

Bylaws of Prescott Valley Bible Church

Prescott Valley, AZ

April 15th, 2015

Article 1 - NAME

The legal name of this church is Prescott Valley Bible Church, also known as PVBC or as the "Corporation", a non-profit Corporation organized under the laws of the State of Arizona.

ARTICLE 2 – PRINCIPAL OFFICE

The principal office of the Corporation is P.O. Box 26809 Prescott Valley, AZ but the Corporation may also have offices at other places as designated by the Board of Elders as the Corporation may require.

ARTICLE 3 – PURPOSES

This Corporation is exclusively charitable and religious as described in the Articles of Incorporation. The Corporation exists to connect people to God, to grow together, and to serve others, all in accordance with the Statement of Faith "A Church Family Building a Bridge to Wholeness in Christ"

ARTICLE 4 – MEMBERSHIP

4.1 No Statutory "Members." As permitted by A.R.S. §10-3603, the Corporation shall not have "members" as that term is defined by Arizona's Corporate Code, §10-3140 (37) and (38).

4.2 Member of the Fellowship.

A person who accepts the Statement of Faith in accordance with the direction, interpretation and application of the Board of Elders is eligible to become a "Member of the Fellowship" of believers at PVBC

4.2.1 Admission and Removal: With the guidance of the Holy Spirit, and acting in its sole and absolute discretion, the Board of Elders sets the rules for admission and/or removal for a member of the Fellowship. The Board may delegate this function to others, such as the pastors or a committee.

4.2.2 Prerequisites: Persons seeking membership must agree with the PVBC statement of faith prior to becoming an official "member" as shown in Exhibit A, including marriage and sexuality, and may reflect other references to Scripture.

4.2.3. Associative Membership: Being a Member of the Fellowship is "associative," as a part of the PVBC community of believers but is not a "voting" or corporate member, as is the case with many churches. It is not the practice of PVBC to place matters before the congregation as referendum. Thus, Members of the Fellowship do not vote on matters of Scriptural interpretation, corporate governance or otherwise. Neither do they have rights of audit or inquiry in matters regarding corporate governance or finance. (See ARS §10-3721.)

4.2.4 No Rights to Membership: Neither these Bylaws nor any other practice of policy of PVBC is intended to create a claim or right to attain or to retain status as a Member of the Fellowship at PVBC. Defining, amending and interpreting the criteria, prerequisites and requirements for status as a Member of the Fellowship is within the sole and absolute discretion of the Senior Pastor and the Board. In furtherance of the foregoing and without limiting its generality, nothing contained in these Bylaws shall be construed to create or confer any manner or sort of a third-party right or third-party beneficiary.

4.3 Board of Elders is the Final Authority

4.3.1 Elders Defined: The phrase “Board of Elders” (or the “Board”) refers to the Board of Directions of the Corporation. All references to an “Elder” shall be interpreted to mean a “director” as defined under Arizona law.

4.3.2 Final Authority: The Board of Elders is the final authority in all matters of interpretation and application of Scripture and in all matters regarding spiritual discipline, including, but not limited to, involuntary exclusion or sanction of a Member of the Fellowship from the benefits of fellowship with the congregation. All those who voluntarily associate with the congregation are deemed to submit to the spiritual authority of the Board of Elders and of the Senior Pastor and to acknowledge that there is no appeal from their ruling on spiritual matters.

4.3.3 Biblical Authority: These Bylaws are intended to be interpreted in accordance with Scripture, (i.e. the verses and teachings of the translation of the Holy Bible specified by the Senior Pastor) when applied to all circumstances and disputes involving PVBC and Members of the Fellowship.

4.4 Definition of Marriage. As a Scriptural matter, all those who voluntarily associate with this Corporation, as a member of the Fellowship or otherwise, are deemed to acknowledge that the Board’s interpretation of Scripture includes the definition of marriage as the union between only a man and woman and excludes homosexual relationships. Specifically, “we believe the term ‘marriage’ has only one meaning, and that is marriage sanctified by God, which joins one man and one woman in a single, exclusive, conventional union, as delineated in Scripture.”

