

CONSTITUTION AND BYLAWS OF THE PETERSBURG BIBLE CHURCH

Updated 11/18/09

PREAMBLE:

We, the members of the Petersburg Bible Church, do ordain and establish the following articles, to which we voluntarily submit ourselves:

ARTICLE I. NAME & Purpose

This organization shall be known as the Petersburg Bible Church.

Section 1. IRC Section 501(c) (3) Purposes

This corporation is organized exclusively for religious purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code.

Section 2. Specific Objectives and Purposes

This corporation is a non-profit organization established with an objective to be a family-oriented, community-based group of believers in Jesus Christ who regularly gather together as the Body of Christ for teaching, fellowship, prayer, and service.

ARTICLE II. STATEMENT OF FAITH

Section 1

We believe in the verbal inspiration of the Holy Scriptures of the Old and New Testaments, that they are inerrant as originally given, and are God's final written revelation of Himself and His will, and the sole authority for all faith and practice. (2 Timothy 3:16, 17; 2 Peter 1:20, 21; John 17:17)

Section 2

We believe there is one God, who is infinitely perfect, existing eternally in three persons: Father, Son, and Holy Spirit. (Matthew 28:19, 20; Mark 12:29; John 1:1-4; Acts 5:3, 4; Hebrews 1:1-3; Revelation 1:4-6)

Section 3

We believe Jesus Christ is true God and true man. He was conceived by the Holy Spirit and born of the Virgin Mary. He lived a sinless life and died upon the cross as a perfect substitutionary sacrifice; all who believe in Him are justified on the ground of His shed blood. He physically arose from the dead. He ascended into heaven where He is the High Priest and Advocate for His people. (Isaiah 9:6, 7; Matthew 26:28; Luke 1:30-35; Acts 2:32-33; Romans 5:6-11; 1 Corinthians 15:3-8, Hebrews 4:14-16; 1 John 2:1)

Section 4

We believe in the personality and deity of the Holy Spirit, who convicts of sin, who is the Supernatural Agent in regeneration, and who, at the moment of conversion, baptizes and seals the believer into the Body of Christ, immediately indwelling him. (John 14:16, 17; 16:7-11; 1 Corinthians 12:12-14; Ephesians 1:13, 14)

We believe that it is the duty and privilege of the believer to be filled with the Holy Spirit, who illumines, guides, and energizes the believer, enabling him to maintain a consistent Christian walk. (John 16:13; Galatians 5:16; Ephesians 5:18; 1 John 2:20, 27)

Section 5

We believe that man was originally created by a direct act of God, in the image and likeness of God. Man fell through disobedience and thereby became depraved and guilty before God, and separated from the life of God. He can be saved only through the atoning work of the Lord Jesus Christ. (Genesis 1:26, 27; Romans 5:18,19)

Section 6

We believe that salvation has been provided for all men through Jesus Christ. Those who by faith receive Him are born of the Holy Spirit, receive the gift of eternal life, and become the children of God.

We believe in the sonship of all born-again believers in the family of God, their justification, sanctification, and eternal redemption being fully provided for and assured in the finished work of Christ on Calvary and in His continued intercession above. (John 1:12; Romans 5:1, 21; 8:14-17; Galatians 3:26; 4:5-7; Ephesians 1:13, 14; Hebrews 7:25; 1 Peter 2:9; 1 John 3:2; 5:11-13)

Section 7

We believe that the Church consists of all those who have been born of the Holy Spirit; Christ is its head, and it has been commissioned by Him to go into all the world as a witness, preaching the Gospel to all nations. (Matthew 28:19, 20; Luke 24:46-48; John 20:21; 1 Corinthians 12:12-14; Ephesians 1:22, 23; 5:25-27)

Section 8

We believe that the local church is a body of believers in Christ who are joined together for the worship of God, for edification through the Word of God, and for prayer, fellowship, the proclamation of the Gospel, and the observance of Baptism and the Lord's Supper. (Acts 2:41, 42; 1 Corinthians 11:2, 23-26; 12:27, 28; Hebrews 10:24, 25)

