

Approved: February 17, 2012

MINUTES OF THE  
BOARD OF DIRECTORS

PRESBYTERIAN CHURCH (U.S.A.)  
A CORPORATION, AND ITS  
CONSTITUENT CORPORATIONS

Louisville, Kentucky  
September 23, 2011

As Recorded by the Staff of the  
Office of the General Assembly  
100 Witherspoon Street  
Louisville, KY 40202

**Minutes of the  
Board of Directors  
Presbyterian Church (U.S.A.)  
A Corporation, and Its Constituent Corporations  
Louisville, Kentucky  
September 23, 2011**

**OPENING**

The regular business meeting of the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation, and Its Constituent Corporations, was convened at 8:47 a.m. on September 23, 2011, with prayer led by Michael Kruse in the Crystal Ballroom of the Brown Hotel in Louisville, Kentucky.

**ROLL CALL**

Kerry Clements, Associate Stated Clerk, Office of the General Assembly, called the roll by naming the absentees and reporting requests to be excused.

The Following Members of the General Assembly Council Present for All or Part of the Time Were: Elder Steve Aeschbacher, Elder Clarence Antioquia, The Reverend Arthur Canada, Elder Nancy Caudel, The Reverend Clark Cowden, Elder Jean Demmler, The Reverend Melissa DeRosia, Elder Jan Dowlearn, The Reverend Susan J. Ezell, Elder Alan D. Ford, The Reverend Roger Gench, The Reverend Jack Hodges, The Reverend Aleida Jernigan, Elder LaVert W. Jones, The Reverend Rachel Mihee Kim-Kort, Elder Michael W. Kruse, Elder Jacquelin J. Lyman, Elder Janet Martin, Elder Carolyn M. McLarnan, Elder Darcy Metcalfe, The Reverend Cruz Negron-Torres, The Reverend Reginald V. Parsons, Elder Cathryn C. Piekarski, Elder Kears Pollock, Elder Ethan R-C Powell, Elder Heath Rada, The Reverend Bruce Reyes-Chow, Elder Marta Rodriguez, The Reverend Carmen Rosario, Elder Noelle Royer, The Reverend Matthew Schramm, Elder Joyce A. Smith, Elder Glen Snider, Elder Charles Talley, and Elder Connie Tubb.

Corresponding: Elder Gloria Albrecht, Elder Vilmarie Cintron-Olivieri, The Reverend Stephen Hsieh, The Reverend Jay Hudson, Elder Leah Johnson, Elder Marc Lewis, The Reverend Gradye Parsons, Elder James Rea, Elder Belinda Rice, and Elder VilMarie Cintron-Olivieri.

The Following Executive Director and Deputy Executive Directors Present for All or Part of the Time Were: Elder Joey Bailey, The Reverend Roger Dermody, Elder Karen L. Schmidt, and Elder Linda B. Valentine.

The Following Members of the General Assembly Council Staff (Offices of the Executive Director and the Executive Administrator) Present for All or Part of the Time Were: Susan Abraham (Ms.), Martha Clark (Ms.), Dana Dages (Ms.), Elder April Davenport, Debbie Gardiner (Ms.), Elder Courtney Hoekstra, Elder Michael Kirk, and Elder Vince Patton.

The Following Invited Participants, Guests, Observers, and Staff Present for All or Part of the Time Were: Terri Bate (Ms.), Elder Marie Bowen, The Reverend Ed Brogan, Elder Rob Bullock, Monica Cabell (Ms.), The Reverend Molly Casteel, The Reverend Kerry Clements, Barry Creech (Mr.), The Reverend David Crittenden, The Reverend Brian Ellison, The Reverend Hunter Farrell, Elder Brian Frick, Angela Gowdy (Ms.), Denise Hampton (Ms.), The Reverend Thomas Hay, Elder Debra Helper, The Reverend Lee Hinson-Hasty, The Reverend Eric Hoey, The Reverend Jill Hudson, The Reverend Rhashell Hunter, The Reverend Chris Iosso, Paula Kinkaid (Ms.), The Reverend Carmen Fowler LaBerge, The Reverend Joyce Lieberman, Elder Sara Lisherness, Elder Alma-jean Marion, The Reverend Carol Howard Merritt, The Reverend Sterling Morse, The Reverend Marcia Clark Myers, The Reverend KT Ockels, Dianna Ott (Ms.), Elder Dosie Powell, Elder Jim Rissler, Lisa Robbins (Ms.), The Reverend Bill Somplatsky-Jarman, Leslie Scanlon (Ms.), Elder Bob Schminkey, The Reverend Paul Seebeck, Elder Jack Shelver, Elder Valerie Small, Dottie Smith (Ms.), Becca Snipp (Ms.), The Reverend Charles Talley, Elder Kathy Trott, Elder Rick Ufford-Chase, The Reverend Jerry Van Marter, and The Reverend Charles Wiley.

The Following Officers of the Corporation Were Present:

Michael Kruse	Chair
Carolyn McLarnan	Vice Chair
Joey B. Bailey	Executive Vice President/Chief Financial Officer
Karen L. Schmidt	Executive Vice President
Roger Dermody	Executive Vice President
Dorothy J. Smith	Vice President and Treasurer
Denise Hampton	Vice President and Controller
Michael K. Kirk	Assistant Secretary
April Davenport	Assistant Secretary
Timothy Quinn	Assistant Treasurer

Upon motion from the floor, the Board of Directors **VOTED** to excuse the following officers of the corporation: Linda Valentine (President) and Martha Clark (Vice President and Secretary). [Note: while Linda Valentine and Martha Clark were not present for the roll call, they subsequently joined the meeting in progress.]

Upon motion from the floor, the Board of Directors **VOTED** to excuse the following members from this meeting: Elder Cynthia Bolbach, Elder Robert Brink, Elder William Capel, and The Reverend Thomas W. Gillespie; and ecumenical advisory members: The Reverend Philip Hougen and The Reverend Michael Kinnamon.

Elders Teresa Bryce and Orlando Carr were absent.

**QUORUM**

A quorum was declared present for the transaction of business.

**Designated Clements Secretary Pro-Tem**

Upon motion from the floor, the Board of Directors **VOTED** to designate Kerry S. Clements as Secretary Pro-Tem during this meeting.

**REPORT OF CORPORATE PROPERTY, LEGAL, AND FINANCE COMMITTEE**

A report of recommended corporate actions taken by the Stewardship Committee, acting as the corporate Property, Legal, and Finance Committee, was presented by Michael Kruse, chair, and received by the Board.

The Board of Directors **VOTED** to approve the adoption of the following consent agenda items 1–7 (listed below) from the report of recommended corporate actions taken by the Stewardship Committee, acting as the corporate Property, Legal, and Finance Committee, as follows:

1. Approve the April 1, 2011 Minutes of the Board of Directors of Presbyterian Church (U.S.A.), A Corporation and Its Constituent Corporations (distributed via GAMC website).
2. RESOLVED, that the following positions be and hereby are granted the authority to bind the Presbyterian Church (U.S.A.), A Corporation in all contracts calling for the payment of Ten Thousand Dollars (\$10,000.00) or less.
  - Associate Director, Global Discipleship
  - Associate Director, Mission Effectiveness and Administration
  - Associate Director for Theology, Worship and Education
  - Co-director, Stony Point Center
  - Coordinator, Church Financial Campaign Service
  - Coordinator, Executive Office and Policy Communications

Coordinator, Middle Governing Bodies  
 Coordinator, Operations and Administration, World Mission  
 Coordinator, Research Services  
 Director, Compassion, Peace and Justice  
 Director, Creative Services  
 Director, Evangelism and Church Growth  
 Director, Funds Development Ministry  
 Director, Mission Communications  
 Director, Office of Vocation  
 Director, Racial Ethnic and Women's Ministries/PW  
 Director, Stewardship  
 Director, Theology, Worship, and Education  
 Director, World Mission  
 Director of Programs, Ghost Ranch, Santa Fe  
 Director of Operations, Ghost Ranch, Abiquiu  
 Executive Associate, Office of the Executive Director  
 Executive Director, Ghost Ranch<sup>1</sup>  
 Manager, Relationship Development Operations  
 Project Manager, CFD Administration  
 Project Manager for Mission Program Administration  
 Publisher, Theology, Worship, and Education  
 Sr. Coordinator of Mission Resources

3. RESOLVED, that the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation and its constituent corporations ("Corporation"), approve amending Section 2.09. of the Bylaws of the Corporation to read as follows:

Section 2.09. Quorum, Manner of Acting, and Adjournment. *Forty percent (40%)* ~~A majority~~ of the Directors in office shall be present at each meeting in order to constitute a quorum for the transaction of business. Every Director shall be entitled to one vote. Except as otherwise specified in the articles or these bylaws or provided by statute, the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. In the absence of a quorum, a majority of the Directors present and voting may adjourn the meeting from time to time until a quorum is present. The Directors shall act only as a Board and the individual Directors shall have no power as such, except that any action which may be taken at a meeting of the Directors may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the Directors in office and shall be filed with the secretary of the corporation.

4. RESOLVED, That the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation ("Corporation") hereby elects the listed officers of the Corporation and its Constituent Corporations effective immediately to serve for a period of one (1) year or until their death, resignation, removal, until a successor is elected or until their employment status with the Corporation is terminated:

Michael W. Kruse	Chair
Carolyn M. McLarnan	Vice Chair

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<sup>1</sup> \*Note: see also page 9 of Attachment C (Ghost Ranch Conference Center Governance Covenant).

Joey B. Bailey	Executive Vice President/Chief Financial Officer
Roger Dermody	Executive Vice President
Vince Patton	Executive Vice President
Karen L. Schmidt	Executive Vice President
Martha E. Clark	Senior Vice President and Secretary
April L. Davenport	Vice President and Assistant Secretary
Denise Hampton	Vice President and Controller
Michael K. Kirk	Vice President and Assistant Secretary
Dorothy J. Smith	Vice President and Treasurer
Timothy Quinn	Assistant Treasurer

5. RESOLVED, that the attached housing allowance designations are ratified (Attachment A); AND further that 40 percent of the salary of every Minister of the Word and Sacrament on the exempt staff, regardless of when hired, is hereby designated for the current year unless otherwise specifically provided (via an express amount listed); AND further that these housing allowance designations are approved for 2011 and all future years unless otherwise provided by the Corporation; AND further that these be attached to the official copy of the minutes (maintained by the corporate secretary) with the designated dollar amounts.<sup>2</sup>
6. RESOLVED, that the Church Loan Program Policies and Guidelines and revisions thereto approved by the Mission Development Resources Committee October 21, 2010, attached hereto and incorporated herein by reference, are approved, ratified and confirmed effective October 21, 2010. (See Attachment B.)
7. RESOLVED, that the General Assembly Mission Council and the Presbyterian Church (U.S.A.), A Corporation approve the Ghost Ranch Conference Center Governance Covenant to be effective October 1, 2011, said covenant attached hereto and incorporated herein by reference; and that the officers and staff are authorized to take any and all actions necessary to carry out the intent and purposes of this action. (See Attachment C.)

The Board of Directors **VOTED** to approve the following resolution from the Evangelism Committee (see Attachment D):

RESOLVED, that the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation ("Corporation") and its constituent corporations, including the Commission on Ecumenical Mission and Relations of the Presbyterian Church (U.S.A.) ("COEMAR"), hereby rescinds, effective upon the adoption of this Resolution, all prior actions taken by COEMAR and any of its Missions, such as the "China Mission," or Mission Stations in China to designate income from the Margaret Crawford Fund, Fund Number 52116, held at the Presbyterian Church (U.S.A.) Foundation in the following manner:

- To Hip Who Kindergarten, Hong Kong for unrestricted use

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<sup>2</sup>Note: regarding resolution 5 concerning housing allowance designations: Due to security concerns surrounding mission personnel in certain areas of the world, the list of housing allowance designations ("List") is not attached to the Corporate Report because the report is posted on the GAMC website. During the corporate meeting, the List will be displayed on the screen for review by the board. The Corporate Minutes will include the List as an attachment, hence the language as reflected above in the resolution. The official Minutes (printed version) will contain the List approved by the board. The version of the Minutes available on the website will include a redacted version of the List with those persons for whom there is a security concern being removed.

and instructs the World Mission Ministry Area or its successor to annually review the amount of income available from the fund, the fund restriction, and the mission opportunities available and determine how best to allocate the available income.

The Board of Directors **VOTED** to approve the following resolution from the Evangelism Committee (Attachment E):

RESOLVED, that the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation ("Corporation") and its constituent corporations, including the Commission on Ecumenical Mission and Relations of the Presbyterian Church (U.S.A.) ("COEMAR"), hereby rescinds, effective upon the adoption of this Resolution, its action taken on October 8, 2010 to authorize, subject to the Corporation's Real Estate Policy ("Policy"), the President and the Executive Vice President/CFO, to execute a Lease Deed with the United States Educational Foundation in Pakistan ("USEFP") for a parcel of real property on the campus of Foreman Christian College ("FCC") in Lahore, Pakistan.

and replaces that prior Resolution with the following Resolutions

RESOLVED, that the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation ("Corporation") and its constituent corporations, including the Commission on Ecumenical Mission and Relations of the Presbyterian Church (U.S.A.) ("COEMAR"), hereby authorizes, subject to the Corporation's Real Estate Policy ("Policy"), the President, Linda B. Valentine or her successor, after receiving the approval of the World Mission Ministry Area and the Office of Legal Services, to execute a Lease Deed with the United States Educational Foundation in Pakistan ("USEFP") for a parcel of real property on the campus of Foreman Christian College ("FCC") in Lahore, Pakistan so that USEFP may erect and operate structures necessary for housing Fulbright scholars and providing standardized testing and education advice about universities in the United States of America. Among the necessary terms for the Lease Deed, it shall be for a fifty (50) year term, with the structures to be owned by COEMAR at the end of the lease term and lease payments to COEMAR to be made throughout the term of the lease or as negotiated by the parties. In addition, either USEFP or FCC is to pay any and all costs associated with the Lease Deed including, but not limited to, registration fees, taxes, drafting fees, surveying fees, and fees for legal review;

FURTHER RESOLVED, that the President is authorized to delegate such power to execute the Lease Deed, through a Power of Attorney and any other written authorization which may be deemed necessary by authorities in Pakistan, to such other person as she may deem fit in her sole discretion;

FURTHER RESOLVED, that the President is authorized to take any and all such actions necessary to finalize the execution of the Lease Deed and the intent of this Resolution; and

FURTHER RESOLVED, that, should any additional actions, including but not limited to the modification of this action, be required of COEMAR, its Executive Committee is authorized to take any and all such actions on behalf of COEMAR between COEMAR's regularly scheduled meetings.

