

Bylaws of Hillcrest Chapel

ARTICLE I

Name and Offices

SECTION 1: NAME. The name of this corporation is Hillcrest Chapel, located in Bellingham, Washington.

SECTION 2: OFFICES. The principal office of the corporation shall be at 1400 Larrabee Avenue, Bellingham, Washington 98225. The corporation may also have offices at such other places as the Board of Directors may, from time to time, appoint.

ARTICLE II

Membership

SECTION 1: ELIGIBILITY FOR MEMBERSHIP. Individuals shall be eligible for membership in this Assembly who give evidence of a personal living faith in the Lord Jesus Christ and who voluntarily subscribe to its tenets of faith, articles of incorporation, confessional statement, and bylaws as adopted by the Assembly.

SECTION 2: VOTING PRIVILEGES. All members eighteen years of age or older constitute the legal voting membership of the Assembly. All younger members shall be called associate members without voting privileges.

SECTION 3: RECEPTION OF MEMBERS.

- a) Persons desiring to become active members of the Assembly shall make the fact known to the Pastors and/or Elder Council, who shall examine the applicant according to the standard of membership.
- b) The Pastors and/or Elder Council shall present the names of those who apply for membership with their recommendation to the Board of Directors. The latter shall act thereon by 60% majority vote. Persons so approved by the Board shall be received thereafter publicly at any of the regular services and their names inscribed on the roster. Or, the Elder Council may submit them to the Assembly directly at any duly called business meeting.

SECTION 4: DISCIPLINE, AND REVISION OF THE ROSTER.

- a) Any member of the Assembly who shall willfully, and without good cause, be absent from the regular services for a period of three consecutive months, or who shall be under charges, shall be temporarily classified as an associate member pending investigation and final decision in his or her case.
- b) Unscriptural conduct or doctrinal departure from the tenets of faith held by this Assembly shall be considered sufficient grounds upon which any person may be disqualified as a member. Such discipline shall be prayerfully administered according to the Scriptures: Matthew 18:15-17; Romans 16:17; ; I Corinthians 5:9-13; 2 Thessalonians 3:11-15.
- c) The Elder Council shall be authorized to examine the membership roll of the Assembly annually and remove from the list of active members all names of those who may have become deceased during the year, together with the names of those who may have

become inconsistent with the standards and teachings of the Assembly. The action of the Elder Council, by 60% majority vote, shall be considered final. (Matthew 18:15-17; Romans 16:17; I Corinthians 5:9-13; 2 Thessalonians 3:11-15)

SECTION 5: 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 (Matt. 5:9; John 17:20-23; Rom. 12:18; 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 or she shall attempt to resolve the matter as follows.
 1. The offended or concerned person shall prayerfully examine himself or herself and take responsibility for his or her contribution to a problem (Matt. 7:3-5), and shall prayerfully seek to discern whether the offense is so serious that it cannot be overlooked (Prov. 19:11; 12:16).
 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 or her 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 members 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, the church shall make every effort to assist the parties in resolving their differences and being reconciled.
- c) Employment disputes shall be resolved according to the procedures set forth in the Employee/Staff Handbook of this church.
- d) If a dispute arises within the church or between a member and the church and cannot be resolved through the internal procedures described above, it shall be resolved as follows.
 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, and 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 this church and our basic form of government, 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 or our form of government, 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 an official judicatory (court or ruling body) of this church (or of our presbytery or general assembly), the arbitrators shall uphold the highest judicatory's decisions on matters of doctrine and church discipline.
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.

ARTICLE III

Meetings of Members

SECTION 1: MEETINGS FOR PUBLIC WORSHIP. Meetings for public worship shall be held on each Lord's Day, and during the week as may be determined by the Elders.

SECTION 2: ANNUAL BUSINESS MEETING. There shall be an annual business meeting of the Assembly at which time reports shall be given, and the election of members of the Board of Directors shall take place. Such other business shall be considered as may be properly brought before the meeting. This meeting shall convene on the fourth Wednesday of January of each year provided, however, the Board at its discretion may schedule this meeting at a later date, but not later than February 29th. Due notice thereof shall be given by public notice by an announcement made on each of the two Sundays prior to the time and date fixed for such meetings.