Section 9

We believe in the reality and personality of angels, both good and fallen, including Satan, the great enemy of God and man, whose opposition is ever increasing but whose ultimate doom is sure. (Job 1:6, 7; Psalm 103:20; Matthew 4:11; Luke 2:13; Hebrews 1:14; Revelation 20:10)

Section 10

We believe Jesus Christ will return to gather His church and judge the world. He will return suddenly, visibly and bodily with great power and glory. (Matthew 24:42-51, 25:31-46; Mark 13:24-27,

14:61-62; Luke 24:39-43; Acts 1:11; Philippians 3:20-21; 1 Thessalonians 5:2; Revelation 20:11-15, 21:6-8)

Section 11

We believe in the bodily resurrection of the just and the unjust. For the just this is a resurrection unto life and blessedness in the new heavens and new earth which God will create, and for the unjust a resurrection unto everlasting suffering in hell. (1 Thessalonians 4:13-18; Matthew 25:31-46; John 5:28, 29; Luke 16:19-26; 2 Peter 3:10-13; Revelation 21:1-8; 2 Thessalonians 1:5-10)

ARTICLE III. MEMBERSHIP

Section 1

Qualifications for membership shall consist of: satisfactory evidence of regeneration; testimony of faith in Jesus Christ; and, belief in: God, the Father, Son and Holy Spirit; the verbal inspiration of the Holy Scriptures as originally given; the vicarious atonement of the Lord Jesus Christ; and the eternal salvation of all who believe in Him and the eternal punishment of all who reject Him. The candidate must also be in full sympathy with the Church's principles, Doctrinal Statement, and goals, and express a willingness to be involved in its work. A person must be at least twelve (12) years of age to be eligible for membership, and must have completed a class to study the points of Bible Doctrine contained in the Church's Statement of Faith.

Section 2

Persons desiring membership should express their intention to an Elder. Following participation in the class mentioned in Section 1, prospective members will be asked to submit a written or verbal testimony of faith in Jesus Christ to the Elder Board. The Elders will then meet with the candidate for further discussion. When the Board of Elders is satisfied that a candidate has met the qualifications for membership outlined in Section 1, the Board will present that person to the membership, at least three weeks prior to a congregational business meeting, so that he or she may give a public testimony of faith in Jesus Christ. The congregation shall be advised of the three-week notice and encouraged to use that time to give the person and/or the Elders any necessary input. After the waiting period, at the congregational meeting, persons who have met the preceding guidelines will be affirmed as members.

Section 3

Members of the Petersburg Bible Church shall be entitled to the rights and privileges outlined in the Church's Membership Covenant and by-laws.

Members will be expected to make every reasonable effort to attend church business meetings, and those members who are eighteen (18) years of age and older will be eligible to vote at all church business meetings.

In the event that a person is dismissed from church membership, as outlined in Section 4, there shall be no appeal to any court of that action.

Section 4

Forfeiture of membership will occur when a member:

- A. Moves away from the Petersburg-Kupreanof area, unless the move is intended to be temporary, as in college attendance or military service.
- B. Fails to carry out the duties associated with being a member as outlined in section 3 of this article.
- C. Refuses to be reconciled of unconfessed sin as outlined in Article VI.
- D. Refuses to uphold any of the doctrines outlined in article 2 of the constitution.

ARTICLE IV. ORDINANCES

We recognize and administer immersion as the Scriptural mode of water Baptism, to be received by the believer subsequent to profession of faith.

We commemorate the Lord's life and death at the Lord's Supper; His body and blood being symbolized.

ARTICLE V. LEADERSHIP

Section 1

I. Selection of Elders

Candidates earnestly desiring the office of Elder, including the commitment inherent thereto, must initiate this request, in writing, to the Board of Elders stating their desire to serve the Petersburg Bible Church as an Elder. The Board will carefully examine the candidate as to his qualifications as outlined in section 1 subsection 5 of this article, as to his genuine enthusiastic support of the constitution which must include his total understanding of and agreement with the doctrinal statement and policy statements of the Church. After an appropriate trial period to insure harmony and like-mindedness, the candidate will then become an Elder after the unanimous approval of the entire Elder Board and a two thirds approval of the church membership.

