



88-2-00947-9 18569992 ARCH2 03-10-03

ARCHIVE RECORD

STATE OF WASHINGTON, County of Pierce: I, Kevin Stock, Clerk of the Pierce County Superior Court, do hereby certify that this instrument is a true and correct copy of the original taken under my direction and control on the date attached hereto. IN WITNESS WHEREOF, I hereunto set my hand and the Seal of said Court.

Kevin Stock, Pierce County Clerk



15-152 4/21/2003 88881

AUG 18 1988

FILED
IN COUNTY CLERK'S OFFICE

A.M. AUG 18 1988 P.M.

PIERCE COUNTY WASHINGTON
TED RUTT, COUNTY CLERK
BY _____ DEPUTY

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF PIERCE

AMERICAN CASUALTY COMPANY OF)
READING PENNSYLVANIA, a)
Pennsylvania corporation,)

Plaintiff,)

vs.)

IRA GABRIELSON and CAROL)
GABRIELSON, husband and wife;)
DONALD LEE BARNETT and)
BARBARA BARNETT, husband and)
wife; COMMUNITY CHAPEL AND)
BIBLE TRAINING CENTER, a)
Washington corporation,)

Defendants.)

NO. 88-2-00947-9
AFFIDAVIT OF DANIEL L.
HANNULA IN SUPPORT OF
DEFENDANTS GABRIELSON'S
MOTION FOR SUMMARY
JUDGMENT AGAINST PLAINTIFF

STATE OF WASHINGTON)
COUNTY OF PIERCE) SS.

DANIEL L. HANNULA, being first duly sworn, upon oath,
deposes and says:

I am an attorney licensed to practice law in the State
of Washington and am one of the attorneys of record for the
defendants Gabrielson in the above-entitled case. I make

////

AFFIDAVIT OF DANIEL L. HANNULA - 1

LAW OFFICES
RUSH, HANNULA & HARKINS

715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402

TACOMA 383-5388
SEATTLE 838-4790

ORIGINAL

15152 4/21/2883 88882

1 the following affidavit of my own personal knowledge of the
2 discovery proceedings, records, and files of this case to
3 date and am competent to testify thereto for the purposes of
4 this motion.

5 On Wednesday, June 29, 1988, the deposition of Donald
6 L. Barnett was reconvened and the witness, having been
7 previously sworn, testified, in part, as follows:

8 Page 32, line 15 through page 39, line 14.

9 BY MR. DODGE:

10 Q. Pastor Barnett, I'm handing you what's been marked as
11 Exhibit 27 to your deposition, and can you identify that for
12 us, please.

13 A. This is a January 28, 1986 revision of Community
14 Chapel and Bible Training Center Articles of Faith and Bylaws.

15 Q. Would you take as long as you need and leaf through
16 the document and tell me if it appears to be a complete copy.

17 A. I would say so.

18 Q. Are the bylaws the rules governing the internal
19 function of the Community Chapel and Bible Training Center?

20 A. Yes.

21 Q. If they are clear in all respects as pertains to what
22 is written, are they the words of the laws for governing the
23 internal affairs of the church in the corporation?

24 A. These are the laws governing the church incorpora-
25 tion, yes.

26 ////

AFFIDAVIT OF DANIEL L. HANNULA - 2

LAW OFFICES
RUSH, HANNULA & HARKINS

715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402

TACOMA 383-5388
SEATTLE 638-4790

15152 4/21/2883 88883

1 Q. If any of the testimony that you've given in your
2 deposition as to what in effect are the rules and regulations
3 and the ways for governing the church as outlined with reference
4 to the bylaws, if your recollection varies or has varied to any
5 degree with what might be written in there, would you refer to
6 the bylaws as to the specific question asked?

7 MR. WINCHELL: Let me just object to the form of the
8 question. You previously talked about the clarity of the
9 bylaws. Are you asking him to assume that they're clear in
10 this question?

11 Q. What I'm asking you to assume is if at any time
12 previous in your deposition you've been asked a question about
13 a certain rule, would you defer to the bylaws if your recollec-
14 tion is different from the bylaws?

15 A. If my recollection of what the bylaws said is different
16 from the bylaws, of course.

17 MR. DODGE: Mark this one. This one is clean; this
18 one is marked up.

19 (Remarked Exhibit 27.)

20 (Discussion off record.)

21 Q. The copy of the bylaws that I've given you includes a
22 Chapter 6 and 7. I ask you to turn back to those. Chapter 6
23 is entitled "Model Articles of Faith and Bylaws for Satellite
24 Churches." Is that correct?

25 A. Yes.

26 ////

AFFIDAVIT OF DANIEL L. HANNULA - 3

LAW OFFICES
RUSH, HANNULA & HARKINS

715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402

TACOMA 383-5388
SEATTLE 838-4790

15152 4/21/2003 88884

1 Q. And this chapter directs that the model bylaws set
2 forth shall be the bylaws of each satellite church?

3 A. Partially.

4 Q. And the date of this bylaws is January 28, 1986, and
5 my question to you is: How long previous to the publication of
6 these bylaws had the corporation church directed the content of
7 the bylaws for satellite churches?

8 A. I can't answer that.

9 Q. I'm going to hand you what's my copy of -- I'll
10 represent to you is the bylaws of the Community Chapel and
11 Bible Training Center of Tacoma. I have that as Exhibit 11 to
12 your deposition. I'll ask you to compare those with Chapter 6
13 of the Model Articles of Faith and bylaws for Satellite
14 Churches.

15 A. Compare what part of it?

16 Q. Well, the entire documents.

17 A. Well, there's no way I can compare the entire docu-
18 ments unless you give me a couple of days.

19 Q. Well, I'd like you to -- well, I can go through with
20 you paragraph by paragraph, but my question to you is, do the
21 Tacoma bylaws appear to be substantially the same document as
22 the Model Articles of Faith and Bylaws?

23 A. Well, the satellite bylaws is 4/18/84 and other one
24 is January 28, 1986.

25 Q. Exactly; that's my question to you. I'm trying to
26

////

AFFIDAVIT OF DANIEL L. HANNULA - 4

LAW OFFICES
RUSH, HANNULA & HARKINS

715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402

TACOMA 383-5388
SEATTLE 838-4790

15152 4/21/2683 88885

1 resolve the difference of dates, and if we have to, we can go
2 th rough item by item without trying to determine if the Tacoma
3 bylaws ratified in '84 appear to comply substantially with the
4 model set out in Chapter 6. And you may take as long as you
5 need.

6 MR. WINCHELL: I'll just object that the documents
7 speak for themselves --

8 A. I think the question is to broad and too vague.

9 MR. WINCHELL: Just for a second. I'll object
10 that the document speaks for itself.

11 MR. DONALDSON: And while you're leafing through, I
12 want to state a general objection that I suppose that there's
13 some relevance, that you have some relevance as to the
14 insurance question, and my objection is that this is not
15 relevant to the question that is in the proceeding in which
16 this is taking place.

17 MR. DODGE: The relevance, briefly, would be how
18 closely the corporate church controlled the satellite church
19 and whether or not under words, rather than what is professed
20 orally, Jack McDonald could be considered to be an agent of the
21 corporate church apart from what we may argue. That is the
22 relevance. I'm looking at the control factor here, the right
23 to control.

24 A. You're talking about hundreds and hundreds of words
25 to compare back and forth, hundreds and hundreds of words, to
26

////

AFFIDAVIT OF DANIEL L. HANNULA - 5

LAW OFFICES
RUSH, HANNULA & HARKINS

715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402

TACOMA 383-5388
SEATTLE 838-4790

15152 4/21/2883 88886

1 see whether they are substantially the same. I can't tell by
2 looking through. I can see that maybe there's A, B, C, D and
3 all this type of thing, but it would take me quite some time
4 to --

5 Q. Well, if you prefer, I can read one while you go down
6 the other and we'll go through line by line.

7 A. Well, that would be a lot easier.

8 MR. DODGE: Okay, we'll do that. Then I guess we'll
9 need to get some copies for everybody.

10 (Discussion off the record.)

11 Q. Have you looked at it or made any further
12 determinations?

13 A. Yeah. See, what I can do, I didn't know -- my
14 attorney helped me out here. I didn't know whether you were
15 trying to trap me in some word missing that I don't know some
16 place that might be there, and I can't just review this at one
17 time. But he says there's no trick, just look at it and see if
18 it's -- and I can look at it. I have gone through, gone to a
19 certain point. I can just kind of do this, but there are
20 changes in wording sometimes, even though the contents may be
21 the same, and if you want to give me a few minutes, I can --

22 Q. Okay. Why don't we do that, then, and that would
23 probably be a more efficient way to do this.

24 MR. WINCHELL: Can you just ask him to assume they're
25 the same?

26 ////

AFFIDAVIT OF DANIEL L. HANNULA - 6

LAW OFFICES
RUSH, HANNULA & HARKINS

715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402

TACOMA 383-5388
SEATTLE 838-4790

15152 4/21/2863 88687

1 MR. DODGE: Well, no, because as he says, there are
2 some wording differences, and you may want to note down and
3 we'll go over anything you consider to be substantially di-
4 fferent, other than just a different wording of the same
5 concept.

6 A. Are you interested in substantially the same or any
7 difference?

8 Q. If the difference is important to you, please get it
9 out. Wording that gets the same concept --

10 A. But there may be some additional requirement or
11 clarification or something. Should I mention those items?

12 A. I think the easiest way for me is to just mention
13 differences as I come to them.

14 Q. Certainly.

15 A. Okay. This is Exhibit 8, this is Exhibit 11, and
16 Exhibit 8 --

17 Q. Ignore the 8. That was an exhibit to somebody
18 else's. The exhibit is 27. That's the model or that is the
19 bylaws as of --

20 A. Okay, and Exhibit 11. 27 and 11.

21 Q. Okay.

22 A. Exhibit 11, page 4, Article 2A, has some additions to
23 Exhibit 27, the addition being that the elder must be born
24 again, Spirit-filled, 25 years old or older. I think from time
25 to time we rearranged some of these, from time to time.

26 ////

AFFIDAVIT OF DANIEL L. HANNULA - 7

LAW OFFICES
RUSH, HANNULA & HARKINS

715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402

TACOMA 383-5388
SEATTLE 838-4790

15152 4/21/2885 86888

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Q. Certainly.

A. Exhibit 11 doesn't have quite as much requirement as Exhibit 27 in musical composition, Section 5, regarding selling music. Section -- Exhibit 11 omits Section 4 on ordination and licensing. Otherwise, it appears to be substantially the same.

Q. Do you --

A. You know, I apologize. I need to go to the restroom just for one minute.

MR. DONALDSON: Should we go off the record?

MR. DODGE: Yeah.

(Discussion off the record.)

Q. Pastor Barnett, referring again to Exhibit 27 and the Chapter 5, do you know whether before January 28, 1986, the corporate church -- and by that I'm referring to the Burien church, the main church -- had something like the Model Articles of Faith and Bylaws for Satellite Churches that were given to satellites to sign upon obtaining satellite status?

A. I don't remember when the first articles were written for bylaws. I would assume it would be quite a bit before that.

Q. Quite a bit before January 28, '86?

A. Yes.

Q. Did you have something else?

A. Well, these were '84 here, and I don't think -- and I'm sure these -- I don't think -- oh, originally drafted and

////

15152 4/21/2663 88663

1 ratified, 4/18/84.

2 Q. What I'm just trying to determine is, were the
3 Exhibit 11 there, the model of the articles -- not the articles
4 -- bylaws for the Tacoma satellite, was that a document that
5 was given from the corporate church to the Tacoma branch as
6 their bylaws for them to ratify?

7 A. Yes.

8 Page 39, line 20 through page 40, line 23.

9 Q. I'm going to hand you what's been marked as Exhibit 9
10 to your deposition, which has been identified as the Articles
11 of Incorporation of the Community Chapel and Bible Training
12 Center of Tacoma, Washington, and ask you to compare that
13 document to Chapter 7 of Exhibit 27, which is a chapter headed
14 "Articles of Incorporation for Satellite Churches."

15 MR. WINCHELL: Objection. The document speaks for
16 itself.

17 Q. Now, it asks you to compare and note as before any
18 difference in substance that you care to note between the
19 articles of incorporation of the Tacoma satellite and the model
20 articles as they appear in Exhibit 27.

21 A. I'm sorry; I didn't follow that.

22 Q. What I'm asking you to do is go through the same
23 process you just did with the bylaws, compare and model
24 articles in the Exhibit 27 to the copies of the articles of the
25 Tacoma church that have been made Exhibit 9. Note for us,

26 ////

AFFIDAVIT OF DANIEL L. HANNULA - 9

LAW OFFICES
RUSH, HANNULA & HARKINS

715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402

TACOMA 383-5388
SEATTLE 836-4790

15152 4/21/88 68818

1 please, any differences in substance that you see in
2 comparison.

3 A. They appear to be substantially the same.

4 Q. And with reference to those articles, again -- and my
5 question bears on the date. Exhibit 9 bears a date, does it
6 not, that it was signed by the incorporators?

7 A. It was signed on the 25th day of March, 1984.

8 Q. And again, do you know if these articles of
9 incorporation, if that was a document given by the main church
10 to the Tacoma satellite for signatures of the incorporators as
11 their articles of incorporation?

12 A. That's my impression, yes.

13 Page 49, lines 1 through 7.

14 Q. Okay. I asked you earlier in the deposition or in my
15 portion of the questioning whether Exhibit 27, the bylaws, are
16 the rule of law for the church where those bylaws are clear.

17 A. Oh, yes.

18 Q. Would the same thing be true for the bylaws of
19 June 6, 1978, prior to the revision of the bylaws in 1986?

20 A. Yes.

21
22 Exhibit A attached to this affidavit and incorporated
23 herein as if fully set forth is a memorandum copy of the policy
24 of insurance provided by plaintiff. Exhibit B attached to this
25 affidavit and incorporated herein as if fully set forth is

26 ////

AFFIDAVIT OF DANIEL L. HANNULA - 10

LAW OFFICES
RUSH, HANNULA & HARKINS

715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402

TACOMA 383-5388
SEATTLE 838-4790

15152 4/21/2003 00011

1 Exhibit 4 to the deposition of Donald L. Barnett in this
2 action, which is a copy of the 1978 Articles of Faith and
3 By-laws of the Community Chapel and Bible Training Center.

4 Exhibit C, attached hereto and incorporated herein by
5 reference as if fully set forth, is Exhibit 9 to the deposition
6 of Donald Barnett in the above matter, which is a copy of the
7 Articles of Incorporation of Community Chapel and Bible Training
8 Center of Tacoma, Washington.

9 Exhibit D, attached hereto and incorporated herein by
10 reference as if fully set forth, is Exhibit 11 to the depo-
11 sition of Donald L. Barnett in the above action, which is the
12 Articles of Faith and By-laws of the Community Chapel and Bible
13 Training Center of Tacoma, Washington, a satellite church of
14 Community Chapel and Bible Training Center, King County,
15 Washington.

16 Exhibit E attached to this affidavit and incorporated
17 herein by reference as if fully set forth is Exhibit 27 to the
18 deposition of Donald L. Barnett in the above-entitled action,
19 which is the Articles of Faith and By-laws of the Community
20 Chapel and Bible Training Center, January 28, 1986 revision.

21 Exhibit F attached to this affidavit and incorporated
22 herein by reference as if fully set forth is Exhibit 6 to the
23 deposition of Donald L. Barnett which is a letter dated May 12,
24 1982 to the Tacoma fellowship from Donald L. Barnett.

25 Exhibit G attached to this affidavit and incorporated

26 ////

AFFIDAVIT OF DANIEL L. HANNULA - 11

LAW OFFICES
RUSH, HANNULA & HARKINS

715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402

TACOMA 383-5388
SEATTLE 838-4790

15152 4/21/2003 88812

1 herein as if fully set forth is Exhibit 7 to the deposition of
2 Donald L. Barnett in the above matter. Exhibit G is composed
3 of a satellite fellowship covenant signed by Donald L. Barnett
4 on July 29, 1982 and Jack McDonald on August 25, 1982 and a
5 cover letter addressed to Jack McDonald from Jack Hicks dated
6 August 13, 1982.

7 Exhibit H attached to this affidavit and incorporated
8 herein as if fully set forth is Exhibit 14 to the deposition of
9 Donald L. Barnett in the above matter, which is a memorandum to
10 Jack Hicks from Ralph Alskog regarding failures by Jack McDonald
11 to comply with by-laws, dated November 11, 1987.

12 Exhibit I attached to this affidavit and incorporated
13 herein as if fully set forth is Exhibit 28 to the deposition of
14 Donald L. Barnett in the above matter, which is a summary of
15 proposal to amend by-laws to the senior elders from Melinda
16 Erickson (for Jack Hicks) dated December 17, 1987.

17 Exhibit J attached to this affidavit and incorporated
18 herein as if fully set forth is Exhibit 2-I to the deposition
19 of Donald Barnett conducted April 31, 1988 in the Thurston
20 County case of Kathy Butler et al. v. Donald L. Barnett, et
21 al., which is a letter to satellite pastors and satellite
22 churches from Donald L. Barnett regarding changes in by-laws
23 and formal relationships between the corporate church and the
24 satellite churches dated April 8, 1988.

25 Exhibit K, attached to this affidavit and incorporated

26 ////

AFFIDAVIT OF DANIEL L. HANNULA - 12

LAW OFFICES
RUSH, HANNULA & HARKINS

715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402

TACOMA 383-5388
SEATTLE 838-4790

15152 4/21/2009 88613

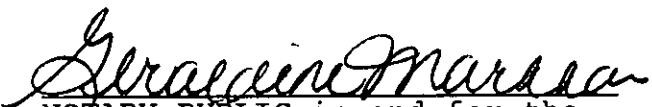
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

herein as if fully set forth, is the amended complaint of Carol
Gabrielson and Ira Gabrielson in Pierce County Cause No.
86-2-02792-6.



DANIEL E. HANNULA

SIGNED AND SWORN to before me this 18 day of
August, 1988.



NOTARY PUBLIC in and for the
State of Washington
My commission expires 10-4-89

////

AFFIDAVIT OF DANIEL L. HANNULA - 13

LAW OFFICES
RUSH, HANNULA & HARKINS
715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402
TACOMA 383-5388
SEATTLE 838-4790

15152 4/21/2003 00014

EXHIBIT

A

Producer No. **028252** Branch **050** Policy Number **50 214 4 20**
 NAMED INSURED & ADDRESS (No. Street, Town, County, State, Zip):
COMMUNITY CHAPEL & BIBLE TRAINING CENTER
18635 Eighth Avenue South
Seattle, WA 98148

- Continental Casualty Company
 - National Fire Insurance Company of Hartford
 - American Casualty Company of Reading, Pa.
 - Transportation Insurance Company
- The Business of the Named Insured is

Church & College

Policy Period: **5-9-85** to **5-9-86** AT NOON (STANDARD TIME) AT THE LOCATION OF THE PREMISES INVOLVED
 INSURED IS Individual Corporation Partnership
 Joint Venture Other **Church & College**

2. Insurance is provided in accordance with the following schedule of coverages. No coverage is provided for any Part of this policy unless a limit of liability or the word "included" is shown for such Part.

a. Part I Damage to Property/Business Earnings See Separate Schedule

Item	Description and Location of Property Covered	Limit of Liability		
		Buildings(s)	Contents	Business Earnings
		\$	\$	

b. % = Coinsurance Clause; %ML = Monthly Limit Clause
 AA = Agreed Amount Clause

c. Part I Property Deductible Amount: \$100; \$ **1,000**

d. MORTGAGE CLAUSE: Subject to the provisions of the mortgage clause in Part I of this policy, Loss (if any) on building items under Part I shall be payable to (insured name) at the address and item number

As Per Attached G39543-A

Part II Comprehensive General Liability	Per Occurrence	Aggregate
	Combined Limits of Liability	\$ 500,000

Optional Liability Extensions: Only those coverages where an appears are included. Except as otherwise indicated the Comprehensive General Liability limits apply.

- Medical Payments \$1,000 per person, unless otherwise indicated
- Fire Legal Liability \$1,000 per occurrence, unless otherwise indicated
- Personal Injury \$1,000 aggregate applies, unless otherwise indicated
- Blanket Contractual
- Broad Form Property Damage

See Part II for other coverages and limits of liability which may be afforded.

f. Part III Commercial Part IV Boiler and Machinery: See Part III and IV for Coverage and Limits

g. Forms and Endorsements made part of this policy at time of issue include: (Insert number and suffix)

PART I: SPA-102, G39200-D, G39224-C, G39225-B, G39239-A, G39543-A, G30454-C, G39282-A92,
G39282-299, G41099-A, C88131-446, G41396-399, T10210(6/76), G31824-A
PART II: G31670-2, G39025-A, G39250-C, G39251-B, G12114(7/66), G19905(7/66), G10612(1/73),
G12208(1/74), G12203(1/74)

Provisional Premium is \$ **28,828** and is payable \$ **28,828** at inception and \$ _____ at each anniversary.
 The premium for installments subsequent to the initial installment shall be subject to adjustment on the basis of the rates in effect at each anniversary date, unless indicated by an X in the box. NOT APPLICABLE

This policy shall not be valid unless countersigned by a duly authorized agent of this Company.

Chairman of the Board *E. J. ...* Corporate Secretary *...* Countersigned by _____ Authorized Agent _____

1
EXHIBIT B

15152 4/21/2663 88816

For All the Commitments You Make[®]

COMPREHENSIVE GENERAL LIABILITY INSURANCE (Combined Limits of Liability)

I. COVERAGE A—BODILY INJURY LIABILITY

COVERAGE B—PROPERTY DAMAGE LIABILITY

The Company will pay on behalf of the *Insured* all sums which the *Insured* shall become legally obligated to pay as damages because of

A. Bodily Injury or

B. Property Damage

to which this insurance applies, caused by an Occurrence, and the Company shall have the right and duty to defend any suit against the *Insured* seeking damages on account of such Bodily Injury or Property Damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

- (a) to liability assumed by the *Insured* under any contract or agreement except an *Incidental Contract*; but this exclusion does not apply to a warranty of fitness or quality of the *Named Insured's Products* or a warranty that work performed by or on behalf of the *Named Insured* will be done in a workman-like manner;
- (b) to *Bodily Injury* or *Property Damage* arising out of the ownership, maintenance, operation, use, loading or unloading of
 - (1) any *Automobile* or aircraft owned or operated by or rented or loaned to any *Insured*, or
 - (2) any other *Automobile* or aircraft operated by any person in the course of his employment by any *Insured*;
 but this exclusion does not apply to the parking of an *Automobile* on premises owned by, rented to or controlled by the *Named Insured* or the ways immediately adjoining, if such *Automobile* is not owned by or rented or loaned to any *Insured*;
- (c) to *Bodily Injury* or *Property Damage* arising out of
 - (1) the ownership, maintenance, operation, use, loading or unloading of any *Mobile Equipment*

while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith.

- (d) to *Bodily Injury* or *Property Damage* arising out of and in the course of the transportation of *Mobile Equipment* by an *Automobile* owned or operated by or rented or loaned to any *Insured*.
- (e) to *Bodily Injury* or *Property Damage* arising out of the ownership, maintenance, operation, use, loading or unloading of
 - (1) any watercraft owned or operated by or rented or loaned to any *Insured*, or
 - (2) any other watercraft operated by any person in the course of his employment by any *Insured*;
 but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the *Named Insured* nor to watercraft under 26 feet in length which are neither owned by *Named Insured* nor used to carry persons or property for a charge.
- (f) to *Bodily Injury* or *Property Damage* arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water, but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;
- (g) to *Bodily Injury* or *Property Damage* due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to
 - (1) liability assumed by the *Insured* under an *Incidental Contract*, or
 - (2) expenses for first aid under the Supplementary Payments provision;
- (h) to *Bodily Injury* or *Property Damage* for which the *Insured* or his indemnitee may be held liable.
 - (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or

(2) if not so engaged, as an owner or lessor of premises used for such purposes.

if such liability is imposed

- (i) by, or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or
- (ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person except with respect to liability of the *Insured* or his indemnitee as an owner or lessor described in (2) above.

But part (i) and (ii) of this exclusion does not apply with respect to liability arising out of the giving or serving of alcoholic beverages at functions incidental to the *Named Insured's* business provided the *Named Insured* is not engaged in the business of manufacturing, distributing, selling or serving of alcoholic beverages and part (ii) of this exclusion does not apply with respect to the liability of the *Insured* or his indemnity as an owner or lessor described in (2) above.

- (i) to any obligation for which the *Insured* or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law.
- (j) to *Bodily Injury* to any employee of the *Insured* arising out of and in the course of his employment by the *Insured* or to any obligation of the *Insured* to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the *Insured* under an *Incidental Contract*;
- (k) to *Property Damage* to
 - (1) property owned or occupied by or rented to the *Insured*,
 - (2) property used by the *Insured*, or
 - (3) property in the care, custody or control of the *Insured* or as to which the *Insured* is for any purpose exercising physical controlbut parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to *Property Damage* (other than to *Elevators*) arising out of the use of an *Elevator* at premises owned by, rented to or controlled by the *Named Insured*.
- (l) to *Property Damage* to premises alienated by the *Named Insured* arising out of such premises or any part thereof.

(m) to loss of use of tangible property which has not been physically injured or destroyed resulting from

- (1) a delay in or lack of performance by or on behalf of the *Named Insured* of any contract or agreement, or
- (2) the failure of the *Named Insured's Products* or work performed by or on behalf of the *Named Insured* to meet the level of performance, quality, fitness or durability warranted or represented by the *Named Insured*;

but this exclusion does not apply to loss of use of other tangible property from the sudden and accidental physical injury to or destruction of the *Named Insured's Products* or work performed by or on behalf of the *Named Insured* after such products or work have been put to use by any person or organization other than an *Insured*.

- (n) to *Property Damage* to the *Named Insured's Products* arising out of such products or any part of such products;
- (o) to *Property Damage* to work performed by or on behalf of the *Named Insured* arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (p) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the *Named Insured's Products* or work completed by or for the *Named Insured* or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
- (q) to *Property Damage* included within:
 - (1) the *Explosion Hazard* in connection with operations identified in this policy by a classification code number which includes the symbol "x,"
 - (2) the *Collapse Hazard* in connection with operations identified in this policy by a classification code number which includes the symbol "c,"
 - (3) the *Underground Property Damage Hazard* in connection with operations identified in this policy by a classification code number which includes the symbol "u."

II. PERSONS INSURED

Each of the following is an *Insured* under this insurance to the extent set forth below:

- (a) if the *Named Insured* is designated in the Declarations as an individual, the person so designated but only with respect to the conduct of a business

15152 47212883 88818

of which he is the sole proprietor, and the spouse of the *Named Insured* with respect to the conduct of such a business.

- (b) if the *Named Insured* is designated in the Declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such.

Spouse—Partnership—If the *Named Insured* is a partnership, the spouse of a partner but only with respect to the conduct of the business of the *Named Insured*.

- (c) if the *Named Insured* is designated in the Declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such.

- (d) any person (other than an employee of the *Named Insured* or organization while acting as real estate manager for the *Named Insured*, and

- (e) with respect to the operation, for the purpose of locomotion upon a public highway, of *Mobile Equipment* registered under any motor vehicle registration law, any person while operating with the permission of the *Named Insured* any such equipment registered in the name of the *Named Insured* and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis to such person or organization, provided that no person or organization shall be an *Insured* under this paragraph (e) with respect to *Property Damage* to property owned by, rented to, in charge of or occupied by the *Named Insured* or the employee of any person described in Paragraph II, *Persons Insured*.

- (f) other than executive officers, any employee of the *Named Insured* while acting within the scope of their duties as such, but the insurance afforded to such employees does not apply to:

(1) *Bodily Injury* to another employee of the *Named Insured* arising out of or in the course of his employment, or

(2) *Bodily Injury* to the *Named Insured*, or if the *Named Insured* is a partnership or joint venture, any partner or member thereof, or the spouse of any of the foregoing.

(3) To *Property Damage* to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being exercised for any purpose by another employee of the *Named Insured* or if the *Named Insured* is a partnership or joint ven-

ture, any partner, member or spouse of any of the foregoing.

This insurance does not apply to *Bodily Injury* or *Property Damage* arising out of the conduct of any partnership or joint venture of which the *Insured* is a partner or member and which is not designated in this policy as a *Named Insured*.

III. LIMITS OF LIABILITY

Regardless of the number (1) *Insured* under this policy, (2) persons or organizations who sustain *Bodily Injury* or *Property Damage*, (3) claims made or suits brought on account of *Bodily Injury* or *Property Damage* to which this insurance applies, the Company's liability is limited as follows:

Coverages A and B Combined—The limit of liability stated in the Declarations Page as applicable to "each *Occurrence*" is the total limit of the Company's liability under Coverages A and B combined for all damages as the result of any one *Occurrence* provided that with respect to any *Occurrence* for which notice of this policy is given in lieu of security or when this policy is certified as proof of financial responsibility under the provisions of the motor vehicle financial responsibility law of any state or province, such limit of liability shall be applied to provide the separate limits required by such law for *Bodily Injury* liability and *Property Damage* liability to the extent of the coverage required by such law, but the separate application of such limit shall not increase the total limit of the Company's liability.

Subject to the above provision respecting "each *Occurrence*," the total liability of the Company for all damages because of all *Bodily Injury* and *Property Damage* to which this coverage applies and described in any of the numbered subparagraphs below shall not exceed the limit of liability stated in the Declarations Page as "aggregate".

(1) all *Property Damage* arising out of premises or operations rated on a remuneration basis, or Contractor's Equipment rated on a receipts basis, including *Property Damage* for which liability is assumed under the *Incidental Contract* relating to such premises or operations, but excluding *Property Damage* included in subparagraph (2) below:

(2) all *Property Damage* arising out of and occurring in the course of operations performed for the *Named Insured* by independent contractors and general supervision thereof by the *Named Insured*, including any such *Property Damage* for which liability is assumed under any *Incidental Contract* relating to such operations, but this subparagraph (2) does not include *Property Damage* arising out of maintenance or repairs at premises owned by or

rented to the *Named Insured* of structural alterations at such premises which do not involve changing the size of or moving buildings or other structures:

- (3) all *Bodily Injury* and *Property Damage* included within the *Completed Operations Hazard* and all *Bodily Injury* and *Property Damage* included within the *Products Hazard*.

Such aggregate limit shall apply separately (i) to the *Property Damage* described in subparagraphs (1) and (2), (ii) with respect to each project away from premises owned by or rented to the *Named Insured* in subparagraphs (1) and (2) and (iii) to the sum of the damages for all *Bodily Injury* and all *Property Damage* described in subparagraph (3)

Coverages A and B—For the purpose of determining the limit of the Company's liability, all *Bodily Injury* and *Property Damage* arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one *Occurrence*.

IV. POLICY TERRITORY

This insurance applies only to *Bodily Injury* or *Property Damage* which occurs within the *Policy Territory*.

V. OPTIONAL LIABILITY EXTENSIONS

The following coverages are optional and coverage is afforded only when indicated in the Declarations page as included.

A. CONTRACTUAL LIABILITY COVERAGE

- (1) The definition of *Incidental Contract* is extended to include any contract or agreement relating to the conduct of the *Named Insured's* business
- (2) The insurance afforded with respect to liability assumed under an *Incidental Contract* is subject to the following additional exclusions:
- (a) to *Bodily Injury* or *Property Damage* for which the *Insured* has assumed liability under any *Incidental Contract*, if such injury or damage occurred prior to the execution of the *Incidental Contract*.

(b) if the *Insured* is an architect, engineer or surveyor, to *Bodily Injury* or *Property Damage* arising out of the rendering or failure to render professional services by such *Insured*, including

(1) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and

(2) supervisory, inspection or engineering services;

(c) if the indemnitee of the *Insured* is an architect,

engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of

(1) the preparation or approval or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or

(2) the giving of or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give is the primary cause of the *Bodily Injury* or *Property Damage*

(d) to any obligation for which the *Insured* may be held liable in an action on a contract by a third party beneficiary for *Bodily Injury* or *Property Damage* arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project

(e) to *Bodily Injury* or *Property Damage* arising out of operations, within 50 feet of any railroad property, affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; but this exclusion does not apply to sidetrack agreements.

(3) The following exclusions applicable to Coverages A (*Bodily Injury*) and B (*Property Damage*) do not apply to this Contractual Liability Coverage (b), (c), (2), (d) and (e).

(4) The following additional condition applies:

Arbitration The Company shall be entitled to exercise all of the *Insured's* rights in the choice of arbitrators and in the conduct of any arbitration proceeding.

B. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

- (1) The Company will pay on behalf of the *Insured* all sums which the *Insured* shall become legally obligated to pay as damages, because of Personal Injury or Advertising Injury to which this insurance applies, sustained by any person or organization and arising out of the conduct of the Named Insured's business within the Policy Territory, and the Company shall have the right and duty to defend any suit against the *Insured* seeking damages on account of such injury, even if any of the allegations are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgments or settlements
- (2) This insurance does not apply:

(a) to liability assumed by the *Insured* under any contract or agreement.

(b) to *Personal Injury* or *Advertising Injury* arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the *Insured*.

(c) to *Personal Injury* or *Advertising Injury* arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the *Named Insured* was made prior to the effective date of this insurance.

(d) to *Personal Injury* or *Advertising Injury* arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the *Insured* with knowledge of the falsity thereof.

(e) to *Personal Injury* or *Advertising Injury* arising out of the conduct of any partnership or joint venture of which the *Insured* is a partner or member and which is not designated in the Declarations of the policy as a *Named Insured*.

(f) to *Advertising Injury* arising out of

(1) failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract, or

(2) infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised.

(3) incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised.

(g) with respect to *Advertising Injury*

(a) to any *Insured* in the business of advertising, broadcasting, publishing or telecasting or

(b) to any injury arising out of any act committed by the *Insured* with actual malice.

(h) to *Personal Injury* to another employee of the *Named Insured* arising out of or in the course of his employment

(3) Limits of Liability

Regardless of the number of (1) *Insureds* here-

under, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of *Personal Injury* or *Advertising Injury* the total limit of the Company's liability under this coverage for all damages shall not exceed the *Bodily Injury* limit of liability stated in the Declarations Page as aggregate.

(4) Additional Definitions

Advertising Injury means injury arising out of an offense committed during the policy period occurring in the course of the *Named Insured's* advertising activities, if such injury arises out of libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copy-right, title or slogan

Personal Injury means injury arising out of one or more of the following offenses committed during the policy period:

X (a) false arrest, detention, imprisonment or malicious prosecution;

(b) wrongful entry or eviction or other invasion of the right of private occupancy;

(c) a publication or utterance

(1) of a libel or slander or other defamatory or disparaging material, or

(2) in violation of an individual's right of privacy;

except publications or utterances in the course of or related to advertising, broadcasting, publishing or telecasting activities conducted by or on behalf of the *Named Insured* shall not be deemed *Personal Injury*

C. PREMISES MEDICAL PAYMENTS COVERAGE

The Company will pay to or for each person who sustains *Bodily Injury* caused by accident all reasonable *Medical Expense* incurred within one year from the date of the accident on account of such *Bodily Injury* provided such *Bodily Injury* arises out of (a) a condition in the *Insured Premises* or (b) operations with respect to which the *Named Insured* is afforded coverage for *Bodily Injury* liability under the policy

This insurance does not apply

(1) to *Bodily Injury*

(a) arising out of the ownership, maintenance, operation, use, loading or unloading of

(1) any *Automobile* or aircraft owned or operated by or rented or loaned to any *Insured*, or

(2) any other *Automobile* or aircraft operated by any person in the course of his employ-

ment by any *Insured*.

but this exclusion does not apply to the parking of an *Automobile* on the *Insured Premises*, if such *Automobile* is not owned by or rented or loaned to any *Insured*:

(b) arising out of

(1) the ownership, maintenance, operation, use, loading or unloading of any *Mobile Equipment* while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity, or

(2) the operation or use of any snowmobile or trailer designed for use therewith.

(c) arising out of the ownership, maintenance, operation, use, loading or unloading of

(1) any watercraft owned or operated by or rented or loaned to any *Insured*, or

(2) any other watercraft operated by any person in the course of his employment by any *Insured*.

but this exclusion does not apply to watercraft while ashore on the *Insured Premises*.

(d) arising out of and in the course of the transportation of *Mobile Equipment* by an *Automobile* owned or operated by or rented or loaned to the *Named Insured*.

2) to *Bodily Injury*

(a) included within the *Completed Operations Hazard* or the *Products Hazard*.

(b) arising out of operations performed for the *Named Insured* by independent contractors other than

(1) maintenance and repair of the *Insured Premises* or

(2) structural alterations at such premises which do not involve changing the size of or moving buildings or other structures.

(c) resulting from the selling, serving or giving of any alcoholic beverage

(1) in violation of any statute, ordinance or regulation,

(2) to a minor,

(3) to a person under the influence of alcohol, or

(4) which causes or contributes to the intoxication of any person,

if the *Named Insured* is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or if not so engaged, is an owner or lessor of premises used for such purposes, but only part (1) of this exclusion (2) (C) applies when the *Named Insured* is such an owner or lessor.

(d) due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing:

(3) to *Bodily Injury*

(a) to the *Named Insured*, any partner therein, any tenant or other person regularly residing on the *Insured Premises* or any employee of any of the foregoing if the *Bodily Injury* arises out of and in the course of his employment therewith:

(b) to any other tenant if the *Bodily Injury* occurs on that part of the *Insured Premises* rented from the *Named Insured* or to any employee of such a tenant if the *Bodily Injury* occurs on the tenant's part of the *Insured Premises* and arises out of and in the course of his employment for the tenant.

(c) to any person while engaged in maintenance and repair of the *Insured Premises* or alteration, demolition or new construction at such premises:

(d) to any person if any benefits for such *Bodily Injury* are payable or required to be provided under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law.

(e) to any person practicing, instructing or participating in any physical training, sport, athletic activity, or contest whether on a formal or informal basis.

(f) if the *Named Insured* is a club, to any member of the *Named Insured*.

(g) if the *Named Insured* is a hotel, motel, or tourist court, to any guest of the *Named Insured*

(4) to any *Medical Expense* for services by the *Named Insured*, any employee thereof or any person or organization under contract to the *Named Insured* to provide such services

LIMITS OF LIABILITY

Limit of liability for Premises Medical Payments coverage is \$1,000 each person unless otherwise stated in the Declarations Page. The limit of liability applicable to "each person" is the limit of the Company's liability for all Medical Expense for Bodily Injury to any one person as the result of any one accident; but subject to the above provision respecting "each person," the total liability of the Company under Premises Medical Payments Coverage for all Medical Expense for Bodily Injury to two or more persons as the result of any one accident shall not exceed the limit of Bodily Injury liability stated in the policy as applicable to "each Occurrence."

When more than one Medical Payments coverage afforded by the policy applies to the loss, the Company shall not be liable for more than the amount of the highest applicable limit of liability

ADDITIONAL DEFINITIONS

When used herein:

Insured Premises means all premises owned by or rented to the *Named Insured* with respect to which the *Named Insured* is afforded coverage for *Bodily Injury* liability under this policy, and includes the ways immediately adjoining on land.

Medical Expense means expenses for necessary medical, surgical, x-ray and dental services including prosthetic devices and necessary ambulance, hospital, professional nursing and funeral services

ADDITIONAL CONDITION

Medical Reports, Proof and Payment of Claim

As soon as practicable the injured person or someone on his behalf shall give to the Company written proof of claim, under oath if required, and shall, after each request from the Company, execute authorization to enable the Company to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the Company when and as often as the Company may reasonably require. The Company may pay the injured person or any person or organization rendering the services and the payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the Company

D. FIRE LEGAL LIABILITY COVERAGE—REAL PROPERTY

With respect to *Property Damage* to structures or portions thereof rented to or leased to the *Named Insured*, including fixtures permanently attached thereto, if such *Property Damage* arises out of fire:

- (1) All of the exclusions of the policy, other than the Nuclear Energy Liability Exclusion (Broad Form),

are deleted and replaced by the following:

This insurance does not apply to liability assumed by the *Insured* under any contract or agreement.

- (2) The limit of *Property Damage* liability as respects this Fire Legal Liability Coverage—Real Property is \$50,000 each Occurrence unless otherwise stated in the Declarations Page.
- (3) The Fire Legal Liability Coverage—Real Property shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof), available to the *Insured*, such as, but not limited to, Fire, Extended Coverage or Installation Risk Coverage, and the Other Insurance Condition of the policy is amended accordingly.

E. BROAD FORM PROPERTY DAMAGE LIABILITY COVERAGE (Including Completed Operations)

The insurance for *Property Damage* liability applies, subject to the following additional provisions

- (1) Exclusions (k) and (o) are replaced by the following:
 - (a) to property owned or occupied by or rented to the *Insured*, or, except with respect to the use of *Elevators*, to property held by the *Insured* for sale or entrusted to the *Insured* for storage or safekeeping.
 - (b) except with respect to liability under a written sidetrack agreement or the use of *Elevators*:
 - (1) to property while on premises owned by or rented to the *Insured* for the purpose of having operations performed on such property by or on behalf of the *Insured*.
 - (2) to tools or equipment while being used by the *Insured* in performing his operations.
 - (3) to property in the custody of the *Insured* which is to be installed, erected or used in construction by the *Insured*.
 - (4) to that particular part of any property, not on the premises owned by or rented to the *Insured*:
 - (i) upon which operations are being performed by or on behalf of the *Insured* at the time of the *Property Damage* arising out of such operations, or
 - (ii) out of which any *Property Damage* arises, or
 - (iii) the restoration, repair or replacement of which has been made or is necessary by reason of faulty workmanship thereon by or on behalf of the *Insured*.

with respect to the *Completed Operations Hazard* and with respect to any classification stated in the policy or in the Company's manual as "including completed operations," to *Property Damage* to work performed by the *Named Insured* arising out of such work or any portion thereof, or out of such materials, parts or equipment furnished in connection therewith.

(2) The Broad Form Property Damage Liability Coverage shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof) available to the *Insured*, such as, but not limited to, Fire, Extended Coverage, Builder's Risk Coverage or Installation Risk Coverage, and the Other Insurance Condition of the policy is amended accordingly



For All the Commitments You Make

POLICY CONDITIONS

THE FOLLOWING CONDITIONS APPLY TO ALL PARTS OF THE POLICY

A. TIME OF INCEPTION: To the extent that coverage in this policy replaces coverage in other policies terminating at 12:01 A.M. (Standard Time) on the inception date of this policy, this policy shall be effective at 12:01 A.M. (Standard Time) instead of at Noon (Standard Time).

Special State Provisions; California, Florida, Oregon and Washington: All coverages in this policy shall be effective at 12:01 A.M. (Standard Time).

B. INSURANCE UNDER MORE THAN ONE PART: In the event that more than one Part of this policy covers the same loss, damage or claim, the Company shall not, under any circumstances, be liable for more than the actual loss, damage or claim sustained by the Insured

C. CONFORMITY WITH STATUTE: The terms of this policy and forms attached hereto which are in conflict with the statutes of the state wherein this policy is issued are hereby amended to conform to such statutes.

D. PREMIUM: All premiums for this insurance shall be computed in accordance with the Company's rules, rates and rating plans, applicable to the insurance afforded.

If this policy is issued for a period in excess of one year with a specified expiration date and a premium is payable at each anniversary, such premium shall be determined annually on the basis of the rates in effect at the anniversary date.

Premium designated in this policy as "provisional premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each annual period, or part thereof terminating with the end of the policy period, the earned premium shall be computed for such period and, upon notice thereof to the Named Insured, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the Company shall return to the Named Insured the unearned portion.

The Named Insured shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the Company at the end of the policy period and at such times during the policy period as the Company may direct.

E. CANCELLATION OF POLICY: This policy may be cancelled at any time at the request of the In-

sured. The Company may cancel this policy at any time by mailing to the Insured and to any mortgagee designated in this policy at any time by mailing to the Insured and to any mortgagee designated in this policy at the last address known to the Company or its agent at least a 60 day notice of cancellation. If the premium is not paid when due, the Company will mail at least a 10 day notice of cancellation.

If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

F. LIBERALIZATION CLAUSE: If during the period that insurance is in force under this policy, or within forty-five days prior to the inception date thereof, on behalf of this Company there be adopted, or filed with and approved or accepted by the Insurance Supervisory Authorities, all in conformity with the law, any changes in the form attached to this policy by which this form of insurance could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance shall inure to the benefit of the Insured as though such endorsement or substitution of form had been made.

G. CONCEALMENT—FRAUD: This entire policy shall be void if, whether before or after a loss, the Insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof or the interest of the Insured therein, or in the case of any fraud or false swearing by the Insured relating thereto.

H. INSPECTION AND AUDIT: The Company shall be permitted but not obligated to inspect the Named Insured's property and operations at any time. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Named Insured or others, to determine or warrant that property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

The Company may examine and audit the Named Insured's books and records at any time during the policy period and extensions thereof and

within three years after the final termination of the policy, as far as they relate to the subject matter of this insurance.

DECLARATIONS: By acceptance of this policy, the Named Insured agrees that the statements in the Declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance.

CHANGES: Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any Part of this policy or estop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

SPECIAL DEFINITIONS:

1. Wherever in any form attached the word "policy" appears it shall mean the Part of this policy to which such form applies.
2. Wherever in any form attached the words "advance premium" appear, they shall mean "provisional premium" as set forth in item D. Premium above.

PROTECTIVE SAFEGUARDS: It is a condition of insurance that the Insured shall maintain so as is within his control such protective safe-

guards as are set forth by endorsement hereto. Failure to maintain such protective safeguards shall suspend this insurance, only as respects the location or situation affected, for the time of such discontinuance.

M. NOTICE TO INSURED: If more than one Insured is named in the Declarations, the Insured first named shall act for itself and for every other Insured for all purposes of this policy. Knowledge possessed by an Insured shall, for the purposes of this policy, constitute knowledge possessed by every Insured. Cancellation of this policy by, or through notice to, the Insured first named shall be cancellation of this policy with respect to every Insured.

N. FAILURE TO RENEW: If the Company has offered to renew this policy and the Named Insured has accepted the offer of renewal, but the renewal has not been issued to the Named Insured prior to the expiration date, then this policy shall continue in full force and effect as though renewed from the date of expiration until replaced by a renewal certificate or policy but in no event to exceed 12 months from the date of expiration stated in the Declarations or in a renewal endorsement attached to this policy. Premium for this extension shall be computed in accordance with the rules and rates contained in the Company's manual at the date of such expiration of this policy.

