

**ARTICLES OF INCORPORATION
OF
BAPTIST STATE CONVENTION OF NORTH CAROLINA, INC.
A Nonprofit Corporation**

The undersigned, being a natural person of the age of eighteen (18) years or more, hereby makes and acknowledges these Articles of Incorporation for the purpose of forming a nonprofit corporation under and by virtue of the laws of the State of North Carolina as contained in Chapter 55A of the North Carolina General Statutes entitled the “North Carolina Nonprofit Corporation Act,” as amended (the “Act”).

Article I. Name

The name of this nonprofit corporation is the Baptist State Convention of North Carolina, Inc. (the “Convention”).

Article II. Duration

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

Article III. Type

The Convention is a “charitable or religious corporation” within the meaning of the Section 55A-1-40(4) of the Act.

Article IV. Purposes

The Convention 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 assist the churches in their divinely appointed mission; to promote missions, evangelism, education, social services, the distribution of the Bible and sound religious literature; and to cooperate with the work of the Southern Baptist Convention; and
- B. To do any and all acts and things which may be deemed desirable or expedient for the benefit of the programs of the Convention.

Article V. Powers

In order to carry out the purposes set forth in sections (A) and (B) of Article IV, the Convention shall have full power:

- A. To solicit, acquire, hold, manage, convey, transfer and dispose of cash donations;
- B. To lease property;
- C. To invest in, acquire, hold, pledge, resell, exchange, transfer or otherwise dispose of securities of any nature and to exercise all rights, powers and privileges of ownership thereof, including the right to vote thereon for any and all purposes;

- D. To enter into, make and perform contracts of every kind for any lawful purpose without limit as to amount, with any person, firm, association, corporation, town, city, county, district, state, territory, or government; and
- E. To exercise any and all powers which may be conferred by law or which may be deemed necessary or expedient for the achievement of the objects and purposes of the Convention as set forth in Article IV.

It is understood that the Convention works together with the associations in seeking to fulfill these purposes. While independent and sovereign in its own sphere, the Convention does not claim and will never attempt to exercise any authority over any other Baptist body, whether church, auxiliary organization, association, or convention.

Article VI. Members; Composition

The Convention shall be composed of the following members described in Sections A. and B. below (which members shall be referred to either as “members” or “messengers” in the Articles and Bylaws of the Convention):

- A. Those messengers who have been duly elected by cooperating churches, have been duly registered, and are in attendance at the annual meeting or special meeting of the Convention. The number and criteria for messengers shall be as follows:
 - 1. The number of messengers to which a cooperating church is entitled may be determined on either a numerical or financial basis:
 - a. On a numerical basis: every cooperating church shall be allowed two (2) messengers and one (1) additional messenger for every one hundred (100) members or fraction thereof, beyond the first one hundred (100) members; provided that to have more than two (2) messengers, the cooperating church financially supports the Cooperative Program of the Convention by giving at least one percent (1%) of undesignated budget gifts through the Cooperative Program of the Convention; for the purposes of this calculation, funds used as matching funds for the expanded annuity shall not be considered.
 - b. On a financial basis: every cooperating church giving five percent (5%) of undesignated budget gifts through the Cooperative Program shall have two (2) messengers and one (1) additional messenger for every one percent (1%) beyond the initial five percent (5%).
 - 2. Messengers shall be members of a cooperating church, as defined below.
 - 3. A cooperating church shall be one that financially supports any program, institution, or agency of the Convention, and which is in friendly cooperation with the Convention and sympathetic with its purposes and work.

Among churches not in friendly cooperation with the Convention are churches which knowingly act to affirm, approve, endorse, promote, support or bless homosexual behavior. The Board of Directors shall apply this provision. Any decision by the Board of Directors shall be final; provided that a church has a

right to request the Convention in annual session to reconsider the Board of Directors' decision that such church is not in friendly cooperation with the Convention.

4. No cooperating church shall be entitled under any circumstances to elect more than ten (10) messengers.
 5. No one who is a messenger pursuant to a position described in Section B is eligible to be elected as a messenger from a cooperating church.
- B. The officers of the Convention, the members of the Board of Directors, the editor of the *Biblical Recorder*, the President of the Woman's Missionary Union of North Carolina, the President of the North Carolina Baptist Men, and the President of the North Carolina Baptist Associational Missions Conference.

Article VII. Officers of the Convention

The officers of the Convention shall be a President, a First Vice-President, a Second Vice-President, an Executive Director-Treasurer, and Parliamentarian, as set forth in the bylaws of the Convention.

