

# BYLAWS OF COVENANT BRETHREN CHURCH, INC

## ARTICLE I- NAME, PURPOSES & POWERS

Section 1.1 Name. The name of the corporation is the “Covenant Brethren Church, Inc.” (the “Church”).

Section 1.2 Purposes. The Church is organized exclusively for charitable purposes within the meaning of section 501(c)(3) of the United State Internal Revenue Code of 1986, as amended (the “Code”), or any subsequent law of like import. The objectives and aims of the Church shall be to provide a means through which member congregations may cooperate and fellowship together in spreading God’s Word, serving those in need, and advancing the Kingdom of God on earth. The historic roots of the Covenant Brethren Church come from the beliefs and rich heritage of the Brethren movement begun by Alexander Mack. The work of the Covenant Brethren Church shall enhance, support and encourage its member congregations. All member congregations shall function to live out the Brethren vision, mission, and ministry.

Section 1.3 Location. The principal offices of the Church shall be located at 503 Morgantown Avenue, Fairmont, WV, 26554, or at some other place within the United States as the Executive Board from time to time shall designate.

Section 1.4 Limitations.

- a. The Church shall not participate or intervene in any political campaign (including the publishing of or distributing of statements) on behalf of or in opposition to any candidate for public office. No substantial part of the activities of the Church shall consist of attempting to influence legislation.
- b. In the event of dissolution of the Church, the assets of the same shall be liquidated in the manner set forth in the Articles of Incorporation. The Executive Board (the “Board”) will adopt, in accordance with the Code and applicable state law, a plan to distribute the assets of the Church upon dissolution.

## ARTICLE II – MEMBERS

Section 2.1 Membership. The Church shall have two categories of members: Congregation Members and Individual Members.

- a. Congregation Members shall include congregations that have been accepted for membership by the Board as follows:
  - i. A congregation shall, by a two thirds majority vote of its congregational business meeting, request to joining the Church as a Congregation Member.
  - ii. Any interested congregations shall apply in writing and will covenant to follow the Beliefs & Affirmations We Hold To as stated in the Statement of Faith attached to these Bylaws as Exhibit 2.1.

- iii. The Board will approve or disapprove all applications in writing. The Board shall have authority to accept congregations for membership as a Congregation Member and to remove existing congregations if they no longer follow the Statement of Faith of the Church.
  - iv. A Congregation Member may withdraw by providing a written notice of withdrawal and an effective date of withdrawal to the Board.
  - v. The Board may consider dual affiliation for some local congregations for a limited time.
  - vi. Title to all real and personal property of a Congregation Member shall remain with the congregation and will not transfer.
  - vii. A dissolving Congregation may donate their property to the Church if there is a two thirds majority vote of its members and it is approved by the Covenant Brethren Church Executive Board.
- b. Individual Members shall include those individuals who desire to join the Church apart from a local congregation.
- i. Individuals shall apply in writing to the Church and will covenant to follow the Beliefs & Affirmations We Hold To as stated in the Statement of Faith as listed in Exhibit 2.1.
  - ii. The Board will approve or disapprove all applications by Individual Members in writing. The Board shall have authority to accept for membership and to remove membership of any Individual Member if they no longer follow the Statement of Faith of the Church.
  - iii. Any Individual Member may withdraw with a written notice to the Board.

### **ARTICLE III – EXECUTIVE BOARD**

Section 3.1 General Provisions. The affairs of the Church shall be managed by its Board. The Board shall manage, regulate, govern and conduct the affairs and business of the Church directly and through its officers in fulfillment and furtherance of the purposes of the Church as described in the Articles of Incorporation. The Board shall also have the power and authority to do and perform all acts and functions consistent with these Bylaws.

Section 3.2 Qualifications. All members of the Board shall be members in good standing of the Church for at least 5 years. Board members shall be members who serve or have served as pastors, deacons, elders, or a qualified lay person from a local Church congregation. Board members shall personally affirm the Statement of Faith of the Church.

