

BY-LAWS
of the
FIRST BAPTIST CHURCH OF ROSWELL FOUNDATION, INC.
Adopted in Church Conference

ARTICLE 1. PURPOSE

- 1.1 General Purposes. The First Baptist Church of Roswell Foundation, Inc. (the “Foundation”) is organized to be a nonprofit corporation pursuant to the Georgia Nonprofit Corporation Code (O.C.G.A. section 14-3-101, et seq., hereinafter referred to as the “Code”) and is operated to influence the spiritual and moral welfare of its church members and the general advancement of the Gospel of Jesus Christ in accordance with the doctrine and beliefs of The First Baptist Church of Roswell, Georgia; to have and exercise all powers necessary or convenient to effect the purposes for which the Foundation is organized; and to engage in any lawful business or activities related thereto and for which corporations may be organized under the Code and the applicable laws of the United States of America.
- 1.2 Specific Purposes. The purpose or purposes for which the Foundation are and maybe amended, or as may hereafter, from time to time, be amended including:
- 1.2.1 The promotion of the Christian religion through the preaching of the Word of God, the maintenance of worship, the edification of believers, the evangelization of the world, and the promotion of the missionary and benevolence causes.
- 1.2.2 Receiving, holding, managing, selling, investing and disbursing gifts, bequests, and funds arising from all sources.
- 1.2.3 Acquiring, owning, maintaining and selling real estate, buildings, and other property real or personal, incidental, necessary, or proper to carry out said purposes.
- 1.2.4 Doing of such and all things necessary or incident to the accomplishment of such purposes.
- 1.2.5 The Foundation shall be managed exclusively as a non-profit corporation operated to provide charitable, religious, educational and scientific benefits within the meaning of section 501(c)(3) of the Internal Revenue Code (the “IRC”), including without limitation, making charitable distributions to organizations that qualify as tax exempt charities pursuant to IRC section 501(c)(3); provided that none of the purposes shall include a right to carry on a business for profit.
- 1.3 Operation of the Foundation. In the administration of the Foundation, the Board of Directors, in addition to and not by limitation of the duties provided elsewhere in these Bylaws or by law, shall be governed by the following provisions:
- 1.3.1 The Foundation, its officers and directors are prohibited from engaging in any act of self-dealing as defined in IRC Section 4941(d), from retaining any excess business holdings as defined in IRC Section 4943(c) which would subject the Foundation to tax under IRC Section 4943, from making any investments which would subject the trust to tax under IRC Section 4944, and from making any taxable expenditures as defined in IRC Section 4945(d).
- 1.3.2 The Foundation shall not make any investment that would result in unrelated business taxable income as defined in IRC Section 512 or unrelated debt-financed income as defined in IRC Section 514.
- 1.3.3 In no event shall the Foundation make any payments, or engage in any activities which would result in a disallowance in whole or in part of any charitable contribution deduction otherwise allowable to any donor to the Foundation under the IRC, or Treasury Regulations promulgated thereunder; and the Foundation shall do all things required under the Code, the IRC and Treasury Regulations to cause contributions to the Foundation to qualify for a charitable contribution deduction.
- 1.3.4 The Foundation, its officers and Directors shall not engage in any act or exercise any power described in IRC Section 675.

ARTICLE 2. ESTABLISHMENT OF FOUNDATION

In 2007 The First Baptist Church of Roswell Georgia, in church conference, authorized the formation of Roswell First Baptist Church Foundation, Inc, in accordance with the policies and procedures of the church, has authorized and directed the establishment of a Foundation known as the “Roswell First Baptist Church Foundation, Inc.”

Foundation, by a cash contribution of Fifty Dollars (\$50.00) now available, together with other sums which may be immediately available and future acceptances in accord with provisions hereinafter set forth.