The following steps will be the process by which an individual will be screened and evaluated in terms of discerning God's hand upon that person's life, in qualifying him for a leadership position within the Petersburg Bible Church:

INITIATION - The individual responds to God's working in his life by expressing a desire to serve in a leadership capacity.

CONFIRMATION - The Elders unanimously agree that the individual has the potential for leadership and thereby assume the responsibility to work with the individual toward that end.

DEMONSTRATION - The Elders will assign specific responsibilities of ministry within the Church for a period of time in order for the entire body to examine by observing the individual's spirit and giftedness in service.

PRESENTATION - If the individual's service is deemed to be appropriate by the elders for the designated trial period, the person in question will be presented to the entire Church three weeks prior to a church meeting for evaluation, examination, and affirmation as one whom God has qualified for leadership. The entire body will be given a 7-day period in which to express concerns or needed input to the Elders, personally.

AFFIRMATION - After the Elders have acted upon the input of the congregation (if necessary), and the Elders are in unanimous agreement that the individual has indeed been qualified by an act of the grace of God for leadership within the Church, the Elders will affirm what God has already done in the man's life by setting him apart for the leadership position in question. At the next church business meeting the man will be officially ordained as an elder of the Petersburg Bible Church.

Once a man is appointed to the position of an elder he will not be required to reenter the selection process in order to serve for another year. Their service and qualifications will be reviewed annually by the rest of the Board of Elders.

II. Duties of Elders

Subject to limitations of the Constitution and these Bylaws, all the activities and affairs of the Corporation shall be exercised by or under the direction of the Board of Elders, who are responsible for shepherding and having oversight of the flock. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following responsibilities in addition to the others enumerated in these bylaws:

- A. Assist the Pastor(s) in the spiritual work of the church.
- B. Meet with the Pastor(s) at regular times for prayer and counsel.
- C. Elect from their own number those who will, with the Pastor, constitute the Committee on Membership.
- D. Constitute the committee on all matters of church discipline.
- E. Assist, when needed, in home visitation.
- F. Assist in serving of the Lord's Supper and in baptismal services.
- G. Appoint Sunday School Superintendent annually.
- H. Approve all Sunday School teachers appointed by the Sunday School Superintendent, except substitute teachers.
- I. Appoint Petersburg Bible Church Corporate Officers.
- J. Supervise all officers, agents, and employees of the organization to assure that their duties are performed properly;
- K. Plan, organize and monitor all other activities of the church.

III. Numbers of Elders

The authorized number of directors of the Corporation shall be not less than three (3) nor more than five (5) until changed by an amendment to these bylaws.

IV. The Chairman of the Board of Elders

The Elders will select from among themselves a chairman for the Board of Elders.

V. Qualifications

Each member of the Board of Elders must be an active member of this church and possess the qualifications described in 1 Timothy 3:1-7 and Titus 1:6-9. He shall be:

- A. Blameless as a steward of God; above reproach (1 Timothy 3:2; Titus 1:6-7).
- B. Husband of one wife; a one-woman man (1 Timothy 3:2; Titus 1:6).
- C. Temperate, sober, vigilant (1 Timothy 3:2).
- D. Sober-minded, prudent (1 Timothy 3:2; Titus 1:8).
- E. Of good behavior; orderly, respectable (1 Timothy 3:2).
- F. Given to hospitality (1 Timothy 3:2; Titus 1:8).
- G. Apt to teach; able to teach; he can exhort believers and refute false teaching (1 Timothy 3:2; Titus 1:9).
- H. Not given to wine (1 Timothy 3:3; Titus 1:7).
- I. Not violent; not pugnacious (1 Timothy 3:3; Titus 1:7).
- J. Patient, moderate, forbearing, gentle (1 Timothy 3:3).
- K. Not a brawler; uncontentious; not soon angry or quick-tempered (1 Timothy 3:3; Titus 1:7)
- L. Not covetous; not a lover of money; not greedy of base gain (1 Timothy 3:3; Titus 1:7)
- M. Rules well his own house. His children are faithful; not accused of rebellion to God (1 Timothy 3:4; Titus 1:7).
- N. Not a novice; not a new convert (1 Timothy 3:6).
- O. Has a good report or reputation with outsiders (1 Timothy 3:7).
- P. Not self-willed (Titus 1:7).
- Q. A lover of good men and things (Titus 1:8).
- R. Just, fair (Titus 1:8).
- S. Holy, devout (Titus 1:8).
- T. Self-controlled (Titus 1:8).