A copy of the report of the Stewardship Committee, acting as the corporate Property, Legal, and Finance Committee, is found in Attachment F and a copy of the report of the Evangelism Committee is found in Attachment G.

**ADJOURN**

Following the above actions, the Board of Directors then **VOTED** to rise from the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation, and Its Constituent Corporations, and reconvene as the General Assembly Mission Council.

There being no further business for consideration, the meeting of the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation and Its Constituent Corporations, was adjourned at 8:54 a.m. with prayer offered by Michael Kruse.

Respectfully Submitted,

Kerry Clements  
Secretary Pro Tem

Attachment A: Manse Allowance List

Attachment B: Changes To The May 2009 Church Loan Program Policies And Guidelines

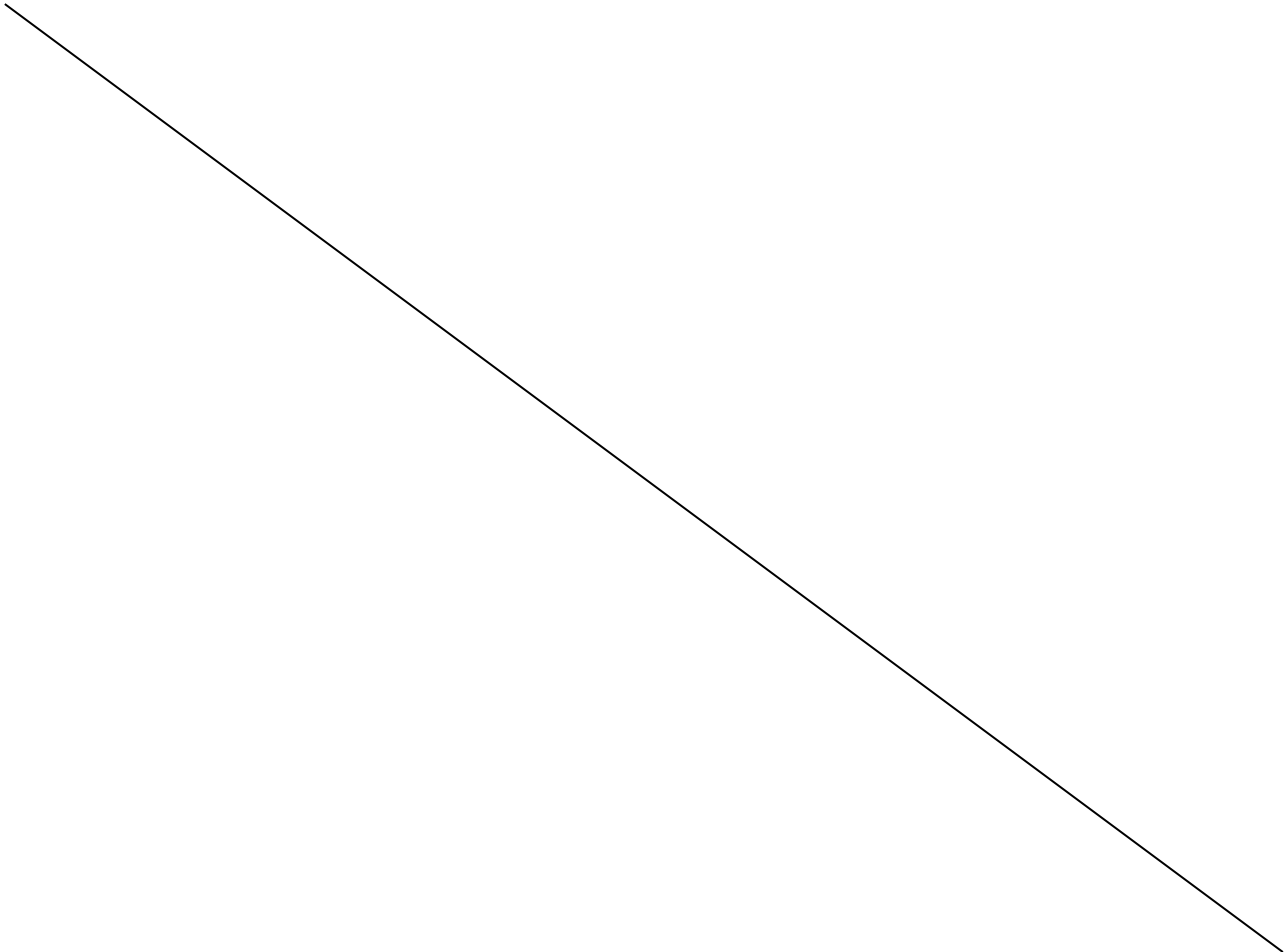
Attachment C: Ghost Ranch Conference Center Governance Covenant

Attachment D: Margaret Crawford Fund Re-designation

Attachment E: Lease to United States Educational Foundation in Pakistan on behalf of Forman Christian

Attachment F: Report of the Stewardship Committing, acting as the corporate Property, Legal, and Finance Committee

Attachment G: Evangelism Committee Report



**MINISTER EMPLOYEES AT PRESBYTERIAN CENTER & CONFERENCE CENTERS**

<b><u>Employee</u></b>	<b><u>2011 Annual Manse</u></b>
Ashley, Sandawna G	38,000.00
Horton, Carl E	28,000.00
Hunter, Rhashell	37,531.00
Rim, Heahwan	28,800.00
Seebeck, Paul R	12,100.00
Stricklen, Teresa D.	28,270.00
Uriarte, Mienda	33,400.00
Williams, Craig S.	49,000.00

**MINISTER EMPLOYEES IN MISSION PERSONNEL POSITIONS**

<b><u>Employee</u></b>	<b><u>2011 Annual Manse</u></b>
Blane, Debra Ruth	16,200.00
George Sr, Jacob	25,800.00
McCall, John S.	7,700.00
Smith-Mather, Nancy M.	2,000.00
Smith-Mather, Shelvis S.	2,000.00
White, Kenneth R.	8,461.00



**ITEM G.107  
 FORACTION**

<i>FOR GAMC EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i>					
X	A. Evangelism		D. Vocation	X	G. PC(USA), A Corporation
	B. Justice	X	E. Stewardship		H. Executive Committee
	C. Discipleship		F. Audit		
	P. Plenary				

**Subject: Changes To The May 2009 Church Loan Program Policies And Guidelines**

**Recommendation:**

**It is recommended that the Stewardship Committee, with the concurrence of the Evangelism Committee, recommend to the GAMC and, acting as the Corporate Property, Legal, and Finance Committee, recommend to the Board of Directors of Presbyterian Church (U.S.A.), A Corporation the following resolution for approval:**

**RESOLVED, that the Church Loan Program Policies and Guidelines and revisions thereto approved by the Mission Development Resources Committee October 21, 2010, attached hereto and incorporated herein by reference, are approved, ratified and confirmed effective October 21, 2010 (pages 4-16 of this document).**

**Background:**

Upon recommendation by the Staff Loan Team of the Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. (PILP), the Mission Development Resources Committee (MDRC) of the Evangelism Committee of the GAMC approved the following changes to the Church Loan Program Policies and Guidelines effective October 21, 2010. Those changes were implemented once approved and are summarized below. In a routine review, PILP was informed these changes should come forward as an action item to the General Assembly Mission Council. PILP is now submitting these changes for ratification. Future revisions that potentially eliminate assets or significantly change the risk of loss associated with assets of the Church Loan Funds and/or Presbyterian Church (U.S.A.), A Corporation will be submitted to the GAMC and Presbyterian Church (U.S.A.), A Corporation through the Evangelism and Stewardship Committees for approval.

**Summary of changes**

1. Change "General Assembly Church Loans" to "Church Loan Program or CLP".
2. Change "The Program" to "PILP".
3. Change "General Assembly Council or GAC" to "General Assembly Mission Council or GAMC".

4. Change the word “facility” to “building”.
5. Add clarification to joint loans and the rate review of joint loans.
6. Add the section “Types of Loans and Definition” and define each of the loans available from CLP.
7. Add the section “Interest Rates” and explain the base interest rate and rates charged for NCDs, disaster assistance, incentive, construction/renovation or purchase loans. Move the Mission Giving explanation from General Loan Requirements to this section.
8. Add the section “Maximum Loan Amounts; Terms and Security and describe each type of loan, the maximum dollar amount, and the security needed for each loan.
9. Increase the maximum Incentive Loan from \$50,000 to \$100,000.
10. Change the amount CLP may finance from 75% to 80%, not to exceed maximum loan amounts as outlined in the Policies.
11. General Loan Requirements – corrected some language; added requirements listed on the loan application.
12. The requirement for payment and performance bonds has been changed from being required for projects of \$250,000 or more to projects of \$1,000,000 or more.
13. “Section I Site Loans” has been changed to “Additional Site Loan Policies”. Redundant information has been deleted if included in previous paragraphs of the Policies and Guidelines.
14. “Sale of NCD Site” – no changes except changing “Church Loans” to “CLP”.
15. “Section II, Facility Purchase, Construction, Renovation or Manse” has been deleted. The information has been moved to “Types of Loans and Definitions”, “Interest Rates” and “Maximum Loan Amounts; Terms and Security”.
16. “Construction or Renovation costs ordinarily include:” Items have been renumbered; FEMA flood report moved to General Requirements.
17. “Section III. Incentive Loans” has been deleted. The information has been moved to “Types of Loans and Definitions”, “Interest Rates” and “Maximum Loan Amounts; Terms and Security”.
18. “Section IV. Disaster Relief Loans” has been deleted. The information has been moved to “Types of Loans and Definitions”, “Interest Rates” and “Maximum Loan Amounts; Terms and Security”.
19. “Miscellaneous” Section – no substantive changes, only changing Church Loans to CLP, The Program to PILP; and GAC to GAMC.

20. "Repayment of Mortgage Grants and Donation Grants" – language added: the payoff must be received a minimum of one year prior to the sale or conversion of the property to receive a 20% reduction on the principal amount due.
21. "Staff Loan Team Actions" – information regarding Interest Support Loans has been deleted as all Interest Support Loans have been paid in full.

**ATTACHMENT 1**

***Revised October 2010***

POLICIES AND GUIDELINES  
OF THE  
GENERAL ASSEMBLY  
CHURCH LOAN PROGRAM  
ENDOWMENT FUNDS

*“Unless the Lord builds the House,  
they labor in vain who build it.”  
Ps. 127:1*

Administered by: Presbyterian Church (U.S.A)  
Investment & Loan Program, Inc.  
100 Witherspoon Street  
Louisville, KY 40202-1396  
Phone: 1-800-903-7457  
[www.pcusa.org/pilp](http://www.pcusa.org/pilp)

Contacts: Ben Blake, Vice President of Sales and Marketing  
[ben.blake@pcusa.org](mailto:ben.blake@pcusa.org) ext: 5865

Jason Peterson, Director of Loan Operations  
[jason.peterson@pcusa.org](mailto:jason.peterson@pcusa.org) ext: 5890

Judy Walton, Director of Credit Operations  
[judy.walton@pcusa.org](mailto:judy.walton@pcusa.org) ext: 5231

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## **BACKGROUND**

The Church Loan Program Endowment Funds of the General Assembly (“CLP”) originated primarily through bequests made to the denomination over many years. The purpose of the funds is to facilitate and further the mission of the Presbyterian Church (U.S.A.) in partnership with its sessions, presbyteries, and synods by way of church site, building purchase, construction, renovation, and/or certain environmental or technological needs. CLP loans may be made to churches and presbyteries through their appropriate legal entities for the use and benefit of local congregations. Site loans may be made to congregations as well as presbyteries for the use and benefit of an existing congregation or new church development.

## **INTERNAL OPERATIONS**

The Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. (“PILP”) through an Operating Agreement with the Presbyterian Church (U.S.A.), A Corporation administers CLP. The Mission Development Resources Committee (“MDRC”) sets and approves Policies and Guidelines that govern CLP. It is the purpose and intent of each of these entities to protect the various funds entrusted to them for lending. The Policies and Guidelines have been developed with the purpose and intent of protecting the funds for future generations.

In the event the borrower requires a loan above the maximum CLP lending amount and additional borrowing is sought from PILP, the loans will be combined using a participation agreement between the two entities, a/k/a Joint Loan. The borrower will receive a blended interest rate between CLP and PILP investor funds. The mortgage/deed of trust, promissory note and title commitment will reflect PILP as the lender. The interest rate on joint loans with PILP is adjusted every 12, 24, or 36 months.

### **A. TYPES OF LOANS AND DEFINITIONS**

1. **Site** - Loan funds available to congregations or presbyteries for the purchase of vacant land on which to build a church building.
2. **Building Purchase, Construction, or Renovation** - Loan funds available to congregations for the purchase of an existing building, the construction of a new church building or an addition or renovation of an existing building.
3. **Incentive** - Incentive loans are available to congregations for modifying existing buildings for the purposes of Building Accessibility; Energy Efficiency; Asbestos Abatement; Lead Paint Abatement; and New Technology. An application for an Incentive Loan will not be considered in conjunction with an application for Building Purchase, Construction, Renovation or Manse Loan.
4. **Disaster Relief** - Loan funds available to congregations in areas that have been declared by the appropriate government agency as a state or national disaster.
5. **Manse** – Manse loan funds are available to congregations for the purchase or renovation of a manse. The manse must be church-owned property. Loan funds are subject to availability.

## B. INTEREST RATES

- 1. Base Interest Rate.** The base interest rate charged for a CLP loan is set one point (1%) below the current base interest rate charged by PILP. Generally, the CLP interest rate adjusts every 60 months. The interest rate on joint loans with PILP is adjusted every 12, 24, or 36 months. Construction, renovation, building purchase, manse purchase or renovation, site addition, and site relocation loans are given the CLP base interest rate.
- 2. NCD Interest Rates for First Unit Construction, Purchase or Renovation** The interest rate charged for a CLP New Church Development (“NCD”) loan is set two points (2%) below the current base interest rate charged by PILP. An NCD is a church chartered ten (10) years or less. The NCD rate reduction will be in effect for 10 years from the date of the loan, subject to review and revision of the interest rate every 60 months. For example, if an NCD had been organized for 7 years at the time they received an NCD loan, their initial rate would be the NCD rate. The interest rate would be adjusted at the five-year review to the then current Church Loan NCD rate for the following five-year period although they are no longer considered an NCD. At the second five-year review, the church would not be given the reduced NCD rate as that review would occur more than 10 years after the loan date. The interest rate would be set at the prevailing CLP rate.

