

Certificate of Resolution

Tim Knaus, the Senior Pastor of FIRST BAPTIST CHURCH OF ST. JOHNS, a Michigan not-for-profit corporation, and Jason Crandall, the Secretary of FIRST BAPTIST CHURCH OF ST. JOHNS, MI, a Michigan not-for-profit corporation, do hereby certify that:

A meeting of the elders and deacons of said corporation was duly called to vote on the proposal to adopt the Conflict of Interests Policy as contained in the following resolution and was held on August 15, 2013, at which meeting a quorum of such elders and deacons was present in person, and that by unanimous affirmative vote of the elders and deacons the following resolution was adopted:

RESOLVED, that the following Conflict of Interests Policy is hereby adopted.

Conflict of Interests Policy of FIRST BAPTIST CHURCH of St. Johns, MI

The purpose of this conflict of interest policy is to protect FIRST BAPTIST CHURCH OF ST. JOHNS' interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a board member or staff member or might result in a benefit to a board member or staff member. This policy is intended to supplement but not replace any applicable state or federal laws governing conflicts of interest applicable to not-for-profit and charitable organizations.

1. Definitions.

- (a) Interested Person:** Any board member or staff member who has a direct or indirect financial interest.
- (b) Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - (1)** An ownership or investment interest in any entity with which FIRST BAPTIST CHURCH OF ST. JOHNS has entered a contractual relationship.
 - (2)** A compensation arrangement with FIRST BAPTIST CHURCH OF ST. JOHNS or with any entity or individual with which FIRST BAPTIST CHURCH OF ST. JOHNS has a contractual relationship, or
 - (3)** A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which FIRST BAPTIST CHURCH OF ST. JOHNS is negotiating a transaction.

- 4) A financial interest is not necessarily a conflict of interest. The board (as determined by a majority vote of the board) will have the exclusive authority to determine whether the financial interest is in fact a conflict of interest. (However, this is not intended to prevent a court of law from determining whether a conflict of interest exists, but only to regulate the internal operations of FIRST BAPTIST CHURCH OF ST. JOHNS to prevent conflicts of interests and to permit board and staff members to conduct themselves in accordance with the expectations of the board.)
- C. Compensation:** Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

2. Procedures.

- (a) In connection with any actual or possible conflict of interest, an interested person must disclose to the pastors, elders, and deacons the existence of the financial interest and be given the opportunity to disclose all material facts to the board considering the proposed transaction or arrangement.
- (b) After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the board meeting while the determination of a conflict of interest is discussed and voted upon.
- (c) The pastors, elders, and deacons, shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (d) After exercising due diligence, the disinterested person or committee shall determine whether FIRST BAPTIST CHURCH OF ST. JOHNS can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to conflict of interest.
- (e) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board shall determine by a majority vote of the disinterested board members whether the transaction or arrangement is in the best interests of FIRST BAPTIST CHURCH OF ST. JOHNS for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- (f) If the board has reasonable cause to believe a board or staff 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.

- (g) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the board determines the board or staff member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

3. Records of Proceedings.

- (a) The minutes of the board shall contain 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 board's decision as to whether a conflict of interest in fact existed.
- (b) The minutes of the board also shall contain 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.

Date

Tim Knaus, Senior Pastor

Date

Jason Crandall, Secretary