ARTICLE 3. DESCRIPTION OF FOUNDATION

The Foundation shall consist of two general categories of endowments:

- 3.1 Endowment Fund. The endowment shall not be utilized or encroached upon, except as set forth hereinafter. The Foundation shall have only two types of contributions, both of which are endowments.
 - 3.1.1 Undesignated: Undesignated endowments are endowments with no specified restrictions by the donor on the use of the income generated by the principal of the endowment, but the principal of which may never be utilized or encroached upon except as provided for in the gift or set forth hereinafter. Endowment undesignated Funds shall require a minimum contribution of not less than \$1,000.00 US.
 - 3.1.2 Designated: Designated endowments are endowments with specific restrictions by the donor on the use of income generated by the principal of the endowment, but the principal of which may never be utilized or encroached upon except as provided for in the gift or as set forth hereinafter. Endowment Designated Funds shall require a minimum contribution of not less than \$5,000.00 US.

ARTICLE 4. POWERS AND DUTIES OF BOARD OF DIRECTORS

- 4.1 The Board of Directors. The Board of Directors of the Roswell First Baptist Church Foundation, Inc. shall be elected by the church in conference, with terms beginning January 1st of each year.
 - 4.1.1 Nominations to the Board of Directors shall be made by the Nominating Committee of First Baptist Church of Roswell. The Church Conference shall have the right to appoint, remove and/or replace any Director of the Foundation's Board of Directors, with or without cause.
 - 4.1.2 The number of directors shall be five (5).
 - 4.1.3 Directors shall serve for a period of five (5) years or until their death, incapacity, resignation or removal as provided for herein. Directors shall be elected in sequences, so that one of the five directors will rotate off each year.
 - 4.1.4 The initial board shall be elected by the Church as approved by the Nominating committee with each director serving a term from one (1) to five (5) years. Director One will initially be elected to serve one year, Director Two will initially be elected to serve two years, and so forth for each of the five directors, the sole purpose to which is the initial staggered terms for the directors.
 - 4.1.5 In the case of the death, incapacity, resignation or removal of a Director, The Nominating Committee will nominate a replacement, to be voted on by the church in conference to serve out the term of the former Director of the Board.
 - 4.1.6 A director must be a member of First Baptist Church of Roswell in good standing. If a director ceases to be a member in good standing, he or she shall be automatically removed from being a director.
 - 4.1.7 A director must have been a member of First Baptist Church of Roswell for at least five consecutive years to be eligible for directorship.
 - 4.1.8 A director may be reelected to the Board when his/her term expires after being off the Board for one year.
 - 4.1.9 The Foundation will not use any director in any capacity as a broker or investment counselor to avoid any real or perceived conflict of interest. No fees for professional services, or salary shall be paid to any director without unanimous written approval of the remaining directors. Reasonable, ordinary and customary expenses relating to the Foundation activities of any director shall be reimbursed upon providing customary receipts.
 - 4.1.10 The Senior Pastor of Roswell First Baptist church is a nonvoting Director of the Board.
- 4.2 Powers and Duties. The Board of Directors shall have the sole power, duty and responsibility of directing the administration of the Foundation in accordance with the provisions herein set forth, including the following:
 - 4.2.1 Accurate minutes and records shall be kept of the meetings, decisions and actions of the Board of Directors and it shall be the continuous responsibility of the secretary elected by the Board to record and keep such minutes and records. Copies of the Board of Director minutes shall be promptly provided to the Directors of the Board of Directors. Foundation records shall be kept at the church office in a secure location.
 - 4.2.2 The Board of Directors shall have the power and may delegate to any one or more of its officers or Directors the authority to sign on behalf of all the Directors any and all documents requiring execution in connection

