

Constitution of Southside Church of Clayton, North Carolina

PREAMBLE

We, the members of Southside Church, do ordain and establish the following articles, to which we voluntarily submit ourselves.

ARTICLE 1. NAME

The name of this church shall be Southside Church of Clayton, North Carolina.

ARTICLE 2. OBJECT

The object of this church is to glorify God in the salvation of souls, to edify Christians through the teaching of God's Word, to proclaim throughout the world God's saving grace expressed in the shed blood and finished work of the Lord Jesus Christ on Calvary, to promote Godly worship, to defend the "faith once delivered," and to co-operate with Christian activity functioning in harmony with God's Holy Word - the Bible, "Till He comes."

ARTICLE 3. ARTICLES OF FAITH

This church and each of its members affirms the essentials doctrines of the faith of our salvation in Christ as taught in Scripture. These include:

1. The Bible is the inspired, inerrant, complete, and authoritative Word of God that is sufficient for salvation and life in God (2 Tim 3:14-17; 2 Pet 1:20-21; John 17:17; Ps 19:7-11).
2. God is one but He is also a tri-unity of three persons, Father, Son, and Holy Spirit. Each person is distinct from each other yet unified without division of nature, essence, or being. God is the Creator of all things and has existed eternally without change, sovereignly controlling all things according to His purpose and will. As God, He determines all that is true and right and is in Himself all knowing, all powerful, all just, and all merciful. He is a God of wrath and of love. He alone is holy God (Gen 1:1; 1 Tim 1:17; Ps 139:7-10; Eph 4:6; Jer 32:17; Deut 6:4; Num 23:19; 1 John 4:7-8; 1 Pet 1:15-16).
3. Each person was created in God's image and for His glory, but Adam's rebellion in the garden caused all humanity to have sin upon conception of life (Gen 3:1-7; Ps 51:5; Rom 3:23). Each person is totally depraved in sin from the time of their conception, fails to live up to God's righteous standard, and is rightfully subject to God's just condemnation and wrath. They are dead in trespasses and sins and cannot respond to the gospel unless God makes them alive (Ephesians 2:1-10). Man is able to do good works that benefit others, but he cannot merit his salvation by these works or please God with them (Isaiah 64:6). Each person is helpless to alter this bleak eternal status and must rely completely upon the mercy of God to save his or her soul from damnation.

4. Jesus Christ, as God the Son, is part of the tri-unity of God and took on human flesh with its weaknesses but without its sin (John 1:1, 14; 10:30-33; Heb 1:3; 2 Cor 5:21; Heb 4:15). He was born of a virgin (Luke 1:30-35), lived a perfect life fulfilling the Law's requirement for righteousness (Matt 5:17-18), and offered himself freely as a perfect substitute sacrifice for sin when he died on the cross (Rom 3:23-25). He rose bodily from the grave and ascended back to his Father in heaven (Matt 28:5-7; Acts 1:3-10). He will return for his church some day in the future (Acts 1:11; 2 Thess 1:5-12; Rev 19:11-16).
5. Since each person is dead in his sins and trespasses (Eph 2:1-5), they cannot respond to the gospel message of Christ (Rom 3:9-18). God must give them life and regenerate them so that they may be able to respond and receive Christ (John 3:5-8; 5:21; 6:44; Acts 16:14; Eph 2:5; 1 Pet 1:3).

Each person must by faith repent of their rebellion and sin against God and receive Jesus Christ to save and rule over their life. Repentance is an act of divine grace, wherein a person being, by the Holy Spirit, made sensible of the manifold evil of his sin, humbles themselves for it, and manifests godly sorrow over it. (Romans 2:4; 1 John 1:8-9).

While saving faith is a gift from God (Philippians 1:29), each person must believe on God's authority whatsoever is revealed in His Word concerning Christ. Each person must believe and rest upon Him alone for justification and eternal life (Ephesians 1:13; 2:8-9; Romans 9:9-10; 1 John 5:11-13). Having done this, they receive the Holy Spirit, become adopted as children of God, are counted as righteous in His sight, and their salvation is secured.

Those whom God has brought into the church through Christ will never totally nor finally fall away from the state of grace, but shall certainly persevere to the end. Although true believers in Christ may fall, through neglect and temptation, into sin, whereby they grieve the Spirit, impair their graces and comforts, bring reproach on the Church, and temporal judgments on themselves, yet they shall be renewed again unto repentance, and be kept by the power of God through faith unto salvation (John 10:28; 1 John 5:11-13).

Faith is worked in the heart by the Holy Spirit, accompanied by all other saving graces, and leads to a life of holiness under the lordship of Christ (Matthew 7:21; Luke 6:46; James 2:14-26).

6. The Holy Spirit, as God the Spirit, is part of the tri-unity of God (Acts 5:3-4; 2 Cor 3:17-18) and indwells the believer to mature his or her faith and to purge the mortal flesh of its sinful impulses and habits while working to convict unbelievers of their sin and future judgment by God the Father (John 14:16-17; 16:7-8; Eph 3:14-19).
7. There is a future resurrection for all mankind (John 5:28-29; Acts 24:14-15). Those who have received Jesus Christ will be resurrected to eternal life and will be rewarded by him in

regards to earthly service (John 11:25-26; Rom 8:19-23; 1 Cor 5:1-5; Thess 4:17; Rev 20:6). Those who have not received Jesus Christ will be resurrected to eternal death, judged by God the Father, and sentenced to eternal damnation in the lake of fire (Matt 25:46; 2 Thess 1:6-9; Rev 20:12-15).

8. The Church is comprised worldwide of all races, tribes, and tongues who profess faith in Jesus Christ (Rev 5:9-1). They live on earth to glorify God and to fulfill the mission of his Son to make disciples of Jesus of all people groups upon the face of the earth (Matt 28:18-20; 1 Cor 10:31; Eph 3:20-21).
9. Family. We believe that God wonderfully and immutably creates each person as male or female. These two distinct, complementary genders together reflect the image and nature of God (Genesis 1:27). Rejection of one's biological gender is a rejection of the image of God within that person.

We believe that the term "marriage" has only one meaning and that is marriage sanctioned by God which joins one man and one woman in a single, exclusive union, as delineated in Scripture. We believe that God intends sexual intimacy to only occur between a man and a woman who are married to each other. We believe that God has commanded that no sexual activity be engaged in outside of a marriage between a man and a woman.

