

BYLAWS OF CALHOUN CHRISTIAN SCHOOL

PREAMBLE

We, the Board of Directors, in response to the biblical commandment for the Christian education of our children and believing that this Christian education can best be accomplished in a Christian school, hereby make and adopt the following Bylaws for the organization and operation of Calhoun Christian School.

ARTICLE I - NAME

The name of this school is Calhoun Christian School.

ARTICLE II - STATEMENT OF FAITH

Each member of the Board of Directors, and each employee of the Corporation, having accepted Jesus Christ as personal Savior, shall subscribe annually in writing to the following Statement of Faith:

1. **We believe** the Bible to be inspired, the only infallible, authoritative, inerrant Word of God (2 Timothy 3:16, 2 Peter 1:21).
2. **We believe** that there is one God, eternally existent in three persons – Father, Son, and Holy Spirit (Genesis 1:1, Matthew 28:19, John 10:30).
3. **We believe** in the deity of Christ (John 10:33), His virgin birth (Isaiah 7:14, Matthew 1:23, Luke 1:35), His sinless life (Hebrews 4:15, 7:26), His miracles (John 2:11), His vicarious and atoning death (1 Corinthians 15:3, Ephesians 1:7, Hebrews 2:9), His resurrection (John 11:25, 1 Corinthians 15:4), His ascension to the right hand of the Father (Mark 16:19), and His personal return in power and glory (Acts 1:11, Revelation 19:11).
4. **We believe** in the absolute necessity of regeneration by the Holy Spirit for salvation because of the exceeding sinfulness of human nature, and that people are justified on the single ground of faith in the shed blood of Christ, and that only by God's grace and through faith are we saved (John 3:16-21; John 5:24; Romans 3:23, 5:8, 9; Ephesians 2:8-10; Titus 3:5).
5. **We believe** in the resurrection of both the saved and lost; they that are saved unto the resurrection of life, and they that are lost unto the resurrection of damnation (John 5:28, 29).
6. **We believe** in the spiritual unity of believers in our Lord Jesus Christ (Romans 8:9; 1 Corinthians 12:12, 13; Galatians 3:26-28).

7. **We believe** in the present ministry of the Holy Spirit by whose indwelling the Christian is enabled to live a godly life (Romans 8:13, 14; 1 Corinthians 3:16, 6:19, 20; Ephesians 4:30, 5:18).

ARTICLE III - PHILOSOPHY OF EDUCATION

The educational process in a Christian school is dependent on a biblical philosophy that provides the right worldview and essential truths for life so that children may be prepared to assume their proper place in the home, the church, and the state. Accordingly, the following is the Philosophy of Education for Calhoun Christian School:

The philosophy of Calhoun Christian School is based on a God-centered view that all truth is God's truth, and that the Bible is the inspired and the only infallible, authoritative Word of God that contains truth. God created all things and sustains all things. Therefore, the universe and humanity are dynamically related to God and have the purpose of glorifying Him. Because humans are sinners by nature and choice, they cannot glorify or know God. A person can do this only by choosing God's free gift of salvation through His Son, thereby committing his or her life to the Lordship of Jesus Christ.

Our aim socially is to provide a Christian perspective on life and the world from which will come a balanced personality and a proper understanding and acceptance of one's role in life at home, at work, at play, and at worship – all grounded in the Christian concept of love.

This philosophy channels our energies to promoting high academic standards while helping students to achieve skills in creative and critical thinking, using the best integrated curriculum materials available. The objective of our instructional program is to enable students to pursue the postsecondary education of their choosing, whether in college, university, or vocational training.

Our responsibility for the student encompasses the spiritual, intellectual, physical, social, and emotional areas. These are inseparable, and through them all runs the thread of the spiritual. Therefore, it must be our aim to shun the tendency to teach the Bible compartmentally or on the intellectual level alone – the spiritual thread must be woven throughout the total curriculum.

It is apparent, then, that the types of activities we employ or permit in the classroom or school program will either facilitate, or militate against, our basic philosophy. The spiritual must permeate all areas – or else we become textbook oriented rather than student centered.

This philosophy dictates that we cooperate closely with parents in every phase of the student's development, always offering assistance in understanding the purposes of the Christian school.