The CLP portion of a joint NCD loan with PILP would likewise be given the reduced General Assembly NCD rate for ten years from the date of the loan.

**NCD Site Loan Interest Rates** – Monthly payments of interest only at the rate 4% during months 1-60; monthly payments of principal and interest at the rate of 6% beginning month 61 until the loan is paid in full.

- 3. Disaster Relief Interest Rates** - The interest rate for Disaster Relief loans is to be set at two points (2%) below the prevailing CLP base rate at the time of loan approval. The 2% benefit is extended for a period of 10 years from the date of the loan. The loan is subject to review every five years until the loan is paid in full, and the interest rate will be adjusted at each review. However, at the first five-year review, the interest rate will be adjusted to the prevailing Disaster Relief rate for an additional five-year period. At subsequent five-year reviews, the rate will be set at the prevailing CLP base rate. Disaster Relief rates are not subject to any CLP minimum interest rate policy.
- 4. Incentive Loan Interest Rates** – The interest rate for Incentive Loans is set at 5% fixed for the life of the loan.
- 5. Construction Loans** - Construction loans may be interest only up to 12 months from the loan closing if the borrower chooses to take construction draws on the loan in lieu of one lump sum disbursement. If construction is complete prior to the 12 month period, the loan will convert to a permanent loan after receipt of the certificate of occupancy (if applicable) and updated title report.
- 6. Mission Giving and Possible Reduction in Interest Rate** – If at any time during the term of the loan the borrowing church gives 10% or more of the total operating income to validated Presbyterian General Mission Giving, the interest rate approved for the loan for a specified period

of time will be reduced by 25 basis points (.25%) below the prevailing CLP rate. The minimum interest rate of 3.5% for NCDs does not apply to the Mission Giving reduction in rate. Presbyterian Mission Giving may include Basic Mission Support for presbytery, synod or General Assembly; Special Offerings (i.e. Christmas Joy offering, Peacemaking, etc.) gifts to PCUSA theological seminaries; gifts to the Theological Education Fund; ECOs; gifts to Habitat for Humanity, and per capita.

### **C. Minimum and Maximum Interest Rates**

The CLP interest rate will not fall below 4% for established churches or 3.5% for NCDs, nor will it exceed 7%. The ranges may be adjusted in the future as the market conditions warrant.

### **D. MAXIMUM LOAN AMOUNTS, TERMS, AND SECURITY**

1. CLP may finance up to 80% of the project or purchase costs, not to exceed the maximum CLP loan amounts as outlined in the Policies. The financial plan is to include 20% un-borrowed cash on hand or cash spent toward the project or purchase.
2. Maximum CLP loan to existing churches and NCDs for new construction, building purchase, renovation and disaster relief: \$450,000.
3. Maximum manse loan \$100,000.

#### **Maximum term of construction, renovation, building purchase, manse purchase or renovation loans:**

4. Loans up to and including \$50,000: 10 years; promissory note, and guaranty agreement.
5. Loans \$50,001 and up to \$100,000: 15 years; promissory note, and guaranty agreement (unless mortgage/deed of trust is required by the Staff Loan Team.
6. Loans \$100,001 and up to \$450,000: 20 years; promissory note, mortgage/deed of trust, and guaranty agreement.
7. Maximum Incentive Loan and Term \$100,000. Incentive Loans up to and including \$50,000: 10 years; promissory note, and guaranty agreement. Incentive Loans \$50,001 and up to \$100,000: 15 years; promissory note and guaranty agreement (unless mortgage/deed of trust is required by the Staff Loan Team.
8. Maximum NCD Site Loan and Term: \$400,000 up to a 20 year term; promissory note, mortgage/deed of trust, and guaranty agreement.
9. Maximum Relocation Site Loan and Term for existing churches: \$300,000 up to a 20 year term; promissory note, mortgage/deed of trust, guaranty agreement.



10. Maximum Site Addition Loan and Term: \$200,000 up to a 20 year term; promissory note, mortgage/deed of trust, guaranty agreement.

#### **E. GENERAL LOAN REQUIREMENTS**

1. An application is to be signed by all required governing bodies and submitted to the PILP office for approval.
2. All attachments listed in the application and within these Policies and Guidelines are to be included with the application.
3. All loans are conditioned upon the continuing relationship with the Presbyterian Church (U.S.A.) by the borrower. Should the relationship terminate, the outstanding CLP loan balance immediately becomes due and payable.
4. The presbytery is required to guarantee repayment of all CLP loans made to a congregation.
5. CLP loans secured by a mortgage/deed of trust require a title insurance policy insuring Presbyterian Church (U.S.A.), A Corporation as the loss payee for the full amount of the loan. In those states that are considered an abstract of title state, an attorney's title opinion is sufficient in lieu of a title policy. The PILP office will order the title commitment/policy, promissory note, deed of trust/mortgage that secures the loan. The General Assembly Office of Legal Services will review and approve all legal documents prior to closing the loan.
6. A FEMA flood report stating the applicant's property is not located within a flood zone is required. If it is discovered that the property is located within a flood zone, a flood insurance policy must be obtained at the titleholder's expense and remain in effect until the loan is paid in full. PILP will order the flood report.
7. A repayment plan that identifies the source of funding for the debt service for the loan is to be submitted with the application.
8. Loans over \$200,000 require a campaign for building fund pledges, directed by a professional fund-raising service, i.e. Church Financial Campaign Service ("CFCS").
9. All documents that legally require recording must be recorded in the county register's office where the property is located.
10. The applicant may not incur additional financial obligations without prior authorization of PILP.
11. Title to the property is to be in fee simple and entirely without reversions, and will remain with the Presbyterian Church (U.S.A.) governing body until the loan is paid in full.

12. All construction or renovation applications submitted must include detailed cost estimates or contract from the contractor or architect for the proposed project. Incentive loan cost estimates or contract must be itemized by the particular type of loan. A signed contract must be submitted to the PILP office prior to disbursement of funds.
13. A professional real estate appraisal is required to establish the fair market value of a building or manse purchase (including lot) covered by the application. The appraisal fee may be included as part of the total purchase cost.
14. Preliminary drawings by an architect or engineer are required for the proposed construction or renovation. The preliminary drawings should include proposed floor plans with overall measurements and elevation sketches with grade level and ceiling heights. Drawings must comply with all applicable codes for energy conservation.
15. Evidence of liability and fire insurance coverage naming the lender as additional insured, loss payee and mortgagee.
16. Property survey if required to lift exceptions to the title insurance.
17. Copy of borrower's Articles of Incorporation and Bylaws with a certification form provided by PILP.
18. State Certificate of Corporate Good Standing for the borrower.
19. Certificate of Occupancy if construction or renovation loan.
20. Congregation and church corporate approval resolutions. Copy of presbytery corporate approval resolutions.
21. Affidavit and Certificate of Incumbency stating the name and title of the corporate officers authorized to execute loan documents on behalf of the borrower. PILP will provide the form.
22. Environmental Assessment Checklist (provided by PILP) or Phase I Environmental Audit as deemed appropriate by the Staff Loan Team.
23. Builder's risk and vandalism insurance during the project's construction, fire and hazard, extended coverage and liability insurance must be carried on the full amount of the contract, and required documentary assurances must be provided at the conclusion of the project to indemnify the owner against mechanics liens.
24. The church building or manse to be purchased or built must comply with applicable building codes and zoning regulations as well as federal, state, and local laws pertaining to accessibility. If the building is not fully accessible, the title holding governing body must develop a plan within one year to improve the accessibility features of the building and submit the plan to the PILP office.

25. Payment and performance bonds are required for all construction/renovation projects that are \$1,000,000 or more. The Staff Loan Team may require payment and performance bonds of projects of lesser amounts. Borrower will be advised of the existence of the bonds.
26. Loan proceeds are to be used only for the purpose they were approved.
27. All approved loans must be closed within 180 days of loan commitment. If additional time is needed, the applicant must request an extension of time from the PILP office.
28. CLP loans may not be used to refinance an existing loan, with the exception of the following: (a) a bridge loan may be refinanced if the application is received by the PILP office within 12 months of the last draw of the bridge loan; or (b) if an existing CLP borrower is under financial duress, a workout or refinance of the loan may be considered.
29. CLP funds may not be used when the project costs exceed \$2.5 million, with the exception of a New Church Development project.
30. All costs associated with a CLP loan is the responsibility of the borrower.
31. There is no prepayment penalty for any CLP loan.
32. Additional requirements may be added by the Staff Loan Team if necessary to meet underwriting criteria.

## **F. WAIVER OF REQUIREMENTS OR STANDARD CONDITIONS**

When a borrower is unable to meet a requirement or standard condition of a CLP loan, a request for waiver will be considered if accompanied by supporting documentation that is sufficient to meet underwriting criteria.

## **G. ADDITIONAL SITE LOAN POLICIES**

1. **New Church Development Site Loan:** A CLP loan may finance up to 80% of the total cost of the site purchase, with a maximum loan per site not to exceed \$400,000. Repayment of an NCD site loan ordinarily will be: 20 years; monthly payments of interest only at the rate of 4% for months 1-60; monthly payments of principal and interest at the rate of 6% for months 61-240 or until the loan is paid in full.

A presbytery may purchase NCD sites five years in advance of site development. If site development does not occur within five years, the repayment of the CLP loan may be accelerated.

2. **Relocation Site Loan:** CLP loans may finance up to 80% of the cost of the site relocation purchase, with a maximum loan per site not to exceed \$300,000, conditioned on the expectation that the proceeds from the sale of the existing church site shall be applied to the purchase of the new relocation site. Repayment of principal and interest will begin approximately thirty (30)

days after loan disbursement. The interest rate charged for a Relocation Site loan is the prevailing CLP base rate.

3. **Site Addition Loan:** A CLP loan may finance up to 80% of the total cost of site addition purchase, with a maximum loan per site not to exceed \$200,000. Repayment of principal and interest will begin approximately (30) days after loan disbursement. The interest rate charged for such loan will be the prevailing CLP base rate.

## H. SITE LOAN GENERAL PROVISIONS

1. The location of the site must meet presbytery mission program strategy requirements based on appropriate studies of the community to be served.
2. A professional appraisal is required to determine the fair market value of the site. The appraisal fee may be included as a part of the total site purchase cost.
3. The following tests are required with satisfactory results prior to closing the loan.
  - a. Soil test for compaction to determine the load-bearing capacity of the soil.
  - b. Soil test for percolation to determine the ability of the soil to absorb water. The test is not required in the event the site is connected to a city sewage system.
  - c. A disclosure statement from the seller, notarized and under penalties of perjury, that includes a description of the property and the uses of the site by the seller and all known prior uses, stating that the seller knows of no past, present, or future environmental conditions that contaminate the real estate.

If the seller's disclosure statement indicates a potential environmental liability, an environmental audit to provide a general assessment of the site identifying actual or potential environmental risks is required. If the risks are discovered, and the applicant continues to pursue the purchase of the property, environmental testing will be required which will confirm or refute the presence of contamination or environmental hazard with an estimate of clean up costs.

If hazards exist, and the borrower continues to pursue the purchase, a plan for clean up must be submitted by the seller, at the seller's expense, prior to the site purchase. A contract should not be signed until the issue is clarified. If the seller refuses to pay for the clean up, it is recommended that the contract for purchase be declared null and void.

- d. The use of the future church facility and the type of construction are to comply with all applicable building codes and zoning regulations.

## **I. SALE OF NCD SITE**

If an NCD site is sold before being developed for the purpose for which it was purchased, or if a portion of the site is sold as excess property, CLP will share with the titleholder in net profits or losses from the proceeds of such sale as follows:

1. When the CLP loan is one-half or more of the site purchase cost, it shares equally in net profits or losses.
2. When the CLP loan is less than one-half of the site purchase cost, it shares proportionately in net profits or losses.
3. The first distribution of sale proceeds is to be applied to the balance of the CLP loan. Any remaining distribution is to be applied first to the CLP's share of the net profits. If the initial remittance from sale proceeds to the CLP is insufficient to pay the balance due, a workout agreement will be considered to repay the remaining loan balance.
4. Net profits or losses are identified by calculating the difference between the total purchase price as described on the approved Financial Plan and the sale price, less closing costs. Note that closing costs may include legal fees and real estate commissions related to the sale, but may not include tax payments, site development costs, or interest paid on the site loans.

## **J. ADDITIONAL CONSTRUCTION, RENOVATION AND PURCHASE LOAN POLICIES**

1. Construction or Renovation costs ordinarily include:
  - a. Construction contract
  - b. Furniture, equipment, and parking (approximately 10% of construction contract)
  - c. A contingency fund of approximately 15% of construction contract cost for new construction and construction contract cost for major renovation to cover changes and other unforeseen expenses.
2. Building purchase costs may include:
  - a. Purchase price
  - b. Furniture, equipment and parking (approximately 10% of building purchase cost)
  - c. Contingency fund of approximately 15% of the total project to cover unforeseen expenses

3. The following tests are required with satisfactory results prior to the closing of the building or manse purchase:
  - a. A building inspector's report establishing that the building is structurally sound, with satisfactory electrical, water, plumbing and heating systems
  - b. Reports establishing that the building is free from termite infestation
  - c. A disclosure statement from the seller, duly notarized, and under penalties of perjury, that includes a description of the property and the uses of the site by the seller and all known prior uses, stating that the seller knows of no past, present, or future environmental conditions that contaminate the real estate.

## **K. MISCELLANEOUS ITEMS**

### **COLLECTION POLICY**

All approved CLP loans are made with the expectation of full repayment in accordance with the terms and conditions of the respective promissory note and/or mortgage/deed of trust executed by the borrower. In the event the borrower becomes financially unable to repay the CLP loan, application may be made to PILP for an adjustment to the terms and conditions. Applications for adjustments to the terms and conditions of the loans will be submitted to the Loan Team of the MDRC for approval.