We believe that any form of sexual immorality (including adultery, fornication, homosexuality, lesbianism, bisexual conduct, bestiality, incest, pornography, and attempting to change one's biological sex, or otherwise acting upon any disagreement with one's biological sex) is sinful and offensive to God (Lev 18; Rom 1:18-27; 1 Cor 6:9-11; 1 Tim 1:8-11).

We believe that in order to preserve the function and integrity of the church as the local Body of Christ, and to provide a biblical role model to the community, it is imperative that all church members, church employees in any capacity, and volunteers, should agree to and abide by this statement on Family.

We believe that God offers redemption and restoration to all who confess and forsake their sin, seeking his mercy and forgiveness through Jesus Christ.

We believe that every person must be afforded compassion, love, kindness, respect, and dignity. Hateful and harassing behavior or attitudes directed toward any individual are to be repudiated and are not in accord with Scripture nor the doctrines of the church.

In addition to these essential doctrines, Southside Church teaches the following:

1. The Covenants of God. We hold to the covenant of redemption, where God the Father agreed to give a redeemed humanity to His Son, who would come to earth to redeem them

(John 17:2-12). We hold to the literal fulfillment of covenants to Abraham and David whereby His elect nation Israel would possess the Promised Land, produce the Messiah (Jesus Christ), and have an heir of David reign over the earth (Genesis 12, 15; 2 Samuel 7). We hold to the new covenant in Christ's blood that those who have faith in Jesus Christ are saved from judgment for their sins (Jeremiah 31:31-33; Romans 3:21-25; 10:9-13; 1 Corinthians 11:23-26).

2. Sovereignty of God. We hold to the sovereign providence and election of God. From eternity, He decrees or permits all things that come to pass (Psalm 33:11; Isaiah 46:9-11; Acts 4:25-28; Ephesians 1:11), and perpetually upholds, directs, and governs all creatures and all events (Proverbs 16:9, 33; 21:1; Acts 17:24-27). Election is God's eternal choice of some persons unto everlasting life - not because of foreseen merit in them, but of His mere mercy in Christ - in consequence of which choice they are called, justified and glorified (Acts 13:48; Romans 8-9; Ephesians 1:4-6, 11; 2 Thessalonians 2:13; 2 Peter 1:11). Each person is a free moral agent and accountable for his/her decisions, but no one is able to respond to the Gospel apart from God's powerful regenerating work (Romans 1:16; 2 Corinthians 4:4).
3. Christ's return. We hold to the premillennial return of Jesus Christ for his church and his reign upon the earth (Matthew 25:14-30; 2 Timothy 2:11-13; Revelation 20:1-6).
4. The baptism and gifts of the Holy Spirit. We hold that all believers in Christ have received the baptism of the Holy Spirit and are sealed in their salvation upon conversion (1 Corinthians 12:13; Ephesians 1:13-14). The Holy Spirit gifts and empowers believers to minister among each other to develop maturity in faith (Romans 12:3-8; 1 Corinthians 12-14; Ephesians 4:9-16; 1 Peter 4:10-11). We hold that the miraculous sign gifts (e.g. tongues, interpretation of tongues, prophecy, miracles, healing) were utilized in the early church to validate fresh revelation from God and no longer operate or are necessary for the church today.
5. Male headship. We hold that man and woman were created in the image of God (Genesis 1:27). They were both equal in their reception of salvation in Christ (Galatians 3:28). Yet, they are created with distinct roles in the home (Ephesians 5:22-33) and in the church (1 Corinthians 11:3-16; Timothy 2:11-15). God created men to be the head in the home and to lead in the church. Male headship is based on the creation order and is not a result of the curse of sin.
6. Baptism. We hold that baptism is an ordinance of the Lord Jesus obligatory upon every believer, wherein he is immersed in water in the name of the Father, and of the Son, and of the Holy Spirit, as a sign of his fellowship with the death and resurrection of Christ, of remission of sins, and of his giving himself up to God, to live in newness of life (Matthew 28:18-20; Acts 1:8). It is a prerequisite to church membership and fellowship.

7. The Lord's Supper. We hold that the Lord's Supper is an ordinance of Jesus Christ, to be administered with the elements of bread and wine (or juice), and to be observed by his church till the end of the world (1 Corinthians 11:23-27). It is in no sense a sacrifice, but is designed to commemorate His death, to confirm the faith and other graces of Christians, and to be a bond, pledge and renewal of their communion with Him, and of their church fellowship.
8. Abortion. We believe that God creates all human life and that human life begins at conception (Ps 51:5; 139:14-16; Isa 44:24; 49:1, 5; Jer 1:5). Abortion constitutes the unjustified, unexcused taking of unborn human life. Abortion is murder. We reject any teaching that abortions due to rape, incest, birth defects, gender selection, or population control are acceptable. While abortion is not the unpardonable sin and God forgives all sins (Col 2:13-14; Heb 10:17-18; 1 John 1:9) and offers hope of renewal to those repentant of this sin, we strongly uphold God's sovereignty in creating that life and allowing an unborn child to continue to grow and be born.
9. Suicide and Euthanasia. We believe that God sovereignly creates all human life and appoints a time for them to die (Heb 9:27). We believe that the direct taking of an innocent human life is a moral evil regardless of the intention. Outside of legal punishment for capital crimes, defense in military combat, or acts of self-defense on threat of life, any deliberate termination of life is murder. Although suicide or euthanasia is not the unpardonable sin, no one but God has the right to determine the worthiness or effectiveness of anyone's life, especially those advanced in age, disabled, or terminally ill. We believe that killing oneself or another is not an act of compassion, but it is murder and usurpation of the role of God.
10. Divorce/Remarriage. We believe that marriage is binding upon a person until death (Rom 7:2-3) and divorce is a result of man's sinfulness (Matt 19:8; Mal 3:15). Divorce and remarriage is only allowed if a sinning spouse commits unrepentant adultery (Matt 5:31-32; 19:3-9) or if the unbelieving spouse divorces their husband/wife due to their faith (1 Cor 7:15). Anyone who divorces their spouse and remarries apart from proper biblical reasons commits adultery.

BYLAWS OF
Southside Community Church of Garner, NC dba Southside Church of Clayton, NC
A North Carolina Non-Profit Corporation

ARTICLE 1. DEFINITIONS

When appearing capitalized in these bylaws, the terms defined below of these Bylaws shall have the meaning as set forth therein.

Definitions.