Section 3.3 Number. The Board shall consist of an odd number, minimum of 9 and a maximum of 15 persons, for the purpose of governing the Church. The members of the Board shall all be current Members of the Church. No decrease in the number of Board members shall shorten the term of any incumbent member of the Board.

Section 3.4 Term. Board members shall be elected to a four (4) year term. Board members may be re-elected for a second (2<sup>nd</sup>) term. A Board member must wait for two (2) or more years before they may be re-nominated to the Board after serving two (2) consecutive terms. Terms will be staggered as follows: approximately one fourth of the Board terms will expire each year and exceptions will be made by the Board until the year 2025 for Church to age and normal rotation to become effective.

Section 3.5 Election. All nominees must provide a letter from their local Church congregation stating that they have met the qualifications to serve on the Board. A person may nominate themselves or be nominated by another Individual Member or Congregation member. The Board shall appoint a committee to review the nominations for Board members and develop a ballot of nominees to be voted on at the Annual Meeting & Worship Conference. In the event of a tie vote, a second ballot vote by the Nomination Committee shall decide the nomination. A majority vote will be taken by the membership body at the Annual Meeting and Worship Conference.

Section 3.6 Duties. The Board shall initiate and implement the policies and procedures of the Church and shall be responsible for its operation. The majority of the Board in attendance shall vote on any matters.

Section 3.7 Management of Meetings. All Board meetings must open and close with prayer and will be conducted by the Chair or Vice Chair of the Church. If neither the Chair nor Vice Chair are present, the attending Board members will select, by a majority vote, a Board member who is present to conduct the meeting.

Section 3.8 Minutes of Meetings. Minutes of the meeting will be kept by the secretary of the Church. If the secretary is not present, the presiding officer will designate a member of the Board to keep minutes for that meeting.

Section 3.9 Quorum and Voting.

- a. Quorum. A majority of the Board then serving shall constitute a quorum for the transaction of business at any meeting of the Board, provided that if less than a majority of the Board is present at said meeting, a majority of the Board members present at the meeting may adjourn the meeting without further notice.
- b. Action. The Board shall consider motions presented by any member. The Board may vote on motions presented at any meeting where a quorum is present, except as otherwise provided herein. Unless otherwise provided herein, motions shall be adopted when a majority of the quorum present at a meeting votes in favor of the motion.
- c. Voting. The vote of a majority of the Board at any meeting at which a quorum is present shall decide any questions properly brought before the

meeting, except as otherwise provided by these Bylaws, the Articles of Incorporation or the laws of the State of West Virginia.

- d. Remote Participation. Board members may participate in any meeting and will be deemed in attendance for purposes of obtaining a quorum, by means of conference, telephone or similar electronic communications equipment by means of which all persons participating in the meeting can hear each other. Voting may be taken orally during any such electronic conference.
- e. Action Without a Meeting. Whenever the vote of the Board is required or permitted to be taken at a meeting in connection with any action by the Board, the meeting and vote may be dispensed with if all of the members shall agree in writing to such actions being taken, and such agreement shall have the same effect and validity as though the action were duly taken by the unanimous vote of all the Board at a meeting called and duly held.

Section 3.10 Annual Meeting & Worship Conference. The Church shall hold an Annual Meeting & Worship Conference for the purposes of fellowship, worship, sharing, reporting work of the Church, elections, and any necessary business. The Annual Meeting & Worship Conference shall be overseen by the Board. The Board may appoint a sub-committee to organize and coordinate the Annual Meeting & Worship Conference. The agenda, main speakers, and workshops must have final approval of the Board prior to the Annual Meeting & Worship Conference. Congregation Members of up to 100 members in size may send two delegates to the Annual Meeting & Worship Conference to conduct the business items. Congregation Members with more than 100 members may send two delegates plus one additional delegate per every 100 members (or fraction thereof) of their congregation to the Annual Meeting & Worship Conference to conduct the business items. Congregations shall encourage their members to attend the Annual Meeting & Worship Conference for the worship, prayer, spiritual training, and fellowship opportunities. The Board shall report on its activities including membership updates at each Annual Meeting & Worship Conference.