SECTION 3: SPECIAL BUSINESS MEETINGS. Special business meetings of the Assembly may be called when necessary by the President, by 60% majority of the Board, or by the Elder Council after proper notice has been given as herein set forth in Section 2.

SECTION 4: INITIATIVE. Special business meetings may also be called by petition, having been signed by not less than one-fourth of the active membership of the Assembly, the petition to be placed in the hands of the President, the Secretary, or the Elder Council and announcement made on the two Sundays prior to the date of the meeting.

SECTION 5: QUORUM. Those members present at a duly called regular or special business meeting of the Assembly shall constitute a quorum for the purpose of transacting business.

SECTION 6: PRESIDING OFFICER. The President of Hillcrest Chapel, or by his or her appointment, the Vice-President of the Board of Directors shall call the meeting of the members to order and shall act as the presiding officer thereof.

SECTION 7: SECRETARY OF THE MEETING OF MEMBERS. The Secretary of Hillcrest Chapel shall act as Secretary of all the meetings of the members; in his or her absence, the presiding officer may appoint any person to act as Secretary.

ARTICLE IV

Board of Directors

SECTION 1: AUTHORITY OF BOARD. The corporate powers, business, and affairs of the corporation shall be exercised, conducted and controlled by the Board of Directors. The Board of Directors shall have full power and authority to borrow money on behalf of the Assembly, including the power and authority to borrow money from any of the members, directors, or officers of the Assembly, and authorize the execution of promissory notes or other evidences of indebtedness of the corporation and to agree to pay interest thereon; provided however, the amount shall not exceed the sum of \$50,000, except for member deposits in Hillcrest Capital Fund accounts, without the concurrence of the membership obtained at a regular or special meeting. However, if the expenditure causing the indebtedness is only one phase of a continuing program or project which will exceed \$50,000 in total, a 60% majority approval of the membership present at a regular or special meeting, duly called for that purpose, will be required. The Board of Directors shall also have the power to sell, convey, alienate, transfer, assign, exchange, lease and otherwise dispose of, mortgage, pledge, hypothecate and otherwise encumber the property, real and personal, and the franchises of the corporation to purchase, lease and otherwise acquire property, real and personal, on behalf of the corporation and generally to do and perform or cause to be done and perform every act which the corporation may lawfully do and perform; provided, however, the Board of Directors shall make no purchase or sale of real property without first obtaining the prior consent of the membership at a regular or special meeting and a 60% majority vote of the Elder Council unless the amount involved is \$50,000 or less or the real property is held for investment purposes only, or the real property is the result of an appreciated property gift.

Other functions/responsibilities of the Board will include:

- a) Finances: Will be responsible for presenting an annual budget to the Elder Council for approval and the membership for approval annually at the annual business meeting.

1. Will develop budget in consultation with input from Elder Council and pastoral leadership team in alignment with the Strategic Ministry Plan drafted by the Elder Council
 2. Will call on membership to support the budget with their prayers, their actions, and their assets.
 3. Will promote regular and generous giving by the whole membership in concert with other leadership groups.
 4. Will have the fiduciary responsibility of managing all financial aspects of Hillcrest Chapel. This will include all operations, savings and investments, and capital improvements or liquidation in alignment with the Strategic Plan.
- b) Facilities: Will be responsible for all facilities owned and/or operated by ministries of Hillcrest Chapel.
1. This includes fiscal and physical maintenance.
 2. This includes capital improvements and liquidation
 3. This includes usage policies and schedules in alignment with the Strategic Plan.
 4. This includes a clear plan for anticipated needs in expansion, acquisitions, and remodels working closely with the Elder Council, ministry teams and membership and in alignment with the Strategic Plan.
- c) Policies: The Board of Directors, with input from the Elder Council, will have final say on corporate policies as they relate to corporate activity of any kind.
- d) Human Resources: The Board of Directors shall have final approval on all matters of staff compensation. Regarding matters of hiring and dismissal, see Article V, SECTION 1. On issues of compensation or benefits, Board members employed by Hillcrest Chapel, Inc. or having a conflict of interest, shall not be allowed to vote.