- with the administration of personal property held for the Foundation, and in the management of Foundation funds on an individual and specific basis or task only.
- 4.2.3 The Board of Directors shall have full power to invest and to reinvest the funds of the Foundation or any part thereof, subject to the limitation that all investments, to the extent it is practical to do so and as may be limited by the donor of such endowment, shall be made with a view toward obtaining maximum income and consistent growth of principal. The Board of Directors shall have the full power and authority to hold in the form in which it is received, and to purchase, sell, assign, transfer, and dispose of any and all property of whatsoever nature donated bequeathed or devised to the Foundation as well as the proceeds of such sales and investments and any monies belonging to said Foundation, subject to the conditions contained in this Article Three and Four.
- 4.2.4 In any event, with respect to any endowment, unless otherwise permitted by the donor, the Board of Directors shall have no power, authority, or right at any time to expend or encroach upon the principal, of any endowment, or any portion thereof, without the express, prior approval of eighty percent (80%) of the Foundation's Board of Directors and eighty percent (80%) of the church in conference.
- 4.2.5 The Board of Directors may appoint a banking institution, trust company or other corporate fiduciary to be the custodian of the Foundation, or of any portion thereof, and may pay reasonable compensation to the custodian for services rendered. All payments by such custodian from the Foundation shall be made only upon the written direction of such person or persons as are designated by the Board of Directors. A duly attested copy of the resolution of the Board of Directors designating such person or persons bearing on its face a specimen signature of each such person shall be filed with the banking institution as authority for honoring such signature or signatures in the making of payments. No payment shall be made unless it has been previously authorized by resolution of the Board of Directors.
- 4.2.6 The Board of Directors shall have the power and authority to enter into an agreement with the agent of the Foundation, appointed by the said Board of Directors as herein provided, providing for the authorizing to such custodian of the Foundation to invest and to reinvest the same, or any specified portion thereof, for and on behalf of the Board as its agent or nominee or in its name, or otherwise.
- 4.2.7 The Board of Directors is expressly authorized and empowered to hold, manage, sell, convey, lease, lend, invest and reinvest any monies or property at any time forming a part of the Foundation in any property, real, personal and/or mixed, of any kind or nature, without being limited or restricted to investments prescribed or authorized for fiduciaries by the laws of Georgia. The Board is expressly authorized to invest and reinvest any portion or part of the Foundation in a common trust fund maintained and managed by corporate trustees or any substitute or successor corporate trustee, in accordance with, and in compliance with the provisions of the laws of Georgia relating thereto.
- 4.2.8 The Board of Directors shall have power, right, and authority to sell, transfer and convey any and every kind of property, real or personal, which may at any time form a part of the Foundation, when they shall in their sole discretion, deem it to be in the best interest of the Foundation to sell, transfer and/or convey the same, either publicly or privately, as they, in their sole discretion, may deem best, for cash or on time, without any order of court, upon such conditions as to the said Board of Directors may seem best.
- 4.2.9 The Board of Directors shall have the authority, right and power to pay all necessary expenses incurred in the administration of the Foundation, to employ and pay agents and attorneys and others when, in the judgment of the said Board, it is deemed necessary and proper for the protection, management, and preservation of the Foundation; to execute deeds to real property with covenants of general warranty binding on the Foundation; to make valid leases of real or personal property or any interest therein, including the making of leases for a period beyond the expiration of the term of office or any and all of the Directors; to borrow money when necessary for the benefit and preservation of the Foundation, and to pledge any part of the corpus of the Foundation for the security of the same; to hold any and all securities and other property of the Foundation in bearer form or in the name of said Directors or in the name of a duly appointed nominee, without disclosing the fiduciary relationship; to exercise, in person or by proxy, voting rights appertaining to all stocks or other securities held in the Foundation, and to execute any option accorded the holder of such stocks and securities; to participate in mergers, reorganizations, or other property settlements or changes; to compromise, arbitrate, and otherwise adjust claims in favor of or against the Foundation.
- 4.2.10 It shall be the duty of the Board of Directors, acting directly themselves or through committees of their choosing, not necessarily made up of Board Directors, to investigate, analyze, and appraise all factors in connection with any proposed or suggested project or program for which the income from the Foundation may be used, and to make recommendations as to the use of the income.