Section 3.11 Board Vacancies. If a Board member cannot complete a term because of death, sickness, resignation, or removal, a replacement member will be elected at the next Annual Meeting & Worship Conference to complete the term.

Section 3.12 Removal from Office. The Board may remove, for cause, any Board member, after reasonable notice has been delivered to the Board member in question, specifying at least the grounds for removal and the date, location and time of a meeting of the Board to consider the issue and where an opportunity for the Board member in question to be heard will be provided. The Board may vote to remove a Board Member by a two-thirds majority vote due to one of the following: (i) breaking their covenant or trying to persuade others to break their covenant to follow the Beliefs & Affirmations We Hold To as stated in the Statement of Faith as

listed in Exhibit 2.1; (ii) becoming disruptive or unruly during meetings and fellowships; (iii) intimidating other Board members; or sharing or distributing confidential information.

Section 3.13 Compensation. Board members shall not receive any compensation for their services on the Board.

Section 3.14 Books and Records Generally. The Church shall keep complete and correct books and records of accounts and shall also keep minutes of the proceedings of its Board at the registered or principal office of the Church. All books, records and minutes of the Church may be inspected by any Board member, for any proper purpose, at any reasonable time.

Section 3.15 Ministerial Applicants. The Board may appoint sub-committees to interview all ministerial applicants and make a written report of their recommendations to the Board. The Board shall have access to all materials used in the evaluations for a new minister. The Board will oversee and approve credentialing, licensing, and ordination of ministers in the Church, and have authority to remove credentials of a minister. Credentials of existing Church of the Brethren ministers will be transferred at their current levels, if the minister will covenant to follow the Beliefs & Affirmations We Hold To as stated in the Statement of Faith as listed in Exhibit 2.1 and be approved by the Board. New ministers must be approved by the Board by a two-thirds majority vote.

#### **ARTICLE IV – OFFICERS OF THE EXECUTIVE BOARD**

Section 4.1 Officers Generally. The officers of the Church shall be Chair, Vice Chair, Treasurer and Secretary and such other officers as may be elected by the Board from time to time in accordance with the provisions of these Bylaws. The Board may appoint members of the Board to oversee Committees or Agencies of the Church.

Section 4.2 Term. The Board shall elect the officers of the Church who shall serve for one (1) year terms, during the fiscal year for which they were elected, or until sooner removed by a majority vote of the Board, except that the Treasurer shall be elected to a four (4) year term. Each officer shall hold his office until his or her successor be duly chosen and qualified, unless the Board shall determine, in its sole discretion, to eliminate the office.

Section 4.3 Vacancies. The Board may fill any vacant offices at any meeting of the Board or by written consent thereof consistent with applicable law, the Articles of Incorporation and the Bylaws.

Section 4.5 Removal. The Board may remove any officer from office without cause by a majority vote at any meeting or by written consent as provided herein.

Section 4.6 Duties. The officers of the Church shall have authority to perform the duties prescribed by the Board, in addition to the following:

- a. The secretary shall record and maintain a copy of the minutes of all meetings of the Board; shall issue all notices of meetings via U.S. Mail, email and/or telephone; shall maintain a copy of the up-to-date membership roster; and shall perform such duties pertaining to the office as may be requested by the Board.
- b. The treasurer may be the custodian of all monies and securities of the Church. The treasurer shall keep a true and correct account of the finances of the Church and make a report of the same to the Board whenever required; shall supervise receipts and expenditures; shall supervise the preparation and submission of any reports required by law; and shall perform such other duties pertaining to the office as may be required by the Board.
- c. Work with any Congregation Member in conflict that cannot be handled or resolved at the local level.
- d. Establish Regions or Boundaries or Districts within the Church as appropriate.
- e. Establish Agencies and oversee management of paid and volunteered services.
- f. All paid or volunteer staff, and Agencies associated with the Church must follow the Beliefs & Affirmations We Hold To as stated in the Statement of Faith as listed in Exhibit 2.1.