4.4.1 Facilities usage at Prescott Valley Bible Church. The facilities of Prescott Valley Bible Church may only be used for weddings that adhere to the Biblical definition of marriage. (See 4.4). These facilities may not be used for weddings, birthday parties, reunions, anniversaries or baby showers, etc., by any individual, group, or organization that advocates, endorses, or promotes homosexuality as an alternative or acceptable lifestyle.

ARTICLE 5 - BOARD OF ELDERS

5.1 Board Composition. The Board of Elders should consist of not less than three members of Prescott Valley Bible Church.

5.2 Changes. By a Majority vote, the Board may add, change, or delete the number of Elders serving on the Board, without the necessity of a formal amendment to these Bylaws. As required by ARS §10---3805, a decrease in the number of Elders or Term of office does not shorten the term of an incumbent Elder.

5.3 Term of Elders. Elders shall serve for the “term” designated by the Board.

5.3.1 Three Year Term. Each Elder will ordinarily serve on a calendar year basis for a term of three years with an option to continue for an additional three years with the consent of the current Elder Board.

5.3.2 Continuation of Term. Despite the expiration of an Elder’s term, an Elder will ordinarily continue to hold office until the Elder’s successor is elected, designated, or appointed and has consented and is qualified to act as such. These processes may be adjusted from time to time by a Majority of the Elder Board.

5.4 Election of Elders. New Elders shall be elected each year by the current Elder Board. Candidates will be presented to the Elder Board using the latest version of the Elder Nomination Process. Elder candidates ordinarily will be presented to the church body for comment.

5.5 Removal. A Board Member whose record of attendance at Board Meetings is deemed unsatisfactory or whose behavior is contrary to the best interests of PVBC may be removed upon a Majority Vote of the Elders.

5.6 Replacement. The Board of Elders may select a person by a Majority Vote to serve out the remaining Term of an Elder who has resigned or who is unable to continue to serve.

5.7 Quorum and Adjournment. The presence at a meeting of a Majority of the Elders on the Board constitutes a “quorum.” Any meeting of the Board of Elders may adjourn from day to day or from time to time if, for any reason, there is less than a Quorum of Elders present.

5.8 Meetings. The Board of Elders may establish a schedule of Regular Meetings to be held at a time and place designated by the Board. The Board should schedule a date for an “Annual Meeting” to elect officers, confirm the existence of appropriate insurance, approve an Annual Budget, and review its audit, etc., although all of those tasks need not be undertaken at the same meeting.

5.8.1 If the time and place of an Elders Meeting is fixed by the Bylaws or occurs on a regular schedule, then it is a “Regular Meeting” and does not require Notice per ARS §10---3822.

5.8.2 All other meetings of the Elders are “Special Meetings” and may be called only after proper Notice (as defined below), provided that an Elder may waive Notice in writing or by electronic mail to be filed with the minutes or other corporate records per ARS §10---3823.

5.9 Notice. Per ARS § 10---3822 Notice of a Special Meeting of the Board of Elders shall be given to each Elder by written notice at his address as shown on the records by the Corporation by U.S. Mail at Least seventy---two (72) hours in advance; or given at least twenty---four (24) hours in advance by personal hand delivery, telephone, fax, or email.

5.9.1 Unless otherwise provided by law, whenever Notice is required to be given to an Elder of the Corporation, a waiver in writing, signed by the person(s) entitled to notice, whether before or after the stated time, is equivalent to the giving of notice.

5.9.2 The attendance of an Elder at a meeting constitutes a waiver of notice of the meeting, unless an Elder attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

5.9.3 The reason for calling a Special Meeting need not be specified in the Notice. As a courtesy to Board Members, however, the purpose of the meeting will ordinarily be specified in the Notice.

5.9.4 In an emergency a meeting may be held after a good faith attempt to contact all Elders as long as a majority is obtained.