THE FOLLOWING CONDITIONS APPLY TO PART I

WAR RISK EXCLUSION: This Part shall not apply to loss caused, directly or indirectly, by or due to any act or condition incident to the following:

1. Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining, or using military, naval or air forces, or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces;
 2. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by government authority in hindering, combating or defending against such an occurrence; seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
- B. NUCLEAR CLAUSE:** The word "fire" in this Part is not intended to and does not embrace nuclear

reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled. Loss by nuclear reaction or nuclear radiation or radioactive contamination is not intended to be and is not insured against by this Part, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by "fire" or any other perils insured against by this Part. Subject to the foregoing and all provisions of this policy, direct loss by "fire" resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this Part.

C. NUCLEAR EXCLUSION: Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing is not insured against by this Part, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by any of the perils insured against by this Part; and nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, is not "explosion" or "smoke." This clause applies to all perils insured against hereunder except the perils of fire and lightning, which are otherwise provided for in the Nuclear Clause above.

- D. NO BENEFIT TO BAILEE:** This insurance shall in no way inure directly or indirectly to the benefit of any carrier or other bailee for hire.
- E. ASSIGNMENT:** This policy shall be void if assigned or transferred without the written consent of the Company.
- F. CONDITIONS:**
1. In the event of loss, permission is granted for the Insured to make reasonable repairs, temporary or permanent, provided such repairs are confined solely to the protection of the property from further damage, and provided further that the Insured shall keep an accurate record of such repair expenditures. The cost of any such repairs directly attributable to damage by any peril insured hereunder shall be included in determining the amount of loss. Nothing herein contained is intended to modify the policy requirements applicable in case loss occurs, and the Insured shall protect the property from further damage.
 2. Permission is hereby granted for such unoccupancy as is usual or incidental to the described occupancy.
 3. Permission is hereby granted for such use of the premises as is usual and incidental to the occupancy and to keep and use all materials in such quantities as are usual and incidental to such occupancy.
- G. NO CONTROL:** This insurance shall not be prejudiced.
1. By any act or neglect of the owner of any building if the Insured is not the owner thereof, or by any act or neglect of any occupant (other than the Insured) of any building, when such act or neglect of the owner or occupant is not within the control of the Insured, or
 2. By failure of the Insured to comply with any warranty or condition contained in any form or endorsement attached to this policy with regard to any portion of the premises over which the Insured has no control.
- H. POLICY PERIOD, TERRITORY:** This Part applies only to loss to property during the policy period while such property is within the 50 states of the United States of America, the District of Columbia or the Commonwealth of Puerto Rico.
- I. COINSURANCE CLAUSE:** The Company shall not be liable for a greater proportion of any loss to the property covered than the limit of liability under this Part for such property bears to the amount produced by multiplying the coinsurance percentage stated in the Declarations by the total value of the insured property determined by the same method of valuation used to establish the amount of the loss.
- In the event that the aggregate claim for any loss is both less than \$10,000 and less than 5% of

the limit of liability for all contributing insurance applicable to the property involved at the time such loss occurs, no special inventory or appraisal of the undamaged property shall be required providing that nothing herein shall be construed to waive the application of the first paragraph of this clause.

If insurance under Part I of this policy is divided into separate limits of liability, the foregoing shall apply separately to the property covered under each such limit of liability.

If this insurance is written on a reporting basis, the foregoing Coinsurance Clause does not apply and is replaced by the applicable reporting form provisions.

As respects the State of Florida, the rate charged in this policy is based upon the use of this Coinsurance Clause, with the consent of the Insured.

- J. AGREED AMOUNT CONDITIONS:** If the Declarations Part I Damage to Property/Business Earnings Schedule specify "agreed amount," the following conditions apply:

Subject to all the conditions and stipulations otherwise applicable to Part I, the "Coinsurance Clause" in this policy is suspended and replaced by the following:

1. With respect only to the items specified in the Declarations Part I Damage to Property/Business Earnings Schedule, as being subject to these "agreed amount" provisions, it is made a condition of this insurance that the application of the "Coinsurance Clause" is suspended in determination of loss caused by the perils insured against occurring after the inception date of this policy or endorsement attaching these "agreed amount" conditions.
2. If this policy is renewed by endorsement, these "agreed amount" conditions shall not apply unless "agreed amount" is shown on the renewal endorsement as applying to the renewal.

- K. LIMITS OF LIABILITY AND DEDUCTIBLE:** This Company shall not be liable:

1. for more than the limits shown on the Declarations Part I Damage to Property/Business Earnings Schedule; nor
2. for the amount of any deductible shown in Section 2 of the Declarations Part I Property/Business Earnings Schedule, applying separately to each occurrence. Windstorm or hail losses occurring at separate locations in the course of a single storm shall be considered a single occurrence.

- L. WHAT TO DO WHEN LOSS OCCURS:**

1. The Insured shall as soon as practicable report to this Company or its agent every loss or damage which may become a claim here-

Under and also report such loss or damage to the police if such is a result of violation of the law and shall also file with the Company or its agent within 90 days from the date of loss a detailed sworn proof of loss. Failure by the Insured to report the loss or damage and to file such sworn proof of loss as required shall invalidate any claim hereunder for such loss;

2. It shall be necessary for the Insured to use all lawful and proper efforts for the safeguarding and recovery of the property covered or its value without prejudice to this insurance, and this Company will contribute to the just and reasonable charges thereof in such proportion as the amount of insurance hereunder bears to the whole value of the property involved in the disaster at the time such loss shall occur. The acts of each party or their agents in saving, preserving or recovering the property shall not be considered or held to be either a waiver or an acceptance of abandonment;
3. The Insured and every claimant hereunder shall submit to examination by the Company, subscribe the same, under oath, if required, and produce for the Company's examination all pertinent records, all at such reasonable times and places as the Company shall designate and shall cooperate with the Company in all matters pertaining to loss or claims with respect thereto;
4. No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy nor until 30 days after the required proofs of loss have been filed with the Company, nor at all unless commenced within 2 years from the date when the Insured first has knowledge of the loss;
5. The insured property may be owned by the Insured or held by him in any capacity or may be property for which the Insured is legally liable; provided, the insurance applies only to the interest of the Insured in such property, including the Insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss;
6. It shall always be the option of this Company to take all or any part of the articles at the ascertained or appraised value or to repair or replace any property lost or damaged with other of like kind and quality within a reasonable time of giving notice, within 30 days after receipt of the proof herein required, of its intention to do so;
7. There can be no abandonment to this Company of the property insured unless specifically agreed to by the Company;
8. All adjusted claims shall be paid or made good within 30 days after presentation and acceptance of satisfactory proofs of interest

and loss at the office of this Company. No loss shall be paid hereunder if the Insured has collected the same from others:

9. If the Insured and the Company fail to agree as to the amount of loss, each shall, on the written demand of either, made within 60 days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for 15 days to agree upon such umpire, then, on the request of the Insured or the Company, such umpire shall be selected by a judge of a court of record in the state in which such appraisal is pending. The appraisers shall then set the amount of loss, stating separately the actual cash value at the time of loss and the amount of loss and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and the Company shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal;
 10. If the Insured shall sustain any loss covered by this policy which exceeds the applicable amount of insurance hereunder, the Insured shall be entitled to all recoveries (except from suretyship insurance, reinsurance, security or indemnity taken by or for the benefit of the Company) by whomsoever made, on account of such loss under this policy until fully reimbursed, less the actual cost of effecting the same; and any remainder shall be applied to the reimbursement of the Company.
- M. IMPAIRMENT OF RECOVERY:** Except as noted below, the Company shall not be bound to pay any loss if the Insured shall have impaired any right of recovery for loss to the property insured. It is agreed that:
1. As respects property while on the premises of the Insured, permission is given the Insured to release others in writing from liability for loss prior to loss, and such release shall not affect the right of the Insured to recover hereunder, and
 2. As respects property in transit, the Insured may, without prejudice to his insurance, accept such bills of lading, receipts or contracts of transportation as are ordinarily issued by carriers containing a limitation as to the value of such goods or merchandise.
- N. OTHER INSURANCE:**
1. Loss by fire or other perils not provided for in 2 below: If at the time of the loss, there is other insurance available to the Insured or any other interested party covering such loss

or which would have covered such loss except for the existence of this insurance, then the Company shall be liable as follows:

(a) If such insurance is Contributing Insurance, defined as any insurance written in the name of the Insured, upon the same plan, terms, conditions and provisions as contained in this policy whether collectible or not, the Company shall be liable for no greater proportion of any loss than the limit of liability under this policy bears to the whole amount of insurance covering such loss.

(b) If such insurance is Specific Insurance, defined as any insurance other than that described as Contributing Insurance in (a) above, the Company shall not be liable for any loss hereunder until the liability of such Specific Insurance has been exhausted, and then shall cover only such amount as may exceed the amount due from Specific Insurance (whether collectible or not) after application of any contribution, coinsurance, average or distribution or other clauses contained in policies of such Specific Insurance affecting the amount collectible thereunder, not exceeding however, the applicable limit of liability under this policy.

2. Loss by burglary, robbery or theft or loss of personal property covered on an unspecified peril basis: insurance under this policy shall apply as excess insurance over any other valid and collectible insurance which would apply in the absence of this policy.
3. When loss under this policy is subject to a deductible, the Company shall not be liable for more than its pro rata share of such loss in excess of the deductible amount.

O. LOSS CLAUSE: Unless otherwise provided any loss hereunder shall not reduce the amount of this policy.

P. LOSS PAYABLE CLAUSE: Loss, if any, shall be adjusted with the Named Insured and shall be payable to him unless other payee is specifically named hereunder, provided, at the option of the Company any loss to property of others may be adjusted with and paid to the owner of such property.

Q. MORTGAGE CLAUSE: (Applies only to buildings). This entire clause is void unless name of mortgagee(s) or trustee(s) is inserted in the Declarations Part I Damage to Property/Business Earnings Schedule. Loss or damage, if any, on buildings under this policy, shall be payable to the aforesaid as mortgagee (or trustee) as interest may appear. This insurance, as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the described property, nor by any foreclosure or other proceedings or

notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy; provided, that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same.

Provided also, that the mortgagee (or trustee) shall notify this Company of any change of ownership or occupancy or increase the hazard which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon and the mortgagee (or trustee) shall, on demand, pay the premium for such increased hazard for the term of the use thereof; otherwise this policy shall be null and void.

This Company reserves the right to cancel this policy at any time as provided by its terms, but in such case this policy shall continue in force for the benefit only of the mortgagee (or trustee) for 10 days after notice to the mortgagee (or trustee) of such cancellation and shall then cease, and this Company shall have the right, on like notice, to cancel this agreement.

Whenever this Company shall pay the mortgagee (or trustee) any sum for loss or damage under this policy and shall claim that, as to the mortgagor or owner, no liability therefor existed, this Company shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the mortgage debt, or may at its option, pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage with interest, and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of said mortgagee's (or trustee's) claim.

Loss or damage, if any, under this policy shall be payable to the aforesaid mortgagee (or trustee) as interest may appear under all present or future mortgages, in order of precedence of such mortgages, in accordance with the terms of this Standard Mortgage Clause, it being understood that no notice of increase or decrease in any mortgagee's interest is required.

R. BRANDS OR LABELS: If branded or labeled merchandise is damaged and the Company elects to take all or any part of the property at the agreed or appraised value, the Insured may at his own expense stamp "salvage" on the merchandise or its containers or may remove the brands or labels, if such stamp or removal will not physically damage the merchandise.

S. VALUATION: Subject to all other provisions and conditions, the following valuations are established for property insured under Part I:

Insured's buildings, as defined but in no event to include rugs or carpeting, curtains or draperies, upholstery, cloth awnings, unit air conditioners, domestic appliances and outdoor equipment), at the full cost to repair or replace the property (without deduction for depreciation) if repaired or replaced with due diligence and dispatch and within a reasonable time after loss, but not to exceed:

- (a) The cost to replace the property covered on the same site in a condition equal to, but not superior to or more extensive than, the condition when new.
- (b) The amount actually and necessarily expended in repairing or replacing such property or any part thereof.
- (c) If the damaged property is not repaired or replaced within a reasonable time after loss, or if the Insured shall so elect, the actual cash value (with deduction for depreciation) of the damaged or destroyed property. If the Insured shall elect following loss to make claim on the basis of actual cash value he shall have the right to make further claim for additional liability on the basis of additional cost of repair or replacement, provided the Company is notified in writing within a reasonable time after loss of the Insured's intent to make further claim.

In no event shall aggregate payment for this and any other property insured under any item of the Declarations Part I Damage to Property/Business Earnings Schedule exceed the limit of liability shown for such term.

2. Property of others at the amount for which the Insured is liable but in no event to exceed actual cash value. Loss shall be adjusted with the Insured for the account of the owner(s) of said property, except that the right to adjust such loss with said owner(s) is reserved to the Company and the receipts of the owner(s) in satisfaction thereof shall be in full satisfaction of any claim by the Insured for which such payments have been made.
3. Property sold but not delivered at the actual selling price of the Insured less all discounts and unincurred expenses.
4. Finished stock, manufactured by the Insured at the selling price of such property at the

time and place of loss, less all customary discounts and unincurred expenses.

5. Patterns, molds, models, dies: At actual cash value with proper deduction for depreciation or obsolescence, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.
6. Tenant's Improvements and Betterments:
 - (a) If repaired or replaced within a reasonable time after loss at the expense of the Insured, the actual cash value of the damaged or destroyed property;
 - (b) If not repaired or replaced within a reasonable time after loss, that proportion of the original cost at time of installation of the damaged or destroyed property which the unexpired term of the lease or rental agreement, whether written or oral, in effect at the time of loss bears to the period(s) from the date(s) such improvements and betterments were made to the expiration date of the lease;
 - (c) Property replaced by another for the benefit of and at no cost to the Insured tenant shall not be covered hereunder.
7. All other Insured property: At actual cash value.

T. **SUBROGATION:** In the event of any payment under this policy, the Company shall be subrogated to all the Insured's rights of recovery therefor against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such rights.

U. **VACANCY AND UNOCCUPANCY CLAUSE:** This Company shall not be liable for loss caused by vandalism or malicious mischief occurring after a described building (whether intended for occupancy by owner or tenant) has been vacant or unoccupied for a period of 30 consecutive days, nor for loss caused by any other insured peril after it has been vacant for a period of 60 consecutive days, regardless of the date coverage is effective.

This condition shall not apply to one and two family dwellings nor to buildings in due course of construction.

THE FOLLOWING CONDITIONS APPLY TO PART II

1. SUPPLEMENTARY PAYMENTS:

The Company will pay, in addition to the applicable limit of liability;

- (a) all expenses incurred by the Company, all costs taxed against the Insured in any suit defended by the Company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment

and before the Company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Company's liability thereon;

- (b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of

quired of the *Insured* because of accident or traffic law violation arising out of the use of any vehicle to which this policy applies, not to exceed \$250 per bail bond, but the Company shall have no obligation to apply for or furnish any such bonds;

(c) expenses incurred by the *Insured* for first aid to others at the time of an accident, for *Bodily Injury* to which this policy applies;

(d) reasonable expenses incurred by the *Insured* at the Company's request in assisting the Company in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed \$25 per day.

2. **FINANCIAL RESPONSIBILITY LAWS:** When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by this policy for *Bodily Injury* liability or for *Property Damage* liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law. The *Insured* agrees to reimburse the Company for any payment made by the Company which it would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph.

3. **INSURED'S DUTIES IN THE EVENT OF OCCURRENCE, CLAIM OR SUIT:**

(a) In the event of an *Occurrence*, written notice containing particulars sufficient to identify the *Insured* and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the *Insured* to the Company or any of its authorized agents as soon as practicable.

(b) If claim is made or suit is brought against the *Insured*, the *Insured* shall immediately forward to the Company every demand, notice, summons or other process received by him or his representative.

(c) The *Insured* shall cooperate with the Company and, upon the Company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the *Insured* because of injury or damage with respect to which insurance is afforded under this policy; and the *Insured* shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The *Insured* shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

4. **AGGREGATE:** If this policy is in effect for a period

liability stated in this policy as "aggregate" shall apply separately to each consecutive annual period.

5. **SUBROGATION:** In the event of any payment under this Part, the Company shall be subrogated to all the *Insured's* rights of recovery therefor against any person or organization and the *Insured* shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The *Insured* shall do nothing after loss to prejudice such rights.

6. **ACTION AGAINST COMPANY:** No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the *Insured's* obligation to pay shall have been finally determined either by judgment against the *Insured* after actual trial or by written agreement of the *Insured*, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the *Insured* to determine the *Insured's* liability, nor shall the Company be impleaded by the *Insured* or his legal representative. Bankruptcy or insolvency of the *Insured* or the *Insured's* estate shall not relieve the Company of any of its obligations hereunder.

7. **OTHER INSURANCE:** The insurance afforded by this Part is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the *Insured* has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Company's liability under this policy shall not be reduced by the existence of such other insurance.

With respect to any insurance afforded by this policy for *Bodily Injury* or *Property Damage* arising from watercraft where the *Insured* is, irrespective of this insurance, covered or protected against any loss or claim which would otherwise have been paid by the Company, there shall be no contribution or participation by this Company on the basis of excess, contributing, deficiency, concurrent, or double insurance or otherwise.

When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the Company shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

(a) **Contribution by Equal Shares:** If all of such other valid and collectible insurance provides

for contribution by equal shares. The Company shall not be liable for a greater proportion of such loss than would be payable if each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

(b) **Contribution by Limits:** If any of such other insurance does not provide for contribution by equal shares, the Company shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

3. NUCLEAR EXCLUSION:

It is agreed that:

1. This policy does not apply:

A. Under any Liability Coverage, to damage

(1) with respect to which an *Insured* under this policy is also an *Insured* under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an *Insured* under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) resulting from the hazardous properties of nuclear material and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the *Insured* is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to damage resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

C. Under any Liability Coverage to damage resulting from the hazardous properties of nuclear material, if

(1) the nuclear material (a) is at any nuclear facility owned by or operated by or on behalf of an *Insured* or (b) has been discharged or dispersed therefrom;

(2) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an *Insured*; or

(3) the damage arises out of the furnishing by an *Insured* of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *Property Damage* to such nuclear facility and any property thereat.

II. As used in this exclusion

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means source material, special nuclear material or byproduct material;

"source material," "special nuclear material," and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"waste" means any waste material (1) containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

"nuclear facility" means

(a) any nuclear reactor,

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste.

(c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the *Insured* at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste.

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or contain a critical mass of fissionable material;

"property damage" includes all forms of radioactive contamination of property.

9. **ASSIGNMENT:** Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon. If, however, the *Named*

Insured shall die, this insurance as is afforded by this policy shall apply (1) to the *Named Insured's* legal representative, as the *Named Insured*, but only while acting within the scope of his duties as such, and (2) with respect to the property of the *Named Insured* to the person having proper temporary custody thereof, as *Insured*, but only until the appointment and qualification of the legal representative.

DEFINITIONS APPLICABLE TO PART II

When used in the provisions applicable to Part II of this policy (including endorsements forming a part hereof):

Automobile means a land motor vehicle, trailer or semitrailer designed to travel on public roads (including any machinery or apparatus attached thereto), but does not include mobile equipment.

Bodily Injury means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom or *Incidental Medical Malpractice Injury*.

Collapse Hazard includes "structural property damage" as defined herein and *Property Damage* to any other property at any time resulting therefrom. "Structural property damage" means the collapse of or structural injury to any building or structure due to (1) grading of land, excavating, burrowing, filling, backfilling, tunnelling, pile driving, cofferdam work or caisson work or (2) moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support thereof. The collapse hazard does not include *Property Damage* (1) arising out of operations performed for the *Named Insured* by independent contractors, or (2) included within the *Completed Operations Hazard* or the *Underground Property Damage Hazard* or (3) for which liability is assumed by the *Insured* under an *Incidental Contract*.

Completed Operations Hazard includes *Bodily Injury* and *Property Damage* arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the *Bodily Injury* or *Property Damage* occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the *Named Insured*. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- (1) when all operations to be performed by or on behalf of the *Named Insured* under the contract have been completed.
- (2) when all operations to be performed by or on behalf of the *Named Insured* at the site of the operations have been completed, or
- (3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organiza-

tion other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The *Completed Operations Hazard* does not include *Bodily Injury* or *Property Damage* arising out of

- (1) operations in connection with the transportation of property, unless the *Bodily Injury* or *Property Damage* arises out of a condition in or on a vehicle created by the loading or unloading thereof,
- (2) the existence of tools, uninstalled equipment or abandoned or unused materials, or
- (3) operations for which the classification stated in the policy or in the Company's manual specifies including *Completed Operations*.

Elevator means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; but does not include an automobile servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hod or material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet.

Explosion Hazard includes *Property Damage* arising out of blasting or explosion. The explosion hazard does not include *Property Damage* (1) arising out of the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment, or (2) arising out of operations performed for the *Named Insured* by independent contractors, or (3) included within the *Completed Operations Hazard* or the *Underground Property Damage Hazard* or (4) for which liability has been assumed by the *Insured* under an *Incidental Contract*.

Incidental Contract means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad, (3) undertaking to indemnify a municipality required by municipal ordinance.

5982/12/4
25151

except, in connection with work for the municipality, (4) sidetrack agreement, or (5) elevator maintenance agreement.

Incidental Medical Malpractice Injury means injury resulting out of the rendering of or failure to render, during the policy period, the following services:

- (A) medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or
 - (B) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.
- Incidental Medical Malpractice Injury** does not apply to:

- (1) expenses incurred by the *Insured* for first aid to others at the time of an accident and the "Supplementary Payments" provision and the "Insured's Duties in the Event of Occurrence, Claim or Suit" Condition are amended accordingly; or
- (2) any *Insured* engaged in the business or occupation of providing any of these services described under (A) and (B) above;
- (3) injury caused by any indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under (A) and (B) above.

Insured means any person or organization qualifying as an *Insured* in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each *Insured* against whom claim is made or suit is brought, except with respect to the limits of the Company's liability.

Loading or Unloading, with respect to an *Automobile*, means the handling of property after it is moved from the place where it is accepted for movement into or onto an *Automobile* or while it is in or on an *Automobile* or while it is being moved from an *Automobile* to the place where it is finally delivered, but **Loading or Unloading** does not include the movement of property by means of a mechanical device (other than a hand truck) not attached to the *Automobile*.

Mobile Equipment means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the *Named Insured*, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment.

Named Insured means the person or organization named in Section 1. of the Declarations of this policy. Any organization which is acquired or formed by the

Named Insured and over which the *Named Insured* maintains ownership or minority interest, other than a joint venture, provided this insurance does not apply to **Bodily Injury**, and **Property Damage**, **Personal Injury** and **Advertising Injury** with respect to which such new organization under this policy is also an *Insured* under any other similar liability or indemnity policy or would be an *Insured* under any such policy but for exhaustion of its limits of liability. The insurance afforded hereby shall terminate 90 days from the date any such organization is acquired or formed by the *Named Insured*.

Named Insured's Products means goods or products manufactured, sold, handled or distributed by the *Named Insured* or by others trading under his name including any container thereof (other than a vehicle), but **Named Insured's Products** shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold.

Occurrence means an accident, including continuous or repeated exposure to conditions, which results in **Bodily Injury** or **Property Damage** neither expected nor intended from the standpoint of the *Insured*.

This includes any intentional act by or at the direction of the *Insured* which results in **Bodily Injury**, if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property.

Policy Territory means:

- (1) the United States of America, its territories or possessions, or Canada, or
- (2) international waters or air space, provided the **Bodily Injury** or **Property Damage** does not occur in the course of travel or transportation to or from any other country, state or nation, or
- (3) anywhere in the world with respect to damages because of **Bodily Injury** or **Property Damage** arising out of a product which was sold for use or consumption within the territory described in paragraph (1) above, provided the original suit for such damages is brought within such territory.
- (4) Anywhere in the world with respect to **Bodily Injury**, or **Property Damage**, and when such coverage is provided, **Personal Injury** or **Advertising Injury** arising out of the activities of any *Insured* permanently domiciled in the United States of America though temporarily outside the United States of America, its territories and possessions or Canada, provided the original suit for damages because of any such injury or damage is brought within the United States of America, its territories or possessions or Canada.

Such insurance as is afforded by paragraph (4) above shall not apply:

- (a) to **Bodily Injury** or **Property Damage** included within the **Completed Operations**

Hazard of the Products Hazard

(b) to premises medical payments coverage.

Products Hazard includes **Bodily Injury and Property Damage** arising out of the **Named Insured's Products** or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury or Property Damage** occurs away from premises owned by or rented to the **Named Insured** and after physical possession of such products has been relinquished to others.

Property Damage means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **Occurrence** during the policy period.

Underground Property Damage Hazard includes **Underground Property Damage** as defined herein and **Property Damage** to any other property at any time resulting therefrom. **Underground Property Damage** means **Property Damage** to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus in connection therewith, beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, burrowing, filling, back-filling or pile driving. The **Underground Property Damage Hazard** does not include **Property Damage** (1) arising out of operations performed for the **Named Insured** by independent contractors, or (2) included within the **Completed Operations Hazard** or (3) for which liability is assumed by the **Insured** under an **Incidental Contract**.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.
(The following information is required only when this endorsement is issued subsequent to preparation of policy.)

Endorsement effective _____ Policy No **IP 30 214 40 20** Endorsement No **8**
Named Insured **COMMUNITY CHAPEL & BIBLE TRAINING CENTER**

Countersigned by _____
Authorized Representative

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
**COMPREHENSIVE GENERAL LIABILITY INSURANCE
MANUFACTURERS AND CONTRACTORS LIABILITY INSURANCE
OWNERS, LANDLORDS AND TENANTS LIABILITY INSURANCE**

EXCLUSION
(Malpractice and Professional Services)
(Form A)

It is agreed that with respect to any operation described below or designated in the policy as subject to this endorsement, the insurance does not apply to bodily injury or property damage due to:

1. the rendering or failure to render
 - (a) medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith
 - (b) any service or treatment conducive to health or of a professional nature
 - (c) any cosmetic or tonsorial service or treatment
2. the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances or
3. the handling of or performing of autopsies on dead bodies

Description of Operations: **Schools - Colleges, Universities or College Preparatory**

EXHIBIT

B

4
DATE 5-10-88
WITNESS Garnett
Mary A. Whitney 682-1427

COMMUNITY CHAPEL AND BIBLE TRAINING CENTER
ARTICLES OF FAITH AND BYLAWS

Originally drafted and ratified: October 18, 1967.

First revision: September 9, 1969.
Second revision: December 16, 1974.
Third revision: September 23, 1975.
Fourth revision: November 9, 1976.
Present revision: June 6, 1978

PREAMBLE

We, members of the spiritual body of Christ desiring to unite in fellowship as a visible church, do hereby adopt this constitution and agree to be governed by its precepts.

DIVISION ONE
THE TOTAL CORPORATION

SECTION I

Name, Location, and Objective

ARTICLE ONE: The name of this Corporation shall be COMMUNITY CHAPEL AND BIBLE TRAINING CENTER. The total Corporation is not an entity in itself. It is rather the sum of the functions of all the Divisions of Community Chapel and Bible Training Center. The Corporation does not and cannot exist independently from the various Divisions.

ARTICLE TWO: The location of the headquarters of Community Chapel and Bible Training Center is in King County, Washington. The mailing address is 18635 Eighth Avenue South, Seattle, Washington, 98148.

ARTICLE THREE: Community Chapel and Bible Training Center may own and/or operate schools, satellite churches, publication outlets, service facilities, and other such structures and fellowships anywhere in the world.

ARTICLE FOUR: The objective of Community Chapel and Bible Training Center shall be:

- A. To establish and maintain places of worship.
- B. To edify the saints, up-building them in the faith of God's Holy Word.

20100183

- C. To aid souls in being saved and filled with the Holy Spirit and living victorious Christian lives, and in looking and preparing for our hope from heaven: the Lord Jesus Christ.
- D. To give spiritual counseling to those in need.
- E. To help, train, exhort, and advise God's people in witnessing of Jesus Christ and living for Him.
- F. To propagate the Word of God.
- G. To edify and help the total man: body, soul, and spirit.
- H. To aid man, as God's creation, spiritually, physically, mentally, socially, and financially.

SECTION II

General Management

ARTICLE ONE: The total Corporation (Community Chapel and Bible Training Center) shall be controlled by a board of directors, hereafter in this document called "The Steering Committee" (referred to in the October 18, 1967, Article of Corporation as "The Board of Elders"), and in subsequent Articles of Corporation revisions (if and as such are made) as "The Board of Directors."

ARTICLE TWO: Community Chapel and Bible Training Center shall consist of various Divisions of the single Corporation. Each Division head governs his own Division (without direct supervision by the Steering Committee of the Corporation), yet the Steering Committee governs all Divisions through these Bylaws, and appoints and removes all Division heads except when the original Pastor is that Division head.

ARTICLE THREE: The various Divisions of the Corporation, as of this June, 1978, revision are:

- A. The Church of Community Chapel and Bible Training Center.
- B. Community Chapel Bible College.
- C. Community Chapel Christian School.
- D. Community Chapel Publications.
- E. Satellite Churches.

ARTICLE FOUR: As of this June, 1978, revision of these Bylaws, Donald Lee Barnett holds the following offices within the Corporation:

- A. Chairman of the Steering Committee (the President of the Corporation).
- B. The Pastor of the Church of Community Chapel and Bible Training Center.

20100184

15152 4/21/2009 00039

- C. The President of Community Chapel Bible College.
- D. The Director of Community Chapel Christian Schools.
- E. The Director of Publications of Community Chapel Publications.

ARTICLE FIVE: The Steering Committee of "The Church of Community Chapel and Bible Training Center" shall be one and the same body as the Steering Committee of the entire Corporation of Community Chapel and Bible Training Center.

ARTICLE SIX: The Pastors of the Satellite Churches shall be subject to admonishment, discipline, and ultimate removal by the Steering Committee.

ARTICLE SEVEN: The Voting Elders and the Deacons of the Satellite Churches shall function only within their respective Satellite Churches and shall not be considered to be officers of the Corporation of Community Chapel and Bible Training Center, but only officers of their local Satellite Church.

SECTION III

Specific Management of the Corporation of Community Chapel and Bible Training Center The Steering Committee

ARTICLE ONE: (This Article shall be considered to be an explanation of office rather than an explanation of legal, constituted authority, for which see subsequent articles.) The Steering Committee shall be considered to be the ministry of governments (derived from the Greek kubernesis, meaning to steer, guide, govern), as noted in I Corinthians 12:28, and as such shall be a governing body under the chief helmsman, the Pastor (who is the Chairman or presiding member of the Steering Committee) and over the Board of Deacons (Greek: antilipsis, "helps" - I Corinthians 12:28), as noted in these Articles of Faith and Bylaws; and over the congregation in general.

ARTICLE TWO: The Steering Committee shall consist of at least four members which shall guide Community Chapel and Bible Training Center in all areas, as defined in these Bylaws, except in areas reserved for the Pastor of the Church of Community Chapel and Bible Training Center alone, and in accordance with the following rules.

ARTICLE THREE: The Steering Committee shall have one Chairman.

- A. The Chairman of the Steering Committee shall always be one and the same person as the "President of the Corporation," and the "Chairman of the Board of Directors." These three titles shall be interpreted to be synonymous.
- B. The original Chairman of the Steering Committee is Donald Lee Barnett who cannot be removed from office while living.
- C. The selection of future Chairmen of the Steering Committee is by means of the process described under the President of the Corporation. (See also Section IV, Article Four below.)

ARTICLE FOUR: The Steering Committee as of this June, 1978, revision consists of:

- A. Donald Lee Barnett (Chairman and Corporate President).
- B. E. Scott Hartley.
- C. Jack A. Hicks (Corporate Vice-President).
- D. Calvin E. Freden.

ARTICLE FIVE: Additional Steering Committee members may be appointed by the Steering Committee from among the Elders of the Church of Community Chapel and Bible Training Center by the affirmative vote of the Pastor and at least all other Steering Committee members save one.

ARTICLE SIX: The Pastor of the Church of Community Chapel and Bible Training Center shall automatically be a member of the Steering Committee.

ARTICLE SEVEN: Steering Committee members shall serve for life unless they resign or are removed by a minimum three-quarters (3/4) majority vote of the Steering Committee.

- A. Only one member may be removed during any single round of votes.
- B. The one in question shall have no vote in the question of his removal, nor will his potential vote be counted in the total upon which the determination of the majority is made.
- C. In the event a member of the Steering Committee is removed, leaving the Committee below the minimum number specified in Article Two above, an Elder shall be appointed to the Steering Committee within seven days.
- D. No member of the Steering Committee may be removed from office while the Committee is below the minimum number of four.
- E. No business by the Steering Committee may be transacted while the Committee is below minimum number other than that business required to bring the Committee back up to the minimum number.
- F. The original Pastor shall not be subject to removal from the Steering Committee nor from the position of Chairman of the Steering Committee.

ARTICLE EIGHT: The Steering Committee shall direct the Corporation in such matters as:

- A. Creating new departments within the Corporation.
- B. Establishing the goals of the Corporation of Community Chapel and Bible Training Center.

20100186

15152 4/21/2003 88841

- C. Determining if and when the Corporation should split into several independent corporations.
- D. Revising the Articles of Corporation, the Articles of Faith, and the Bylaws.
- E. Settling disputes within the Corporation that cannot be handled by the previously delegated authority.
- F. Determining whether or not to buy, sell, or trade real property; or construct new buildings. (See Division Two, Section One, Article Three, Item A, Paragraphs 4-6.)
- G. Determining whether or not to subsidize any department of the Corporation, including Satellite Churches.
- H. Exercising jurisdiction over the departments within the Corporation. The Steering Committee shall not normally override decisions of Division heads or exercise its authority over their individual finances, and other matters except where it feels such action is an absolute necessity. (This clause shall not be interpreted to give the Steering Committee authority over those areas that are specifically stated to be outside the jurisdiction of the Steering Committee, being exclusively the prerogative of the office involved.)
- I. Overriding the Deacon Board's decisions if it feels they are contrary to or out of line with the goals and direction of the Steering Committee. (This includes directing the Deacon Board to release monies for buildings, ministries, etc.)
- J. Exercising jurisdiction in any additional matter for which the Steering Committee feels responsible (subject to the original Steering Committee Chairman's concurrence if still presiding).

ARTICLE NINE: This article applies only if the Pastor of the Church of Community Chapel and Bible Training Center and the Chairman of the Steering Committee are one and the same person: The Steering Committee shall not meet to discuss problems or make decisions without the presence or permission of the Chairman and a minimum of all Steering Committee members save one, except to consider the Chairman's salary. If the vote is such that any missing member's vote might have an impact upon the outcome of the decision, no decision shall be made until that member's vote is in, except in emergency matters, which shall be judged to be so by all present. This regulation shall apply even if the Chairman is on extended leave. In such cases, action without him can only be made if reasonable effort to contact him fails and if it is judged to be an emergency situation by all present. Even so, the Committee shall not make any decisions contrary to what it believes the Chairman's decision would be, if the case is such as to require his concurrence. In such a case, the Vice-President of the Corporation shall be requested to act as provisional chairman. After the Chairman's return, or once contact is made with him, he shall have the power to overturn the ruling, subject to other conditions of these Bylaws. If more than one member is missing, the full complement shall be made up by the Chairman (or in his absence, the Steering Committee shall appoint Elders to be substitutes for that meeting only). (See also Section V, Article Two below.)

ARTICLE TEN: This article applies only if the Pastor of The Church of Community Chapel and Bible Training Center is a different person from the Chairman of the Steering Committee: The Steering Committee shall not meet to discuss problems or make decisions without the presence or permission of the Chairman and a minimum of all Steering Committee members save one, except to consider the missing member's salary. Otherwise, if the vote is such that the missing member's vote might have an impact upon the outcome of the decision, no decision shall be made until that member's vote is in, except in emergency matters, which shall be judged to be so by all present. No vote shall be taken affecting Division Two of the Corporation in the absence of the Pastor of the Church of Community Chapel and Bible Training Center

ARTICLE ELEVEN: The Steering Committee may individually or collectively attend meetings of the Deacon Board as advisors and/or observers but without vote.

ARTICLE TWELVE: The Steering Committee shall have the authority to overturn actions of all Division heads, managers, committees, etc., except when these Bylaws specifically limit the Steering Committee's ability to do so.

- A. When the Steering Committee questions an action of an officer acting within the realm of his proper authority, it shall take a minimum two-thirds (2/3) majority vote to overturn or alter that action.
- B. If an action of an officer is discovered where the officer is or was acting outside the realm of his proper authority, the Steering Committee may call a meeting to rule on the unauthorized action. If so, the following rule applies: a minimum two-thirds (2/3) majority vote is required to uphold and continue the originally unauthorized action.

ARTICLE THIRTEEN: The Steering Committee shall not vote to infringe upon the pastoral rights and authority listed in these Bylaws.

SECTION IV

President of the Corporation

ARTICLE ONE: Explanation of Office: The President of the Corporation shall always be one and the same person as the "Chairman of the Steering Committee" and the "Chairman of the Board of Directors."

ARTICLE TWO: The original President of the Corporation is Donald Lee Barnett, who cannot be removed from office while living.

ARTICLE THREE: The President of the Corporation shall have the authority to make any necessary on-the-spot decisions, arbitrations, regulations, etc., both in interpretation of these Bylaws and regarding areas not covered by these Bylaws.

- A. The Steering Committee shall have the power to overturn decisions made by the President of the Corporation, except the original President of the Corporation, regarding his decisions about interpretation of these Bylaws and areas not covered by these Bylaws. Such a decision to overturn must be by a unanimous vote of all members of the Steering Committee except the Chairman.

20100188

15152 4/21/2003 000043

ARTICLE FOUR: Election of the President of the Corporation. Except for the original President of the Corporation, the Steering Committee shall choose all future Presidents of the Corporation from among its own membership by a simple majority vote. In the event of an evenly split vote, the vote of the Pastor of the Church of Community Chapel and Bible Training Center shall decide the issue.

ARTICLE FIVE: Removal of the President of the Corporation. Except for the original President of the Corporation, the President of the Corporation may be removed from office by a simple majority vote of the Steering Committee.

ARTICLE SIX: The President of the Corporation shall establish the salary schedule which is to be used for all employees of the Corporation except the President himself and the Pastor of the Church of Community Chapel and Bible Training Center.

ARTICLE SEVEN: The salary of the President of the Corporation shall be determined by the Steering Committee which shall re-evaluate this salary rate annually. Once set and accepted, his salary shall not be decreased, unless there is a general recession or depression, and then only to the same ratio as the published wage/price index for the local area.

SECTION V

Vice-President of the Corporation

The Vice-President of the Corporation shall be appointed by the President from the membership of the Steering Committee. This appointment shall be ratified by a simple majority of the Steering Committee. He shall act as assistant to the President as the President deems necessary. The Vice-President may be removed from office at the discretion of the President.

ARTICLE ONE: Explanation of Office. The Vice-President shall hold the following additional offices and perform the following additional duties within the Corporation.

- A. General Manager.
- B. Chairman of the Deacon Board of the Church of Community Chapel and Bible Training Center.
- C. Assistant Director of Community Chapel Christian School.
- D. Business Manager of Community Chapel Bible College.
- E. Other specific and temporary responsibilities as the Corporate President shall delegate to him.

ARTICLE TWO: If the Chairman of the Steering Committee (Corporate President) is absent, and an emergency situation requires that legal business be handled prior to his return, the Vice-President shall be "Acting Chairman of the Steering Committee" during his absence.

The procedure described in Section III, Article Nine above (regarding emergency decisions of the Steering Committee) shall be followed exactly. (See also Section III, Article Nine above.)

20100189

15152 4/21/2003 08044

SECTION VI

Secretary of the Corporation

ARTICLE ONE: The Chairman of the Steering Committee shall appoint one member of the Steering Committee other than himself to be Secretary of the Corporation. He also shall have authority to remove the Secretary of the Corporation and appoint a replacement as occasion demands.

ARTICLE TWO: Explanation of Office: Except for the Chairman all members of the Steering Committee hold positions of equal authority. Thus, on corporate business, the Secretary of the Corporation shall have no more authority than any other regular member of the Steering Committee. However, he shall have additional responsibilities as outlined in ARTICLE THREE below.

ARTICLE THREE: Duties of the Secretary of the Corporation.

- A. The Secretary of the Corporation shall maintain accurate minutes of all official meetings of the Steering Committee. These minutes shall be kept safely in an appropriate place in the main offices of Community Chapel and Bible Training Center.
- B. If the Secretary of the Corporation is absent from a meeting of the Steering Committee the Chairman shall appoint a recording secretary for that meeting. This recording secretary shall submit his minutes to the Secretary of the Corporation upon his return. The Secretary shall be responsible for verifying the reasonable accuracy of the minutes recorded in his absence.
- C. The Secretary of the Corporation shall sign all legal documents calling for the signature of the corporate secretary. (See also Section X, Article Eight, below.)

SECTION VII

General Manager

ARTICLE ONE: The General Manager shall be appointed and removed by the President of the Corporation. This appointment or removal shall be ratified by a simple majority of the Steering Committee.

ARTICLE TWO: The General Manager shall direct the business offices of the Corporation in harmony with the directives of these Bylaws.

ARTICLE THREE: The General Manager shall have authority to make on-the-spot decisions on any item not directly covered by these Bylaws.

ARTICLE FOUR: The General Manager shall be responsible for all business, maintenance, and construction operations of the Corporation.

ARTICLE FIVE: The General Manager shall have the authority to delegate specific areas of responsibility within the guidelines of the Bylaws.

20100190

15152 4/21/2003 08645

ARTICLE SIX: At the President's direction, the General Manager may hire general staff members and determine their wages. The Deacon Board shall have the authority to establish the maximum wages for the total work force under the General Manager's jurisdiction. With the President's approval, he may hire maintenance and construction workers and fix their wages.

ARTICLE SEVEN: The General Manager shall have authority to determine the means of assessment for use of buildings and shall instruct the Treasurer to assess the Divisions for the use of equipment, supplies, services, etc. He shall determine the rates and other factors involved in such assessments.

ARTICLE EIGHT: The General Manager shall have the authority to determine and direct the uses of buildings and developed ground spaces.

ARTICLE NINE: The General Manager shall have the responsibility of directing the budgets of the various Divisions. Each Division shall administer its own budget within the limitations placed upon it by the General Manager.

ARTICLE TEN: The General Manager shall not authorize the transfer of any money from one Division to another on a permanent basis, without the written approval of the Division head involved (in the case of the Church of Community Chapel and Bible Training Center, the Division head is the Deacon Board). Temporary inter-divisional loans shall require only verbal authorization by Division heads, providing that the loan is for no more than thirty days. (See also Section VIII, Article Four below.)

SECTION VIII

Corporation Finances

ARTICLE ONE: The financial organization of Community Chapel and Bible Training Center shall be established and administered in such a way that it meets all governmental and Community Chapel and Bible Training Center laws and regulations, and insures reasonable safety against embezzlement and fraud. The financial organization of the Corporation shall be supervised by the General Manager in accordance with these Bylaws and the following regulations.

ARTICLE TWO: Any transfer of funds from one Division to another for the purpose of enabling that Division to continue to operate shall be considered a loan (not a subsidy) and it therefore shall show on the records as a liability.

It shall be policy of this Corporation that all Divisions be self-supporting. Every reasonable attempt shall be made to comply with this policy. If this is impossible for a temporary or permanent period of time, and if the Steering Committee and Deacon Board and/or Division heads agree to transfer funds to the Division in need, the records shall always clearly show the running total liability as loans from the applicable Division(s).

ARTICLE THREE: The financial organization shall include at least the following offices:

- A. Treasurer (appointed and removed by the Deacon Board).
- B. Bookkeepers (appointed and removed by the Treasurer, with the approval of the General Manager. The General Manager may also remove bookkeepers).

20100191

- C. Check Signers (chosen from among the membership of the Steering Committee by a minimum of three-quarters (3/4) majority vote of this same body).
- D. Money Counters (appointed and removed by the Deacon Board Chairman).

ARTICLE FOUR: The General Manager shall be responsible for the finances of the Corporation within the following framework:

- A. He shall supervise all of the offices named in Article Three above.
- B. He shall be accountable to the Steering Committee for proper execution of financial matters.
- C. The General Manager shall sign all payment-vouchers or delegate such authority to others.
 - 1. No check shall be written without the authority of a proper payment-voucher.
 - 2. In the absence of the General Manager, payment-vouchers needed to meet emergencies and requirements that cannot be reasonably delayed may be written on the authority of one Steering Committee member or Division head, with authorization by the President. Such authorization may be a verbal approval (by telephone or other communication if necessary). If the President is not available, any two members of the Steering Committee may give such authorization. The General Manager shall then sign the payment-vouchers after his return.

ARTICLE FIVE: The Treasurer.

- A. The Treasurer shall be appointed by the Deacon Board and shall be under the supervision of the General Manager.
- B. The Treasurer shall perform his duties according to the following regulations:
 - 1. The Treasurer is not a member of the Deacon Board but may attend the Deacon Board meetings at his option. He may also be requested by the Deacon Board to attend some or all of their meetings.
 - 2. The Treasurer is not an officer of the Corporation and has no voice in the operation of the Corporation.
 - 3. The Treasurer shall supervise the keeping of the financial records of the entire Corporation and shall supervise the bookkeeper(s).
 - 4. The Treasurer shall not sign checks.
 - 5. The Treasurer shall not also be a bookkeeper.
 - 6. The Treasurer shall be responsible to the Deacon Board to record all its financial transactions and to satisfy its members as to his integrity, expertise, and efficiency. The Treasurer shall be responsible to the General Manager as to the supervision of the details of his work and office.

7. The Treasurer shall see that the books of the Corporation fulfill all obligations of the Corporation of Community Chapel and Bible Training Center and of the local, state, and federal governments.
- C. The Treasurer shall have the responsibility of paying all bills on time. Payments shall not be delayed on the unilateral decision of a department head, although the department head may suggest such action. The General Manager, however, shall have the authority to delay payments. (See also Section VII, Article Nine, above).
- D. The Treasurer shall not have the responsibility of administering the budgets of the various Divisions. He shall spend the money as directed by each Division head as long as funds are available.
 1. If a Division head delegates the responsibility of purchasing to an administrator under his supervision, the Division head shall be able to override the subordinate administrator's decision. The Treasurer may question any payment-voucher, or hold it up long enough to refer the judgment to the appropriate Division head, or to the General Manager, whose decision is final, unless he refers the matter to the Steering Committee.
- E. The Treasurer shall see that the financial records are inspected annually by a knowledgeable person other than the one handling the funds or keeping the records. He shall not hire anyone outside the Corporation to do his work, however. If necessary, the Treasurer shall train someone to be capable of inspecting the financial records.
 1. The Deacon Board may require a professional audit at any time.
 2. If the inspector of the books finds any discrepancy that cannot be answered satisfactorily by the Treasurer, he shall immediately inform all of the following:
 - a) The General Manager.
 - b) The Steering Committee Chairman.
 - c) The Deacon Board Chairman.