ARTICLE IV - BOARD OF DIRECTORS

Sec. 1 - Agreement of Board of Directors.

All members of the Board of Directors shall be born-again believers and shall agree without reservation with Articles II and III of the Bylaws. Further, they shall be members in good standing of a local, evangelical church whose doctrine is in agreement with Article II of the Bylaws.

Sec. 2 - General Responsibilities.

Calhoun Christian School's Board of Directors shall oversee the continuing operation of this ministry and generally oversee the school's business affairs. The responsibilities of the Board shall include, but not be limited to, making policy, acting on matters of personnel including hiring and firing pursuant to other provisions of the Bylaws, establishing tuition and fees, promoting Christian education in the community, and praying for the ministry of the school.

Sec. 3 - Board Member Number and Tenure.

- A. The number of Board members shall be at least five but not more than nine. The number of Directors may be increased or decreased from time to time by the Board of Directors pursuant to amendment of this Bylaw.
- B. Each Board member shall serve on the Board of Directors for a term of three years, unless such service is terminated by resignation or dismissal. Any Board member may, if he or she chooses, serve a second successive three-year term. After a second term on the Board, the Board member shall step down from service for at least one full year before being eligible again for the Board.
- C. Terms of service upon the Board should be staggered in such a manner that no more than one-third of the full Board of Directors will complete their term of service in any given year.

Sec. 4 - Board Member Qualifications.

- A. Members of the Board of Directors shall be born-again believers and subscribe without reservation to the Corporation's Statement of Faith and Philosophy of Education.
- B. Members of the Board of Directors shall be Christian role models in the school and community.
- C. No full-time, salaried employee or spouse of any full-time, salaried employee shall be eligible to serve on the Board of Directors.

Sec. 5 - Board Member Compensation.

Members of the Board of Directors shall receive no compensation for their services. The

Board may authorize the reimbursement of expenses incurred by any Board member in the performance of official business for the school or the Board as further noted in Article XIV, Sec. 4 of the Bylaws.

ARTICLE V - NEW BOARD MEMBERS

Sec. 1 - Vacancies on the Board of Directors.

A vacancy on the Board of Directors shall be deemed to exist in the case of a Director's expiration of term, resignation before expiration of the term, death, or removal from the Board.

Sec. 2 - Nominations for the Board of Directors.

A. Candidates for the Board of Directors shall be nominated by the Board. Parents of students or other interested individuals may recommend candidates to the Board of Directors by submitting the name to the President of the Board for consideration by the full Board.

B. Such candidates must be interviewed prior to appointment to determine interest, suitability, and eligibility. All candidates shall meet the qualifications of Board members as set forth in these Bylaws.

Sec. 3 - Appointment of Directors.

Any vacancy on the Board of Directors may be filled by a majority resolution of the remaining Directors. In the instance of an unexpired term, each Director so appointed to hold the vacated position shall hold office until the expiration of that term. Otherwise the newly appointed Director shall serve a full term.

Sec. 4 - Resignation or Dismissal from Board of Directors.

A. After prayerful consideration, any Board member may resign from office. He or she shall tender the resignation in a letter to the Board President.

B. Any Board member may be removed from the Board of Directors for failure to be a Christian role model, for excessive absence from regular and special meetings of the Board, or whenever such removal in the judgment of the Board would be in the best interest of the Corporation. Removal shall require a two-thirds vote of the Board of Directors.

C. In view of the serious nature of a Board member's involuntary removal from office, every effort shall be made by all parties to show Christian compassion and forbearance. Corrective measures and actions designed to promote genuine repentance and personal restoration shall be applied. Dismissal from the Board of Directors shall be a matter of "last resort." Any unpleasantness surrounding such action shall be dealt with quickly and take into account the dignity and personal privacy of the individual in question.

- D. In the event a Board member who has left the Board of Directors was an officer, another member shall be designated by majority resolution of the Board to assume the responsibilities of the office now vacant.

ARTICLE VI - DUTIES OF THE BOARD OF DIRECTORS

Sec. 1 - Duties of Board.

