

# **BYLAWS OF SAGE HILLS CHURCH A WASHINGTON RELIGIOUS CORPORATION**

## **ARTICLE 1 OFFICES**

### **SECTION 1. PRINCIPAL OFFICE**

The principal office of the corporation for the transaction of its business shall be located in Wenatchee, Washington.

### **SECTION 2. OTHER OFFICES**

The Board of Directors (hereafter *Strategic Board*) of Sage Hills Church may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

## **ARTICLE 2 PURPOSES AND AFFILIATION**

### **SECTION 1. OBJECTIVES AND PURPOSES**

This corporation is a religious corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Religious Corporation Law of Washington State exclusively for religious purposes.

The primary objectives and purposes of this corporation shall be to establish and maintain a church or churches for religious worship under The Free Methodist Church of North America (dba *Free Methodist Church – USA*, hereafter *FMC-USA*). The corporation shall use the latest edition of the *Book of Discipline* of the Free Methodist Church as a guide to its organization and function. In addition, the *Book of Discipline* of the Free Methodist Church shall be binding upon Sage Hills Church in regard to the Articles of Religion (2015 *Book of Discipline* pp. 9 – 18) and in regard to The Christian Journey (2015 *Book of Discipline* pp. 37 – 62).

### **SECTION 2. AFFILIATION**

This corporation is a member of the Reach Annual Conference of the Free Methodist Church of North America (hereafter *RAC*) and the *FMC-USA*.

## **ARTICLE 3 MEMBERS**

### **SECTION 1. ELIGIBILITY OF MEMBERS**

Individuals who meet the membership requirements and conditions as set forth in the *Book of Discipline of the FMC-USA* (hereafter the *Book of Discipline*); and as stated in the Sage Hills Church membership class, shall be accepted as members of this corporation.

### **SECTION 2. NONLIABILITY OF MEMBERS**

A member of this corporation is not, as such, personally liable for the debts, liabilities, or obligations of the corporation.

### **SECTION 3. TERMINATION OF MEMBERSHIP**

(a) Grounds for Termination. The membership of a member may be terminated upon the occurrence of any of the events set forth in the *Book of Discipline* governing the conduct of members as overseen by the Lead Pastor.

(b) Procedure for Expulsion. A member may be expelled as set forth by the *Book of Discipline* and as overseen by the Lead Pastor.

## **ARTICLE 4 MEETINGS OF MEMBERS**

### **SECTION 1. PLACE OF MEETINGS**

Meetings of members shall be held at the principal office of the corporation or at such other place or places within or without the state of Washington as designated from time to time by resolution of the Sage Hills *Strategic Board*.

### **SECTION 2. MEMBER MEETINGS**

The lead pastor or, in the absence of a lead pastor, the *Strategic Board* will call membership meetings as needed to discuss mission accomplishment and future ministry plans. Nonmembers may also be invited to attend member meetings. The lead pastor or the *Strategic Board* chairperson will chair member meetings.

### **SECTION 3. NOTICE OF MEETINGS**

Written notice of member meetings shall be given as provided in the Sage Hills Articles of Incorporation.

#### **SECTION 4. VOTING**

Only members of Sage Hills Church may vote on issues as presented by the *Strategic Board*.

#### **SECTION 5. QUORUM FOR MEETINGS**

Those present shall constitute a quorum for any meeting of the members. Approval of any action item will be by a simple majority of the quorum.

#### **SECTION 6. MINUTES**

The secretary of the corporation will keep minutes of each member meeting where a vote of the members is requested. Minutes will be kept at Sage Hills Church.

### **ARTICLE 5 DIRECTORS**

#### **SECTION 1. NUMBER**

The corporation shall have no fewer than five (5) nor more than ten (10) *Strategic Board* members including the lead pastor and collectively they shall be known as the *Strategic Board*. The number may be changed by amendment of these bylaws, or by repeal of these bylaws and adoption of a new bylaw, as provided in these bylaws. The lead pastor or board chair may, at his/her discretion, approve staff members to sit on the *Strategic Board* without vote privileges.

The *Strategic Board* shall be construed to be synonymous with the "local Board of Administration," as described in the *Book of Discipline*.