ARTICLE SIX: The Bookkeeper shall verify all inputs, monies, and receipts of the Corporation.

ARTICLE SEVEN: A minimum of two Money Counters shall be appointed by the Deacon Board Chairman and be under the supervision of the Treasurer who may remove them, with the Deacon Board Chairman's consent. They may also be removed by the Steering Committee or Deacon Board. The Deacon Board may elect that any two ushers, or any usher and the head usher may count the money rather than to designate specific individuals.

20100193

15152 4/21/2003 66648

SECTION IX

Special Rulings Regarding Allocation and Disbursement of Large Grants

ARTICLE ONE: Any presentation of money or property in value in excess of \$30,000 shall be considered a Large Grant.

ARTICLE TWO: A Large Grant given to the general Corporation shall be governed by the Steering Committee, not the Deacon Board, because it is not general church funds. The Steering Committee shall decide what amount of the grant the various Divisions shall receive. The amount that is put into the Church general fund comes under subsequent control of the Deacon Board, except when the Steering Committee designates what use it shall put to, in whole or in part.

ARTICLE THREE: A Large Grant given to a particular Division for operations of that Division, shall become the property of that Division excepting that the Steering Committee shall have authority to rule that the amount is in excess of reasonable operating funds, and for the good of the Corporation, may reapportion a certain amount of the funds to other uses, providing that the transaction does not legally violate the intent of the grant. In any case, the Steering Committee shall have final authority to review the case and decide the appropriate action to take.

ARTICLE FOUR: A Large Grant given to a particular Division for building shall become the property of the Church, since the Church is responsible to build all buildings. The Steering Committee shall decide what buildings shall be built for that Division and what amount of money, if any, shall be saved for future buildings of that Division. Excess monies shall be placed at the Steering Committee's discretion, as it deems to be in the best interest of the Corporation without violating the legal intent of the grant.

- A. The Division receiving grants shall not have to pay depreciation fees on buildings paid for by a Large Grant to the Division. The Steering Committee's policy shall then be to take a generous attitude toward the future allocations of money for buildings for that Division if a portion of the grant for buildings was used elsewhere.
- B. If questions should arise as to whether or not the Deacon Board or the Steering Committee is responsible for a Grant put into the general Church fund, the Steering Committee shall be given pre-emptive rights to decide.

ARTICLE FIVE: A Large Grant to a particular Division for unspecified use shall be divided into building and non-building use by the Steering Committee in accordance with Articles Three and Four above.

ARTICLE SIX: Buildings built by Large Grants do not require the permission of the congregation excepting for the portion the congregation is expected to give toward those buildings.

ARTICLE SEVEN: College Housing built by monies from a Large Grant shall be the financial responsibility of the Church. All building expenditures, profits and losses, and financial operation and maintenance shall be the responsibility of the Church.

20100194

15152 4/21/2003 08849

- A. The Steering Committee shall be responsible for the initial determination of the use of Large Grants for College housing. College housing built from general Church funds shall be the determination of the Deacon Board. In case of conflict the Steering Committee shall decide. (See also Division Four, Section II, Article Eight below.)

SECTION X

Miscellaneous Rulings

ARTICLE ONE: Amendments.

- A. A minimum three-fourths (3/4) majority affirmative vote of the Steering Committee and the original Pastor's concurrence, if still presiding, is necessary to amend any of the Bylaws stated in this document.
- B. Creation of a new administrative position within the Corporation can be accomplished by the Steering Committee, and shall be added to these Bylaws by means of amendments.

ARTICLE TWO: In case of any disagreement of interpretation of these rules (in the event that an agreement cannot be reached) a decision of the Steering Committee takes precedence over the Division heads and/or the Deacon Board. If the disagreement cannot be reconciled by a two-thirds (2/3) majority of the Steering Committee, the Pastor shall decide the issue.

ARTICLE THREE: The Custodian of the Bylaws, who is appointed by the General Manager, shall maintain a list entitled CURRENT OFFICERS AND MAJOR APPOINTEES OF THE CORPORATION. It shall list the names of people filling all "titled positions" in all Divisions except Satellite Churches, including but not limited to all Pastors, Assistant Pastors, Steering Committee members, President, Vice President, Secretary, Deacon Board members, Elders, General Manager, Treasurer, Administrators, Bookkeepers, and any other positions that the Steering Committee or Pastor deem necessary. The pastors of Satellite Churches shall appear on this list. It shall be the duty of the Custodian of the Bylaws to update this list within fifteen days of any change in personnel and to give a copy of same to each person on the list. A current copy of this list shall be affixed to these Bylaws at all times.

ARTICLE FOUR: Every member of the Steering Committee and Deacon Board shall have a copy of the Bylaws and all amendments. All amendments shall be dated and numbered consecutively. In addition, the Custodian of the Bylaws shall keep a minimum of one copy on file in the office at all times.

ARTICLE FIVE: Except for Division Six (Satellite Churches) all buildings belong to the total Corporation (not to the individual Divisions) and are paid for by the Church of Community Chapel and Bible Training Center which charges depreciation on the buildings to the various Divisions. The use of the space may be transferred from one Division to another as determined by the General Manager, unless overruled by the Steering Committee.

ARTICLE SIX: Whenever a decision or vote of the Steering Committee is required by the directives of these Bylaws, and whenever these Bylaws do not specify otherwise, such a decision or vote shall be decided with a minimum of two-thirds (2/3) majority.

20100195

15152 4/21/2003 08050

ARTICLE SEVEN: Unless specifically stated otherwise, concurrence, assent, positive vote, majority vote, or other similar wording in regard to decisions made by the Steering Committee and Deacon Board shall be interpreted to mean a minimum of a two-thirds (2/3) majority.

ARTICLE EIGHT: Signatures on legal documents: After proper ratification of an action through the means indicated in these Bylaws, the Vice-President and one additional member of the Steering Committee shall sign the legal papers obligating the Corporation to said action. Other officers of the Corporation shall also sign if demanded by the document being signed. During the absence of the Vice President, the President shall sign any such legal documents in place of the Vice President.

ARTICLE NINE: In the event a question arises regarding the government of the Corporation or any Division, and Division One of these Bylaws is mute on the issue, then the directive of Division Two of these Bylaws shall be interpreted as being the established standard (e.g. decisions shall be made in conformance with the tenor of the directives of Division Two.) In the event that Division Two is also mute on the question the directions previously established by the original Pastor and Steering Committee shall be the established standard.

DIVISION TWO

CHURCH OF COMMUNITY CHAPEL AND BIBLE TRAINING CENTER

SECTION I

Government of the Church

The Church shall be governed by the Pastor, the Steering Committee, and the Deacon Board, according to the following:

ARTICLE ONE: The Pastor.

A. The Original Pastor.

1. The original Pastor is Donald Lee Barnett.
2. The Pastor shall be recognized as the Spiritual Overseer of the Church, ordained and appointed of God for the ministry and to shepherd the flock of Community Chapel and Bible Training Center. In this capacity he shall be the chief Elder and Chairman of the Steering Committee.
3. The Pastor shall be officially in charge of all services of the Church, whether or not they are held on the church grounds, and whether or not he is present at the meetings.
4. The Pastor shall have the prerogative to minister and lead the services as he feels the Holy Spirit shall lead him.
5. The Pastor shall have authority to question and advise any and all members of the Church, including its governing bodies, as he feels led.
6. The Pastor shall appoint, instruct, oversee, and remove any and all Bible and Sunday School teachers in the Church.
7. The Pastor shall appoint, oversee, and remove associates and assistants for spiritual ministries at his discretion.
8. The Pastor may appoint and oversee officers and helpers in support of the ministry, in non-spiritual capacities, in areas that would not fall under the normal jurisdiction or the Deacon Board, subject to the approval of the Steering Committee. He may remove such appointees at his own discretion.
 - a. Examples of such spiritual support ministries that would fall under the Pastor's jurisdiction rather than the Deacon Board's are:
 - 1) Outreach team planner.
 - 2) Church seminar coordinator.
 - 3) Minister's coordinator.
 - 4) Research assistants.
 - 5) Investigator of ministerial departments.

20100197

15152 4/21/2003 08052

- 6) Satellite church coordinator.
- 7) Music director.
- 8) Minister, or director, of T.V. and/or radio ministries.
- 9) Sunday School director.

b. Examples of those the Pastor would not appoint, the jurisdiction belonging rather to the Deacon Board, are:

- 1) Ushers.
- 2) Construction workers.
- 3) Maintenance men.
- 4) Treasurer.
- 5) Bookkeepers.
- 6) Security guards.

B. Change of Pastors.

1. A Pastor desiring to leave the Church shall be required to give the Steering Committee at least sixty days notice prior to departure from office and shall inform the congregation of his intentions. This time may be changed by mutual agreement.
2. The original Pastor, having established the original Church by the direction of God and with support of the congregation, shall have oversight of same until the Pastor agrees to change. He shall have the authority to take extended leaves of absence as he feels led without relinquishing the position of Pastor. An Associate Pastor, Assistant Pastor, or Acting Pastor may stand in for him, subject to his oversight, and relinquish the position and authority upon demand by the Pastor, if the Pastor so wishes.
3. Future Pastors may only be removed by both a minimum two-thirds (2/3) majority vote of the Steering Committee and a simple majority vote of the congregation.
 - a. In such an event the Pastor shall be invited to the meeting (called to decide removal) and have an opportunity to address the congregation for at least thirty minutes prior to the voting.
 - b. In such an event the Chairman of the Deacon Board shall sit in for the Pastor as temporary Chairman of the Steering Committee.
4. The Pastor shall be included as an ex-officio member of the Steering Committee.
5. The Steering Committee shall select a new Pastor to fill a pastoral vacancy. This choice shall be satisfactory to a minimum two-thirds (2/3) majority of the voting congregation. No other conditions shall be imposed.

C. The New Pastor.

1. A Pastor subsequent to the original Pastor differs in authority from the original Pastor in that:

20100198

15152 4/21/2003 00053

- a. He may be removed from office by a two-thirds (2/3) majority vote of the Steering Committee and a simple majority vote of the congregation. The Pastor shall have no vote in the case.
- b. On regular business his position as a member of the Steering Committee gives his vote no special weight.

D. Duties of the Pastor.

1. Each Pastor shall preach, teach, admonish, encourage, and advise as God gives him ability. The Pastor shall live a godly life and endeavor to shepherd the flock to its spiritual benefit.
 2. Recognizing that the Bible teaches a "body ministry" and that the Pastor does not have time, strength, or desire to run the entire Church in its many avenues of service, he shall not be expected to do all (or more than he feels he should or can reasonably handle) of the ministries of the Church, including: visiting and praying for the sick and needy, witnessing, and counseling.
- E. The Pastor's salary shall be determined by the Steering Committee, which shall re-evaluate the salary rate annually. Once set and accepted, each Pastor's salary shall not be decreased, unless there is a general recession or depression, and then only to the same ratio as the published wage/price index decline for the local area.

ARTICLE TWO: The Steering Committee of the Church of Community Chapel and Bible Training Center shall be the same committee as that of the entire Corporation and shall act in both capacities as defined in Division One, Section III above of these Bylaws.

ARTICLE THREE: The Deacon Board..

A. Duties.

1. The Deacon Board shall act as official trustees of the Church and shall oversee the necessary legal agreements; commercial loans and payments, insurance programs, maintenance and safety of the buildings and grounds, janitorial work, equipment purchases, appointment of ushers, and other financial and mundane obligations and duties of the Church. The Deacon Board shall insure prompt payment of all obligations, keep neat and accurate records of all expenditures and business, and keep the Steering Committee Chairman advised in writing of all decisions.
2. The Deacon Board shall appoint a Treasurer who shall be under the supervision of the General Manager, and continue in office until removed by the Deacon Board or until he resigns. (See Division One, Section VIII, Article Five above, for the duties, powers, and limitations of the office of the Treasurer.)
3. The Deacon Board shall approve by a simple majority vote any capital expenditures of Church funds over \$500.00 other than routine or previously authorized recurring expenses. (Expenditures of Church funds below \$500.00 may be authorized by the General Manager subject to the regulations of these Bylaws.)

4. Any decision involving an expenditure or more than \$5,000.00, except for previously established normal installment payments and normally recurring expenses, shall be made only after notifying the Chairman of the Steering Committee so that he may be aware of the situation and exercise his and/or the Steering Committee's prerogative of advisement in advance of the expenditure.
5. Any expenditure involving over \$10,000.00 shall be approved by a minimum of a two-thirds (2/3) majority of the Steering Committee.
6. Any decision involving over \$100,000.00 of the funds of the Church shall be approved by a minimum of a two-thirds (2/3) majority of the Steering Committee and by a simple majority of the voting congregation.
7. All payments over \$50.00 must be made by check.
8. A Deacon may be removed from office by a minimum two-thirds (2/3) majority vote of the congregation; or by a simple majority vote of the Deacon Board or the Steering Committee.
9. A record of all decisions at each Deacon Board meeting shall be filed under "Steering Committee and Deacon Board Minutes" in the office.

B. Election of Deacons.

1. At the time of this June, 1978, revision, the Deacon Board consists of the following members:
 - a. Calvin E. Freden.
 - b. Jack A. Hicks (Chairman).
 - c. E. Scott Hartley.
 - d.
 - e. Donovan Pack.
2. The Deacon Board shall consist of no more or no less than five members, although it may appoint advisors, researchers, aides, and helpers.
3. A Deacon may also be a member of the Steering Committee or hold any other office in the Corporation of Community Chapel and Bible Training Center.
4. To be eligible for office, a Deacon must be a Spirit-filled male over twenty-five years of age and a member in good standing in the Church for at least three years.
5. A member of the Deacon Board shall remain in office until one of the following:

20100200

15152 4/21/2003 08055

- a. He resigns.
 - b. Any member of the Deacon Board or Steering Committee requests a new vote by the congregation and that Deacon Board member is voted out of office.
 - c. He is put out of office. (See Item D below.)
 - d. The congregation petitions for a new vote in sufficient numbers to satisfy the Steering Committee that a vote is advisable. A petition of a minimum of 20% of the voting members shall mandate a vote.
6. In the event new Deacons are needed, the voting congregation shall elect new Deacons. (See Section II, below, for voting regulations.)
7. The Chairman of the Deacon Board shall have no extra voting power or special vote in matters under consideration. He shall call and moderate meetings and shall be responsible that all rules of the Board be followed.
- C. The Deacon Board shall not meet without the Deacon Board Chairman's presence, except by permission from him or from the Pastor. The Pastor may elect to sit as Chairman if an emergency meeting is necessary and the Chairman is not available.
- D. Investigation of the Deacon Board: In the event that the Chairman of the Steering Committee feels or suspects wrongdoing or wishes confirmation, he shall have the power to investigate or request the Steering Committee to investigate the actions of the Board to see if the directions established by the Steering Committee are being complied with. If mis-direction, mismanagement, or dishonesty is found, the Steering Committee shall have the power to reverse any Board decision, and, if necessary, remove any Board member and instruct the congregation to elect a replacement. If un-Christian conduct is found that, in the judgment of the Steering Committee could bring reproach upon the Church, that person may be removed from office by a two-thirds (2/3) majority vote of the Steering Committee without bringing the issue before the Congregation.
- E. The Deacon Board shall not meet to vote if more than one member is absent. If the vote is such that the missing member's vote might have an impact upon the outcome of the decision, no decision shall be made until that person's vote is in, except in emergency matters, which shall be judged to be so by all present. If more than one member is absent in an emergency session, the full complement shall be made up by the Chairman appointing substitute members for that meeting from among the Elders.

ARTICLE FOUR: Elders.

- A. The Pastor and all Steering Committee members shall be ex-officio Elders, but not all Elders shall be Pastors or Steering Committee members.

20100201

15152 4/21/2003 00056

- B. Only those Elders who are Steering Committee members shall be able to vote in administrative matters.
- C. In order to hold the office of Elder, one shall be a born-again, Holy-Spirit filled male, at least twenty-five years old, in good standing with Community Chapel and Bible Training Center, and an active member (i.e. one who is qualified to vote, see Section II, below) of Community Chapel and Bible Training Center for at least two years. He shall also be an active Christian in good standing with God, dedicated to God's service, a good example, and in agreement to the Articles of Faith described herein (see Section IV below).
- D. Elders shall be appointed by a minimum three-fourths (3/4) majority vote of the entire Eldership residing at the headquarters of Community Chapel and Bible Training Center, and with the Pastor's concurrence.
- E. Elders shall serve for life unless they resign or are removed by a minimum three-fourths (3/4) majority vote of the Eldership or by a unanimous vote, save one, of the Steering Committee.
- F. The duty of the Elders is to serve in ministering to the spiritual needs of the Church as requested by the Pastor and as God leads them and gives them gifts, talents, and abilities. With the Pastor's concurrence, they may:
 - 1. Teach classes.
 - 2. Direct services.
 - 3. Preach.
 - 4. Lead visitation groups.
 - 5. Counsel and guide those who seek help.
 - 6. Pray for the sick and needy in the church, hospitals, and homes.
 - 7. Act as advisors to the Pastor, Steering Committee, and Deacons. (The term "advisors" is not to be confused with the separate term "administrators.")
 - 8. Lead prayer meetings, fellowships, etc.
 - 9. Minister in services in any Scriptural capacity.
 - 10. Perform other functions or ministries as need arises or as appointed by the Pastor.

SECTION II

Congregational Voting

ARTICLE ONE: In order to be eligible to vote in congregational business meetings, one must be:

20100202

15152 4/21/2003 88857

- A. A born-again Christian.
- B. In regular attendance in the Sunday services for at least the previous six months.
- C. Eighteen years of age or older.
- D. Not actively affiliated with another church.

ARTICLE TWO: Any question regarding eligibility to vote shall be resolved by the Steering Committee, whose decision is final.

ARTICLE THREE: Unless specified otherwise, a simple majority of the eligible voting members at a congregational meeting shall be necessary to decide any question before the congregation. In case of an apparent tie vote the Pastor shall cast the deciding vote.

ARTICLE FOUR: The Pastor shall determine the date and time of voting, the method of vote, tabulation, whether or not a re-vote or recount is necessary, etc., subject to being overruled or subject to specific statutes established by the Steering Committee. The only exception to this rule is when the congregational vote concerns the removal of the Pastor as authorized by these Bylaws, in which case the Deacon Board Chairman shall make such decisions, subject to being overruled by the Steering Committee minus the Pastor. (See Section I, Article One, Item B, Paragraph 3 above.)

SECTION III

Congregational Business Meetings

Special business meetings of the congregation may be called by the Deacon Board or Steering Committee or the Pastor. The Pastor shall determine the date of the meeting within thirty days of request by the Deacon Board or Steering Committee and shall announce the meeting publicly at both of the prior Sunday services unless the meeting is to be held during a regular Sunday service.

SECTION IV

Articles of Faith

ARTICLE ONE: The Pastor (and the associates and ministerial assistants, if any) and the Elders, Steering Committee, and ordained ministers agree that the Bible, as originally penned, is the inspired Word of God and is our sole rule of faith.

We, as overseers, unite in the belief that, to keep the unity of the faith and to maintain our purpose, only those who hold to the following basic beliefs of God's Holy Word are to be chosen to hold any office of spiritual leadership in the Church. "Spiritual" shall pertain to an office that can involve impartation of theological information.

- A. All Scripture is given by the inspiration of God.

20100203

15152 4/21/2003 00058

- B. All have sinned. Forgiveness of sins is only obtained by genuine repentance of sins to God and acceptance of Jesus Christ as personal Savior and Lord of our lives.
- C. Water baptism is essential and is only for those who have repented of their sins to God and have accepted Jesus Christ as their personal Savior, purposing to walk according to God's Word. Water baptism is to be administered in the Name of Jesus (the terms: Father, Son, Holy Spirit, Lord, and Christ, may or may not also be expressed in the baptismal formula).
- D. The baptism in the Holy Spirit is for all Christians and is evidenced by speaking in other tongues as the Holy Spirit gives utterance.
- E. God is One, manifesting Himself as the Father, in the Son, and as the Holy Spirit.
- F. Healing is part of the Atonement and is a promise by Jesus to the believer.
- G. Communion (the Lord's Table or Sacrament) is a Biblical injunction for Christians to observe.
- H. Jesus will out-translate His Bride before the Great Tribulation.
- I. Heaven and hell are real, although we may not know the exact nature of these abodes. Eternal life awaits the Christian; judgment and eternal separation from God await those who do not accept Jesus Christ as their Savior.
- J. Godly living according to the tenor of Scripture should characterize the life of every child of God. (The traditions and laws of men are not to be interpreted as the rule of holiness.)
- K. God's Word teaches us to support the work of God with our finances and time.
- L. Whosoever will may accept Jesus. Apostasy, if maintained, results in the loss of eternal life with Christ.

SECTION V

Statement of Faith Regarding Military Action

ARTICLE ONE: In order to verify that Community Chapel and Bible Training Center stands behind our young men who request non-combatant or conscientious objector status by the armed services, we formally adopt this statement of faith. Inasmuch as this stand results from our interpretation of how the general tenor of Scripture relates to the present military actions (rather than direct Scriptural doctrines) it is not a requirement of faith in order to hold the office of Pastor, Elder, Deacon, or other spiritual offices within Community Chapel and Bible Training Center. We allow latitude, according to the conscience and understanding of each member, regarding this issue.

20100204

1515Z 4/21/2003 00059

- A. It is our belief that we are a body of believers, called by God to serve Him according to His Word and revelation.
- B. God has called us to be in the world and not of the world, and to put Him first in all things.
- C. We are commanded by God to be obedient to civil authority except where contrary to God's Word and our conscience. We stand opposed to anarchy and all violence.
- D. We recognize Communism to be anti-God, anti-democratic, and a threat to peace.
- E. We recognize the right of those who are of the world to use such force as is necessary to subdue crime, anarchy, and aggression.
- F. We believe Christians to be citizens of heaven, pilgrims and strangers sojourning among unregenerated peoples on earth.
- G. It is our belief that the unregenerated are responsible for the current problems and therefore have to deal with same in their own way. We believe that refusal to be born-again and filled with the Holy Spirit as commanded by Scripture has led to strife of every sort in our society and among nations.
- H. We further believe that the soft stand taken against evil, crime, and aggressions by our government has put this country in its present precarious position.
- I. We are convinced that the present actions and inactions are part of a universal scheme to establish world government as foretold by the Bible. Christians who take part in such matters only help to bring to pass a world government and a world church which will ultimately wrest away our freedom to worship God according to the dictates of our hearts and our understanding of God's Holy Word.
- J. We are opposed to taking part in any form of violence or in any action to aid the establishment of world government or of a national or world church by man's efforts.
- K. We trust God, not man, to be our defense.
- L. We believe in doing good to all men, evil to none.
- M. We are appreciative of the federal Constitution that is based on godliness, and of the Christian attitudes that accrue from our godly forebears. We are thankful for the freedom that we do enjoy in this great nation of ours and pray that its leaders will lead us in the paths of righteousness, godliness, peace, and justice.

20100205

15152 4/21/2003 000000

SECTION VI

Ordination

ARTICLE ONE: It is our belief that Pastors, Elders, Teachers (called of God), and Evangelists should be ordained into the ministry of the Gospel by the Elders as approved by the Steering Committee and Pastor, by the laying on of hands of the Elders during a congregational meeting or a regular church service.

ARTICLE TWO: Ordination is to be interpreted to be an appointing to the ministry of the Gospel by the government of the Church, for the purpose of recognition of that position by the body of saints and by other churches and civil governmental authorities.

ARTICLE THREE: We regard the appointment to ordination to be made by God, leading to, and supporting, the appointment to the ministry by the Church. Ordination is a recognition of a candidate's call of God into the ministry. By itself it is not an office.

ARTICLE FOUR: We accept the command of God to "lay hands suddenly on no man" to mean to prove the candidate and be careful not to thrust into ordination those whom God is not ready to ordain.

ARTICLE FIVE: The one to be ordained into the ministry of the Gospel (no specific ministry shall be stated) should:

- A. Feel the call of God into the ministry.
- B. Desire to be ordained and set apart for God in a full-time ministry.
- C. Be capable of ministering the Word of God.
- D. Be capable of receiving understanding from God.
- E. Be a credit to Jesus, the Church, and the ministry.

ARTICLE SIX: The Church may obtain but not annul an ordination, although it may refuse to recognize the ministry of one whom it has previously ordained, if just cause exists, as determined by the Steering Committee.

ARTICLE SEVEN: Although we do not appoint (or ordain) Deacons with laying on of hands and prayer, they are appointed to office to work for God in the mundane affairs of the Church for a specific or indefinite length of time, rather than to a permanent spiritual calling. Articles One through Six above shall not, therefore, necessarily apply to the appointment of Deacons.

ARTICLE EIGHT: The Church may ordain Ministers of the Gospel.

20100206

- A. Ordained Ministers of the Gospel may baptize and perform marriages, funerals, and other pastoral duties with the sanction of the Pastor.
- B. Ordained Ministers of the Gospel shall be expected to pray for the sick, exhort, teach, preach, counsel, lead outreaches, etc., according to the responsibilities and opportunities given and afforded them and as they are led by God, within the limitations and guidelines set by the Pastor.
- C. An ordained Minister of the Gospel shall have no governmental or authoritative position in the Church unless he also has been appointed or elected to such an office.

4/21/2003 080601
15150

DIVISION THREE

COMMUNITY CHAPEL PUBLICATIONS

SECTION I

General Purpose and Goals

Community Chapel Publications (also referred to elsewhere as Community Chapel and Bible Training Center Publications) shall purchase and/or produce books, printed matter, recordings, films, and other materials for all Divisions of the Corporation upon request from the Divisions. It shall also purchase and/or produce printed, recorded, and media-duplicated materials for wholesale and retail sale.

SECTION II

Administrative Chain of Command

ARTICLE ONE: The Director of Publications shall have final authority over the entire Publications Division, in harmony with the directives of these Bylaws.

ARTICLE TWO: A chain of command chart shall originate from the Director's office. A signed copy of this chart of authority shall be posted in the Publications offices in a conspicuous place.

ARTICLE THREE: The Director shall appoint and/or hire a Manager of Production Systems, Editor, and other supervisors as required. Those appointments are subject to being overturned by the Steering Committee.

SECTION III

Details of Business and Authority

ARTICLE ONE: Steering Committee.

- A. The Steering Committee shall have authority to decide the extent of growth of Community Chapel Publications subject to funds released by the Deacon Board.
- B. The Steering Committee shall have authority to modify the publishing operations by means of these Bylaws or to disband the entire Division and to integrate the publications operations into one or more of the other Divisions of the Corporation.

20100207

15152 4/21/2003 88862

ARTICLE TWO: Deacon Board.

- A. The Deacon Board shall have authority to decide the purchase of equipment costing in excess of \$1,000 each as requested by the Manager of Production Systems and the General Manager of the Corporation. Except for normal consumable supplies, purchases under this amount shall be authorized by the Director.
- B. The Deacon Board shall determine the total budget and supply funds for the portion of Community Chapel Publications that is funded by the Church Division.
 - 1. Funds supplied by decision of the Deacon Board shall be transferred to Community Chapel Publications in the form of a loan.
- C. The Deacon Board shall limit funds for printed materials and/or recordings to advertise the Church, or for general sale to the public.
- D. The Deacon Board shall not determine what literature shall be printed, nor shall the Deacon Board limit the quantities.
- E. The Deacon Board shall have authority to authorize expansions of Community Chapel Publications as requested by the Operations Manager as agreed to by the Director of Publications and within the limitations set by the Steering Committee.

ARTICLE THREE: The General Manager of the Corporation shall oversee the financial and business affairs of the Publications Division.

ARTICLE FOUR: The Director of Publications shall have the authority to exercise final, pre-emptive judgment of what items and classifications of items shall be published, on the quality required and sale price of such items.

ARTICLE FIVE: Cost Assessment to the Divisions.

- A. Costs of operation shall be charged against the Publications Division. Upon delivery or termination of a job, the ordering Division shall be charged for services rendered.
- B. The Manager of Production Systems shall determine the assessments to each Division based on his judgment of the real costs and fair share of each Division unless overruled by the Steering Committee.
 - 1. Publications' charges shall include a fair proportion of the costs of writers' time in addition to actual production and operations costs.
 - 2. Divisions shall pay for any portion of work on jobs begun through proper channels but not accepted.
- C. In the case of items produced for commercial sale, the cost shall accrue to the Publications Division and shall be recovered through proceeds from sales.

ARTICLE SIX: Miscellaneous Rulings.

- A. Profit and loss from the actions of this Division shall accrue to the Church.

20100208

15152 4/21/2003 88863

- B. Satellite Churches shall pay for all materials sent them, provided they requested such items or that they agreed to accept such items. Other items sent them shall be charged to the Church Division of this Corporation.
1. Decisions to send unrequested material shall lie in the hands of the Pastor of the Church of Community Chapel and Bible Training Center in King County, Washington, within the limitations imposed by the Deacon Board, if any, and unless overruled by the Steering Committee.
 2. The Pastor of Community Chapel and Bible Training Center shall exercise the final authority on what is sent to the Satellite Churches.
- C. All in-house publication camera copies, master tapes, and ownership of copyrights published by Community Chapel Publications for sales shall become the property of said publication department, unless otherwise agreed upon in writing and ratified by the Steering Committee.

SECTION IV

Turnover of Personnel

ARTICLE ONE: The original Director of Publications, Donald Lee Barnett, shall not be removed from office as long as he is the Pastor of the Church.

ARTICLE TWO: Future Directors of Publications shall be appointed by the Steering Committee and may be removed from office and replaced by a minimum of two-thirds (2/3) majority vote of the Steering Committee.

ARTICLE THREE: The Director may replace the supervisors on his staff with the concurrence of the Steering Committee. He may replace any non-supervisory member of the Publications staff without approval.

ARTICLE FOUR: The supervisors may replace any member of their staff with the Director's approval.

ARTICLE FIVE: The Director, and supervisors on his staff, shall give a minimum of thirty days notice in the event they desire to resign from their offices.

20100209

15152 4/21/2003 08064

DIVISION FOUR

COMMUNITY CHAPEL BIBLE COLLEGE

SECTION I

Purpose of Community Chapel Bible College

ARTICLE ONE: The purpose of Community Chapel Bible College shall be to train men and women for full- and part-time ministries and to instill in them the principles and knowledge of God's Word and of the ministry of God.

ARTICLE TWO: Community Chapel Bible College shall prepare students for its Bachelor of Theology (Th.B) and Master of Theology (Th. M.) degrees and other such degrees or certificates as determined by the College President in such a manner as to be fit for Ordination by the Church of Community Chapel and Bible Training Center, as capability of each individual student affords.

SECTION II

Government

ARTICLE ONE: The Bible College, instituted September 29, 1969, shall be called "Community Chapel Bible College."

ARTICLE TWO: Community Chapel Bible College shall be governed solely by the College President (also called College Administrator outside of these Bylaws).

ARTICLE THREE: The College President shall be responsible for organizing the structure of Community Chapel Bible College, setting up the courses, hiring and dismissing teachers and staff, and for setting their salaries, determining tuition, budgets, etc.

ARTICLE FOUR: The Business Manager of Community Chapel Bible College shall assist the College President with the management of the business affairs as the College President directs.

ARTICLE FIVE: The College President's salary shall be determined by the Steering Committee.

ARTICLE SIX: The President of Community Chapel Bible College at the time of this June, 1978, revision is Donald Lee Barnett.

ARTICLE SEVEN: As long as Donald Lee Barnett is Pastor of Community Chapel and Bible Training Center, he shall be the President and sole administrator of Community Chapel Bible College, except as follows:

20100210

15152 4/21/2003 88665

- A. If he deems it necessary, or in the event of poor health or a leave of absence, the President may appoint an Administrator and/or Vice President of Community Chapel Bible College. In such case, Donald Lee Barnett shall retain his position as President and become the Director of Community Chapel Bible College, all other personnel reporting to him, although he might not do the actual work of administering College functions.
- B. Donald Lee Barnett is not subject to being removed from the presidency of Community Chapel Bible College by any action of the Corporation.

ARTICLE EIGHT: In the event that the original Pastor terminates his ministry at this Church, the Steering Committee shall appoint another President for Community Chapel Bible College.

- A. The Steering Committee shall have power to appoint and remove any subsequent President from Community Chapel Bible College, and may overturn any decision that he may make that it deems to be contrary to the general policies of the Corporation, or that it considers to be mismanagement or gross error.
- B. The Deacon Board shall have no authority in matters pertaining to Community Chapel Bible College. The College President alone shall make decisions regarding employment and payment of its staff. He alone shall make decisions regarding needed facilities, equipment, curriculum, etc.

ARTICLE NINE: College housing is under the direction of Community Chapel Bible College.

- A. The rental fee for College residence halls shall be set by the Church and agreed to by the College. In case of conflict, the Steering Committee shall decide.
- B. The College shall administer the operation and shall decide the policies of residence halls. In case of conflict with the Deacon Board, the Steering Committee shall decide.
- C. The College may elect to turn over to the Church all operations that it feels belong to the owners of the building, retaining only those operations that it feels relate to College responsibility.
- D. No College housing shall be built without the concurrence of the College.

(See also Division One, Section IV, Article Seven above.)

20100211

15152 4/21/2003 88066

DIVISION FIVE

COMMUNITY CHAPEL CHRISTIAN SCHOOLS

SECTION I

Definition and Purpose

ARTICLE ONE: These schools, the first one being instituted September 7, 1972, shall be private church-related elementary and secondary schools named Community Chapel Christian Schools.

ARTICLE TWO: The purpose of Community Chapel Christian Schools shall be to provide a full-time, Christ-centered education from kindergarten through the twelfth grade. Community Chapel Christian Schools shall uphold a standard of scholastic and spiritual excellence which will strengthen the mental, moral, spiritual, and physical areas of the students' natures.

SECTION II

Government

ARTICLE ONE: The Director of Christian Schools shall be the primary administrative office in this Division. He may be assisted in this role by an Assistant Director of Christian Schools, who he may appoint. (See Article Eight, below.)

ARTICLE TWO: Community Chapel Christian Schools shall be administered by the Administrator who is the officer immediately under the Director.

ARTICLE THREE: The Administrator(s) is/are responsible for assuring that Community Chapel Christian Schools are in conformance with the laws of the land, the directives of the Corporation, and the highest standard of education possible.

ARTICLE FOUR: The Administrator shall hire and dismiss teachers and staff workers subject to the Director's approval. He shall also be responsible for setting up the courses and fixing the tuition, budgets, and business of Community Chapel Christian Schools subject to the approval of the Director.

ARTICLE FIVE: The Director of Christian Schools shall have authority to overturn any decision made by the Administrator(s). The Steering Committee shall not govern Community Chapel Christian Schools directly with the exception that it shall have power to overturn any unilateral decision by the Director. In such case, if the Director and the Chairman of the Steering Committee are one and the same person, the Chairman of the Steering Committee's vote shall be excluded.

ARTICLE SIX: Donald Lee Barnett, the original Director of Christian Schools, shall not be removed from that office as long as he is Pastor of Community Chapel and Bible Training Center.

20100212

15152 4/21/2003 080667

ARTICLE SEVEN: In the event that Donald Lee Barnett terminates his ministry as Pastor of Community Chapel and Bible Training Center, the Steering Committee shall appoint a new Director of Christian Schools. Subsequent Directors may also be removed by the Steering Committee.

ARTICLE EIGHT: The Assistant Director (if any) and the Administrator(s) can be removed from office by the Director only with the Steering Committee's approval. The Director may appoint a new Administrator or an Administrator of each school department, and/or an Assistant Director or Assistant Administrator(s), with the Steering Committee's approval.

ARTICLE NINE: Assistant Administrator(s) may be removed from office by the Administrator, with approval of the Director of Christian Schools.

ARTICLE TEN: The teachers and office staff may be removed by the Administrator(s).

- A. The Director of Christian Schools may remove any Community Chapel Christian Schools personnel after consultation with the Administrator.

SECTION III

Salaries

ARTICLE ONE: The salary of the Director of Christian Schools shall be set by the Steering Committee.

ARTICLE TWO: The salary of the Assistant Director (if any), the Administrator(s), and Assistant Administrator(s) (if any) shall be set by the Steering Committee subject to approval of the Director of Christian Schools. In lieu of an agreement, the Steering Committee shall fix the salaries.

ARTICLE THREE: The salary of the teachers, assistants, and office staff shall be set by the Administrator(s) with the approval of the Director of Christian Schools, whose judgment shall be subject to being overridden by the Steering Committee.

20100213

15152 4/21/2003 080608

DIVISION SIX

SATELLITE CHURCHES

SECTION I

Definition and Integration

ARTICLE ONE: A Satellite Church shall be a part of the Corporation of Community Chapel and Bible Training Center, King County, Washington. Its name shall be its location prefixed to the name of the Corporation. (Example: "Chippewa Valley Community Chapel and Bible Training Center.")

ARTICLE TWO: A Satellite Church shall be an extension of the original "Church of Community Chapel and Bible Training Center" also called "the Church" or "mother Church" in these Bylaws. (See Division One, Section II, Article Three above); hereafter in this Division called "The Corporation Church."

ARTICLE THREE: A Satellite Church shall be a church with a Pastor, Elders, Deacons, and congregation that is subject to the Bylaws of the Corporation of Community Chapel and Bible Training Center, even though it may be a separate legal corporation due to its location in a different state. It shall be affiliated with the original Corporation of Community Chapel and Bible Training Center in King County, Washington, and subject to its disciplines. It shall be legally considered to be of the same "denomination" as its headquarters in King County, Washington, although no "denomination" in the traditional sense exists.

ARTICLE FOUR: The Satellite Church shall be considered a part of the Corporation Church in polity, discipline, faith, and denomination but it shall not be able to encumber the Corporation Church with its own obligations. The Satellite Church shall be financially self-supporting, and financially self-governing. The Corporation Church shall assume no financial obligation to the Satellite Church.

ARTICLE FIVE: In the event that the Pastor and/or the congregation of a Satellite Church shall seek to dissolve their relationship with the Corporation Church, the Corporation Church shall have the right to assume ownership of the building and all assets and liabilities, although it shall not be required to do so. The Corporation Church shall have authority to dismiss any or all of the pastors and officers and to appoint replacements as it sees fit and to retain whatever part of the congregation that remains. The Satellite Church shall turn over all financial records and books to the Corporation.

- A. If in the event of such a dissolution of relationship the Corporation Church does not choose to assume ownership of the Satellite Church, the Corporation Church shall not be held liable for any liabilities, debts, encumbrances, etc., of the Satellite Church.

20100214

15152 4/21/2003 88669

SECTION II

Government of Satellite Churches

PREAMBLE

Each church shall be governed by a Pastor, Voting Elders, and Deacons.

ARTICLE ONE: The Pastor.

A. Appointing and dismissing the Pastor.

1. The Pastor shall be appointed and ordained by the Corporation Church and shall serve until removed by either the Corporation Church or by a minimum two-thirds (2/3) vote of the Voting Elders and the congregation of the Satellite Church.
2. Replacement Pastors shall be appointed in the same way as the first Pastor, except that a minimum of all the Voting Elders, save one, of the Satellite Church must ratify the appointment. If three appointments by the Corporation Church are all refused by the Satellite Church, the Corporation Church shall appoint the Pastor, which appointment shall not require ratification. The Pastor may be one of the original, non-ratified appointees.
3. The Pastor shall be officially in charge of all services of the Church, whether or not they are held on the church grounds or whether or not he is present at the meetings.
4. The Pastor shall have the prerogative to minister and lead the services as he feels the Holy Spirit leads him.
5. The Pastor shall have authority to question and advise any and all members of the Church, including its governing bodies, as he feels led.
6. The Pastor shall appoint, instruct, oversee, and remove any and all Bible and Sunday School teachers in the Church.
7. The Pastor shall appoint, oversee, and remove associates and assistants for spiritual ministries at his discretion.
8. The Pastor may appoint and oversee officers and helpers in support of the ministry, in non-spiritual capacities, in areas that would not fall under the normal jurisdiction of the Deacon Board, subject to the approval of the Voting Elders. He may remove such appointees at his own discretion.
 - a. Examples of such spiritual support ministries that would fall under the Pastor's jurisdiction rather than the Deacon Board's are:
 - 1) Outreach team coordinator.

- 2) Church seminar coordinator.
- 3) Minister's coordinator.
- 4) Research assistants.
- 5) Investigator of ministerial departments.
- 6) Sunday School superintendent.
- 7) Music Director.

b. Examples of those the Pastor would not appoint, the jurisdiction belonging rather to the Deacon Board, are:

- 1) Ushers.
- 2) Construction workers.
- 3) Maintenance men.
- 4) Treasurer.
- 5) Bookkeeper.
- 6) Security guards.

9. The Pastor desiring to leave the Church shall be required to give the Voting Elders and the Corporation Church at least thirty days notice. The time may be changed by mutual agreement.

B. Duties of the Pastor.

1. Each Pastor shall preach, teach, admonish, encourage, and advise as God gives him ability. The Pastor shall live a godly life, and endeavor to shepherd the flock to its spiritual benefit.
2. Recognizing that the Bible teaches a "body ministry" and that the Pastor does not have time, strength, or desire to run the entire church in its many avenues of service, he shall not be expected to do all (or more than he feels that he should or can handle reasonably) of the ministries of the church, including: visiting and praying for the sick and needy, witnessing and counseling.

ARTICLE TWO: Voting and Non-Voting Elders.

A. The Pastor shall appoint at least three Voting Elders. These Elders should be appointed on the basis of:

1. Spirituality.
2. Business sense and responsibility.
3. Unity with the Pastor.

- B. The Pastor may also initially appoint other Non-Voting Elders. (The reason for Non-Voting Elders is to utilize spiritual, experienced, and gifted men for spiritual leadership, while they may not yet have the same vision for the Church and unity with the Pastor as Voting Elders. This lack might be due to past denominational ties and concepts, for example.)
- C. The Pastor shall be an ex-officio member of the Voting Elders and Chairman of the Board of Voting Elders.
- D. Additional Voting Elders may be appointed by the Board of Voting Elders by an affirmative vote of the Pastor and a minimum of all other Voting Elders, save one.
- E. Additional Non-Voting Elders may be appointed by concurrence of all Voting and Non-Voting Elders. In this one case, Non-Voting Elders shall be able to cast their vote along with the Voting Elders in the manner disclosed in Paragraph 4 above.
- F. All Voting and Non-Voting Elders shall serve for life unless they resign or are removed by a minimum of a three-fourths (3/4) vote of the Voting Elders.
1. Only one member may be removed during any single round of votes.
 2. The one in question shall have no vote in the question of his removal, nor will his potential vote be counted in the total upon which the determination of the majority is made.
 3. In the event a member of the Voting Elders is removed, leaving the Eldership below the minimum number specified in Paragraph 1, above, an elder shall be appointed to the Voting Eldership within seven days.
 4. No member of the Voting Eldership may be removed from office while the Eldership is below minimum number.
 5. No business by the Voting Eldership may be transacted while the Eldership is below strength other than that business required to bring the Voting Eldership back up to minimum number.
 6. The Pastor is not subject to being removed from the Voting Eldership nor from the position of Chairman of the Voting Eldership unless he is removed as Pastor of the Church.
- G. The Voting Eldership shall direct the Satellite Church in the same areas as Non-Voting Elders and in such matters as:
1. Creating new departments within the Church.
 2. Establishing the goals of the Satellite Church.

20100217

15152 4/21/2003 88872

3. Settling disputes within the Church that cannot be handled by the previously delegated authority.
 4. Determining whether or not to buy, sell, or trade real property, if and as supported by the congregation of the Satellite Church. (See Article Three, Item A, Paragraph 3, below.)
 5. Overriding the Deacon Board's decisions if it feels they are contrary to or out of line with the goals and direction of the Voting Eldership.
 6. Requesting modification of Bylaws for the Satellite Church from the Corporation Church.
 7. Making laws for the Satellite Church, as necessary, within the framework of these Bylaws.
- H. Non-Voting Elders shall perform one or more of the following functions, under the direction of the Pastor:
1. Pray for the sick in church, home, and hospitals.
 2. Preach and exhort.
 3. Teach.
 4. Counsel those in need.
 5. Direct services, fellowships, classes, and other meetings.
 6. Lead visitations or witnessing groups.
 7. Lay hands upon those being installed into office as Elders or Deacons.
 8. Perform other spiritual functions as needed.
- I. All Voting and Non-Voting Elders shall be born-again, Holy Spirit-filled males at least twenty-five years old, in good standing with the Satellite Church and with God, dedicated to God's service to minister to the flock, and in agreement with the Articles of Faith of the Corporation Church.

ARTICLE THREE: Deacons.

A. Duties.

1. The Deacon Board shall act as official trustees of the Church, and shall oversee the necessary legal agreements; commercial loans and payments, insurance programs, maintenance and safety of the buildings and grounds, janitorial work, future construction, equipment purchases, appointment of ushers, and other financial and mundane obligations and duties of the Church. The Deacon Board shall insure prompt payment of all obligations, keep neat and accurate records of all expenditures and business, and keep the Voting Eldership Chairman advised of all decisions by letter.

20100218

15152 4/21/2003 00073

6. The Pastor shall appoint one of the Deacons to be Chairman of the Deacon Board. The Chairman shall have no extra voting power or special voice in matters under consideration. He shall call and moderate meetings and shall be responsible that all rules of the Board be followed.
- C. The Deacon Board shall not meet without the Deacon Board Chairman's presence, except by permission from him or from the Pastor. The Pastor may elect to sit as Chairman if an emergency meeting is necessary and the Chairman is not available.
- D. Investigation of the Deacon Board: In the event that the Chairman of the Voting Elders feels or suspects wrongdoing or wishes confirmation, he shall have the power to investigate or appoint the Voting Elders to investigate the actions of the Board to see if the spiritual direction established by the Voting Elders is being complied with. If misdirection, mismanagement, or dishonesty is found, the Voting Elders shall have the power to reverse the Board's decisions, and, if necessary, remove any Board members and instruct the congregation to elect replacement Deacon Board member(s). If un-Christian conduct is found that, in the judgment of the Voting Elders could bring reproach upon the Satellite Church, that person may be removed from office by a three-fourths (3/4) majority vote of the Voting Elders without bringing the issue before the congregation.

ARTICLE FOUR: The financial organization of the Satellite Church shall be established and administered in such a way that it meets all Corporation, Satellite, and governmental laws and regulations, and insures reasonable safety against embezzlement and fraud. A copy of the Corporation papers and in-house Bylaws (see also Section V, Article Two below) shall be forwarded to the Corporation Church within thirty days after their completion.

ARTICLE FIVE: The Treasurer.