1. "Board of Deacons" is the board appointed by the Elders as set forth in Article 6 of these Bylaws.
2. "Chairman" shall be the Senior Pastor.
3. "Church" shall mean Southside Church of Clayton, NC, a North Carolina non-profit corporation.
4. "Corporation" shall mean Southside Church of Clayton, NC, a North Carolina non-profit corporation.
5. "Deacon" shall mean a man serving on the Board of Deacons.
6. "Deacons" shall mean the Board of Deacons.
7. "Elder" shall mean a man serving on the Board of Elders.
8. "Elders" shall mean the Elders of the Corporation.
9. A Member shall be in "Good Standing" as long as the Member is not under the censure of suspension or deposition.
10. "Member" is a person who consents to membership in the Corporation and who also complies with the requirements of Section 3.01 of these Bylaws.
11. "Senior Pastor" shall be the person chosen to such office by the Members in accordance with the provisions of Sections 7.01 and 7.02 of these Bylaws.

ARTICLE 2. OFFICES

2.01 Principal Office. The principal office of the Corporation in the State of North Carolina shall be located in Johnston County at such place as the Elders may from time to time determine.

2.02 Registered Office. The Corporation shall maintain a registered office in the State of North Carolina as required by law, which may be but need not be at the same location as the principal office.

2.03 Other Offices. The Corporation may have such other offices as the Elders may from time to time designate.

ARTICLE 3. MEMBERS

3.01 Members. There shall be one (1) class of members in the Corporation. In order to become a Member, a person shall consent to membership and shall also:

- (a) Attend the membership class as may be from time to time established by the Elders;
- (b) Consent to and sign the Membership Covenant.
- (c) Give creditable profession of faith before the elders in personal interview and reveal through testimony and life that there has been a genuine understanding of the gospel according to the Articles of Faith.
- (d) Be baptized by immersion (if not so previously baptized as a believer) by the Pastor or other designee of the Elders. Baptism is to be by immersion unless physical limitations prevent such; in this case the Elders may authorize a different mode of baptism.
- (d) Be eighteen (18) years old or older;
- (e) Not be concurrently a member of any other church.

3.02 Member Restrictions. Members must adhere to all of the provisions of the Bylaws of the Corporation, and all rules, regulations, policies, procedures or resolutions that the Corporation may from time to time adopt that are not in conflict with Scripture. Membership does not provide any contract, property, or civil legal rights in the property of the church.

3.03 No Discrimination. Based on its articles of faith and its interpretation of Scripture, the Corporation shall not adopt any rules, Bylaws, regulations or resolutions, nor engage in any policy, procedure or practice, that would prohibit or in any way restrict a person from being a Member, or from using the Corporation's facilities, because of such person's race, sex, national origin, or ethnic origin. Provided, however, that given the purpose of the Corporation, a member whose religious beliefs cause him or her to engage in behavior that in any way complicates or frustrates the ability of the Church to further its purposes may have his or her membership terminated or may be denied membership. Provided further that because the Corporation is a

church, the Corporation reserves the right to require that in order to be a Member, a person must submit to the Constitution and Bylaws of the church, and in particular, its articles of faith.

We believe that the term "marriage" has only one meaning and that is marriage sanctioned by God which joins one man and one woman in a single, exclusive union, as delineated in Scripture. We believe that God intends sexual intimacy to only occur between a man and a woman who are married to each other. We believe that God has commanded that no sexual activity be engaged in outside of a marriage between a man and a woman nor that a man or woman has the right to alter their gender. Because this is an issue of moral behavior, it is not discriminatory to exclude or remove from membership anyone practicing deviations from this biblical prescription.

Additionally, the school operated by the Church admits to the school students of any race, color, national origin, and ethnic origin to all the rights, privileges, programs and activities generally accorded or made available to students at the school. Said school does not discriminate on the basis of race, color, national origin, and ethnic origin in administration of its educational policies, admission policies, scholarship and loan programs, if any, and athletic and other school-administered programs, if any.

3.04 Conflict Resolution

- (a) This church is committed to resolving in a biblical manner all disputes that may arise within our body. This commitment is based on God's command that Christians should strive earnestly to live at peace with one another (see Matt. 5:9; John 17:20-23; Rom. 12:18; and Eph. 4:1-3) and that when disputes arise, Christians should resolve them according to the principles set forth in Holy Scripture (see Prov. 19:11; Matt. 5:23-25/ 18: 15-20; 1 Cor. 6:1-8; Gal. 6:1). We believe that these commands and principles are obligatory on all Christians and absolutely essential for the well-being and work of the church. Therefore, any and all disputes in this church shall be resolved according to biblical principles, as provided in this bylaw.
- (b) When a member of this church has a conflict with, or is concerned about the behavior of another member, he shall attempt to resolve the matter as follows.
 - (1) The offended concerned person shall prayerfully examine himself and take responsibility for his contribution to a problem (Matt. 7:3-5), and he shall prayerfully seek to discern whether the offense is so serious that it cannot be overlooked (Prov. 19:11; see also Prov. 12:16, 15:18; 17:14; Eph. 4:2; Col. 3:13; 1 Pet. 4:8).
 - (2) If the offense is too serious to overlook, the offended or concerned person shall go, repeatedly if necessary, and talk to the offender in an effort to resolve the matter personally and privately, having first confessed his own wrongdoing (Matt. 18:15).
 - (3) If the offender will not listen and if the problem is too serious to overlook the offended or concerned person shall return with one or two other people who will attempt to help the parties resolve their differences

(Matt. 18:16); these other people may be men or officers of the church, other respected Christians in the community, or trained mediators or arbitrators (conciliators) from a Christian conciliation ministry. At the request of either party to the dispute, or the board of elders, the church shall make every effort to assist the parties in resolving differences and being reconciled.

- (c) Conflicts involving doctrine or church discipline shall be resolved according to the process set forth in the Constitution and Bylaws on Church Discipline.
- (d) Employment disputes shall be resolved according to the procedures set forth in the Employee Policy Manual of this church.