5.10 Reimbursement. Elders shall not receive salary or remuneration for their services as a Board Member, but by resolution of the Board of Elders, reimbursement for reasonable expenses actually Incurred in connection with attendance at Board Meetings may be allowed.

5.11 Electronic Meetings. Members of the Board of Elders may participate in a Regular or Special Meeting and cast their votes through the use of internet meeting, video or conference telephone

or similar electronic communications equipment, so long as all participating Elders can hear one another. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

5.12 Voting. Each Elder has one vote. Voting by proxy is not permitted, except with the unanimous consent of the Board.

5.13 Procedures. The Board may adopt rules and regulations regulating its procedures and policies.

ARTICLE 6 – OFFICERS

6.1 Officers. The Board of Elders shall elect individuals from among its membership to fill the role of these officers for two year terms at their Annual Meeting. Candidates who receive a majority of votes are elected.

6.1.1 Chairman

6.1.2 Vice---Chairman

6.1.3 Secretary

6.2 Chairman of the Board. All Officers shall report to, and be responsible to, the Board Chairman who will preside at the Board meetings and generally set the agenda, oversee the administration of the Corporation, direct the operating activities of the Corporation and perform other duties defined by the Board. The Chairman is authorized to act on behalf of the Corporation in all legal matters, as is any other person designated by the Elders in a formal resolution.

6.3 Vice Chairman. The Vice Chairman is authorized to act on behalf of the Corporation in the absence of, or at the designation of, the Chairman or of the Board.

6.4 Secretary. The Secretary shall keep the record of minutes of the meetings of the Board, and in general, shall perform all duties related to the Office of Secretary, and other duties as assigned by the Chairman or by the Elder Board.

6.5. Removal. An Officer may be removed from office by a majority vote of the Board whenever, in the Board's sole and absolute judgment, the best interests of PVBC will be served by the removal.

6.6 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board of Elders for the unexpired portion of the term by majority vote.

6.7 Limitation on Signing Authority on Real Estate Transactions. A resolution of the Board of Elders is required to approve purchase, sale, lease, or sub---lease of real property.

ARTICLE 7 – GOVERNANCE

7.1 Governance. The Corporation's governance is the responsibility of the Board of Elders. The Board has the powers and duties necessary to administer the affairs of PVBC.

7.2 Contracts. In addition to the officers authorized by these Bylaws, the Board of Elders may authorize a committee, officer or officers or agent or agents to sign contracts, or to execute and deliver instruments, in the name of and on behalf of the Corporation. Signing authority may be general or may be limited to specific situations.

7.3 Financial Controls.

7.3.1 Financial management (pertaining to depositories and withdrawals from same) and its process for entering contractual commitments and authorizations shall be in accordance with policies and controls recommended from time to time by its outside auditor, including but not limited to, keeping accurate books and records in accordance with Generally Accepted Accounting Principles or other accounting convention recommended by a certified public accountant and approved by the Board.

7.3.2 All books and records shall be available for examination by any Elder at any time without advance notice.

ARTICLE 8 – EMPLOYEE POLICIES AND ORDINATION

8.1 Employees. The Board of Elders may adopt policies and procedures from time to time governing PVBC employees. These items will ordinarily be contained in the Employee Handbook to govern the employment of persons as it deems necessary and fix the title, salary, and other considerations of employment. All employees report to the Senior Pastor, his designee or other operating officer designated by the Board.

8.1.1 Unless otherwise specifically provided in writing, all employment is “at will,” and is administered in accordance with the laws of the State of Arizona.

8.1.2 The only benefits to be granted to employees are those defined by written policy.

8.2 Ministry Staff. The Board shall hire and/or appoint a Senior Pastor. Among his responsibilities shall be the staffing of other positions to carry out the work of the ministry. The Senior Pastor shall have administrative authority over the other Ministers serving with him on staff. The senior Pastor will act as a non-voting member of the Board of Elders.

8.2.1 as a condition of employment (to the extent allowed by law), the ministry staff shall ascribe to the Bylaws and Statement of Faith of the Church without reservation, and shall be in full agreement with the working policy and principles of the Church.