- A. The Treasurer shall be appointed by the Deacon Board and shall be under the supervision of the Pastor.
- B. The Treasurer shall act in his capacity, and perform his duties according to the following regulations:
 1. The Treasurer is not a member of the Deacon Board but may sit in on the Deacon Board meetings at his option. He may also be requested by the Deacon Board to sit in on some or all of their meetings.
 2. The Treasurer is not an officer of the Satellite Church and has no voice in the operation of the Satellite Church.
 3. The Treasurer shall supervise the keeping of the general ledger and financial records of the entire Satellite Church, but he shall not handle the money of the Church. A member of the Deacon Board or Voting Eldership shall be appointed to countersign the checks signed by the Treasurer.

2. The Deacon Board shall appoint a Treasurer who shall be under the supervision of the Pastor, and continue in office until removed by the Deacon Board or until he resigns.
 3. Any expenditure involving over \$5,000 shall be approved by a minimum of a two-thirds (2/3) majority of the Voting Eldership and by a simple majority of the voting congregation.
 4. All payments over \$10 must be made by check.
 5. A Deacon may be removed from office by a minimum two-thirds (2/3) majority vote of the congregation; or by a simple majority vote of the Deacon Board or the Voting Elders.
 6. A written record of the minutes and all decisions at each Deacon Board meeting shall be kept in the Church office (or Pastor's home if no other office exists) and in the Deacon Board Chairman's home.
- B. Election of Deacons.
1. The Deacon Board shall consist of no more or no less than five members, although it may appoint advisors, researchers, aides, and helpers.
 2. A Deacon may also be a member of the Voting Eldership or hold any other office in the Satellite Church.
 3. To be eligible for office a Deacon must be a Holy Spirit-filled male over twenty-five years of age and in good standing in the Church.
 4. A member of the Deacon Board shall remain in office until one of the following:
 - a. He resigns.
 - b. Any member of the Deacon Board or Voting Elders requests a new vote by the congregation and the Deacon Board member loses that vote (once per year maximum).
 - c. He is put out of office.
 - d. The congregation petitions for a new vote in sufficient numbers to satisfy the Voting Eldership that a vote is advisable, or by a petition of a minimum of 20% of the voting members.
 5. In the event new Deacons are needed, the voting congregation shall elect new Deacons.
 - a. See Article Six below for voting regulations.

ARTICLE ONE: The Pastor (and the associates and ministerial students, if any) and the Voting and Non-Voting Elders, and ordained ministers agree that the Bible as originally penned, is the inspired Word of God and is our sole rule of faith.

We, as overseers, unite in the belief that to keep the unity of the faith and to maintain our purpose, only those who hold to the following basic beliefs of God's Holy Word are to be chosen to hold any office of spiritual leadership in the Satellite Church. "Spiritual" shall pertain to an office that can involve impartation of theological information.

- A. All Scripture is given by inspiration of God.
- B. All have sinned. Forgiveness of sins is only obtained by genuine repentance of sins to God and acceptance of Jesus Christ as personal Savior and Lord of our lives.
- C. Water baptism is essential and is only for those who have repented of their sins to God and have accepted Jesus Christ as their personal Savior, purposing to walk according to God's Word. Water baptism is to be administered in the Name of Jesus (the terms: Father, Son, Holy Spirit, Lord, and Christ, may or may not also be expressed in the baptismal formula).
- D. The baptism in the Holy Spirit is for all Christians and is evidenced by speaking in other tongues as the Holy Spirit gives utterance.
- E. God is One, manifesting Himself as the Father, in the Son, and as the Holy Spirit.
- F. Healing is part of the Atonement and is a promise by Jesus to the believer.
- G. Communion (Lord's Table or Sacrament) is a Biblical injunction for Christians to observe.
- H. Jesus will out-translate His Bride before the Great Tribulation.
- I. Heaven and hell are real, although we may not know the exact nature of these abodes. Eternal life awaits the Christian; judgment and eternal separation from God await those who do not accept Jesus Christ as their Savior.
- J. Godly living according to the tenor of Scripture should characterize the life of every child of God. (The traditions and laws of man are not to be interpreted as the rule of holiness.)
- K. God's Word teaches us to support the work of God with our finances and time.
- L. Whosoever will may accept Jesus. Apostasy, if maintained, results in the loss of eternal life with Christ.

SECTION IV

Statement of Faith Regarding Military Action

ARTICLE ONE: In order to verify that the Satellite Churches of Community Chapel and Bible Training Center stand behind our young men who request non-combatant or conscientious objector status by the armed services, we adopt this statement of faith. Inasmuch as this stand results from our interpretation of how the general tenor of Scripture relates to the present military actions (rather than direct Scriptural doctrines) it is not a requirement of faith in order to hold the office of Pastor, Elder, Deacon, or other spiritual offices within the Satellite Churches. We allow latitude, according to the conscience and understanding of each member regarding this issue.

- A. It is our belief that we are a body of believers, called by God to serve Him according to His Word and revelation.
- B. God has called us to be in the world and not of the world, and to put Him first in all things.
- C. We are commanded by God to be obedient to civil authority except where contrary to God's Word and our conscience. We stand opposed to anarchy and all violence.
- D. We recognize Communism to be anti-God, anti-democratic, and a threat to peace.
- E. We recognize the right of those who are of the world to use such force as is necessary to subdue crime, anarchy, and aggression.
- F. We believe Christians to be citizens of heaven, pilgrims and strangers sojourning among unregenerated peoples on earth.
- G. It is our belief that the unregenerated are responsible for the current problems and therefore have to deal with same in their own way. We believe that refusal to be born-again and filled with the Holy Spirit as commanded by Scripture has led to strife of every sort in our society and among nations.
- H. We further believe that the soft stand taken against evil, crime, and aggression by our government has put this country in its present, precarious position.
- I. We are convinced that the present actions and inactions are part of a universal scheme to establish world government as foretold by the Bible. Christians who take part in such matters only help to bring to pass a world government and a world church which will ultimately wrest away our freedom to worship God according to the dictates of our hearts and our understanding of God's Holy Word.
- J. We are opposed to taking part in any form of violence or in any action to aid the establishment of world government or of a national or world church by man's effort.

20100223

15152 4/21/2003 88878

- K. We trust God, not man, to be our defense.
- L. We believe in doing good to all men, evil to none.
- M. We are appreciative of the federal Constitution that is based on godliness, and of the Christian attitudes that accrue from our godly forebears. We are thankful for the freedom that we do enjoy in this great nation of ours and pray that its leaders will lead us in the paths of righteousness, godliness, peace, and justice.

SECTION V

Original Music Compositions

ARTICLE ONE: Musical compositions originating from any Satellite Church or the mother Church shall become the property of the church of origin subject to the following rules. (In the case of the mother Church, the owner of musical compositions is Community Chapel Publications.)

- A. Any other Satellite Church or the mother Church shall have free access to all original musical compositions for use within its own corporate organization. Such use shall include performance, duplication, and distribution.
- B. All copies of musical compositions shall display the appropriate symbol and legend to indicate which group owns the copyright of each composition.
- C. A Satellite Church may sell to a commercial publisher or publish for profit any of the musical compositions it owns, provided that such sale or publication does not infringe upon the rights of the other Satellite Churches or mother Church as established in item A above.
- D. If a Satellite Church desires to sell an original musical composition to a publisher, it shall first give Community Chapel Publications option to obtain the musical composition for publication.

SECTION VI

Change of Bylaws of Division Six

(Satellite Church)

ARTICLE ONE: All changes to the Bylaws of the Satellite Church shall be approved by:

- A. The original Pastor of the Corporation Church.

20100224

15152 4/21/2003 88879

- B. A minimum of three-fourths (3/4) majority of the Voting Elders.
- C. The Steering Committee of the Corporation Church.

ARTICLE TWO: The Satellite Church may add a Section VII, Additional In-house Regulations Made by the Satellite Church.

- A. No regulation of a Satellite Church shall conflict with other directives of these Bylaws.
- B. Such regulations shall pertain only to the Satellite Church making the addition.
- C. The name of the Satellite Church shall be affixed to Division Six of these Bylaws.
- D. Copies of all new in-house regulations shall be promptly sent to the Corporation Church for review and advice. The Corporation Church shall have authority to overturn or modify any such additions that it construes to be contrary to the general tenor of the Bylaws or of the directives of the Corporation.

Ratification of these Bylaws

6-6-78
date

Jack A. Hicks
Jack A. Hicks, Steering Committee member ,

6/6/78
date

Calvin E. Freden
Calvin E. Freden, Steering Committee member

June 6, 1978
date

E. Scott Hartley
E. Scott Hartley, Steering Committee member

6/6/78
date

Donald Lee Barnett
Donald Lee Barnett, Steering Committee Chairman

EXHIBIT

C

ARTICLES OF INCORPORATION
OF
COMMUNITY CHAPEL AND BIBLE TRAINING CENTER OF TACOMA, WASHINGTON

We, the undersigned, incorporators, hereby associate ourselves together to form and establish a corporation not for profit under the laws of the State of Washington.

1. NAME.

The name of the corporation is Community Chapel and Bible Training Center of Tacoma, Washington.

2. PLACE OF BUSINESS.

The location of its principal place of business in this state is Tacoma, Pierce County, Washington.

3. REGISTERED OFFICE AND AGENTS.

- a. The location of this corporation's registered office is:
6118 Sehmel Drive Northwest
Gig Harbor, WA 98335
Pierce County
- b. The name of this corporation's registered agent at the above registered office is: Jack McDonald.

4. PURPOSE AND POWER.

This corporation is organized as a church and is not organized for profit and the nature of its purpose is:

- a. To propagate the Christian faith and to spread the Gospel of Jesus Christ as revealed through the Holy Scriptures.
- b. To establish, operate, and maintain churches for Christian worship, education, practice of Christian doctrine, and the conduct of integral religious ministries. This includes: edifying the saints, upbuilding them in the faith of God's Holy Word; aiding souls in being saved and filled with the Holy Spirit and living victorious Christian lives, and in looking and preparing for our hope from heaven: the Lord Jesus Christ; giving spiritual counseling to those in need; helping, training, exhorting, and advising God's people in witnessing of Jesus Christ and living for Him; propagating the Word of God; and edifying and helping the total man: body, soul, and spirit.
- c. To erect and maintain church buildings; schools; Bible colleges; student living facilities; business offices; radio, television, and recording studios; broadcast and transmission facilities; social halls; parsonages; retreat centers; rehabilitation homes; children's care centers; and such other structures as are deemed necessary or desirable.
- d. To engage in a ministry through radio, television, publications, and other media of mass communication; including the distribution and sale of religious publications and related items.

(continued)

15152 4/21/2003 080802

- e. To establish, operate, and maintain as an integral and inseparable part of the overall ministry of the Gospel of Jesus Christ a Bible Training Center which gives instruction of Christian religious beliefs, morals, and ethics, and the propagation of Christian faith, practice, and doctrine.
- f. To establish, operate and maintain a Christian school, kindergarten ((K-4) through twelfth (12) grade, for the instruction of Christian religious beliefs, values, morals, ethics, and the propagation of Christian faith, practice and doctrine, including all subjects necessary for a proper education. All proper educational subjects are recognized as being thoroughly and completely religious because of their philosophical and moral applications to the circumstances and understandings of life and the world we live in and our relationships with other people. This school-ministry shall be an integral and inseparable part of this corporation's overall ministry of the Gospel of Jesus Christ.
- g. To establish, operate, and maintain Christian education and necessary incidental day-care for children through four years of age for the instruction of Christian religious beliefs, values, morals, and ethics, propagation of faith, practice and doctrine, including all proper educational subjects appropriate to the child's age level and abilities. All proper Christian education and child care are recognized as being thoroughly and completely religious because of their philosophical and moral implications to the circumstances, understanding of life and the world we live in, and our relationships with other people. This aforesaid ministry shall be an integral and inseparable part of this corporation's overall ministry of the Gospel of Jesus Christ.
- h. To provide Biblical and Christian-based advice and counsel appropriate to the problems and circumstances of life to those in need and seeking counsel.
- i. To acquire, operate, and maintain teen centers, youth centers, orphanages, homes for the aged and such other benevolent and charitable institutions as may be lawful for non-profit centers in Washington.
- j. To acquire and hold real estate and such other property as the realization of the aforesaid objects may demand.
- k. To perform charitable acts of assistance and benevolence and to grant financial aid or gifts to persons whom the government of the Church determine to be worthy of such charity.
- l. Any lawful act or activity for which non-profit incorporators may be organized under the Washington Corporation Code.

The foregoing statement of purposes shall be construed as a statement of both purposes and powers, and the purposes and powers stated in each clause shall, except where otherwise expressed, be in no wise limited or restricted by reference to, or inference from, the terms or provisions of any other clause, but shall be regarded as independent purposes and powers.

(continued)

20100045

15152 4/21/2003 88683

5. DISTRIBUTION OF ASSETS IN LIQUIDATION OR DISSOLUTION.

In the event that this corporation by and through its board of directors or through some other determination shall be deemed incapable of continuing to fulfill or serve its purpose, all of its assets, after distribution according to the priorities created in the Non-Profit Corporation Act, shall be distributed to Community Chapel and Bible Training Center, having a current address of 18635 8th Avenue South, Seattle, WA 98148, provided that it is at such time a tax-exempt organization under the then applicable Internal Revenue laws of the United States of America, and further provided that Community Chapel and Bible Training Center is then an organization to which contributions are considered as deductible under the then applicable Internal Revenue laws of the United States of America. In the event that Community Chapel and Bible Training Center does not meet the foregoing requirements at that time, the assets shall be distributed to such other organizations as to which contributions are deductible as charitable contributions in accordance with the Internal Revenue laws of the United States of America. In no event, even upon dissolution, shall any officer or director enjoy any personal benefit from the assets of this corporation.

6. TAX EXEMPT STATUS.

The corporation shall not carry on any activities not permitted to be carried on:

- a. By a corporation exempt from Federal Income Tax under Section 501 (c) (3) of the Internal Revenue Code of 1954 as presently constituted.
- b. By a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code of 1954.

7. PROHIBITION OF POLITICAL ACTIVITIES.

No substantial part of the activities of the corporation shall be devoted to carrying on propaganda, or otherwise attempting to influence legislation, or for the purpose of participating in, or intervening in, any political campaign (including publication or distribution of statement) on behalf of any candidate for public office.

8. PROHIBITION OF PERSONAL BENEFITS.

No private person, officer or director of this corporation shall accede to or in any way, directly or indirectly, receive any benefit of profit or distribution of property or distribution of income from this corporation, provided, however, that nothing herein contained shall prevent the payment in good faith of reasonable compensation to any officers, private persons, or directors or to any employees in return for services actually rendered and for actual expenses incurred in furtherance of the purposes hereof.

9. PROVISIONS FOR REGULATION AND CONDUCT OF THE INTERNAL AFFAIRS OF THE CORPORATION.

- a. This corporation shall not issue stock.
- b. This corporation shall have no members. All decision-making for this corporation shall be hereafter vested in the board of directors, except as specifically limited by the corporation bylaws.

(continued)

20100046

15152 4/21/2003 08084

- c. The affairs of this corporation shall be managed by a board of directors which shall have such officers as are set out in the bylaws of the corporation. There shall not be less than three and not more than twelve directors, and the qualifications, terms of office, manner of election, time and place of meetings, and powers of duties thereof shall be such as will be prescribed in the bylaws of the corporation.
- d. The number of directors constituting the initial board of the corporation shall be three (3). The names and addresses of the persons who are to serve as the initial directors of the corporation are as follows:

Jack McDonald	Hal Price
6118 Sehmel Drive Northwest	836 South Oxford Street
Gig Harbor, WA 98335	Tacoma, WA 98406

George Jewell
7029 40th Street West
Tacoma, WA 98466

10. AMENDMENTS AND BYLAWS.

- a. Amendments to these Articles of Incorporation may be made with a three-fourths (3/4) affirmative vote of the board of directors, the Pastor's concurrence, and the concurrence of the board of directors (Board of Senior Elders) of Community Chapel and Bible Training Center, having a current address of 18635 8th Avenue South, Seattle, WA 98148.
- b. The bylaws shall be the governing law for the internal affairs of this corporation to the extent that they are consistent with these Articles of Incorporation.
- c. The bylaws of the corporation may be amended by a three-fourths (3/4) affirmative vote of the board of directors and the Pastor's concurrence.

11. DURATION.

This corporation is to have a perpetual existence as allowed by Washington Statutes.

12. INCORPORATORS.

The names and places of residence of each of the incorporators are:

Jack McDonald	Hal Price
6118 Sehmel Drive Northwest	836 South Oxford Street
Gig Harbor, WA 98335	Tacoma, WA 98406

George Jewell
7029 40th Street West
Tacoma, WA 98466

(continued)

201C0017

15152 4/21/2003 08085

IN WITNESS WHEREOF, we have hereunto subscribed our names this 25th day of March, 1987.

Jack McDonald
Jack McDonald

Hal Price
Hal Price

George Jewell
George Jewell

STATE OF WASHINGTON)

SS:

COUNTY OF PIERCE)

BE IT REMEMBERED, that on this 25th day of March, 1987, before me, the undersigned, a notary public, in and for the County and State aforesaid, came Jack McDonald, George Jewell, and Hal Price, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

Patricia B. Aubrey
Notary Public

My Appointment Expires:

June 10, 1987

EXHIBIT

D

COMMUNITY CHAPEL AND BIBLE TRAINING CENTER OF TACOMA, WASHINGTON
A SATELLITE CHURCH OF
COMMUNITY CHAPEL AND BIBLE TRAINING CENTER, KING COUNTY, WASHINGTON

ARTICLES OF FAITH AND BYLAWS

Originally drafted and ratified: 4-18-84
(date)

EA. 11 DATE 5-10-84
BALANCE
822-1427

PREAMBLE

We, members of the spiritual body of Christ desiring to unite in fellowship as a visible church, do hereby adopt these Bylaws and agree to be governed by their precepts.

SECTION I

Definition and Integration

ARTICLE ONE: This Church is a Satellite Church of Community Chapel and Bible Training Center, Seattle, King County, Washington. Its name shall be "Community Chapel and Bible Training Center of Tacoma, Washington."

If the relationship of this Satellite Church to the Corporation Church in Seattle, King County, Washington should ever be terminated, this Satellite Church shall remove from its name the words "Community Chapel and Bible Training Center."

ARTICLE TWO: This Satellite Church is established for the purpose of extending the doctrines and ministry of the original Church of Community Chapel and Bible Training Center, located in Seattle, Washington, and hereafter in these Articles of Faith and Bylaws called "the Corporation Church," with which it is affiliated and to which it is subject according to the provisions of these Bylaws. This Satellite Church shall be legally considered to be of the same "denomination" as its headquarters in King County, Washington.

ARTICLE THREE: This Satellite Church shall be financially self-supporting, and financially self-governing. The Corporation Church shall not be obligated to assume any financial obligation of this Satellite Church.

ARTICLE FOUR: In the event that the Pastor and/or the congregation of this Satellite Church shall seek to dissolve their relationship with the Corporation Church, the Corporation Church shall have the right to assume ownership of the buildings and all assets and liabilities, although it shall not be required to do so. The Corporation Church shall have authority to dismiss any or all of the Pastors and officers and to appoint replacements as it sees fit and to retain whatever part of the congregation that remains. If this should happen, this Satellite Church would turn over all financial records to the Corporation Church.

(continued)

2010000

15152 4/21/2003 00000

If in the event of such dissolution of relationship, the Corporation Church did not choose to assume ownership of the Satellite Church, the Corporation Church could not be held liable for any liabilities, debts, encumbrances, etc., of the Satellite Church.

SECTION II

Government of This Satellite Church

PREAMBLE

This Church shall be governed by a Pastor, Voting Elders, and Deacons.

ARTICLE ONE: The Pastor.

- A. The title "Pastor" is synonymous with the title "President" as used in corporation documents which relate to this Satellite Church.
- B. The Pastor shall be a member and chairman of the Board of Voting Elders; hence, "Chairman of the Board of Directors," wherever this title is called for.
- C. Appointing and dismissing the Pastor, and resignation of the Pastor.
 1. The Pastor shall be appointed and ordained by the Corporation Church and shall serve until removed either by the Corporation Church or by a minimum two-thirds (2/3) majority vote of both the Voting Elders and the congregation of this Satellite Church.
 2. Replacement Pastors shall be appointed in the same way as the first Pastor, except that a minimum of all the Voting Elders, save one, of this Satellite Church must ratify the appointment. If three appointments by the Corporation Church are all refused by this Satellite Church, the Corporation Church shall appoint the Pastor, which appointment shall not require ratification.
 3. If the Pastor desires to leave this Satellite Church, he shall be required to give the Voting Elders and the Corporation Church at least thirty (30) days' notice. This time limit may be changed by mutual agreement among the Pastor, the Voting Elders, and the Board of Senior Elders of the Corporation Church.
- D. Jurisdiction of the Pastor.
 1. The Pastor shall be responsible for all services of this Satellite Church, whether or not they are held on the church grounds or whether or not he is present at the meetings.
 2. The Pastor shall have the freedom to minister and lead the services as he feels the Holy Spirit leads him.
 3. The Pastor may question and advise any and all members of the Church, including its governing bodies, as he feels led.
 4. The Pastor may appoint, instruct, oversee, and remove any and all Bible and school teachers in the Church.
 5. The Pastor may appoint, oversee, and remove associates and assistants for spiritual ministries.

(continued)

6. The Pastor may appoint and oversee a Vice President from among the members of the Board of Voting Elders.
 7. The Pastor may appoint and oversee officers and helpers in support of the ministry, in non-spiritual capacities, in areas that would not fall under the normal jurisdiction of the Deacon Board, subject to the approval of the Voting Elders. He may remove such appointees at his own discretion.
 - a. Examples of such spiritual support ministries that would fall under the Pastor's jurisdiction rather than the Deacon Board's are:
 - 1) Outreach team coordinator.
 - 2) Church seminar coordinator.
 - 3) Research assistants.
 - 4) Coordinator of ministerial departments.
 - 5) Sunday School superintendent.
 - 6) Music director.
 - b. Examples of those the Pastor would not appoint, the jurisdiction belonging rather to the Deacon Board, are:
 - 1) Ushers.
 - 2) Construction workers.
 - 3) Maintenance workers.
 - 4) Treasurer.
 - 5) Bookkeeper.
 - 6) Security guards.
- E. Duties of the Pastor.
1. The Pastor shall preach, teach, admonish, encourage, and advise as God gives him ability. The Pastor shall live a godly life and endeavor to shepherd the flock to its spiritual benefit.
 2. Recognizing that the Bible teaches a "body ministry" and that the Pastor does not have time, strength, or desire to run the entire church in its many avenues of service, he shall not be expected to do all (or more than he feels that he can handle reasonably) of the ministries of the church, including visiting and praying for the sick and needy, witnessing, and counseling.
- F. The Pastor's salary shall be determined by the Board of Voting Elders, which shall re-evaluate his salary annually. Once set and accepted, the Pastor's salary shall not be decreased without his consent, unless there is a general economic recession, and then only to the same ratio as the published wage index decline for the local area.

(continued)

20100002

1515Z 4/21/2003 08090

ARTICLE TWO: Voting and Non-Voting Elders.

- A. All Voting and Non-Voting Elders shall be born-again, Holy Spirit-filled males at least twenty-five years old (except when an exception is granted by the Senior Elders of the Corporation Church for a man who is a graduate of Community Chapel Bible College), in good standing with this Satellite Church and with God, fully supportive of the Corporation Church and its Pastor, dedicated to God's service to minister to the flock, and in agreement with the Articles of Faith of the Corporation Church. All Voting Elders shall be appointed by the Pastor on the basis of:
1. Spirituality.
 2. Business sense and responsibility.
 3. Unity with the Pastor.
- B. "Voting Elder" is synonymous with "Member of the Board of Directors" for corporate business purposes.
- C. For a Satellite Church with a congregation of fewer than 150 people, there shall be at least two other Voting Elders in addition to the Pastor. For a Satellite Church with a congregation of 150 or more people, there shall be at least three other Voting Elders in addition to the Pastor, and at least one additional Non-Voting Elder (see Item F. below).
- D. The Board of Voting Elders is the governing board of this Satellite Church; hence, it may also be called the "Board of Directors" wherever such a title is called for.
- E. Additional Voting Elders may be appointed by the Board of Voting Elders by an affirmative vote of the Pastor and a minimum of all other Voting Elders, save one.
- F. The Pastor may also appoint Non-Voting Elders. This church believes in a non-equal Eldership in which certain Elders have both unique ministries and limitations to the scope of their offices. One reason for Non-Voting Elders is to utilize spiritual, experienced, and gifted men for spiritual leadership while they may not yet have the same vision for the Church and unity with the Pastor as the Voting Elders have. This lack might be due to past denominational ties and concepts, for example.
- G. Additional Non-Voting Elders may be appointed by the Pastor and ratified by a minimum of all the Voting Elders, save one.

(continued)

20100003

15152 4/21/2003 00001

- H. All Voting and Non-Voting Elders, except for the Pastor of this Satellite Church, are Elders only within this Satellite Church. They are not also Elders of the Corporation Church or of another Satellite Church. (The Pastor of a Satellite Church is, by definition, an honorary, non-officiating Ministerial Elder of the Corporation Church; he is not, however, also an Elder of another Satellite Church.) A former Voting or Non-Voting Elder who returns to regular fellowship in this Satellite Church shall not automatically resume membership in its Eldership. With concurrence of the Voting Elders prior to departure, a Voting or Non-Voting Elder may take a leave of absence for a few months without affecting his status as an Elder; however, if the leave of absence lasts longer than six months, he shall cease to hold that office in this Satellite Church. If a Voting or Non-Voting Elder decides that his church home is any other church, he shall immediately cease to be an Elder of this Satellite Church. If the Voting or Non-Voting Elder returns to this Satellite Church after his position has lapsed, the Board of Voting Elders may reinstate him as in Item E. above.
- I. For the first five years of this Satellite Church, all Voting Elders except the Pastor shall vacate their office on the anniversary of the incorporation of the church. At that point, the Pastor shall appoint new Voting Elders and/or reappoint the previous year's Voting Elders. After five years, all Voting Elders shall serve for life unless they resign, or cease to be in active fellowship in this Satellite Church, or are removed by a minimum of a three-fourths (3/4) vote of the Voting Elders.
1. Only one member may be removed during any single round of votes.
 2. The one in question shall have no vote in the question of his removal.
 3. In the event a member of the Voting Elders is removed, leaving the Voting Eldership below the minimum number specified in Item A. above, a replacement Voting Elder shall be appointed to the Voting Eldership within seven days.
 4. No member of the Voting Eldership may be removed from office while the Voting Eldership is below minimum number.
 5. No business by the Voting Eldership may be transacted while the Voting Eldership is below the minimum number other than that business required to bring the Voting Eldership back to minimum number.
 6. The Pastor may not be removed from the Voting Eldership or from the position of Chairman of the Voting Eldership unless he is removed as Pastor of the Church.
- J. The Voting Eldership may direct this Satellite Church in the same areas as Non-Voting Elders and in such matters as:
1. Creating new departments within this Satellite Church (with the Pastor's concurrence).
 2. Establishing the goals of this Satellite Church (with the Pastor's concurrence).
 3. Settling disputes within this Satellite Church that cannot be handled by the previously delegated authority.
 4. Determining whether or not to buy, sell, or trade real property, if and as supported by the congregation of this Satellite Church. (See also Article Five, Item B. below.)

(continued)

20100004

15152 4/21/2003 00092

5. Overriding the Deacon Board's decisions if it feels they are contrary to the goals and direction of the Voting Eldership.
6. Requesting modification of Bylaws for this Satellite Church from the Corporation Church.
7. Regulating this Satellite Church, as necessary, within the framework of these Bylaws.
8. Attending meetings of the Deacon Board as advisors, but without vote.
9. Performing one or more of the following functions, under the direction of and with the specific permission of the Pastor:
 - a. Praying for the sick in church, homes, and hospitals.
 - b. Preaching and exhorting.
 - c. Teaching.
 - d. Counseling those in need.
 - e. Directing services, fellowships, classes, and other meetings.
 - f. Leading visitations or witnessing groups.
 - g. Laying hands upon those being ordained or installed into office within this Satellite Church.
 - h. Performing communion, baptisms, marriages, and conducting funerals.
 - i. Performing other spiritual functions as needed.
- K. In the event the Corporation Church replaces the Pastor of this Satellite Church (in accordance with these Bylaws), the Corporation Church may also remove any, or all, of the Elders whom it deems are not in harmony with the Corporation Church or the new Pastor, or that it believes are not assets to this Satellite Church.

ARTICLE THREE: Deacons.

- A. For a Satellite Church with a congregation of fewer than 150 people, the Deacon Board may consist of from three to five members. For a Satellite Church of 150 or more people, the Deacon Board shall consist of five members. The Deacon Board may appoint additional advisors, researchers, aides, and helpers.
- B. A Deacon may also be a member of the Voting Eldership and may hold any other office in this Satellite Church.
- C. To be eligible for office, a Deacon must be a Holy Spirit-filled male over twenty-five years of age and in good standing in this Church.
- D. Election and Removal of Deacons.
 1. New Deacons shall be elected to office by a simple majority of the voting congregation. (See Article Eight below for voting regulations.) The Pastor is expected to recommend to the congregation candidates for the Deacon Board, explaining the duties of the office and the qualities to look for in deciding whom to vote for and, finally, recommending which candidates he feels are most qualified.
 2. A Deacon may be removed from office by a minimum two-thirds (2/3) majority vote of the congregation, or by a minimum two-thirds (2/3) majority vote of the Voting Elders.

(continued)

- (1)
- E. For the first five years of this Satellite Church, all Deacons shall be terminated and new ones elected once a year. At the time of the fifth vote, a congregational vote shall be taken to determine whether annual election of Deacons will continue or the Deacons voted in at that time will serve until one of the conditions below occurs (see Item F. below). The Pastor should give his opinion in this matter to the congregation, and should determine how many years the annual voting, if that is what the congregation chooses, should continue.
- F. After annual elections cease, a Deacon shall remain in office until one of the following occurs:
1. He resigns, or ceases to be in regular attendance at this Satellite Church.
 2. Any member of the Deacon Board or Voting Elders requests a new vote by the congregation, and the Deacon is voted out of office.
 3. He is put out of office by a minimum two-thirds (2/3) majority vote of the Voting Elders. (See Item F. below.)
 4. The congregation petitions for a new vote in sufficient numbers to satisfy the Voting Elders that a vote is advisable, and the Deacon is voted out of office.
- G. Investigation of the Deacon Board: In the event that the Chairman of the Voting Elders feels or suspects wrongdoing or wishes confirmation, he shall have the power to investigate or ask the Voting Elders to investigate the actions of the Deacon Board to see if the directions established by the Voting Elders are being complied with. If mis-direction, mismanagement, or dishonesty is found, the Voting Elders shall have the power to reverse any Deacon Board decision, and, if necessary, remove any Deacon Board member and instruct the congregation to elect a replacement. If un-Christian conduct is found that, in the judgment of the Voting Elders, could bring reproach upon the Church, the Voting Elders may remove that person from office without notifying the congregation. (See Item D., Paragraph 2 above.)
- H. The Pastor shall either appoint one of the Deacons to be Chairman of the Deacon Board, or he shall appoint himself to be Chairman of the Deacon Board. The Chairman shall have no extra voting power or special voice in matters under consideration. He shall call and moderate meetings and shall be responsible that all rules of the Board be followed.
- I. The Deacon Board shall not meet without the Deacon Board Chairman's presence, except by permission from him or from the Pastor. If the Pastor is not Chairman of the Deacon Board, he may elect to sit as temporary Chairman if an emergency meeting is necessary and the Chairman is not available.
- J. Duties of Deacons.
1. The Deacon Board shall oversee the necessary payments, insurance programs, maintenance and safety of the buildings and grounds, janitorial work, construction, purchases, appointment of ushers, and other financial and mundane obligations of this Satellite Church. The Deacon Board shall insure prompt payment of all obligations, keep neat and accurate records of all expenditures and business, and keep the Chairman of the Board of Voting Elders advised of all decisions in writing.

(continued)

20100006

15152 4/21/2003 88894

2. The Deacon Board shall appoint a Treasurer who shall be under the supervision of the Chairman of the Deacon Board, and continue in office until removed by the Deacon Board or until he resigns.
3. The Deacon Board shall appoint money counters.
4. A written record of the minutes and all decisions at each Deacon Board meeting shall be kept in the Satellite Church office (or Pastor's home if no other office exists).

ARTICLE FOUR: The Secretary.

- A. The Chairman of the Board of Voting Elders shall appoint one member of the Board of Voting Elders other than himself to be the Secretary for corporation purposes. He also shall have authority to remove this Secretary and appoint a replacement as occasion demands.
- B. Explanation of Office: Except for the Chairman, all Voting Elders hold positions of equal authority. Thus, within this Satellite Church, the Secretary shall have no more authority than any other Voting Elder. However, he shall have additional responsibilities as outlined in Item C. below.
- C. Duties of the Secretary.
 1. The Secretary shall maintain accurate minutes of all official meetings of the Voting Elders. These minutes shall be kept safely in an appropriate place in the Satellite Church office (or the Pastor's home if no office exists).
 2. If the Secretary is absent from a meeting of the Voting Elders, the Chairman shall appoint a recording secretary for that meeting. This recording secretary shall submit his minutes to the Secretary upon his return. The Secretary shall be responsible for verifying reasonable accuracy of the minutes recorded in his absence.
 3. The Secretary shall sign all legal documents calling for the signature of the Secretary of the Corporation.

ARTICLE FIVE: Finances.

- A. The financial organization of this Satellite Church shall be established and administered in such a way that it meets all Corporation Church, Satellite Church, and governmental laws and regulations, and insures reasonable safety against embezzlement and fraud. Copies of corporation papers such as the Articles of Incorporation and these Bylaws and amendments thereto shall be forwarded to the Corporation Church within thirty days of adoption.
- B. The Chairman of the Deacon Board may authorize with the Pastor's concurrence any expenditure up to \$250.00 when it is necessary before the next meeting of the Deacon Board. Any expenditure involving over \$250.00 must be approved by a minimum two-thirds (2/3) majority of the Deacon Board. Any expenditure involving over \$5,000.00 shall also be approved by a minimum two-thirds (2/3) majority of the Voting Eldership, and expenditures over \$50,000.00 approved also by a simple majority of the voting congregation.
- C. All payments over \$50.00 must be made by check or other bank-authorized fund transfer. Receipts and payment authorizations shall be required for petty cash expenditures.

(continued)

20100007

15152 4/21/2003 08095

- D. Two signatures are required on all checks. These two signatures may be any two of the Voting Elders. The co-signer of checks shall have the obligation to fully understand and concur with each check signed and to review the signed purchase authorizations, as appropriate.
- E. At least two authorized money counters shall count the offerings. The money counters shall prepare the bank deposit. They must also be permitted free access to the records of bank deposits for verification.

ARTICLE SIX: The Treasurer.

- A. The Treasurer shall be appointed by the Deacon Board and shall be under the supervision of the Chairman of the Deacon Board.
- B. The Treasurer shall act in his capacity and perform his duties according to the following:
 1. The Treasurer is not necessarily a member of the Deacon Board, but may attend Deacon Board meetings at his option. Alternately, the Deacon Board may request that he attend some or all of their meetings.
 2. If the Treasurer is also appointed as a Voting Elder, or vice versa, he shall not be authorized to approve expenditures nor shall he be authorized to sign checks. Exception: As long as this Satellite Church has a total of only three Voting Elders, such a Treasurer could, with the Pastor's concurrence, sign checks when one of the other Voting Elders were out of town or otherwise unavailable for an extended period of time. When the missing Voting Elder returned, he would review the record of all checks signed by the Treasurer in his absence for concurrence with them.
 3. The Treasurer may not be the Chairman of the Deacon Board. The fact that he is Treasurer gives him no special voice in the operation of this Satellite Church.
 4. Immediate relatives of a Voting Elder shall not hold the office of Treasurer or be authorized to count money.
 5. The Treasurer shall supervise the keeping of the general ledger and financial records of this Satellite Church. He shall not, however, be authorized to count money or prepare the bank deposits.
 6. The Treasurer shall be responsible to record all financial transactions and to demonstrate to the Deacon Board his integrity and competence in such matters.
 7. The Treasurer shall assure that the financial records fulfill all obligations of this Satellite Church and of the local, state, and federal governments.

ARTICLE SEVEN: Definition of "Membership."

- A. The term "membership" as used in this Satellite Church shall mean adherents to the Church, not members in the usual corporate sense, because according to the Articles of Incorporation, this is a non-membership Corporation. The use of terms such as "member," "membership," "congregational voting," and "voting congregation" together with certain voting privileges enumerated for the congregation shall not be understood to elevate the status of adherents to a corporate membership in the legal sense, which would contradict the Articles of Incorporation.

(continued)

20100008

1515Z 4/21/2003 08096

- B. Persons may be considered to be in fellowship in this Church only if they are born-again Christians, function in accordance with the laws of God as delineated in the Holy Bible, and if they confess the full inspiration of the Holy Bible, acknowledge the Biblical authority of the Church government, show respect for and obey the laws of God and this Church, and willingly receive counsel from Church-appointed Counselors as deemed necessary by this Church.

ARTICLE EIGHT: Congregational voting.

- A. In order to be eligible to vote in congregational business meetings, one must be:
1. A born-again Christian.
 2. In regular attendance in the Sunday services for at least the previous three months.
 3. Eighteen years of age or older.
 4. Not actively affiliated with another church.
- B. Any question regarding eligibility to vote shall be resolved by the Pastor, whose decision is final. In the case of voting about dismissing the Pastor, the Voting Elders shall decide eligibility to vote.
- C. A simple majority of the eligible voting members at a congregational meeting shall be necessary to decide any question before the congregation, except where these Bylaws stipulate the requirement differently. In case of an apparent tie-vote the Pastor shall cast the deciding vote.

ARTICLE NINE: Congregational business meetings may be called only by the Pastor or with the Pastor's concurrence.

Exception: A meeting for the purpose of considering whether or not the Pastor should be removed from office may be called by the Voting Elders without the Pastor's permission. In order to hold such a meeting, a minimum of three-fourths (3/4) of the Voting Elders must agree. The Pastor shall be notified and invited to attend. He shall be permitted to address the entire congregation for no less than fifty (50) per cent of the time allowed for presentation and discussion. Such a meeting may not be called when the Pastor is unavailable, except with written concurrence of the Board of Senior Elders of the Corporation Church.

(continued)

20100009

15152 4/21/2003 88897

SECTION III

Fundamental Tenets of Community Chapel and Bible Training Center

PREAMBLE

The Fundamental Tenets shall always be the same as those of the Corporation Church and are repeated here for convenience.

ARTICLE ONE: Articles of Faith.

The Pastor and the Elders agree that the Bible, as originally penned, is the inspired Word of God and is our sole rule of faith. They unite in the belief that, to keep the unity of the faith and to maintain our purpose, only those who hold to the following basic beliefs of God's Holy Word are to be chosen to hold any office of spiritual leadership in the Church. "Spiritual" shall pertain to an office that can involve impartation of theological information.

- A. We believe in the absolute inspiration of the Bible and hold it to be the inerrant and final authority in all matters of Christian faith and practice (2 Tim. 3:16; Mtt. 5:17-19).
- B. We believe in God the Father, almighty and eternal, Creator of the heavens and the earth and all that dwell therein, contrary to all evolutionary theory (1 Cor. 8:6; 2 Cor. 6:18; 1 Tim. 1:17; Gen. 1:1ff).
- C. We believe in the Lord Jesus Christ, the Son of God, fully God and fully man, who was born of the virgin Mary, suffered and died for our sins on the cross, was buried, rose bodily from the dead on the third day, appeared unto men, ascended into heaven in the sight of many witnesses, and who is coming again with power and great glory (1 Cor. 8:6; Mtt. 16:16; John 20:28; 1 Tim. 2:5; Mtt. 1:23; 1 Cor. 15:3-7; Acts 1:9-11; Mtt. 24:30).
- D. We believe in the Holy Spirit, the Comforter, who inspired the holy apostles and prophets of old; who indwells believers with His presence today as He did in the early church, giving them the ability to speak in languages they have never learned; and who convicts the world concerning sin, righteousness, and judgment (John 14:26; 2 Pe. 1:21; Acts 2:4; John 16:8).
- E. We believe that no one can be saved from sin and judgment and have eternal life without repenting of his sins and personally accepting Jesus Christ as his Lord and Savior, receiving forgiveness through the shed blood of Jesus, the sinless Lamb of God. All who have been born again according to John 3:3-8, we accept as members of the body of Christ, sharing fellowship with them based on our common salvation, not on doctrine, as important as it is (Rom. 6:23; 10:9,10; Luke 13:3; John 1:12; Eph. 1:7; 1 Pe. 1:19; 1 Cor. 12:12; 1 Jn. 1:3).
- F. We believe that water baptism is for the remission of sins (Acts 2:38; 22:16) and should be administered to believers by immersion in keeping with the commission of Jesus in Matthew 28:19 and apostolic practice (Acts 2:38; 19:5).

(continued)

20100010

15152 4/21/2003 00090

- G. We believe in participating in the New Covenant communion of the Lord's body, partaking of the emblems that typify the body and blood of Jesus Christ, remembering His death until He comes again. We examine ourselves, confessing our faults and sins, always discerning those in the Lord's body—both locally and universally (1 Cor. 10:16,17; 11:23-33).
- H. We believe that Christians must live in obedience to God's Word, and that those who remain in the faith unto the end shall be saved (2 Tim. 2:19; Luke 8:13; 1 Cor. 15:2; Heb. 3:14; Mtt. 24:13).
- I. We believe that God is a God of order who has established a specific structure of authority within both the church and the family. He has established offices in the church (pastors, elders, and deacons) through which the affairs of the local assembly are to be governed. Members of the assembly are enjoined to obey those who have the rule over them in spiritual matters. God has also ordained that children are to obey their parents, wives are to submit to their husbands, and citizens are to obey their civil governmental authorities. In all the aforementioned cases of submission, exception must be made if obedience would cause one to violate his conscience before God (Rom. 13:1-7; 1 Cor. 12:28; Eph. 4:11-13; 1 Tim. 3:1-13; Heb. 13:17; Eph. 6:1; 5:22; 1 Pe. 2:13,14; Acts 4:19).
- J. We believe that all New Testament believers should purpose in their hearts to financially support the ministry of their church with at least as much liberality as the tithe and offering, which were required to be given to the Lord under the Old Covenant (Lev. 27:30-32; Mal. 3:10; 2 Cor. 9:6,7).
- K. We believe that bodily healing continues to be available to believers today, having been provided by the atonement of Christ on the cross and promised to all who will put their trust in Him (Mark 16:18; Jas. 5:14,15; 1 Pe. 2:24).
- L. We believe in the exercise of the gifts and ministries of the Holy Spirit within the church body, as described in Romans 12:3-8 and in 1 Corinthians 12 through 14.
- M. We believe that Christians are to endeavor to keep the unity of the Spirit in the bond of peace, so that God may bring the willing and obedient, who truly love Him, unto the unity of the faith before Jesus Christ returns (Eph. 4:1-6, 13-16).
- N. We believe in the out-translation of the bride of Christ, followed by the great tribulation in which the antichrist shall rule over the earth through a world government, world church, and false prophet. Those Christians who fail to make the bride of Christ will, if they are faithful, be martyred in the great tribulation and come into the great wedding feast as guests of the Groom. God will pour out plagues on the earth; the devil will gather all nations against Jerusalem to battle; Christ will return to rule over the earth in the Millennium; all shall stand before God at the great judgment (1 Th. 4:17; Luke 21:27,28,36; Rev. 7:14; 2 Th. 2:1-8; Rev. 13:1-18; 17:1-18; 8:7-9:19; 11:15,19; 16:12-14,16; Zec. 14:2-5,9; Rev. 1:7; 20:11-15).
- O. We believe in everlasting life for the believer and everlasting judgment for the unbeliever (John 3:16; Mtt. 25:46; Rev. 20:11-15).

(continued)

20100011

15152 4/21/2003 000000

ARTICLE TWO: Procedures Regarding An Individual Being Put out of the Church or Disfellowshipped.

For the protection of the Church and in accordance with the precepts established in the Holy Scriptures, we believe that individuals who continue in significant sin without repentance, including those who are potentially subversive and/or dangerous to the well-being of the Church and its government and/or its participants, must be excluded absolutely, and that such individuals shall be "put out of the Church," or if they do not currently attend the Church, they shall be "disfellowshipped." The results of being "put out of the Church" and being "disfellowshipped" are identical: in both cases the fellowship with Community Chapel and Bible Training Center is terminated; the individual is barred from entrance to Church functions, meetings, and facilities; and the active participants in the Church are instructed to have no fellowship or non-business conversation with him.

- A. There are several reasons why an individual might be put out of the Church or disfellowshipped; the following partial list gives examples that are indicative of such reasons:
1. Wronging a brother and refusing to repent and make restitution. An individual who does so is to be treated as a heathen. (Matthew 18:14-18)
 2. Fornicating or committing adultery; castigating others or the Church; being a drunkard, extortioner, or idolater; or being covetous. An individual who continues in any of these sins or who is involved in any wickedness is to be put away from the Church. (1 Corinthians 5:9-13)
 3. Being significantly out of step with the Church's rules, doctrines, and practices. An individual in such a condition is not to be companied with, although he may still be considered a brother in the faith and not an enemy. (2 Thessalonians 3:6-15)
- B. We believe that in His Word, God forbids His people to have fellowship with those who have been disfellowshipped by the Church, and that it is sin to entertain rumors, allegations, and criticism against the Church and/or its government, which such people may bring up. Because 1 Timothy 5:19, the general tenor of other Scriptures, and our Church (Heb. 13:17) teach that Christians must refuse to accept accusations against spiritual leaders (except according to clear Biblical procedures), we recognize that the sin of listening to and harboring such things may be grounds for being put out of the Church.
- C. We recognize that the Bible teaches clear procedures for dealing with grievances and accusations against other persons, brethren within the Church, and the Church government. When an individual with a grievance consistently obeys completely the teachings of Holy Scripture in these matters, as interpreted by this Church, he shall under no circumstances be put out of the Church or disfellowshipped.