3.05 Member Discipline

- (a) The elders shall have sole authority in determining heretical deviations from the statement of faith and violations of the church covenant. If a member of the Board of Elders (or a pastor) is the subject of a disciplinary matter, he shall not participate in the functions of the Elders related to such Member's case, and he shall be entitled to the same steps as other church Members and be subject to the same discipline. (1 Tim. 5:19- 22)
- (b) Members are expected to demonstrate special loyalty and concern for one another. When a Member becomes aware of an offense of such magnitude that it hinders spiritual growth and testimony, he is to go alone to the offending party and seek to restore his brother. Before he goes, he should first examine himself. When he goes, he should go with a spirit of humility and have the goal of restoration. (Gal. 6:1-4)
- (c) If after approaching the offending member reconciliation is not reached, a second member, either an Elder or a Pastor is to accompany the one seeking to resolve the matter. This second step should also be preceded by self-examination, and exercised in a spirit of humility with the goal of restoration. (Matt. 18:15-17)
- (d) If the matter is still unresolved after the steps outlined in subsections of this Section have been taken, the Elders, as the church representatives biblically responsible for discouraging and addressing murmuring, shall hear the matter. If the matter is not resolved during the hearing before the Elders, and the Elders determine that the Member has committed a [sinful] offense, the Elders shall recommend to the Members of the church that they, after self-examination, make an effort personally to go to the offending member and seek that member's restoration. (Matt. 18:17)
- (e) If the Elders determine that the Member has committed a [sinful] offense, and the

matter is still unresolved after the steps outlined in subsections of this Section have been taken, such members who refuse to repent and be restored may be removed from the membership of the church upon a unanimous vote of the eldership present at a meeting called for the purpose of considering disciplinary action. (Matt. 18:17)

- (f) No matter may be heard by the Elders or the church unless the steps outlined in subsections of this Section have been taken, except in the case of a public offense.

3.06 Binding Arbitration

- (a) Believing that lawsuits between Members are prohibited by Scripture, all members of this church agree to submit to binding arbitration any matters which cannot otherwise be resolved, and expressly waive any and all rights in law and equity into bringing any civil disagreement before a court of law, except that judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.
- (b) In the event of any dispute, claim, question, or disagreement arising out of or relating to these bylaws or any other church matter, the parties shall use their best efforts to settle such disputes, claims, questions, or disagreement as befits Christians and without first pursuing legal action. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests not to exceed a period of sixty (60) days, then upon notice by either party to the other, disputes, claims, questions, or differences shall be finally settled by arbitration as described in Subsection (a) of this Section and such Procedures for Arbitration as are adopted pursuant to Subsection (d) of this Section.
- (c) Limitations on Arbitration Decisions:
 - (1) Should any dispute involve matters of church discipline, the arbitrators shall be limited to determining whether the procedures for church discipline as outlined under Section 3.07 of these Bylaws were followed and shall not substitute their own judgment for that of the Board of Elders or Members.
 - (2) Should any dispute involve the removal from office of the Senior Pastor or any Elder, Deacon or church officer, the arbitrators shall be limited to determining whether the procedures set forth in Section 3.07 were followed and shall not substitute their own judgment for that of the Board of Elders or the Members.

- (d) Arbitration Procedure. When arbitration is required under these bylaws, the following procedure shall be followed.
- (1) The dispute shall be submitted to mediation and, if necessary, legally binding arbitration in accordance with the Rules of Procedure of the Institute for Christian Conciliation. Judgment upon an arbitration award may be entered in any court otherwise having jurisdiction.
 - (2) All mediators and arbitrators shall be in agreement with the statement of faith and the basic form of government of the Church, unless this requirement is modified or waived by all parties to the dispute. If a dispute involves an attempted revision of the statement of faith, the mediators and arbitrators shall be in agreement with those documents as they existed prior to the attempted revision.
 - (3) If a dispute submitted to arbitration involves a decision reached by the Elders, the arbitrators shall uphold the Elders' decisions on matters of doctrine and church discipline and shall be limited to determining whether the Elders followed the proper procedure.
 - (4) This section covers the church as a corporate entity and its agents, including its pastors, officers, staff and volunteers with regard to any actions they may take in their official capacities.
 - (5) This section covers any and all disputes or claims arising from or related to church membership, doctrine, policy, practice, counseling, discipline, decisions, actions, or failures to act, including claims based on civil statute or for personal injury.
 - (6) By joining this church, all members agree that these methods shall provide the sole remedy for any dispute arising against the church and its agents, and they waive their right to file any legal action against the church in a civil court or agency, except to enforce an arbitration decision.
 - (7) If a dispute or claim involves an alleged injury or damage to which the church's insurance applies, and if the church's insurer refuses to submit to mediation or arbitration as described in this section, either the church or the member alleging the injury or damage may declare that this section is no longer binding with regard to that part of the dispute or claim to which the church's insurance applies.

3.07 Removal of Members. Members may have their membership status removed as set forth below, either voluntarily or involuntarily.

- (a) **Voluntary Removal.** A Member may request the removal of his or her status as a Member by informing the Board of Elders of his or her intention to withdraw as a Member and the reasons therefore. If a member requests to withdraw from the Church, the Board of Elders shall attempt to resolve those matters so that the member may remain in the church and enjoy greater fruitfulness and personal spiritual growth. If the Board of Elders is unable to resolve those matters, it shall offer to assist the member in locating a church of like faith and practice that can respond more effectively to his gifts and needs. If it appears to the Board of Elders that a member has requested removal merely to avoid church discipline, that request shall not be given effect until the disciplinary process has been properly concluded (see Matt. 18:15-20).
- (b) **Involuntary Removal.** Notwithstanding anything to the contrary in Section 3.06 above, a Member will be removed from membership by order of the Board of Elders when they: persistently, over a period of six months, and without adequate reason are absent from the stated services of the Church; unite with another church; or are removed by excommunication for persistent impenitence.

ARTICLE 4. MEETINGS OF MEMBERS

4.01 Place of Meetings. All meetings of the Members of the Corporation shall be held at the principal office of the Corporation, or at such other place as shall be designated by the Elders so long as such other place is not more than fifteen (15) driving miles from the principal place of business of the Corporation.

4.02 Annual Meetings. The annual meeting of the Members of the Corporation, if any, shall be held at the principal office of the Corporation, or at such place as the Elders may from time to time designate so long as such other place is not more than fifteen (15) driving miles from the principal place of business of the Corporation, on the date as may be set by the Elders, for the purpose of the transaction of such other business as may properly come before the meeting.

4.03 Regular Meetings. Notice shall be given of all annual and special meetings. If regular meetings of the Members are set in accordance with the provisions set forth above, no notice of such regular meetings shall be required.

4.04 Special Meetings. The Elders may by resolution from time to time call a special meeting of the Members. Such meetings shall be held at the principal office of the Corporation, or at such other place as shall be designated by the Elders so long as such other place is not more than fifteen (15) driving miles from the principal place of business of the Corporation.

4.05 Notice of Meetings. Notice shall be given of all annual and special meetings. If regular meetings of the Members are set in accordance with the provisions set forth above, no notice of such regular meetings shall be required.