Board members will be responsible to recuse themselves or ask other Board members to recuse themselves in matters that involve conflict of interest.

SECTION 2: MEMBERSHIP OF BOARD. The Board of Directors shall consist of a total of 12 persons. These will include 8 Deacons who shall be elected by the Assembly from among Board nominated individuals who have been regular attenders of the Assembly for a minimum of three years and must be willing to become a member before serving. The Board shall also allow Deacon candidate recommendations from the Assembly. There will be 4 Elders on the board consisting of 2 paid staff Elders and 2 non-staff Elders. One of these four must be the Facilitating Elder. These will be appointed by the Elder Council. Up to 2 of the Deacon positions may consist of paid staff individuals (exempt statutory employees) on the Board who are nominated by the staff, confirmed by the Elder Council and elected by the Assembly.

Term:

Each Board member may serve up to 2 consecutive terms of 3 years for a total of 6 consecutive years. After a member serves 2 terms, the member may not serve again as a Board member for at least 1 year. Terms will be staggered so that one third of the Deacons' and Elders' terms, except

for the Facilitating Elder, will expire each year. Paid staff Board positions will expire on different years.

Character:

Members of the Board of Directors will exhibit the following qualifying character attributes:

1. Will have a high view of scripture as being the inspired, authoritative word of God.
2. Will have an understanding of the history, life and ministry direction of Hillcrest Chapel.
3. Will be a member in good standing of Hillcrest Chapel
4. Will be ministering at Hillcrest.
5. Will be consistently attending a Hillcrest small group
6. Will have Elder or Deacon character qualities as outlined in 1 Timothy 3.
7. Will be regular and enthusiastic financial supporters of Hillcrest Chapel.

SECTION 3: RESIGNATION. Any Board member may resign at any time by giving written notice of such resignation to the President or the Secretary of the Board..

SECTION 4: VACANCY IN BOARD. Any vacancy occurring on the Board by reason of resignation or otherwise shall be filled by appointment for the balance of the unexpired term by the Board of Directors.

SECTION 5: ORGANIZATIONAL MEETING FOR BOARD OF DIRECTORS. After the election of Board members at the annual meeting of the members, the Board shall meet for the purpose of organization, the election of officers, and the transaction of other business.

SECTION 6: REGULAR MEETING OF BOARD. All meetings of the Board of Directors shall be held as directed from time to time by the Board.

SECTION 7: SPECIAL MEETINGS. Special meetings of the Board of Directors may be called at any time on order of the President, by the Elder Council, or on the order of a 60% majority of the Board. Notice of such special meeting may be either in writing or by telephone or other such convenient means of communication and shall be given by the Secretary not later than twenty-four hours prior to said meeting.

SECTION 8: QUORUM FOR BOARD. A minimum of 50% of the elder Board members, and 50% of the deacon Board members and the President or his appointee shall constitute a quorum for the transactions of business, and every act of decision of a 60% majority of Board present at a meeting at which a quorum is present, made or done when duly assembled, shall be valid as the act of the Board; but a 60% majority of those present at the time and place of any stated special meeting, although less than a quorum, may adjourn the same from time to time or from day to day; and when a quorum shall attend, business may be transacted which might have been transacted at the meeting had the same been held on the day on which the same was originally appointed or called.

SECTION 9: MEETING BY CONSENT. When all the members of the Board of Directors are present at any meeting, however called or noticed, and sign a written consent thereto or when the members present and the members not present at such meeting give their written consent thereto

and such written consent is made a part of the records of such meeting, the proceedings had at such meeting are valid, irrespective of the manner in which the meeting is called or the place where it is held.

SECTION 10: COMPENSATION OF BOARD MEMBERS. Board members shall serve in their capacity as a Board member without compensation, except reimbursement of their actual expenses.

SECTION 11: RECALL OF BOARD MEMBERS. The membership of the Assembly shall have power by vote of a 60% majority of its members present at a meeting duly called for that purpose to recall and terminate the membership of any member of the Board of Directors for conduct which clearly violates Scripture; or for any conduct in violation of these Bylaws. The notice of a meeting called for the purpose of considering the recall of a member of the Board of Directors shall be in writing and mailed to the household of each member at least seven days prior to the date of the meeting and shall contain the name of the Board member or members sought to be recalled. The recall of a Board member shall not be put to a vote by the Assembly until the Board member in question is provided the opportunity to be heard on his or her own behalf.