(continued)

20100012

15152 4/21/2003 00:180

- D. We believe that when anyone in our Church hears another begin to accuse the Church, our government, or anyone in that government, the person shall immediately refuse to hear any further accusations and shall tell the accuser to bring any accusations to one of the Voting Elders. He then shall report the incident to one of the Voting Elders.
- E. We believe that the Church government must act promptly yet fairly when considering the matter of an individual being put out of the Church or disfellowshipped. Our policy, to insure that no one is unfairly treated, is as follows:
1. Standard Procedure. A Counselor shall:
 - a) Inform the individual that he may be put out of the Church if he does not repent and mend his way.
 - b) Allow the individual to repent and mend his ways.
 - c) Fully explain the charges against the individual, allowing him to ask questions and to make his defense.
 - d) Fully explain to the individual what is expected of him.
 - e) Notify the individual that either he is put out of the Church with the Pastor's concurrence, or else that a recommendation is being sent to the Pastor to the effect that he be put out of the Church, and therefore that he will have no fellowship with the Church.
 - f) Explain to the individual that he has a right to appeal the expulsion to a board of two or more Voting Elders (in addition to the Counselor if he is also a Voting Elder) as determined by the Pastor.
 2. Exceptions and Extenuating Circumstances: The following are situations in which the Counselor may put an individual out of the Church without counseling, warnings, or without regard to repentance or apology.
 - a) Violent actions or aggravated assaults or actions where a person may be deemed to be potentially dangerous, or be an imminent threat to people or property, by reason of violence, intimidation, threatening, physical harm, robbery, etc.
 - b) Lack of indication of sincerity of repentance, a manifestly improper and unchristian attitude and spirit, lack of cooperation, or unwillingness to obey God and/or the Church.
 - c) Rebellion, unsubmitiveness, antagonism, or lack of respect for the Church, the Pastor, or God.
 3. Regardless of the reason why a person is put out of the Church, he always has the right to appeal.
 4. The Counselor shall always seek the Pastor's concurrence in putting someone out of the Church, or in emergency or aggravated matters, the Pastor shall be notified as soon as is reasonably possible.
 5. For the protection of the Church and for the need of the people to know with whom they may not have fellowship, and in accordance with the Bible, the Church shall be notified of those who sin and are put out of the Church.

(continued)

20100013

15152 4/21/2003 00101

6. This Church interprets as sin, in accordance with the Holy Scriptures, any action contrary to God's laws, whether stated in the Bible or by delegated authority or the Church. Sin is disobedience to God. Any disobedience to those appointed by God or His Church, is interpreted as disobedience to God; it is, therefore, sin.
- F. The Corporation Church and this Satellite Church shall honor the decision of the Corporation Church or any other Satellite Church to disfellowship individuals; such individuals shall be considered to be disfellowshipped from all churches and fellowships of Community Chapel and Bible Training Center. An exception to this policy may be made by mutual agreement between the pastors involved. For central record-keeping purposes, the Corporation Church shall be notified whenever someone is disfellowshipped or put out of the church.

ARTICLE THREE: Statement of Faith Regarding Military Action.

In order to verify that Community Chapel and Bible Training Center stands opposed to our congregation being a part of the armed services, we formally adopt this statement of faith.

- A. It is our belief that we are a body of believers, called by God to serve Him according to His Word and revelation (Rom. 12:4,5; Eph. 4:4; Mtt. 4:10).
- B. God has called us to be in the world and not of the world, and to put Him first in all things (John 17:11,16; Mtt. 6:33).
- C. We are commanded by God to be obedient to civil authority except where contrary to God's Word and our conscience. We stand opposed to anarchy (Rom. 13:1-7; Acts 4:19).
- D. We recognize Communism to be anti-God, anti-democratic, and a threat to peace.
- E. We recognize the right of those who are of the world to use such force as is necessary to subdue crime, anarchy, and aggression (John 18:36; Rom. 13:4).
- F. We believe Christians to be citizens of heaven, pilgrims, and strangers sojourning among unregenerated peoples on earth (Php. 3:20; 1 Pe. 2:11; Heb. 13:14).
- G. It is our belief that the unregenerated are responsible for the current problems and therefore have to deal with the same in their own way. We believe that refusal to be born-again and filled with the Holy Spirit as commanded by Scripture has led to strife of every sort in our society and among nations (Pro. 29:2).
- H. We further believe that the soft stand taken against evil, crime, and aggressions by our government has put this country in its present precarious position.
- I. We are convinced that the present actions and inactions are part of a universal scheme to establish world government as foretold by the Bible (Rev. 17:9-12). Christians who take part in such matters only help to bring to pass a world government and a world church that will ultimately wrest away our freedom to worship God according to the dictates of our hearts and our understanding of God's Holy Word.

(continued)

20100014

15152 4/21/2003 00102

- J. We are opposed to taking part in any form of violence or in any action to aid the establishment of world government or of a national or world church by man's efforts (Luke 3:14).
- K. We trust God, not man, to be our defense (Psa. 59:16,17; 118:8).
- L. We believe in doing good to all men, evil to none (Gal. 6:10; Rom. 12:17).
- M. We are appreciative of the federal Constitution that is based on godliness and of the Christian attitudes that accrue from our godly forebearers. We are thankful for the freedom that we do enjoy in this great nation of ours and pray that its leaders will lead us in the paths of righteousness, godliness, peace, and justice.
- N. We are conscientiously opposed on the grounds of our religious faith to aiding the military in any way. We believe that born-again Christians must not take part in fighting the wars of this world (1 Tim. 2:1,2).

ARTICLE FOUR: Statement on Counseling.

- A. We believe that the Holy Scriptures teach Christians to encourage, counsel, admonish, exhort, and rebuke the brethren in matters of faith, doctrine, domestic life, marriage, godliness, and all other areas taught by the Bible, and to do so with all authority (Tit. 2:15). Accordingly the Church shall train to its satisfaction and authorize Counselors for the ministry of godly counsel to those in need.
- B. No Counselor shall attempt to control or manipulate the life of another individual. However, this shall not be construed to prohibit the Counselor from teaching the laws of the Church and the Bible, from giving counsel, or from explaining what he would do under similar circumstances. It is our conviction that a Church Counselor has Bible precedent to explain Biblical, godly, and moral principles that are in accordance with his office and the teachings of Scripture according to the teachings of this Church.

It is our belief that such counsel does not do violence to a person's free will, because advice from Counselors is just that—advice and no more. The recipient of the counsel is not bound to follow the counsel he seeks or that is given (he must be responsible for his own actions) unless the Counselor directs a person to a certain action in accordance with the Church laws, in which case that person has the free choice of following the rules or of seeking another church. Our stated Church policy is that our Church is only for those who agree with the Bible and the calling and authority of this Church.

While explaining the full implications of considered action, the Counselor shall be very careful not to give absolute directions in matters that are entirely subject to the free choice of the recipient of counsel. The following list illustrates the type of decisions which, according to our firm policy, the Counselor must carefully leave open to the choice of the recipient of counsel.

(continued)

20100015

15152 4/21/2003 08103

1. A Counselor shall refrain from making any absolute recommendation about either seeking or not seeking professional medical or psychiatric care or obtaining care in or out of clinics or hospitals.
 2. A Counselor shall refrain from telling the recipient of counsel that he either should or should not: seek a divorce, give up a child for adoption, or seek an abortion.
 3. A Counselor shall refrain from giving advice that would cause the recipient of counsel to disobey any law (unless the government of the Church has determined that the particular law is contrary to the higher law of God as revealed in the Bible).
 4. A Counselor shall not accuse a person of being demon-possessed.
- C. We recognize that individuals who are under stress may be prone to misinterpretation of counsel; therefore, Counselors shall exercise caution when dealing with emotionally volatile issues and shall attempt to give counsel that is easily understood.

SECTION IV

Protocol Among Satellite Churches and the Corporation Church

ARTICLE ONE: Statement of Unity With the Corporation Church and all other Satellite Churches in Standards of Appearance and Conduct: This Satellite Church shall strive always to maintain a strong bond of unity with the Corporation Church and the other Satellite Churches. Recognizing that outward distinctions can indicate inner differences, this Satellite Church shall seek to avoid such distinctions. Accordingly, unless an exception is granted by the Board of Senior Elders of the Corporation Church, this Satellite Church shall maintain the same standards regarding dress, hairstyle, and conduct as taught by the Corporation Church.

ARTICLE TWO: This Satellite Church shall have no satellite churches of its own. If a fellowship of this Satellite Church develops to the point where the majority of the attendants desire, as expressed by a majority vote, that the fellowship incorporate as a church; the fellowship leader, after advising the Pastor of this decision, shall request that the Corporation Church instate the group as a Satellite church. All arrangements with the Corporation Church shall be completed according to instructions before filing corporate organization papers.

ARTICLE THREE: This Satellite Church shall at all times respect the chain of authority established in the Corporation Church and the other Satellite Churches and Fellowships. Accordingly, if assistance is needed in any ministry (e.g., music ministry, teaching, etc.), a request shall be directed to the Pastor of the appropriate church. No effort to "recruit" for the needed ministry may be undertaken until the Pastor has given permission.

ARTICLE FOUR: Recognizing that maintaining unity with other Satellite Churches and the Corporation Church is a fundamental goal, the Pastor shall encourage attendance at gatherings initiated by the Corporation Church such as elders' retreats, camp meetings, and teaching seminars. To the extent of financial ability, Satellite Churches are encouraged to pay the travel and living expenses of the Pastor, his wife, and the Elders to such events.

(continued)

ARTICLE FIVE: In order to maintain coherency with the teaching emanating from the other churches of Community Chapel and Bible Training Center and to maintain ease of reference to standard commentaries and scholarly works, this Satellite Church shall use the King James Version of the Bible as its primary Bible translation. Other translations may be used, but only as supplements.

SECTION V

Original Musical Compositions

ARTICLE ONE: Musical compositions originating from this Satellite Church or the Corporation Church shall become the property of the church of origin subject to the following rules. (In the case of the Corporation Church, the owner of musical compositions is Community Chapel Publications.)

- A. All Satellite Churches and the Corporation Church shall have unencumbered access to all original musical compositions for use within their own corporate organizations. Such use shall include performance, duplication, and distribution.
- B. All copies of musical compositions shall display the appropriate symbol and legend to indicate which group owns the copyright of each composition.
- C. This Satellite Church may sell to a commercial publisher or publish for profit any of the musical compositions it owns, provided that such sale or publication does not infringe upon the rights of the other Satellite Churches or Corporation Church as established in Item A. above.
- D. If this Satellite Church desires to sell an original musical composition to a publisher, it shall first give Community Chapel Publications option to obtain the musical composition for publication.

SECTION VI

Changes to and Upkeep of the Articles of Faith and Bylaws of This Satellite Church

ARTICLE ONE: Changes, additions, or deletions.

- A. Any changes, additions, or deletions to these Bylaws which this Satellite Church feels are necessary to implement to meet its particular situation shall become effective after the following steps are taken:
 1. The Pastor and a minimum of three-fourths (3/4) majority of the Voting Elders of this Satellite Church approve the change(s).
 2. This Satellite Church sends to the Board of Senior Elders of the Corporation Church a formal letter detailing the modification(s), signed by the Voting Elders.
 3. The Pastor of the Corporation Church and a minimum three-fourths (3/4) majority of the Board of Senior Elders of the Corporation Church approve the change(s).

(continued)

20100017

1515Z 4/21/2003 08105

- B. Changes, additions, or deletions which are accepted according to the procedure outlined in Item A. above shall be recorded and numbered separately from these Bylaws so as not to interrupt the readability or damage the ability to define or restore the original document.

ARTICLE TWO: We of Community Chapel and Bible Training Center recognize that it is imperative that unity of direction be maintained among all of its fellowships and Satellite Churches. From time to time, the Corporation Church anticipates amending the master model Bylaws for Satellite Churches to provide for smoother Satellite Church operation, closer and more harmonious inter-church ties, and greater church safety and legal protection. In order to secure the advantages available from these amendments, this Satellite Church shall adopt the newly-amended Bylaws within sixty (60) days of notification by the Corporation Church that the model Bylaws have been amended.

This Satellite Church shall always keep these Bylaws in agreement with the master model Bylaws for Satellite Churches (which is Chapter Six of the Bylaws of Community Chapel and Bible Training Center, Seattle, Washington).

RATIFICATION OF THESE ARTICLES OF FAITH AND BYLAWS

<u>4-18-54</u> date	<u>Jack McDonald</u> Jack McDonald, Board of Voting Elders Chairman
<u>4/16/54</u> date	<u>George Jewell</u> George Jewell, Board of Voting Elders member
<u>4-18-54</u> date	<u>Hal Price</u> Hal Price, Board of Voting Elders member

EXHIBIT

E

EXHIBIT
8 - 1

COMMUNITY CHAPEL AND BIBLE TRAINING CENTER

ARTICLES OF FAITH AND BYLAWS

Originally drafted and ratified: October 18, 1967.

- First revision: September 9, 1969.
- Second revision: December 16, 1974.
- Third revision: September 23, 1975.
- Fourth revision: November 9, 1976.
- Fifth revision: June 6, 1978.
- Present revision: January 28, 1986.

PREAMBLE

We, members of the spiritual body of Christ desiring to unite in fellowship as a non-profit religious corporation, do hereby adopt these Bylaws and agree to be governed by their precepts.

Chapter One
DIVISION ONE

THE TOTAL CORPORATION

SECTION I

Name, Location, and Objective

ARTICLE ONE: The name of this Corporation shall be "Community Chapel and Bible Training Center."

ARTICLE TWO: The Corporation of Community Chapel and Bible Training Center has its headquarters in southern King County, Washington, at the Church of Community Chapel and Bible Training Center as described in the Church Division (Division Two) of these Bylaws (the Corporation Church). The mailing address is 18635 Eighth Avenue South, Seattle, Washington 98148.

EXH 27 DATE 10/29/88
WITNESS Barnett
KATHLEEN CASSIDY

(continued)

15152 4/21/2003 00100

Chapter Six

MODEL ARTICLES OF FAITH AND BYLAWS FOR SATELLITE CHURCHES

Explanation

This chapter of the Bylaws of Community Chapel and Bible Training Center, Seattle, King County, Washington, shall be (with the appropriate blanks filled in) the Bylaws of each Satellite Church.

COMMUNITY CHAPEL AND BIBLE TRAINING CENTER OF _____ (city and state)
A SATELLITE CHURCH OF
COMMUNITY CHAPEL AND BIBLE TRAINING CENTER, SEATTLE, KING COUNTY, WASHINGTON
ARTICLES OF FAITH AND BYLAWS

Originally drafted and ratified: _____ (date)

PREAMBLE

We, members of the spiritual body of Christ desiring to unite in fellowship as a visible church, do hereby adopt these Bylaws and agree to be governed by their precepts.

SECTION I

Definition and Integration

ARTICLE ONE: This Church is a Satellite Church of Community Chapel and Bible Training Center, Seattle, King County, Washington. Its name shall be "Community Chapel and Bible Training Center of _____ (city and state) ."

If the relationship of this Satellite Church to the Corporation Church in Seattle, King County, Washington should ever be terminated, this Satellite Church shall remove from its name the words "Community Chapel and Bible Training Center."

ARTICLE TWO: This Satellite Church is established for the purpose of extending the doctrines and ministry of the original Church of Community Chapel and Bible Training Center, located in Seattle, King County, Washington, and hereafter in these Articles of Faith and Bylaws called "the Corporation Church," with which it is affiliated and to which it is subject according to the provisions of these Bylaws. This Satellite Church shall be legally considered to be of the same "denomination" as its headquarters in King County, Washington.

(continued)

15152 4/21/2003 08109

8-43

ARTICLE THREE: This Satellite Church shall be financially self-supporting, and financially self-governing. The Corporation Church shall not be obligated to assume any financial obligation of this Satellite Church.

ARTICLE FOUR: In the event that the Pastor and/or the congregation of this Satellite Church shall seek to dissolve their relationship with the Corporation Church, the Corporation Church shall have the right to assume ownership of the buildings, including assets and liabilities, although it shall not be required to do so. The Corporation Church shall have authority to dismiss any or all of the Pastors and officers and to appoint replacements as it sees fit and to retain whatever part of the congregation that remains. If this should happen, this Satellite Church shall turn over all financial records to the Corporation Church.

If in the event of such dissolution of relationship, the Corporation Church did not choose to assume ownership of the Satellite Church, the Corporation Church could not be held liable for any liabilities, debts, encumbrances, etc.; of the Satellite Church.

SECTION II

Government of This Satellite Church

PREAMBLE

This Church shall be governed by a Pastor, Voting Elders, and Deacons.

ARTICLE ONE: The Pastor.

- A. The title "Pastor" is synonymous with the title "President" as used in corporation documents which relate to this Satellite Church.
- B. The Pastor shall be a member of and chairman of the Board of Voting Elders; hence, "Chairman of the Board of Directors," wherever this title is called for.
- C. Appointing and dismissing the Pastor, and resignation of the Pastor.
 1. The Pastor shall be appointed and ordained by the Corporation Church and shall serve until removed either by the Corporation Church or by a minimum two-thirds (2/3) majority vote of both the Voting Elders and the congregation of this Satellite Church.
 2. Replacement Pastors shall be appointed in the same way as the first Pastor, except that a minimum of all the Voting Elders, save one, of this Satellite Church must ratify the appointment. If three appointments by the Corporation Church are all refused by this Satellite Church, the Corporation Church shall appoint the Pastor, which appointment shall not require ratification.
 3. If the Pastor desires to leave this Satellite Church, he shall be required to give the Voting Elders and the Corporation Church at least thirty (30) days' notice. This time limit may be changed by mutual agreement among the Pastor, the Voting Elders, and the Board of Senior Elders of the Corporation Church.

(continued)

D. Jurisdiction of the Pastor.

1. The Pastor shall be responsible for all services of this Satellite Church, whether or not they are held on the church grounds or whether or not he is present at the meetings.
2. The Pastor shall have the freedom to minister and lead the services as he feels the Holy Spirit leads him.
3. The Pastor may question and advise any and all members of the Church, including its governing bodies, as he feels led.
4. The Pastor may appoint, instruct, oversee, and remove any and all Bible and school teachers in the Church.
5. The Pastor may appoint, oversee, and remove associates and assistants for spiritual ministries.
6. The Pastor may appoint and oversee a Vice President from among the members of the Board of Voting Elders.
7. The Pastor may appoint and oversee officers and helpers in support of the ministry, in non-spiritual capacities, in areas that would not fall under the normal jurisdiction of the Deacon Board, subject to the approval of the Voting Elders. He may remove such appointees at his own discretion.
 - a. Examples of spiritual support ministries that would fall under the Pastor's jurisdiction, rather than the Deacon Board's, are:
 - 1) Outreach team coordinator.
 - 2) Church seminar coordinator.
 - 3) Research assistants.
 - 4) Coordinator of ministerial departments.
 - 5) Sunday School superintendent.
 - 6) Music director.
 - b. Examples of those the Pastor would not appoint, the jurisdiction belonging rather to the Deacon Board, are:
 - 1) Ushers.
 - 2) Construction workers.
 - 3) Maintenance workers.
 - 4) Treasurer.
 - 5) Bookkeeper.
 - 6) Security guards.

E. Duties of the Pastor.

1. The Pastor shall preach, teach, admonish, encourage, and advise as God gives him ability. The Pastor shall live a godly life and endeavor to shepherd the flock to its spiritual benefit.
2. Recognizing that the Bible teaches a "body ministry" and that the Pastor does not have time, strength, or desire to run the entire church in its many avenues of service, he shall not be expected to do all (or more than he feels that he can handle reasonably) of the ministries of the church, including visiting and praying for the sick and needy, witnessing, and counseling.

(continued)

- F. The Pastor's salary shall be determined by the Board of Voting Elders, which shall re-evaluate his salary annually. Once set and accepted, the Pastor's salary shall not be decreased without his consent, unless there is a general economic recession, and then only to the same ratio as the published wage index decline for the local area.

ARTICLE TWO: Voting and Non-Voting Elders.

- A. For a Satellite Church with a congregation of fewer than 150 people, there shall be at least two other Voting Elders in addition to the Pastor. For a Satellite Church with a congregation of 150 or more people, there shall be at least three other Voting Elders.
- B. "Voting Elder" is synonymous with "Member of the Board of Directors" for corporate business purposes. The Board of Voting Elders is the governing board of this Satellite Church; hence, it may also be called the "Board of Directors" wherever such a title is called for.
- C. All Voting and Non-Voting Elders shall be born-again, Holy Spirit-filled males at least twenty-five years old (except when the Board of Senior Elders of the Corporation Church grants an exception for a man who is a graduate of Community Chapel Bible College), in good standing with this Satellite Church and with God, fully supportive of the Corporation Church and its Pastor, dedicated to God's service to minister to the flock, and in agreement with the Articles of Faith of the Corporation Church (see Section III, Article One below). Voting Elders shall be appointed on the basis of:
1. Spirituality, responsibility, integrity, and unity with the Pastor.
 2. Business sense and/or managerial capability.
- D. This church believes in a non-equal Eldership in which certain Elders have both specific ministries and oftentimes limitations to the scope of their offices. One reason for Non-Voting Elders is to utilize spiritual, experienced, and gifted men for spiritual leadership even though they may not yet have the same vision for the Church or unity with the Pastor as the Voting Elders have. This lack might be due to past denominational ties and concepts, for example.
- E. The original Voting Elders are appointed by the Pastor at the establishment of this Satellite Church. Additional Voting Elders may be appointed by the Board of Voting Elders by an affirmative vote of the Pastor and a minimum of all other Voting Elders, save one.
- F. At the establishment of this Satellite Church, the Pastor may appoint Non-Voting Elders, if applicable. Additional Non-Voting Elders may be appointed by the Pastor, with the ratification of all the Voting Elders, save one.
- G. A Non-Voting Elder who has been ordained as Elder because he holds a leadership position in a department of this Satellite Church shall be a "Departmental Elder." If the Pastor dissolves the office or removes him from the department, he would have no department to oversee and, hence, would cease to be an Elder.

(continued)

A Non-Voting Elder who has been ordained as Elder because of the ministry(ies) he performs, shall be a "Ministerial Elder." If the ministry ceases or if the Pastor removes him from the ministry, he would no longer have the ministry to perform and, hence, would cease to be an Elder.

- H. All Voting and Non-Voting Elders are Elders only within this Satellite Church. They are not also Elders of the Corporation Church or of another Satellite Church. With concurrence of the Voting Elders, a Voting or Non-Voting Elder may take a leave of absence for a few months without affecting his status as an Elder; however, if the leave of absence lasts longer than six months, he shall cease to hold that office in this Satellite Church. If a Voting or Non-Voting Elder decides that his church home is any other church, he shall immediately cease to be an Elder of this Satellite Church. If the Voting or Non-Voting Elder returns to this Satellite Church after his position has lapsed, the Board of Voting Elders may or may not reinstate him as in Item E. or Item F. above. He shall not automatically resume membership in its Eldership.
- I. For the first five years of this Satellite Church, all Voting Elders except the Pastor shall vacate their office each year on the anniversary of the incorporation of the church. At that point, the Pastor shall appoint new Voting Elders and/or reappoint the previous year's Voting Elders. After five years, all Voting Elders shall serve for life unless they resign, cease to be in active fellowship in this Satellite Church, or are removed from office. If there are only three Elders, including the Pastor, the decision to remove an Elder from office rests with the Pastor. If there are four or more Elders, an Elder may be removed from office by a vote of all the Voting Elders, save one.
- J. Procedure for removal of an Elder:
1. Only one member may be removed during any single round of votes.
 2. The Elder in question shall have no vote in the question of his removal.
 3. In the event a member of the Board of Voting Elders is removed, leaving the Voting Eldership below the minimum number specified in Item A. above, a replacement Voting Elder shall be appointed to the Voting Eldership within seven days.
 4. No member of the Voting Eldership may be removed from office while the Voting Eldership is below minimum number.
 5. No business by the Voting Eldership may be transacted while the Voting Eldership is below the minimum number other than that business required to bring the Voting Eldership back to minimum number.
 6. The Pastor may not be removed from the Voting Eldership or from the position of Chairman of the Voting Eldership unless he is removed as Pastor of the Church.
- K. The Voting Eldership may direct this Satellite Church in such matters as:
1. Creating new departments within this Satellite Church (with the Pastor's concurrence).
 2. Establishing the goals of this Satellite Church (with the Pastor's concurrence).

(continued)

15152 4/21/2003 08113

3. Settling disputes within this Satellite Church that cannot be handled by the previously-delegated authority.
4. Determining whether or not to buy, sell, or trade real property, if and as supported by the congregation of this Satellite Church. (See also Article Five, Item B. below.)
5. Overriding the Deacon Board's decisions if it feels they are contrary to the goals and direction of the Voting Eldership.
6. Requesting modification of Bylaws for this Satellite Church from the Corporation Church.
7. Regulating this Satellite Church, as necessary, within the framework of these Bylaws.
8. Attending meetings of the Deacon Board as advisors, but without vote, unless they are also Deacons.
9. Performing one or more of the following functions, under the direction of and with the specific permission of the Pastor:
 - a. Praying for the sick in church, homes, and hospitals.
 - b. Preaching and exhorting.
 - c. Teaching.
 - d. Counseling those in need.
 - e. Directing services, fellowships, classes, and other meetings.
 - f. Leading visitations or witnessing groups.
 - g. Laying hands upon those being ordained or installed into office within this Satellite Church.
 - h. Performing communion, baptisms, marriages, and conducting funerals.
 - i. Performing other spiritual functions as needed.
 - j. Overseeing spiritual or mundane departments.
- L. In the event the Corporation Church replaces the Pastor of this Satellite Church (in accordance with these Bylaws), the Corporation Church may also remove any, or all, of the Elders whom it deems are not in harmony with the Corporation Church or the new Pastor, or that it believes are not assets to this Satellite Church.

ARTICLE THREE: Deacons.

- A. For a Satellite Church with a congregation of fewer than 150 people, the Deacon Board may consist of from three to five members. For a Satellite Church of 150 or more people, the Deacon Board shall consist of five members. The Deacon Board may appoint additional advisors, researchers, aides, and helpers.
- B. A Deacon may also be a member of the Voting Eldership and may hold any other office in this Satellite Church.
- C. To be eligible for office, a Deacon must be a born-again, Holy Spirit-filled male over twenty-five years of age and in good standing in this Church.

(continued)

- D. Election and Removal of Deacons.
1. New Deacons shall be elected to office by a simple majority of the voting congregation. (See Article Eight below for voting regulations.) The Pastor is expected to recommend to the congregation candidates for the Deacon Board, explaining the duties of the office and the qualities to look for in deciding whom to vote for and, finally, recommending which candidates he feels are most qualified.
 2. A Deacon may be removed from office by a minimum two-thirds (2/3) majority vote of the congregation, or by a minimum two-thirds (2/3) majority vote of the Voting Elders.
- E. For the first five years of this Satellite Church, all Deacons shall be terminated and new ones elected once a year. At the time of the fifth vote, the Board of Voting Elders shall decide whether annual election of Deacons will continue or the Deacons voted in at that time will serve until one of the conditions below occurs (see Item F. below). The Pastor should give his opinion in this matter to the congregation, and should determine how many years the annual voting, if that is what the congregation chooses, should continue.
- F. After annual elections cease, a Deacon shall remain in office until one of the following occurs:
1. He resigns, or ceases to be in regular attendance at this Satellite Church.
 2. Any member of the Deacon Board or Voting Elders requests a new vote by the congregation, and the Deacon is voted out of office.
 3. He is put out of office by a minimum two-thirds (2/3) majority vote of the Voting Elders. (See Item G. below.)
 4. The congregation petitions for a new vote in sufficient numbers to satisfy the Voting Elders that a vote is advisable, and the Deacon is voted out of office.
- G. Investigation of the Deacon Board: In the event that the Chairman of the Board of Voting Elders feels or suspects wrongdoing or wishes confirmation, he shall have the power to investigate or ask the Voting Elders to investigate the actions of the Deacon Board to see if the directions established by the Voting Elders are being complied with. If mis-direction, mismanagement, or dishonesty is found, the Voting Elders shall have the power to reverse any Deacon Board decision, and, if necessary, remove any Deacon Board member and instruct the congregation to elect a replacement. If un-Christian conduct is found that, in the judgment of the Voting Elders, could bring reproach upon the Church, the Voting Elders may remove that person from office without notifying the congregation. (See Item D., Paragraph 2 above.)
- H. The Pastor shall either appoint one of the Deacons to be Chairman of the Deacon Board, or he shall appoint himself to be Chairman of the Deacon Board. The Chairman shall have no extra voting power or special voice in matters under consideration. He shall call and moderate meetings and shall be responsible that all rules of the Deacon Board be followed.

(continued)

G-3/8

- I. The Deacon Board shall not meet without the Deacon Board Chairman's presence, except by permission from him or from the Pastor. If the Pastor is not Chairman of the Deacon Board, he may elect to sit as temporary Chairman if an emergency meeting is necessary and the Chairman is not available.
- J. Duties of Deacons.
 1. The Deacon Board shall oversee the necessary payments, insurance programs, maintenance and safety of the buildings and grounds, janitorial work, construction, purchases, appointment of ushers, and other financial and mundane obligations of this Satellite Church. The Deacon Board shall insure prompt payment of all obligations, keep neat and accurate records of all expenditures and business, and keep the Chairman of the Board of Voting Elders advised of all decisions in writing.
 2. The Deacon Board shall appoint a Treasurer who shall be under the supervision of the Chairman of the Deacon Board, and continue in office until removed by the Deacon Board or until he resigns.
 3. The Deacon Board shall appoint money counters. (See Article Five, Item E. below.)
 4. A written record of the minutes and all decisions at each Deacon Board meeting shall be kept in the Satellite Church office (or Pastor's home, if no other office exists).

ARTICLE FOUR: The Secretary.

- A. The Chairman of the Board of Voting Elders shall appoint one member of the Board of Voting Elders other than himself to be the Secretary for corporation purposes. He also shall have authority to remove this Secretary and appoint a replacement as occasion demands.
- B. Explanation of Office: Except for the Chairman, all Voting Elders hold positions of equal authority. Thus, within this Satellite Church, the Secretary shall have no more authority than any other Voting Elder. However, he shall have additional responsibilities as outlined in Item C. below.
- C. Duties of the Secretary.
 1. The Secretary shall maintain accurate minutes of all official meetings of the Voting Elders. These minutes shall be kept safely in an appropriate place in the Satellite Church office (or the Pastor's home, if no office exists).
 2. If the Secretary is absent from a meeting of the Voting Elders, the Chairman shall appoint a recording secretary for that meeting. This recording secretary shall submit his minutes to the Secretary upon his return. The Secretary shall be responsible for verifying reasonable accuracy of the minutes recorded in his absence.
 3. The Secretary shall sign all legal documents calling for the signature of the Secretary of the Corporation.

(continued)

849

ARTICLE FIVE: Finances.

- A. The financial organization of this Satellite Church shall be established and administered in such a way that it meets all Corporation Church, Satellite Church, and governmental laws and regulations, and insures reasonable safety against embezzlement and fraud. Copies of corporation papers such as the Articles of Incorporation and these Bylaws and amendments thereto shall be forwarded to the Corporation Church within thirty (30) days of adoption.
- B. The Chairman of the Deacon Board, with the Pastor's concurrence, may authorize any expenditure up to \$250.00 when it is necessary before the next meeting of the Deacon Board. Any expenditure involving over \$250.00 must be approved by a minimum two-thirds (2/3) majority of the Deacon Board. Any expenditure involving over \$5,000.00 shall also be approved by a minimum two-thirds (2/3) majority of the Voting Eldership, and expenditures over \$50,000.00 approved also by a simple majority of the voting congregation.
- C. All payments over \$50.00 must be made by check or other bank-authorized fund transfer. Receipts and payment authorizations shall be required for all cash and check expenditures.
- D. Two signatures are required on all checks. These two signatures may be any two of the Voting Elders. The co-signer of checks shall have the obligation to fully understand and concur with each check signed and to review the signed purchase authorizations, as appropriate.
- E. At least two authorized money counters shall count the offerings. The money counters shall prepare the bank deposit. They must also be permitted free access to the records of bank deposits for verification.

ARTICLE SIX: The Treasurer.

- A. The Treasurer shall be appointed by the Deacon Board and shall be under the supervision of the Chairman of the Deacon Board.
- B. The Treasurer shall act in his capacity and perform his duties according to the following:
 1. The Treasurer is not necessarily a member of the Deacon Board, but may attend Deacon Board meetings at his option. Alternately, the Deacon Board may request that he attend some or all of their meetings.
 2. If the Treasurer is also a Voting Elder, he shall not be authorized to approve expenditures nor shall he be authorized to sign checks. Exception: As long as this Satellite Church has a total of only three Voting Elders, such a Treasurer could, with the Pastor's concurrence, sign checks when one of the other Voting Elders was out of town or otherwise unavailable for an extended period of time. When the missing Voting Elder returned, he would review the record of all checks signed by the Treasurer in his absence for concurrence with them.
 3. The Treasurer may not be the Chairman of the Deacon Board. The fact that he is Treasurer gives him no special voice in the operation of this Satellite Church.
 4. Immediate relatives of a Voting Elder shall not hold the office of Treasurer or be authorized to count money.

(continued)

15152 4/21/2003 06117

5. The Treasurer shall supervise the keeping of the general ledger and financial records of this Satellite Church. He shall not, however, be authorized to count money or prepare the bank deposits.
6. The Treasurer shall be responsible to record all financial transactions and to demonstrate to the Deacon Board his integrity and competence in such matters.
7. The Treasurer shall assure that the financial records fulfill all obligations of this Satellite Church and of the local, state, and federal governments.

ARTICLE SEVEN: Definition of "Membership."

- A. The term "membership" as used in this Satellite Church shall mean adherents to the Church, not members in the usual corporate sense, because according to the Articles of Incorporation, this is a non-membership Corporation. The use of terms such as "member," "membership," "congregational voting," and "voting congregation," together with certain voting privileges enumerated for the congregation, shall not be understood to elevate the status of adherents to a corporate membership in the legal sense, which would contradict the Articles of Incorporation.
- B. Persons may be considered to be in fellowship in this Church only if they are born-again Christians, function in accordance with the laws of God as delineated in the Holy Bible, and if they confess the full inspiration of the Holy Bible, acknowledge the Biblical authority of the Church government, show respect for and obey the laws of God and this Church, and willingly receive counsel from Church-appointed Counselors as deemed necessary by this Church.

ARTICLE EIGHT: Congregational voting.

- A. In order to be eligible to vote in congregational business meetings, one must be:
 1. A born-again Christian.
 2. In regular attendance in the Sunday services for at least the previous three (3) months.
 3. Eighteen (18) years of age or older.
 4. Not actively affiliated with another church.
- B. Any question regarding eligibility to vote shall be resolved by the Pastor, whose decision is final. In the case of voting about dismissing the Pastor, the Voting Elders shall decide eligibility to vote.
- C. A simple majority of the eligible voting members at a congregational meeting shall be necessary to decide any question before the congregation, except where these Bylaws stipulate the requirement differently. In case of an apparent tie-vote, the Pastor shall cast the deciding vote.

(continued)

ARTICLE NINE: Congregational business meetings may be called only by the Pastor or with the Pastor's concurrence.

Exception: A meeting for the purpose of considering whether or not the Pastor should be removed from office may be called by the Voting Elders without the Pastor's permission. In order to hold such a meeting, a minimum of three-fourths (3/4) of the Voting Elders must agree. The Pastor shall be notified and invited to attend. He shall be permitted to address the entire congregation for no less than fifty (50) per cent of the time allowed for presentation and discussion. Such a meeting may not be called when the Pastor is unavailable, except with written concurrence of the Board of Senior Elders of the Corporation Church.

SECTION III

Fundamental Tenets of Community Chapel and Bible Training Center

PREAMBLE

The Fundamental Tenets shall always be the same as those of the Corporation Church and are repeated here for convenience.

ARTICLE ONE: Articles of Faith.

The Pastor and Elders agree that the Bible, as originally penned, is the inspired Word of God and is our sole rule of faith. They unite in the belief that, to keep the unity of the faith and to maintain our purpose, only those who hold to the following basic beliefs of God's Holy Word are to be chosen to hold any office of spiritual leadership in the Church. "Spiritual" shall pertain to an office that can involve impartation of theological information.

- A. We believe in the absolute inspiration of the Bible and hold it to be the inerrant and final authority in all matters of Christian faith and practice (2 Timothy 3:16; Matthew 5:17-19).
- B. We believe in God the Father, almighty and eternal, Creator of the heavens and the earth and all that dwell therein, contrary to all evolutionary theory (1 Corinthians 8:6; 2 Corinthians 6:18; 1 Timothy 1:17; Genesis 1:1ff).
- C. We believe in the Lord Jesus Christ, the Son of God, fully God and fully man, who was born of the virgin Mary, suffered and died for our sins on the cross, was buried, rose bodily from the dead on the third day, appeared unto men, ascended into heaven in the sight of many witnesses, and who is coming again with power and great glory (1 Corinthians 8:6; Matthew 16:16; John 20:28; 1 Timothy 2:5; Matthew 1:23; 1 Corinthians 15:3-7; Acts 1:9-11; Matthew 24:30).
- D. We believe in the Holy Spirit, the Comforter, who inspired the holy apostles and prophets of old; who indwells believers with His presence today as He did in the early church, giving them the ability to speak in languages they have never learned; and who convicts the world concerning sin, righteousness, and judgment (John 14:26; 2 Peter 1:21; Acts 2:4; John 16:8).

(continued)

- E. We believe that no one can be saved from sin and judgment and have eternal life without repenting of his sins and personally accepting Jesus Christ as his Lord and Savior, receiving forgiveness through the shed blood of Jesus, the sinless Lamb of God. All who have been born again according to John 3:3-8, we accept as members of the body of Christ, sharing fellowship with them based on our common salvation, not on doctrine, as important as it is (Romans 6:23; 10:9,10; Luke 13:3; John 1:12; Ephesians 1:7; 1 Peter 1:19; 1 Corinthians 12:12; 1 John 1:3).
- F. We believe that water baptism is for the remission of sins (Acts 2:38; 22:16) and should be administered to believers by immersion in keeping with the commission of Jesus in Matthew 28:19 and apostolic practice (Acts 2:38; 19:5).
- G. We believe in participating in the New Covenant communion of the Lord's body, partaking of the emblems which typify the body and blood of Jesus Christ, remembering His death until He comes again. We examine ourselves, confessing our faults and sins, always discerning those in the Lord's body—both locally and universally (1 Corinthians 10:16,17; 11:23-33).
- H. We believe that Christians must live in obedience to God's Word, and that those who remain in the faith unto the end shall be saved (2 Timothy 2:19; Luke 8:13; 1 Corinthians 15:2; Hebrews 3:14; Matthew 24:13).
- I. We believe that God is a God of order who has established a specific structure of authority within both the church and the family. He has established offices in the church (pastors, elders, and deacons) through which the affairs of the local assembly are to be governed. Members of the assembly are enjoined to obey those who have the rule over them in spiritual matters. God has also ordained that children are to obey their parents, wives are to submit to their husbands, and citizens are to obey their civil governmental authorities. In all the aforementioned cases of submission, exception must be made if obedience would cause one to violate his conscience before God (Romans 13:1-7; 1 Corinthians 12:28; Ephesians 4:11-13; 1 Timothy 3:1-13; Hebrews 13:17; Ephesians 6:1; 5:22; 1 Peter 2:13,14; Acts 4:19).
- J. We believe that all New Testament believers should purpose in their hearts to financially support the ministry of their church with at least as much liberality as the tithe and offering, which were required to be given to the Lord under the Old Covenant (Leviticus 27:30-32; Malachi 3:10; 2 Corinthians 9:6,7).
- K. We believe that bodily healing continues to be available to believers today, having been provided by the atonement of Christ on the cross and promised to all who will put their trust in Him (Mark 16:18; James 5:14,15; 1 Peter 2:24).
- L. We believe in the exercise of the gifts and ministries of the Holy Spirit within the church body, as described in Romans 12:3-8 and in 1 Corinthians 12 through 14.
- M. We believe that Christians are to endeavor to keep the unity of the Spirit in the bond of peace, so that God may bring the willing and obedient, who truly love Him, unto the unity of the faith before Jesus Christ returns (Ephesians 4:1-6,13-16).

(continued)

- N. We believe in the out-translation of the bride of Christ, followed by the Great Tribulation in which the Antichrist shall rule over the earth through a world government, world church, and false prophet. Those Christians who fail to make the bride of Christ will, if they are faithful, be martyred in the Great Tribulation and come into the great wedding feast as guests of the Groom. God will pour out plagues on the earth; the devil will gather all nations against Jerusalem to battle; Christ will return to rule over the earth in the Millennium; all shall stand before God at the great judgment (1 Thessalonians 4:17; Luke 21:27,28,36; Revelation 7:14; 2 Thessalonians 2:1-8; Revelation 13:1-18; 17:1-19; 8:7-9:19; 11:15,19; 16:12-14,16; Zechariah 14:2-5,9; Revelation 1:7; 20:11-15).
- O. We believe in everlasting life for the believer and everlasting judgment for the unbeliever (John 3:16; Matthew 25:46; Revelation 20:11-15).

ARTICLE TWO: Procedures Regarding an Individual Being Put out of the Church or Disfellowshipped:

For the protection of the Church and in accordance with the precepts established in the Holy Scriptures, we believe that individuals who continue in significant sin without repentance, including those who are potentially subversive and/or dangerous to the well-being of the Church and its government and/or its participants, must be excluded absolutely, and that such individuals shall be "put out of the Church"; or if they do not currently attend the Church, they shall be "disfellowshipped." The results of being "put out of the Church" and being "disfellowshipped" are identical: in both cases the fellowship with Community Chapel and Bible Training Center is terminated; the individual is barred from entrance to Church property, functions, meetings, and facilities; and the active participants in the Church are instructed to have no fellowship or non-business conversation with him.

- A. There are several reasons why an individual might be put out of the Church or disfellowshipped; the following partial list gives examples which are indicative of such reasons:
1. Wronging a brother and refusing to repent and make restitution. An individual who does so is to be treated as a heathen (Matthew 18:14-18).
 2. Fornicating or committing adultery; castigating others or the Church; being a drunkard, extortioner, or idolater; or being covetous. An individual who continues in any of these sins or who is involved in any wickedness is to be put away from the Church (1 Corinthians 5:9-13).
 3. Being significantly out of step with the Church's rules, doctrines, and practices. An individual in such a condition is not to be companionship with, although he may still be considered a brother in the faith and not an enemy (2 Thessalonians 3:6-15).
- B. We believe that in His Word, God forbids His people to have fellowship with those who have been disfellowshipped by the Church, and that it is sin to entertain rumors, allegations, and criticism against the Church and/or its government, which such people may bring up. Because 1 Timothy 5:19, the general tenor of other Scriptures, and our Church (Hebrews 13:17) teach that Christians must refuse to accept accusations against spiritual leaders (except according to clear Biblical procedures), we recognize that the sin of listening to and harboring such things may be grounds for being put out of the Church.

(continued)

8-54

- C. We recognize that the Bible teaches clear procedures for dealing with grievances and accusations against other persons, brethren within the Church, and the Church government. When an individual with a grievance consistently obeys completely the teachings of Holy Scripture in these matters, as interpreted by this Church, he shall under no circumstances be put out of the Church or disfellowshipped.
- D. We believe that when anyone in our Church hears another begin to accuse the Church, our government, or anyone in that government, the person shall immediately refuse to hear any further accusations and shall tell the accuser to bring any accusations to one of the Voting Elders. He then shall report the incident to one of the Voting Elders.
- E. We believe that the Church government must act promptly yet fairly when considering the matter of an individual being put out of the Church or disfellowshipped. To insure that no one is unfairly treated, our policy is as follows:
1. Standard Procedure. Counselors shall:
 - a. Inform the individual that he may be put out of the Church if he does not repent and mend his ways.
 - b. Allow the individual to repent and mend his ways.
 - c. Fully explain the charges against the individual, allowing him to ask questions and to make his defense.
 - d. Fully explain to the individual what is expected of him.
 - e. Notify the individual that either he is put out of the Church with the Pastor's concurrence, or else that a recommendation is being sent to the Pastor to the effect that he be put out of the Church, and therefore that he will not have fellowship with the Church.
 - f. Explain to the individual that he has a right to appeal the expulsion to a board of two or more Voting Elders (in addition to the counselor, if he is also a Voting Elder) as determined by the Pastor.
 2. Exceptions and Extenuating Circumstances: The following are situations in which the counselor may put an individual out of the Church without counseling, warnings, or without regard to repentance or apology.
 - a. Violent actions or aggravated assaults or actions where a person may be deemed to be potentially dangerous or to be an imminent threat to people or property, by reason of violence, intimidation, threatening physical harm, robbery, etc.
 - b. Lack of indication of sincerity of repentance, a manifestly improper and unchristian attitude and spirit, lack of cooperation, or unwillingness to obey God and/or the Church.
 - c. Rebellion, unsubmitiveness, antagonism, or lack of respect for the Church, the Pastor, or God.
 3. Regardless of the reason why a person is put out of the Church, he always has the right to appeal.
 4. The counselor shall always seek the Pastor's concurrence in putting someone out of the Church; or, in emergency or aggravated matters, the Pastor shall be notified as soon as is reasonably possible.

(continued)

15152 4/21/2003 08122

5. For the protection of the Church, for the need of the people to know with whom they may not have fellowship, and in accordance with the Bible; the Church shall be notified of those who sin and are put out of the Church.
6. This Church interprets as sin, in accordance to the Holy Scriptures, any action contrary to God's laws, whether stated in the Bible or by delegated authority, the Church, or stated by God through gifts and ministries recognized by the Church. Sin is disobedience to God. Any disobedience to those appointed by God or His Church is interpreted as disobedience to God; it is, therefore, sin.
- F. The Corporation Church and all Satellite Churches shall honor the decision of the Corporation Church or any other Satellite Church to disfellowship individuals; such individuals shall be considered to be disfellowshipped from all churches and fellowships of Community Chapel and Bible Training Center. An exception to this policy may be made by mutual agreement between the pastors involved.

ARTICLE THREE: Statement Regarding Military Action.

Community Chapel and Bible Training Center stands opposed to our congregation being a part of the armed services.

- A. It is our belief that we are a body of believers, called by God to serve Him according to His Word and revelation (Romans 12:4,5; Ephesians 4:4; Matthew 4:10).
- B. God has called us to be in the world and not of the world, and to put Him first in all things (John 17:11,16; Matthew 6:33).
- C. We are commanded by God to be obedient to civil authority except where contrary to God's Word and our consciences. We stand opposed to anarchy (Romans 13:1-7; Acts 4:19).
- D. We recognize Communism to be anti-God, anti-democratic, and a threat to peace.
- E. We recognize the right of those who are of the world to use such force as is necessary to subdue crime, anarchy, and aggression (John 18:36; Romans 13:4).
- F. We believe Christians to be citizens of heaven, pilgrims and strangers sojourning among unregenerated peoples on earth (Philippians 3:20; 1 Peter 2:11; Hebrews 13:14).
- G. It is our belief that the unregenerated are responsible for the current problems and, therefore, have to deal with the same in their own way. We believe that refusal to be born-again and filled with the Holy Spirit as commanded by Scripture has led to strife of every sort in our society and among nations (Proverbs 29:2).
- H. We further believe that the soft stand taken against evil, crime, and aggressions by our government has put this country in its present precarious position.