- A. The Board of Directors helps set the spiritual tone for the school. Board members shall pray both individually and corporately for the administration, faculty, staff, parents, and children of the school. They will be inclined to prayer, ever mindful of their own dependence on God for His grace and wisdom manifest in their leadership.
- B. The primary function of the Board of Directors is to set school policy, not to administer the school. The daily administration is the work of the Principal. The Board's policies set the boundaries within which the Principal administers the school.
- C. The Board's authority is corporate. Individual Board members have authority to act only when the Board is convened in regular or special session. There shall be only one line of authority, which will flow from the Board of Directors through its President to the Principal, who is charged with the responsibility for properly conveying the decisions and actions of the Board to the faculty, staff, students, and parents as appropriate.
- D. The Board of Directors shall procure, protect, maintain, and manage the property and equipment of the school.
- E. The Board of Directors shall oversee the general financial operation of the school by approving annual budgets, devising methods of raising necessary operating funds, and determining how these funds shall be disbursed. The Board shall arrange for a certified financial audit on an annual basis and shall appoint an Audit Committee to retain a certified public accountant to conduct the audit. The Audit Committee shall review the certified financial audit and report to the full Board the results of the audit and make any recommendation to the Board as necessary in light of the audit. The Board shall adopt a policy requiring officers, employees, or others responsible for any aspect of the finances of the Corporation to make accurate and complete financial accounting to the Board and shall encourage the reporting to the Board of any suspected financial impropriety.
- F. The Board of Directors shall have the authority to borrow money in the name of the school, but all measures will be taken to operate with a balanced budget.
- G. The Board of Directors shall determine the fiscal year for the school.
- H. The Board of Directors shall exercise due care to determine that the school operates according to accepted legal principles which should include, but not be limited to, obtaining competent legal advice, and consideration of safety and personnel issues.

- I. A significant duty of the Board of Directors is the selection of its Administrative Officer (Principal). The Principal will implement the Board's legislated policies and directives and manage the day-to-day operation of the school. The annual evaluation of the Principal is the responsibility of the entire Board of Directors.
- J. Upon recommendation of the Principal, the faculty and staff of the school shall be approved by the Board of Directors after careful consideration of their spiritual and academic qualifications. Such employees shall be chosen to meet the educational objectives and execute the academic programs and policies of the school.
- K. The Board of Directors shall reserve the right to dismiss any personnel associated with the school who do not fulfill the requirements set forth in these Bylaws or in their employment agreement, or who fail to be a Christian role model.
- L. The Board of Directors shall ensure that a Faculty and Staff Handbook is developed, revised as needed, and annually made available to all employees.
- M. The Board of Directors shall approve the educational programs and standards of achievement for the school. This shall include the review and approval by the Board of all textbooks and courses of study recommended by the school's faculty under the leadership of the Principal.
- N. The Board of Directors shall evaluate itself annually. Each member shall also evaluate his or her willingness and ability to continue in a Board position. Individual Board members shall annually sign the **Leadership Commitment** form attached hereto.

Sec. 2 - Committees.

- A. The Board of Directors shall operate using a Standing Committee and ad hoc committee system. Each committee shall have the responsibility to review and make recommendations in its assigned area for consideration and action by the full Board.
- B. The Standing Committees of the Board are the following:
 - Education
 - Development
 - Finance
 - Personnel
 - Building and Grounds
 - Legal/Legislative
- C. Each Standing Committee shall have no fewer than one Board member appointed by the Board President. The Board members shall chair the committee. The President may appoint interested parents or individuals to serve on the committees.
- D. The Board of Directors may from time to time establish ad hoc committees made up of Board members or other interested individuals to deal with specific issues in the school. Upon completion of its assigned task, such ad hoc committee shall dissolve.