ARTICLE V

Elders & Deacons

SECTION 1: THE ELDER COUNCIL: The Assembly finds its headship under the Lord Jesus Christ. The Elder Council shall be acknowledged as the spiritual overseers of the Assembly and shall be the general supervising body of its spiritual activities. The Elder Council shall be the final human authority over all spiritual actions and decisions at Hillcrest Chapel (except where otherwise stated in these Bylaws) including but not limited to discipline, doctrine, direction and discipleship.

Human Resources:

On matters regarding hiring, The Elder Council or its assigned will act as the search committee and will recommend a candidate for confirmation by the Board of Directors. Likewise, in the case of dismissals of any paid or volunteer staff member, the Elder Council shall recommend dismissal to the Board of Directors for confirmation. The Elder Council may delegate some of this responsibility to department heads or to the Board of Directors. The Elder Council may not delegate said responsibilities when applied to senior staff positions. On issues of compensation or benefits, Elder Council members employed by Hillcrest Chapel, Inc. or having a conflict of interest, shall not be allowed to vote.

Elders will be responsible to recuse themselves or ask other Elders to recuse themselves in matters that involve conflict of interest.

SECTION 2: MEMBERSHIP OF ELDER COUNCIL. The Elder Council shall consist of 8 Elders, who shall be nominated by the Elder Council and elected by the membership of the Assembly from a pool of Elders at Large.

- a) 3 Elders shall be elected by membership vote from the Elders at Large who are paid staff members of Hillcrest Chapel.
- b) 5 Elders shall be elected by membership vote from the Elders at Large who are not paid staff members of Hillcrest Chapel.
- c) Any Elder can choose not to let his or her name stand for the Elder Council

Out of these pools nominees will be presented to the full membership for election. The election will occur each year at the annual business meeting of members for one fourth of the Elder Council positions. Each position will be filled every four years for a 4 year term.

Members of the Elder Council will exhibit the following qualifying character attributes:

- 1. Will have a high view of Scripture as being the inspired, authoritative word of God.
- 2. Will have an understanding of the history, life and ministry direction of Hillcrest Chapel.
- 3. Will be a member in good standing of Hillcrest Chapel, including participation in small groups and financial giving.
- 4. Will be ministering at Hillcrest.
- 5. Will have Elder character qualities as outlined in 1 Timothy 3.
- 6. Will have leadership giftings.

SECTION 3: FACILITATING ELDER

The Elder Council shall by a 60% majority vote of the Elder Council, select a moderator for the position of Facilitating Elder for a one-year term from among the four Elders presently serving on the Board of Directors. The Facilitating Elder shall preside over Elder Council meetings and facilitate the Elder Council business. No special authority shall be given to this position. Shall serve on the Board of Directors but not be the President.

SECTION 4: RESIGNATION. Any Elder Council member may resign at any time by giving written notice of such resignation to the President or the Secretary of the Elder Council.

SECTION 5: VACANCY IN ELDER COUNCIL . Any vacancy occurring on the Elder Council by reason of resignation or otherwise shall be filled by appointment for the balance of the unexpired term by the Elders.

SECTION 6: REGULAR MEETING OF ELDER COUNCIL . All meetings of the Elder Council shall be held as directed from time to time by the Elder Council.

SECTION 7: SPECIAL MEETINGS. Special meetings of the Elder Council may be called at any time on order of the Facilitating Elder or on the order of a majority of the Elder Council. Notice of such special meeting may be either in writing or by telephone or other such convenient means of communication not later than twenty-four hours prior to said meeting.

SECTION 8: QUORUM FOR ELDER COUNCIL. A minimum of 2 paid staff Elders and 3 non staff Elders of the Elder Council members including the Facilitating Elder or his or her appointee shall constitute a quorum for the transactions of business, and every act of decision of a majority of the Elder Council present at a meeting at which a quorum is present, made or done when duly assembled, shall be valid at the act of the Elder Council; but a majority of those present at the

time and place of any stated special meeting, although less than a quorum, may adjourn the same from time to time or from day to day; and when a quorum shall attend, business may be transacted which might have been transacted at the meeting had the same been held on the day on which the same was originally appointed or called.

