

**SECOND AMENDED AND
RESTATED**

**ARTICLES OF
INCORPORATION OF
CAMBRIDGE WATERFRONT DEVELOPMENT, INC.**

ARTICLE I

Cambridge Waterfront Development, Inc., a Maryland nonstock corporation, hereby certifies to the Maryland Department of Assessments and Taxation that its original Articles of Incorporation filed on July 9, 2018 (SDAT ID: D18951913) and the first Amended Articles of Incorporation filed on July 20, 2022, are hereby amended and restated in entirety as follows:

ARTICLE II

The name of the corporation (hereinafter the "Corporation") is:

Cambridge Waterfront Development, Inc.

ARTICLE III

(a) The genesis of the Corporation is in that certain Memorandum of Understanding dated April 4, 2018 between the City of Cambridge, Maryland (the "City") and Dorchester County, Maryland (the "County"), by the Mayor and Commissioners of the City of Cambridge (the "City Council") and the County Council of Dorchester County (the "County Council") respectively, for collaboration and cooperation in the comprehensive redevelopment of certain properties along and adjacent to the City of Cambridge waterfront from the Choptank River Bridge Fishing Pier/Gateway to Cambridge Creek for the betterment of Cambridge, Dorchester County and the region.

(b) The Corporation is not organized for profit, except to the extent of retiring indebtedness. It shall have no capital stock and shall have no authority to issue capital stock. Except as otherwise provided in this Article III, the Corporation shall have one (1) member. Except as otherwise provided in Article VI, the member of the Corporation shall be the individual who is from time to time serving as the duly elected and qualified Mayor of the City. In the event for any reason at any time there is no duly qualified and elected Mayor of the City, the President of the Commissioners of Cambridge shall serve as sole member until a successor mayor has been elected and qualified, who shall then become the sole member. membership of the Corporation shall be increased to the then current number of the directors of the Corporation (as such number may be increased or decreased in accordance with the Corporation's Bylaws) and the directors of the Corporation shall be the members of the Corporation until such time as there is a duly qualified and elected Mayor of the City. The sole Mmember or members shall have full voting power with respect to the Corporation's affairs to the extent permitted or required under Maryland law, and the sole member shall have the exclusive right to amend these Articles of Incorporation. The sole member shall have the right to inspect all records of the Corporation and attend all meetings of the Board of Directors, whether open or closed. The

sole member shall be indemnified in the same manner as directors are indemnified under the Bylaws.
~~The sole member or members shall have full voting power with respect to the Corporation's affairs to the extent permitted or required under Maryland law and shall elect the initial directors of Corporation, as provided in the Corporation's bylaws, except who shall thereafter be appointed in accordance with the provisions of Article VI (b) of these Articles of Incorporation.~~

ARTICLE IV

(a) The Corporation is incorporated exclusively for non-profit and public purposes under §501(c)(3) of the Internal Revenue Code of 1986 or any corresponding section of any future federal tax code (the "Code"). The activities to be carried on and promoted by the Corporation are to relieve the burden of government by:

(i) Promoting and facilitating the redevelopment of certain properties along and adjacent to the City of Cambridge waterfront from the Choptank River Bridge Fishing Pier/Gateway to Cambridge Creek (the "Cambridge Waterfront") and the supporting public infrastructure to serve the needs of the citizens of the City and County;

(ii) Generating business, housing and employment opportunities within the City and County;

(iii) Expanding the City's and County's respective tax bases and increasing local revenues;

(iv) Inducing tourism and visitor spending;

(v) Promoting public waterfront access and utilization; and

(vi) Fostering public-private partnerships in furtherance of the continued revitalization and economic development within the City and County.

(b) In furtherance of its foregoing non-profit and public purpose activities, the Corporation shall have the power to:

(i) Receive, administer, raise, borrow, and expend funds, including, but not limited to, engaging in fundraising and solicitations for funds, contributions, grants, and donations from any and all individuals, associations, and organizations and accepting loans and grants from any governmental agency;

(ii) Hold, operate, acquire, develop, maintain, and sell and otherwise convey real and personal property;

(iii) Partner with other organizations, governmental agencies and businesses;

(iv) Enter into and perform contracts;

(v) Do any and all things necessary or appropriate to the foregoing; and

(vi) Without limitation by the foregoing, be vested with and exercise all of the powers conferred upon corporations by the laws of the State of Maryland, including the powers set forth in Section 2-103 of the from time to time.

(c) No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payment and distributions in furtherance of the purposes set forth in this Article IV.

(d) Any other provision of these Articles notwithstanding, the Corporation shall not:

(i) Carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or by a corporation the contributions to which are deductible under Section 170(c)(2) of the Code;

(ii) Take any action that would be inconsistent with the requirements for receiving tax-deductible charitable contributions under Section 170(c) of the Code and related regulations, rulings, and procedures or that would be inconsistent with the requirements for status as an instrumentality of the City under Sections 103 and 115 of the Code and related regulations, rulings, and procedures;

(iii) Implement or administer any program or project or engage in any business or activity that has not been authorized by law or regulation;

(iv) Use its assets in any manner not in furtherance of one or more exempt purposes, as set forth in and defined by Sections 103 and 115 of the Code and related regulations, rulings, and procedures, except to an insubstantial degree;

(v) Serve a private interest other than one that is clearly incidental to an overriding public interest;

(vi) Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise, except as provided by the Code and related regulations, rulings, and procedures;

(vii) Directly or indirectly participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office, including the publishing or distributing of statements and any other direct or indirect campaign activities;

(viii) Have objectives and engage in activities that characterize it as an "action organization" as that term is defined by the Code and related regulations, rulings, and procedures;

(ix) Distribute its assets on dissolution other than for one or more purposes as authorized by Sections 103 and 115 of the Code and related regulations, rulings and procedures; provided, however, that, upon dissolution, the Corporation's assets shall be distributed to the City; or

(x) Carry on an unrelated trade or business except as a secondary purpose related to the Corporation's primary exempt purposes.