#### **SECTION 2. ELECTION**

Vacancies on the *Strategic Board* will be addressed as follows:

- (a) The Sage Hills membership will nominate individuals for any vacant *Strategic Board* position(s). This generally occurs in the last quarter of the calendar year
- (b) Only nominated members who meet the qualifications as set in Article 5, Section 3 of these bylaws will be considered
- (c) The *Strategic Board*, in conjunction with the lead pastor, will serve as a nominating committee and screen the name(s) according to the qualifications. The lead pastor will interview members whose names have been selected for ratification and bring one name per open position back to the *Strategic Board*

(d) The *Strategic Board* will then ratify any new member(s) to the *Strategic Board* through a simple majority board vote. New board members will generally begin serving their term on January 1 of the new year

(e) In principle no immediate family member who has a relative employed by Sage Hills Church may be nominated/ratified to the *Strategic Board*; likewise, employees of Sage Hills may not be nominated or ratified to serve on the *Strategic Board*

(f) In accordance with the *Book of Discipline*, the lead pastor shall be chair of the *Strategic Board* and be a voting member. The lead pastor may delegate the chair position to another *Strategic Board* member

### SECTION 3. QUALIFICATIONS

Those that serve on the *Strategic Board* and those who are considered as nominees to the *Strategic Board*, will be members of Sage Hills Church, practice tithing to Sage Hills Church, and be actively serving in at least one volunteer ministry at Sage Hills. In addition, Sage Hills board members will practice the Biblical qualifications as outlined in the *Book of Discipline* (§6200, E) and as presented in I Timothy 3: 1 – 13 and Titus 1:5 – 9, and as expressed in Christlike attitudes in life and relationships found in Matthew 20: 26 – 28; John 15: 12 – 17; Acts 6: 1 – 7; Ephesians 4: 1 – 17. In addition, *Strategic Board* members will model the following:

- (a) Act as a faithful spiritual example to the church
- (b) Faithfully participate in the life of the church
- (c) Give generously to the church
- (d) Be well known and respected by the church family and community
- (e) Demonstrate a fixed commitment and supportive voice to the mission and values of the church
- (f) Demonstrate an absolute respect for board confidentiality
- (g) Have served as a lay person in the church
- (h) Support the following lifestyle expectation policy:

*As leaders in Christ's church, Strategic Board members will demonstrate a lifestyle of holiness. Our lifestyle choices will be motivated by our love for God and commitment to His kingdom purposes. We will rely on the Holy Spirit to direct us, limiting the expression of our liberty out of our sensitivity to others. By God's grace, we will abstain from anything specifically forbidden by scripture and strive to do those things that are specifically instructed by scripture (**Strategic Board approved 4/16/2012**).*

## **SECTION 4. POWERS**

Subject to the provisions of Washington State Nonprofit Religious Corporation law, the laws of Washington State, and the *Book of Discipline*, the management of all the affairs, property and interest of the corporation shall be vested in and carried out by the *Strategic Board*.

## **SECTION 5. DUTIES/RESPONSIBILITIES**

It shall be the duty of the *Strategic Board* to:

- (a) Promote and champion the mission and values of Sage Hills Church
- (b) Pray for, support, and encourage the lead pastor
- (c) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, by these bylaws, and by the *Book of Discipline*
- (d) Attend all meetings unless absolutely unavoidable
- (e) Serve in at least one volunteer ministry
- (f) Faithfully attend Sunday church services and special Sage Hills Church events
- (g) Give sacrificially to Sage Hills Church
- (h) Approve the annual operating budget
- (i) Review on a quarterly basis the Sage Hills Church's operating statements
- (j) Evaluate the lead pastor every two years according to mission effectiveness/accomplishment
- (k) As requested by the lead pastor, bring leadership perspective and expertise to the following:
  - 1. ministry and mission alignment
  - 2. organizational, personnel, and financial matters
  - 3. ministry or campus expansion and development
  - 4. special projects
  - 5. major decisions
  - 6. high-level organizational goals and policies

- (l) Ensure the pastor is well and fairly compensated
- (m) Meet at such times and places as required by these bylaws
- (n) Serve as legal trustees of the corporation, holding property in trust for the *FMC-USA*
- (o) Maintain legal viability of the corporation according to state and federal laws
- (p) Act as the nominating committee for the corporation
- (q) Act on behalf of the membership in all matters including the purchase and sale of property and the acquisition of debt
- (r) Serve as Delegates as outlined in the *Book of Discipline*
- (s) To amend the Sage Hills Articles of Incorporation and bylaws as needed
- (t) To either create additional or disband existing committees (of the Strategic Board) at its sole discretion

## **SECTION 6. TERMS OF OFFICE**

Each *Strategic Board* member shall hold office for a term of three years, unless otherwise provided when ratified by the *Strategic Board*, and until his or her successor is elected and qualified. *Strategic Board* members may serve for more than one term at the discretion of the *Strategic Board*.