- (a) **Manner of Notice.** When notice is required, such notice shall be in writing and shall state the date, time, and place of the meeting. Such notice shall be given no fewer than 10 days, or, if notice is mailed by other than first class, registered or certified mail, no fewer than 30 days, nor more than 60 days before the meeting date; and shall include a description of any matter or matters to be discussed. Such notice shall be deemed to have been delivered when deposited in the United States Mail, correctly addressed to the last address provided to the Corporation by the Member, postage prepaid.
- (b) **Special Meeting Purpose.** In the case of a special meeting, the notice shall specifically include a description of any matter or matters for which the meeting is called. In the case of the annual meeting, the notice of meeting need not specifically state the purpose or purposes thereof or the business to be transacted.
- (c) **Waiver of Notice.** A Member may waive notice by signing a written waiver and delivering it to the Corporation for inclusion in the minutes or filing it with the corporate records. In addition, a Member's attendance at any special or annual meeting:
 - (1) waives objection to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or conducting business at the meeting; and
 - (2) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter before it is voted upon.

4.06 Quorum. A quorum of the Members shall consist of fifty-one percent (51%) of the number of Members of the Corporation entitled to vote on the date that a given vote is to take place.

4.07 Church Records. A member shall be entitled to inspect and copy, at a reasonable time and location specified by the Board of Elders, any of the church records described above, provided the Board of Elders finds that the member has a proper purpose and is acting in good faith. The board of Elders may limit access to any records that contain confidential information about a particular person or persons.

ARTICLE 5. ELDERS

5.01 General Powers & Duties. All corporate powers shall be exercised by or under the authority, and the affairs of the Corporation managed under the direction, of the Elders (which shall serve as the body referred to as "Board of Directors" under Chapter 55A of the North Carolina General Statutes). Elders, individually and jointly with the pastors are to lead the church in the service of Christ. They are to watch diligently over the people committed to their charge to prevent corruption of doctrine or morals. Evils that they cannot correct by private admonition they should bring to the notice of the Board of Elders. They should visit the people, especially the sick, instruct the ignorant, comfort the mourning, and nourish and guard flock. They should pray with and for the people. They should have particular concern for the doctrine and conduct of the pastor and help him in his labors.

5.02 Number, Tenure, and Qualifications.

- (a) Number. The number of Elders of the Corporation shall be left to the discretion of the Elders, but there shall be a minimum of three (3).
- (b) Qualifications for all elders.
 - (1) The Senior Pastor shall be an elder.
 - (2) Elders shall meet the following qualifications:
 - (i) Be a male;
 - (ii) Be a Member in good standing for at least one (1) year prior to his election or appointment, at the time of his election or appointment and at all times during his tenure;
 - (iii) Shall have received appropriate training under the direction of and with the approval of the Elders;
 - (iv) Shall have served the Church in functions requiring responsible leadership
- (c) Tenure. Except as may be otherwise set forth herein, each Elder seat shall serve for a term of one (1) year renewable annually.

5.03 Procedure for Election of Elders. Election of Elders shall be by a unanimous vote of the Elders holding office at the time of the vote.

5.04 Regular Meetings. The Elders may from time to time provide, by resolution, the time and place for the holding of regular meetings of the Elders without notice other than such resolutions.

5.05 Quorum. A quorum of the Elders is required to conduct actions such as identified in Section 5.06 below, and will consist of a simple majority, if the number of actively serving elders is 4 or below immediately before a meeting. If the number of actively serving elders is 5 or above, a quorum shall consist of at least 80% of the active elders in office immediately before a meeting. Exception will be made if proxy approval of a specific action(s) has been given prior to the meeting by any Elder not able to attend the meeting and the elder subsequently initials his approval next to the specific action(s) the official copy of the minutes. No official business may be conducted at the meeting for which prior approval has not been obtained from any Elder not present.

5.06 Manner of Acting. Examples of actions requiring a quorum of the Elders are actions that:

- (a) obligate the church financially for any expense of more than \$250.00 that is not in the approved budget,
- (b) contracts with outside organizations for long-term use of their facilities,
- (c) obligates the use of Southside Church facilities or land by any outside group or organization,
- (d) results in the hiring or dismissal of any employee of the church,
- (e) brings disciplinary action against any church member,

5.07 Action Without a Meeting. Any action that may be taken by the Elders at a meeting may be taken without a meeting if a written document setting forth the action to be taken shall be signed by all the Elders in office at the time said written document is executed.

5.08 Vacancies. Any vacancy occurring in the Elders may be filled by the affirmative vote of all of the remaining Elders, unless otherwise provided by law. An Elder elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

5.09 Presumption of Assent. An Elder of the Corporation who is present at a meeting of the Elders at which action on any corporate matter is taken shall be presumed to have assented to the action unless:

- (a) he objects at the beginning of the meeting (or promptly upon his arrival) to holding the meeting or transacting business at the meeting;

- (b) his dissent or abstention from the action taken is entered in the minutes of the meeting; or
- (c) he files written notice of his dissent or abstention with the presiding officer of the meeting before its adjournment or with the corporation immediately after adjournment of the meeting.

The right of dissent or abstention is not available to an Elder who votes in favor of the action taken.

5.10 Boards/Committees. The elders shall oversee all standing boards and committees, including Southside Christian School board. The elders shall also from time to time create such other boards or committees as in its discretion will be beneficial to the conducting of the purposes of the Corporation.

5.11 Southside Christian School. Under the leadership of the elders, Southside Christian School board shall oversee the School Administrator who is responsible for the day-to-day operation of the school. As a ministry of Southside Church, the elders delegate operational authority of the school to the Southside Christian School board according to its School Board Policy and consistent with Southside Church's Articles of Faith.

Operational authority shall include the following:

- a) Hiring and firing of all faculty and staff
- b) Allocation of all monies received by the school
- c) Long-term planning to accommodate needs of school

5.12 Rules and Regulations. The Elders shall adopt a set of Rules and Regulations governing the conduct of the Members and by anyone using the facilities operated by the Corporation. By resolution, the Elders may from time to time amend said Rules and Regulations, and may adopt punishments for violations of the same as well as procedures for determining whether a violation has occurred and what level of punishment may be appropriate.

5.13 Expenditures. All expenditures by a committee not incorporated in the current budget must be approved by the Elders.

5.14 Divesture. An Elder may be divested of his office by church discipline for an offense in doctrine or life. An Elder not under disciplinary action also may resign from his office.

ARTICLE 6. DEACONS.