VI. Vacancies

Any Elder may resign effective upon giving written notice to the Chairman of the Board or the secretary of the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation decreases the number of Elders below three (3), then the procedures outlined in Article V, Section 6 must be enacted.

No reduction of the authorized number of Elders shall have the effect of removing any Elder prior to the expiration of the Elder's term of office.

VII. Removal of Elders

Any Elder may be removed from office if he becomes physically incapacitated, spiritually unqualified, or his inability to serve is established in the minds of the remainder of the Board of Elders.

VIII. Decisions of the Board of Elders

Decisions shall be reached after prayerful consideration by unanimous vote in a spirit of humility, with each Elder regarding one another before himself.

- A. The Board of Elders of the organization shall conduct all the activities and affairs of this organization and also exercise all corporate powers, subject to the provisions of the laws of this state, the Articles of Incorporation and the Bylaws;
- B. The Board of Elders shall have full control and discretion as to the use of the contributions received by the organization;
- C. The making of contributions and grants and otherwise rendering financial assistance for the organization's purposes expressed in the Articles of Incorporation and these Bylaws shall be within the exclusive power of the Board of Elders;
- D. In furtherance of the organization's purposes, the Board of Elders shall have power to make grants to any organization organized and operated exclusively for charitable, religious, educational and/or scientific purposes within the meaning of section 501(c)(3) of the Internal Revenue Code;
- E. The Board of Elders shall review all requests for funds from other organizations and require that such requests specify the use to which the funds will be put, and if the Board of Elders approves such a request, they shall authorize payment of such funds to the approved grantee;
- F. After the Board of Elders has approved a grant to another organization for a specific purpose, the organization may solicit funds for the grant to the specifically approved project or purpose of the other organization; however, the Board of Elders shall at all times have the right to withdraw approval of the grant and use the funds for other charitable, religious, educational and/or scientific purposes within the meaning of section 501(c)(3) of the Internal Revenue Code;
- G. The Board of Elders shall require that the grantees furnish a periodic accounting to show that the funds were expended for the purposes which were approved by the Board of Elders;
- H. The Board of Elders may, in its absolute discretion, refuse to make grants or contributions or otherwise render financial assistance to or for any or all the purposes for which funds are requested.

IX. Compensation of Elders

Elders shall not receive any compensation for their services, except that each Elder is entitled to receive from the corporation reimbursement of expenses incurred by the Elder in the furtherance of the corporation's business. Nothing contained in this Section shall be construed to preclude any Elder from serving the corporation in any other capacity and receiving compensation for that service. The salaried individuals can not vote on their own compensation and the compensation decisions shall be made by the unrelated board members.

X. Compensation of Officers

The salaries of the officers shall be fixed from time to time by resolution of the Board of Elders. No officer shall be prevented from receiving such salary by reason of the fact that said officer is also an Elder of the corporation. In all cases, any salaries received by officers of this corporation shall be very reasonable and in return for services actually rendered to or for the corporation for the cause of its tax exempt activities alone.

Section 2

I. Duties of the Pastor

The Pastor shall be a man in full accord with the constitution of this church, faithfully proclaim the Word of God, care for the stated services of worship, administer the ordinances, and promote the spiritual welfare of the church. He shall be a member of the Board of Elders and an ex-officio member of all church related committees. The Pastor shall present an annual state-of -the-church report which will

review the year's special events and the church's spiritual growth, and will describe plans for the coming year.

II. Pastoral Change

In the time of Pastoral change, it will be the responsibility of the Board of Elders to seek a new pastor. It shall first secure from any pastoral candidate a resume of himself, family, training and experience. After prayer and consideration by the board, a candidate shall be invited to the church to speak at three of its services and to be interviewed by the Board of Elders. A pastoral call shall be extended after recommendation by the Board of Elders, and after the candidate receives a two-thirds majority of the votes cast at a congregational meeting duly called.