(continued)

- I. We are convinced that the present actions and inactions are part of a universal scheme to establish world government as foretold by the Bible (Revelation 17:9-12). Christians who take part in such matters only help to bring to pass a world government and a world church which will ultimately wrest away our freedom to worship God according to the dictates of our hearts and our understanding of God's Holy Word.
- J. We are opposed to taking part in any form of violence or in any action to aid the establishment of world government or of a national or world church by man's efforts (Luke 3:14).
- K. We trust God, not man, to be our defense (Psalms 59:16,17; 119:8).
- L. We believe in doing good to all men, evil to none (Galatians 6:10; Romans 12:17).
- M. We are appreciative of the federal Constitution that is based on godliness, and of the Christian attitudes that accrue from our godly forebears. We are thankful for the freedom that we do enjoy in this great nation of ours and pray that its leaders will lead us in the paths of righteousness, godliness, peace, and justice (1 Timothy 2:1,2).
- N. We are conscientiously opposed on the grounds of our religious faith to aiding the military in any way. We believe that born-again Christians must not take part in fighting the wars of this world.

ARTICLE FOUR: Statement on Counseling.

- A. We believe that the Holy Scriptures teach Christians to encourage, counsel, admonish, exhort, and rebuke the brethren in matters of faith, doctrine, domestic life, marriage, godliness, and all other areas taught by the Bible, and to do so with all authority (Titus 2:15). Accordingly, the Church shall train to its satisfaction and authorize counselors for the ministry of godly counsel to those in need.
- B. No counselor shall attempt to control or manipulate the life of another individual. However, this shall not be construed to prohibit the counselor from teaching the laws of the Church and the Bible, or from giving counsel or explaining what he would do under similar circumstances. It is our conviction that a Church counselor has Bible precedent to explain Biblical, godly, and moral principles that are in accordance with his office and the teachings of Scripture according to the teachings of this Church.

It is our belief that such counsel does not do violence to a person's free will, because advice from counselors is just that—advice and no more. The recipient of the counsel is not bound to follow the counsel he seeks or that is given (he must be responsible for his own actions) unless the counselor directs a person to a certain action in accordance with the Church laws, in which case that person has the free choice of following the rules or of seeking another church. Our Church policy is that our Church is only for those who agree with the Bible and the calling and authority of this Church.

(continued)

857

While explaining the full implications of considered action, the counselor shall be very careful not to give absolute directions in matters which are entirely subject to the free choice of the recipient of counsel. The following list illustrates the type of decisions which, according to our firm policy, the counselor must carefully leave open to the choice of the recipient of counsel.

1. A counselor shall refrain from making any absolute recommendation about either seeking or not seeking professional medical or psychiatric care or obtaining care in or out of clinics or hospitals.
 2. A counselor shall refrain from telling the recipient of counsel that he either should or should not seek a divorce, give up a child for adoption, or seek an abortion.
 3. A counselor shall refrain from giving advice which would cause the recipient of counsel to disobey any law (unless the Board of Voting Elders has determined that the particular law is contrary to the higher law of God as revealed in the Bible).
 4. A counselor shall not accuse a person of being "demon-possessed."
- C. We recognize that individuals who are under stress may be prone to misinterpretation of counsel; therefore, counselors shall exercise caution when dealing with emotionally volatile issues and shall attempt to give counsel which is easily understood.

SECTION IV

Ordination and Licensing

ARTICLE ONE: We believe that Ministers, Elders, and Evangelists should be ordained into the ministry of the Gospel of Jesus Christ by the Board of Voting Elders and the Pastor. Similarly, we believe that those who are beginning to step into ministerial duties should be temporarily licensed prior to ordination. Definitions of ordination and licensing:

- A. Ordination into the ministry of the Gospel: Recognition and attestation of the calling of God into the ministry of the Gospel of Jesus Christ for the duration of the ministry to which one is ordained. Specifically,
 1. The ordination of a Voting Elder shall be in effect as long as he occupies his position within this Satellite Church.
 2. The ordination of a Ministerial Elder shall be in effect as long as he carries his responsibility of performing the ministry(ies) within this Satellite Church for which he was ordained.
 3. The ordination of a Departmental Elders shall be in effect as long as he carries the responsibility of the department which he has been given to oversee.

(continued)

15152 4/21/2003 00125

8-58

4. The ordination of a Minister of the Gospel, Overseer of the Word of God, Evangelist, or any other ministry with a calling beyond this Satellite Church shall be in effect as long as he carries the responsibility of the ministry for which he has been ordained. This Satellite Church may not withdraw this type of ordination; however, it may refuse to recognize it if the Board of Voting Elders determines that just cause exists.
- B. Licensing into the ministry of the Gospel: Recognition and attestation of a present, but not necessarily permanent, calling of God into the ministry of the Gospel in preaching, leading satellite fellowships, evangelism, etc. The licenses of such ministers are subject to periodic review and renewal.

We regard a minister who has been both ordained and temporarily licensed to be an ordained minister with a calling to a particular field of ministry as appointed by the Church; however, the field having not yet been demonstrated to be the permanent calling of that minister, or the minister not having yet been proven in the field.

ARTICLE TWO: Ordination into the ministry shall be by prayer and the laying on of hands. We accept the command of God to "lay hands suddenly on no man" to mean to prove the candidate and be careful not to ordain and thrust into the ministry those who are not yet ready.

ARTICLE THREE: Ordination and licensing shall be the only official appointments to the ministry of the Gospel of Jesus Christ which this Satellite Church shall use to establish ministerial status for the sake of official recognition by this Satellite Church, other churches, and the civil government.

ARTICLE FOUR: The qualifications of a candidate for ordination into the ministry of the Gospel shall be:

- A. The fact that the candidate feels the call of God into the ministry, has a field of ministry open to him, and desires to be ordained and set apart for God in a full-time ministry.
- B. The fact that the candidate has, to the Board of Voting Elders, demonstrated himself capable of ministering in the capacity to which he is to be ordained.
- C. The fact that the candidate has, to the Board of Voting Elders, demonstrated himself to be spiritual and a credit to his office.

ARTICLE FIVE: The qualifications of a candidate for licensing into the ministry of the Gospel shall be:

- A. The fact that the candidate feels the call of God to minister His Gospel in a specific field of ministry.
- B. The fact that the candidate has to the Board of Voting Elders demonstrated himself to be spiritual and capable of ministering in the capacity to which he is to be licensed.

(continued)

ARTICLE SIX: An ordained or licensed minister of the Gospel shall have no eldership or governmental position in the Church unless he also has been appointed or elected to an office in the church government (see Section II above). He shall, nonetheless, be recognized as a minister of the Gospel, deserving respect for this high calling of God.

ARTICLE SEVEN: This Satellite Church shall keep the Board of Senior Elders of the Corporation Church informed of all ordinations and changes of status regarding the recognition of an individual's ordination on a timely basis.

ARTICLE EIGHT: If and when this Church decides to ordain and pay any member of its ministerial staff, it shall inform that member of his privilege of exemption from the Social Security program acquired by filing I.R.S. form 4361.

ARTICLE NINE: As the church grows larger, we recognize that it would be impractical for each minister or elder to perform all ministerial and oversight duties; therefore, the Pastor shall designate an appropriate division of labors among them. We believe it to be both Biblical and expedient to utilize our ministers according to their respective talents, expertise, and callings. We recognize various callings of God in the ministry of the Gospel. Accordingly, the Pastor shall, in addition to the regular duties of their offices, designate those who may be called on to preach, teach, perform weddings, funerals, be on deliverance teams, healing-ministry and hospital-visitation teams, outreach teams, radio and television ministries, Bible studies, evangelism teams, be fellowship leaders, perform the ministry of helps, minister to institutions, home and foreign missions, etc.

SECTION V

Protocol Among Satellite Churches and the Corporation Church

ARTICLE ONE: Statement of Unity With the Corporation Church and all other Satellite Churches in Standards of Appearance and Conduct: This Satellite Church shall strive always to maintain a strong bond of unity with the Corporation Church and the other Satellite Churches. Recognizing that outward distinctions can indicate inner differences, this Satellite Church shall seek to avoid such distinctions. Accordingly, unless an exception is granted by the Board of Senior Elders of the Corporation Church, this Satellite Church shall maintain the same standards regarding dress, hairstyle, and conduct as taught by the Corporation Church.

ARTICLE TWO: This Satellite Church shall have no satellite churches of its own. If a fellowship of this Satellite Church develops to the point where the majority of the attendants, by a majority vote, express their desire that the fellowship incorporate as a church; the fellowship leader, after advising the Pastor of this decision, shall request that the Corporation Church instate the group as a Satellite Church. All arrangements with the Corporation Church shall be completed according to instructions before filing corporate organization papers.

(continued)

ARTICLE THREE: If assistance is needed in any ministry (e.g., music ministry, teaching, etc.), a request shall be directed to the appropriate Pastor or fellowship leader. No effort to "recruit" for the needed ministry may be undertaken until the Pastor or leader has given permission. This Satellite Church shall at all times respect the chain of authority established within the Corporation Church and within each Satellite Church and fellowship.

ARTICLE FOUR: Recognizing that maintaining unity with other Satellite Churches and the Corporation Church is a fundamental goal, the Pastor shall encourage attendance at gatherings initiated by the Corporation Church such as elders' retreats, camp meetings, and teaching seminars. To the extent of financial ability, Satellite Churches are encouraged to pay the travel and living expenses of the Pastor, his wife, and the Elders and their wives to such events.

ARTICLE FIVE: In order to maintain coherency with the teaching emanating from the other churches of Community Chapel and Bible Training Center and to maintain ease of reference to standard commentaries and scholarly works, this Satellite Church shall use the King James Version of the Bible as its primary Bible translation. Other translations may be used, but only as supplements.

SECTION VI

Original Musical Compositions

ARTICLE ONE: Musical compositions originating from a Satellite Church shall become the property of the church of origin subject to the following rules. (In the case of musical compositions originating in the Corporation Church, copyright ownership shall be held under the name Community Chapel Publications.)

- A. All Satellite Churches and the Corporation Church shall have unencumbered access to all original musical compositions for use within their own corporate organizations. Such use shall include performance, special arrangement, duplication, and distribution.
- B. All copies of musical compositions shall display the appropriate notice to indicate which group owns the copyright of each composition.
- C. If this Satellite Church desires to sell to a commercial publisher or publish for distribution outside the church any of the musical compositions it owns, it must first obtain the concurrence of the Board of Senior Elders of the Corporation Church. Community Chapel Communications always has first option in obtaining musical compositions for publication. The Corporation Church discourages the loan, gift, or sale of special and unique songs which represent Community Chapel and Bible Training Center, as well as the loan, gift, or sale of special and unique songs that may become adulterated by carnal churches or ministries.

(continued)

8-61

SECTION VII

Changes to and Upkeep of the Articles of Faith and Bylaws of This Satellite Church

ARTICLE ONE: Changes, additions, or deletions.

- A. Any changes, additions, or deletions to these Bylaws which this Satellite Church feels are necessary to implement to meet its particular situation shall become effective after the following steps are taken:
 1. The Pastor and a minimum of all the Voting Elders of this Satellite Church, save one, approve the change(s).
 2. This Satellite Church sends to the Board of Senior Elders of the Corporation Church a formal letter detailing the modification(s), signed by the Voting Elders.
 3. The Pastor of the Corporation Church and a minimum three-fourths (3/4) majority of the Board of Senior Elders of the Corporation Church approve the change(s).
- B. Changes, additions, or deletions which are accepted according to the procedure outlined in Item A. above shall be recorded and numbered separately from these Bylaws so as not to interrupt the readability or damage the ability to define or restore the original document.

ARTICLE TWO: We of Community Chapel and Bible Training Center recognize that it is imperative that unity of direction be maintained among all of its fellowships and Satellite Churches. From time to time, the Corporation Church anticipates amending the master model Bylaws for Satellite Churches to provide for smoother Satellite Church operation, closer and more harmonious inter-church ties, and greater church safety and legal protection. In order to secure the advantages available from these amendments, this Satellite Church shall adopt the newly-amended Bylaws within sixty (60) days of notification by the Corporation Church that the model Bylaws have been amended.

This Satellite Church shall always keep these Bylaws in agreement with the master model Bylaws for Satellite Churches (which is Chapter Six of the Bylaws of Community Chapel and Bible Training Center, Seattle, Washington).

RATIFICATION OF THESE ARTICLES OF FAITH AND BYLAWS

date (Name), Board of Voting Elders Chairman

date (Name), Board of Voting Elders member

date (Name), Board of Voting Elders member

(Others may be added, if applicable.)

15152 4/21/2003 08129

Chapter Seven

ARTICLES OF INCORPORATION FOR SATELLITE CHURCHES

Explanation

The following Chapter Seven of the Bylaws of Community Chapel and Bible Training Center, King County, Washington, shall be the basis for the Articles of Incorporation of each new Satellite Church. (These articles may be edited to conform with the applicable state laws of each new Satellite Church.)

ARTICLES OF INCORPORATION

OF

COMMUNITY CHAPEL AND BIBLE TRAINING CENTER OF _____ (location)

We, the undersigned, incorporators, hereby associate ourselves together to form and establish a corporation not for profit under the laws of the State of _____.

1. NAME.

The name of the corporation is Community Chapel and Bible Training Center of _____ (location).

2. PLACE OF BUSINESS.

The location of its principal place of business in this state is _____ (city), _____ (county), _____ (state).

3. REGISTERED OFFICE AND AGENTS.

a. The location of this corporation's registered office is: _____ (street address)

_____ (city, state, zip)

_____ (county)

b. The name of this corporation's registered agent at the above registered office is: _____.

4. PURPOSE AND POWER.

This corporation is organized as a church and is not organized for profit and the nature of its purpose is:

a. To propagate the Christian faith and to spread the Gospel of Jesus Christ as revealed through the Holy Scriptures.

8-63

- b. To establish, operate, and maintain churches for Christian worship, education, practice of Christian doctrine, and the conduct of integral religious ministries. This includes: edifying the saints, upbuilding them in the faith of God's Holy Word; aiding souls in being saved and filled with the Holy Spirit and living victorious Christian lives, and in looking and preparing for our hope from heaven: the Lord Jesus Christ; giving spiritual counseling to those in need; helping, training, exhorting, and advising God's people in witnessing of Jesus Christ and living for Him; propagating the Word of God; and edifying and helping the total man: body, soul, and spirit.
- c. To erect and maintain church buildings; schools; Bible colleges; student living facilities; business offices; radio, television, and recording studios; broadcast and transmission facilities; social halls; parsonages; retreat centers; rehabilitation homes; children's care centers; and such other structures as are deemed necessary or desirable.
- d. To engage in a ministry through radio, television, publications, and other media of mass communication; including the distribution and sale of religious publications and related items.
- e. To establish, operate, and maintain as an integral and inseparable part of the overall ministry of the Gospel of Jesus Christ a Bible Training Center which gives instruction of Christian religious beliefs, morals, and ethics, and the propagation of Christian faith, practice, and doctrine.
- f. To establish, operate and maintain a Christian school, kindergarten (K-4) through twelfth (12) grade, for the instruction of Christian religious beliefs, values, morals, ethics, and the propagation of Christian faith, practice and doctrine, including all subjects necessary for a proper education. All proper educational subjects are recognized as being thoroughly and completely religious because of their philosophical and moral applications to the circumstances and understandings of life and the world we live in and our relationships with other people. This school-ministry shall be an integral and inseparable part of this corporation's overall ministry of the Gospel of Jesus Christ.
- g. To establish, operate, and maintain Christian education and necessary incidental day-care for children through four years of age for the instruction of Christian religious beliefs, values, morals, and ethics, propagation of faith, practice and doctrine, including all proper educational subjects appropriate to the child's age level and abilities. All proper Christian education and child care are recognized as being thoroughly and completely religious because of their philosophical and moral implications to the circumstances, understanding of life and the world we live in, and our relationships with other people. This aforesaid ministry shall be an integral and inseparable part of this corporation's overall ministry of the Gospel of Jesus Christ.
- h. To provide Biblical and Christian-based advice and counsel appropriate to the problems and circumstances of life to those in need and seeking counsel.

(continued)

15152 4/21/2003 00131

8-104

- i. To acquire, operate, and maintain teen centers, youth centers, orphanages, homes for the aged and such other benevolent and charitable institutions as may be lawful for non-profit centers in (name of state).
- j. To acquire and hold real estate and such other property as the realization of the aforesaid objectives may demand.
- k. To perform charitable acts of assistance and benevolence and to grant financial aid or gifts to persons whom the government of the Church determine to be worthy of such charity.
- l. Any lawful act or activity for which non-profit corporations may be organized under the (name of state) Corporation Code.

The foregoing statement of purposes shall be construed as a statement of both purposes and powers, and the purposes and powers stated in each clause shall, except where otherwise expressed, be in no wise limited or restricted by reference to, or inference from, the terms or provisions of any other clause, but shall be regarded as independent purposes and powers.

5. DISTRIBUTION OF ASSETS IN LIQUIDATION OR DISSOLUTION.

In the event that this corporation by and through its board of directors or through some other determination shall be deemed incapable of continuing to fulfill or serve its purpose, all of its assets, after distribution according to the priorities created in the Non-Profit Corporation Act, shall be distributed to Community Chapel and Bible Training Center, having a current address of 18635 8th Avenue South, Seattle, WA 98148, provided that it is at such time a tax-exempt organization under the then applicable Internal Revenue laws of the United States of America, and further provided that Community Chapel and Bible Training Center is then an organization to which contributions are considered as deductible under the then applicable Internal Revenue laws of the United States of America. In the event that Community Chapel and Bible Training Center does not meet the foregoing requirements at that time, the assets shall be distributed to such other organizations as to which contributions are deductible as charitable contributions in accordance with the Internal Revenue laws of the United States of America. In no event, even upon dissolution, shall any officer or director enjoy any personal benefit from the assets of this corporation.

6. TAX EXEMPT STATUS.

The corporation shall not carry on any activities not permitted to be carried on:

- a. By a corporation exempt from Federal Income Tax under Section 501 (c) (3) of the Internal Revenue Code of 1954 as presently constituted.
- b. By a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code of 1954.

8-65

7. PROHIBITION OF POLITICAL ACTIVITIES.

No substantial part of the activities of the corporation shall be devoted to carrying on propaganda, or otherwise attempting to influence legislation, or for the purpose of participating in, or intervening in, any political campaign (including publication or distribution of statement) on behalf of any candidate for public office.

8. PROHIBITION OF PERSONAL BENEFITS.

No private person, officer or director of this corporation shall accede to or in any way, directly or indirectly, receive any benefit of profit or distribution of property or distribution of income from this corporation, provided, however, that nothing herein contained shall prevent the payment in good faith of reasonable compensation to any officers, private persons, or directors or to any employees in return for services actually rendered and for actual expenses incurred in furtherance of the purposes hereof.

9. PROVISIONS FOR REGULATION AND CONDUCT OF THE INTERNAL AFFAIRS OF THE CORPORATION.

- a. This corporation shall not issue stock.
- b. This corporation shall have no members. All decision-making for this corporation shall be hereafter vested in the board of directors, except as specifically limited by the corporation bylaws.
- c. The affairs of this corporation shall be managed by a board of directors which shall have such officers as are set out in the bylaws of the corporation. There shall not be less than three and not more than twelve directors, and the qualifications, terms of office, manner of election, time and place of meetings, and powers of duties thereof shall be such as will be prescribed in the bylaws of the corporation.
- d. The number of directors constituting the initial board of the corporation shall be three (3). The names and addresses of the persons who are to serve as the initial directors of the corporation are as follows:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

10. AMENDMENTS AND BYLAWS.

- a. Amendments to these Articles of Incorporation may be made with a three-fourths (3/4) affirmative vote of the board of directors, the Pastor's concurrence, and the concurrence of the board of directors (Board of Senior Elders) of Community Chapel and Bible Training Center, having a current address of 18635 8th Avenue South, Seattle, WA 98148.

15152 4/21/2003 00133

RATIFICATION OF THE ARTICLES OF FAITH AND BYLAWS
OF
COMMUNITY CHAPEL AND BIBLE TRAINING CENTER

Jan. 28, 1986
date

Donald Lee Barnett
Donald Lee Barnett, Board of Senior Elders Chairman

Jan 28, 1986
date

Jack A. Hicks
Jack A. Hicks, Board of Senior Elders member

Jan 28, 1986
date

E. Scott Hartley
E. Scott Hartley, Board of Senior Elders member

Jan 28, 1986
date

J. H. DuBois
J. H. DuBois, Board of Senior Elders member

L-BL-38011, b11

g. 68

CURRENT OFFICERS AND MAJOR APPOINTEES OF THE CORPORATION OF
COMMUNITY CHAPEL AND BIBLE TRAINING CENTER

(revised 10/14/87)

DIVISION ONE: THE CORPORATION

Board of Senior Elders..... Donald Lee Barnett (Chairman)
 John H. DuBois
 E. Scott Hartley
 Jack A. Hicks

President of the Corporation..... Donald Lee Barnett

Vice-President..... Jack A. Hicks

Secretary of the Corporation..... E. Scott Hartley

General Manager..... Jack A. Hicks

Treasurer and Data Manager..... Wyman J. Smalley

Accountant and Bookkeepers..... Drake Pesce
 Sue Annear
 Debra Gurr

Check Signers..... Donald Lee Barnett
 John H. DuBois
 E. Scott Hartley
 Jack A. Hicks
 Ralph Alskog
 Wyman Smalley

Offering Counters..... Sue Annear
 Denise Carpenter
 Debra Gurr
 Drake Pesce
 Bonnie Martin (alternate)

Custodian of the Bylaws..... Melinda Erickson

DIVISION TWO: THE CHURCH

Pastor..... Donald Lee Barnett

Deacon Board..... Jack A. Hicks (Chairman)
 E. Scott Hartley
 Donovan Pack
 Ralph Alskog

Ministerial Elders..... Ralph Alskog
 John Harold
 Don Lockrem
 A. Russell MacKenzie
 Lanny Peterson
 Gerald Slaminski
 Greg Thiel
 Mark Yokers

(continued)

15152 4/21/2003 88136

8-69

Departmental Elders: George Bowker
Ron Myrick

DIVISION THREE: COMMUNITY CHAPEL PUBLICATIONS

Chief Executive Officer..... Donald Lee Barnett
Manager..... Sandy Schwartzkopf
Editor..... Jeff McGregor

DIVISION FOUR: COMMUNITY CHAPEL BIBLE COLLEGE

President (Chief Administrator)..... Donald Lee Barnett
Dean..... Jack DuBois
Business Manager..... Jack Hicks

DIVISION FIVE: COMMUNITY CHAPEL CHRISTIAN SCHOOLS

Chief Executive Officer..... Donald Lee Barnett
Director Jack A. Hicks
Assistant Director Donna Moren

U.S. SATELLITE CHURCHES

- Chippewa Valley Community Chapel (WI); Pastor Keith Gunn
- Community Chapel and Bible Training Center of Kirkland, WA; Pastor Fred Langford
- Community Chapel and Bible Training Center of Ulysses, KS; Pastor Nicholas Lembo
- Community Chapel and Bible Training Center of Kalispell, MT; Pastor Michael Oas
- Community Chapel and Bible Training Center of Spokane, WA; Pastor Jamie Hansen
- Community Chapel and Bible Training Center of Bozeman, MT; Pastor Mark Kaufmann
- Community Chapel and Bible Training Center of Tacoma, WA; Pastor Jack McDonald
- Community Chapel and Bible Training Center of Yakima, WA; Pastor Lynn Brown

U.S. SATELLITE FELLOWSHIPS (incorporated)

Community Chapel Fellowship of Chester, IL; Pastor Jerry McElroy

FOREIGN SATELLITE MINISTRIES (incorporated)

Community Chapel and Bible Training Centre of Canada; Keith Karlsson (General Manager)

L-3L-R8011, b10

15152 4/21/2883 88137

Amendment to the Bylaws
Community Chapel and Bible Training Center
Seattle, Washington

8-10

CHAPTER SIX
SECTION II
Government of This Satellite Church
ARTICLE THREE

Old wording:

- F. After annual elections cease, a Deacon shall remain in office until one of the following occurs:
1. He resigns, or ceases to be in regular attendance at this Satellite Church.
 2. Any member of the Deacon Board or Voting Elders requests a new vote by the congregation, and the Deacon is voted out of office.
 3. He is put out of office by a minimum two-thirds (2/3) majority vote of the Voting Elders. (See Item G. below.)
 4. The congregation petitions for a new vote in sufficient numbers to satisfy the Voting Elders that a vote is advisable, and the Deacon is voted out of office.

New wording (change is underlined):

- F. After annual elections cease, a Deacon shall remain in office until one of the following occurs:
1. He resigns, or ceases to be in regular attendance at this Satellite Church.
 2. The Pastor, or a majority of the Deacons, or a majority of the Voting Elders requests a new vote of the designated Deacon's office by the congregation, and the Deacon is voted out of office. (See Item D. above.)
 3. He is put out of office by a minimum two-thirds (2/3) majority vote of the Voting Elders. (See Item G. below.)
 4. The congregation petitions for a new vote in sufficient numbers to satisfy the Voting Elders that a vote is advisable, and the Deacon is voted out of office.

This amendment to the Bylaws of Community Chapel and Bible Training Center is hereby adopted this tenth day of March, 1987, in witness whereof we affix our signatures,

3/10/87
date

Donald Lee Barnett
Donald Lee Barnett, Board of Senior Elders Chairman

3/10/87
date

Jack A. Hicks
Jack A. Hicks, Board of Senior Elders member

3/10/87
date

E. Scott Hartley
E. Scott Hartley, Board of Senior Elders member

3/10/87
date

John H. DuBois
John H. DuBois, Board of Senior Elders member

L-1/13/87AMBL

1515Z 4/21/2003 08138

8-11

Amendment to the Bylaws
Community Chapel and Bible Training Center
Seattle, Washington

DIVISION ONE
SECTION IX
Corporation Finances

ARTICLE THREE.

Old wording:

- C. Check Signers (chosen from among the membership of the Board of Senior Elders by minimum of three-quarters (3/4) majority vote of this same body). If additional Check Signers are necessary to conduct business efficiently and expeditiously, they shall be chosen from among the other Elders (Ministerial and Departmental Elders) by a unanimous vote of the Senior Elders.

New wording:

- C. Check Signers (chosen from among the membership of the Board of Senior Elders by minimum of three-quarters (3/4) majority vote of this same body). If additional Check Signers are necessary to conduct business efficiently and expeditiously, they shall be chosen by a unanimous vote of the Senior Elders.

ARTICLE FIVE, Item B.

Old wording:

4. The Treasurer shall not sign checks.

New wording:

Delete this paragraph.

This amendment to the Bylaws of Community Chapel and Bible Training Center is hereby adopted this 2nd day of April, 1987, in witness whereof we affix our signatures.

<u>4/2/87</u> date	<u>Donald Lee Barnett</u> Donald Lee Barnett, Board of Senior Elders Chairman
<u>4/2/87</u> date	<u>Jack A. Hicks</u> Jack A. Hicks, Board of Senior Elders member
<u>4/2/87</u> date	<u>E. Scott Hartley</u> E. Scott Hartley, Board of Senior Elders member
<u>4/2/87</u> date	<u>John H. DuBois</u> John H. DuBois, Board of Senior Elders member

L-3/12/87AMBL

15152 4/21/2003 08133

EXHIBIT

F



Community Chapel & Bible Training Center

18635 Eighth Avenue South, Seattle, Washington 98148
Pastor Donald Lee Barnett

Phone (206) 246-3778

Sanctuary located at First Avenue South and South 192nd

May 12, 1982

EX- 6
WITH: Barnett
Mary A. Barnett
5-10-82
682-1427

Dear Tacoma Fellowship:

Greetings from Community Chapel & Bible Training Center in Seattle, in the precious name of our Lord and Saviour, Jesus Christ!

I rejoiced at hearing of your willingness to receive my admonition by letter to keep the unity of the Spirit. Your hearts to obey God and be what He wants you to be set my heart at ease; although your obedience required humbling of yourselves before each other and confessing your faults to each other, repenting to God. Indeed, I praise God for the healing that God wrought within you as He promised in James 5:16 when we obey Him in this regard.

The results of the surveys collected, although with great variation of opinions, were conclusive. It is evident that Jack McDonald has won your hearts and confidence the most and that he is your choice for leader. I personally think that you had four good leaders, each like every man on earth, with their strong points and weak points, but all very capable men.

The senior elders concur that you should remain a fellowship at present and test out your situation with your new leader. When you have proven yourselves to understand and be fully committed to the vision and move of God at the Chapel, having learned the major doctrines, and are moving in a unity of the spirit in freedom of worship, then you should apply for satellite church status. At that time, we will get another reading as to your heart to have Jack be ordained into the ministry as your pastor. In the meantime, we will license him as a minister of the Gospel, with an expiration of December 31, 1982. We will lay hands upon Jack for the ministry, even at this time. He will be your "provisional pastor" to shepherd you, working under me, even though you are not technically a church as yet. Please give your full support to him and he will love you and serve you, working hard to build you up in the faith. If difficulties arise that you cannot handle with your leader, please write to me.

After talking the matter over with those involved and considering all factors, we believe that the decision of Merv and Keith that they return to Seattle is best. This will make it easier to avoid any possibility of divided loyalties and of persons asking them their questions or opinions. Also, it will avoid any temptation of some leaders critiquing Jack or of Jack being intimidated by them — or of the leaders inadvertently steering the assembly in different directions in some areas. So, please do not feel hurt or miffed if Merv Weidner or Keith Karlsson decide to return to Community Chapel in Seattle and continue to grow under this move of God until God opens a door for them to pastor. Each of the three leaders feel a call of God on their lives and each must pursue that ultimate calling.

15152 4/21/2003 00141

Stand fast in the faith and witness for Jesus and you will grow in grace and in the wisdom of God.

I encourage you to listen to the teaching tapes from Seattle that you may grow all the faster. This gives you the advantage of an experienced teacher without having to pay him wages.

We have willingly given of our talent to you that you might be saved and built up in the faith — that you might reach out and win others. Someone won you to the Lord, you are admonished as God's sheep to bear lambs by winning others.

I have four independent reasons to think that you will see a marked increase in the anointing and freedom in Jack's delivery in the months ahead. Pray for your leader daily; be patient with him; submit to him, as unto God, and the Lord will bless you.

In Our Master's Service,

Pastor Donald Lee Barnett

20100021

15152 4/21/2003 08142

EXHIBIT

G

9.17.6



Community Chapel & Bible Training Center

18635 Eighth Avenue South, Seattle, Washington 98148
Pastor Donald Lee Barnett

Phone (206) 246-3778

Sanctuary located at First Avenue South and South 192nd

August 13, 1982

EA 7 DATE 5-10-84
WFO SECRET
Mary J. Murney 882-1427

Mr. Jack McDonald
6118 Sehmel Dr. N.W.
Gig Harbor, Washington 98335

Dear Jack:

Greetings in the wonderful name of Jesus!

We know that God is blessing the work in Tacoma. As you now assume a new place in leadership in the Tacoma fellowship, we are confident God's anointing will be increasingly upon you.

Some time ago, the Senior Elders decided that using the enclosed form for the satellite fellowships would be proper wisdom in our stewardship of the Lord's work. We are sure that this agreement expresses both your heart and ours with regard to the work in Tacoma. If you do, however, have any questions, please feel free to contact me.

We learned some time ago that in establishing most new works at remote locations, more was left to general understandings and presumptions than should have been. We felt that an agreement such as this would help make the basis of new works on as clear a basis for all parties concerned. Now that you are the designated fellowship leader, we would appreciate your signature on the agreement. Please keep one copy for your files and return a signed one to us.

This agreement we feel has another advantage in that in the future as you need others to assist you in the ministry, we can always with a free heart send them to your aid as warranted knowing that you are, as now, fully one heart with us.

God bless you in your endeavors in Tacoma. We are interested in hearing often from you in what the Lord is doing there.

In His Service,

Jack A. Hicks
Jack A. Hicks
Vice President

JAH/blm

Encl.

15152 4/21/2883 88144

SATELLITE FELLOWSHIP COVENANT

EXP: \$ DATE 5-10-88
WITNESS: B. A. P. M.
Mary A. Whitney 682-1427

Community Chapel and Bible Training Center of Seattle, Washington, being zealous for the spread of the Gospel of Jesus Christ, as well as a strong teaching ministry to all of God's people, hereby acknowledges our desire and intent to establish a satellite fellowship at Tacoma (city), Washington (state), for the express purpose of this fellowship eventually becoming a satellite church, if and as God so leads in the future. Believing that God is behind this move, and that He will open the necessary doors to this work in the above community, we do hereby appoint and commission Jack McDonald as leader of the fellowship to undertake the establishment of the above fellowship as an extension of Community Chapel and Bible Training Center. Community Chapel and Bible Training Center anticipates that after this fellowship reaches the size and spiritual maturity that would warrant incorporation into full church status, a man ordained by Community Chapel and Bible Training Center would be sent to take over leadership of the fellowship and become the first pastor of the newly formed satellite church. If he so desires, the leader of the fellowship may be considered as a candidate for the pastoral position; however, the decision as to who shall become pastor belongs solely to Community Chapel and Bible Training Center with the concurrence of the satellite congregation.

The leader of the fellowship agrees that he will at all times promote maximum possible unity between the fellowship and Community Chapel and Bible Training Center, endeavoring to engender the same heart of commitment, love of Jesus, vision for the future, interest in good sound Bible teaching, body-ministry, and worship; including the eventual goal of becoming a satellite church.

The leader of the fellowship agrees that he will maintain in the fellowship common doctrine with Community Chapel and Bible Training Center in all significant areas of theology and practice, and that the position of leader of the fellowship is an established position under the authority of the Elders of Community Chapel and Bible Training Center.

Community Chapel and Bible Training Center covenants to support the work of the fellowship with prayers, aides and helpers as deemed necessary, sermon tapes, music tapes and books, and potential financial support in emergencies, as deemed appropriate by Community Chapel and Bible Training Center. Items which are to be sold by this fellowship would be purchased from Community Chapel Publications at preferential rates.

If at any time the leader of the fellowship feels that he can no longer totally support the teachings, practices, and government of Community Chapel and Bible Training Center, he agrees to immediately notify the government of Community Chapel and Bible Training Center and voluntarily resign his position and turn the fellowship over to Community Chapel and Bible Training Center for a replacement leader.

Believing that these policies constitute the most effective means to bring an extension of God's end-time ministry to the above community, the Eldership of Community Chapel and Bible Training Center and the leader of the

(continued)

fellowship by their signatures below do covenant these things, together and before God; that the name of Jesus might be glorified and more souls added to the Kingdom of God.

Donald Lee Barnett

Pastor and Chief Elder of
Community Chapel and Bible Training Center

7/29/82

Date

Jack Lee McDonald
Leader of the Fellowship

8/25/82

Date

_____ Date

EXHIBIT

H

File - Tacoma CBTC

MEMORANDUM

DATE: November 11, 1987

TO: Jack Hicks
FROM: Ralph Alskog

EX. 14 DATE 5-10-88
WITNESS Jack McDonald
Mary A. Whitney 682-1427

RE: FAILURES BY JACK McDONALD TO COMPLY WITH BYLAWS

Regarding voting elders, Chapter 6, Article 6, "Voting and Non-Voting Elders," Item I, "For the first five years of this Satellite Church, all Voting Elders except the Pastor shall vacate their office each year on the anniversary of the incorporation of the church. At that point, the Pastor shall appoint new Voting Elders and/or reappoint the previous year's Voting Elders. After five years, all Voting Elders shall serve for life unless they resign..."

Both Hal Price and Carlos Rodriguez have not been re-elected and reappointed each year to my knowledge. Neither one of them have seen or read copies of the bylaws, so they have no idea what is in the bylaws nor what their responsibilities are. When they have talked to Jack to find out what they're supposed to do, Jack has basically said there wasn't that much to do; that he's doing it all. So, all they do is minister to people as they see the need, and have no idea what their responsibilities are.

Article 3: Deacons, Section A. "For a Satellite Church with a congregation of fewer than 150 people, the Deacon Board may consist of from three to five members."

In Jack's case, he does not have a Deacon Board. There has never been any movement to elect a Deacon Board. So the functions of the Deacon Board specified in the bylaws have not been fulfilled. Therefore, the Deacon Board in the requirement under "Duties of Deacons," Section J. 1., "The Deacon Board shall oversee the necessary payments, insurance programs..." Jack has failed to have insurance for the church. So there's been no oversight of the insurance programs. Also "...the financial and mundane obligations of the Satellite Church..." and records required in this same paragraph have not been fulfilled to my knowledge. Also, under Section J. 3., "The Deacon Board shall appoint money counters." The money counters are Jack and Tootie (his wife) and this is a violation of the bylaws. Also, there is no Secretary as required in Article 4. There has been no appointment of a Secretary to my knowledge. Also, the Treasurer: apparently Jack has made Tootie the Treasurer and that would be a violation of the bylaws, too, in that Article 6, B. 4. states "Immediate relatives of a Voting Elder shall not hold the office of Treasurer or be authorized to count money." which addresses the counting money and being Treasurer. Along with that, Jack has consistently asked Hal Price to sign three or four blank checks, and Hal has done so, not knowing where the money is going. That is an unfortunate situation and at least an ethical violation of the bylaws.

According to Hal and Carlos, they were not involved in dictating Jack's salary as the Voting Elders. I don't know who has established Jack's salary.

Last Sunday, even though Jack announced he was closing the church, he still took an offering. Jim Blanchard recommended the checks be made out to

(continued)

20100037

15152 4/21/2003 08148

Jack McDonald—not Community Chapel. So people have made checks out to Jack McDonald in their offering. I do not know how many have done that, but that will not be considered as an offering. This is just a side point. I don't know if the bylaws state how the checks should be made out, but I think it is obvious that they shouldn't be made out to the pastor himself.

In summary, the listing of violations are:

1. No Deacon Board has been appointed.
2. No Secretary has been appointed.
3. Jack has appointed Tootie as Treasurer, which is a violation of bylaws.
4. Jack and Tootie count the money, which is a violation of bylaws.
5. Jack has had Hal sign three or four blank checks at a time—which is a mistake on Hal's part to do so—and there has been no accounting for the expenditures of the money.
6. Jack has failed to acquire insurance for his church.
7. He has failed to respond to us in a timely manner regarding his outstanding debt to Community Chapel nor has he responded to requests to go to retreats. Basically he has failed to give a prompt response to any requests from the Seattle church.

T-RA11/11/87, transcribed from dictation, BLM for RA

EXHIBIT

I

DATE: December 17, 1987
TO: Senior Elders
FROM: Melinda Erickson (for Jack Hicks)
RE: SUMMARY OF PROPOSAL TO AMEND BYLAWS

EARL 29 DATE 12/29/88
WITNESS Barnett
WITNESS BARNETT

As a result of the Gabrielson case (in which the opposition is trying to make us liable for mistakes made by our Tacoma satellite church), possible future cases, and for a variety of other reasons, it is being proposed to the Senior Elders that we undertake a revision of our Bylaws.

The purpose: To make a clear distinction between us and our satellite churches, which are separately incorporated and self-governing. While we have in practice given the satellites great freedom, there are major points in our Bylaws which indicate a close relationship, and which will no doubt cause us trouble in court—the most obvious being our control over who the pastor is (including right to appoint and remove satellite pastors and to admonish and discipline them) and our right to assume a satellite church's property if it decides to break from us.

Jack and I met with attorney Jim Leach a few weeks ago for a few hours. He had read the Bylaws beforehand, and let us know that considerable revision would be required to legally disentangle us from our satellites. Namely (and this is what I feel the Senior Elders need to know), it would be required that we relinquish almost all control over satellites. We can have no authority over their property, government, or leadership under any circumstances.

To get to specifics, to effectively cut the ties, we would need to totally remove Chapters Six and Seven from our Bylaws—"Model Articles of Faith and Bylaws for Satellite Churches" and "Articles of Incorporation for Satellite Churches." We can have, separate from the Bylaws, a recommended set of Bylaws and Articles of Incorporation (which will have to be quite different from what we now have, by the way). Other changes which would have to be made are removal of items about satellite pastors being subject to the Corporation Church, and so forth. (Copies of specific changes needed in Divisions One and Two are attached).

We would need to eliminate the concept of a "Corporation Church" with satellites under it. Jim suggested we call it an "Association of Affiliated

(continued)

15152 4/21/2003 08151

December 17, 1987

Satellite Churches" or something like that. Words like "association" and "affiliation" have the connotation we would want. We would have to steer away from the term "Corporation Church" and use something like "headquarters church."

We would need to add to Division One or Two (because of the removal of Chapter Six) a definition of a satellite church, including requirements to maintain affiliation with us. For example, something like, "Maintaining of satellite church status shall be based upon unity of doctrine and conduct." (This is not complete, but you get the idea.) With the "association" concept, we have no control over satellite church affairs: our only leverage is to exclude a church from the association and refuse to allow them to use our name.

If we go with this new idea, we will need a new document in addition to the slimmed-down Bylaws—an "Articles of Association." This would be a list of criteria for being affiliated with us and procedures for affiliated churches. In it we would say such things as "The headquarters church in Seattle makes tapes of its services available and encourages that satellite church congregations listen to them." "Satellite churches agree to seek the advice of the Board of Senior Elders of the headquarters church before amending their Bylaws or Articles of Incorporation." Notice, we cannot under this new concept require satellites to get our approval for Bylaw amendments. We can word some of the things we now have in Chapter Six under "Protocol Among Satellite Churches and the Corporation Church" as suggestions in the Articles of Association.

I feel that this would be quite a great change in philosophy for our organization. It means that Don would no longer be the pastor of the satellite pastors (at least not on paper). The proposed changes remove authority to discipline (other than by excluding a church from affiliation with us). In the attorney's opinion, in order to, in the future, avoid being dragged into court cases involving satellites, we will have to cut the satellites loose—otherwise, the pastors can be considered to be our agents as in the case of Jack McDonald.

T-M12/15/87ME

RE: Bylaws Revision

(3)

December 17, 1987

Addendum

One other concern that needs to be addressed is Community Chapel and Bible Training Centre of Canada.

There is a possibility of suits against one or both fellowships in Canada. To refresh your memories, the fellowships are part of—in fact, they comprise—our Canada corporation. They have not yet individually incorporated as churches. The corporation has as its Board of Directors Don Barnett, Scott Hartley, and Jack DuBois. Jack Hicks has resigned as Vice President-Treasurer. The Board needs to replace both positions very soon before offering statements have to be signed in January.

Jack Hicks' and Don Barnett's feeling is that we should work quickly to have the two fellowships incorporate and become separate entities. Jim Leach agrees that this could possibly help, although suits brought at this time would cover a time period before incorporation as individual churches, and so the Board of Corporation Canada would no doubt be dragged into it. Having the fellowships incorporate would basically be a protection to us for the future.

Jack Hicks thinks it is to our benefit to keep Corporation Canada intact. We worked hard to set it up and obtain receipting privileges. We would simply try to disentangle it from our two fellowships so that our Board down here isn't liable for court costs up there and so forth. It's questionable if any action on our part could change our present predicament, but it does need to be discussed.

15152 4/21/2003 08153

EXHIBIT

J

2442 FILE



Community Chapel & Bible Training Center

18635 8th Avenue South, Seattle, Washington 98148
Pastor Donald Lee Barnett

Phone (206) 431-3100
Sanctuary located at First Avenue South and South 192nd

Exhibit No. 2-I
Witness D. Barnett
Date 5/21/88
Ed Howard, Reporter

April 8, 1988

Dear Pastor:

Yesterday I signed a new revised edition of our bylaws, which unties all legal connections between Community Chapel and Bible Training Center as the mother church and its satellites. This is a project that Jack Hicks and I, along with the other senior elders, have been working on for a couple of months, and it is still in the same form as the senior elders okayed it. This means we are knitted together in a fellowship in which you have complete authority without any dictates from the mother church. The reason we have done this is to protect us from being encumbered by lawsuits that may be filed against the satellite churches. We cannot afford to absorb all the lawsuits merely because we are the parent church. You will be getting a revised model of the bylaws for your church to use that will be almost identical to what you have had, except less restrictive, cutting off all obligatory ties with the Seattle church.

It is my information that Jack Hicks, who has been put on special status by the senior elders in Burien, and who is standing in possible contempt of court, is drafting up a proposed new non-profit corporation to gather all the satellite churches into. I beg of you not to break away from the new Community Chapel satellite fellowship. In the first place, we do not know that God won't yet bring reconciliation between the elders and the pastor at Seattle. We don't know what will occur at Seattle, and it would be extremely premature to make such a break at this time. Very respectfully, I submit that a much more careful and fair analysis is required for you to make sound judgment concerning the situation in Seattle. You have been receiving accusations from one side through service tapes, but very little from the other side. There is a tremendous amount of legal, spiritual, and theological information that you are unaware of. The situation as it is now cannot last long, and you would be well advised to keep hands off and do nothing until you see what happens here in Seattle and give God an opportunity to do what He wants to do. Once you receive your Seattle-free fellowship papers, which should be very soon, you are totally unencumbered, and there is no pressing need to join any other organization, since both sides of the split are being called Community Chapel and Bible Training Center. Please wait until all information is in, you know exactly what has happened, and things have resolved themselves before you make any such large changes to your church.

Brethren, you have known me and my ministry in the past, and you have seen what has happened to Mike Oas and his church. Please don't be too quick to make pre-judgment - in this case the elders may be doing what Mike Oas did. I have a great deal of information and background of what has happened that has not yet been communicated to you, and you could find that you have been sold a bill of goods by people who have motives you are not aware of. Indeed, I know this to be true. As a matter of fact, I have information to the effect that the senior elders approved what Mike Oas did here at Camp Meeting, knew of it ahead of time, and were planning on the coup being launched at that time. This is before any such meetings with me or information concerning me.

15152 4/21/2003 08155

The rebellion has been building for a couple of years, and they used my case as the excuse and smoke screen for the power play. This will all come out one day, if you will just hold patient and wait. Contempt of court proceedings are on the docket and other such matters. I would urge you to not take sides about something you are not intimately acquainted with. Stay neutral (or back up to neutral) and just pray and handle your ministry before God the best you can.

I love you very much. I'm trusting God, I'm walking in all carefulness before God, and doing everything I can with a humble spirit to the best of my ability. Any defensiveness that is visible is due to the extreme difficulty and pressure I find myself in, in laboring under this illegal coup. I feel that I can adequately defend against all scriptures that the elders are using on their behalf. I have found out what it is like to be falsely accused and wounded at the house of my friends. Much of the information you have received is grossly inaccurate, and they have covered up a tremendous amount of information that, if you had it, would change the whole picture.

Please pray for us and hold. I respectfully submit that if you want to or are of a mind to drop me on the basis of either my actions or attitudes, that you certainly don't want to tie in with Jack Hicks, who in my judgment is in worse shape on both accounts. I say this not to shame him, but rather to warn you. There is a lot more to the story than what you are being told.