### **WRITE OFF POLICY**

If it becomes necessary to discharge an amount of \$1,000 or more owed on a CLP loan, the Staff Loan Team of PILP will review the proposed write off and submit findings to the management staff of Shared Services. If the recommendation is found acceptable by PILP and Shared Services management staff, a recommendation will be forwarded to the MDRC Loan Team for their recommendation to the full committee of the MDRC. If found acceptable by the MDRC, a recommendation for a write off will be forwarded to the General Assembly Mission Council for decision. The final recommendation is to be forwarded to Shared Services of the General Assembly Mission Council for comment. Final decision is to be made by the General Assembly Mission Council acting as Presbyterian Church U.S.A., A Corporation.

If it is necessary to discharge a balance of \$1,000 or less owed on a CLP loan, the management staff of PILP will review and may approve the write off. Any write off \$1,000 or less will be reported to the MDRC Loan Team and the management staff of Shared Services for informational purposes.

### **DEFAULTED LOANS**

If a borrower of a CLP loan becomes delinquent in payments for more than 30 days from the due date, the presbytery approving the loan is to consult with the delinquent borrower to develop a continuing payment program. In case of severe distress, the presbytery is to consult with all lenders (i.e., CLP, synod, and commercial), and the borrower to develop a plan to resolve the delinquency status of the CLP loan. It may become necessary to ask the presbytery to make payments on the delinquent loan under their obligation as a guarantor. Loan applications from borrowers within presbyteries that have non-performing loans may be delayed until such time as an agreement is approved by the MDRC regarding the loan delinquency.

### **DEFAULTED LOANS and MISSION PROGRAM GRANTS**

Where a borrower or guarantor has received a loan and where that loan is 90 days or more delinquent in payment, a mutually acceptable repayment plan must be approved by the Loan Team of the MDRC before additional loans can be approved and before Mission Program Grants can be disbursed within that particular presbytery.

### **LATE FEE**

If payment of a CLP loan is more than 10 days past due, a late fee of 2% will be added to the payment due.

### **PREPAYMENT OF MORTGAGE GRANTS AND DONATION GRANTS**

A Mortgage Grant or Donation Grant, including any lien on property, may be considered paid in full and discharged of record upon receipt of 80% of the outstanding principal balance, as long as payment is received a minimum of one year prior to the sale or conversion of the property to purposes not under the jurisdiction of the Presbyterian Church (U.S.A.), A Corporation. Should the grant be paid off as stated above, any accumulated interest regardless of what is expressed in the grant documents is waived.

The above discount applies equally to mortgage/donation grants of the former Board of National Missions for the United Presbyterian Church in the United States of America and Board of American Missions of the United Presbyterian Church in North America.

### **NEW CHURCH DEVELOPMENT CAPITAL GRANTS f/k/a RECYCLING GRANTS**

The New Church Development Capital Grant Program was established in the mid-1970's from a portion of repayments of General Assembly Mortgage and Donation Grants awarded within each particular synod. Each synod office is notified of the amount available within their synod that can be awarded to congregations. The congregation must apply to their synod office for the New Church Development Capital Grant in conjunction with an application for a CLP loan for construction, building purchase, or renovation of a first unit. The synod office will notify the PILP office in writing of its proposed Capital 0

Grant recipient. The maximum amount available to each recipient congregation is \$10,000. Only one NCD Capital Grant can be awarded to a New Church Development.

### **STAFF LOAN TEAM ACTIONS**

The Staff Loan Team has the authority to approve and to report to the MDRC Loan Team the following actions:

1. Subordination Requests: where the church is renewing and/or refinancing a previously approved commercial loan with no additional borrowing except to cover closing costs.
2. Easement Requests: where there is a need for a temporary or permanent easement or right of way to accomplish particular property work.
3. Partial Release Requests: when the outstanding principal balance is \$200,000 or less, or when the property being released is 10% or less of the original acreage.
4. Revised Financial Plan: where borrowing is reduced or not increased or, where borrowing is increased by 10% or less without adverse affect to the financial plan.
5. Waiver of Second or Third Building Fund Campaign: where annual debt service has become 10% or less of the church's current operating budget.
6. Cancellation of Previously Approved Loan: when requested by the borrower.
7. Review and Revision of Loan Terms (other than interest rates): when the outstanding principal balance is \$200,000 or less.
8. Loan approval with waivers: The Staff Loan Team has authority to approve CLP loans up to and including \$200,000. The approval authority also includes loans with waivers. All loan approvals will be forwarded to the MDRC Loan Team for information.
9. Review and Revision of Loan Interest Rates: where the loan interest rate is adjusted in accordance with established rate adjustment policy at the time of a regularly scheduled five-year review and revision and the outstanding principal balance is \$200,000 or less.
10. Updating the Loan Records: when congregations have merged, the newly merged congregation is asked to acknowledge the outstanding CLP loan. Loan files and records are updated to reflect the newly merged congregation.
11. Other actions as authorized by the MDRC Loan Team.



**ITEM G.106  
 ACTION ITEM**

<i>FOR GAMC EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i>					
<input checked="" type="checkbox"/>	A. Evangelism		D. Vocation	<input checked="" type="checkbox"/>	G. PC(USA), A Corporation
	B. Justice	<input checked="" type="checkbox"/>	E. Stewardship		H. Executive Committee
	C. Discipleship		F. Audit		
	P. Plenary				

**Subject: Ghost Ranch Conference Center Governance Covenant**

**Recommendation:**

**The Stewardship Committee of the General Assembly Mission Council, with the concurrence of Evangelism Mission Committee, recommends that the General Assembly Mission Council and the Presbyterian Church (U.S.A.), A Corporation approve the following:**

**RESOLVED**, that the General Assembly Mission Council and the Presbyterian Church (U.S.A.), A Corporation approve the Ghost Ranch Conference Center Governance Covenant to be effective October 1, 2011, said covenant attached hereto and incorporated herein by reference; and that the officers and staff are authorized to take any and all actions necessary to carry out the intent and purposes of this action.

**Background and Report:**

Ghost Ranch was presented to the Presbyterian Church in 1955 as a gift from Arthur and Phoebe Pack. With the Presbyterian reunion and organization of new denominational structures in 1988, governance of Ghost Ranch was lodged in the Education and Congregational Nurture Ministries Unit of the General Assembly Council (GAC). In 1993 the national Presbyterian structures were reorganized and governance for Ghost Ranch was placed in the Congregational Ministries Division of the GAC. Property, legal, personnel and payroll services were provided by specialized areas of the administrative infrastructure of the GAC. In 1997, a new Conference Center Governance Covenant was entered into between the GAC, the relevant divisions of the GAC (Congregational Ministries Division and Mission Support Services), and the Governing Board of the conference center. The Camp and Conference Center Covenant was revised and renewed in 2001 as provided for in the previous Covenant. Financial and staffing changes occurred in the years that followed. The 2001 Covenant was not reviewed as planned in 2006.

In 2011, GAMC staff and the Governing Board discussed a new Covenant to better address the current situation at Ghost Ranch and to provide direction for the future. The 2011 Governance Covenant includes language that assigns primary areas of responsibility to the GAMC staff and to the Ghost Ranch Governing Board. The Ghost Ranch Governing Board approved the Covenant on September 7, 2011.



# **GHOST RANCH CONFERENCE CENTER GOVERNANCE COVENANT**

**GENERAL ASSEMBLY MISSION COUNCIL**

Approved \_\_\_\_\_, 2011



## INTRODUCTION

This document sets forth an agreement between the General Assembly Mission Council and the Governing Board of Ghost Ranch Conference Center. The parties recognize that Ghost Ranch is a conference center operated by the Presbyterian Church (U.S.A.), A Corporation and is not separately incorporated, but its operation is unique among properties operated by the Presbyterian Church (U.S.A.), A Corporation. This covenant defines relationships regarding oversight of program, budget and financial administration, personnel, financial support, facilities and property management, long-range-planning, nominating, and board composition.

This covenant is rooted in a theological concept of covenant. "Covenant" implies a defined set of mutually agreed upon responsibilities accepted by the various partners united for a common purpose and related to each other in a common undertaking. The covenant relationship is implicitly one of mutuality and cooperative parity. Matters of legal responsibility or institutional authority are reflected in the definition of covenanted responsibilities and commitments accepted by each party.

The Presbyterian Church (U.S.A.), A Corporation, is the operator of Ghost Ranch and the employer and it retains the responsibilities incumbent in those roles.

Throughout this document the following entities will be identified as follows:

BOP = Board of Pensions

GAMC = General Assembly Mission Council

Ghost Ranch = Ghost Ranch Conference Center

Governing Board = the Governing Board of Ghost Ranch Conference Center

NGRF = National Ghost Ranch Foundation

PCCCA = Presbyterian Church Camp and Conference Association

PCUSA = Presbyterian Church (U.S.A.)

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## **PROGRAM, MARKETING, AND PUBLIC RELATIONS**

### ***The Governing Board covenants to:***

- establish general program directions and priorities consistent with the Ghost Ranch mission statement and the mission priorities set by the GAMC.
- annually review and evaluate programs and share the evaluations with the GAMC.
- relate to the other PCUSA national conference centers and middle council camps and conference centers through membership and participation in PCCCA.
- inform GAMC through its Associate for Camps and Conference Centers of concerns which have national public relations impact.

### ***General Assembly Mission Council covenants to:***

- advise the Governing Board with respect to GAMC's goals and priorities and encourage Ghost Ranch to implement programs and educational emphases of the PCUSA.
- refer and promote utilization of Ghost Ranch by church groups, denominational entities, clergy and lay people.
- advocate for Ghost Ranch with the General Assembly, synods, presbyteries, and congregations, and ecumenical partners.
- provide consultation through the Associate for Camps and Conference Centers in public relations which affect the church nationally.

## FINANCIAL ADMINISTRATION, BUDGET, AND FORECASTING

### *The Governing Board covenants to:*

- continue to work with all deliberate speed to enhance the operation of Ghost Ranch so that it is in a financial position to break even or make a profit each year and become a self-sustaining operation.
- establish annual operating and capital budgets, including establishing fees and developing procedures to meet the needs of Ghost Ranch's operation.
- manage bank account for short-term cash flow as described under bullet point #4 under "The General Assembly Mission Council covenants to", below.
- determine expenditure of temporarily restricted and other appropriate funds (donations which to be expended in a relatively short period of time after receipt).
- transmit to the GAMC Finance and Accounting Department no later than two (2) weeks after the end of each month an accurate monthly financial statement of Ghost Ranch for inclusion in the consolidated financial statements of the GAMC.
- establish the appropriate year-end for the internal planning financial statements of Ghost Ranch and, if other than December 31 or such other year-end of the GAMC, continue to maintain the legal financial statements in accordance with the consolidated PCUSA financial statement.
- establish internal financial controls, including those required by GAMC and the PCUSA.
- participate in the establishment and maintenance of an integrated financial plan of operation.
- establish a budget development and implementation process, including revenue projections, monitoring, and reporting.
- prepare, analyze, and interpret financial results for utilization by management in the decision-making process.
- design, establish, and maintain all accounting systems to properly record all financial transactions in accordance with sound accounting principles and adequate internal controls.

### *General Assembly Mission Council covenants to:*

- facilitate transfer of Ghost Ranch-designated funds in accordance with the Ghost Ranch budget.
- prepare and file external reports as required to satisfy governmental regulatory bodies, financial institutions, the General Assembly, and others.
- work in conjunction with Ghost Ranch staff to ensure cash flow for seasonal fluctuation.
- use any proceeds of the sale, lease or other disposition of assets relating to Ghost Ranch exclusively for the mission and ministry of Ghost Ranch, **but after:**
  - first, deductions of any amounts advanced by the PCUSA and the GAMC; and
  - second, the establishment of a cash reserve equal to 90 days to be held in a local account under Ghost Ranch control to provide for short-term cash flow and working capital needs and to account for seasonal fluctuations; and
  - third, the remaining net proceeds will be held by the GAMC in a segregated account designated solely for use at Ghost Ranch.
- if requested by the Governing Board, GAMC will engage its outside accountant to provide an annual financial review of the finances of Ghost Ranch.
- work in good faith with Ghost Ranch to ensure the long term financial viability of Ghost Ranch.

## HUMAN RESOURCES

### *The Governing Board covenants to:*

- be responsible to recommend the hiring and termination of the Executive Director of Ghost Ranch, subject to approval of the Director of Human Resources of the GAMC and consistent with GAMC personnel policies, as supplemented by Ghost Ranch-specific policies (hereafter “Ghost Ranch Policies”).
- supervise the Executive Director of Ghost Ranch, with input from the GAMC, including an annual performance review which will include a salary component. All other staff shall be hired by the Executive Director in accordance with Ghost Ranch Policies.
- work with the GAMC Director of Human Resources and Legal Services to establish and adopt Ghost Ranch Policies and procedures, staffing rationales, salary structures, and contract services which are not in conflict with the spirit of the policies and procedures of the GAMC and which allow and address the differences of the employment dynamics of Ghost Ranch.
- comply with any and all local, state, and federal laws, as determined by GAMC’s Legal Services Office, and know that failure to comply will be grounds for the GAMC to intervene.

### *General Assembly Mission Council covenants to:*

- assist the Ghost Ranch staff in developing Ghost Ranch Policies and procedures which recognize Ghost Ranch's unique situation and which supplement existing GAMC policies and procedures and Employee Handbook.
- advise on compliance with the GAMC’s policies to promote equal employment opportunity and affirmative action and assist in the resolution of complaints which allege violation of GAMC policies.
- provide consulting services in the areas of policy interpretation and understanding of legislation affecting employment.
- provide reports on compensation paid to Ghost Ranch employees to the Ghost Ranch accounting staff.
- serve as liaison to benefit providers, especially in the area of worker's compensation and short- and long-term disability injuries, and the BOP, if applicable.
- continue to explore the appropriateness of benefits coverage through the Board of Pensions and the feasibility of covering Ghost Ranch staff under a different benefits plan.
- review bi-annually, with the Ghost Ranch Executive Director and the GAMC Director of Human Resource, all Ghost Ranch and GAMC HR policies, and adjust policies as necessary to continue to **allow autonomous staff** supervision of Ghost Ranch staff by Ghost Ranch Executive Director.