## **ARTICLE V – COMMITTEES**

Section 5.1 Committees generally. The Board shall have such committees as it may designate from time to time. Standing and ad-hoc committees shall function in an advisory capacity to the officers, and the Board shall generally have the authority to designate additional committees from time to time and assign members to such committees. In addition, a majority of the Board may designate standing committees from time to time. Committees may develop and implement programs and policies authorized by the Board. Committees shall not independently make decisions on other organizations nor secure or attempt to secure funds from outside sources without the prior approval of the Board. Committee chairpersons shall report on their activities at least monthly and such other times as directed by the Board.

## **ARTICLE VI – LIABILITY AND INDEMNIFICATION**

Section 6.1 Limitation of Liability. Pursuant to W. Va. Code § 31E-2-202(b)(4) or any successor law, the Board members of the Church shall not, as such, be liable for monetary damages for any action taken, or any failure to take any action, as a Board member, except liability for any of the following:

- a. The amount of a financial benefit that the Board member received to which he is not entitled.

- b. An intentional infliction of harm on the Church.
- c. A violation of W. Va. Code § 31E-8-833 or any subsequent law of like import.
- d. An intentional violation of criminal law; or
- e. Damages incurred in the case of a Board member who votes for or assents to a distribution in violation of the law of the State of West Virginia or the Articles of Incorporation of the Church, as amended.

Section 6.2 Indemnification. The Church shall indemnify any Board member or officer who is wholly successful, on the merits or otherwise, in the defense of any proceeding to which he was or is a party because he is a Board member of the Church, against reasonable expenses that he incurs in connection with the proceeding. The Church may further indemnify any Board member or officer to the extent that the laws of the State of West Virginia permit if (a) he conducted himself in good faith; he reasonably believed, in the case of conduct in his official capacity, that his conduct, was in the best interests of the Church; and, in all other cases, that his conduct was at least not opposed to the best interests in the Church; and, in the case of a criminal proceeding, he had not reasonable cause to believe his conduct was unlawful; or (b) he engaged in conduct for which broader indemnification has been made permissible or obligatory under the Articles of Incorporation.

The Church may obligate itself in advance of the act or omission of a Board member or officer giving rise to a proceeding to provide indemnification in accordance with W. Va. Code § 31E-8-851 or advance funds to pay for or reimburse expenses in accordance with W. Va. Code § 31E-8-853.

The Board shall have the sole discretion to determine whether amounts for which a Board member or officer seeks indemnification were properly incurred and whether such Board member or officer acted in good faith and in a matter he reasonably believed to be in the best interests of the Church, and whether, with respect to any criminal action or proceeding, he had no reasonable grounds for belief that such action was unlawful. The determination shall be made by the Board by a majority vote of a quorum consisting of Board members who were not parties to such action, suit or proceeding.

The foregoing rights of indemnification shall not be deemed to limit in any way the powers of the Church to indemnify under applicable law.

Section 6.3 Insurance. The Church shall have power to and shall purchase and maintain insurance on behalf of any person who is or was a Board member, officer, employee or agent of the Church or is or was serving at the request of the Church as a Board member, officer employee or agent against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Church would have the power to indemnify such person against such liability under applicable law.

## **ARTICLE VII – GENERAL PROVISIONS**

Section 7.1 Amendment. Any Board member proposing an amendment to the Church by-laws shall submit a copy of the proposed amendment (written or emailed) to the Board. The Board shall vote on the proposed amendment at that meeting. Approval of the proposed amendment shall require a two thirds majority vote of those Board members present at such meeting. **The amendment must then be approved by a two thirds majority vote of the delegates at the next Annual Meeting & Worship Conference.**

Section 7.2 Fiscal Year. The fiscal year of the Church shall be the calendar year

Section 7.3 Dissolution. The Church may be dissolved at any time upon the recommendation of the Executive Board and by a two thirds majority vote of the Church at the Annual Meeting & Worship Conference. In the event of dissolution, whether voluntary or by operation of law, the property, proceeds thereof, assets of the corporation, shall not be distributed to any members of the organization but after payment of debts, all property and assets shall be donated to a similar charitable organization(s) selected by the Board members. Appropriate legal actions shall be required to complete the dissolution of the corporation, as may be required by any governmental agency and/or statutory requirement.

