

## ARTICLES OF INCORPORATION

OF

### DISTRICT CAROLINAS MASTER BREWERS ASSOCIATION OF THE AMERICAS

The undersigned incorporator, a natural person 18 years of age or older, in order to form a corporate entity under Minnesota Statutes, Chapter 317A, adopts the following articles of incorporation.

#### ARTICLE I

##### NAME/REGISTERED OFFICE

The name of this District (corporation) shall be: **DISTRICT CAROLINAS MASTER BREWERS ASSOCIATION OF THE AMERICAS.**

The District's (corporation's) registered office shall be (until such time that the corporation's annual registration or amendment to these Articles alters same): 3340 Pilot Knob Road, St. Paul, MN 55121.

#### ARTICLE II

##### PURPOSE

This District (corporation) is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 as now enacted or hereafter amended. To this end, and in accord with the preceding sentence's dedication to Section 501(c)(3) purposes and operations, the corporation shall be operated exclusively as a District of the Master Brewers Association of the Americas, Inc. (hereafter, "MBAA") and shall engage in efforts within the geographic region the corporation's name delineates to:

*advance, support, promote, and encourage scientific research into brewing malt beverages and related industries and to make the results of that research available to the public through conventions, discussion groups, journals, publications and seminars.*

All funds, whether income or principal, and whether acquired by gift or contribution or otherwise, shall be devoted to said purposes.

#### ARTICLE III

##### LIMITATIONS

At all times the following shall operate as conditions restricting the operations and activities of the District (corporation):

1. No part of the net earnings of the District shall inure to any member of the District not qualifying as exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as now enacted or hereafter amended (hereinafter, "the Code"), nor to any Director or officer of the District, nor to any other private persons, excepting solely such reasonable compensation that the District shall pay for services actually rendered to the District, or allowed by the District as a

reasonable allowance for authorized expenditures incurred on behalf of the District;

2. No substantial part of the activities of the District shall constitute the carrying on of propaganda or otherwise attempting to influence legislation, or any initiative or referendum before the public (except as otherwise provided in subsection (h) of Section 501 of the Code), and the District shall not participate in, or intervene in (including by publication or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office;

3. Notwithstanding any other provision of these articles, the District shall not 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;

4. The District shall not lend any of its assets to any officer or director of this District, or guarantee to any person the payment of a loan by an officer or director of this District; and

5. At all times that the District shall intend to qualify as a "subordinate" organization to MBAA (thus obtaining 501(c)(3)-exemption under a "group exemption ruling" afforded MBAA pursuant to Revenue Procedure 80-27, 1980-1 C.B. 677 (or superseding ruling of the U.S. Treasury Department)), the District shall not undertake any actions in contradiction to:

- a) holding status as an affiliate of MBAA and accordingly being subject to MBAA's general supervision and/or control
- b) maintaining its books and records on the same accounting period as MBAA
- c) qualifying as a public charity, rather than as a private foundation, pursuant to Section 509(a)(1)-(3) of the Internal Revenue Code of 1986.

#### **ARTICLE IV** **DIRECTORS/MEMBERS**

The management and affairs of the District shall be at all times under the direction of a Board of Directors, and the Board's operations in governing the District (including their number) shall be defined by statute and by the District's by-laws. Furthermore, for all times that the District qualifies as a District of MBAA by virtue of holding a "District Chartering Agreement" with that latter entity, the Board shall be required to meet the conditions of such Agreement.

The District shall have no voting members, but may admit individuals or organizations who support the purposes of the District to membership as nonvoting members.

No member or Director shall have any right, title, or interest in or to any property of the District.

#### **ARTICLE V** **DEBT OBLIGATIONS AND PERSONAL LIABILITY**

No member (whenever members exist), officer or Director of this District shall be personally liable for the debts or obligations of this District of any nature whatsoever, nor shall the property of those parties be subject to the payment of the debts or obligations of this District, except to the