- 4.2.11 It shall be the exclusive duty of the Board of Directors to make all decisions regarding the use of the income (within the requirements of any endowment) of the Foundation and to implement such decisions through appropriate action, consistent with the guidelines of the Foundation herein.
- 4.2.12 All Directors of the Board of Directors and their successors in trust shall serve hereunder without compensation.
- 4.2.13 No Director of the Board of Directors or any officer of the Foundation shall be liable to any (1) donor, (2) beneficiary, (3) any person claiming under any donor or beneficiary, (4) the Church or (5) any member of the Church, by reason of the exercise of any power or discretion hereunder, except in case of (a) fraud or gross negligence on part of the Director or Officer or (b) failure to act in conformity with terms of these Bylaws or written direction of the Church in Conference, after receiving written notice of a possible violation; and all and any directions given to others by the Board of Directors hereunder shall be binding and conclusive on all parties concerned.
- 4.2.14 No Director or Officer shall be personally liable for the acts or omissions of any attorney, agent, advisor, accountant, or other assistant of the Board of Directors employed in the administration of the Foundation, provided such attorney, accountant or other assistant shall have been selected with reasonable care.
- 4.2.15 The directors of the Board of Directors of the Foundation, both collectively and individually, shall be excused from executing bond.
- 4.2.16 The Board of Directors shall be excused from filing an inventory or appraisal, statements or settlements of account with any court or public authority, so far as is possible under the law.
- 4.2.17 The Board of Directors shall render a written annual report to the Church in Conference of the Church in an annual meeting. Such annual report shall be supplemented as soon each year as is practicable by the audit report of an independent certified public accountant covering all properties held by or in the Foundation and all in which the Foundation has an interest, and including itemized statements of receipts and disbursements in and from all accounts of the Board of Directors for the period covered by the report.
- 4.2.18 At least once every three years the Board shall engage the service of a Certified Public Accountant for an audit of the books. Said results of the audit will be presented to the Church in Conference. Two out of three years a review by a Certified Public Accountant of the books shall be preformed.
- 4.2.19 By vote of not less then four of the five Directors of the all of the Directors of the Board of Directors, excluding the Director being voted upon, the Board of Directors may remove, with or without cause, any Director of the Board of Directors.
- 4.2.20 The Board of Directors is bound to moral, legal and ethical action at all times in the conduct of Foundation business.
- 4.3. Meetings of the Board of Directors.
- 4.3.1 Annual Meeting. The annual meeting of the Board of the Director shall be held each year at such time as may be called by the Chairman of the Board.
- 4.3.2 Special Meetings. Special meetings of the Board may be called at any time for any purpose or purposes by the Chairman of the Board, or a majority of the Board of Directors and shall be called forthwith by the Chairman of the Board, the Secretary or any director of the Foundation upon the request in writing of a majority of all the Directors entitled to vote on the business to be transacted at such meeting. Such request shall state the purpose or purposes of the meeting. Business transacted at all special meetings of Directors shall be confined to the purpose or purposes stated in the notice of the meeting.
- 4.3.3 Consents. Any action of the Board may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of Directors.
- 4.3.4 Place of Holding Meetings. All meetings of the Board shall be held at the principal office of the Foundation or elsewhere in the United States as designated by the Board of Directors.
- 4.3.5. Notice of meetings. Written notice of each meeting of the Board shall be mailed, postage prepaid, by the Secretary, to each Director of record entitled to vote thereat at his post office address or by email, as it appears upon the books of the Corporation, at least five (5) days before the meeting. Each such notice shall state the place, day, and hour at which the meeting is to be held and, in the case of any special meetings, shall state briefly the purpose or purposes thereof.
- 4.3.6 Quorum. The presence in person or by proxy of a majority of the Directors of the Foundation shall constitute a quorum at all meetings of the Board except as otherwise provided by law, by the Articles of Incorporation or by these bylaws. If less than a quorum shall be in attendance at the time for which the meeting shall have been called, the meeting may be adjourned from time to time by a majority vote of the Directors present or represented, without any notice other than by announcement at the meeting, until a quorum shall attend. At any adjourned meeting at which a quorum shall attend, any business may be transacted which might have been transacted if the meeting had been held as originally called.

- 4.3.7 Conduct of Meetings. Meetings of Directors shall be presided over by the Chairman of the Board or, if he is not present, by a Vice Chairman, or if none of the officers are present, by a chairman to be elected at the meeting. The Secretary of the Foundation, or if he or she is not present, any Assistant Secretary shall act as secretary of such meetings. In the absence of the Secretary and any Assistant Secretary, the presiding officer may appoint a person to act as Secretary of the meeting.
- 4.3.8 Voting. At all meetings of Board every Director entitled to vote thereat shall have one (1) vote. All elections shall be had and all questions shall be decided by a majority of the votes cast at a duly constituted meeting, except as otherwise provided by law, in the Articles of Incorporation or by these Bylaws. If the Chairman of the meeting shall so determine, a vote by ballot may be taken upon any election or matter, and the vote shall be so taken upon the request of twenty percent (20%) or more of all of the Directors entitled to vote on such election or matter. Voting by proxy through another Director is allowed. The proxy must be in writing and duly notarized. No secret ballots for voting are allowed.
- 4.4 Advisory Committees. The Board shall have the right from time to time to create such Advisory Committees (made up of church members and Board Directors) as it shall deem advisable and grant to such committees such powers and rights as the Board shall deem advisable from time to time.