I am looking for the day when God will restore all things. Until then, remain faithful.

In Our Master's Service,

Donald Lee Barnett

Pastor Donald Lee Barnett

EXHIBIT

K

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF PIERCE

IRA GABRIELSON and CAROL)
GABRIELSON, husband and wife,)
Plaintiffs,)

NO. 86 2 02792 6

vs.

COMPLAINT FOR PERSONAL
INJURIES AND DAMAGES

JACK McDONALD and "JANE DOE")
McDONALD, husband and wife;)
DONALD LEE BARNETT and BARBARA)
BARNETT, husband and wife; and)
"JOHN DOES" NOS. 1-4 AND "JANE)
DOES" NOS. 1-4, husbands and)
wives; COMMUNITY CHAPEL AND)
BIBLE TRAINING CENTER OF)
TACOMA; COMMUNITY CHAPEL AND)
BIBLE TRAINING CENTER,)
Defendants.)

COME NOW the plaintiffs by and through their attorney
of record, Daniel L. Hannula of Rush, Hannula & Harkins, and
for cause of action against the defendants state and allege
as follows:

I.

The court has jurisdiction over the subject matter
herein and the parties hereto.

////

COMPLAINT - 1

LAW OFFICES
RUSH, HANNULA & HARKINS
715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402
TACOMA 383 5388
SEATTLE 638 4790

15152 4/21/2883 88158

II.

1 The plaintiffs Carol Gabrielson and Ira Gabrielson are
2 husband and wife and are residents of Pierce County,
3 Washington.
4

III.

5 The defendants Donald Lee Barnett and Barbara Barnett
6 are husband and wife and are residents of King County,
7 Washington. Donald Barnett is the head pastor of Community
8 Chapel and Bible Training Center and as such is responsible
9 for the administration and direction of the entire congre-
10 gation, including the Tacoma Chapel. All actions described
11 of the defendants or either of them were performed on behalf
12 of the marital community.
13

IV.

14 The defendants Jack McDonald and "Jane Doe" McDonald
15 are husband and wife and residents of Pierce County,
16 Washington. Jack McDonald is the pastor of Community Chapel
17 and Bible Training Center of Tacoma. All actions described
18 of the defendants or either of them were performed on behalf
19 of the marital community.
20

V.

21 The defendants "John Does" 1-4 and "Jane Does" 1-4 are
22 husbands and wives and are residents of the State of
23 Washington. All actions described of the defendants or any
24 of them were performed on behalf of the marital community.
25

26 ////

COMPLAINT - 2

LAW OFFICES
RUSH, HANNULA & HARKINS
715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402
TACOMA 363-5388
SEATTLE 328-6790

15152 4/21/2003 06153

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

VI.

The defendant Community Chapel and Bible Training Center of Tacoma is a corporation licensed to do business and doing business in the State of Washington.

VII.

The defendant Community Chapel and Bible Training Center is a corporation licensed to do business and doing business in the State of Washington and the is parent corporation of Community Chapel and Bible Training Center of Tacoma.

VIII.

At all times material hereto, the defendants John Does 1 through 4 were agents, employees and representatives of Community Chapel and Bible Training Center and/or Community Chapel and Bible Training Center of Tacoma and all actions complained of herein were performed in the scope of their representation employment and/or agency for the Community Chapel and Bible Training Center and the Community Chapel and Bible Training Center of Tacoma.

IX.

At all times material hereto, the defendants Donald Lee Barnett, Barbara Barnett, and Jack and "Jane Doe" MacDonald were principals, agents, employees, and representatives of Community Chapel and Bible Training Center and Community Chapel and Bible Training Center of Tacoma and all actions complained of herein were performed in the scope of their

////

15152 4/21/2003 08160

1 representation employment and/or agency for the Community
2 Chapel and Bible Training Center and Community Chapel and
3 Bible Training Center of Tacoma.

4 X.

5 The plaintiffs, Carol and Ira Gabrielson, regularly
6 attended services at both the Community Chapel and Bible
7 Training Center of Tacoma and the Community Chapel and Bible
8 Training Center in Burien for a number of years. As members
9 of the congregation, Carol and Ira Gabrielson attended
10 numerous functions and were active participants in the con-
11 gregation. In addition, the Gabrielsons tithed a portion of
12 their income to the congregation to help sustain it.

13 XI.

14 Defendant Jack McDonald, as pastor of the Tacoma Chapel,
15 held himself out to the Gabrielsons as a qualified counselor.
16 In this regard, Carol Gabrielson began counseling with defen-
17 dant Jack McDonald on a regular basis.

18 XII.

19 As a result of the counseling sessions, defendant Jack
20 McDonald became aware of the vulnerability of plaintiff Carol
21 Gabrielson. Defendant Jack McDonald took advantage of her
22 weakness and her need for support and manipulated her into
23 leaving her husband, plaintiff Ira Gabrielson.

24 XIII.

25 Further, as a result of the manipulation by defendant

26 ////

1 Jack McDonald, plaintiff Carol Gabrielson was coerced and
2 unduly influenced into a having sexual relationship with
3 defendant Jack McDonald. This relationship continued from
4 September through December of 1985.

5 XIV.

6 Defendant Donald Barnett encouraged the members of his
7 congregation, including the Tacoma Chapel, to form intimate
8 attachments with members of the opposite sex as part of the
9 regular services at the Chapel. Defendant Donald Barnett
10 expressly encouraged married members of the congregation to
11 form intimate attachments with persons other than the spouses
12 of the members.

13 XV.

14 Defendant Donald Barnett knew or should have known that
15 these attachments would result in seductions, infidelity and
16 the breakup of marriages. Further, defendant Donald Barnett
17 knew or should have known that his agent in Tacoma, defendant
18 Jack McDonald, was involved in the seduction of female members
19 of the congregation and was abusing the pastoral privilege.

20 XVI.

21 In January, 1986, both plaintiffs Carol and Ira Gabrielson
22 were disfellowshipped from Community Chapel and Bible Training
23 Center of Tacoma, as a consequence of Carol Gabrielson's
24 refusal to participate in any further sexual activities with
25 defendant Jack McDonald.

26 ////

COMPLAINT - 5

LAW OFFICES
RUSH, HANNULA & HARKINS

715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402

TACOMA 363 5358
SEATTLE 325 4730

15152 4/21/2003 88162

XVII.

1 Plaintiff Carol Gabrielson, in March of 1986, requested
2 permission to attend services at defendant Community Chapel
3 and Bible Training Center in Burien, and was told that she
4 was welcome at that congregation.
5

XVIII.

6 On March 6, 1986, plaintiff Carol Gabrielson attended
7 services at defendant Community Chapel and Bible Training
8 Center of Burien. During her visit to that congregation,
9 plaintiff Carol Gabrielson was physically assaulted by
10 defendants John Does 1 through 4 who bodily dragged her from
11 the chapel, causing the physical injuries which are
12 complained of herein. Plaintiff Carol Gabrielson was also
13 handcuffed and forced into a vehicle belonging to defendant
14 Community Chapel and Bible Training Center of Burien. The
15 actions of John Does 1 through 4 were at the direction and
16 under the request of defendants Jack McDonald, Donald
17 Barnett and Barbara Barnett.
18

XIX.

19 Defendants Jack McDonald, Donald Barnett and Barbara
20 Barnett have further made disparaging statements regarding
21 Carol and Ira Gabrielson to members of the congregation
22 which tended to injure the Gabrielsons' reputation in the
23 community.
24

25 ////

26 ////

COMPLAINT - 6

LAW OFFICES
RUSH, HANNULA & HARKINS
715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402
TACOMA 363-5354
SEATTLE 328-4790

15152 4/21/2003 08163

1 tort of pastoral malpractice.

2 FIFTH THROUGH SEVENTH CAUSES OF ACTION

3 XXVIII.

4 The plaintiffs incorporate by reference as if set forth
5 in full each and every allegation as set forth in paragraphs
6 I through XXVII.

7 XXIX.

8 The acts of the defendants on March 6, 1986 which
9 resulted in injuries to plaintiff Carol Gabrielson were
10 negligent and/or constitute the torts of assault, battery
11 and false imprisonment.

12 EIGHTH CAUSE OF ACTION

13 XXX.

14 The plaintiffs incorporate by reference as if set forth
15 in full each and every allegation as set forth in paragraphs
16 I through XXIX.

17 XXXI.

18 The acts of defendants in making disparaging statements
19 damaging the reputation of the plaintiff constitute the tort
20 of defamation.

21 NINTH CAUSE OF ACTION

22 XXXII.

23 The plaintiffs incorporate by reference as if set forth
24 in full each and every allegation as set forth in paragraphs
25 I through XXXI.

26 ////

COMPLAINT - 9

LAW OFFICES
RUSH, HANNULA & HARKINS
715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402
TACOMA 363 5300
SEATTLE 434 4790

15152 4/21/2003 86166

1 XXXIII.

2 As a further and proximate result of the acts of the
3 defendants, plaintiff Ira Gabrielson has suffered a loss of
4 consortium.

5 XXXIV.

6 As a direct and proximate result of the intentional,
7 reckless and negligent wrongful acts of the defendants, and
8 each of them, plaintiffs have been specially and generally
9 damaged in an amount to be fully proven at the time of
10 trial.

11 WHEREFORE, the plaintiffs pray for judgment against the
12 defendants as follows:

13 1. For all general and special damages incurred by
14 plaintiffs Ira and Carol Gabrielson in an amount to be
15 proven at time of trial;

16 2. For plaintiffs' reasonable costs and attorneys' fees
17 incurred in the prosecution of this action;

18 3. For such other and further relief as the court
19 deems just and equitable.

20 DATED this 30 day of April, 1986.

21 RUSH, HANNULA & HARKINS

22
23
24 By: 
DANIEL L. HANNULA

25
26 ////
COMPLAINT - 10

LAW OFFICES
RUSH, HANNULA & HARKINS

715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402

TACOMA 343 5388
SEATTLE 839 4790

15152 4/21/2883 88167

AUG 18 1988

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON FOR PIERCE COUNTY

AMERICAN CASUALTY COMPANY OF READING
PENNSYLVANIA, a Pennsylvania corp.,

Plaintiff.

vs.

IRA GABRIELSON and CAROL GABRIELSON;
DONALD BARNETT, et ux; and COMMUNITY
CHAPEL AND BIBLE TRAINING CENTER,
Defendant.

NO. 88-2-00947-9

NOTE OF ISSUE AND STATEMENT OF
ARBITRABILITY

NATURE OF CAUSE MOTION FOR SUMMARY JUDGMENT

JURY TRIAL: YES/NO [] IF YES, 6 JURORS [] 12 JURORS []

ESTIMATED TIME TO TRY CAUSE _____

DATE REQUESTED FOR DOCKET SEPTEMBER 2, 1988

FILED
IN COUNTY CLERK'S OFFICE.
A.M. AUG 18 1988 P.M.
PIERCE COUNTY, WASHINGTON
TED RUTT, COUNTY CLERK
DEPUTY

PLAINTIFF'S ATTORNEY: NAME BRUCE WINCHELL
ADDRESS 3800 Rainier Bank Tower
Seattle, WA 98101-2647
TELEPHONE 223-7380

DEFENDANT'S ATTORNEY: NAME DANIEL L. HANNULA (For Defs. Gabrielson)
ADDRESS 715 Tacoma Avenue South
Tacoma, WA 98402
TELEPHONE 383-5388

(NOTE: If additional attorneys involved, please note on reverse side)

NAME OF PARTY BRINGING MOTION: Defendants Gabrielson

ARBITRATION

- This case is subject to arbitration because the sole relief sought is a money judgment and involves no claim in excess of twenty-five thousand dollars exclusive of attorney fees, interests and costs.
- This case is not subject to mandatory arbitration because:
 - Plaintiff's claim exceeds twenty-five thousand dollars.
 - Plaintiff seeks relief other than a money judgment.
 - Defendant's counter or cross claim exceeds twenty-five thousand dollars.
 - Defendant's counter or cross claim seeks relief other than a money judgment.
- The undersigned contends that its claim exceeds twenty-five thousand dollars but hereby waives any claim in excess of twenty-five thousand dollars for purposes of arbitration.

ABOVE INFORMATION MUST BE COMPLETED

TO BE COMPLETED BY CLERK

Assigned To: _____

Date: _____ By: _____

15192 4/21/2683 88168

List Additional Attorneys

Name: RODNEY D. HOLLENBECK
Address: 34th Floor Columbia Center, 701 5th Avenue, Seattle, WA 98104
Phone: 386-5555
Attorney For: Defendants Barnett

Name: JAMES G. LEACH and DAVID V. ANDERSEN
Address: 4040 First Interstate Center, 999 Third Avenue, Seattle, WA 98104
Phone: 583-2714
Attorney For: Defendant Community Chapel

Name:
Address:
Phone:
Attorney For:

Name:
Address:
Phone:
Attorney For:

Name:
Address:
Phone:
Attorney For:

Name:
Address:
Phone:
Attorney For:

15152 4/21/2003 08169

Motion
9 Sept 88

9

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON FOR PIERCE COUNTY

AMERICAN CASUALTY COMPANY OF READING

PENNSYLVANIA, a Pennsylvania corp.,
Plaintiff.

vs.

IRA GABRIELSON and CAROL GABRIELSON;
DONALD BARNETT, et ux; and COMMUNITY
CHAPEL AND BIBLE TRAINING CENTER,

Defendant.

NO. 88-2-00947-9

AUG 23 1988

NOTE OF ISSUE AND STATEMENT OF
ARBITRABILITY

NATURE OF CAUSE MOTION FOR SUMMARY JUDGMENT

FILED
IN COUNTY CLERK'S OFFICE

JURY TRIAL: YES/NO [] IF YES, 6 JURORS [] A.M. AUG 23 1988 12 JURORS [] P.M.

ESTIMATED TIME TO TRY CAUSE

DATE REQUESTED FOR DOCKET SEPTEMBER 9, 1988 BY TED RUTT, COUNTY CLERK DEPUTY

PLAINTIFF'S ATTORNEY: NAME BRUCE WINCHELL

ADDRESS 3800 Rainier Bank Tower

Seattle, WA 98101-2647

TELEPHONE 223-7380

DEFENDANT'S ATTORNEY: NAME DANIEL L. HANNULA (For Defs. Gabrielson)

ADDRESS 715 Tacoma Avenue South

Tacoma, Washington 98402

TELEPHONE 383-5388

(NOTE: If additional attorneys involved, please note on reverse side)

NAME OF PARTY BRINGING MOTION: Defendants Gabrielson

ARBITRATION

[] This case is subject to arbitration because the sole relief sought is a money judgment and involves no claim in excess of twenty-five thousand dollars exclusive of attorney fees, interests and costs.

[] This case is not subject to mandatory arbitration because:

- [] Plaintiff's claim exceeds twenty-five thousand dollars.
- [] Plaintiff seeks relief other than a money judgment.
- [] Defendant's counter or cross claim exceeds twenty-five thousand dollars.
- [] Defendant's counter or cross claim seeks relief other than a money judgment.

[] The undersigned contends that its claim exceeds twenty-five thousand dollars but hereby waives any claim in excess of twenty-five thousand dollars for purposes of arbitration.

ABOVE INFORMATION MUST BE COMPLETED

TO BE COMPLETED BY CLERK

Assigned To: _____

Date: _____ By: _____

List Additional Attorneys

Name: RODNEY D. HOLLENBECK
Address: 3100 Columbia Center, 701 5th Avenue, Seattle, WA 98104
Phone: 386-5555
Attorney For: Defendants Barnett

Name: JAMES G. LEACH and DAVID V. ANDERSEN
Address: 4040 First Interstate Center, 999 Third Avenue, Seattle, WA 98104
Phone: 583-2714
Attorney For: Defendant Community Chapel

Name:
Address:
Phone:
Attorney For:

Name:
Address:
Phone:
Attorney For:

Name:
Address:
Phone:
Attorney For:

Name:
Address:
Phone:
Attorney For:

STATE OF WASHINGTON | SS
COUNTY OF PIERCE

The undersigned, being first duly sworn, on oath,
states: That on this day, affiant mailed
to the attorneys of record of att & att
a copy of the document to which this affidavit is
attached.

Denise L. Johnson
Subscribed and sworn to before me this 22nd day of

August, 1989
Shirley M. Harlan
Notary Public in and for the
State of Washington

My comm. expires 10-4-89

Copy Rec'd by Superior Court Adm.
Date: AUG 24 1988
By: _____

DD

FILED
IN COUNTY CLERK'S OFFICE
A.M. AUG 24 1988 P.M.
PIERCE COUNTY WASHINGTON
TED RITT COUNTY CLERK
BY [Signature] DEPUTY

S AUG 25 1988

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF PIERCE

AMERICAN CASUALTY COMPANY OF)
READING PENNSYLVANIA, a)
Pennsylvania corporation,)

Plaintiff,)

-vs-

NO. 88-2-00947-9

NOTICE OF APPEARANCE

IRA GABRIELSON and CAROL)
GABRIELSON, husband and wife;)
DONALD LEE BARNETT and BARBARA)
BARNETT, husband and wife;)
COMMUNITY CHAPEL AND BIBLE)
TRAINING CENTER, a Washington)
corporation,)

Defendant.)

TO: All Parties

YOU AND EACH OF YOU WILL PLEASE TAKE NOTICE that the undersigned herewith appears as attorney for COMMUNITY CHAPEL AND BIBLE TRAINING CENTER, defendant in the above-entitled matter, and requests that all further pleadings or notices of any nature whatsoever affecting the rights of said defendant be served upon the undersigned at the address hereinbelow stated.

DATED this 24 day of August, 1988.

LAW OFFICES OF JOHN S. GLASSMAN

[Signature]
JOHN S. GLASSMAN
Attorney for Defendant

LAW OFFICES OF
JOHN S. GLASSMAN
625 COMMERCE STREET
TACOMA, WASHINGTON 98402
(206) 572-2746

15152 4/21/2003 00172

The undersigned, being first duly sworn, on oath, states: That on this day, affiant mailed to the attorneys of record of plaintiff + defendants a copy of the document to which this affidavit is attached.

Denise L. Johnson

Subscribed and sworn to before me this 22nd day of August, 19 88

Sheradine Marenham

Notary Public in and for the State of Washington

My commission expires 10-4-89

J.R. AUG 23 1988

SUPERIOR COURT OF WASHINGTON FOR COUNTY OF PIERCE

AMERICAN CASUALTY COMPANY OF)
READING PENNSYLVANIA,)
a Pennsylvania corporation,)
Plaintiff,)
vs.)
IRA GABRIELSON and CAROL)
GABRIELSON, husband and wife;)
DONALD LEE BARNETT and BARABARA)
BARNETT, husband and wife;)
COMMUNITY CHAPEL and BIBLE)
TRAINING CENTER, a Washington)
corporation,)
Defendants.)

NO. 88-2-00947-9

AFFIDAVIT OF WILLIAM R. HICKMAN

FILED
IN COUNTY CLERK'S OFFICE

A.M. AUG 23 1988 P.M.

PIERCE COUNTY CLERK
TED RUTT, COUNTY CLERK
BY _____ DEPUTY

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

WILLIAM R. HICKMAN, being first duly sworn on oath, deposes and says:

1. That I am a director in the Seattle law firm of Reed McClure Mocerri Thonn & Moriarty, 3600 Columbia Center, 701 Fifth Avenue, Seattle, Washington 98104-7081. That I am a 1964 graduate of Seattle University and a 1967 graduate of the School of Law, Columbia University.

2. That my practice is primarily restricted to handling insurance coverage problems and litigation, and to the handling of

MK

15152 4/21/2003 00173

1 civil litigation on appeal. My clients include both insurance
2 companies and insureds.

3 3. Since 1975, I have been the Editor of the **Washington**
4 **Insurance Law Letter**, a publication which reviews recent develop-
5 ments in Insurance and Tort law. For the past two years, I have
6 been a columnist for **Insuranceweek**, a regional trade publication
7 for the Western United States.

8 4. That I have presented seminars on the Uniform Commercial
9 Code, appellate practice and procedure, posttrial practice, current
10 developments in insurance law, predicting appellate results, and
11 coverage for pollution claims.

12 5. That I am a member of the International Association of
13 Insurance Counsel, the Defense Research Institute, the Washington
14 State Bar, the Seattle-King County Bar, and the American Bar Asso-
15 ciation.

16 6. That I am admitted to practice in the courts of the State
17 of Washington, the United States Courts for the Western and Eastern
18 Districts of Washington, the United States Court of Appeals for the
19 Ninth Circuit, and the Supreme Court of the United States of America.

20 7. That on or about August 9, 1988, I was asked by the law
21 firm of Kargianis, Austin & Erickson to review a certain insurance
22 policy (Policy No. 50-214-40-20), and several pleadings including a
23 personal injury complaint and a complaint for declaratory relief.

1 8. After having completed that review, I was asked whether I
2 had an opinion as to the applicability of Endorsement No. 8 of
3 Policy No. 50-214-40-20 to the coverage questions presented.

4 9. That it was my opinion that Endorsement No. 8 of Policy
5 No. 50-214-40-20 has no application to the insurance coverage
6 situation presented.

7 10. This opinion is based in part on almost 20 years experi-
8 ence reading and analyzing insurance policies, and research and
9 writing about the construction of insurance policies.

10 11. This opinion is also based in part on the rules for
11 construction of insurance policies in the State of Washington. The
12 basic rules may be summarized as follows:

13 (A) The terms and language in an insurance contract must
14 be analyzed and interpreted as they would be understood by an
15 average person purchasing insurance. Unless there is a technical
16 definition provided in a policy, undefined words will be given their
17 plain, ordinary and popular meaning.

18 (B) The language in an insurance policy must be given a
19 fair, reasonable, and sensible construction that would be understood
20 by the average person buying insurance. Insurance policies must be
21 interpreted in accordance with the understanding of the average man,
22 not in any technical sense.

23 (C) Clear and unambiguous language in an insurance policy
24 will be enforced regardless of the insureds expectations. Absent an
25

1 ambiguity, the court will not look beyond the four corners of the
2 policy.

3 (D) When policy language is reasonably susceptible to
4 different interpretations, the interpretation most favorable to the
5 insured will be adopted. If ambiguous, the coverage must be inter-
6 preted in accordance with the way it would be understood by the
7 ordinary man buying insurance, even though the insurance company may
8 have intended a different meaning.

9 (E) Where contract language is clear and unambiguous, the
10 court should not rewrite or override the apparent intent of the
11 parties, under the guise of construing language.

12 (F) If judicial construction is necessary in the presence
13 of an ambiguous provision, the provision should be corrected in a
14 manner consistent with the apparent intent of the entire contract,
15 and not in a fashion that would unfairly divest the contract of a
16 sensible construction.

17 (G) Inclusionary clauses, i.e., those clauses which
18 create coverage and define the insured entity or risk, are to be
19 very broadly construed in favor of the insured.

20 (H) Exclusionary clauses in insurance policies must be
21 strictly construed against the insurance company, and will not cut
22 off the coverage unless stated in clear, unambiguous language.

23 12. However, my opinion is based primarily on a reading of the
24 plain language of Endorsement No. 8, the declarations page of the
25 policy, and the allegations of the Gabrielson complaint.

1 13. Reduced to its essentials, Endorsement No. 8 applies only
2 to the expressly described operations: "Schools -- Colleges,
3 Universities or College Preparatory."

4 14. The declarations page of the policy provides:
5 The Business of the Named Insured is Church & College.

6 15. The allegations in the complaint refer overwhelmingly to
7 church related activity; there do not appear to be any allegations
8 in the complaint referring to "Colleges, Universities or College
9 Preparatory."

10 16. The declarations page of the policy expressly recognizes
11 two major activities of the named insured: "Church & College."

12 17. Endorsement No. 8 expressly relates only to these opera-
13 tions: "Schools -- Colleges, Universities or College Preparatory."

14 18. It does not appear that Endorsement No. 8 is intended to
15 relate to any church operations.

16 19. The quotation of Endorsement No. 8 set out on page 4 of
17 the complaint for declaratory judgment leaves out critical limiting
18 language of Endorsement No. 8.

19 20. Endorsement No. 8 provides:

20 **EXCLUSION**

21 **(MALPRACTICE AND PROFESSIONAL**
22 **SERVICES)**

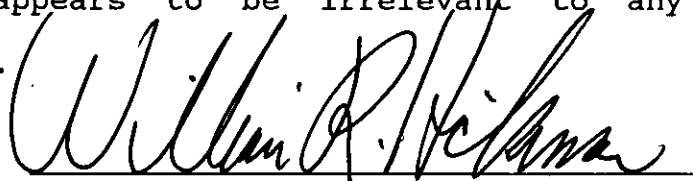
23 (Form A)

24 It is agreed that with respect to any operation described
25 below or designated in the policy as subject to this
endorsement the insurance does not apply to bodily injury
or property damage due to

- 1 1. the rendering of or failure to render.
- 2 (a) medical, surgical, dental, x-ray or nursing
- 3 service or treatment or the furnishing of food
- 4 or beverages in connection therewith.
- 5 (b) any service or treatment conducive to health or
- 6 of a professional nature or
- 7 (c) any cosmetic or tonsor or service or treatment.
- 8 2. the furnishing or dispensing of drugs or medical,
- 9 dental or surgical supplies or appliances or
- 10 3. The handling of or performing of autopsies on dead
- 11 bodies.

Description of Operations: Schools -- Colleges, Universi-
ties or College Preparatory.


21. As the introductory phrase indicates, this exclusionary
endorsement expressly relates only to the "operations described
below," i.e., "Description of Operations, Schools -- Colleges,
Universities or College Preparatory." Since the exclusion does not
relate to church operation, it appears to be irrelevant to any
analysis of coverage in this case.


WILLIAM R. HICKMAN

STATE OF WASHINGTON

COUNTY OF KING

SIGNED AND SWORN to (or affirmed) before me on August 17, 1988
by WILLIAM R. HICKMAN.


Notary Public
My appointment expires 10-5-89

15152 4/21/2863 86178

1 Community Chapel and Bible Training Center in Tacoma, and I had
2 only infrequent contact with Jack during 1985-1986;

3 Jack never approached me about his alleged relationship with
4 Carol Gabrielson, and I received knowledge of it only some time
5 after Carol Gabrielson had left the Tacoma church;

6 Immediately prior to the time in which this lawsuit was
7 commenced, I received a telephone call from a pastor in Tacoma,
8 whose identity I do not recall, who informed me that he had been
9 approached regarding allegations made against Jack McDonald;

10 This was the first time I had heard of allegations against
11 Jack;

12 Within only a few weeks of receiving this call, I received
13 notice that this lawsuit had been filed;

14 I had not heard any other complaints about Jack's
15 relationship with female members of the Tacoma church prior to
16 hearing these allegations, and the Gabrielsons are the only
17 individuals that I know to have made allegations;

18 Further your affiant sayeth not.

19 Donald Lee Barnett
20 DONALD LEE BARNETT

21
22 State of Washington
23 County of King

Signed and sworn to before me on

24 August 29, 1988 by Donald
25 Lee Barnett.

26 Timothy Donald
27 NOTARY PUBLIC
28 My commission expires 1989

29
30
31 AFFIDAVIT OF
32 DON BARNETT : 2

Evans, Craven & Lackie, P.C.

LAWYERS

SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
SEATTLE, WASHINGTON 98104

(206) 386-5555

FILED
PIERCE COUNTY CLERK'S OFFICE

AUG 30 10:00 P.M.
PIERCE COUNTY CLERK
DEPUTY

AUG 30 1988

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF PIERCE

AMERICAN CASUALTY COMPANY OF)
READING PENNSYLVANIA, a)
Pennsylvania corporation,)

Plaintiff,)

vs.)

IRA GABRIELSON and CAROL)
GABRIELSON, husband and wife;)
DONALD LEE BARNETT and)
BARBARA BARNETT, husband and)
wife; COMMUNITY CHAPEL and)
BIBLE TRAINING CENTER, a)
Washington corporation,)

Defendants.)

No. 88-2-00947-9

AFFIDAVIT OF BARBARA
BARNETT

I, Barbara Barnett, being first duly sworn upon oath and
having personal knowledge of the following facts depose and say:

I am at least 21 years of age and competent to make this
statement;

I am the wife of Donald Lee Barnett;

I was employed by the Community Chapel and Bible Training
Center as Assistant to the Pastor until sometime in September in
1987 at which time my position was eliminated;

I was employed, and received a salary, for my position from
approximately the time at which Jack Hicks began working for the
church at sometime during the 1970's;

I was employed, and received a salary, for my position
during the years 1985 and 1986;

I know and was acquainted with Jack McDonald prior to and
through 1985 and 1986;

AFFIDAVIT OF
BARBARA BARNETT : 1

JC

Evans, Craven & Lackie, P.C.

LAWYERS

SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
SEATTLE, WASHINGTON 98104

(206) 386-5555

ORIGINAL

15152 4-21-2883 88181

1 Jack was the pastor of the Community Chapel and Bible
2 Training Center of Tacoma;

3 I had only infrequent contact with Jack McDonald since my
4 association and employment was with the Community Chapel and
5 Bible Training Center which is based in Burien, Washington;

6 I was not aware of allegations of a counselling relationship
7 or sexual relationship between Jack and Carol Gabrielson until
8 sometime after January of 1986 and only upon hearing that there
9 were proceedings against Jack for such allegations;

10 I may have met Carol Gabrielson at some time, however, I did
11 not and do not know her;

12 I have never spoken to her personally about her relationship
13 with Jack McDonald;

14 I do not reasonably believe that I would recognize Carol
15 Gabrielson at this time;

16 Further your affiant sayeth not.

17
18 Barbara Barnett

19 BARBARA BARNETT

20 State of Washington
21 County of King

22 Signed and sworn to before me on

23 August 29, 1988 by
24 Barbara Barnett.

25 Tom Donahue

26 NOTARY PUBLIC

27 My commission expires 1989

28
29
30
31 AFFIDAVIT OF
32 BARBARA BARNETT : 2

Evans, Craven & Lachie, P.C.

LAWYERS

SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
SEATTLE, WASHINGTON 98104

(206) 386-5555

2019-08-21 15:52

FILED
 IN COUNTY CLERK'S OFFICE
 A.M. AUG 30 1988 P.M.
 PIERCE COUNTY CLERK
 DEPUTY

AUG 30 1988

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
 IN AND FOR THE COUNTY OF PIERCE

AMERICAN CASUALTY COMPANY OF)
 READING PENNSYLVANIA, a)
 Pennsylvania corporation,)
)
 Plaintiff,)
)
 vs.)
)
 IRA GABRIELSON and CAROL)
 GABRIELSON, husband and wife;)
 DONALD LEE BARNETT and)
 BARBARA BARNETT, husband and)
 wife; COMMUNITY CHAPEL and)
 BIBLE TRAINING CENTER, a)
 Washington corporation,)
)
 Defendants.)

No. 88-2-00947-9
 BARNETT'S BRIEF IN
 SUPPORT OF GABRIELSON'S
 MOTION FOR SUMMARY
 JUDGMENT

Comes now defendants, Don and Barbara Barnett, through their undersigned counsel, and submit the following brief in support of defendants Gabrielsons' motion for summary judgment.

FACTS

Ira and Carol Gabrielson have brought a lawsuit in Pierce County Superior Court, cause number 86-2-02792-6. Therein, the Gabrielsons allege causes of action against Jack McDonald arising from a sexual relationship which occurred during the course of a church counselling. This relationship allegedly occurred between September of 1985 and January of 1986. The Gabrielsons allege that the other named defendants in that lawsuit are vicariously liable. See exhibit K to the Affidavit of Daniel L. Hannula filed herein.

Presently, and during 1985 and 1986, Don Barnett is and was the pastor and a director of the Community Chapel and Bible

BRIEF IN SUPPORT
 OF SUMMARY JUDGMENT: 1

Evans, Craven & Lackie, P.C.
 LAWYERS
 SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
 SEATTLE, WASHINGTON 98104
 (206) 386-5555

ORIGINAL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

15157 2283 88183

1 Training Center, hereinafter referred to as the Burien Church.
2 See affidavit of Don Barnett in support of summary judgment.
3 During 1985 and 1986, Barbara Barnett was employed by the Burien
4 church as Pastor's Assistant. See affidavit of Barbara Barnett
5 in support of summary judgment. Neither Don nor Barbara Barnett
6 knew of the alleged relationship between Jack McDonald and Carol
7 Gabrielson until after the time in ceased in January of 1986.
8 See affidavit of Don Barnett, and see affidavit of Barbara
9 Barnett.

10 Between May 9, 1979 and May 9, 1986, the Community Chapel
11 and Bible Training Center was insured by a general liability
12 policy issued by American Casualty Company, policy #IP502144020.
13 The Community Chapel & Bible Training Center is the named insured
14 upon the policy. It covers the named insured covers and any
15 executive officer, director, or employee thereof while acting
16 within the scope of their duties.

17 The policy provides coverage for all damages arising out of
18 Bodily Injury caused by an occurrence. An occurrence is defined
19 as an accident including repeated or continuous exposure to a
20 condition which is neither expected nor intended from the
21 standpoint of the insured.

22 The coverage provided by the CNA policy is separate for each
23 person or organization qualifying as an insured, except with
24 respect to policy limits.

25 II. POLICY PROVISIONS

26 The pertinent parts of the policy are as follows:

27 A. Coverages

28 The Company will pay on behalf of the
29 Insured all sums which the Insured shall
30 become legally obligated to pay as damages
because of

31 BRIEF IN SUPPORT
32 OF SUMMARY JUDGMENT: 2

Evans, Craven & Lackie, P.C.

LAWYERS

SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
SEATTLE, WASHINGTON 98104

(206) 386-5555

4-21-2003-88184

1 A. Bodily Injury or
2 B. Property Damage
3 to which this insurance applies, caused by an
4 Occurrence, and the Company shall have the
5 right and duty to defend any suit against the
6 Insured seeking damages on account of such
7 Bodily Injury or Property Damage, even if any
8 of the allegations of the suit are
9 groundless, false or fraudulent....

10 B. Persons insured

11 Each of the following is an Insured under
12 this insurance to the extent set forth below

13
14 (c) if the Named Insured is designated in
15 the Declarations as other than an
16 individual, partnership or joint
17 venture, the organization so designated
18 and any executive officer, director or
19 stockholder thereof while acting within
20 the scope of his duties as such.

21
22 (f) other than executive officers, any
23 employee of the Named Insured while
24 acting within the scope of their duties
25 as such....

26 C. Occurrence definition

27 Occurrence means an accident, including
28 continuous or repeated exposure to
29 conditions, which results in Bodily Injury or
30 Property Damage neither expected nor intended
31 from the standpoint of the Insured.

32 D. Severability clause

 Insured means any person or organization
 qualifying as an Insured in the "Persons
 Insured" provision of the applicable
 insurance coverage. The insurance afforded
 applies separately to each Insured against
 whom claim is made or suit is brought, except
 with respect to the limits of the Company's
 liability.

 E. Exclusion- (Malpractice and Professional Services)

BRIEF IN SUPPORT
OF SUMMARY JUDGMENT: 3

Evans, Craven & Lackie, P.C.

LAWYERS

SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
SEATTLE, WASHINGTON 98104

(206) 386-5555

1515 4217283 88185

1 It is agreed that with respect to any
2 operations described below or designated in
3 the policy as subject to this endorsement the
4 insurance does not apply to bodily injury or
5 property damage due to

6 1. the rendering of or failure to
7 render

8
9 (b) any service or treatment conducive
10 to health or of a professional nature.

11
12 Description of Operations: Schools--
13 Colleges, Universities or College
14 Preparatory.

15 III. PROCEDURE

16 American Casualty moved this court for summary judgment on
17 March 30, 1988 on the basis that damages alleged in the complaint
18 in the underlying action do not constitute bodily injury. This
19 court denied the motion on April 15, 1988, ruling that the policy
20 covers the bodily injury suffered by Carol Gabrielson from her
21 sexual relationship with Jack McDonald and all consequential
22 damages thereto, including emotional distress, and consortium
23 loss.

24 Presently pending before this court is a motion brought by
25 Ira and Carol Gabrielson for summary judgment that negligent
26 counselling claims against Jack McDonald, and vicarious liability
27 claims based thereon, are covered under the policy.

28 Defendants Barnett submit the following brief in support of
29 the Gabrielsons' motion specifically upon the issue that
30 vicarious liability claims against them for the negligent
31 counselling of Jack McDonald are covered under the policy.

32 IV. LAW AND ARGUMENT

1. Summary Judgment

Summary judgment is proper if there is no genuine issue as

BRIEF IN SUPPORT
OF SUMMARY JUDGMENT: 4

Evans, Craven & Lackie, P.C.

LAWYERS

SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
SEATTLE, WASHINGTON 98104

(206) 386-5555

1 to any material fact and the moving party is entitled to judgment
2 as a matter of law. CR 56. Once a moving party submits materials
3 establishing that there is no issue of fact, the burden shifts to
4 the non-moving party.

5 A non-moving party in a summary judgment may not rely
6 on speculation, argumentative assertions that
7 unresolved factual issues remain, or in having its
8 affidavits considered at face value; for after the
9 moving party submits adequate affidavits, the non-
10 moving party must set forth specific facts that
11 sufficiently rebut the moving party's contentions and
12 disclose that a genuine issue as to a material fact
13 exists.

14 Seven Gables v. MGM/UA Entertainment, 106 Wn. 2d 1, 13, 721 P.2d
15 1 (1986). Unless the non-moving party meets this burden, summary
16 judgment must be granted.

17 The non-moving party cannot rest upon opinions or
18 conclusions of fact. It must come forward with affidavits of
19 fact which will be admissible at trial.

20 It is apparent that the emphasis is upon
21 *facts* to which the affiant could testify
22 from personal knowledge and which would be
23 *admissible in evidence*. Thus, there is a
24 dual inquiry as to whether an affidavit sets
25 forth "material facts creating a genuine
26 issue for trial": does the affidavit state
27 material facts, and, if so, would those facts
28 be admissible in evidence at trial? If the
29 contents of an affidavit do not satisfy both
30 standards, the affidavit fails to raise a
31 genuine issue for trial, and summary judgment
32 is appropriate.

A fact is an event, an occurrence, or
something that exists in reality.... It is
what took place, an act, an incident, a
reality as distinguished from supposition or
opinion.... The "facts" required by CR 56(e)
to defeat a summary judgment motion are

BRIEF IN SUPPORT
OF SUMMARY JUDGMENT: 5

Evans, Craven & Lackie, P.A.

LAWYERS

SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
SEATTLE, WASHINGTON 98104

(206) 386-5555

15152 4212883 88187

1 evidentiary in nature. Ultimate facts or
2 conclusions of fact are insufficient....
3 Likewise, conclusory statements of fact will
4 not suffice.... (emphasis theirs)

5 Grimwood v. Puget Sound, 110 Wn.2d 355, 359-360, 753 P.2d 517
6 (1988). Plaintiff must come forward with admissable facts which
7 specifically rebut the contentions herein to defeat defendant's
8 motion.

9 Defendants Barnett submit the affidavits of Don and Barbara
10 Barnett in support of plaintiffs' motion for summary judgment.
11 Each of these affidavits establish specific facts that neither
12 Don nor Barbara Barnett knew of the relationship between Jack
13 McDonald and Carol Gabrielson until after it had ended.
14 Additionally, the affidavit of Don Barnett establishes that he
15 was an executive officer, director, and employee of the Community
16 Chapel and Bible Training Center. The affidavit of Barbara
17 Barnett establishes that she was an employee of the Community
18 Chapel and Bible Training Center. Both affidavits establish that
19 the Barnetts had no personal contact with Carol Gabrielson which
20 would give rise to a claim outside of their position with the
21 church.

22 2. Separate coverage of Don and Barbara Barnett

23 The severability clause within the American Casualty policy
24 provides:

25 Insured means any person or organization
26 qualifying as an Insured in the "Persons
27 Insured" provision of the applicable
28 insurance coverage. The insurance afforded
29 applies separately to each Insured against
30 whom claim is made or suit is brought, except
31 with respect to the limits of the Company's
32 liability. (emphasis added)

Such a severability clause creates separate coverage for each

BRIEF IN SUPPORT
OF SUMMARY JUDGMENT: 6

Evans, Craven & Lackie, P.C.

LAWYERS

SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
SEATTLE, WASHINGTON 98104

(206) 386-5555

4-2-88 2:28:11 PM

1 insured which is not dependent upon the coverage which may be
2 available to any other insured.

3 In Federated American Ins. Co. v. Strong, 102 Wn.2d 665, 689
4 P.2d 68 (1984), the Washington Supreme Court interpreted an
5 almost identical severability clause as the one contained in the
6 American Casualty policy. It wrote at pages 669-670:

7 Our conclusion that Clyde Strong has
8 liability coverage is reinforced by a
9 severability clause contained in the policy:

10 *The insurance afforded under the*
11 *Liability Section applies separately to*
12 *each insured against who claim is made*
13 *or suit is brought, but the inclusion*
14 *herein of more than one insured shall*
15 *not operate to increase the limits of*
16 *Company's liability.*

17
18 The terms of an insurance policy must be
19 understood in their plain, ordinary and
20 popular sense. Clear and unambiguous
21 language is not to be modified under the
22 guise of construing the policy.... The
23 severability clause included in the FAIC
24 policy clearly and unambiguously provides
25 that liability coverage applies *separately* to
26 each insured. It follows that FAIC cannot
27 deny coverage to one separate insuree, Clyde
28 Strong, based upon the intentional acts of
29 another insured, Lisa Strong.

30 The plain meaning of the severability clause contained in the
31 American Casualty policy dictates that Don Barnett, Barbara
32 Barnett, and any other person or organization which qualifies as
an insured are covered **separately**. The coverage available to
each is independent of the coverage which may be available to the
others.

3. Occurrence from Standpoint of Don and Barbara Barnett

The policy defines an occurrence as follows:

BRIEF IN SUPPORT
OF SUMMARY JUDGMENT: 7

Evans, Craven & Lackie, P.C.

LAWYERS

SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
SEATTLE, WASHINGTON 98104

(206) 386-5555

15152-42212883-88185

1 Occurrence means an accident, including
2 continuous or repeated exposure to
3 conditions, which results in Bodily Injury or
4 Property Damage neither expected nor intended
5 from the standpoint of the Insured. (emphasis
6 added)

7 An occurrence is viewed from the standpoint the Insured.
8 Therefore the existence of an occurrence must be separately
9 viewed from the standpoint of each insured.

10 In Unigard Mut. v. Spokane School Dist., 20 Wn.App. 261, 579
11 P.2d 1015 (Div. Three, 1978), the Washington Court of Appeals
12 applied an almost identical definition of occurrence in
13 determining the availability of coverage for a separate insured.
14 In that case a boy, William Winkler, set fire to a school. An
15 action was brought by the school district against Willie and his
16 parents, Mr. and Mrs. Charles Hensley, alleging "... that William
17 Winkler carelessly and negligently caused the fire and that his
18 parents, the Hensleys, having knowledge of his propensities,
19 negligently failed to supervise and control him." id at 262.

20 The court ruled that Willie intentionally set fire to the
21 school. Therefore, no occurrence existed from his standpoint.
22 However, the court ruled that Willie's intent could not be
23 imputed to his parents. Willie's acts constituted an occurrence
24 from the standpoint of Mr. and Mrs. Charles Hensley, and coverage
25 existed for them.

26 The court wrote at pages 265-266:

27 The policy extends defense and
28 indemnification to "the Insured," and it
29 excludes from coverage intentional acts
30 resulting in injury or damage "expected or
31 intended from the standpoint of the insured."
32 The parties concede the boy and the Hensleys
are all "insured" under the policy. In such
instances, where coverage and exclusion is

BRIEF IN SUPPORT
OF SUMMARY JUDGMENT: 8

Evans, Craven & Lackie, P.C.

LAWYERS

SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
SEATTLE, WASHINGTON 98104

(206) 386-5555

1 defined in terms of "the insured," the courts
2 have uniformly considered the contract
3 between the insurer and several insured to
4 be separable, rather than joint, i.e., there
5 are separate contracts with each of the
6 insured. The result is that an excluded act
7 of one insured does not bar coverage for
8 additional insured who have not engaged in
9 the excluded conduct.

10 In the present case, neither Don nor Barbara Barnett had any
11 knowledge of the relationship between Jack McDonald and Carol
12 Gabrielson until afterwards. From their standpoint, any acts of
13 McDonald of which they were not involved constitute occurrences.
14 Intent or expectation on the part of McDonald is irrelevant to
15 the coverage which is available to them. See, Federated American
16 Ins. Co. v. Strong, 102 Wn.2d 665, 689 P.2d 68 (1984).

17 4. Inapplicability of exclusion

18 It is anticipated that American Casualty Insurance Company
19 shall attempt to rely upon a policy exclusion relating to
20 professional services. Certain rules have long applied to the
21 interpretation of insurance contracts. See, Thompson v. Ezzel,
22 61 Wn.2d 685, 379 P.2d 983 (1963).

23 1. "The language of insurance contracts is to interpreted
24 in accordance with the way it would be understood by the
25 average man, rather than in a technical sense...."
26 Dairyland Insurance Company v. Ward, 83 Wn.2d 353, 358, 517
27 P.2d 966, 969 (1974).

28 2. "Where exceptions, qualifications or exemptions are
29 introduced into an insurance contract, a *general presumption*
30 *arises to the effect that that which is not clearly excluded*
31 *from the operation of such contract is included in the*
32 *operation thereof."* Phil Schroeder, Inc. v. Royal Globe

BRIEF IN SUPPORT
OF SUMMARY JUDGMENT: 9.

Evans, Craven & Lackie, P.C.

LAWYERS

SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
SEATTLE, WASHINGTON 98104

(206) 386-5555

1 Ins. Co., 99 Wn.2d 65, 69, 659 P.2d 509, 511 (1983)
2 (emphasis theirs), modified in 101 Wn.2d 830, 683 P.2d 186
3 (1984); quoting Harris, Jolliff & Michel, Inc. v. Motorists
4 Mut. Ins. Co., 21 Ohio App.2d 81, 85, 255 N.E.2d 302 (1970),
5 quoting from Home Indemnity Co. v. Plymouth, 146 Ohio St.
6 96, 64 N.E.2d 302 (1945).

7 3. "It is Hornbook law that where a clause in an insurance
8 policy is ambiguous, the meaning and construction most
9 favorable to the insured must be applied, even though the
10 insurer may have intended another meaning.... Ambiguous
11 exclusionary clauses, particularly, should be construed in
12 the manner most favorable to the insured...." Dairyland
13 Insurance Company v. Ward, 83 Wn.2d 353, 358, 517 P.2d 966,
14 969 (1974).

15 In the present case the exclusionary clause for professional
16 services provides:

17 It is agreed that with respect to any
18 operations described below or designated in
19 the policy as subject to this endorsement the
20 insurance does not apply to bodily injury or
21 property damage due to

22 1. the rendering of or failure to
23 render.