## **FINANCIAL SUPPORT**

### ***The Governing Board covenants to:***

- seek to ensure the financial health and vitality of Ghost Ranch, including the implementation of balanced budgets with a goal of self-sustainability.
- develop and execute a holistic, integrated funds development strategy both annually and long-term.
- coordinate revenue streams (e.g. Restricted Funds, the Presbyterian Foundation, NGRF, earned income, grants etc.)
- continue to honor the intentions of donor gifts to Ghost Ranch.

### ***General Assembly Mission Council covenants to:***

- include Ghost Ranch in the liability insurance policies of the PCUSA, including insurance riders as feasible for the unique needs of Ghost Ranch operations. Ghost Ranch covers the cost of all insurance in its budget.
- facilitate access to, use of, and incorporation of various funds such as the Presbyterian Foundation funds, Extra Commitment Opportunity funds etc., into annual budget building.
- continue to honor the intentions of donor gifts to Ghost Ranch.



## **FACILITIES AND PROPERTY MANAGEMENT**

### ***The Governing Board covenants to:***

- ensure policies and procedures for maintaining facilities consistent with good stewardship and consistent with the PCUSA, A Corporation's real estate policies and procedures.
- ensure policies and procedures for planning and supervising construction of new and/or renovated facilities.
- review and approve plans for construction or major renovations.
- develop the long-range plans for the facilities.
- present to GAMC for approval such policies and procedures with respect to stewardship of the museums and collections that are necessary to ensure compliance with best practices in the field.

### ***Presbyterian Church (U.S.A.), A Corporation, covenants to:***

- continue to hold title to the properties and to accept legal responsibility of such ownership, including management of all insurance coverages.

### ***General Assembly Mission Council covenants to:***

- perform property title work and maintain deeds, records and documents necessary to verify ownership.
- consult the Governing Board before making any recommendation (in all cases guided by the original intentions of the donors) to sell, convert, encumber, or otherwise dispose of any or all of the real property on which Ghost Ranch is situated, and grant the NGRF, in the case of sale or disposal, the option or right of first refusal.
- permit the Executive Director of Ghost Ranch, subject to approval by the Governing Board and with a courtesy notice to the Deputy Executive Director for Shared Services, to enter into contracts relating to Ghost Ranch facilities that are either included in the capital or operational budgets or involve an amount, in the aggregate in any fiscal year, that is less than \$30,000.

## **LONG-RANGE PLANNING**

### ***The Governing Board covenants to:***

- develop long-range plans consistent with GAMC goals, the Ghost Ranch mission statement, and the operational requirements of Ghost Ranch, and in consultation with Ghost Ranch staff and other constituent groups (community, customers, denominational governing bodies, ecumenical partners, etc.).
- establish criteria by which to evaluate goals.
- annually review achievement of goals.
- have management staff of Ghost Ranch meet face-to-face once or twice a year, as budgets permit, with management staff of the GAMC and to attempt to meet monthly or bi-monthly, as schedules permit via video conference or telephone, to improve communications and to discuss important issues of the Ranch.

### ***General Assembly Mission Council covenants to:***

- participate with Ghost Ranch, through the Associate for Camps and Conference Centers, in the development of long-range business and program plans, in light of GAMC goals and priorities, the Ghost Ranch mission statement, and the operational requirements of Ghost Ranch.
- have staff of the GAMC meet face-to-face once or twice a year, as budgets permit, with management staff of Ghost Ranch and to attempt to meet monthly or bi-monthly, as schedules permit, via video conference or telephone, to improve communications and to discuss important issues of the Ranch.

## **LEGAL SERVICES AND RISK MANAGEMENT**

### ***The Governing Board covenants to:***

- assure that policies and procedures are in place for compliance with local, state and federal laws.
- obtain appropriate legal review of all transactions for which they have authority to enter into.
- implement internal risk management policies and procedures to ensure good stewardship of the assets of Ghost Ranch.
- work with the GAMC and Ghost Ranch director concerning legal matters and legal defense of cases (property, personnel, contracts, risk management, etc.).

### ***General Assembly Mission Council, through its staff, covenants to:***

- work with Ghost Ranch Executive Director concerning legal matters and legal defense of cases (property, personnel, contracts, etc.).
- defend the parties to this governance agreement in litigation and administrative hearings.
- have Legal Services provide to Ghost Ranch the same quality of service provided to all clients of Legal Services, which includes outside counsel services paid for by Ghost Ranch.
- provide the Governing Board and individuals serving on the Governing Board insurance protection provided to representatives of other PCUSA entities.

## **NOMINATING**

### ***The Governing Board covenants to:***

- identify and nominate members to be received by GAMC.
- replace and renew its membership in light of General Assembly policies of representation and inclusion.
- be representative of the various constituencies of Ghost Ranch.
- provide orientation for new Governing Board members.
- regularly review by-laws to assure adequate and appropriate staff and elected representation from GAMC entities.
- ensure at all times at least two-thirds of the Governing Board is comprised of active members of the PCUSA, including clergy, elders, and laity.

### ***General Assembly Mission Council covenants to:***

- receive and act upon recommendations from the Governing Board regarding nominations for Governing Board membership.
- provide an elected member from GAMC (with an emphasis on continuity), in consultation with the Governing Board, to serve as a voting member on the Governing Board, to join the Associate for Camps and Conference Centers who serves as an ex-officio member of the Governing Board.
- upon the request of the Governing Board, provide a staff member of GAMC (in addition to the Associate for Camps and Conference Centers) to serve as a voting member of the Governing Board.
- cover the reasonable and necessary travel expenses of its Council members to facilitate their active participation with the Governing Board.

## **REVIEW AND EVALUATION**

The GAMC and the Governing Board will initiate an evaluation of the adequacy of and compliance with the Governance Covenant no later than 2016.

## Appendix A

### ***BRIEF HISTORY OF CONFERENCE CENTER GOVERNANCE***

#### ***Ghost Ranch Conference Center and Plaza Resolana***

Ghost Ranch was presented to the Presbyterian Church in 1955 as a gift from Arthur and Phoebe Pack. Management of this gift was lodged in the Board of Christian Education which invested substantial funds and planning effort to develop the Ranch into a conference and study center. Upon reorganization of the national church structures in the early 70's, the management of Ghost Ranch was lodged in the newly-created Program Agency, which exercised this responsibility through Unit III, the division of the Program Agency concerned with Christian Education. Property management concerns were lodged in the Support Agency, which worked in consultation with the appropriate folks in the Program Agency. In the same period, the National Ghost Ranch Foundation (NGRF) was formed to raise funds for the support of Ghost Ranch.

With the Presbyterian reunion and organization of new denominational structures in 1988, governance of Ghost Ranch was lodged in the new Education and Congregational Nurture Ministries Unit of the General Assembly Council. Services for property, legal, personnel, payroll, etc. were provided to Ghost Ranch by specialized areas of the new administrative infrastructure of the denomination (e.g., Church Vocation Unit and Central Treasury Corporation.)

Early in 1990, after nearly a year of deliberation and negotiation, the NGRF arranged for purchase of a portion of the Plaza del Monte facility in Santa Fe. The NGRF later transferred title to this property to the Presbyterian Church as a gift. The facility was opened for business during the summer of 1990, was later renamed Plaza Resolana and has become a vital study and conference center and is part of the whole Ghost Ranch mission. The Co-Directors of Plaza Resolana were hired by and accountable to the Executive Director of Ghost Ranch. Thus the governance of both facilities and programs has been lodged together in the national structures.

During 1993, the national Presbyterian structures were reorganized again. Governance for Ghost Ranch and Plaza Resolana was placed in the new Congregational Ministries Division of the General Assembly Council. Appropriately, property, legal, personnel and payroll services were provided by specialized areas of the administrative infrastructure of the Presbyterian Church (U.S.A.).

For the entire time Ghost Ranch has been a program center of the Presbyterian Church and since purchase of Plaza Resolana from the Board Of Pensions, governance of these centers has been lodged in the national church structure, with specific responsibility assigned to that board or committee and staff related to Christian Education ministries of the denomination. As the programs and operations of the two centers have grown, the need for a consistent and closely-involved relationship with the governance structure for Ghost Ranch has increased accordingly. In 1997, in the new organizational structure, there was even less time for the Division Committee to focus on governance issues of our centers than had become possible with the ECN Unit Committee and its Conferencing Division. A smaller committee handled much broader responsibilities and had less time to interact with and pay serious attention to matters of governance and oversight. Consequently it was seen in 1997 to be the ideal time to design a new way for the Presbyterian Church (U.S.A.) to structure its relationships with Ghost Ranch.

In 1997, a new Conference Center Governance Covenant was entered into between the General Assembly Council (now the General Assembly Mission Council, GAMC), the relevant committees of GAC (Congregational Ministries Division and Mission Support Services), and the Governing Board of the conference center, which provided for coordinated management and oversight of Ghost Ranch by the Governing Board, which had more hands-on experience in Ranch's day-to-day operations. The GAC and its relevant committees covenanted to provide specified financial and administrative support.

The Camp and Conference Center Covenant was revised and renewed in 2001 as provided for in the previous Covenant. Many financial and staffing changes occurred in the years that followed. The 2001 Covenant was not revised or renewed as planned in 2006.

In 2009, the Ghost Ranch Governing Board proposed and then withdrew incorporation as a way forward for Ghost Ranch to better support its ministry and remain a vital ministry of the GAMC. Since

that time, GAMC staff in Louisville and Ghost Ranch have worked to clarify lines of authority and administrative policies to better enable the operation of Ghost Ranch within the GAMC structure.

In 2011, GAMC staff and the Governing Board entered into a new Covenant to better address the current realities in the support relationship of Ghost Ranch and to provide direction for the future. The 2011 Governance Covenant includes language to divide and assign primary areas of responsibility to the General Assembly Mission Council, to GAMC staff, and to the Ghost Ranch Governing Board. Clear assignments, separations, and governing policies are necessary to allow the Governing Board delegated responsibility over operations of Ghost Ranch and implementation of program and planning, while ensuring consultation and coordination with General Assembly Mission Council and preserving legal responsibility to the Presbyterian Church (U.S.A.), A Corporation, in regards to matters related to property ownership.

## Appendix B

### *AGREEMENT FOR GOVERNANCE*

*Ghost Ranch Conference Center,  
Plaza Resolana en Santa Fe Study and Conference Center,  
Stony Point Conference Center  
February 25, 1994*

*...this proposal envisions and outlines a new relationship between the national Presbyterian Church (U.S.A.) and Ghost Ranch/Plaza Resolana and Stony Point conference centers. It is intended to empower these centers both to carry out their mission and vision statements more effectively and to enable the denomination's Organization for Mission....*

- to provide opportunity for identifying and addressing issues of relevance in the life of the church and the world.
- to develop a fully integrated, coherent and efficient structure which will be responsive to the organizational needs of Ghost Ranch/Plaza Resolana and Stony Point and which will be responsible for governance, property management, financial management, policy, and accountability. These bodies will be known as the Governing Board of Ghost Ranch/Plaza Resolana Conference Centers, and the Governing Board of Stony Point Conference Center, respectively.
- to fashion, in coordination with existing divisions and with Corporate and Administrative Services a wholly integrated development structure in order to ensure the vitality of fund raising, assure donor confidence, and gift management.
- to recruit committed, broadly representative persons as part of the governing body to provide proximate, visible leadership to these centers.
- to serve and to strengthen the program strategies and directions of the denomination, reflecting these centers' theological rootedness in education.
- to identify continually and expand the constituencies of these centers, and deeply and creatively involve them in support of our mission.



## Appendix C

### INITIAL GOVERNING BOARD FORMATION

- In the case of Stony Point Center, initial nominations for governing Board membership will be made by the Stony Point Center Transitional Committee and the CMD. In the case of Ghost Ranch/Plaza Resolana, initial nominations for Governing Board membership will be made by a transitional committee comprised of members from CMD, NGRF, Ghost Ranch staff and Plaza Resolana staff. Initial by-laws will be prepared by these transitional committees.
- The initial Governing Boards shall be elected by the Congregational Ministry Division.
- Initially, the Governing Board will have no more than 18 members, serving three-year cycles in classes and its membership will be majority Presbyterian.
- Three members of the Governing Boards will be representatives from the staff of the divisions of the General Assembly Council; one each from CMD, NMD, and WMD.
- The Directors of Ghost Ranch/Plaza Resolana, and Stony Point, and the CMD Director or Chair of CMD Committee will serve as non-voting ex officio members of their respective boards.
- Board members will be chosen with consideration to the following areas of expertise and experience: programming, conferencing, public relations, operation, personnel, finance, collegial style, understanding and appreciation of the Reformed tradition, and sensitivity to different faith traditions.
- Initially there will be at least four board meetings annually, with interval committee meetings as needed. Expenses of travel will be included in the respective budgets of Ghost Ranch, Plaza Resolana and Stony Point.
- CMD will on behalf of GAC initiate an evaluation of the adequacy of the governance of Ghost Ranch/ Plaza Resolana and Stony Point no later than 1998.

#### *The Governing Board members shall:*

- be visionary,
- be responsible for the well-being and growth of Ghost Ranch/Plaza Resolana and Stony Point, give their allegiance to these centers, and be ambassadors for the missions of these centers.
- serve the interests of these centers with prudence and care, conforming to all relevant laws.
- delegate to the respective directors responsibility for the overall administration of the centers.
- assume the financial accountability for the centers.
- determine how to organize the board into executive committee, standing or ad hoc committees, and advisory boards.
- determine how to conduct business, and how to delegate and share authority.
- enact or amend its by-laws which governs its own conduct and size of membership, with concurrence of the Congregational Ministry Division.
- have authority to retain counsel with concurrence of the GAC.
- make an annual contribution according to their individual means.
- provide funds to meet the goals of long-range plans.
- have a knowledge and awareness of local community issues.
- attend at least one seminar per year at either center.