The pastoral relationship may be dissolved at any time, either by the church or by the pastor, by written notice of such intent thirty days in advance. It will require a two-thirds majority of the votes cast in a church business meeting, duly called, to dismiss a pastor.

Section 3

I. Secretary

The Board of Elders shall elect from among their own number, for one year, a secretary, who shall keep a record of all proceedings of the Board Meetings and Congregational meetings, and give notice of all called meetings of the church. The Board of Elders may also appoint a corresponding secretary.

Section 4

I. Treasurer

The treasurer shall be appointed by the Board of Elders for one year. He/She shall hold and disburse the church funds as directed by the Board of Elders, see that proper financial records are kept, and report monthly in writing to the Board of Elders. Adequate care shall be taken by the Board of Elders to guarantee the propriety of all financial activities including periodic audits or review of the financial records.

Section 5

I. Deacons

The Deacon Board shall consist of not more than five male church members possessing the qualifications described in 1 Timothy 3:8-13, and shall be elected at the annual meeting for a term of three (3) years. A Deacon may be removed from office prior to the end of his term if, in the judgment of the Elders, he is no longer spiritually qualified to be a Deacon. The Deacons shall assist the Elders in the shepherding of the saints, aid in the general spiritual care of the church, and perform other duties as assigned by the Board of Elders.

II. Councils and Committees

To promote efficient handling of Board matters, the Elders may appoint various councils and committees from within its membership, and from the church at large. These councils and committees

shall perform tasks solely in accordance with the duties and with powers specifically delegated by the Board. The general functions of councils and committees are:

- A. To bring considered recommendations to the Board concerning ministries.
- B. To provide a wider base of counsel to the Elders having the oversight of specific ministries.

All councils and committees shall exist for the period specified by the Board.

III. Nomination and Selection

The nomination and selection of Deacons shall be done in the same manner as for Elders, except they shall be elected at the annual meeting by the congregation.

Section 6

I. Church Board

- A. In the absence of three or more elders, the duties of the Elders as outlined in this constitution, with the exception of those outlined under “Selection of Elders,” shall be carried out by a Church Board. Board membership shall consist of all existing Elders. Additional members will be nominated by the existing Elders from the Deacon board and posted in the church three weeks prior to a membership meeting for congregation response. At the meeting the nominees will be voted on by the congregation, with consideration given to biblical qualifications for leadership. The maximum size of the Church Board shall be five. The term of office for elected board members will be until the next annual meeting, or until three or more Elders are affirmed by the congregation.
- B. For purposes of applying this constitution, when the church is under a Church Board form of government, the phrases “Elders” and “Board of Elders” should be interpreted as “Church Board,” with the exception of those occurrences under “Selection of Elders,” and the phrase “Chairman of the Board of Elders” should be interpreted as “Chairman of the Church Board.”
- C. In the event that there are no deacons to be nominated by the existing Elders the congregation shall elect three (3) active church members to serve as a Nominating Committee. Women may serve on the committee, but may not hold a majority of the membership. They shall request, from all church members, recommendations to fill the office of board member. This committee shall review all nominations and determine each nominee’s qualifications. Members of the nominating committee may be nominees, but no committee member shall nominate himself.

A proposed slate of nominees prepared by the nominating committee shall then be submitted to the existing elders, who shall then approve or disapprove the nominees. The committee shall then publicly post the nominees approved by the elders in alphabetical order at least three weeks prior to a congregational business meeting. The congregation shall be advised of the three-week notice and encouraged to use that time to give the Elders any necessary input on the candidates. In the absence of any Elders, the nominating Committee shall post the slate of names following the aforementioned guidelines.

II. Chairman of the Church Board

If one Elder is present in the church, he shall serve as the Chairman of the Church Board. If no Elder is present, the Church Board will select a Chairman from among themselves. The Chairman of the

Church Board shall preside over all Church Board meetings and fulfill the duties of the Chairman of the Board of Elders as outlined in this Constitution.