ARTICLE 5: ADDITIONS TO THE FOUNDATION

- 5.1 Additions. The Board of Directors shall have the power, right and authority to accept and to add to the Foundation any and all conveyances, grants, gifts, donations, legacies, bequests and/or devises, absolute or in trust, for the use and benefit of the Foundation for the purposes noted in Article One, which are, or may be, offered to or placed in the custody or control of the Board of Directors, for the Foundation, subject to the following conditions:
- 5.1.1 Every acceptance by the Board of Directors shall be in conformity with the laws of the United States of America and of the State of Georgia, and in harmony with written directions, from time to time, of the Church Conference.
- 5.1.2 Any acceptance by the Board of Directors would require the Board to hold the principal amount of any endowment in trust so long as the Church remains an active institution. Should the Church be dissolved, for any reason whatsoever, prior to dissolution, the Board of Directors will recommend to the Church Conference the dissolution of the Foundation. However, in any event, upon dissolution, the assets of the Foundation shall be distributed consistent with Section 1.2.1, which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1954 and its Regulations as they now exist or as they may hereafter be amended.

ARTICLE 6. OFFICES

- 6.1 Principal Office. The principal office of the Foundation shall be located at 710 Mimosa Boulevard, Roswell, Georgia 30075.
- 6.2 Registered Office. The Foundation shall have and shall continuously maintain in the State of Georgia a registered office and a registered agent at such registered office, as required by the Code. The registered office may, but need not be, identical with the principal office, and the address of the office may be changed from time to time by the Board of Directors.

ARTICLE 7. INDEMNIFICATION; LIABILITY

- 7.1 Indemnification. The Foundation shall indemnify its Officers and Directors to the maximum extent permitted by the Code; provided, however, indemnification shall only be made upon compliance with the requirements of such statutory provisions and only in those circumstances in which indemnification is authorized under the Code.
- 7.5.7.2 Insurance. The Foundation may purchase and maintain insurance on behalf of those persons for whom it is entitled to purchase and maintain under Code Section 14-3-857 against any liability asserted against such persons and incurred by such persons in any capacity as described in said statutory provision, or arising out of such persons' status as described in said statutory provision, whether or not the Foundation would have the power to indemnify such persons against such liability under the laws of the State of

Georgia. The Board shall have the right to pay the cost of any bond or insurance coverage for the directors, officers and agents of the Foundation when deemed reasonably necessary by the Board in its discretion.

- 7.3 Reimbursement. The Foundation may pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding provided for hereunder in advance of a final disposition of the proceeding if the director submits to the chairperson of the Board of Directors of the Foundation a written request which complies with the requirements set forth in Code Section 14-3-853. The Chairperson of the Board of Directors of the Foundation shall promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that such director has requested indemnification, and the determination of such director's entitlement to indemnification shall be made by the Board of Directors within a reasonable time after the receipt of such written request.
- 7.4 Continuing Benefit. The indemnification and advancement of expenses provided by or granted pursuant to this Article 7 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

ARTICLE 8. OFFICERS

- 8.1 Election, Tenure and Compensation. The officers of the Foundation shall be a Chairman, a Secretary, a Vice-Chairman, and a Treasurer. The officers shall be elected at the annual meeting of the Board of Directors to serve a term of one (1) year.

All officers must be Directors. Any two or more of the above offices may be held by the same person, except those of Chairman and Secretary. No compensation or salary shall be paid to the officers or Directors of the Foundation.

In the event that any office other than an office required by law, shall not be filled by the Board of Directors, or, once filled, subsequently becomes vacant, then such office and all references thereto in these bylaws shall be deemed inoperative unless and until such office is filled in accordance with the provisions of these bylaws.