ARTICLE VII - OFFICERS OF THE BOARD

Sec. 1 - The Board of Directors shall annually elect Officers of the Board from among its members. The duties of the Officers shall be limited to the following:

- A. President. The President shall preside at all Board of Directors meetings and perform such other duties as approved by the Board. The President shall be the Principal's point of contact with the Board when the Board is not in session.
- B. Vice President. The Vice President shall perform the duties of the President in the latter's absence, disability, or refusal to act. When so acting, the Vice President shall have all powers of and be subject to all the restrictions upon the President.
- C. Secretary. The Secretary shall cause to be recorded the minutes of any and all meetings of the Board. The Secretary shall have custody of the Board records and documents and shall conduct necessary correspondence and perform other duties associated with the office.
- D. Treasurer. The Treasurer shall maintain the financial records showing the financial condition of the Corporation, shall be the custodian of all monies of the Corporation, and shall perform such other duties as are customarily performed by such an officer.

ARTICLE VIII - MEETINGS

Sec. 1 - Regular Meetings.

- A. Regular meetings of the Board of Directors shall convene at least once a month during the school year. The time and place of the Board of Directors' regular meetings shall be posted in the school office at least one week prior to the meeting.
- B. Board of Directors' meetings shall be open to school parents and other interested individuals. The President may grant the privilege of the floor to observers at his or her discretion.
- C. The President of the Board of Directors, in consultation with the Principal, shall prepare an agenda for regular meetings of the Board. Such agendas shall be mailed to each Director at least one week prior to the scheduled regular meeting.
- D. The Board of Directors has the right to meet in executive session.
 - 1. An executive session can be called for by any Director during a portion of any meeting for the purpose of discussing personnel and other sensitive matters.
 - 2. Executive sessions shall have in attendance all Directors present at said meeting, the Principal of the school, and any other persons who are specifically asked to attend this session by the Board President. When the executive session is for the purpose of evaluating the Principal, the Principal

may be asked not to attend.

3. No official business shall be transacted in the executive session. Rather, the time spent in executive session shall be used to discuss the sensitive matter at hand. When the Board reconvenes following an executive session, any decision shall be made and stated officially so that the Board Secretary can record such decision in the official minutes.

Sec. 2 - Special Meetings.

- A. Special meetings of the Board of Directors may be called by the President of the Board or by a majority of the Board members.
- B. Notice of the time and place of all special meetings of the Board of Directors shall be given to each Director by telephone or e-mail at least 48 hours prior to the scheduled special meeting.

Sec. 3 - Emergency Action.

In an emergency, the President of the Board may poll the full Board to secure authorization for a given course of action.

Sec. 4 - Presumption of Assent.

Any member of the Board who is present at a meeting of the Board of Directors at which action is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the Director files his or her written dissent to the action taken with the Secretary prior to the next regularly scheduled meeting. The right to dissent shall not apply to a Director who has voted in favor of the action.

Sec. 5 - Waiver and Consent.

The transactions of any meeting of the Board of Directors, however called or noticed, shall be valid as though they occurred at a meeting duly held after regular call and notice, if a quorum is present and if either before or after the meeting each of the Directors not present signs a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof.

Sec. 6 - Quorum.

- A. At all meetings of the Board of Directors, whether regular or special, the presence in person of a majority of members shall constitute a quorum for the transaction of business. Only members may vote at any meetings of the Board of Directors, and proxies shall not be valid for voting.
- B. In the absence of a quorum, a minority of Directors may adjourn any meeting of the Board from time to time, without notice other than announcement at the meeting, until a quorum shall be present. A minority of Directors may not transact any business

except the filling of vacancies on the Board of Directors if there are not sufficient Directors to constitute a quorum as provided in these Bylaws.

Sec. 7 - Robert's Rules of Order.

Meetings of the Board of Directors shall be governed by Robert's Revised Rules of Order.

ARTICLE IX - SCHOOL ADMINISTRATOR

Sec. 1 - The Principal shall be appointed by the Board of Directors. He or she shall be the chief executive officer of the school and shall carry out the policies established by the Board. The Principal shall be an ex-officio (nonvoting) member of the Board.

Sec. 2 - The Principal shall be born-again believer and subscribe without reservation to the school's Statement of Faith and Philosophy of Education. He or she shall be a Christian role model in the school and community.

Sec. 3 - The Principal's responsibilities are to be defined in a job description approved by the Board of Directors.

Sec. 4 - The Principal shall be appointed each year by written contract after careful consideration of his or her spiritual and academic qualifications and Board-conducted evaluation.

Sec. 5 - The Board of Directors shall evaluate the Principal annually on the basis of his or her job description and other factors.