Article VIII. The Board of Directors

Management of the Convention and its properties and affairs shall be vested in the members of the Convention, the Convention officers and Convention committees as well as its Board of Directors, which, in addition to its other powers and authorities, shall have the power and authority from time to time to sell, expend, or otherwise dispose of any and all property of the Convention in furtherance of any of the purposes for which the Convention has been organized. The members of the Convention are described in Article VI herein and the members of the Board of Directors of the Convention, their number, their terms of office, and the method of their selection and removal shall be provided for and determined by the bylaws of the Convention.

Article IX. Registered Agent

The street address of the initial registered office of the Convention, which is located in Wake County, is 205 Convention Drive, Cary, North Carolina 27511, and the mailing address is P.O. Box 1107, Cary, North Carolina 27512-1107. The name of the registered agent at the street address for the Convention is Glenn Harder.

Article X. Address

The street address of the principal office of the Convention, which is located in Wake County, is 205 Convention Drive, Cary, North Carolina 27511, and the mailing address is P.O. Box 1107, Cary, North Carolina 27512-1107.

Article XI. Prohibitions

No part of the net earnings of the Convention shall inure to the benefit of, or be distributable to, its members, directors, officers or any "private shareholder or individual" within the meaning of Section 501(c)(3) of the Code; provided, however, that the Convention 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 IV hereof. No compensation shall be paid to directors and officers for their services as members of the Board of Directors or as officers of the Convention. No substantial part of the activities of the Convention shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Convention shall not participate in or intervene (including the publishing or distribution of statements) in any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of the Articles, the Convention shall prohibit any activities not permitted to be carried on:

- A. By a corporation exempt from federal income tax under Section 501 (a) of the Code as an organization described in Section 501 (c)(3) of the Code;
- B. By a corporation, contributions to which are deductible under Sections 170 (c)(2) and 2055 of the Code; or
- C. By a “charitable or religious corporation” as that term is defined under the Act.

Article XII. Dissolution

In the event of its dissolution, the Convention, after paying or making provision for the payment of all the liabilities of the Convention, shall distribute all of the net assets of the Convention to one or more organizations which themselves are exempt as organizations described in Sections 501 (c) (3) and 170 (c) (2) of the Code, or to federal, state, or local government exclusively for public purposes. Any such assets not so disposed of shall be disposed of by the Superior Court in the county in which the principal office of the Convention is then located, exclusively for such purposes or to such organization and organizations, as said Superior Court shall determine, which are organized and operated exclusively for such purposes.

Article XIII. Personal Liability; Indemnification

The members of the Board of Directors shall not be personally liable to the Convention for monetary damages arising out of any action, whether by or in the right of the Convention or otherwise, for any breach of duty as a member, officer, trustee 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 Convention, (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 Convention. If the Act is amended after the date of the Articles to authorize corporate action further eliminating or limiting the 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 XIII shall apply to or have any effect on the liability or alleged liability of any director of the Convention 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 Convention 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 civil, criminal investigative or administrative and against reasonable costs and expenses (including attorneys' 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 Convention, the members of the Board of Directors, the President of the Woman's Missionary Union of North Carolina, the President of the North Carolina Baptist Men and key employees and special committee members as listed in a duly authorized resolution adopted by either the Board of Directors or the Convention. The Convention may advance expenses in connection with any proceeding to any such person in accordance with applicable law. The use of funds of the Convention for indemnification or for purchase and maintenance of insurance for the benefit of the indemnified parties shall be deemed a proper expense of the Convention.

Article XIV. Incorporator

The name and address of the incorporator is James H. Royston, 205 Convention Drive, Cary, North Carolina 27511 (Wake County).

Article XV. Amendments

The Articles may be changed or amended at any session during any annual meeting of the Convention other than the first or the last session during the annual meeting or during any special meeting of the Convention by a two-thirds (2/3) vote of the registered messengers present and voting when the vote is taken, provided that notice of any and all amendments to the Articles (a) shall either appear in the *Biblical Recorder* in at least one (1) issue with a publication date of more than ten (10) days in advance of the meeting of the Convention in which the proposed action is to be taken or be mailed to every cooperating church, as defined above, at least twenty-one (21) days in advance of the meeting of the Convention in which the proposed action is to be taken; and (b) shall appear on the Convention's website beginning at least twenty-one (21) days in advance of the meeting of the Convention in which the proposed action is to be taken and to remain on such website through the conclusion of the meeting of the Convention in which the proposed action is to be taken.

Article XVI. Effective Date; Validate

The Articles shall be effective upon filing in the office of the North Carolina Secretary of State. The adoption of the Articles shall not invalidate any action validly taken by or in behalf of the Convention or any of its institutions or agencies prior to the date the Articles of Incorporation becomes effective.

This the ____ day of October, 2004

James H. Royston, Incorporator