Except where otherwise expressly provided in a contract duly authorized by the Board of Directors, all officers and agents of the Foundation shall be subject to removal at any time by the affirmative vote of a majority of the whole Board of Directors and all officers, agents and employees, shall hold office at the discretion of the Board of Directors.

- 8.2 Powers and Duties of the Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors unless the Board of Directors shall by a majority vote of a quorum thereof elect a chairman other than the Chairman of the Board to preside at meetings of the Board of Directors. The Chairman may sign and execute all authorized bonds, contracts or other obligations in the name of the Foundation; and the Chairman shall be ex-officio a member of all standing committees. The Chairman shall preside at all meetings of the Directors. The Chairman may sign and execute all authorized bonds, contracts or other obligations in the name of the Foundation. The Chairman shall have the general powers and duties of supervision and management usually vested in the office of Chairman of a corporation. The Chairman shall be ex-officio a member of all standing committees.
- 8.3 Powers and Duties of the Vice Chairman. The Board of Directors may appoint a Vice Chairman or more than one Vice Chairman. Any Vice Chairman (unless otherwise provided by resolution of the Board of Directors) may sign and execute all authorized bonds, contracts, or other obligations in the name of the Foundation. Each Vice Chairman shall have such other powers and shall perform such other duties as may be assigned to him by the Board of Directors or by the Chairman. In case of the absence or disability of the Chairman, the duties of that office shall be performed by any Vice Chairman, and the taking of any action by any such Vice Chairman in place of the Chairman shall be conclusive evidence of the absence or disability of the Chairman.

8.4 Secretary. The Secretary shall give, or cause to be given, notice of all meetings of the Board and all other notices required by law or by these bylaws, and in case of the Secretary's absence or refusal or neglect to do so, any such notice may be given by any person thereunto directed by the Chairman, or by the directors upon whose written request the meeting is called as provided in these bylaws. The Secretary shall record all the proceedings of the meetings of the Board in books provided for that purpose, and the Secretary shall perform such other duties as may be assigned to the Secretary by the Directors or the Chairman. The Secretary shall have custody of the seal of the Foundation and shall affix the same to all instruments requiring it, when authorized by the Board of Directors or the Chairman, and attest the same. In general, the Secretary shall perform all the duties generally incident to the office of secretary of a corporation, subject to the direction and control of the Board of Directors and the Chairman.

8.5 Treasurer. The Treasurer shall have custody of all the funds and securities of the Foundation, and the Treasurer shall keep full and accurate account of receipts and disbursements in books belonging to the Foundation. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Foundation in such depository or depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds of the Foundation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements. The Treasurer shall render to the Chairman and the Board of Directors, whenever either of them so requests, an account of all the Treasurer's transactions as Treasurer and of the financial condition of the Foundation.

The Treasurer shall give the Foundation a bond, if required by the Board of Directors, in a sum, and with one or more sureties, satisfactory to the Board of Directors, for the faithful performance of the duties of the Treasurer's office and for the restoration to the Foundation in case of the Treasurer's death, resignation, retirement or removal from office of all books, papers, vouchers, moneys, and other properties of whatever kind in his possession or under the Treasurer's control belonging to the Foundation.

The Treasurer shall perform all the duties generally incident to the office of the treasurer of a corporation, subject to the direction and control of the Board of Directors and the Chairman.

8.7 Assistant Secretary. The Board of Directors may appoint an Assistant Secretary or more than one Assistant Secretary. Each Assistant Secretary shall (except as otherwise provided by resolution of the Board of Directors) have power to perform all duties of the Secretary in the absence or disability of the Secretary and shall have such other powers and shall perform such other duties as may be assigned to the Assistant Secretary by the Board of Directors or the Chairman. In case of the absence or disability of the Secretary, the duties of the office shall be performed by any such Assistant Secretary, and the taking of any action by any such Assistant Secretary in place of the Secretary shall be conclusive evidence of the absence or disability of the Secretary.

8.8 Administrator. The Board of Directors may appoint an administrator of the Foundation, who is not a Board Director.

ARTICLE 9 INVESTMENT GUIDELINES

9.1 Goals. The primary objective of the Foundation is to preserve and protect the assets under its care by earnings and total return for each established fund. Considerations will be given to the following:

1. Preservation of principal;
2. Predictable income stream;
3. Growth of income and principal above that necessary to offset the cost of living.