ARTICLE X - INDEMNIFICATION

Sec. 1 - Definitions.

For purposes of this Article:

A. The phrase *Director or Officer* shall include a person who, while serving as a Director or an Officer of the Corporation, is or was serving at the request of the Corporation as Director, School Board member, Officer, partner, member, manager, trustee, employee, fiduciary, or agent of another foreign or domestic corporation, nonprofit organization, or other person or employee benefit plan. The phrase *Director or Officer* shall also include the estate or personal representative of a Director or Officer, unless the context requires otherwise.

B. The term *proceeding* shall mean any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, whether formal or informal; any appeal in such action, suit, or proceeding; and any inquiry or investigation that could lead to such action, suit, or proceeding.

- C. The term *party* includes an individual who is, was, or is threatened to be made a named defendant or respondent in a proceeding.
- D. The term *liability* shall mean any obligation to pay a judgment, settlement, penalty, fine, or reasonable expense incurred with respect to a proceeding.
- E. The term *official capacity* shall mean the office of Director in the Corporation, and, when used with respect to a person other than a Director, shall mean the office in the Corporation held by the Officer or the employment, fiduciary, or agency relationship undertaken by the employee or agent on behalf of the Corporation, but in neither case shall include service for any foreign or domestic corporation or for any other person or other enterprise.

Sec. 2 - General Provisions.

The Corporation may indemnify any person who is or was a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a Director or Officer of the Corporation, against expenses (including attorney's fees), liability, judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding if such person (a) acted in good faith, (b) reasonably believed, in the case of conduct in an official capacity with the Corporation, that the conduct was in the best interests of the Corporation, and, in all other cases, that the conduct was at least not opposed to the best interests of the Corporation, and (c) with respect to any criminal proceeding, had no reasonable cause to believe that the conduct was unlawful. However, no person shall be entitled to indemnification under this Section 2 either (a) in connection with a proceeding brought by or in the right of the Corporation in which the Director or Officer was adjudged liable to the Corporation, or (b) in connection with any other proceeding charging improper personal benefit to the Director or Officer, whether or not involving action in that person's official capacity, in which the Director or Officer is ultimately adjudged liable on the basis that the Director or Officer improperly received personal benefit. Indemnification under this Section 2 in connection with a proceeding brought by or in the right of the Corporation shall be limited to reasonable expenses incurred in connection with the proceeding. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not of itself be determinative that the person did not meet the standard of conduct set forth in this Section 2.

Sec. 3 - Successful Defense on the Merits; Expenses.

To the extent that a Director or Officer of the Corporation has been wholly successful on the merits in defense of any proceeding to which he or she was a party, such person shall be indemnified against reasonable expenses (including attorney's fees) actually and reasonably incurred in connection with such proceeding.

Sec. 4 - Determination of Right to Indemnification.

Any indemnification under Section 2 (unless ordered by a court) shall be made by the Corporation only as authorized in each specific case upon a determination that indemnification of the Director or Officer is permissible under the circumstances because

such person met the applicable standard of conduct set forth in Section 2. Such determination shall be made by the Board of Directors (a) by a majority vote of a quorum of disinterested Directors who at the time of the vote are not, were not, and are not threatened to be made parties to the proceeding, or (b) if such a quorum cannot be obtained, by the vote of a majority of the members of the Executive Committee of the Board of Directors, provided that committee shall consist of two or more Directors who are not parties to the proceeding (Directors who are parties to the proceeding may participate in the designation of Directors to serve on such committee), or (c) if such a quorum of the Board of Directors cannot be obtained or there is no Executive Committee, or even if such a quorum is obtained or the Executive Committee exists, but such quorum or committee so directs, then by independent legal counsel selected by the Board of Directors in accordance with the preceding procedures. Authorization of indemnification and evaluation regarding the reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that, if the determination that indemnification is permissible is made by independent legal counsel, authorization of indemnification and evaluation of legal expenses shall be made by the body that selected such counsel.

Sec. 5 - Other Employees and Agents.