SECTION 9: MEETING BY CONSENT. When all the members of the Elder Council are present at any meeting, however called or noticed, and sign a written consent thereto or when the members present and the members not present at such meeting give their written consent thereto and such written consent is made a part of the records of such meeting, the proceedings had at such meeting are valid, irrespective of the manner in which the meeting is called or the place where it is held.

SECTION 10: COMPENSATION OF ELDER COUNCIL MEMBERS. Elder Council members shall serve in their capacity as an Elder Council member without compensation, except reimbursement of their actual expenses.

SECTION 11: RECALL OF ELDER COUNCIL MEMBERS. The Elder Council shall have power by vote of a 60% majority of its members present at a meeting duly called for that purpose to recall and terminate the membership of any Elder for conduct which clearly violates Scripture; or for any conduct in violation of these By-Laws or qualifications for Elder. The notice of a meeting called for the purpose of considering the recall of any Elder shall be in writing and mailed to or emailed to the household of each Elder Council at least seven days prior to the date of the meeting and shall contain the name of the member or members sought to be recalled. The question of recall of an Elder shall not be voted on by the Elders until the Elder in question shall have had the opportunity to be heard in his or her own behalf.

SECTION 12: ELDERS AT LARGE

Selection

- a) Selection of candidates will be identified by the current Elders (December 2006).
- b) Following generations of Elders at Large shall be selected by the Elders at Large and confirmed by the Elder Council.

Qualifications

1. Elders will have a high view of Scripture as being the inspired, authoritative word of God.
2. Elders will have an understanding of the history, life and ministry direction of Hillcrest Chapel.
3. Elders will be a member in good standing of Hillcrest Chapel, including participation in small groups and financial giving.
4. Elders will embrace the Hillcrest Statement of Faith.
5. Elders will be ministering at Hillcrest.
6. Elders will have elder-quality character as outlined in 1 Timothy 3

Areas of Responsibility

- a) Discipline: Elders will oversee and when necessary participate in issues of discipline involving Hillcrest members and attendees. This oversight will take place in conjunction with the pastoral leadership team members.
- b) Doctrine: Elders shall review and examine all doctrinal beliefs at Hillcrest Chapel. Elders shall guard the members and attendees from teachings that are contrary to Biblical teaching.
- c) Direction: Elders will provide macro direction for Hillcrest Chapel. They will set the tone, personality, overall direction for Hillcrest. They will work with the pastoral leadership team to execute the Ministry Plan of the Eldership on a day to day basis. The pastoral leadership team shall be charged by the Elders to execute the Strategic Ministry Plan at a micro (day to day) level.
- d) Discipleship: Elders are charged with the training and formation of each attendee of Hillcrest Chapel. The goal of this training is to prepare each member to be able to spiritually care for themselves and others, and to be able to prepare other attendees (2 Tim. 2:2).

Function/Responsibilities

- a) Will be committed to prayer for the people of Hillcrest Chapel.
- b) Will be committed to prayer for the discipline, doctrine, direction and discipleship at Hillcrest Chapel.
- c) Will be committed to working as a collaborative team
- d) Will provide personal accountability for each elder to uphold their personal commitment to Jesus Christ, their marriages and families, their ministries and all other relationships.
- e) Will be responsible for the spiritual health and mission of Hillcrest Chapel.
- f) Will provide spiritual protection for Hillcrest Chapel.
- g) Will provide spiritual direction for Hillcrest Chapel.
- h) Will create a Strategic Ministry Plan (A 3 year and 7 year plan with milestones and benchmarks) in collaboration with the pastoral leadership team and ministry Deacons and others if desired.

Term

Each Elder at Large shall serve without a term limit as long as he or she is faithful to his or her calling and has the confidence of his or her fellow Elders. However, each Elder at Large shall complete a personal evaluation of his or her suitability to serve as an Elder during the month of December in each year. This evaluation will be reviewed by the Elder Council before the end of each calendar year. An Elder at Large may resign at any time and for any reason.

SECTION 13: RECALL OF ELDERS (In addition to Section 11).