#### **ARTICLE V111 – EFFECTIVE DATE OF THESE BYLAWS**

These Bylaws shall become effective immediately upon adoption by the Board.

## **Exhibit 2.1**

### **Statement of Faith**

The Brethren movement began under the leadership of Alexander Mack, Sr. in 1708 in Schwarzenau Germany as a natural outgrowth of the Anabaptist and Pietist movements following the Reformation. Circumstances have often required us to declare to the world and to other Christians what we understand the Word of God to teach on various subjects. In order to inform those who might desire to know more particularly what we understand the Scriptures to teach, we set forth the following summary on basic topics.

### **BELIEFS**

#### **1. The Bible<sup>1</sup>**

We believe the original writings of the sixty-six books of the Old and New Testaments are fully inspired by God and are without error and completely trustworthy. We believe that God has faithfully preserved His Word throughout all generations and that it is fully authoritative and final. We believe it is our ultimate source for all information about Almighty God, the world He has created, and is our sole rule of faith and practice.

#### **2. God<sup>2</sup>**

We believe there is only one Almighty God eternally existent in three distinct, co-equal and co-eternal Persons: God the Father, God the Son, and God the Holy Spirit. We believe in the deity of Jesus Christ, His virgin birth and sinless life, and in the sin-pardoning value of Christ's shed blood and death on the cross. We believe in Christ's bodily resurrection from the tomb, His ascension to glory and His personal and visible return to the earth. We believe in the present ministry of the Holy Spirit by who's indwelling a Christian is enabled to live a godly life.

#### **3. Salvation<sup>3</sup>**

We believe that all people are created in God's image. Because of Adam's disobedience to God's command, Adam and all people have fallen into sin, have a sin nature, and are separated from God. God, who is rich in mercy, has made one provision for the salvation of people, which is faith in the substitutionary sacrifice of Jesus Christ on the cross as the satisfactory payment for sin. The gospel is the good news that God will receive to Himself all persons who, with penitent heart, confess Jesus Christ as Lord and Savior. We believe in the bodily resurrection of the dead: of the believer to the eternal blessedness of the saved, and of the unbeliever to the eternal suffering of the lost.

#### **4. The Church<sup>4</sup>**

We believe that all persons who have received God's gift of salvation through faith in Jesus Christ constitute the Church. The Bible defines the Church as those who have been called out of the world to be God's special people, the Body of Christ and the Bride of Christ.

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<sup>1</sup> Psa. 119; 2 Tim. 3:16-17; 2 Pet. 1:19-21

<sup>2</sup> Gen. 1:1-2; Deu. 6:4; Isa 43:10-11; Mat. 3:16-17; Mat. 28:19; Luke 3:21-22; Acts 5:3-4; John 8:58; John 10:30; 2 Cor. 13:14

<sup>3</sup> Gen 1:26-27; Gen. 9:6; Isa. 59:2; Gen. 3:1-24; Rom. 1:18-32; John 3:14-21; John 14:6; John 19:30; Acts 4:12; Eph. 2:8-10; 1 Tim 1:15; Tit. 3:4-7; Mat. 25:31-46; John 5:28-29; 1 Cor. 15:20-26; Acts 1:11; 1 Thes. 4:13-18; Rev. 20:4-15; Rev. 21:1-22:5

<sup>4</sup> 1 Cor. 1:2; 1 Cor. 12:12-27, Eph. 4:12; Rev. 21:19; Mat. 28:19-20; Rom 12:1-2; Eph. 1:4; Eph. 5:27; Mat. 18:15-20

The mission of the Church is both external and internal and includes both word and deed. Externally, the Church is to proclaim the saving grace of Jesus Christ to a sinful humanity and to impact its community for the glory of God as His representatives in the world. Internally, the Church is to teach believers the whole counsel of God which includes encouragement to live a holy life and accountability to one another.