The Corporation shall indemnify such other employees and agents of the Corporation to the same extent and in the same manner as is provided above in Section 2 with respect to Directors or Officers, by adopting a resolution by a majority of the members of the Board of Directors, specifically identifying by name or by position the employees or agents entitled to indemnification.

ARTICLE XI - FACULTY AND STAFF

Sec. 1 - The faculty and staff shall be appointed by the Principle upon approval of the Board of Directors.

Sec. 2 - Individuals serving on the faculty and staff shall be born-again believers and subscribe without reservation to the Corporation's Statement of Faith and Philosophy of Education. Such individuals shall be Christian role models in the school and community.

Sec. 3 - Faculty and staff responsibilities are to be defined in job descriptions approved by the Board of Directors.

Sec. 4 - The faculty shall be appointed each year by written contract after careful consideration of evaluations and spiritual and academic qualifications.

Sec. 5 - Staff may be appointed by written contract at the discretion of the Board of Directors.

Sec. 6 - The Principal shall evaluate faculty and staff annually on the basis of their job descriptions and other factors.

Sec. 7 - Each member of the faculty and staff shall receive a handbook of pertinent policies and procedures for the school and shall certify annually in writing that he or she has received

and reviewed the handbook.

ARTICLE XII - DISPUTE RESOLUTION

Sec. 1 - The Board of Directors shall ensure that each contract for employment shall contain language for dispute resolution as follows:

The parties to this agreement are Christians and believe that the Bible commands them to make every effort to live at peace and to resolve disputes with one another in private or within the Christian community in conformity with the biblical injunctions of 1 Corinthians 6:1–8, Matthew 5:23–24, and Matthew 18:15–20. Therefore, the parties agree that any claim or dispute arising out of, or related to, this agreement or any aspect of the employment relationship, including claims under federal, state, and local statutory or common law, the law of contract, and law of tort, shall be settled by biblically based mediation.

If resolution of the dispute and reconciliation do not result from mediation, the matter shall then be submitted to an independent and objective arbitrator for binding arbitration. The parties agree that the mediation and arbitration process will be conducted in accordance with the “Rules of Procedure for Christian Conciliation” (“Rules”) contained in the Peacemaker Ministries booklet *Guidelines for Christian Conciliation*. Consistent with these “Rules,” each party to the agreement shall agree to the selection of the arbitrator. The parties agree that if there is an impasse in the selection of the arbitrator, the Institute for Christian Conciliation division of Peacemaker Ministries in Billings, Montana, (406-256-1583), shall be asked to provide the name of a qualified person who will serve in that capacity. Consistent with the “Rules,” the arbitrator shall issue a written opinion within a reasonable time.

The parties to this contract agree that these methods shall be the *sole remedy* for any controversy or claim arising out of the employment relationship or this agreement, and they *expressly waive* their right to file a lawsuit against one another in any civil court for such disputes, except to enforce a legally binding arbitration decision. The parties to this agreement have had an opportunity to consult legal counsel before signing this agreement. The parties agree that the Corporation shall be responsible for the costs of the arbitrator.

Sec. 2 - The Board of Directors shall ensure that all employment handbooks contain the above dispute resolution language, that all employees are advised of the above dispute resolution process, and that this process shall apply to all employment, including non-contract or at-will employment.

ARTICLE XIII - STUDENTS

Sec. 1 - Nondiscrimination Statement.

Admission and advertising materials and student handbooks shall contain language reflecting the following policy:

Calhoun Christian School admits students of any race, color, or national or ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the school. It does not discriminate on the basis of race, color, or national or ethnic origin in the administration of its educational policies, admissions policies, scholarship and loan programs, athletic programs, or other school-administrated programs.

Sec. 2 - Parent/Teacher Fellowship.

The school may establish a fellowship for the close association and cooperation of the parents of the students and the teachers involved in the school.

ARTICLE XIV - MISCELLANEOUS

Sec. 1 - Account Books, Minutes, Etc.

The Board of Directors shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board and committees. All books and records of the Corporation may be inspected by any Board member for any proper purpose at any reasonable time.

Sec. 2 - Designated Contributions.