Resignation / Discipline

- a) An Elder can be disciplined and/or removed in accordance with I Timothy 5:19, Matthew 18:15-17, and 1 Corinthians 5:1-13 for the following reasons:
 - 1. Holding a false and heretical doctrine
 - 2. Living a sinful and unrepentant lifestyle which may cause a potential disruption to the church body,
 - 3. Being divisive and not submitting to the rest of the Elders

- b) The Elders at Large shall be responsible for the recall of an Elder. The decision to recall an Elder will be reached by a consensus of the other Elders at a regular meeting of the Elders At Large **OR**...An Elder can be removed from eldership by a 60% majority vote by the other Elders at Large. A vote for removal can take place at any time at the initiative of any of the Elders. If an Elder who is a vocational pastor at Hillcrest Chapel is no longer employed at Hillcrest Chapel he or she will be automatically removed from the Eldership.
- c) An Elder may resign at anytime for any reason.

A decision to recall an Elder will be presented to the Elder Council and entered in the minutes of the meeting of the Board of Directors.

ARTICLE VI

Officers

SECTION 1: OFFICERS. The executive officers of the Assembly shall be a President, a Vice-President, Secretary, Treasurer, Facilitating Elder and such other officers as the Board of Directors may appoint.

SECTION 2: ELECTION OF OTHER OFFICERS. The President, Vice-President and Secretary of the corporation shall be elected from among the member deacons or non-staff Elder Board members providing that the Board member elected has served at least one year of his or her current term. All officers of the Assembly shall be elected by a 60% majority of the Board of Directors. Recall of elders is controlled by Article V, Section 11 and 13.

SECTION 3: TERM OF OFFICE OF OFFICERS. The term of office of each officer of the Assembly shall be for a period of one year unless terminated by a 60% majority vote of the Board of Directors.

SECTION 4: COMMISSIONING OF PASTORS. All pastors shall be commissioned for service by the Board of Directors at the time they are originally elected to serve the Assembly as a pastor. All pastors will have their original commissioning reconfirmed by the Board of Directors during the first Board meeting of each calendar year when salaries and housing allowances are set for the year by Board action. The commissioning statement for pastors at Hillcrest Chapel is as follows:

“Pastor _____ is hereby commissioned to function as a minister to the community at Hillcrest Chapel. Duties will include, but not be limited to, ministering to the community of Hillcrest Chapel through teaching and preaching the Gospel of Jesus Christ, administering the elements of communion and the performance of other sacerdotal functions, conduct of worship, counseling members of the community and the control and administration of Hillcrest Chapel. In recognition of these services, the Board of Directors of Hillcrest Chapel grants compensation of _____ per month beginning _____, this amount to include a housing allowance of _____ per

month. The housing allowance in the amount of _____ per month is hereby designated in the official church records.”

The commissioning statement shall be recorded in the minutes of Board meetings as part of the official records of Hillcrest Chapel.

ARTICLE VII

Duties of Officers

SECTION 1: PRESIDENT. The President shall be elected from among the Deacon or non-staff Elder Board members. He or she shall preside over all meetings of the Board of Directors as Chairman of the Board. He or she shall also preside over all meetings of the members. He or she shall have general charge of the business of the Assembly and shall execute all deeds, bonds, contracts and other obligations, and instruments authorized by the Board of Directors. The President shall meet with the Facilitating Elder to establish the agenda for all Board meetings.

SECTION 2: VICE-PRESIDENT. The Vice-President shall be elected from among the Deacon or non-staff Elder Board members. He or she will be vested with all the powers and shall perform all the duties of the President in case of the absence or disability of the President.

SECTION 3: SECRETARY. The Secretary shall be elected from among the Deacon or non-staff Elder Board members. The Secretary shall keep a full and complete record of the proceedings of the Board of Directors and of the Assembly; he or she shall keep the seal of the Corporation and affix the same to such papers and instruments as may be required in the regular course of business; he or she shall make service to such notices as may be necessary or proper; and shall discharge such other duties as shall pertain to the office or as prescribed by the Board of Directors.

