

ARTICLES OF INCORPORATION
OF
CALDWELL BAPTIST ASSOCIATION, INC.
A Nonprofit Corporation

Preamble

We, the undersigned natural persons of the age of eighteen or more, acting as incorporators for the purpose of creating a nonprofit corporation under and by virtue of the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina, entitled "Nonprofit Corporation Act," ("the Act") and the several amendments thereto, do hereby set forth:

Article I: Name

The name of this nonprofit corporation (the "Corporation") is the Caldwell Baptist Association, Inc. (the "Association").

Article II: Duration

The period of duration of the Association shall be perpetual unless sooner dissolved in accordance with the Act.

Article III: Type

The Association is a "charitable or religious corporation" as defined in Section 55A-1-40(4) of the Act.

Article IV: Purposes

The Association is organized exclusively for religious, charitable and educational purposes as permitted under Section 501(c) (3) of the Internal Revenue Code (the "Code"), including, but not limited to, the following:

- A. To operate and function as an association of churches.
- B. To equip, encourage, and engage churches in making, maturing, and mobilizing Christian disciples in Caldwell County and beyond, individually and corporately.
- C. To encourage the churches to cooperate and support the work of the Association, the Baptist State Convention of North Carolina and the Southern Baptist Convention.
- D. To further its purpose and to the extent necessary to carry out such purpose, the Association
 - 1. Is to have all the powers given to and possessed by a North Carolina Corporation organized under the North Carolina Nonprofit Corporation Act.
 - 2. May engage in any lawful activity within the purpose for which the Corporation may be organized which is incidental to and in furtherance of the exempt purpose of the Association.

E. No part of the net earnings of the Association shall inure to the benefit of, or be distributable to its members, directors, officers or other private persons, except to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purpose as set forth in the Articles.

F. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. 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 Internal Revenue Code of 1954 (or the corresponding provisions of any future U.S. Internal Revenue Law) or (b) by any corporation, contributions to which are deductible under section 170 (c) (2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future U.S. Internal Revenue Law).

Article V: Government

A. The government of this Corporation is associational in nature, and the final authority for the operation and management of the affairs of this Association, spiritual and temporal, is vested in the messengers of the Association, which authority is exercised in the manner set forth in the Bylaws. Messengers alone have the authority to adopt and amend the Articles and Bylaws, approve budgets, and govern and conduct the affairs of the Association. Messengers are to be elected by the member churches as set forth in the Bylaws.

B. The Board of Directors ("the Board") of the Association acts as the legal agent of the Association as directed by the messengers. The Board may act in behalf of the messengers in the operation and management of the Association as stated in the Articles and Bylaws.

C. The Association is an autonomous body, which is governed only by the duly elected messengers from the churches that compose it. Every messenger has the right to vote on all matters of business presented at any Associational Gathering of the Association provided that the messenger is present. Absentee voting is prohibited.

D. The Association may advise and assist member churches as requested, but may not infringe upon the rights of these churches. The Association recognizes each church as a self-governing body that has voluntarily chosen to be affiliated with the Association.

Article VI: Members

A. The membership of the Association is composed of cooperating Southern Baptist churches which have been approved for membership by the Association as provided in the Bylaws. All present members of the Association shall automatically become members of the Corporation.

B. The member churches of the Association are located in and adjacent to Caldwell County, North Carolina.

Article VII: Officers of the Association

The officers of the Association are a President, a Vice-President, an Executive Director, a Clerk, a Treasurer, and an Assistant Treasurer, as set forth in the Bylaws of the Association.

Article VIII: Initial Directors

The names and addresses of the initial directors are on file in the registered office of the Association.

Article IX: Dissolution

In the event of the dissolution of the Corporation, the Board of Directors after paying or making provision for the payment of all the liabilities of the Corporation, shall dispose of all of the net assets of the Corporation exclusively for the purposes of the Corporation in such a manner, or to such organization or organizations organized and operated exclusively for religious purposes as shall at the time qualify as an exempt organization or organizations under section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future U.S. Internal Law), as the Board shall determine, subject to provisions of the Articles and Bylaws. Any such assets not so disposed of shall be dispersed by the Superior Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes

or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

Article X: Personal Liability and Indemnification

The members of the Board of Directors shall not be personally liable to the Association for monetary damages arising out of any action, whether by or in the right of the Association or otherwise, for any breach of duty as a member, officer, or director, except for liability with respect to: (1) acts or omissions that such director at the time of the breach knew or believed were clearly in conflict with the best interests of the Association, (2) any liability under Sections 55A-8-32 or 55A-8-33 of the Act, (3) any transaction from which such director derived an improper personal financial benefit, and (4) acts or omissions prior to the date the Articles are effective. Also, as used herein, the term "improper personal benefit" does not include a director's reasonable compensation or other reasonable incidental benefit for or on account of service as an employee, independent contractor, attorney or consultant of the Association. If the Act is amended after the date of the Articles to authorize corporate action further eliminating or limiting personal liability of the director, then the liability of the director shall be eliminated or limited to the fullest extent permitted by the Act, as so amended. No amendment or repeal of the provisions of this Article X shall apply to or have any effect on the liability or alleged liability of any director of the Association for or with respect to any act or failure to act on the part of such director party occurring prior to such amendment or repeal.

It is the policy of the Association to indemnify to the maximum extent permitted by the Act any one or more of the indemnified parties against judgments, penalties, settlements and other liabilities incurred by them in connection with any pending, threatened or completed action, suit or proceeding, whether criminal investigative or administrative and against reasonable costs and expenses (including attorney's fees) in connection with any such proceeding, where liabilities and litigation expenses were incurred incident to the good faith performance of their duties. As used herein, the term "indemnified parties" shall mean the officers of the Association, the members of the Board of Directors, employees and specified associational leaders as listed in a duly authorized resolution adopted by either the Board of Directors or the messengers. The Association may advance expenses in connection with any proceeding to any such person in accordance with applicable law. The use of funds of the Association for indemnification or purchase and maintenance of insurance for the benefit of the indemnified parties shall be deemed a proper expense of the Association.

Article XI: Registered Office and Agent

The street address of the initial registered office of the Association, which is located in Caldwell County, is 208 Nuway Circle, Northeast, Lenoir, North Carolina 28645, and the mailing address is P.O. Box 1555, Lenoir, North Carolina, 28645-1555. The name of the registered agent for the Association is Executive Director Charles E. Bounds.

Article XII: Principal Office

The street address of the principal office of the Association, which is located in Caldwell County, is 208 Nuway Circle, Northeast, Lenoir, North Carolina 28645, and the mailing address is P.O. Box 1555, Lenoir, North Carolina, 28645-1555. The telephone number is (828) 758-4081.

Article XIII: Incorporators

The names and address of the incorporators, acting as representatives of all the current members of Caldwell Baptist Association, Inc. are on file in the registered office of the Association.

Article XIV: Amendments

The Articles may be changed or amended by a two-thirds majority vote of the messengers present at any Associational Gathering provided that notice of any and all amendments to the Articles was presented in printed or electronic form to the clerk and publicly stated to the messengers by the president or his designee at the preceding Associational Gathering. Printed or electronic copies of any amendment shall be furnished to the current messengers of the Association for study at least one week prior to a vote on any and all amendments.