The Corporation may accept any designated contribution, grant, bequest, or devise consistent with its general tax-exempt purposes, as set forth in the Articles of Incorporation. As so limited, donor-designated contributions will be accepted for special funds, purposes, or uses; and such designations generally will be honored. However, the Corporation shall reserve all right, title, and interest in and to, and control of, such contributions, as well as full discretion regarding the ultimate expenditure or distribution thereof in connection with any special fund, purpose, or use. Further, the Corporation shall retain sufficient control over all donated funds (including designated contributions) to ensure that such funds will be used to carry out the Corporation's tax-exempt purposes.

Sec. 3 - Conflicts of Interest.

A. Purpose

The purpose of this conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. 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.

B. Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, 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:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

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

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

C. 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 directors and members of committees with governing board delegated powers considering 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/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

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

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

c. After exercising due diligence, the governing board or committee shall determine whether the Organization 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.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization'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

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

D. Records of Proceedings

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

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

E. Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

F. Annual Statements

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

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

G. Periodic Reviews

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

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization'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.

H. Use of Outside Experts

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

Sec. 4 - No Private Inurement.

The Corporation is not organized for profit and is to be operated exclusively for the promotion of social welfare in accordance with the purposes stated in the Articles of Incorporation. The net earnings of the Corporation shall be devoted exclusively to charitable, religious/educational purposes and shall not inure to the benefit of any private individual. No Director or person from whom the Corporation may receive any property or funds shall receive or shall be entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Corporation be paid as salary or compensation to, or distributed to, or inure to the benefit of any Director; provided, however, that (a) reasonable compensation may be paid to any Director while acting as an agent, a contractor, or an employee of the Corporation for services rendered in effecting one or more of the purposes of the Corporation, (b) any Director may, from time to time, be reimbursed for such Director's actual and reasonable expenses incurred in connection with the administration of the affairs of the Corporation, and (c) the Corporation may, by resolution of the Board of Directors, make distributions to persons from whom the Corporation has received contributions previously made to support its activities to the extent such distributions represent no more than a return of all or a part of the contributor's contributions.

Sec. 5 - References to Internal Revenue Code.

All references in these Bylaws to provisions of the Code are to the provisions of the Internal Revenue Code of 1986, as amended, and shall include the corresponding provisions of any subsequent federal tax laws.

Sec. 6 - Severability.

The invalidity of any provision of these Bylaws shall not affect the other provisions hereof, and in such event these Bylaws shall be construed in all respects as if such invalid provision were omitted.

Leadership Commitment

Knowing that God has spoken clearly in His Word concerning the character and responsibility of a leader,

1. I will seek to maintain a close, intimate walk with the Lord by regularly spending time alone with Him, in His Word and in prayer.
2. I will be a diligent student of God's Word.
3. I will endeavor to walk continuously in step with the Holy Spirit.
4. I will pray for those who serve with me as Board members, for the School Principal, for the faculty and staff of the school, for the students of the school, and for this ministry's testimony in the community.
5. I will be diligent in preparation for all Board meetings and participate in duly appointed committees.
6. I will faithfully attend all meetings of the Board unless I am hindered from doing so by compelling reasons such as illness or necessary travel. When I am unable to attend, I will notify the Board President in advance, if possible. I will follow up with the Board Secretary and/or other Board members to be informed about the proceedings of the meeting that I missed.
7. My fellowship, speech, and manner with my colleagues on the Board and with any members of the school family will be characterized by love, grace, and humility. With the help of the Holy Spirit, I will refrain from expressing demeaning attitudes through criticism and complaint.
8. While respecting divergent views and convictions expressed by my colleagues on the Board, I will express my views and differences of opinion constructively and with grace. Once the Board has discussed and voted on an issue and regardless of my personal vote on that issue, I will publicly support the Board's action.
9. I will be an encourager, acting with integrity and discretion, and will endeavor to maintain the unity of the Spirit in the bond of peace.
10. With regards to the school's conflict of interest policy,
 - a. I have received a copy of the conflicts of interest policy (Bylaws),
 - b. I have read and understand the policy,
 - c. I agree to comply with the policy, and
 - d. I understand the school is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

I have studied these statements of commitment and have prayed over them, and I believe God would have me serve as a Board member according to these standards.

Signature _____ Date _____