## **SECTION 7. COMPENSATION**

*Strategic Board* members shall serve without compensation.

## **SECTION 8. PLACE OF MEETINGS**

Meetings shall be held at the principal office of the corporation unless otherwise provided by the *Strategic Board* or at such place within or without the State of Washington, which has been designated from time to time by resolution of the *Strategic Board*.

Members of the *Strategic Board* may participate in a meeting through use of conference telephone, electronic video screen communication, or similar communications equipment, provided that all persons participating in the meeting can hear each other at the same time. In such events, participation by such means shall constitute in person participation for a meeting.

Recommendations on certain business items may also be communicated and provided by electronic means, such as email, provided the *Strategic Board* unanimously agrees with electronic business guidelines.

## **SECTION 9. REGULAR MEETINGS**

The *Strategic Board* shall meet as needed throughout the year but not less than quarterly.

## **SECTION 10. SPECIAL MEETINGS**

Special meetings of the *Strategic Board* may be called by the *Strategic Board* Chairperson or by the President of the Corporation or at the request of two or more *Strategic Board* members.

## **SECTION 11. NOTICE OF MEETINGS**

Regular meetings of the board may be held with seven days notice.

## **SECTION 12. QUORUM FOR MEETINGS**

A quorum shall consist of a simple majority of *Strategic Board* members.

## **SECTION 13. CONDUCT OF MEETINGS**

- (a) *Strategic Board* meetings shall be presided over by the chairperson of the board (the lead pastor) or his or her designee. If no such person has been so designated or, in his or her absence, the president of the corporation or, in his or her absence, by a chairperson chosen by a majority of the directors present at the meeting. The secretary of the corporation shall act as secretary of all meetings of the *Strategic Board*, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.
- (b) Meetings shall generally be governed by "Robert's Rules of Order" as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these bylaws, with the Sage Hills Articles of Incorporation, or with provisions of law.
- (c) Action(s) taken by the *Strategic Board* shall require a majority vote of a quorum unless otherwise specified in the Articles of Incorporation and bylaws, and votes may be taken in person or by electronic means including email.
- (d) General board guidelines will consist of the following:
  - 1. Functions only as a *Strategic Board* while convened. Individual board members do not speak or act on behalf of the board outside the board room unless they are confirming/supporting matters already agreed upon by the board
  - 2. Understands the lead pastor reports only to the full board and not to individual board members
  - 3. Understands the staff reports only to the lead pastor

4. Respects the absolute confidentiality of what is discussed in the board room
5. Always maintains positive support for the decisions made while in the board room and completely supports the consensus decisions of the board once leaving the board room
6. Commits to participating in board discussions
7. Leaves his or her personal agenda outside the board room
8. Does not surrender themselves to partisan or special interest groups. While the board, in total, represents the Sage Hills membership, individual board members do not represent or advocate for specific groups in the church
9. Does not take private action or make personal promises for the board outside the board room
10. Maintains a good working relationship with the lead pastor. If a board member does not feel they can support either the lead pastor, Sage Hills' church mission and values, or the doctrines and theology of the Free Methodist Church, they should voluntarily dismiss themselves from the board

#### **SECTION 14. EXECUTIVE SESSION**

While *Strategic Board* meetings are open for any who wish to attend, when the *Strategic Board* moves into Executive Session all will be asked to leave except *Strategic Board* members and pertinent or invited guests. Executive Session is highly confidential and is not to be discussed with persons who are not *Strategic Board* members. No formal action is taken during Executive Session. Executive Session minutes will be kept in a separate notebook.

#### **SECTION 15. VACANCIES, REMOVAL AND RESIGNATION**

(a) Events Causing Vacancy. Vacancies on the *Strategic Board* shall exist on the death, resignation, or removal of any *Strategic Board* member.

(b) Resignation. Any *Strategic Board* member may resign from the board at any time.

(c) Removal. *Strategic Board* members may be removed if such removal is approved by a simple majority of the *Strategic Board* members.

(d) Filling Mid-Year Vacancies. At the discretion of the *Strategic Board*, vacancies may be left open or be filled by an appointee to the *Strategic Board* until a successor is named at the next annual or special meeting of *Strategic Board* members.

