

**VIRGINIA MUNICIPAL STORMWATER ASSOCIATION, INC.  
(A VIRGINIA NONSTOCK CORPORATION)**

**ARTICLES OF INCORPORATION**

**ARTICLE I – NAME**

The name of the corporation is the Virginia Municipal Stormwater Association, Inc., herein after referred to as the “ Association.”

**ARTICLE II – PURPOSE**

The Association is organized and shall be operated as an organization within the meaning of Section 501(c) of the Internal Revenue Code, as now in effect or as hereafter may be amended, to assist its members in their efforts to protect public health and the environment. The Association shall work for the reduction and elimination of water pollution in the Commonwealth of Virginia by, among other things, (1) providing a venue for local governments to share knowledge on stormwater management, (2) establishing and maintaining good working relationships with federal, state and local officials (3) encouraging the establishment of sound policies related to stormwater management and (4) assisting in the development of laws, regulations and policies based on good science and technology and sound management practices.

**ARTICLE III – RIGHTS AND RESTRICTIONS**

No part of the net earnings of the Association shall inure to the benefit of its incorporator, directors, officers, members, or any private person, except that the Association 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 Article II hereof.

**ARTICLE IV – DISSOLUTION**

In the event of the dissolution of the Association, and after all liabilities and obligations of the Association have been paid, satisfied and discharged or adequate provisions made therefor, all remaining assets shall be distributed in accordance with a plan of dissolution that has been presented to the members by the board of directors and approved by a vote of the members.

**ARTICLE V – MEMBERS**

The Association shall have one or more classes of members as designated in its bylaws. The bylaws shall also state the rights of the members of each class and shall confer, limit or deny the right to vote.

## ARTICLE VI – DIRECTORS

All corporate powers of the Association shall be exercised by or under the authority of, and the business of the Association managed under the direction of, its board of directors, subject to any limitation contained herein. The number and qualifications of directors shall be fixed in the bylaws. The number of directors shall be divided into three groups with each group containing one-third of the total, as nearly equal in number as possible. The terms of the directors in the first group shall expire at the first annual meeting of members, the terms of the directors in the second group shall expire at the second annual meeting of members, and the terms of the directors in the third group shall expire at the third annual meeting of members. At each annual meeting of members one group of directors shall be elected by a majority of the votes cast by the members entitled to vote at such meeting and such directors shall be elected to a term of three years to succeed those whose terms have expired.

The initial directors of the Association shall be:

### Initial Director Whose Term Expires at the First Annual Meeting of Members

Randy Bartlett  
Fairfax County, Virginia

### Initial Director Whose Term Expires at the Second Annual Meeting of Members

Gary DuVal  
Richmond, Virginia

Michael E. Schaefer  
Norfolk, Virginia

### Initial Directors Whose Terms Expire at the Third Annual Meeting of Members

John Mausert-Mooney  
Arlington County, Virginia

Timothy A. Mitchell  
Lynchburg, Virginia

Prior to the first annual meeting of members, the initial directors may appoint additional directors and the terms of such additional directors shall be established and staggered consistent with the one-third groups provided in this Article.

The initial directors shall elect a president, vice president, secretary, and treasurer from among the initial directors during their first meeting. At the annual meeting of members (or as soon as practicable thereafter), the directors shall elect a president, vice president, secretary, and treasurer from among the directors. Officers and directors shall receive no compensation for their services as officers and directors of the Association.

## **ARTICLE VII – REGISTERED OFFICE AND REGISTERED AGENT**

The address of the initial registered office of the Association is c/o AquaLaw PLC, 801 E. Main Street, Suite 1002, Richmond, Virginia 23219. The initial registered agent of the Association is Christopher D. Pomeroy, Esquire, whose business office is identical to the initial registered office and who is a resident of Virginia and a member of the Virginia State Bar.

## **ARTICLE VIII – LIMIT ON LIABILITY AND INDEMNIFICATION**

8.1 Definitions. For the purposes of these Articles the following definitions shall apply:

- (a) “Association” means this corporation only and no predecessor entity or other legal entity.
- (b) “Expenses” include counsel fees, expert witness fees, and costs of investigation, litigation and appeal, as well as any amounts expended in asserting a claim for indemnification.
- (c) “Liability” means the obligation to pay a judgment, settlement, penalty, fine or other such obligation, including, without limitation, any excise tax assessed with respect to an employee benefit plan;
- (d) “Legal entity” means a corporation, partnership, joint venture, trust, employee benefit plan or other enterprise;
- (e) “Proceeding” means any threatened, pending, or completed action, suit, proceeding or appeal, whether civil, criminal, administrative or investigative and whether formal or informal.