## ITEM A.104 FOR ACTION

<i>FOR GAMC EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i>			
<input checked="" type="checkbox"/>	A. Evangelism	<input type="checkbox"/>	D. Vocation
<input type="checkbox"/>	B. Justice	<input type="checkbox"/>	E. Stewardship
<input type="checkbox"/>	C. Discipleship	<input type="checkbox"/>	F. Audit
<input type="checkbox"/>	P. Plenary	<input type="checkbox"/>	<input type="checkbox"/>
		G. PC(USA), A Corporation	
		H. Executive Committee	

**Subject: Margaret Crawford Fund Re-designation**

**Recommendation:**

**That the Evangelism Mission Committee recommend to the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation and its constituent corporations the adoption of the following resolution:**

**RESOLVED, that the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation ("Corporation") and its constituent corporations, including the Commission on Ecumenical Mission and Relations of the Presbyterian Church (U.S.A.) ("COEMAR"), hereby rescinds, effective upon the adoption of this Resolution, all prior actions taken by COEMAR and any of its Missions, such as the "China Mission," or Mission Stations in China to designate income from the Margaret Crawford Fund, Fund Number 52116, held at the Presbyterian Church (U.S.A.) Foundation in the following manner:**

- **To Hip Who Kindergarten, Hong Kong for unrestricted use**

**and instructs the World Mission Ministry Area or its successor to annually review the amount of income available from the fund, the fund restriction, and the mission opportunities available and determine how best to allocate the available income.**

**Background:**

During the review of various funds benefitting mission internationally, it became apparent to the Legal Offices of the General Assembly Mission Council ("GAMC") and the Presbyterian Church (U.S.A.) Foundation ("Foundation") and the World Mission Ministry Area ("World Mission") that the Margaret Crawford Fund required action due to changed circumstances which allow World Mission, via its mission partners, to participate financially in Christian mission in China. The Legal Offices of the GAMC and Foundation agree that COEMAR has the legal ability to redesignate the proceeds of this fund by rescinding a prior COEMAR action and taking a new one.

The fund's restriction is that COEMAR is "to use [the income] for a similar purpose in the same area of the world [as the Anderson Memorial Kindergarten (Soochow, China)]." A prior action of COEMAR designated the fund's income to the Hip Who Kindergarten in Hong Kong because such work could not be supported in China by COEMAR. Similar mission work may now be supported in China via the Amity Foundation. A current proposal from the Amity Foundation requests funding for the Weishi

Christian Kindergarten Project in Henan Province. Other proposals may be presented in the future which would be missionally advantageous to the current proposal. The directive proposed would provide World Mission with the flexibility it enjoys with numerous other restricted funds, namely the ability to strategically utilize such funds within the legal confines of the donor restriction as differing circumstances present themselves.

Financial Implication: Currently, the Margaret Crawford Fund has approximately \$10,279 of available income and approximately \$28,700.00 in principal.

**ITEM A.102  
 FOR ACTION**

<i>FOR GAMC EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i>			
<b>A. Evangelism</b>		<b>D. Vocation</b>	<b>G.PC(USA), A Corporation</b>
<b>B. Justice</b>		<b>E. Stewardship</b>	<b>H.Executive Committee</b>
<b>C. Discipleship</b>		<b>F. Audit</b>	
<b>P. Plenary</b>			

**Subject: Lease to United States Educational Foundation in Pakistan on behalf of Forman Christian**

**Recommendation:**

**That the Evangelism Committee recommend to the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation and its constituent corporations the adoption of the following resolution: RESOLVED, that the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation ("Corporation") and its constituent corporations, including the Commission on Ecumenical Mission and Relations of the Presbyterian Church (U.S.A.) ("COEMAR"), hereby rescinds, effective upon the adoption of this Resolution, its action taken on October 8, 2010 to authorize, subject to the Corporation's Real Estate Policy ("Policy"), the President and the Executive Vice President/CFO, to execute a Lease Deed with the United States Educational Foundation in Pakistan ("USEFP") for a parcel of real property on the campus of Foreman Christian College ("FCC") in Lahore, Pakistan.**

**and replaces that prior Resolution with the following Resolutions**

**RESOLVED, that the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation ("Corporation") and its constituent corporations, including the Commission on Ecumenical Mission and Relations of the Presbyterian Church (U.S.A.) ("COEMAR"), hereby authorizes, subject to the Corporation's Real Estate Policy ("Policy"), the President, Linda B. Valentine or her successor, after receiving the approval of the World Mission Ministry Area and the Office of Legal Services, to execute a Lease Deed with the United States Educational Foundation in Pakistan ("USEFP") for a parcel of real property on the campus of Foreman Christian College ("FCC") in Lahore, Pakistan so that USEFP may erect and operate structures necessary for housing Fulbright scholars and providing standardized testing and education advice about universities in the United States of America. Among the necessary terms for the Lease Deed, it shall be for a fifty (50) year term, with the structures to be owned by COEMAR at the end of the lease term and lease payments to COEMAR to be made throughout the term of the lease or as negotiated by the parties. In addition, either USEFP or FCC is to pay any and all costs associated with the Lease Deed including, but not limited to, registration fees, taxes, drafting fees, surveying fees, and fees for legal review;**

**FURTHER RESOLVED, that the President is authorized to delegate such power to execute the Lease Deed, through a Power of Attorney and any other written authorization which may be deemed necessary by authorities in Pakistan, to such other person as she may deem fit in her sole discretion;**

**FURTHER RESOLVED, that the President is authorized to take any and all such actions necessary to finalize the execution of the Lease Deed and the intent of this Resolution; and**

**FURTHER RESOLVED, that, should any additional actions, including but not limited to the modification of this action, be required of COEMAR, its Executive Committee is authorized to take any and all such actions on behalf of COEMAR between COEMAR's regularly scheduled meetings.**

**Background:**

After taking the referenced action at the meeting of the Corporation and its constituent corporations last October, USEFP advised that the individual signing the lease on behalf of COEMAR must be physically present in Pakistan to sign the lease. Therefore, World Mission and the Office of Legal Services advise that the prior action be rescinded and Linda Valentine be authorized to designate an individual such as Salim Bhatti, who resides and works in Pakistan as a Presbyterian Church (U.S.A.), A Corporation employee, as authorized to enter into the lease. The action, as drafted, provides Linda Valentine with the authority to designate an individual other than Salim Bhatti so that, if Mr. Bhatti becomes unavailable, another board action would not be required. In addition, the action authorizes the Executive Committee to act on behalf of COEMAR between meetings should additional COEMAR actions be necessary and authorizes Linda Valentine to take any and all such actions necessary to finalize the execution of the lease and the intent of the action.

The following background remains largely the same as the background which was provided last fall with the exception of the period during which lease payments will be made to COEMAR.

COEMAR owns the real property, including fixtures, upon which FCC is situated in Lahore, Pakistan. FCC, via its Board of Directors, operates the educational programming of FCC but does not have a formal lease to use the property from COEMAR. Certain treaty benefits exist to protect the property because it is owned by a United States entity.

In 2007, FCC entered into a Memorandum of Understanding (“MOU”) with USEFP. USEFP was established in 1950 by the governments of Pakistan and the United States. It receives support and counsel from both the Pakistani and US governments, but it is not an agency of either. USEFP relates to the United States Department of State.

Pursuant to the MOU, USEFP is to build buildings on the leased property for the purposes of housing Fulbright scholars and providing standardized testing and education advice about universities in the United States of America. FCC sees this use as important to its educational mission. The MOU reflected that the property is owned by the denomination and provided for a fifty (50) year term with lease payments to be made each year. Originally, USEFP proposed making lease payments during only the last twenty (20) years, but its legal counsel has since advised that payments must be made throughout the lease term. USEFP will pay all construction, upkeep, security, and utility expenses for the leased property.

The difficulty with the MOU, as executed, is two-fold. First, FCC does not possess the property rights in the FCC campus necessary to lease property to another entity. In addition, USEFP secured the services of a Pakistani law firm and was advised that “under the laws of Pakistan, in case leasehold rights are to be granted for a term in excess of eleven (11) months, then the same may only be conferred by way of execution of a lease deed, on which advelorum stamp duty is payable and the deed is a compulsorily

registerable document.” The purpose of this action is to secure the necessary corporate approval for COEMAR to enter into a lease deed with USEFP for the purposes listed above.

The Property is owned by COEMAR, and, therefore, is subject to the terms of the Policy. The Policy provides that international property matters requiring approval by the board are referred to the board via action of the Evangelism Committee. The Policy is less than clear with regard to whether board approval is needed to lease property to another entity for use by that entity which will further the mission program. However, given that the Policy provides that board approval is required to sell or lease property not needed for mission program use “at less than current market value when such sale or lease enhances the mission of the church and is approved by [the board] on the basis of established priorities,” it seems prudent to seek board approval of the proposed, lengthy lease of mission property to USEFP. (See Policy, Article IV., E.)

**Report G.001**  
**Presbyterian Church (U.S.A.), A Corporation**  
**General Assembly Mission Council**  
**September 23, 2011**

The Stewardship Committee, acting as the corporate Property, Legal, and Finance Committee, met September 22, 2011 and reviewed and approved the following. These items are recommended to the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation and Its Constituent Corporations for its review and adoption:

**FOR CONSENT:**

1. **Approve** the April 1, 2011 Minutes of the Board of Directors of Presbyterian Church (U.S.A.), A Corporation and Its Constituent Corporations (distributed via GAMC website)
  
2. **RESOLVED**, that the following positions be and hereby are granted the authority to bind the Presbyterian Church (U.S.A.), A Corporation in all contracts calling for the payment of Ten Thousand Dollars (\$10,000.00) or less.
  - Associate Director, Global Discipleship
  - Associate Director, Mission Effectiveness and Administration
  - Associate Director for Theology, Worship and Education
  - Co-director, Stony Point Center
  - Coordinator, Church Financial Campaign Service
  - Coordinator, Executive Office and Policy Communications
  - Coordinator, Middle Governing Bodies
  - Coordinator, Operations and Administration, World Mission
  - Coordinator, Research Services
  - Director, Compassion, Peace and Justice
  - Director, Creative Services
  - Director, Evangelism and Church Growth
  - Director, Funds Development Ministry
  - Director, Mission Communications
  - Director, Office of Vocation
  - Director, Racial Ethnic and Women's Ministries/PW
  - Director, Stewardship
  - Director, Theology, Worship, and Education
  - Director, World Mission
  - Director of Programs, Ghost Ranch, Santa Fe
  - Director of Operations, Ghost Ranch, Abiquiu
  - Executive Associate, Office of the Executive Director
  - Executive Director, Ghost Ranch\*
  - Manager, Relationship Development Operations
  - Project Manager, CFD Administration
  - Project Manager for Mission Program Administration
  - Publisher, Theology, Worship, and Education
  - Sr. Coordinator of Mission Resources
  
3. **RESOLVED**, that the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation and its constituent corporations ("**Corporation**"), approve amending Section 2.09. of the Bylaws of the Corporation to read as follows:

Section 2.09. Quorum, Manner of Acting, and Adjournment. *Forty percent (40%) A majority* of the Directors in office shall be present at each meeting in order to constitute a quorum

for the transaction of business. Every Director shall be entitled to one vote. Except as otherwise specified in the articles or these bylaws or provided by statute, the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. In the absence of a quorum, a majority of the Directors present and voting may adjourn the meeting from time to time until a quorum is present. The Directors shall act only as a Board and the individual Directors shall have no power as such, except that any action which may be taken at a meeting of the Directors may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the Directors in office and shall be filed with the secretary of the corporation.

4. **RESOLVED, That the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation ("Corporation") hereby elects the listed officers of the Corporation and its Constituent Corporations effective immediately to serve for a period of one (1) year or until their death, resignation, removal, until a successor is elected or until their employment status with the Corporation is terminated:**

Michael W. Kruse	Chair
Carolyn M. McLarnan	Vice Chair
Joey B. Bailey	Executive Vice President/Chief Financial Officer
Roger Dermody	Executive Vice President
Vince Patton	Executive Vice President
Karen L. Schmidt	Executive Vice President
Martha E. Clark	Senior Vice President and Secretary
April L. Davenport	Vice President and Assistant Secretary
Denise Hampton	Vice President and Controller
Michael K. Kirk	Vice President and Assistant Secretary
Dorothy J. Smith	Vice President and Treasurer
Timothy Quinn	Assistant Treasurer

5. **RESOLVED**, that the attached housing allowance designations are ratified; AND further that 40 percent of the salary of every Minister of the Word and Sacrament on the exempt staff, regardless of when hired, is hereby designated for the current year unless otherwise specifically provided (via an express amount listed); AND further that these housing allowance designations are approved for 2011 and all future years unless otherwise provided by the Corporation; AND further that these be attached to the official copy of the minutes (maintained by the corporate secretary) with the designated dollar amounts.

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**Note regarding resolution 5 concerning housing allowance designations:**

Due to security concerns surrounding mission personnel in certain areas of the world, the list of housing allowance designations ("List") is not attached to the Corporate Report because the report is posted on the GAMC website. During the corporate meeting, the List will be displayed on the screen for review by the board. The Corporate Minutes will include the List as an attachment, hence the language as reflected above in the resolution. The official Minutes (printed version) will contain the List approved by the board. The version of the Minutes available on the website will include a redacted version of the List with those persons for whom there is a security concern being removed.



6. **RESOLVED**, that the Church Loan Program Policies and Guidelines and revisions thereto approved by the Mission Development Resources Committee October 21, 2010, attached hereto and incorporated herein by reference, are approved, ratified and confirmed effective October 21, 2010.
  
7. **RESOLVED**, that the General Assembly Mission Council and the Presbyterian Church (U.S.A.), A Corporation approve the Ghost Ranch Conference Center Governance Covenant to be effective October 1, 2011, said covenant attached hereto and incorporated herein by reference; and that the officers and staff are authorized to take any and all actions necessary to carry out the intent and purposes of this action.

**Report A.001**  
**EVANGELISM MISSION COMMITTEE**  
**General Assembly Mission Council**  
**September 22, 2011**

**The Evangelism Mission Committee met September 22, 2011 in Louisville, KY and forwards the following to the General Assembly Mission Council:**

**I. Consent Agenda:** No items

**II. For Action:**

- A. That the General Assembly Mission Council the approve the revised Constitution of the Southern Presbyterian Mission in Japan (pages 4-11 of this appendix).

**III. For Information**

- A. Approved the Evangelism Mission Committee Minutes of March 31, 2011.
- B. Approved and recommended to the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation and its constituent corporations adoption of the following resolution..