### **AFFIRMATIONS WE HOLD TO**

1. We affirm that God has established particular roles and relationships for the good of human society. We affirm the sanctity of marriage and that God's pattern for marriage is revealed at creation. God created one biological<sup>5</sup> male and one biological female and blessed their union through marriage. God has ordained sexual intimacy to be a sacred gift enjoyed only by a man and a woman within the holy covenant of marriage. Any other form of sexual intimacy is sin and is something from which God desires to free His children.<sup>6</sup>
2. We affirm the sanctity of all human life from conception until death.<sup>7</sup>

### **AFFIRMATIONS WE STRIVE TOWARD (With Congregational Liberty)**

1. We affirm the importance of daily devotions for the individual, and family worship in the home.<sup>8</sup>
2. We affirm the importance of taking care of the fatherless, widows, poor, sick and aged, and loving our neighbors as ourselves.<sup>9</sup>
3. We affirm that believers are called to live a life of non-conformity to the standards and behaviors which characterize the world.<sup>10</sup>
4. We affirm that divorce is outside the original plan of God. When marital problems arise God's plan is for confession of sin, repentance, forgiveness, and reconciliation.<sup>11</sup>
5. We affirm seeking peace in human relationships and oppose the taking of human life by all forms of violence.<sup>12</sup>
6. We affirm a lifestyle characterized by godly self-control. We oppose a lifestyle characterized by intemperance and ungodly living.<sup>13</sup>
7. We affirm that believers should settle all disputes in a godly manner, seeking counsel from the church whenever problems in relationships arise. We oppose going to secular courts, especially against our Christian brethren.<sup>14</sup>
8. We affirm that a believer's word should always be an expression of truth. We oppose the taking of oaths as a means of verifying one's truthfulness.<sup>15</sup>

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<sup>5</sup> Biological refers to the chromosomes: a man has one X and one Y chromosome; a woman has two X chromosomes. This cannot be changed by surgical procedure.

<sup>6</sup> Gen. 1:27-28; Gen. 2:18-25; Deu. 5:18; Mat. 5:27-28; Mat 19:3-9; Mar. 10:1-12; Rom. 1:26-27, 1 Cor. 6:9-10, 18-20]; 1 Thes. 4:3 Heb. 13:4

<sup>7</sup> Gen. 1:27; Gen. 2:7; Psa. 139:13-16; [Jer. 1:5] Psa. 116:15; Exo. 20:13

<sup>8</sup> Eph. 6: 18-20; Philp. 4:8, 9

<sup>9</sup> Acts 6:1-7; Luke 10:30-37

<sup>10</sup> Rom. 12:1-2; Jam. 4:4; 1 John 2:15-16

<sup>11</sup> Deu. 5:18; Pro. 19:14; Mat. 5:27-28; Mat. 19:3-9; Mar. 10:1-12; Heb. 13:4

<sup>12</sup> Exo. 20:13; Mat. 5:21-22, 5:43-44; Mat. 7:12; Rom. 12:18-21; Rom. 13: 8-10

<sup>13</sup> Pro. 14:29; Pro. 15:18; Pro. 16:32; Gal. 5:19-26; Eph. 5:18; Tit. 2:2-3; Jam. 1:19-20

<sup>14</sup> Mat. 18:15-20; 1 Cor. 6:1-9

<sup>15</sup> Pro. 10:19; Mat. 5: 33-37; Eph. 4:25; Jam. 5:12

9. We affirm that believers should live lives characterized by openness and honesty. We oppose memberships in organizations requiring secrecy as a condition of membership.<sup>16</sup>

10. We affirm that believers are to be good stewards of all the resources, skills, talents, and other abilities with which God blesses them. Such blessings should be utilized for His glory and the good of others. We oppose all activities which tend to waste and misuse what God has entrusted to the believer's care.<sup>17</sup>

11. We affirm that believers are to be modest in their appearance as a testimony to their faith in Christ. We oppose extravagant or immodest appearance.<sup>18</sup>