8.3 Ordination. The Board of Elders may ordain clergy from candidates presented by the Senior Pastor, and the Board may revoke Ordination by majority vote based on a finding of substantial, Biblically---based grounds.

ARTICLE 9 – COMMITTEES

9.1 Standing Committees. Standing Committees, if any, may be established by the Board from time to time, and report to the Board.

9.2 Special Committees. Special Committees may be appointed from time to time by the Board to work on special goals or programs of the Corporation.

9.3 Role of Committees. The primary role of each of the Corporation’s Committees is to accomplish the mission delegated to it by the Board of Elders. Each Committee’s mission should be defined in writing.

ARTICLE 10 – INDEMNIFICATION

10.1 Statement of Intent. To the fullest extent of Arizona law, PVBC intends to protect those indemnified parties (defined below) who serve PVBC from personal liability for claims for monetary damages for acts or omissions in their representative capacity or as an agent of PVBC, including but not limited to, the costs of defending against these claims. Arizona’s Nonprofit Corporate Code provides for two types of

protection, “Mandatory” and “Permissive” Indemnification. The rights and duties created in this Article are in addition to those specified for Elders and Officers under ARS §10--3850, et seq.

10.2 “Indemnified Party.” For purposes of this Article, “Indemnified Party (or parties)” means:

(I) Elders of PVBC, (ii) Officers of PVBC, (iii) all persons who serve on Board, Council or Committee of PVBC to the extent that the claim pertains to their service or for other service to PVBC in an advisory capacity and further provided that they are acting within the course and scope of their position.

10.3 Mandatory Indemnification. PVBC shall indemnify, defend, protect and hold harmless the Indemnified Parties for, from and against all claims or charges against them (including their marital communities) arising from (i) the performance of duties within the scope of their authority to the maximum extent allowed by law, or (ii) or negligence (but not for gross negligence) occurring during the performance of those duties to the extent of applicable insurance. (In its sole and absolute discretion, the Board of Elders may, but is not required to, extend indemnity and defense costs in excess of applicable liability insurance to claims arising from negligence or gross negligence.)

10.3.1 PVBC shall indemnify, defend, protect and hold harmless an Indemnified Party who is made a party to a proceeding arising from past or present service in that capacity for PVBC or service performed at the request of an Elder, Officer, or Pastor in advance of final disposition of the proceeding.

10.3.2 Indemnification and advancement of expenses is mandatory in all circumstances in which indemnification or advancement of expenses, as the case may be, is permitted by law in connection with: (i) a proceeding in which the indemnitee is the defendant; or (ii) a proceeding (or part thereof) initiated by the indemnitee only if the proceeding (or part) was authorized in writing in advance by the PVBC Board.

10.4 Permissive Indemnification. To the extent authorized from time to time by the Board of Elders acting in their sole and absolute discretion, PVBC may, but need not, provide a defense and/or indemnity and may advance expenses to Members of the Fellowship, volunteers, employees, and agents of PVBC, as permitted by law, for claims arising out of their service to PVBC.

10.5 Repeal or Modification. Repeal or modification of this Article is prospective only and shall not adversely expand the personal liability of an indemnified Party of PVBC existing at the time of repeal or modification.

10.6 Elders and Officers Liability Insurance. PVBC shall provide Directors and Officers liability insurance at the expense of the Corporation in an amount not less than \$1,000,000.00.

ARTICLE 11 – FINANCES, FISCAL YEAR, NONPROFIT OPERATION, BONDING AND CORPORATE SEAL

11.1 Finances. This Church is not intended to be, and shall not operate as, a profit--making organization, nor is it founded with the expectation of making a profit. PVBC shall use its funds only for purposes authorized in the Articles or in these Bylaws.

11.2 Fiscal Year. The fiscal year of PVBC shall be January 1 through December 31, or as otherwise established by the Board of Elders.