9.2 The Foundation shall have the authority to select the institution(s) with which one or more accounts shall be established. The Foundation may use the services of registered investment advisors, Certified Public Accountants, attorneys, broker dealers, and other appropriate money managers.

9.3 The Foundation shall have the responsibility of reviewing at least on an annual basis, the securities firms with which the Foundation does business, approve any new firms, and approve and/or review limits on the amount of business done with any one firm. Performance criterion shall be based on a reasonably accepted benchmark.

- 9.4 Annual audited financial statements-for each securities dealer with which the Foundation does business will be kept on file; funds and securities shall beheld on deposit with financial institutions providing the appropriate FDIC and SIPC Protection.
- 9.5 No restriction is placed on portfolio turnover, but prudence is expected and the portfolio should not be managed for short-term gains or generation of fees.
- 9.6 The Asset Mix: To accomplish the Foundation’s investment objectives, the Foundation is authorized to utilize portfolios of equity securities (common stocks and convertible securities), fixed-income securities, and short-term (cash) investments. As a guide to accomplish these objectives, the Foundation should remain within the ranges provided in Table A. These ranges may be modified from time to time by the Foundation based on market and economic conditions. The Foundation shall not invest the funds of the Foundation in highly speculative investments. The Board shall be entitled to rely upon the advice of professional advisors in choosing the investments of the Foundation.

Table A			
Acceptable Ranges of Investment Per Fund or Category			
	Asset Classes		
	Equity	Fixed-income securities	Short-term cash
Endowment Funds	50-80%	15-50%	0-20%

- 9.7 Asset Diversification: As a general policy, the Foundation will maintain reasonable diversification at all times. The Foundation may not allow the investments in the equity securities of any one company to exceed 5% of the portfolio nor do the total securities position (debt and equity) in any one company to exceed 10 % of the portfolio. (The 10% limit is waived for investments in permitted US government and US government agency debt issues). The Foundation shall also maintain reasonable sector allocations and diversification. In that regard no more than 25% of the entire portfolio may be invested in the securities of any one sector.
- 9.8 Other Restrictions:
- 1 Borrowing of funds or securities is not permitted for investment purposes,
 - 2 Direct investment in real estate and commodities is not permitted, except to the extent such assets are donated to the Foundation, but the Foundation shall endeavor to sell such assets within a reasonable time,
 - 3 Funds may not be invested, nor obligations incurred in futures, options, swaps, forwards, Collateralized Mortgage Obligations, or any other financial derivative.

ARTICLE 10 SOURCES OF FUNDS

- 10.1 The Foundation reserves the right to decline any contributions, which might present liability or other detrimental issues for the Foundation.
- 10.2 No fees or commission shall be paid to anyone as consideration for directing a gift to the Foundation unless approved by the Board of Directors.
- 10.3 Designated Funds: The Foundation will determine what designated accounts may be established. Any member of the church may request in writing to the Foundation, the establishment of a designated account. When an account is established, the church may accept funds into that account. The Foundation will determine the length of time the account shall exist. When that time has passed, the Foundation may either extend the time period for expiration of the account or transfer any remaining funds to the general fund.

ARTICLE 11 DISTRIBUTION OF INCOME

- 11.1 Distribution of Income: The Foundation, as directed by the donor, shall distribute the income of the fund as directed at the time of their gift or as directed by will or other gift documents, if such direction is in conformity with the general purposes set forth herein. If the use of the gift is undesignated, the Foundation shall direct or accumulate the income.
- 11.2 General Endowment fund and income or earnings shall not be used for the support the annual Church operational budget, except in the case of an emergency and by Board vote and the Church in Conference per Section 4.2.4.
- 11.3 As used herein “income” and “principal” shall be determined in the reasonable judgment of the Board of Directors.

ARTICLE 12. AMENDMENTS

The Foundation’s Board of Directors shall have the power and authority to recommend By-Law changes to the Church. Any By-Law changes must be approved by 80% of the church during church conference.

Attachments:

- (1) Copy of the Articles of Incorporation
- (2) Copy of Federal Tax Exemption Certificate