#### **SECTION 16. NONLIABILITY OF DIRECTORS**

The *Strategic Board* members shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

## ARTICLE 6 OFFICERS

### SECTION 1. NUMBER OF OFFICERS

The officers of the corporation shall be a president, a secretary, and a treasurer. The offices of secretary and treasurer may be combined at the discretion of the *Strategic Board*. The lead pastor will serve as the president of the corporation.

### SECTION 2. QUALIFICATION, ELECTION, AND TERM OF OFFICE

The requirements for service as an officer of this corporation are as set forth in the *Book of Discipline*. Officers shall be elected by the *Strategic Board* and shall serve at the pleasure of the *Strategic Board*.

### SECTION 3. REMOVAL AND RESIGNATION

Any officer may be removed, either with or without cause, by the *Strategic Board*, at any time. Any officer may resign at any time by giving written notice to the *Strategic Board* or to the president or secretary of the corporation.

### SECTION 4. DUTIES OF OFFICERS

The duties of officers shall be as provided in the *Book of Discipline* (*Book of Discipline*, ¶ 6300) and Washington State Nonprofit Religious Corporation law.

## ARTICLE 7 RESPONSIBILITIES OF OFFICERS/CHAIRMAN OF THE BOARD

(a) **Chairman of the Board.** The lead pastor will serve as the chair of the *Strategic Board* unless the position is designated by the lead pastor to another *Strategic Board* member. The chairman of the *Strategic Board* shall preside at meetings of the *Strategic Board* and exercise and perform such other powers and duties as may be from time to time assigned to him by the *Strategic Board* or prescribed by the Bylaws. If there is no president, the chairman of the board shall, in addition, be the chief executive officer of the corporation and shall have the powers and duties prescribed in paragraph (b), in Article 7.

(b) **President/Chief Executive Officer.** The lead pastor will also serve as the president of the corporation. Subject to such supervisory powers as may be given by the *Strategic Board* to the chairman of the board, if any, the president shall be subject to the control of the *Strategic Board*. In absence of the chairman of the board he/she shall preside at all meetings of the *Strategic Board*. He or she shall have such other powers and duties as may be prescribed by the *Strategic Board* or the Bylaws.

(c) **Secretary.** The secretary shall attend to the following:

1. **Book of Minutes.** The secretary shall keep or cause to be kept, at the principal executive office or such other place as the *Strategic Board* may

direct, a book of minutes of all meetings and actions of the *Strategic Board* and of committees of the *Strategic Board*. The Secretary shall also keep, or cause to be kept, at the principal executive office in the State of Washington, a copy of the Sage Hills Church Articles of Incorporation and bylaws, as amended to date. If the corporation is one having members, the secretary shall maintain a complete and accurate record of the membership of the corporation, showing the names of all members.

(d) **Treasurer.** The treasurer shall attend to the following:

1. **Books of Account.** The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any *Strategic Board* member at all reasonable times.
2. **Deposit and Disbursement of Money and Valuables.** The treasurer or his designee shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the *Strategic Board*; shall disburse, or cause to be disbursed, the funds of the corporation as may be ordered by the *Strategic Board*; shall render to the president and *Strategic Board*, whenever they request it, an account of all his/her transactions as treasurer and of the financial condition of the corporation; and shall have other powers and perform such other duties as may be prescribed by the Strategic Board or the bylaws.

## ARTICLE 8

### INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

To the extent that a person who is, or was, a director, officer, employee, or other agent of this corporation acting in good faith, has been successful on the merits in defense of any civil, criminal, administrative, or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the corporation, or has been successful in defense of any claim, issue, or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements, and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of Washington State Nonprofit Religious Corporation Law and to the greatest extent permitted under Washington law.

**ARTICLE 9  
BOOK OF DISCIPLINE**

The *Book of Discipline* and its rules and regulations of the *FMC-USA* as from time to time adopted by the General Conference of the *FMC-USA*, shall be a guide to the bylaws of this corporation. In all matters of doctrine and theology, the *Book of Discipline* will be binding to Sage Hills Church.

**ARTICLE 10  
AMENDMENT OF BYLAWS**

Subject to any provision of law applicable to the amendment of bylaws of religious nonprofit corporations, these bylaws may be amended at any meeting or special meeting by simple majority vote of the *Strategic Board*.