11.3 No Stock. PVBC will not have or issue shares of stock. No dividends will be paid. No part of the income or assets of PVBC will be distributed to an interested Person (as defined below) without full consideration. PVBC may contract in due course with its Elders and Officers without violating this provision.

11.4 Bonding. Persons entrusted with the handling of Church funds may be required, at the discretion of the Elders, to furnish, a suitable fidelity bond.

11.5 Corporate Seal. The Board of Elders may, but are not required to, provide a Corporate seal.

ARTICLE 12 – DISSOLUTION

12.1 Vote. The Corporation may be dissolved by the Elders.

12.2 Distribution. If the Corporation is dissolved, then its property shall be distributed only for charitable purposes as determined by the Board of Elders and only as permitted by Internal Revenue Service rules and regulations governing nonprofit corporations.

ARTICLE 13 – AFFILIATED TRANSACTIONS AND INTERESTED PERSONS

13.1 Affiliated Transactions. No contract or other transaction between PVBC and an Interested Person (as defined below) including the sale, lease or exchange of property to or from an Interested Person, the lending or borrowing of monies to or from an Interested Person by PVBC or the payment of compensation by PVBC for services provided by Interested Persons, is void or voidable merely because of the relationship or interest between PVBC and the Interested Person is present at the meeting of the Board of Elders or a committee which authorizes, approves or ratifies the transaction or because his, her or their votes are counted for that purpose if:

13.1.1 The fact of the relationship or interest is disclosed or known to the Board of Elders or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of an interested Person(s); or

13.1.2 The contract or transaction is fair and reasonable to PVBC at the time the contract or transaction is authorized, approved or ratified in light of circumstances known to those entitled to vote at that time.

13.1.3 The term “Interested Person” means Members of the Fellowship, Elders, and Pastors, employees, agents and volunteers of PVBC.

13.2 Determining Quorum. All Elders may be counted in determining the presence of a Quorum at a meeting of the Board of Elders or of a committee who authorizes, approves or ratifies the contract or transaction. (The fact that an Elder is an “Interested Person” as defined by the Internal Revenue Service does not disqualify him for the purpose of counting the Quorum as a matter of Arizona law.)

13.3 Loans to Elders and Officers. Notwithstanding anything herein to the contrary, PVBC shall neither lend money to, nor use its credit to assist, an Interested Person, whether or not an employee or an Officer. An Elder or Officer who assents to, or participates in, making a prohibited loan is personally liable to PVBC to repay the loan, plus interest, at the statutory rate applicable to judgments under Arizona law until the loan is repaid in full; PROVIDED, HOWEVER, that with the written approval of a Majority of the Elders, a loan or other assistance may be extended to a Member or to an employee for charitable purposes in time of need.

ARTICLE 14 – GOVERNING LAW

These Bylaws shall conform to the Arizona Revised Statutes for nonprofit corporations and IRS regulations governing nonprofit corporations and shall be interpreted as secondary to the provisions of the Articles of Incorporation of the Corporation. In conducting the affairs of PVBC, however, the Board shall seek to follow the dictates of Scriptures in all matters.

ARTICLE 15 – AMENDMENTS AND VOTING

15.1 Amending or Restating the Bylaws. These Bylaws may be amended, replaced or altered, in whole or in part, only by Special Majority Vote of the Elders then serving.

15.2 Special Topics Requiring Special Majority Vote by the Elders. These “Special Topics” require the approval of a Special Majority, i.e. 67% of the Elders (the “Vote”) (unless otherwise directed in these Bylaws or by State Law):

- 15.2.1** Call or dismissal of a Senior Pastor;
- 15.2.2** Amendment of the Statement of Faith of PVBC;
- 15.2.3** Amendment or restatement of the Bylaws;
- 15.2.4** An action to merge or dissolve PVBC as a Corporation, or;
- 15.2.5** Approval of the Annual Church Budget

15.3 Simple Majority. By contrast, the phrase “Majority Vote” means a simple majority of 51% of the Elders present at the meeting and is the standard for counting votes used in all other situations.