6.01 Deacons. There shall be a Board of Deacons appointed by the Board of Elders. Each Deacon must be male and shall also be a Member in good standing for a period of at least one year at the time of his appointment and at all times during his tenure. The appointment of persons to the Board of Deacons shall be in any manner as may from time to time be adopted by resolution of the Board of Elders.

6.02 Number, Tenure and qualifications

(a) The number of persons serving on the Board of Deacons shall be as set from time to time by the Elders.

(b) The tenure of Deacons shall be as set from time to time by the Board of Deacons; provided however that the tenure set by the Elders shall be applicable to all persons serving on the Board of Deacons.

(c) Qualifications. To be eligible to serve on the Board of Deacons, a person shall meet the following qualifications.

(1) Be a male

(2) Be a Member in Good Standing for at least one year prior to his election or appointment to the Deacons and throughout his tenure;

(3) Shall have received the appropriate training under the direction of or with the approval of the Elders; and

(4) Shall have served the Church in functions requiring responsible leadership.

(d) The Board of Elders shall appoint a Chairman of the Board of Deacons.

6.03 Purpose. The Deacons shall:

(a) Be responsible, as determined from time to time by the Board of Elders, for certain areas of ministry in the church in regards to physical needs, including but not necessarily limited to, relief funds for persons in need;

(b) Be responsible for the oversight and upkeep of the physical plant (facilities and property) of Southside Church;

(c) Deacons shall show forth the compassion of Christ in a manifold ministry of mercy toward the saints and strangers on behalf of the church. As delegated and

directed by the Board of Elders, they shall minister to the temporal needs of members and friends or the corporation, and see to the care and maintenance of church property.

6.04 Divestiture. A deacon may be divested of his office by church discipline for an offense in doctrine or life. A deacon also may resign from his office.

ARTICLE 7. PASTORS.

7.01 Pastors. There shall be a Senior Pastor and such other associate or assistant pastors as may be determined by the Senior Pastor and the Board of Elders to be necessary. All pastoral staff shall abide by the stated Articles of Faith of Southside Church.

7.02 Senior Pastor.

(a) Duties: It is the charge of the pastor to feed and tend the flock as Christ's minister and with the Elders to lead them in all the service of Christ. It is his task to conduct the public worship of God; to pray for and with Christ's flock as the mouth of the people unto God; to feed the flock by the public reading and preaching of the Word of God, according to which he is to teach, convince, reprove, exhort, comfort, and evangelize, expounding and applying the truth of Scripture with ministerial authority, as a diligent workman approved by God; to administer the sacraments; to bless the people from God; to shepherd the flock and minister the Word according to the particular needs of groups, families, and individuals in the congregation; catechizing by teaching plainly the first principles of the oracles of God to the baptized and to adults who are yet babes in Christ, visiting in the home of people, instructing, counseling individuals, and training them to be faithful servants of Christ; to minister to the poor, the sick, the afflicted, and the dying; and to make known the gospel to the lost. The Senior Pastor shall also have such other and further duties as may be set forth in these Bylaws or in any resolutions adopted from time to time by the Board of Elders.

(b) Selection. The selection of a Senior Pastor shall be conducted pursuant to any procedure as may be adopted from time to time by the Board of Elders, but in any event, the selection of a Senior Pastor shall be approved by the Members of the corporation in accordance with the provisions of these bylaws and applicable law relating to members' meetings and votes.

(c) Resignation. The pastor may resign his position upon thirty days' written notice.

(d) Removal. If a significant portion of the Elders believes that the pastor's services are no longer edifying to the congregation, and if private efforts to remedy the situation are unsuccessful, the ministerial relationship may be dissolved by a

unanimous vote of the remaining elders. If the ministerial relationship is dissolved, the church shall provide the pastor with at least a month's severance pay, and shall consider providing such other assistance as is necessary for his needs and the needs of his family while he seeks other employment.

7.03 Associate/Assistant Pastors. Other pastors may be appointed by the Board of Elders to fulfill certain aspects of the ministry vision and plan of the Church. Each such associate/assistant pastor so appointed shall be delegated a sphere of responsibility by the Board of Elders. The associate/assistant pastors shall report to the Senior Pastor.

7.04 Ordination. The elders reserve the right to ordain all qualified and recommended men pursuing full time ministry. Qualifications for ordination include the following:

- a) Post undergraduate degree in acceptable program at approved seminary or graduate school
- b) One year experience in full time ministry
- c) Qualified call to full time ministry

The elders shall establish the procedures for ordination examination. It shall include the following:

- a) Written detailed personal testimony of salvation and call to ministry
- b) Written detailed doctrinal position in accordance with Southside Church's Articles of Faith.
- c) Oral examination of all required written materials
- d) Ordination service where candidate is publicly acknowledged as ordained to Christian ministry

ARTICLE 8. OFFICERS

8.01 Offices and Qualifications. There shall be a Chairman, a Vice-Chairman, a Secretary, and a Treasurer, each of whom must be an Elder of the Corporation at the time of the election and at all times he holds office. The Elders may from time to time by resolution create such other offices as it may deem reasonably necessary for conducting of the purposes of the Corporation. The same individual may simultaneously hold more than one office in the Corporation, but no individual may act in more than one capacity where action of two or more officers is required. All church officers shall abide by the Articles of Faith.

8.02 Election and Term of Office. Elected officers shall immediately assume the duties of his office upon his election. Elders shall serve in office for one (1) year, renewable annually without term limits. Deacons shall serve in office for two (2) years per term, renewable up to three terms."

8.03 Removal. Any officer may be removed by the Elders at a special meeting called for such purpose.

8.04 Vacancies. Except in the case of the Chairman, a vacancy in an office because of death, resignation, disqualification, or any other reason may be filled by the Elders. When a vacancy is filled in such a manner, the term of office of the new officer shall be the unexpired term of the office he is filling.

8.05 Chairman. The Chairman shall be the Senior Pastor. The Chairman is the registered agent and principal executive officer of the Corporation and, subject to the control of the Elders, shall in general supervise and control all of the day-to-day business and affairs of the Corporation. He shall, when present, preside at all meetings of the Members and of the Elders. He may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Elders, any deeds, mortgages, leases, bonds, contracts, or other instruments which the Elders have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Elders or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise executed or signed, and in general, the Chairman shall perform all duties incident to the office of Chairman, and such other duties as may be prescribed by the Elders from time to time. If delegated the task by the Elders as set forth above, the Chairman shall appoint Members to any committee and shall also name a chair for each such committee.

8.06 Vice-Chairman. In the absence of the Chairman or in the event of his death, inability, or refusal to act, the Vice-Chairman shall perform the corporate-related duties of Chairman, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice-Chairman shall also perform such other duties as from time to time may be assigned to him by the Chairman or by the Elders.