12. We affirm that all believers are called by God to a life of ministry. We also affirm that God calls and sets apart individual believers to fulfill specific servant-leadership roles and responsibilities for the good of the congregation. We affirm that congregations have a responsibility to identify, encourage, and assist those whom God has chosen for the set apart ministry and to aid and support them in their work.<sup>19</sup>

## PRACTICES

The Brethren, since our founding, have embraced distinctive practices and perspectives on practical living as a result of their study of the Word of God. We practice baptism of penitent believers by trine immersion.<sup>20</sup> We practice feet-washing<sup>21</sup>, love feast<sup>22</sup>, communion<sup>23</sup>, and the Christian greeting.<sup>24</sup> We practice proper appearance in worship<sup>25</sup>, anointing for healing in the name of the Lord<sup>26</sup>, and the laying on of hands.<sup>27</sup>

## CONCLUSION

The Word of God is our ultimate authority for faith and practice. These summary statements are presented to the reader for their careful consideration and study, and in the hope that they clarify our understanding of how the teaching of God's Word can be effectively lived in daily life. May these beliefs, affirmations, and practices undergird and guide us as we covenant together to honor God, to love one another as brothers and sisters in Christ, and to live as ambassadors of our Lord Jesus Christ in this world until He returns.

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<sup>16</sup> 2 Cor. 6:14-18

<sup>17</sup> Gen. 1:28; Mat. 5:16; Mat. 25:14-30; Rom. 12:17; Rom. 14:12; 1 Thes. 5:21-22; Heb. 4:13; 1 Pet. 2:11; 1 Pet. 4:10

<sup>18</sup> Rom. 14:13; 1 Cor. 8:1-13; 1 Tim. 2:8-10; 1 Pet. 3:1-6

<sup>19</sup> Acts 14:23; 20:17; Phil. 1:1; 1 Tim. 5:17; Titus 1:5; Jam. 5:14; Luke 10:7; 1 Cor. 9:4-14; 1 Tim. 5:17-18; Acts 18:3-4; 20:33-34; 28:30-31; 1 Cor. 9:18; 2 Cor. 11:8-9; 12:18; 1 Thes. 2:9; 2 Thes. 3:7-12

<sup>20</sup> Mat. 28: 19; Acts 2:38; Rom. 6:1-4; Gal. 3:27

<sup>21</sup> John 13:1-20; 1 Tim. 5:10

<sup>22</sup> Luke 22:20; John 13:4; 1 Cor. 11:17-34; Jude 12

<sup>23</sup> Mat. 26:26-30

<sup>24</sup> Acts 20:37; Rom. 16:16; 1 Cor. 16:20; 2 Cor. 13:12; 1 Thes. 5:26; 1 Pet. 5:14

<sup>25</sup> 1 Cor. 11:2-16

<sup>26</sup> Jam. 5:13-18; Mark 6:13

<sup>27</sup> Acts 8:17; 19:6; 1 Tim. 4:14

## **Exhibit 8.1**

### **Conflict of Interest Policy**

#### **ARTICLE I: PURPOSE**

The purpose of this conflict of interest policy is to protect the Covenant Brethren Church (the “Church”) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Board member of the Church 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 corporations.

#### **ARTICLE II: DEFINITIONS**

1. Interested Person - Any Board member, principal officer, or member of a committee with governing board delegated powers, who has direct or indirect financial interest, as defined below, in 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 Church has a transaction or arrangement,
  - b. A compensation arrangement with the Church or with any entity or individual with which the Church has transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Church is negotiating a transaction or arrangement.
3. Compensation - includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
4. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, 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.

#### **ARTICLE III: 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 members 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 Church 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 Board members whether the transaction or arrangement is in the Church's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the governing board or committee 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 that the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective actions.

## **ARTICLE IV: RECORDS OF PROCEDURES**

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.

#### **ARTICLE V: ANNUAL STATEMENTS**

Each Board member, 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 Church is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more tax-exempt purposes.

#### **ARTICLE VI: PERIODIC REVIEWS**

To ensure the Church 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 review 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 arrangement with management companies conform to the Church'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 excess benefit transaction.

#### **ARTICLE VII: USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews as provided for in Article VI, the Church 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.