ARTICLE VI. CHURCH DISCIPLINE

To rightly understand church discipline, a person must first understand God's view of discipline. God disciplines His children because He loves them, because He desires what's best for them, and so that they can share in His holiness (Hebrews 12:5-6, 10). The intended result of divine discipline is a life that is marked by righteousness and peace (Hebrews 12:11).

Effective church discipline must attempt to reflect and carry out these same purposes. It must be done out of love for an erring brother or sister, with a desire to lead that person back to a loving and peaceful relationship with God and with others, and it must be done to encourage a proper testimony of God's holy character in that person's life.

Discipline in the Petersburg Bible Church is applicable to its members, and to those who have demonstrated a commitment to the church through regular participation in its activities of worship and fellowship. It is not meant to give license to Church leadership to discipline those who may be involved in gray areas, but rather the goals should be: to deter sins, such as those listed below, to restore the one who is erring to a walk in fellowship with the Lord and with other believers, to purify the Church (1 Corinthians 5:6-8), and to thus demonstrate the reality of righteous living in the world.

In dealing with matters of church discipline, the Elder Board must demonstrate a brotherly concern for the erring one, marked by sorrow and a desire to forgive when repentance occurs. Church Discipline should not be exercised in every case of sin or deviation from the truth, for it is not God's method for making the Church sinless. Instead, sin that damages the Church, weakens its testimony, or promotes disunity, constitutes a disciplinary offense that primarily include the following:

- A. Divisiveness - 2 Thess 3:11; Titus 3:10-11; Romans 16:17-20.
- B. Unruly, disorderly, undisciplined living - 2 Thess 3:6, 11; 1 Thess 5:14.
- C. Conflict between brothers - 1 Corin 6:5-8; Philippians 4:2-3; Matt 18:15-18.
- D. Sins of the flesh - 1 Corinthians 5:11.
- E. Denial of the great doctrines of our Faith - 1 Tim 6:3, 5; 2 Tim 2:16-18; 2 John 1:7-11; Rev 2:14.

Church discipline is to be handled prayerfully, carefully, and justly, and only after several individual attempts of corrective or preventative action have been taken. Those attempts, as described in Luke 17:3 and Matthew 18:15-16, should include a private meeting at which the offender is rebuked. If he repents, forgive him. If the offender remains unrepentant, Scripture calls for a second meeting in which at least one or two other persons are present.

Those present are to serve as witness of both the charge, and the offender's response. If they believe the offended brother has brought a just charge of sin, they too should admonish the offender and call him to repentance.

If the offender remains unrepentant after these individual attempts of action have been taken, the matter is to be brought before the Church, following consultation with the Board of Elders (Matt 18:17; 1 Tim 5:20).

Should the guilty party remain unrepentant, despite the admonition of the church, he is to be spiritually excommunicated. This constitutes actions of:

- Denial - The offender is to be denied Christian fellowship as a brother or sister in Christ (Matt 18:17; Rom 16:17; 2 Thess 3:6).
- Deliverance - The offender is to be delivered over to Satan (1 Corin 5:5; 1 Tim 1:20), i.e. thrust back into the world, apart from the care and protection of the Church.
- Admonition - The offender is not to be shunned, or treated as an enemy. Though Christian fellowship is denied, opportunities for contact should be used to admonish the offender, calling him or her to repentance (2 Thess 3:15).

ARTICLE VII. MARRIAGE

Petersburg Bible Church will marry, or allow its building to be used for the marriages of, those who are members in good standing of Petersburg Bible Church, and who have satisfactorily completed an Elder-approved pre-marital counseling program.

Why? To insure that we only marry believers who are intent on pleasing God in every area of their lives and are rightly related to the local church for the purpose of accountability in their marriage vows and righteous living.

All exceptions to this policy should be directed to the Elder Board for consideration.

ARTICLE VIII. COUNSELING

General counseling by the Pastor of the Petersburg Bible Church will primarily be a function of the pulpit ministry. However, from time to time there will be special need for crisis, premarital, preventative, or corrective counseling that the Pastor may deem necessary.