ARTICLE 16 – NON---LIABILITY

The members of the Fellowship of believers at PVBC are not partners for any purpose. No Member of the Fellowship, Officer, Agent, or employee is liable for the acts or failure to act of another Member of the Fellowship, Officer, Agent, or employee of the Corporation, nor shall a Member of the Fellowship, Officer, Agent or employee be liable for acts or failure to act under these Bylaws, excepting only acts or omissions arising out of willful misfeasance or criminal acts.

CERTICATION OF ADOPTION OF BYLAWS

The undersigned hereby certify that:

- (i) The undersigned is the duly elected Secretary of the Board of Elders of the Corporation;
- (ii) That these are the Bylaws of the corporation which were adopted by the unanimous vote of the Board of Elders of the Corporation; and
- (iii) They became legally binding as of the effective date of April 15, 2015.

IN WITNESS WHEREOF, I signed my name to be legally binding as of that date.



Robin Rivord,

Secretary

ATTEST:



Ron Knabe,

Chairman of the Board of Elders

Exhibit A - "Statement of Faith"

What We Believe About God - God is the Creator and Ruler of the universe. He has eternally existed in three persons: the Father, the Son and the Holy Spirit. These three are co---equal and are one God.

About Jesus Christ - Jesus Christ is the Son of God. He is co---equal with the Father. Jesus lived a sinless human life and offered Himself as the perfect sacrifice for the sins of all men by dying on a cross. He arose from the dead after three days to demonstrate His power over sin and death. He ascended to Heaven's glory and will return again to earth to reign as King of kings, and Lord of lords.

About the Holy Spirit - The Holy Spirit is co---equal with the Father and His Son as God. He is present in the world to make men aware of their need for Jesus Christ. He also lives in every Christ follower (Christian) from the moment of salvation. He provides the Christian with power for living, understanding of spiritual truth, and guidance in doing what is right. The Christian seeks to keep in step with Him daily.

About the Bible - The Bible is God's Word to all men. It was written by human authors under the supernatural guidance of the Holy Spirit. It is the supreme source of truth for Christian beliefs and living. It is inspired by God and accurate in its teachings.

About Humans - Humans are made in the spiritual image of God, to be like Him in character. They are the supreme object of God's creation. Although humans have tremendous potential for good, they are marred by an attitude of disobedience toward God called "sin." This attitude separates humans from God.

About Salvation - Salvation is a gift from God to man. Man can never make up for his sin by self--improvement or good works. Man can be saved from sin's penalty only by trusting in Jesus Christ as God's means of forgiveness.

About Eternity - Heaven and hell are real places. We were made to be with God in eternity. Those who choose to live their life without God will be eternally separated from Him.

About Baptism - We believe that baptism is an integral part of our faith response to God. The preaching of Jesus and His apostles includes the need to be baptized. At PVBC, we immerse all who want to become followers of Christ, as was the practice of the early church, and teach the meaning of baptism, i.e. that it is symbolic of the death of the old self, the resurrection of the new and thus a personal identification with the

death, burial and resurrection of Christ. Baptism is also symbolic of washing away of our sins, is an appeal to God for a clear conscience, and is symbolic of “putting on” or “clothing” oneself with Christ.

About Marriage – We believe marriage is sanctified by God, and joins one man and one woman in a single, exclusive, conventional union, as delineated in Scripture. We also believe that God has commanded that no intimate sexual activity be engaged in outside of a marriage between a man and a woman.

About Sexuality – We believe that God wonderfully and immutably creates each person as male or female. These two distinct, complimentary genders together reflect the image and nature of God. Rejection of one’s biological gender is a rejection of the image of God within that person. We also understand that there are varying types of human temperament within males and females, allowing for varying expressions of masculinity and femininity. In addition, we recognize that human temperament does not define or change human sexual preference or gender identification.

About the Sanctity of Human Life – We believe that all human life is sacred—from conception to natural death—and should be protected. Human life has been created by God and is under God’s authority.

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