8.2 Limit on Liability. In every instance in which the Virginia Nonstock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of liability of directors or officers of a corporation to the Association or its members, the directors and officers of the Association shall not be liable to the Association or its members.

8.3 Indemnification of Directors and Officers. The Association shall indemnify any individual who is, was or is threatened to be made a party to a proceeding (including a proceeding by or in the right of the Association or by or on behalf of its members) because such individual is or was a director or officer of the Association or because such individual is or was serving the Association, or any other legal entity in any capacity at the request of the Association while a director or officer of the Association, against all liabilities and reasonable expenses incurred in the proceeding except such liabilities and expenses as are incurred because of such individual’s willful misconduct or knowing violation of the criminal law. Service as a director or officer of a legal entity controlled by the Association shall be deemed service at the request of the Association. The determination that indemnification under this Section 8.3 is permissible and the evaluation as to the reasonableness of expenses in a specific case shall be made, in the case of a director, as provided by law, and in the case of an officer, as provided in Section 8.4 of

this Article; provided, however, that if a majority of the directors of the Exchange has changed after the date of the alleged conduct giving rise to a claim for indemnification, such determination and evaluation shall, at the option of the person claiming indemnification, be made by special legal counsel agreed upon by the board of directors and such person. Unless a determination has been made that indemnification is not permissible, the Association shall make advances and reimbursements for expenses incurred by a director or officer in a proceeding upon receipt of an undertaking from such director or officer to repay the same if it is ultimately determined that such director or officer is not entitled to indemnification. Such undertaking shall be an unlimited, unsecured general obligation of the director or officer and shall be accepted without reference to such director's or officer's ability to make repayment. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that a director or officer acted in such a manner as to make such director or officer ineligible for indemnification. The Association is authorized to contract in advance to indemnify and make advances and reimbursements for expenses to any of its directors or officers to the same extent provided in this Section 8.3.

8.4 Indemnification of Others. The Association may, to a lesser extent or to the same extent that it is required to provide indemnification and make advances and reimbursement for expenses to its directors and officers pursuant to Section 8.3, provide indemnification and make advances and reimbursements for expenses to its employees and agents, the directors, officers, employees and agents of its subsidiaries and predecessor entities, if any, and any person serving any other legal entity in any capacity at the request of the Association, and may contract in advance to do so. The determination that indemnification under this Section 8.4 is permissible, the authorization of such indemnification and the evaluation as to the reasonableness of expenses in a specific case shall be made as authorized from time to time by general or specific action of the board of directors, which action may be taken before or after a claim for indemnification is made, or as otherwise provided by law. No person's rights under Section 8.3 of this Article shall be limited by the provisions of this Section 8.4.

8.5 Liability Insurance. The Association may purchase and maintain insurance against any liability it may have under this Article or to protect any of the persons named above against any liability arising from their service to the Association or any other legal entity at the request of the Association regardless of the Association's power to indemnify against such liability.

8.6 Miscellaneous. The rights of each person entitled to indemnification under this Article shall inure to the benefit of such person's heirs, executors and administrators. Special legal counsel selected to make determinations under this Article may be counsel for the Association. Indemnification pursuant to this Article shall not be exclusive of any other rights of indemnification to which any person may be entitled, including indemnification pursuant to a valid contract, indemnification by legal entities other than the Association and indemnification under policies of insurance purchased and maintained by the Association or others. However, no person shall be entitled to indemnification by the Association to the extent such person is indemnified by another, including an insurer. The provisions of this Article shall not be deemed to preclude the Association from entering into contracts otherwise permitted by law with any individuals or legal entities, including those named above. If any provision of this Article or its application to any person or circumstance is held invalid by a court of competent jurisdiction, the

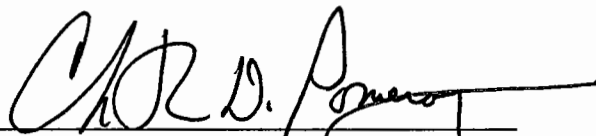
invalidity shall not affect other provisions or applications of this article, and to this end the provisions of this Article are severable.

8.7 Amendments. No amendment, modification or repeal of this Article shall diminish the rights provided hereunder to any person arising from conduct or events occurring before the adoption of such amendment, modification or repeal.

#### ARTICLE IX – INTERNAL REVENUE CODE

Each reference in these Articles to a Section of the Internal Revenue Code means such Section of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any subsequent federal tax law.

Dated: June 2, 2006

By:   
Christopher D. Pomeroy, Incorporator