8.06 Secretary. The Secretary shall:

- (a) Keep minutes of the meetings of the Elders.
- (b) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- (c) Be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation and under its seal is duly authorized;

- (d) Keep a register of the post office address and email address of each Member and Elder which shall be furnished to the Corporation by such Member or Elder; and
- (e) In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Chairman or by the Elders.

8.08 Treasurer. The Treasurer shall have the following responsibilities:

- (a) Charge and custody of and be responsible for all funds of the Corporation;
- (b) Receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks within five (5) business days of his or her receipt thereof.
- (c) Prepare financial reports to include but not necessarily be limited to profit/loss statements and balance sheets and present the same at all meetings of the Members and Elders,
- (d) Prepare or assist in the preparing of any tax documents, whether related to payroll or income taxes or any other relevant tax, as may be required from time to time by any applicable taxing authority;
- (e) Provide documentation to and conduct meetings with a certified public accountant to enable said accountant to perform any sort of audit or review of the Corporation's financial records as the Elders may from time to time require; and

In general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Chairman or by the Elders. If required by the Elders, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties, as the Elders shall determine.

8.09 Salaries. The Senior Pastor and any associate or assistant pastors shall receive reasonable compensation that shall be fixed from time to time by the Elders and no such pastor shall be prevented from receiving such salary by reason of the fact that he is also an Elder of the Corporation.

ARTICLE 9. CONTRACTS, LOANS, CHECKS, AND DEPOSITS

9.01 Contracts. The Elders may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

9.02 Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution adopted by a unanimous vote of the then-serving Elders.

9.03 Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such corporate officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Elders.

9.04 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Elders may select. Deposits shall be made by or at the direction of the Treasurer within the time constraints set forth in Section 8.08(b) of these Bylaws.

9.05 Designated Giving. Designated contributions made to Southside Church shall accord with existing and approved designated fund categories. All designated contributions shall either a) be used for their designated purpose, b) returned to the donor, or c) altered in their designation with permission of the donor.

ARTICLE 10. MISCELLANEOUS

10.01 Fiscal Year. The fiscal year of the Corporation shall begin on the 1st day of January and end on the 31st day of December in each and every calendar year.

10.02 Corporate Seal. The Elders shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation and the state of incorporation and the words, "Corporate Seal."

10.03 Waiver of Notice. Unless otherwise provided by law or as provided in Section 4.05(c), whenever any notice is required to be given to any Member or Elder under the provisions of these Bylaws or under the provisions of the Articles of Incorporation or under the provisions of the North Carolina Nonprofit Corporation Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

10.04 Amendments. Except as otherwise provided herein or in the Articles of Incorporation or by applicable law, these Bylaws may be amended or repealed and new bylaws may be adopted by action of the Elders.

10.05 Biblical Counseling. All Christians struggle with sin and the effect it has on our lives and our relationships (see Rom. 3:23; 7:7-25). Whenever a Christian is unable to overcome sinful attitudes or behavior through private efforts, God commands that he should seek assistance from

other members and especially from the pastors and elders, who have the responsibility of providing pastoral counseling and oversight (see Rom. 15:14; Gal. 6:1-2; Col. 3:16-4:2; 10:24-25; 12:17; James 5:16). Therefore, this church encourages and enjoins its members to make confession to and seek counsel from each other and especially from our pastoral counselors.

10.06 Confidentiality.

- (a) The Bible teaches that Christians should carefully guard any personal and private information that others reveals to them. Protecting confidences is a sign of Christian love and respect (Matt. 7:12). It also discourages harmful gossip (Prov. 16:28; 26:20), invites confession (see Prov. 11:13; 28:13; James 5:16), and encourages people to seek needed counseling (see Prov. 20:19; Rom. 15:14). Since these goals are essential to the ministry of the gospel and the work of this church, all members are expected to refrain from gossip and to respect the confidences of others. In particular, our pastors and elders shall carefully protect all information they receive through pastoral counseling, subject to the following guidelines.
- (b) Although confidentiality is respected as much as possible, there are times when it is appropriate to reveal certain information to others. In particular, when the pastors and elders of this church believe it is biblically necessary, they may disclose confidential information to appropriate people in the following circumstances:
 - (1) When a pastor or elder is uncertain of how to counsel a person about a particular problem and needs to seek advice from other pastors or elders in this church or, if the person attends another church, from the pastors or elders of that church (see Prov. 11:14; 13:10; 15:22; 19:20; 20:18; Matt. 15-17);
 - (2) When the person who disclosed the information or any other person is in imminent danger of serious harm unless others intervene (see Prov. 24:11-12);
 - (3) When a person refuses to repent of sin and it becomes necessary to institute disciplinary proceedings (see Matt. 18:15-20 and 3.07 Member Discipline, pg. 7) or seek the assistance of individuals or agencies outside this church (see, e.g., Rom. 13: 1-5); or
 - (4) When required by law to report suspected child abuse.
- (c) Scripture commands that confidential information is to be shared with others only

when a problem cannot be resolved through the efforts of a small group of people within the church (Matt. 18:15-17). Therefore, except as provided in 10.06 (b), a pastor or elder may not disclose confidential information to anyone outside this church without the approval of the Board of Elders or the consent of the person who originally disclosed the information. The Board of Elders may approve such disclosure only when it finds that all internal efforts to resolve a problem have been exhausted (see, e.g., 1 Cor. 6:1-8) and the problem cannot be satisfactorily resolved without the assistance of individuals or agencies outside this church (see, e.g., Rom. 13:1-5). This limitation shall apply to but is not limited to the giving of testimony in a court of law and the reporting of abuse.

- (d) The pastors and elders may, but need not, provide counselees with written notice of these confidentiality provisions, but these provisions shall be in effect regardless of whether such notice is given.

ARTICLE 11. INDEMNIFICATION

11.01 Indemnification. Any person made or threatened to be made a party to any action or proceeding, whether civil or criminal, by reason of the fact that he or she is or was an Elder or officer, employee, or agent of the Corporation, may be indemnified by the Corporation, and the Corporation may advance his or her related expenses, to the full extent permitted by law. The Corporation may purchase and maintain insurance to indemnify: (a) itself for any obligation which it incurs as a result of the indemnification specified above; and (b) its Elders, officers, employees, and agents.

11.02 Elders Action. The Elders of the Corporation shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification required by this Article, including without limitation, to the extent necessary,

- (a) Making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him; and
- (b) Giving notice to and obtaining approval by the Members of the Corporation.