RESOLVED, that the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation ("Corporation") and its constituent corporations, including the Commission on Ecumenical Mission and Relations of the Presbyterian Church (U.S.A.) ("COEMAR"), hereby rescinds, effective upon the adoption of this Resolution, its action taken on October 8, 2010 to authorize, subject to the Corporation's Real Estate Policy ("Policy"), the President and the Executive Vice President/CFO, to execute a Lease Deed with the United States Educational Foundation in Pakistan ("USEFP") for a parcel of real property on the campus of Foreman Christian College ("FCC") in Lahore, Pakistan.

and replaces that prior Resolution with the following Resolutions

RESOLVED, that the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation ("Corporation") and its constituent corporations, including the Commission on Ecumenical Mission and Relations of the Presbyterian Church (U.S.A.) ("COEMAR"), hereby authorizes, subject to the Corporation's Real Estate Policy ("Policy"), the President, Linda B. Valentine or her successor, after receiving the approval of the World Mission Ministry Area and the Office of Legal Services, to execute a Lease Deed with the United States Educational Foundation in Pakistan ("USEFP") for a parcel of real property on the campus of Foreman Christian College ("FCC") in Lahore, Pakistan so that USEFP may erect and operate structures necessary for housing Fulbright scholars and providing standardized testing and education advice about universities in the United States of America. Among the necessary terms for the Lease Deed, it shall be for a fifty (50) year term, with the structures to be owned by COEMAR at the end of the lease term and lease payments to COEMAR to be made throughout the term of the lease or as negotiated by the parties. In addition, either USEFP or FCC is to pay any and all costs associated with the Lease Deed including, but not limited to, registration fees, taxes, drafting fees, surveying fees, and fees for legal review;

FURTHER RESOLVED, that the President is authorized to delegate such power to execute the Lease Deed, through a Power of Attorney and any other written authorization which may be deemed necessary by authorities in Pakistan, to such other person as she may deem fit in her sole discretion;

FURTHER RESOLVED, that the President is authorized to take any and all such actions necessary to finalize the execution of the Lease Deed and the intent of this Resolution; and

FURTHER RESOLVED, that, should any additional actions, including but not limited to the modification of this action, be required of COEMAR, its Executive Committee is authorized to take any and all such actions on behalf of COEMAR between COEMAR's regularly scheduled meetings.

- C. In reference to the Margaret Crawford Fund Re-designation, approved and recommended to the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation and its constituent corporations adoption of the following resolution.

RESOLVED, that the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation ("Corporation") and its constituent corporations, including the Commission on Ecumenical Mission and Relations of the Presbyterian Church (U.S.A.) ("COEMAR"), hereby rescinds, effective upon the adoption of this Resolution, all prior actions taken by COEMAR and any of its Missions, such as the "China Mission," or Mission Stations in China to designate income from the Margaret Crawford Fund, Fund Number 52116, held at the Presbyterian Church (U.S.A.) Foundation in the following manner:

- To Hip Who Kindergarten, Hong Kong for unrestricted use

and instructs the World Mission Ministry Area or its successor to annually review the amount of income available from the fund, the fund restriction, and the mission opportunities available and determine how best to allocate the available income.

- D. Approved, in concurrence with the Stewardship Committee, and recommended to the GAMC and, acting as the Corporate Property, Legal, and Finance Committee, recommend to the Board of Directors of Presbyterian Church (U.S.A.), A Corporation the following resolution for approval: (G.107)

RESOLVED, that the Church Loan Program Policies and Guidelines and revisions thereto approved by the Mission Development Resources Committee October 21, 2010, attached hereto and incorporated herein by reference, are approved, ratified and confirmed effective October 21, 2010.

- E. Approved, in concurrence with the Stewardship Committee, and recommended to the General Assembly Mission Council and the Presbyterian Church (U.S.A.), A Corporation approval of the following:(G.106)

RESOLVED, that the General Assembly Mission Council and the Presbyterian Church (U.S.A.), A Corporation approve the Ghost Ranch Conference Center Governance Covenant to be effective October 1, 2011, said covenant attached hereto and incorporated herein by reference; and that the officers and staff are authorized to take any and all actions necessary to carry out the intent and purposes of this action.

F. Heard presentations from:

1. Rev. Eddie Knox, Chair, Task Force to Study Racial Ethnic and New Immigrant Church Growth
2. Lis Valle, Associate Director for Equipping the Church for Mission Involvement, Leadership Development I: World Mission-Young Adult Volunteer Program
3. Rev. Ray Jones, Evangelism Coordinator, Leadership Development II: Evangelism-Online Video Training with Engage.
4. Rev. Hunter Farrell, Director for World Mission, on Amendment 10-A passage and missional impact

G. Discussed Missional Alignment and Strategic Directions with Stony Point Leadership and concurred with Stewardship Committee action E.107:

1. The task force will be comprised of four members selected by the Chair of the General Assembly Mission Council, two members each from the Stewardship and Evangelism Committees, to be supported by the GAMC staff.
2. The task force will study the missional alignment, viability, financial sustainability, and management performance of Stony Point Conference Center
3. The task force will bring to the February 2012 General Assembly Mission Council meeting a report and recommendation concerning all of the elements in subsection (b).

ITEM A.103  
 FOR ACTION

FOR GAMC EXECUTIVE DIRECTOR'S OFFICE USE ONLY			
X	A. Evangelism		D. Vocation
	B. Justice		E. Stewardship
	C. Discipleship		F. Audit
	P. Plenary		

**Subject: Revision of the Southern Presbyterian Mission in Japan’s Constitution**

**Recommendation:**

**That the Evangelism Committee recommend to the General Assembly Mission Council the approval of the attached, revised Constitution of the Southern Presbyterian Mission In Japan.**

**Background:**

The Southern Presbyterian Mission in Japan (Japan Mission) is a juridical person registered with the Japanese national government as a religious organization. Started during the period when large number of Presbyterian missionaries served in Japan, the Japan Mission was largely governed by the mission personnel assigned to service in Japan. Rapid reduction of mission personnel in Japan due to retirement and other career choices, together with World Mission Ministry Area’s (“World Mission”) emphasis on doing mission in partnership necessitated changes in the constitution.

The proposed constitution put forth for approval is designed to support several important objectives:

- Allows for the General Assembly Mission Council (“GAMC”) to participate directly in the governance of the Japan Mission by having representatives serve on the board together with the Japanese Christians.
- Provides opportunities for collaboration with the Japan Mission to plan and implement not only the mission in Japan but also mission from Japan in partnership with local Christian institutions. GAMC representatives on the board would have responsibilities for areas beyond Japan and will involve leaders from other countries when appropriate.
- Manages and deploys mission resources in conformity with Japanese regulations and mission objectives. Major uses of resources for mission activities must be approved by the Japanese government before the start of the Japan Mission’s fiscal year (April). Budgeting by the Japan Mission and awaiting GAMC approval is cumbersome and lacks direct input from World Mission. The proposed constitution allows participation and input from World Mission throughout the planning and implementation stages.
- Ensures that World Mission continues to be a major partner of the Japan Mission. The GAMC must issue its consent to the composition of the Japan Mission board. Also, dissolution of the Japan Mission can move forward only with the consent of the GAMC.

The Japanese language version of the document, not the English translation, is the official, controlling governance document for the Japan Mission.

In summary, the proposed constitution reorganizes the Japan Mission as a major mission partner for mission programs in Japan and from Japan. This transforms the Japan Mission from a legal entity holding resources to one actively seeking to share God's love and bring hope to the lives of people in need.

Financial Implication: None.

August 4, 2011

## 宗教法人 「在日本南プレスビテリアンミッション」規 則

### 第1章 総 則

(名称)

第1条 この宗教団体は、宗教法人法による宗教法人であって「在日本南プレスビテリアンミッション」という。

(事務所の所在地)

第2条 この宗教法人は（以下「法人」という。）主たる事務所を神戸市東灘区御影2丁目5番11号に置き、従たる事務所を大阪市東淀川区淡路2丁目7番10号に置く。

(目的)

第3条 この法人は、キリスト教の本義に基づき、聖書を所依の教典としてキリスト教の教義を宣め、儀式行事を行い、信者を教化育成すること、を目的とし、この法人の目的を達成する為に必要な業務及び事業を行う。

(公告の方法)

第4条 この法人の公告は、機関紙に1回掲載するとともに、法人事務所の掲示場に10日間掲示して行う。

### 第2章 役員その他の機関

第1節 代表役員及び責任役員

(員数)

第5条 この法人には、7名の責任役員を置き、そのうち1名を代表役員とする。

(資格及び選任)

第6条 代表役員及び責任役員は、米国長老教会総会協議会の同意をもって構成する。

- 2 責任役員は、代表役員を、責任役員の互選により選任する。
- 3 次に掲げるグループが、責任役員に選任される資格を有する。
  - 1) 一 世界伝道局が推薦する、米国長老教会会員
  - 二 世界伝道局が推薦する、米国長老教会総会協議会職員
  - 三 淀川キリスト教病院理事会が推薦する、**キリスト教徒である**淀川キリスト教病院理事
  - 四 法務、財務、又は民間組織における専門性のゆえに、在日本南プレスビテリアンミッション責任役員が推薦する、日本国内のキリスト教会に属する日本人の信徒

(任期)

第7条 代表役員の任期は、3年とする。ただし、再任を妨げない。

- 2 代表役員以外の責任役員の任期は、3年とする。ただし、再任を妨げない。
  - 3 代表役員及び責任役員は、辞任又は任期満了後でも、後任者が就任する時まで、なおその職務を行うものとする。
- (代表役員の職務権限)

## Constitution of Japan Mission in mission partnership with the Presbyterian Church (U.S.A.)

### Chapter I Organiz ation

Article 1 This religious organization shall be called the Zai Nihon Minami Puresubiterian Misshon and is a religious juridical person established under the Religious Juridical Person Law of Japan.

Location of Office

Article 2 This religious Juridical Person (hereafter the “Juridical Person”) shall maintain its main office at 2-5-11 Mikage, Higashinada-ku, Kobe-shi and the subsidiary office at 2-7-10 Awaji\_Higashi Yodogawa-ku, Osaka-shi.

Purpose

Article 3 The purpose of this Juridical Person is to engage in mission activities based on the principles of the Christian faith to fulfill the purpose of the Juridical Person including propagating the Christian faith, worship activities, educating believers to serve mankind, and providing compassion and care to those in need. The Bible is to serve as our authority.

Method of Public Notification

Article 4 Public notices of this Juridical Person will be printed in its newsletter once and will be posted on its office’s bulletin board for 10 days.

### Chapter II Officers

Section 1 Chairperson of the Board and the Board Members

Number of Board Member

Article 5 The board of this Juridical Person consists of seven (7) members of which one will be chosen as the Chairperson (Representative Director).

Election of the Board and Their Qualifications

- Article 6
1. Chair and the Board will sit with the consent of the General Assembly Mission Council of the Presbyterian Church (U.S.A.)
  2. The Board selects the Chair from the sitting members of the Board
  3. The following people are eligible to be elected.
    - a. Members of the Presbyterian Church (U.S.A.) nominated by World Mission
    - b. Employees of the General Assembly Mission Council of the Presbyterian Church (U.S.A.) nominated by World Mission.
    - c. Christian Members of the Board of Directors of the Yodogawa Christian Hospital nominated by the YCH Board of Directors.
    - d. Japanese members of Christian churches in Japan nominated by the Japan Mission Board of Directors for their expertise in legal, financial or civil institutions.

Terms of Office

- Article 7
- 1) The term of office of the Chairperson of the Board shall be three years. Consecutive terms are permissible.
  - 2) The term of office on the Board shall be three years. Consecutive terms are permissible.
  - 3) Each Board member including the chairperson shall continue to serve in office even after submitting a resignation or after their normal term has ended until their successor has been selected.

Duties of the Chairperson (Representative Director)

Article 8 The Chairperson shall moderate the Board meetings, represent the Juridical Person (in legal matters) and oversee its business affairs.

第8条 代表役員は、この法人を代表し、その事務を総理する。

(責任役員会及びその職務権限)

第9条 責任役員は、責任役員会を組織し、次の各号に掲げるこの法人の事務を決定する。

一 予算の編成（その変更及び更正を含む）、決算（財産目録、貸借対照表及び収支計算書）の承認、借入金及び保証、歳計剰余金の処置

二 基本財産の設定及び変更

三 不動産及び重要な動産に係る取得、処分、担保の提供、その他重要な行為

四 主要な境内建物の新築、改築、増築、模様替え及び用途変更等

五 規則の変更並びに細則の制定及び改廃

六 合併並びに解散及び残余財産の処分

七 その他この規則に定める事項

八 その他この法人の運営に関する重要な事項で、責任役員が必要と認める事項

2 責任役員会は、代表役員が招集する。

3 責任役員会は責任役員の定数の3分の2以上の出席がなければ会議を開き、議決することができない。ただし、責

任役員会に付議される事項につきあらかじめ書面をもって可否の意思を表示した者は、出席者とみなす。

4 責任役員会の評議は、この規則に別段の定めがある場合を除くほか、責任役員の定数の過半数で決し、その議決権は各々平等とする。

5 会議には、議事録を作成しておくものとする。

第2節 代務者（置くべき場合）

第10条 次の各号の一に該当するときは代務者を置かなければならない。

一 代表役員又は責任役員が死亡、解任、辞任、任期満了その他の事由に因って欠けた場合において、速やかにその後任者を選ぶことができないとき。

二 代表役員又は責任役員が、病気、旅行その他の事由によって3月以上その職務を行うことができないとき。

(資格及び選任)

第11条 代表役員の代務者は、前条第一号に該当するときは、責任役員会において選任し、同条第二号に該当する

ときは代表役員が選任する。

2 代表役員以外の責任役員の代務者は、信徒のうちから、責任役員会において選任する。

(職務権限)

第12条 代務者は、代表役員又は責任役員に代わって、その職務を行う。

2 代務者は、その置くべき事由のやんだときは、当然その職を退くものとする。

第3節 仮代表役員及び仮責任役員

(選定)

第13条 代表役員又はその代務者は、この法人と利益が相反する事項については、代表権を有しない。この場合にお

Board Members' Authorities and Responsibilities

Article 9 1) The Board members constitute the Board of the Juridical Person and make the following business decisions.

a) Compilation of annual budget (and adjustments and amendments), approval of financial reports (schedule of basic assets, balance sheet and income statement), loans and loan guarantees and use of residual funds.

b) Establishment of basic assets and changes (to the schedule.)

c) Acquisition and disposal of real estate and major fixed assets, use as collateral and other major decisions.

d) Construction of buildings, renovations, additions, remodeling and change of use of buildings and land belonging to the Juridical Person.

e) Establishment and modifications of operational rules (bylaws) of this constitution.

f) Merger and dissolution of this Juridical Person and disposal of (residual) properties.

g) All matters pertaining to the regulations set forth in this document.

h) Any other matters involving the operation of this Juridical Person as is determined by the Board.