In the case of the absence or disability of the Secretary or refusal or neglect to act, notice may be given and served by President or by a person authorized by the President or by the Board of Directors. The President or the Board of Directors, at its discretion, may provide for the appointment of a Secretary Pro-Tem among its members to take minutes of the proceedings of the Board.

SECTION 4: TREASURER. The Treasurer shall report directly to the Board of Directors but need not be a voting member of the Board. The Treasurer shall supervise and control the keeping of the books and accounts of the Assembly; and shall discharge such other duties as shall pertain to the office or as prescribed by the Board of Directors. The Treasurer shall be designated Registered Agent for the corporation by virtue of his or her office.

In the case of the absence or disability of the Treasurer or refusal or neglect to act, notice may be given and served by the President or by a person authorized by the President or by the Board of Directors. The Board of Directors, at its discretion, may provide for the appointment of a Treasurer Pro-Tem until the election of a new Treasurer has been accomplished.

SECTION 5: TRUSTEES FOR HILLCREST CAPITAL FUND. The Board of Directors will function as the Trustees for the Hillcrest Capital Fund. The responsibilities of the Trustees for the Hillcrest Capital Fund are as follows:

- a) Approve all investment plans offered by the Hillcrest Capital Fund as to amount, rates of yield, and maturities and to verify that proper registrations with governmental authorities have occurred prior to the sale of any investment instruments to members or friends of Hillcrest Chapel.
- b) Approve and oversee all investment of monies held by the Hillcrest Capital Fund.
- c) Review and modify terms of investment instruments as required.
- d) Oversee the record-keeping functions of the Hillcrest Capital Fund to insure that fiscal integrity is maintained at all times.

All decisions reached by the Trustees for the Hillcrest Capital Fund must be approved by a 60% majority of the quorum.

The Treasurer of the Hillcrest Chapel will provide quarterly or monthly reports to the Board of Directors of Hillcrest Chapel.

SECTION 6: TRUSTEES FOR HILLCREST CHAPEL ENDOWMENT FUND. The Board of Directors will function as the trustees for the Hillcrest Chapel Endowment Fund. The responsibilities of the Hillcrest Chapel Endowment Fund are as follows:

- a) Approve all distributions to various projects from the Hillcrest Chapel Endowment Fund.
- b) Approve and oversee all investment of monies held by the Hillcrest Chapel Endowment Fund.
- c) Assist as required in the development of endowments and other gifts to the Hillcrest Chapel Endowment Fund.
- d) Oversee the record keeping functions of the Hillcrest Chapel Endowment Fund to insure that fiscal integrity is maintained at all times.

All decisions reached by the Trustees for the Hillcrest Chapel Endowment Fund must be approved by a 60% majority of the quorum. The Treasurer of Hillcrest Chapel will provide reports to the Board of Directors of Hillcrest Chapel as requested.

SECTION 7: ASSOCIATE PASTORS AND ASSISTANT PASTORS. Associate Pastors and Assistant Pastors shall have such duties as may be assigned to them from time to time by the Elder Council or their representative with input from the Board of Directors. Associate Pastors and Assistant Pastors will be under the day-to-day supervision of the Elder Council or their representative.

SECTION 8: DELEGATE TO DISTRICT COUNCIL. The delegate to the District Council shall be appointed by the Elder Council and have the duty of attending the District Council, participating in its deliberations and representing the interests of this Assembly in such proceedings. In the event of the inability of the delegate to District Council to attend, the alternate delegate shall function in his or her place and stead.

ARTICLE VIII

Finance

SECTION 1: FINANCE COMMITTEE. There may be a Finance Committee which may also be referred to as a Consulting Committee. This Committee will consist of members who will be appointed, from time to time, by the Board of Directors. All members of the Finance Committee must be members and regular attendees of worship services at Hillcrest Chapel.

The services to be provided by the Finance Committee are as follows:

- a) Make recommendations as requested to the Board of Directors.
- b) Assist the Treasurer as requested in the financial development of Hillcrest Chapel, the preparation of budgets, and in developing relationships with financial institutions in the community.
- c) Provide assistance with recommendations as requested to members and friends of the church concerning business or personal financial affairs.

SECTION 2: DEPARTMENT OF DEVELOPMENT. There may be a Department of Development, which shall serve under the direction of the Treasurer. All persons appointed to the Department of Development will be approved by the Board of Directors.