~~(a)~~—[e] The Corporation may, by its Bylaws, make any other provisions or requirements for the management or conduct of the business of the Corporation, provided the same are not inconsistent with these Articles of Incorporation and not contrary to the laws of the State of Maryland or of the United States. ~~Articles of Incorporation refers to this Seconded Amended and Restated Articles of Incorporation, and any prior or subsequent amendments thereto. No provision of the Bylaws shall be inconsistent with the provisions of the Articles of Incorporation, and in the event of any conflict, the provisions of the Articles of Incorporation shall prevail. The Articles of Incorporation may be amended only by vote of the sole member. The Bylaws may be amended by a vote of the majority of directors, but the full text of any proposed amendment shall be provided to the sole member at least fifteen (15) days before adoption of the proposed amendment by the Board of Directors. No amendment to the bylaws shall be valid unless the full text was first provided to the sole member as required by this section.~~

ARTICLE V

The Corporation shall not pay dividends or other corporate income to to any member, directors, or officers, or any private person, entity, or individual, other than reasonable compensation for services actually rendered to or for the Corporation and other than distributions and contributions to the City, the County, and/or the State of Maryland, any Maryland political subdivision or municipal corporation, or any instrumentality of any of the foregoing, and shall not permit the realization of private gain.

ARTICLE VI

~~(b)~~(a) The affairs of the Corporation shall be managed under the direction of a Board of Directors which shall exercise all corporate powers except as conferred on or reserved to the sole member ~~member or members~~ of the Corporation by law, the Articles of Incorporation, as amended, or the Corporation's Bylaws. The Board of Directors shall consist of seven (7) individuals.

~~(e)~~(b) Three (3) directors shall be appointed by the City Council. Two (2) directors shall be appointed by the County Council. One (1) director shall be appointed by the Governor of Maryland. One (1) director shall be appointed by the Corporation's Board of Directors. The directors shall serve for such terms and have such additional qualifications as may be set forth in the Corporation's Bylaws. The Commissioners of the City of Cambridge, the County Council of Dorchester County, and the State of Maryland shall have the exclusive right to remove and/or replace their own appointees as directors and the exclusive right to appoint successor directors at their sole discretion, regardless of when the term of any-such director may expire.

ARTICLE VII

Upon liquidation, dissolution, or winding up of the Corporation in any manner or for any reason whatsoever, the assets of the Corporation then remaining in the hands of the Corporation, after paying or making provision for all of the liabilities of the Corporation, shall be distributed, transferred, conveyed, delivered, and paid over to the City, notwithstanding any provision to the contrary in the Bylaws. No member, director, or officer of the Corporation, or any private person, entity, or individual, shall be entitled to share in the distribution of any of the corporate assets of the Corporation upon dissolution.

ARTICLE VIII

No director or officer who also serves as a director of the Corporation shall be liable to the Corporation, any member, the City, or the County for money damages except to the extent otherwise provided by Maryland law, in which case this limitation on liability shall not apply. To the maximum extent permitted by Maryland law, the Corporation shall indemnify its currently acting and its former directors against any and all liabilities and expenses (including reasonable attorneys' fees) incurred in connection with their services as either a director, an officer, or an employee. The Corporation shall advance expenses to such directors to the extent permitted by Maryland law. This indemnification provision shall not apply to liabilities or expenses arising out of a director's own gross negligence, fraud, or willful misconduct. To the maximum extent permitted by Maryland law, the Corporation may indemnify its current and former officers, employees, and agents, who are not also directors, and individuals who serve and have served, at the Corporation's request, as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, or other enterprise, against any and all liabilities and expenses (including reasonable attorneys' fees) incurred in connection with their services in such capacities. The Corporation may advance expenses to such officers, employees, agents, and other individuals referred to in this Article VIII to the extent permitted by Maryland law. The directors of the Corporation may consult with legal counsel, certified public accountants, insurance advisors, or other professionals in the performance of their duties and, to the maximum extent permitted by Maryland law, may rely upon any information, opinion, report, or statement, including any financial statements or other financial data, prepared or presented by such professionals and shall be fully protected with respect to any action taken by them or omitted by them pursuant to the advice of such professionals. Neither the repeal nor amendment of this Article VIII, nor any other amendment of these Articles of Incorporation, shall eliminate or reduce the protection afforded to any individual by the foregoing provisions of this Article -VIII with respect to any act or omission which shall have occurred prior to such repeal or amendment.

ARTICLE IX

All references in these Articles of Incorporation to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

ARTICLE X

The post office address of the principal office of the Corporation in this State is 400 Byrn Street, Cambridge, Maryland 21613. The name and post office address of the Resident Agent of the Corporation in this State is Charles D. MacLeod, MacLeod, Law Group, 110 N. Cross Street, Chestertown, Maryland

21620. ~~By his signature at the end of this document, this individual acknowledges acceptance of the responsibilities as Resident Agent of the Corporation. Said Resident Agent is an individual residing in this State.~~

ARTICLE XI

These Amended and Restated Articles of Incorporation were approved by the sole member at a duly called meeting on April____, 2024. The undersigned sole member acknowledges that this is an act of the sole member of the Corporation, and verifies, under the penalties of perjury, that the matters and facts stated herein, which require such verification, are true and accurate, to the best of his knowledge, information and belief.

Stephen W. Rideout
Sole Member
Mayor of the City of Cambridge, Md.

ATTEST:

Tom Carroll
City Manager
City of Cambridge, Md.