2) The Chairperson is to call the meeting of the Board.

3) At least two thirds of the Board constitutes a quorum. The exception is for actions where a proxy vote in writing has been received from an absent member. When proxies have been received that person is considered present for all actions covered by the proxy.

4) Except for actions covered elsewhere in this constitution, the Board's decisions are made by the majority on the Board, with each member having an equal vote.

5) Minutes are to be recorded for all Board meetings in both English and Japanese.

Section 2 Substitute Members of the Board

Article 10 In the circumstances noted below, an Acting Member should be appointed when:

a) A vacancy occurs due to a member's death, removal, resignation, expiration of term and other reasons, and if a successor can not be named in a timely manner.

b) A member's inability to perform the Board duties for a period longer than three months due to health issues, travel or other reasons.

Qualifications and Selection

Article 11 1) A substitute Chairperson shall be selected by the Board when the need for a substitute chair is due to Article 10-a, and the Chairperson is to appoint the substitute chair if it was for Article 10-b.

2) Substitute Board members other than the Chairperson shall be selected by the Board from among the ordinary members of the Juridical Person.

Authorities of the Substitute Board Members

Article 12 1) Substitute members are to carry out all functions of their respective offices.

2) Substitute members shall relinquish office when the need for their services ceases to exist.

Selection

Section 3 Acting Chairperson and Acting Board members

Article 13 1) When the Chairperson or the substitute is in a conflict-of-interest situation, the person shall not represent the Juridical Person on that matter, and the Board shall select an Acting Chairperson from the Board members.

2) When a Board member is faced with a conflict of interest concerning a Juridical Person matter, he or she cannot vote on that matter. In such cases, a provisional board member to replace that Board member for deliberation on that matter is to be selected by the Board from among the ordinary members of the Juridical Person.

Authorities (of the Acting Members)



いては、責任役員のうちから、責任役員会において仮代表役員を選定しなければならない。

2 責任役員又はその代務者は、その責任役員又は代務者と特別の利害関係がある事項については、議決権を有しない。

この場合においては、責任役員会において、その議決権を有しない責任役員又はその代務者の員数だけ、仮責任役員を選定しなければならない。

(職務権限)

第14条 仮代表役員又は仮責任役員は、前条に規定する事項について、当該代表役員若しくは責任役員又はその代務

者に代わって、その職務を行う。

2 代務者は、その置くべき事由のやんだときは、当然その職を退くものとする。

第4節 役員解任

(代表役員解任)

第15条 代表役員が次の各号の一に該当するときは、責任役員会において定数の3分の2以上の議決により、当該

代表役員を解任することができる。

一 心身の故障のため、職務の遂行に支障があり、これに堪えない場合

二 職務上の義務に明らかに違反した場合

三 代表役員たるにふさわしくない行為があった場合

(責任役員解任)

第16条 代表役員以外の責任役員が前条各号の一に該当するときは、責任役員会において定数の3分の2以上の議

決により、代表役員は、当該責任役員を解任することができる。この場合において、同条第三号中「代表役員」とあ

るものは「責任役員」と読み替えるものとする。

(代務者解任)

第17条 代表役員及び責任役員代務者の解任については、前2条の規定を準用する。

第5節 信者

(信者の定義)

第18条 信者とは、信仰告白をし、信者となる希望を表明したもので、この法人の承認を受けたものをいう。

2 信者は信者名簿に登録するものとする。

(信者の義務)

第19条 信者は、この法人の目的達成に努めるものとする。

## 第3章 財務

第1節 資産の区分

Article 14 1) Acting Board member or acting Chairperson is to perform the duties of the person he or she is temporarily replacing due to the reasons in Article 13.

2) An acting Board member shall relinquish office when the need ceases to exist.

Section 4 Removal of Members

Removal of the Chairperson

Article 15 The Chairperson of the Board may be removed by the Board upon a two-thirds vote for any of the items listed below.

a) When the person is not able to fulfill the duties of the office due to mental or physical disabilities.

b) When the person has acted in clear violation of the duties of the office.

c) When the person has behaved in a manner inappropriate for a Chairperson.

Removal of a Board Member

Article 16 When any of the three conditions listed in the previous article apply to a Board member other than the Chairperson,

upon approval by a two thirds majority, the Chairperson can remove that person from the board. In those cases,

“Chairperson” in the wording of Article 15, Number 3 is to be substituted with “Board member”.

Removal of an Acting Member

Article 17 The provisions of the previous two articles apply equally to the termination of office of an acting Board member.

Section 5 Definition of a Members in the Juridical Person

Definition of Members

Article 18 1) A Member is defined as a person who confesses the Christian faith has expressed the desire to join the Juridical Person, and who also is approved by the Juridical Person.

2) The Juridical Person shall maintain the list of its members.

Duties of Members

Article 19 Members are to work cooperatively to accomplish the goals of the juridical person.

## Chapter III Financial Management

Section I Classification of Assets

Article 20 The assets of this juridical person shall be classified into basic assets and ordinary assets.

1) Basic assets shall be defined as follows:

a) Land, buildings and other deposits designated as basic assets.

b) Contributions designated as basic assets.

2) Ordinary assets include all assets other than basic assets, income derived from assets and other contributions.

Section II Management of Basic Assets

Establishment and Revision of Basic Assets

Article 21 All decisions to establish and revise the basic assets require Board decisions.

Disposal of Assets

Article 22 1) The following actions must be approved by the majority of the Board. The plans for these actions must be announced to the members of the Juridical Person and other interested parties for one month before enactment.

However, for actions 3 through 5, the announcement is not necessary when the effects are temporary in nature.

(資産の区分)

第20条 この法人の資産は、基本財産及び普通財産とする。

2 基本財産は、次の各号に掲げる財産とする。

一 土地、建物その他の財産のうちから基本財産として設定するもの

二 基本財産として指定された寄附財産

3 普通財産は、基本財産以外の財産、財産から生ずる果実、その他の献金等とする。

第2節 基本財産の処分等

(基本財産の設定及び変更)

第21条 基本財産の設定又は変更をしようとするときは、責任役員会の議決による。

(財産の処分等)

第22条 次に掲げる行為をしようとするときは、責任役員会において過半数の議決を経なければならない。

その行為の少なくとも1月前に、信者その他の利害関係人に対し、その行為の要旨を示してその旨を公告しなければならない。ただし、第三号から第五号までに掲げる行為が一時の期間に係るものである場合にあっては、公告を行わないことができる。

一 不動産を処分し、又は担保に供すること。

二 一年を超える借入れ。

三 主要な境内建物の新築、改築、増築、移築、除却又は著しい模様替えをすること。

四 境内地の著しい模様替えをすること。

五 主要な境内建物の用途若しくは境内地の用途を変更し、又はこれらをこの法人の主たる目的以外の目的のために供すること。

第3節 経費

(経費支弁)

第23条 この法人の経費は、普通財産をもって支弁する。

2 責任役員の地位のみに基づいては、報酬を支給しない。ただし、職員として給与を受ける場合はこの限りではない。

第4節 予算および決算

(予算の編成)

第24条 予算は毎会計年度開始一月前までに編成し、責任役員会において定数の過半数の承認を経なければならない。

これを変更しようとするときも同様とする。

(予算の区分)

第25条 予算は経常及び臨時の2部に区分し、各々これを科目に区分して、歳入の性質及び歳出の目的を明示しなければならない。

(特別会計の設定)

1.Sale of real estate or offering a real estate as a collateral.

2.Borrowing of funds for longer than one year.

3.The building of new buildings or major renovations of existing buildings.

4.Major changes to lands.

5.Major changes to the use of the buildings, or uses not related to the purpose of the juridical person.

Section 3 Expenditure

Payment of Expenses

Article 23 1) Operating expenses of this Juridical Person shall be met with ordinary assets.

2) The members of the Board shall not be paid for their services on the Board. However, they can be paid for their services as staff members.

Section 4 Budget and Closing of the Accounts

Compilation of the Budget

Article 24 The budget must be presented at least one month prior to the beginning of the fiscal year and approved by a majority vote of the Board. All changes to the budget must likewise be approved by a majority of the board.

Categories of the Budget

Article 25 The budget items should be categorized into ordinary expenses and special expenses, each being sub-categorized, according to the nature of receipts and the purposes of expenditures.

Establishment of Special Accounts

Article 26 When a need for special account exists, the Board may approve establishment of a special account.

Closing of the Accounts

Article 27 The closing of accounts shall include a checklist of all properties owned by the Juridical Person, a ledger sheet showing all funds borrowed or lent out and a statement of all income and expenditures that is completed within three months of the close of the fiscal year. These must be adopted by a majority vote of the Board.

Treatment of Surpluses

Article 28 All surpluses (of one year) should be carried forward to the succeeding year.

Fiscal Year

Article 29 The fiscal year for the Juridical Person shall begin on April 1 and end on March 31 of the following year.

**Chapter IV Mission Activities**

Public Benefit Activities

Article 30 1. This Juridical Person shall engage in the following public benefit activities based on Christian principles of love and compassion to achieve the goals of the Juridical Person.

1) Management of medical and (related) public health facilities domestically.

2) Management and support of medical and (related) public health facilities overseas.

3) Management and support of education and acts of compassion domestically.

4) Management and support of education and acts of compassion overseas.

2. The activities in item 1 shall be governed by a separate board of directors established by “Regulations of the Yodogawa Christian Hospital Group.”

第26条 特別の必要があるときは、責任役員会の議決を経て、特別会計を設けることができる。

(決算の作成)

第27条 決算に当たっては、財産目録、貸借対照表及び収支計算書を毎会計年度終了後3月以内に作成し、責任役員会において過半数の議決を経るものとする。

(剰余金の処理)

第28条 剰余金は、これを翌年度に繰り入れるものとする。

(会計年度)

第29条 この法人の会計年度は、毎年4月1日に始まり、翌年3月31日に終わるものとする。

## 第4章 事業

(公益事業)

第30条 この法人は、イエス・キリストの博愛慈善の主旨に基づき、あるいはその目的達成に資するため、次に掲げる公益事業を行う。

一 国内における医療事業及び保健関連事業

二 国外における医療事業及び保健関連事業

三 国内における教育及び慈善事業

四 国外における教育及び事前事業

2 前項第一号の事業は、別に定める「淀川キリスト教病院グループ理事会関係規則」に基づき、それぞれに理事会を設けて管理運営する。

3 全ての公益事業に関する会計は、一般会計から区分し、特別会計として経理しなければならない。

4 全ての公益事業から生じた収益は、この法人又はこの法人が援助する宗教法人若しくは公益事業のために使用しなければならない。

5 その他の全ての公益事業は一般会計として経理し、明確に運営費とは区別すること。

(公益事業以外の事業)

第31条 この法人は前項各号に掲げる事業の他、次の事業を行うことができる。

一 出版事業及び書籍販売業

二 不動産管理事業

三 この法人と共通の目標を掲げる、他の団体を援助する。

2 第一項の事業に関する会計は、一般会計から区分し、特別会計として経理しなければならない。

3 第一項の事業から生じた収益は、この法人又はこの法人が援助する宗教法人若しくは公益事業のために使用しなければならない。

4 第一項の事業から生じた収益は、この法人又はこの法人が援助する宗教法人若しくは公益事業のために使用しなければならない。

5 第一項の事業から生じた収益は、この法人又はこの法人が援助する宗教法人若しくは公益事業のために使用しなければならない。

## 第5章 補則

(規則の変更)

第32条 この規則を変更しようとするときは、責任役員会の定数の3分の2以上の議決を経たのち、所轄庁の認証

3. These public benefit activities shall be accounted for in a special account apart from the ordinary accounts.

4. Income generated from projects in these public benefit activities shall be used for this Juridical Person or other religious Juridical Person or for other public benefit projects.

5. All other public benefit activities shall be accounted for in the ordinary accounts, clearly separated from the operating expenses.

### Activities other than Public Benefit Activities

Article 31 1) The Juridical Person may engage in the following activities apart from the activities in Article 30:

a) Publishing and sale of books.

b) Management of real estate income.

c) Support of other entities sharing the common goals of the Juridical Person.

2) Projects in the first category above are to be operated under special accounts that are separate from the general account.

3) Income generated from projects in the first category are to be used for this Juridical Person or other religious juridical persons or for other public benefit projects.

## Chapter V Supplementary Articles

### Amendments to the Constitution

Article 32 A change to the constitution requires a two-thirds majority of the Board in agreement, and should be recognized by the pertinent government authorities.

### Merger or Dissolution

Article 33 A merger with other organizations or the dissolution of this Juridical Person requires a two-thirds majority of the Board in agreement and consent of the General Assembly Mission Council of the Presbyterian Church (U.S.A.), and should be recognized by the pertinent government authorities.

### Distribution of Remaining Assets

Article 34 Upon dissolution, the remaining assets of the Juridical Person shall either be transferred to one or more public benefit organizations recognized by the laws of the Japanese government, or the assets may be sold and the proceeds remitted to the Presbyterian Church (U.S.A.).

By-Laws 1) The revised constitution of the Juridical Person shall take effect upon the receipt of the recognition document from the Minister of Education. (year month day)

2) The term of service for Board members who are added to the Board as a result of this revision is the regularly stipulated term, while the term of office of the present Board members will be the remainder of their present term.

を受けなければならない。

(合併・解散)

第33条 この法人が合併又は解散しようとするときは、責任役員会の定数の3分の2以上の議決を経たのち、米国長老教会総会協議会の同意を得て、所轄庁の認証を受けなければならない。

(残余財産の帰属)

第34条 この法人の残余財産は、日本政府の法律により認証された1個又は1個以上のその他の公益法人に財産を譲渡することができる。又はその財産を処分して、その売上金を米国長老教会に返付することもできる。

附 則

- 1 この法人の変更後の規則は、文部科学大臣の認証書の交付を受けた日（平成 年 月 日）から施行する。
- 2 この変更された規則により増員された責任役員の任期は、従前就任し、現に責任役員の職にある者の残任期間とする。