to contract in advance to indemnify any director or officer.

2. The Board of Directors is empowered, by majority vote of a quorum of disinterested directors, to cause the Foundation to indemnify, or contract in advance to indemnify, (and advance reasonable expenses to) any person not specified in Paragraph 2A, who was or is a party to any proceeding by reason of the fact that he or she 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, employee benefit plan, or other enterprise, to the same extent as if such person were specified as one to whom indemnification is granted in Paragraph B1 hereof.

3. 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 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 or her status as such, whether or not the Foundation would have power to indemnify him or her against such liability under the provisions of this Article.

C. Applicability. The provisions of this ARTICLE VII shall be applicable to all actions, claims, suits, or proceedings commenced after the proper 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 or protection provided hereby 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. Reference herein to directors, officer, employees, or agents, shall include former directors, officers, employees, and agents, and their respective heirs, executors, and administrators.

ARTICLE VIII

EFFECTIVE DATE

These Articles of Incorporation are to become effective as of the date filed.

The undersigned declares that the facts herein stated are true as of January 21, 2004.



Jeffrey W. Breeser,
Incorporator

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, February 2, 2004

This is to certify that the certificate of incorporation of

Virginia Beach Parks and Recreation Foundation

was this day issued and admitted to record in this office and that the said corporation is authorized to transact its business subject to all Virginia laws applicable to the corporation and its business. Effective date: February 2, 2004



State Corporation Commission

Attest:

Joel H. Beck
Clerk of the Commission