11.03 Expenses. Expenses incurred by an Elder, officer, employee, or agent in defending an action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Elder, officer, employee, or agent to pay such amount unless it shall ultimately be determined that he is not entitled to be indemnified by the Corporation against such expenses. Any person who is entitled to indemnification by the Corporation hereunder shall also be entitled to reimbursement of reasonable costs, expenses and attorney fees incurred in obtaining such indemnification.

11.04 Reliance. Any person who at anytime after the adoption of this Article serves or has served as an Elder, officer, employee, or agent of the Corporation shall be deemed to be doing or to have done so in reliance upon, and in consideration for, the right of indemnification provided herein, and any modification or repeal of these provisions for indemnification shall be prospective only and shall not affect any rights or obligations existing at the time of such modification or repeal. Such right shall inure to the benefit of the legal representatives of any such person, shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of this bylaw, and shall not be limited by the provisions for indemnification in Sections 55A-8-51 through 55A-8-58 of the North Carolina Non-Profit Corporation Act or any successor statutory provisions.

ARTICLE 12. PURPOSE

12.01 Purpose. The Corporation is formed as a church for religious, educational, and charitable purposes. In particular, the purpose of the Corporation is to glorify God by making disciples of Jesus Christ and to establish and maintain a place of worship of Almighty God, our Father and the Lord Jesus Christ, His only begotten Son, through the Holy Spirit and for the teaching of the sacred Scriptures and the promotion of Christian fellowship for religious purposes within the meaning of Section 501(c) (3) or the Internal Revenue Code of 1986 (or corresponding provision of any future US IRS law).

The church shall not:

- 1) establish any public or private policies or positions that conflict with the Articles of Faith.
- 2) admit or retain any Members, and/or elect or retain any Elders or officers who has not subscribed to and annually affirmed the articles of faith.
- 3) hire or continue to employ any employee who, upon request, refuses to subscribe to the Articles of Faith, or who has acted in a manner inconsistent with the Articles of Faith or the religious mission of the church, and has not fully and properly repented of such action.

ARTICLE 13. RESTRICTIONS & CONFLICTS OF INTEREST

13.01 No Inurement. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its members, Elders, 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 purposes set forth in the Corporation's articles of corporation and these bylaws. No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publishing or distributions of statements) any political campaign on behalf of or in opposition to any

candidate for public office. Notwithstanding any other provisions of the Articles of Incorporation of the Corporation or these bylaws, 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 United States Internal Revenue Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the said Code.

13.02 Distributions Upon Dissolution. Should the Corporation ever be dissolved, the Elders shall, after paying or making provisions for the payment of all of the liabilities of the Corporation, transfer all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner to a fund, foundation or organization which is organized and operated exclusively for religious, educational, and/or charitable purposes, and shall at the time qualify as an organization exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code. Should those entities not accept such assets then disposal of said assets shall go to such organization or organizations organized and operated exclusively for religious, educational, or charitable purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the United States Internal Revenue Code as the Elders shall determine, or to federal, state, or local governments to be used exclusively for public purposes. Any such assets not so disposed of shall be disposed of 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 organizations, such as the court shall determine, which are organized and operated exclusively for such purposes, or to such governments for such purposes.

13.03 Tax Status. The Corporation is a non-profit 501(c)(3) organization formed for the religious, educational, and charitable purposes stated above. The Corporation shall at all times comply with all terms and conditions contained in its articles of incorporation, these bylaws, and all applicable State and Federal laws related to such tax-exempt status.

13.04 Conflicts of Interest. In order to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Interested Person (as defined below) of the Corporation or might result in a possible excess benefit transaction, this conflict of interest policy shall apply. 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.

(a) **Definitions.**

- (1) **Interested Person.** Any Elder, Deacon, Chairman, officer, member of a committee with governing-board (Elders) delegated powers, and employee who can influence the actions of the Corporation or its Board, or make commitments on its behalf, who has a direct or indirect financial interest, as defined below, is an "Interested Person."
- (2) **Financial Interest.** A person has a "Financial Interest" if the person has,

directly or indirectly, through business, investment, or family:

- (i) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
 - (ii) A compensation arrangement with the Corporation or with any entity or individual which the Corporation has a transaction or arrangement, or
 - (iii) 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.
- (3) Compensation. Compensation includes direct and indirect remuneration, as well as insubstantial gifts or favors.
- (4) Conflict of Interest. A financial interest is not necessarily a conflict of interest. Under Section 11.04(b)(2) below, a person who has a financial interest may have a conflict of interest only if the Board of Elders or the appropriate committee decides that a conflict of interest exists.

(b) Procedures.

- (1) 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 Board of Elders and/or members of committees with Board- delegated powers reviewing the proposed transaction or arrangement.
- (2) 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 or she shall recuse himself or herself from the Board of Elders 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.
- (3) Procedures for Addressing the Conflict of Interest.
- (i) An Interested Person may make a presentation at the Board of Elders or committee meeting prior to his or her recusal from the meeting
 - (ii) The Chairman of the Board of Elders or committee shall, if

appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

- (iii) After exercising due diligence, the Board of Elders 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.
- (iv) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Elders 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.

(4) **Violations of the Conflicts of Interest Policy.**

- (i) If the Board of Elders or committee has reasonable cause to believe an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.
- (ii) If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Board of Elders or committee determines the Interested Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

(c) **Records of Proceedings.** The minutes of the Board of Elders and all committee with board delegated powers shall contain:

- (1) The names of the Interested 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 Board of Elders's or committee's decision as to whether a conflict of interest in fact existed.
- (2) The names of the Interested 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.

(d) **Compensation.**

- (1) A voting member of the Board of Elders who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- (2) 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.
- (3) No voting member of the Board of Elders 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.

(e) **Annual Statements.** Each shall annually sign a statement which affirms such person:

- (1) has received a copy of the conflicts of interest policy,
- (2) has read and understands the policy,
- (3) has agreed to comply with the policy, and
- (4) understands the Corporation is religious, educational, and charitable in nature 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.

(f) **Periodic Reviews.** To ensure the Corporation operates in a manner consistent with its religious, educational, and 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:

- (1) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (2) 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.

(g) **Use of Outside Experts.** When conducting the periodic reviews, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Elders of its responsibility for ensuring periodic reviews are conducted.

Adopted by resolution of the Elders this _____ (day) of _____ (month),
_____ (year)

Ben Myers, Senior Pastor
Luke Borst

Revised 10/16/18