Services to be provided by the Department of Development, as desired by members and friends of the church, are:

- a) Assist with Estate Planning.
- b) Make arrangements for the drawing of wills in consultation with competent legal counsel.
- c) Maintain an Emergency Information File so that, in the event of need, designated individuals will be notified.
- d) Maintain a Will file so that, in the event of decease, the Will or notification of the location of the Will can be given to the Estate Executor.
- e) Provide sound investment opportunities for the assistance of ministries of Hillcrest Chapel with provision for prompt return of the investment when needed. Individual investment plans of varied maturities and income arrangements are to be offered.
- f) Plan the investment of gifts and memorials.

SECTION 3: HILLCREST CHAPEL ENDOWMENT FUND. There will be a Hillcrest Chapel Endowment Fund which will function under the Hillcrest Chapel corporate tax identification number. The Hillcrest Chapel Endowment Fund will receive endowments and other gifts which will be retained by the Hillcrest Chapel Endowment Fund as invested capital to create an ongoing income stream which will be distributed to various church and missions projects approved by the Board of Directors. The assets, which are gifted over to the Hillcrest Chapel Endowment Fund, will be maintained in separate accounts and invested in a manner that will allow for separate accounting of the Hillcrest Chapel Endowment Fund's fiscal affairs.

SECTION 4: DEPOSIT OF MONIES. All monies received from offerings and all other sources shall be deposited by the Treasurer or other appropriately designated individuals in a bank or other financial institution designated by the Board of Directors.

SECTION 5: EXPENDITURES. The Treasurer shall authorize expenditures only upon the direction of the Board of Directors, except in matters of an emergency nature or matters requiring attention before the Board of Directors can give the instruction.

SECTION 6: FISCAL MANAGEMENT. The Treasurer shall supervise the fiscal management of all church ministries authorized by the Board of Directors that are authorized to maintain separate banking accounts. These ministries, whether a part of the Hillcrest Chapel corporation or a subsidiary corporation, shall submit monthly financial reports to the Board of Directors. Also, operating statements and statements of assets and liabilities shall be submitted annually.

ARTICLE IX

Property Rights

SECTION 1: REAL OR CHATTEL PROPERTY. All property, real or chattel, shall be taken, held, sold, transferred, or conveyed in the Hillcrest Chapel corporate name.

SECTION 2: SALE RESTRICTIONS. No real property of Hillcrest Chapel except real property received as a charitable gift, bequeathed, or property held as an investment asset, shall be sold, leased, mortgaged, or otherwise alienated without the same having been authorized by at least a 60% majority vote of those present at a regular or special business meeting unless the amount involved is \$50,000 or less. (See Article IV, Section 1 for additional restrictions when a transaction involves any additional indebtedness.)

SECTION 3: CERTIFICATION. The President and either the Secretary, Vice-President or Treasurer of the Assembly shall certify in such conveyance, lease, or mortgage, that the same has been duly authorized by the vote of the membership. Such certificate shall be held as conclusive evidence thereof.

ARTICLE X

Audit

SECTION 1: The Board of Directors shall cause an audit to be made of all financial records of Hillcrest Chapel annually by an appointed internal audit committee whose members are not employees or staff personnel of Hillcrest Chapel.

SECTION 2: The internal audit committee will report to the membership at each annual meeting the condition of the financial records. Written recommendations will be provided to the Board of Directors regarding any proposed changes in the financial control process.

ARTICLE XI

Corporate Seal

SECTION 1: The Board of Directors shall provide a suitable seal for the corporation which will be circular in form and will contain the following inscription: Hillcrest Chapel, Corporate Seal,

Washington. Alternatively, the signature of the Corporate Secretary may serve as the Corporate Seal.

ARTICLE XII

Amendments to By-Laws

SECTION 1: These By-Laws may be amended at any meeting of the membership by 60% majority vote, provided, however, that notice of such meeting shall have been given as herein provided.

KNOW ALL MEN BY THESE PRESENTS that the foregoing By-laws were regularly adopted at a meeting called for the purpose on the _____ day of _____, 20____.

Secretary

APPROVED:

President