In these special counseling occasions, the goal of counseling is to free people to enter into a deeper relationship with God, to more effectively please Him through worship and service by helping them become more like the Lord. In a word, the goal is maturity: immediate obedience in specific situations and long-range character growth.

Through biblical counseling, the counselee will be guided by the counselor in developing maturity by dealing with any immediate problem circumstances in a manner consistent with Scripture; and by developing an inward character which conforms to the character (attitudes, beliefs, purposes) of Christ. Both the short-range and long-range objectives will be approached by attempting to transform the thinking patterns - renewing the mind of the counselee through appropriate biblical principles. At no time will the Pastor counsel a female counselee without a third party present.

If, in order to justify one's behavior, an unwillingness to change one's thinking patterns is discerned, or if there is an unwillingness to complete the designated assignments given by the counselor, counseling will be terminated.

ARTICLE IX. BUSINESS MEETINGS

Section 1 - Annual Meetings

The Annual Business Meeting of the Church shall be held during the month of January, to hear the yearly reports of the officers and departments, to transact business, to review and select Elders, and to adopt plans for the coming year.

The Chairman of the Board of Elders shall preside at the Annual Business Meeting, as well as at any Special Business Meetings.

Section 2 - Special Business Meetings

The church may be called together for the transaction of any legitimate business by the Board of Elders or by the Pastor. Notice of such meeting having been given at two Sundays preceding the day appointed. The notice shall specify the object of the meeting, and the meeting will only deal with the announced objective.

Section 3 - Quorum for Church Meetings

Fifty percent of all active voting members shall constitute a quorum for the transaction of official business at:

1. Annual and Special Business Meetings
2. Official Board Meetings

ARTICLE X. AMENDMENTS AND BY-LAWS

This Constitution may be amended, or by-laws added by a three-fourths majority of the votes cast at a regular business meeting of the church, the amendment or by-law in its final form having been read to the church congregation on the two consecutive Sundays preceding the meeting.

ARTICLE XI. IRC 501(c) (3) TAX EXEMPTION PROVISIONS

Section 1. Limitations on Activities

No substantial part of the activities of this corporation shall be for propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on or behalf of, or in opposition to, any candidate for public office. Notwithstanding any other provisions of these Bylaws, this corporation shall not carry on any 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, or
- B. By a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code.

Section 2. Prohibition against Private Inurement

No part of the net earnings of corporation shall inure to the benefit of, or be distributable to, its members, Elders or trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

Section 3. Distribution of Assets

Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed for one or more exempt

purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

ARTICLE XII. CONFLICT OF INTEREST POLICY AND COMPENSATION APPROVAL POLICIES

Section 1. Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Elder of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions

A. Interested Person.

Any Elder, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

B. Financial Interest.

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3. Conflict of Interest Avoidance Procedures

A. Duty to Disclose.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Elders and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

B. Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest.

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested Elders whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

D. Violations of the Conflicts of Interest Policy.

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Board and Board Committee Proceedings

The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

A. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

B. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. Compensation Approval Policies

A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for Elders, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- A. the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.
- B. all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 - 1. is not the person who is the subject of compensation arrangement, or a family member of such person;
 - 2. is not in an employment relationship subject to the direction or control of the person who is the subject of compensation arrangement
 - 3. does not receive compensation or other payments subject to approval by the person who is the subject of compensation arrangement
 - 4. has no material financial interest affected by the compensation arrangement; and
 - 5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- C. the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
 - 1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for

functionally comparable positions. "Similarly situated" organizations are those of a similar size and purpose and with similar resources

2. the availability of similar services in the geographic area of this organization
3. current compensation surveys compiled by independent firms
4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

D. the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:

1. the terms of the compensation arrangement and the date it was approved
2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member
3. the comparability data obtained and relied upon and how the data was obtained.
4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination.
5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the Board or committee meeting.
6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement).
7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next Board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the Board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

Section 6. Annual Statements

Each Elder, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- A. has received a copy of the conflicts of interest policy,
- B. has read and understands the policy,
- C. has agreed to comply with the policy, and

D. understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- A. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Section 8. Use of Outside Experts

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.