24
25 (b) any service or treatment conducive
26 to health or of a professional nature.

27
28 Description of Operations: Schools--
29 Colleges, Universities or College
30 Preparatory. (emphasis added)

31 It excludes only professional services rendered with respect to
32 school, college, university, or college preparatory operations.
33 Carol Gabrielson does not claim damages due to such services.
34 She claims that she was negligently counselled within the church

35 BRIEF IN SUPPORT
36 OF SUMMARY JUDGMENT: 10

37 *Evans, Craven & Lackie, P.A.*

38 LAWYERS

39 SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
40 SEATTLE, WASHINGTON 98104

41 (206) 386-5555

1 operations of the Tacoma satellite of the Community Chapel.

2 The American Casualty policy does not specifically, or
3 otherwise, exclude professional services related to church
4 operations. Therefore coverage is presumed. Phil Schroeder,
5 Inc. v. Royal Globe Ins. Co., 99 Wn.2d 65, 659 P.2d 509, 511
6 (1983) (emphasis theirs), modified in 101 Wn.2d 830, 683 P.2d 186
7 (1984); quoting Harris, Jolliff & Michel, Inc. v. Motorists Mut.
8 Ins. Co., 21 Ohio App.2d 81, 85, 255 N.E.2d 302 (1970), quoting
9 from Home Indemnity Co. v. Plymouth, 146 Ohio St. 96, 64 N.E.2d
10 302 (1945). Any average person would recognize the distinction
11 between the various functions of the Community Chapel and Bible
12 Training Center, and a reading the insurance policy indicates
13 only that those professional services related to school
14 operations would be excluded. Therefore, professional services
15 related to other operations are covered. Dairyland Insurance
16 Company v. Ward, 83 Wn.2d 353, 517 P.2d 966, 969 (1974). It is
17 irrelevant that American Casualty Company may have intended
18 another meaning. Any ambiguity created by its failure to
19 properly word the exclusion must be resolved in favor of
20 coverage. Dairyland Insurance Company v. Ward, 83 Wn.2d 353, 517
21 P.2d. 966, 969 (1974).

22 V. CONCLUSION

23 The American Casualty policy provides separate coverage for
24 each person or organization qualifying as an insured. Don and
25 Barbara Barnett have each been sued for vicarious liability in
26 their capacity with the Community Chapel and Bible Training
27 Center upon the alleged acts of Jack McDonald. Both Don and
28 Barbara Barnett qualify as insured persons under the policy.

29 By the terms of the policy, Don and Barbara Barnett each
30 have separate coverage which is independent of the coverage which

31 BRIEF IN SUPPORT
32 OF SUMMARY JUDGMENT: 11

Evans, Craven & Lachie, P.C.

LAWYERS

SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
SEATTLE, WASHINGTON 98104

(206) 386-5555

42112883-88133

1 is available to any other persons or organizations which may also
2 qualify as an insured. The undisputed facts establish that
3 neither Don nor Barbara knew of the alleged actions of Jack
4 McDonald prior to their occurrence. From the standpoint of each
5 of them, there exists coverage.

6 This coverage may be taken away only by specific and
7 unambiguous exclusions. No such exclusion exists.

8 Therefore, defendants Barnett support the motion before this
9 court brought by defendants Gabrielson to determine that coverage
10 exists for negligent counselling allegedly performed by Jack
11 McDonald and that coverage exists for any vicarious liability
12 arising therefrom. Defendants Barnett respectfully ask that said
13 motion be granted specifically declaring that coverage exists for
14 the alleged vicarious liability of Don and Barbara Barnett.

15 DATED this 29th day of August, 1988.

16 EVANS CRAVEN & LACKIE, P.S.

17
18 By Tim Donaldson
19 TIM DONALDSON
20 Attorneys for Defendant
21
22
23
24
25
26
27
28
29
30

31 BRIEF IN SUPPORT
32 OF SUMMARY JUDGMENT: 12

Evans, Craven & Lackie, P.S.

LAWYERS

SUITE 3100 COLUMBIA CENTER, 701 - 5th AVENUE
SEATTLE, WASHINGTON 98104

(206) 386-5555

4121283-88134
25153

SEP 2 1988

SUPERIOR COURT OF THE STATE OF WASHINGTON FOR PIERCE COUNTY

AMERICAN CASUALTY COMPANY OF
READING PENNSYLVANIA, a Pennsylvania
corporation,

Plaintiff,

v.

IRA GABRIELSON, et al.,

Defendants.

No. 88-2-00947-9

NOTICE OF DEPOSITION
UPON ORAL EXAMINATION

TO: Defendants

and to: All Counsel of Records

FILED
IN COUNTY CLERK'S OFFICE

YOU, AND EACH OF YOU, WILL PLEASE TAKE NOTICE that the testimony of
Jack Hicks

SEP 2 1988 P.M.
FILED
TED RUIT. COUNTY CLERK
WASHINGTON
DEPUTY

will be taken upon

Oral Examination at the instance and request of the plaintiff in the

above-entitled and numbered action, before a Notary Public, at 2250 Century Square Building

Seattle, Washington, on Thursday the 8th day of September 1988,

commencing at the hour of 9:00 o'clock a.m.; the said Oral Examination to be

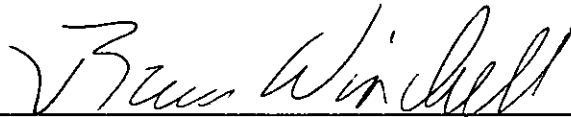
subject to continuance or adjournment from time to time or place until completed, and to be taken on

the ground and for the reason the said witness will give evidence material to the establishment of the

plaintiff's case.

DATED this 1st day of September 1988.

Office, Post Office Address and
Telephone of Attorneys Issuing Notice:


Bruce Winchell
Attorneys for Plaintiff

Linda Rough & Associates

*Court Reporters
418 Skinner Building
Seattle, Washington 98101
(206) 682-1427*



SEP 2 1988

AMERICAN CASUALTY COMPANY OF
READING PENNSYLVANIA, a Pennsylvania
corporation

Plaintiff,

v.

IRA GABRIELSON, et al.,

Defendants.

No. 88-2-00947-9

SUBPOENA DUCES TECUM

FILED
IN COUNTY CLERK'S OFFICE

A.M. SEP 2 1988 A.M.

PIERCE COUNTY CLERK
BY _____ DEPUTY

THE STATE OF WASHINGTON, to: JACK HICKS

YOU ARE HEREBY COMMANDED to be and appear at the offices of
Lane Powell Moss & Miller, 2250 Century Square Building,

Seattle, Washington, on Thursday the 8th day of September
1988 commencing at the hour of 9:00 o'clock a.m. on said day, then and there
to testify as a witness at the request of plaintiff

in the above-entitled cause, and to remain in attendance upon the undersigned until discharged. AND
YOU ARE FURTHER COMMANDED to bring with you at said time and place the following books,
papers, documents, and tangible things, to wit: Any documents pertaining in any way
to Community Chapel and Bible Training Center or Community Chapel and
Bible Training Center of Tacoma.

HEREIN FAIL NOT AT YOUR PERIL

WITNESS my hand this 1st day of September, 19 88.

Office, Post Office Address and Telephone of
Attorneys Issuing Subpoena:

Bruce Winchell

Bruce Winchell
Attorney for Plaintiff

LANE POWELL MOSS & MILLER
3800 Rainier Bank Tower
Seattle, Washington 98101

COPY

SEP 2 1988

AMERICAN CASUALTY COMPANY OF READING PENNSYLVANIA, a Pennsylvania corporation,

Plaintiff,

v.

IRA GABRIELSON, et al.

Defendants.

No. 88-2-00947-9

NOTICE OF DEPOSITION UPON ORAL EXAMINATION

FILED IN COUNTY CLERK'S OFFICE

SEP 2 1988 P.M.

PIERCE COUNTY CLERK

BY DEPUTY

TO: Defendants

and to: All Counsel of Record

YOU, AND EACH OF YOU, WILL PLEASE TAKE NOTICE that the testimony of

Jack McDonald

will be taken upon

Oral Examination at the instance and request of the plaintiff in the above-entitled and numbered action, before a Notary Public, at 2250 Century Square Building Seattle, Washington, on Thursday the 8th day of September 19 88, commencing at the hour of 1:00 o'clock P.m.; the said Oral Examination to be subject to continuance or adjournment from time to time or place until completed, and to be taken on the ground and for the reason the said witness will give evidence material to the establishment of the plaintiff's case.

DATED this 1st day of September 19 88

Office, Post Office Address and Telephone of Attorneys Issuing Notice:

Bruce Winchell
Attorneys for Plaintiff

Linda Rough & Associates
Court Reporters
418 Skinner Building
Seattle, Washington 98101
(206) 682-1427

[Handwritten initials]

15152 4/21/2883 88157

SUPERIOR COURT OF THE STATE OF WASHINGTON FOR PIERCE COUNTY

SEP 2 1988

AMERICAN CASUALTY COMPANY OF READING
PENNSYLVANIA, a Pennsylvania
corporation,

Plaintiff,

v.

IRA GABRIELSON, et al.

Defendants.

No. 88-2-00947-9

NOTICE OF DEPOSITION
UPON ORAL EXAMINATION

SEP 2 1988
PIERCE COUNTY CLERK'S OFFICE
TED RUIT, COUNTY CLERK
DEPUTY

TO: Defendants

and to: All Counsel of Record

YOU, AND EACH OF YOU, WILL PLEASE TAKE NOTICE that the testimony of

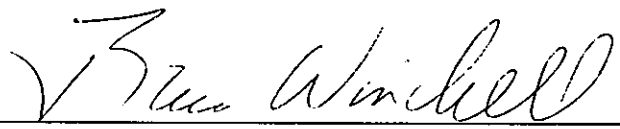
Jack McDonald

will be taken upon

Oral Examination at the instance and request of the plaintiff in the
above-entitled and numbered action, before a Notary Public, at 2250 Century Square Building
Seattle, Washington, on Thursday the 8th day of September 19 88,
commencing at the hour of 1:00 o'clock P.M.; the said Oral Examination to be
subject to continuance or adjournment from time to time or place until completed, and to be taken on
the ground and for the reason the said witness will give evidence material to the establishment of the
plaintiff's case.

DATED this 1st day of September 19 88

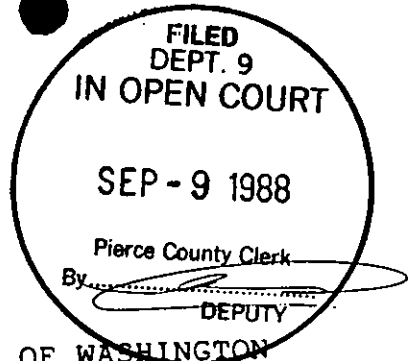
Office, Post Office Address and
Telephone of Attorneys Issuing Notice:


Bruce Winchell
Attorneys for Plaintiff

Linda Rough & Associates

Court Reporters
418 Skinner Building
Seattle, Washington 98101
(206) 682-1427

 COPY



S SEP 9 1988

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR PIERCE COUNTY

AMERICAN CASUALTY COMPANY OF)
READING PENNSYLVANIA, a)
Pennsylvania corporation,)
)
) Plaintiff,)
)
) v.)
)
) IRA GABRIELSON and CAROL)
) GABRIELSON, husband and wife;)
) DONALD LEE BARNETT and)
) BARBARA BARNETT, husband and)
) wife; COMMUNITY CHAPEL and)
) BIBLE TRAINING CENTER, a)
) Washington corporation,)
) JACK McDONALD and "JANE DOE")
) McDONALD, husband and wife,)
)
) Defendants.)

NO. 88-2-00947-9
MOTION FOR RECONSIDERATION

American Casualty Company moves for reconsideration of the court's order denying American's motion for a continuance of plaintiff's Gabrielson's motion for summary judgment. This motion is based upon the Motion and Affidavit to Shorten Time (filed in support of Motion for Continuance), Supplemental Affidavit of Bruce Winchell, the Affidavit of Bruce Winchell Opposing Gabrielson's Motion for Partial Summary Judgment (Employee Status), and American's Memorandum,

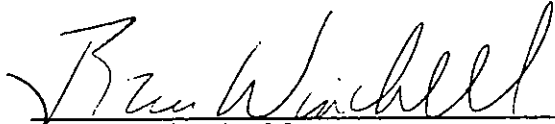
MAK

15152 4/21/2003 00139

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

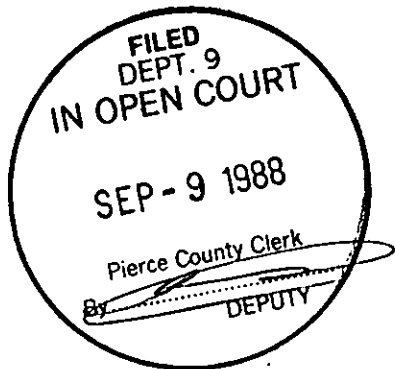
Opposing Gabrielson' Motion for Summary Judgment (Employee Status).

LANE POWELL MOSS & MILLER



Bruce Winchell
Attorneys for Defendant

88288
5882121
112121



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

S
SUPERIOR COURT OF WASHINGTON FOR PIERCE COUNTY
9 1988

AMERICAN CASUALTY COMPANY OF)
READING, PENNSYLVANIA, a)
Pennsylvania corporation,)
Plaintiff,)
v.)
IRA GABRIELSON and CAROL)
GABRIELSON, husband and wife;)
DONALD LEE BARNETT and BARBARA)
BARNETT, husband and wife;)
COMMUNITY CHAPEL and BIBLE)
TRAINING CENTER, a Washington)
corporation; JACK McDONALD and)
"JANE DOE" McDONALD, husband and)
wife,)
Defendants.)

No. 88-2-00947-9
AFFIDAVIT OF BRUCE
WINCHELL OPPOSING
GABRIELSONS' MOTION
FOR PARTIAL SUMMARY
JUDGMENT ON THE ISSUE
OF EMPLOYEE STATUS

STATE OF WASHINGTON)
COUNTY OF KING) ss.

BRUCE WINCHELL, being first duly sworn, upon oath, deposes
and says:

1. My name is Bruce Winchell. I am one of the attorneys
for American Casualty Company.

2. As of the date of this affidavit, I have interviewed,
but not deposed, Jack Hicks and Jack McDonald. Jack Hicks, to

MK

19209 60827124 25151

1 my understanding, was the chief administrator for the Community
2 Chapel and Bible Training Center at all times relevant to this
3 action. He informed me that it was at all times the intent of
4 Community Chapel and Bible Training Center that its satellite
5 corporations should operate independently of the Burien Corpor-
6 ation. In particular, it was the intent and practice that each
7 satellite should procure and maintain its own insurance. At no
8 time did the Burien Corporation ever intend to provide insur-
9 ance for the satellite corporations. Mr. Hicks was the person
10 primarily responsible for obtaining such insurance for the
11 Burien Corporation.

12 Jack McDonald indicated in his interview with me that he
13 was subject to no oversight whatsoever in his operation of the
14 Tacoma Corporation. There were no financial ties whatsoever.
15 He set his own salary without any supervision from the Burien
16 Corporation. There were no checks upon the doctrine that he
17 was preaching in Tacoma. McDonald was selected by the Tacoma
18 congregation and resigned of his own free will.

19 3. The case underlying this declaratory action,
20 Gabrielson v. McDonald, et al., was instituted in the Spring of
21 1986. Claims were made against Jack McDonald, the Tacoma
22 Corporation, Pastor Don Barnett, and the Burien Corporation.
23 The Burien Corporation and Barnett tendered defense of the
24 claims against them to American Casualty ("American").
25 American agreed to defend the matter under a reservation of
26

78288 6887/17/8 75181

1 rights. McDonald and the Tacoma Corporation did not tender
2 defense of the claims against them until February 1988.

3 American retained attorney Michael Bond to defend Barnett
4 and the Burien Corporation. Because the matter was being
5 defended under a reservation of rights, Mr. Bond was prohibited
6 from reporting any information to American which might
7 prejudice his clients with respect to coverage matters.
8 Tank v. State Farm, 105 Wn.2d 381, 715 P.2d 1133 (1986).

9 In the Fall of 1987, Pastor Barnett was deposed after the
10 court ordered that his deposition be sealed. Following that
11 deposition, Mr. Bond withdrew as counsel for Barnett due to an
12 irreconcilable conflict of interest between Barnett and the
13 Corporation. The firm of Evans, Craven & Lackey was retained
14 to represent Barnett. At that juncture, there was an April
15 1987 trial date. In related lawsuits pending in King County,
16 Mr. Bond also withdrew as to all defendants except the Burien
17 Corporation. The Evans, Craven firm and two other firms were
18 retained to represent the individual defendants in that litiga-
19 tion. What at its inception had appeared to be a relatively
20 frivolous claim which could be disposed of by summary judgment
21 was now the focus of intense scrutiny from the press, with
22 multiple attorneys involved for multiple defendants, and
23 American was precluded from reviewing the testimony of Pastor
24 Barnett, the single most critical witness. Because of these
25 unforeseen events, American retained Lane Powell Moss & Miller
26

1 to represent its interests in these actions. Tank v. State
2 Farm expressly permits such representation.

3 In an effort to learn what was occurring in the underlying
4 actions, American sought to intervene for the purpose of
5 attending depositions in that case. That motion was denied.
6 American then instituted a declaratory judgment action. In
7 February of 1988, two months before trial, Pastor McDonald and
8 the Tacoma Corporation tendered the defense of the claims
9 against them to American. American agreed to defend those
10 claims under a reservation of rights and retained yet another
11 law firm for that purpose.

12 American acted quickly to obtain discovery of documents
13 relevant to the declaratory action. It then moved for partial
14 summary judgment on the question of whether there was a duty to
15 pay any judgment for emotional distress under the bodily injury
16 provisions of its policy. That motion was denied. At that
17 same time all of the defendants in the declaratory action
18 expressed concerns about American engaging in discovery before
19 trial in the underlying action. For instance, counsel for
20 Barnett noted in their supplemental brief:

21 Until the underlying action is resolved, the only
22 issues presently before this court are upon the duty
23 to defend. See Western National Assur. v. Hecker, 43
24 Wn. App. 816, 820-21, 719 P.2d 954 (Div. II 1986).
25 The only information which is relevant upon this issue
26 is the complaint filed in the underlying action.
". . . [T]he duty to defend hinges not on the
insured's potential liability to the claimant, but
rather on whether complaint contains any factual alle-
gations rendering the insurer liable to the insured
under the policy." State Farm Insurance v. Emerson,

15152 47212883 86284

1 102 Wn.2d 477, 486, 687 P.2d 1139 (1984). None of the
2 information contained within the deposition of Don
3 Barnett bear any relevance to this issue. None of the
4 information contained therein changes the face of the
5 Gabrielson complaint.

6 The duty of American Casualty to pay depends upon
7 resolution of the underlying action. See Western
8 National Assurance v. Hecker, 43 Wn. App. 816, 820-21,
9 719 P.2d 954 (Div. II 1986). Until this underlying
10 action is resolved, this court has no basis to deter-
11 mine the relevancy, if any, of information contained
12 within the deposition of Dan Barnett.

13 * * *

14 American Casualty is presently defending the Barnetts
15 under a reservation of rights. An insurance company
16 defending under a reservation of rights owes an
17 enhanced obligation of good faith to its insured.
18 . . . American Casualty's attempt to push discovery in
19 this matter prior to trial in the underlying action is
20 a direction violation of this duty. . . . In American
21 Casualty's rush to have coverage issues determined, it
22 has given counsel for the Gabrielsons a second oppor-
23 tunity to depose Don Barnett and Jack McDonald prior
24 to trial in the underlying action. In short, many of
25 the issues which American Casualty seeks to establish
26 to defeat coverage, such as intent on the part of its
insured, are contrary to defense of the underlying
action. At the same time American Casualty has under-
taken to defend its insured against the claims of the
Gabrielsons in the underlying action, it seeks to try
the Gabrielsons case for them in this action.

. . . Clearly, there is no prejudice to it in awaiting
the outcome of the underlying action. In Wier v.
Farmers Insurance Company, 49 Wn. App. 655, 745 P.2d
526 (Div. II 1987), the Court of Appeals for this
division held that an insurance company would not be
bound by determinations adverse to its interests that
are made in an underlying action in which the insurer
is defending under a reservation of rights.

Defendant Barnetts' Supplemental Brief and Affidavit in Opposi-
tion to Motion to Compel Discovery, pp. 4-6 (emphasis added).
Furthermore the court will recall that in ruling upon
American's motion for partial summary judgment, its expressed

1 concern about American engaging in discovery and bringing
2 partially dispositive motions before trial of the underlying
3 action.

4 Accordingly, American stipulated to limit its discovery to
5 taking the deposition of Pastor Barnett (which was permitted by
6 court order) and receiving copies of depositions which were not
7 sealed in the underlying action. The court file reflects that
8 85 depositions have been noted in the underlying action.
9 American has requested production of those depositions.
10 Counsel for the church, David Anderson, and for Barnett have
11 agreed to produce depositions which are not sealed. To date,
12 only seven depositions have been produced. American has
13 completed the bulk of Barnett's deposition. However, Barnett
14 refused to discuss anything relating to his own sexual
15 activities except during a nine month period which he deemed
16 relevant to this action. American has refrained from all other
17 discovery pending resolution of the underlying action.

18 In short, American's opportunity for meaningful discovery
19 has been practically non-existent. At virtually every junc-
20 ture, American's efforts to learn the facts relevant to cover-
21 age have been the subject of allegations of bad faith, claims
22 of moving too quickly, claims of moving too slowly, and
23 generally obstructive conduct by certain of the parties.
24 Throughout, American has paid for very able counsel to
25 vigorously defend these underlying lawsuits. American has
26 informed this court that it does not contest its duty to

15152 47217285 00200

1 defend. American has acknowledged the concerns regarding
2 potential conflicts and willingly limited its discovery in view
3 of those concerns only to be faced with the incredible
4 contention, never expressed until now, that the stay was
5 ineffective because of a three month continuance of the
6 underlying case. Gabrielson, in a complete reversal of its
7 previous position now asserts that McDonald's employment status
8 should be resolved by summary judgment after one deposition.

9 [T]he issue of whether Jack McDonald is an employee
10 . . . will involve a very in-depth examination of the
11 corporate structure of community chapel . . . and the
12 relationship of satellite churches to the main
13 corporation.

14 * * *

15 [G]reat questions of fact exist as to whether or not
16 Jack McDonald is an . . . employee of the plaintiffs
17 insured.

18 [P]laintiff's motion is untimely at this point because
19 defendants, Carol and Dan Gabrielson have not had an
20 opportunity to engage in discovery pertinent to
21 coverage issue.

22 Defendant Gabrielson's Memorandum in Opposition to Plaintiff's
23 Motion for Summary Judgment pp. 3, 7, 19. Gabrielson now
24 asserts employment status is to be decided as a matter of law,
25 that no "in-depth examination" of Community Chapel's structure
26 is needed, and that further discovery by American is uncalled
for.

4. Attached to this affidavit are excerpts from the
deposition of Donald L. Barnett which are filed in opposition

10700 5007/17/4 7C1C1

1 to Gabrielson's Motion for Partial Summary Judgment on the
2 Issue of Employee Status.

3 DATED this 6th day of September, 1988.

Bruce Winchell

BRUCE WINCHELL

6 SUBSCRIBED AND SWORN to before me: September 6, 1988

Judith A. Thompson

NOTARY PUBLIC in and for the
State of Washington, residing
at Lynnwood.

My appointment expires:
9/1/90

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

98788 8807/17/8 70101

Chapel elders ruled in contempt for interfering with their pastor's duties

By Mary Rothchild
P-Reporter

Elders of the Community Chapel & Bible Training Center were in contempt of court yesterday for interfering with the duties of the pastor they tried to expel three months ago for sexual misconduct.

Responding that they will not work for Pastor Donald Lee Barnett, the self-ordained minister who founded their Burien-based sect, the elders accused the court of violating their constitutional right to freedom of religion.

Moreover, because a hearing on their request to dissolve the chapel corporation has been delayed, the elders said the court "has placed us in an untenable position. In fact, it may have signed a death warrant for our church."

The elders blamed the "court-imposed deadlock" for bankrupting the church, eliminating the jobs of about 150 employees and causing membership to dwindle from 2,000 to fewer than 600.

"As a church we disallow"



Donald Lee Barnett

shipped Don Barnett purely on religious grounds," they wrote in a prepared statement. "We feel that our exercise of religion is an internal matter that is safeguarded by the Constitution. It is really not the province of a secular court to determine whether the church has a right to dismiss one of its members."

Barnett and the elders have

been holding rival religious services at their church since March 4, when the elders tried to remove him as pastor.

The elders accused Barnett of adultery and misuse of pastoral authority, but a judge ruled he could return to the pulpit until the courts decide the legality of his dismissal. At stake in the feud is control of about \$10 million in assets on about 44 acres near the Sea-Tac airport.

Bylaws of the chapel, which the elders rewrote when they tried to oust Barnett, gave the pastor his job for life.

In ruling on the contempt motion brought by Barnett against the elders, King County Superior Court Judge Anthony Wartnik said the elders were in violation of a restraining order prohibiting them, as well as Barnett, from unilaterally making any changes in the church.

Wartnik gave the elders 24 hours to pay three months of Barnett's back wages, estimated at about \$15,000, and to reassume responsibility for maintaining the pastor's church-provided car.

By 10 a.m. this morning, Wartnik said all chapel employees must be informed, via memorandum, that they are under the direction of Barnett, who under the original bylaws is also president and chief executive officer of the chapel corporation.

The judge ordered the elders to replace locks to give Barnett access to chapel facilities and to reconnect the pastor's telephone within 48 hours. Wartnik said he would impose a fine of \$100 a day per elder for failure to follow the court's directive.

Before deciding if the elders also are in contempt for filing a petition to dissolve the chapel corporation, Wartnik said he will wait to see if another judge determines that there is basis to appoint a receiver to manage the church's financial affairs.

A court hearing on the dissolution was rescheduled for 3 p.m. tomorrow.

If the motion to place the chapel into receivership is granted, the elders said it will "probably save our church, at least in some form."

A

617188
PI

Umbrella given to Helen

NAMED INSURED & ADDRESS **Community Chapel and Bible Training Center**
 18635 Eighth Avenue South
 Seattle, Washington 98148

Additional Insureds: **Seafirst Leasing Corporation**

QUOTE ISSUE POLICY INCEPTION DATE To be advised EXPIRES _____
 BOUND RENEWAL OF _____ PREPAID D.P.P.
 INSURED IS: INDIVIDUAL PARTNERSHIP CORPORATION JOINT VENTURE OTHER: Church College

DESCRIBE BUSINESS OF INSURED
Church College

LOCATION OF BUILDINGS & PREMISES OWNED, RENTED OR CONTROLLED

1. Per Statement of Values attached.

SECTION I

PERILS INSURED AGAINST	ITEMS OF COVERAGE	LIMIT OF LIABILITY		
		Building No. 1	Building No. 2	Building No. 3
Fire and Lightning <input type="checkbox"/>	Amount	\$	\$	\$
Extended Coverage <input type="checkbox"/>	Coinsurance	PER STATEMENT OF VALUES ATTACHED %		
V. and IM.M. <input type="checkbox"/>	Amount	\$	\$	\$
Sprinkler Leakage <input type="checkbox"/>	Coinsurance	%	%	%
All Risk <input checked="" type="checkbox"/>	Amount	\$	\$	\$
P.I.P. Form <input checked="" type="checkbox"/>	Coinsurance	%	%	%
Extra Expense <input type="checkbox"/>	Amount	\$100,000 Blanked Loc 1 Bldgs 1, 2 & 3; Loc 2 Bldg 1		
	Coinsurance	%	%	%
Tuition Fees <input type="checkbox"/>	Amount	\$ 600,000	\$	\$
	Coinsurance	%	%	%

Mortgage Clause Contract of Sale Clause Name and Address of Mortgagee or Contract Vendor and Item Applicable to:
~~Loc 3 Bldg. 1, Seattle 1st National Bank, Burien Branch~~
 Loc 1 Bldg. 3 Donald M. Pike, 916 East 16th, Spanaway, Washington 98387
 As respects business personal property: Seafirst Leasing Corp. (as their interests appear), P.O. Box 3586, Seattle, Washington 98124
 Loc 2 Bldg. 1, Citizens Federal Savings and Loan Association

MAR 12 1979

Buildings Specific Major Deductible \$ 1,000
 Contents Specific Fran. Deductible \$ _____
 Buildings Blanket M.L. Rating Plan Bldg. & Eq.
 Contents Blanket M.L. Rating Plan Stock
 Bld. & Cts. Blanket P.I.P. Plan
 Reporting Form Schedule Rating Plan

Other: Bldgs. & Contents Replacement Cost
 Inflation Guard End.
 Waiver of Subrogation End.
 Agreed Amount End.
 Endorsement

ease quote alternatively: \$5,000 Ded. Bldgs.
 1,000 Ded. Contents

EXHIBIT B

88218
3 88218
1515A

AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE

The insurance requested is only with respect to the coverages checked below and for which specific limits of liability are indicated.

REQUESTED COVERAGES	LIMITS OF LIABILITY - ACV means Actual Cash Value	
<input checked="" type="checkbox"/> Single Limit - Bodily Injury Property Damage Liability	\$ 500,000	Each Occurrence
<input type="checkbox"/> Dual Limit	\$	Each Person
<input type="checkbox"/> Bodily Injury Liability	\$	Each Occurrence
<input type="checkbox"/> Property Damage Liability	\$	Each Occurrence
<input checked="" type="checkbox"/> Automobile Medical Payments	\$ 5,000 (PIP on #4)	Each Person
<input checked="" type="checkbox"/> Comprehensive <input type="checkbox"/> Full Cov. <input checked="" type="checkbox"/> \$50. Ded. See below	<input checked="" type="checkbox"/> ACV <input type="checkbox"/> Stated Amount	
<input checked="" type="checkbox"/> Collision or Upset	ACV LESS \$ see below	Deductible
<input type="checkbox"/> Fire <input type="checkbox"/> Theft <input type="checkbox"/> Combined Additional Coverage	<input type="checkbox"/> ACV <input type="checkbox"/> Stated Amount	
<input type="checkbox"/> Towing and Labor Costs	\$	Per Disablement
<input checked="" type="checkbox"/> Uninsured Motorists	\$ 100,000	Each Person
	\$ 300,000	Each Accident

CLASSIFICATION (COMPLETE FULLY FOR ALL COVERAGES AFFORDED BY THE POLICY)

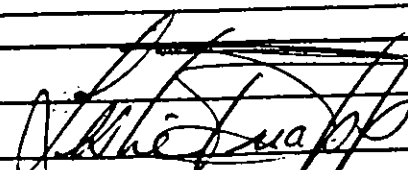
VEHICLE NUMBER	YR. of MODEL	NEW or USED	TRADE NAME	CAPACITY (Truck Load, Tank Gallonage) Deductibles	LIST PRICE	PRINCIPALLY GARAGED IN (Town & State)	CLASSIFICATION
1.	1975	used	Dodge Royal Sports MaxiWag.	\$500	\$500	Seattle, Wash.	Gen. Utili Purpose
2.	1966	used	Ford 3/4 Ton F 250 P. U.	500	N.C.	Seattle, Wash.	Utility
3.	1976	new	Mazda P.U. 1600 CC Model	500	\$ 500	Seattle, Wash.	Up For Sale
4.	1977	used	Dodge Monaco 4 Door	500	\$ 500	Seattle, Wash.	Security Utility
	1973	used	Pace Arrow 24' Motor home	500	500	Seattle, Wash.	Church Outings
	1965	used	Crown 40' Diesel Coach	\$500	\$500	Seattle, Wash.	Up For Sale
(Possible future acquisition of 3 busses. Contemplate normal use of approximately 1 1/2 hours each Sunday within about a 5 mile radius)							

If Loss Payable Clause is required indicate Loss Payee, address and applicable vehicle(s):

HIRED AUTO - PREMIUM BASIS - COST OF HIRE		Cost	NON-OWNED AUTOMOBILES		Class 2 - Number	Location		
Types Hired	Location		Class 1 - Name					
Include - If Any, at Audit			Include - If any, at Audit					
DRIVER INFORMATION			LICENSE NUMBER	Date of Birth	How long Employed	% Use	Sex	Marital Status
1. To be Furnished								
2.								
3.								
4.								
5.								

LOSS RECORD LAST 3 YEARS
(Minimal Claims Activity)

Bound as submitted (Company)

Producer 
 signature **Snapp & Sons, Inc.**

4/11/2003 08:11

SECTION II - GENERAL LIABILITY

Combined Limit \$ 500,000 Each Occurrence
 or
 Divided Limits ... B.I. \$ _____ Each Occurrence \$ _____ Aggregate
 P.D. \$ _____ Each Occurrence \$ _____ Aggregate
 Premises Medical \$ 1,000 Each Person \$ 10,000 Each Accident
 Personal Injury \$ 500,000 Aggregate Remove Exclusion of Employees

Blanket Contractual Yes No
 Broad Form Property Damage Yes No
 Property Damage Deductible Amount \$ _____

RATING AND CLASSIFICATION
 (COMPLETE FULLY FOR ALL COVERAGES AFFORDED BY THE POLICY)

COVERAGES AND CLASSIFICATIONS	CODE NUMBERS	PREMIUM BASIS	COVERAGES AND CLASSIFICATIONS	CODE NUMBERS	PREMIUM BASIS
<u>PREMISES - OPERATIONS</u>			<u>COMPREHENSIVE PERSONAL LIAB.</u> (List all optional coverages desired)		
Churches - including completed operations Colleges, Universities, etc	86612	\$ 10,278.			
Camps - retreat (subject to audit)	82210	28,198.	<u>EMPLOYEES AS ADDITIONAL INSURED</u> Include		
Vacant Land - King County " " Florida	70322	Minimum Premium			
Include broadening endorsement including Broad Form PD Blanket Contractual Personal Injury ex "C" Employees as insureds Advertising liability Incidental malpractice Host liquor Stop Gap Watercraft non-ownership 30 days Cancellation notice World Wide Products Fire Legal Liability Broadcast Liability - Church furnishes tapes of pre-recorded messages & songs to AM & FM stations for broadcast.	65150	28 acres Less than 5	<u>PROD. & COMPLETED OPERATIONS</u> Included in OC & T Classifications		
<u>PREMISES MEDICAL PAYMENTS</u> \$1,000/10,000		852,000 Per roll	<u>INDEPENDENT CONTRACTORS</u> Construction Operations	16292	
<u>FIRE DAMAGE LEGAL</u> Location			<u>CONTRACTUAL</u> Attach copies of agreements usually executed. Include Blanket Contractual		
Limit of Liability			<u>DRUGGISTS' LIABILITY</u>		
<u>WATERCRAFT</u>			<u>PERSONAL INJURY LIABILITY</u> Include Remove Exclusion "C"		
			<u>OTHER</u> (specify) Coverage as respects voluntary workers not to be excluded. Include medical payments coverage or limitation clauses with quote. Also, furnish wording of any limitation with respect to athletic activities. Also, comment on underwriting treatment of corporal punishment.		

152 4/21/2003 88212

INLAND MARINE

1. Accounts Receivable
 2. Valuable Papers and Records **\$10,000 Metal Filing Cabinet or better plus \$35,000 LIBRARY REEL TAPES**
 3. Neon, Automatic or Mechanical Electric Signs
 4. Musical Instruments - Note 1*
 5. Fine Arts
 6. Cameras **\$3,000 Portable Radio/Sound Equipment**
 7. Radium
 8. Other (Specify) **Contractors Equipment-All Ris: 310 A Wheel Loader Hoe S#286267 \$20,000**

SIGNS LP Safeco Credit Coverage Deductible

TYPE OF SIGN	INSTALLED AT (address or Bldg. No.)	Int.	Ext.	LETTERING	LIMIT OF LIABILITY

GLASS

ITEM NO.	NO. OF PLATES	LENGTH IN INCHES	WIDTH IN INCHES	DESCRIPTION OF GLASS, LETTERING AND ORNAMENTATION; POSITION IN BUILDING; AND LOCATION, OR BLDG. NO.	SPECIFIC LIMIT IF ANY
				Not Desired	

SECTION III - CRIME

BURGLARY AND THEFT COVERAGES

AMOUNT OF INSURANCE

Loc. No. 1 *Prot.No. _____ Loc. No. _____ *Prot.No. _____
 Mercantile Open Stock Burglary \$ _____
 Mercantile Robbery - Inside Money, Securities \$10,000
 Mercantile Robbery - Outside Other property \$10,000
 Safe Burglary \$10,000
 Other (specify) _____ \$ _____

Protection (describe): 1. Vault: _____ 2. Safe: Class C in Concrete Alarm: _____

COMPREHENSIVE CRIME COVERAGE

COVERAGE AND AMOUNT OF INSURANCE DESIRED (APPLICABLE TO ALL PREMISES)

Insuring Agreement IA (Commercial Blanket Coverage) \$ 100,000
 Insuring Agreement IB (Blanket Position Coverage) \$ _____
 Insuring Agreement II (Loss Inside the Premises Coverage) \$ _____
 Insuring Agreement III (Loss Outside the Premises Coverage) \$ _____
 Insuring Agreement IV (Money Orders and Counterfeit Paper Currency Coverage) \$ _____
 Insuring Agreement V (Depositors Forgery Coverage) \$ 20,000

Fidelity Class One 4 Employees All other 99 Employees Total 103 Employees

SECTION I AND III CLAIMS EXPERIENCE

Claims Experience - All Sections (Losses in past three years) - Show totals, by line

LINE	TOTAL PREMIUMS	NO. OF CLAIMS OR ACCIDENTS	LOSSES		INSURANCE COMPANY AND POLICY NUMBER	EXPIRATION DATE	PRESENT MODIF. & EFF. DATE
			PAID	OUTSTANDING			
Excellent loss experience - Minimal Claims activity							
Security: Insured has own internal security system. 24 hours coverage. Plus Burns Central Station Reporting Intrusion Alarm. Lighting of area is excellent. SMOKE DETECTORS AT LOC 2 BLDG 1							

Has any company ever cancelled, declined or refused to renew this risk? Yes No. If yes, explain.

213
15152 4/21/2003

**ENCOMPASSORIES
DECLARATIONS**



CNA Insurance Companies
CNA Plaza
Chicago, Illinois 60685

INSURANCE IS PROVIDED BY THE COMPANY DESIGNATED BELOW
(A stock insurance company, herein called the company)

SECTION

1.	Producer No. 028252	Branch 052	Prefix IP	Policy Number 05 - 214 40 20
NAMED INSURED & ADDRESS (No. Street, Town, County, State, Zip)				
<p align="center">Community Chapel & Bible Training Center 18635 - 8th Ave. S. Seattle, WA 98148</p>				
Policy Period: 5-9-82 To 5-9-83				
AT NOON (STANDARD TIME) AT THE LOCATION OF THE PREMISES INVOLVED				

- Continental Casualty Company
- National Fire Insurance Company of Hartford
- American Casualty Company of Reading, PA
- Transportation Insurance Company
- The Business of the Named Insured is

ICC: 82202

INSURED IS: Individual Corporation Partnership
 Joint Venture Other: Church College

2. Insurance is provided in accordance with the following schedule of coverages. No coverage is provided for any Part of this policy unless a limit of liability or the word "included" is shown for such Part.

Schedule

a. Part I Damage to Property/Business Earnings See Separate Schedule

Item	Description and Location of Property Covered	Limit of Liability		
		Building(s)	Contents	Business Earnings
	See G39226	\$	\$	

b. % = Coinsurance Clause; % ML = Monthly Limit Clause;
AA = Agreed Amount Clause

% AA % ML AA

c. Part I Property Deductible Amount: \$100; \$1000

d. MORTGAGE CLAUSE: Subject to the provisions of the Mortgage Clause in Part I of this policy, Loss (if any) on building items under Part I shall be payable to: (insert name, address and item number)

Donald M. Pike
916 E. 16th, Spanaway, WA 98388 (as of insurance interests that a policy is subject to change by endorsement and to assignment)

e. Part II Comprehensive General Liability	Per Occurrence	Aggregate
	500,000	500,000

Combined Limits of Liability
Optional Liability Extensions: Only those coverages where an appears are included. Except as otherwise indicated the Comprehensive General Liability limits apply.

- Medical Payments (up to \$1,000 per Person, unless otherwise indicated) \$ _____ Per Person
- Fire Legal Liability (up to \$500 per occurrence, unless otherwise indicated) \$ _____ Per Occurrence
- Personal Injury (above aggregate applies, unless otherwise indicated) \$ _____ Aggregate
- Blanket Contractual
- Breakdown Property Damage

See Part III for any other coverages and limits of liability which may be afforded.

f. Part III Crime and Part IV Boiler and Machinery: See Part III and IV for Coverages and Limits **Not Included**

3. Forms and Endorsements made part of this policy at time of issue include: (Insert number and suffix)

~~G39200C, G39224B, G39226A, SEA-102(#1), G31824A~~
PART I: G39282-A97, G39282-A98, G39282-C99, G41099A, G30454C, G41396-A99, IL0303(11-8)
438BEU(5-42) PART II: G31670B, G39025A, G39250C, G39251A, G39966-A99,
GL2203(1-74), GL2208(1-74), CI.9905(7-66), CL2114(7-66)
 Provisional Premium is \$ **10,000** and is payable See End of at inception, and \$ _____ at each anniversary.
 The premium for installments subsequent to the initial installment shall be subject to adjustment on the basis of the rates in effect at each anniversary date, unless indicated by an X in the box. NOT APPLICABLE

This policy shall not be valid unless countersigned by a duly authorized agent of this Company.

Countersigned by _____ Authorized Agent

E. J. Nohra
Chairman of the Board

W. P. J. J. J.
Corporate Secretary

X
15152

Snapp & Sons

COMMISSION RATE(S) .150

ISSUED

NEW

REPLACEMENT OF RENEWAL OF

PR RESP 21-22	POL TYPE 23-24	25	ECON STAT 26-29	STATE 30-31	PLACE 32-35
59	31				

RENEWED BY SAME

SECTION 1. Producer No. 028252 Branch 052 Prefix IP Policy Number 05 - 214 40 20

NAMED INSURED & ADDRESS: (No., Street, Town, County, State, Zip)

Community Chapel & Bible Training Center
18635 - 8th Ave. S.
Seattle, WA 98148

- CC
- 1 NF
- 6 AC
- 8 TC
- 2

SEE REVERSE SIDE FOR POLICY IDENTIFICATION BLOCK Church Collg
ICC: 82202

Policy Period: 5-9-82 83 To 5-9-83 84 AT NOON (STANDARD TIME) AT THE LOCATION OF THE PREMISES INVOLVED

INSURED IS: Individual Corporation Partnership Joint Venture Other: Church College

2. Insurance is provided in accordance with the following schedule of coverages. No coverage is provided for any Part of this policy unless a limit of liability or the word "included" is shown for such Part.

Schedule

a. Part I Damage to Property/Business Earnings See Separate Schedule

Item	Description and Location of Property Covered	Limit of Liability		
		Building(s)	Contents	Business Earnings
	See 839226	\$	\$	\$

b. % = Coinsurance Clause, % ML = Monthly Limit Clause; AA = Agreed Amount Clause % AA

c. Part I Property Deductible Amount: \$100 \$1000

d. MORTGAGE CLAUSE: Subject to the provisions of the Mortgage Clause in Part I of this policy, Loss (if any) on building items under Part I shall be payable to: (insert name, address and item number)

Donald M. Pike (as respects 18635 - 8th Ave. S.)
916 E. 16th, Spanaway, WA 98387

e. Part II Comprehensive General Liability Per Occurrence 500,000 Aggregate 500,000

Combined Limits of Liability Optional Liability Extensions: Only those coverages where an appears are included. Except as otherwise indicated the Comprehensive General Liability limits apply.

- Medical Payments (\$1,000 Per Person, unless otherwise indicated) \$ Per Person
- Fire Legal Liability (\$50,000 per occurrence, unless otherwise indicated) \$ Per Occurrence
- Personal Injury (the above aggregate applies, unless otherwise indicated) \$ Aggregate
- Blanket Contractual
- Broad Form Property Damage

See Part II for any other coverages and limits of liability which may be afforded.

f. Part III Crime and Part IV Boiler and Machinery: See Part III and IV for Coverages and Limits Not Included

3. Forms and Endorsements made part of this policy at time of issue include: (Insert number and suffix)

C392000, C392248, C39226A, SEA-102(31), C31824A
PART I: C39282-A97, C39282-A98, C39282-C99, C41099A, C39454C, C41396-A99, IL0303(11-78)
A28DFU(5-42) PART II: C31670B, C39025A, C39250C, C39251A, C39D66-A99,
CL2203(1-74), CL2203(1-74), CL0905(7-66), CL2114(7-66)

Provisional Premium is \$ 10,000 and is payable at inception, and \$ mil at each anniversary.

The premium for installment is \$ 0.80 sent to the initial installment shall be subject to adjustment on the basis of the rates in effect at each anniversary date, unless indicated by an X in the box. NOT APPLICABLE

This policy shall not be valid unless countersigned by a duly authorized agent of this Company.

AGENT

Snapp & Sons

COMMISSION RATE(S) .150 SLB

DATE ISSUED 6-15-89

NEW

REPLACEMENT OF RENEWAL OF Continuous Policy

ENCOMPASS SERIES DECLARATIONS

.150 SLB

PR RESP 21-22	POL TYPE 23-24	A 25	ECON STAT 26-29	STATE 30-31	PLACE 32-35

SECTION

1. Producer No. 028252 Branch 052 Prefix [redacted] Policy Number **IP 05 - 214 40 20** *Renewal by same*

NAMED INSURED & ADDRESS: (No., Street, Town, County, State, Zip)

Community Chapel & Bible Training Center
18635-8th Ave S.
Seattle, Wa. 98148

- 1 CC
- 1 NF
- 6
- AC
- 8 X
- TP
- 2

SEE REVERSE SIDE FOR POLICY IDENTIFICATION BLOCK

Ice 79413

Policy Period: **05-09-84** To **05-09-85** AT NOON (STANDARD TIME) AT THE LOCATION OF THE PREMISES INVOLVED

INSURED IS: Individual Corporation Partnership
 Joint Venture Other: **Church College**

2. Insurance is provided in accordance with the following schedule of coverages. No coverage is provided for any Part of this policy unless a limit of liability or the word "included" is shown for such Part.

Schedule

a. Part I Damage to Property/Business Earnings See Separate Schedule

Item	Description and Location of Property Covered	Limit of Liability		
		Building(s)	Contents	Business Earnings
		\$	\$	\$

REINSURANCE

b. % = Coinsurance Clause; %ML = Monthly Limit Clause, AA = Agreed Amount Clause

c. Part I Property Deductible Amount: \$100: \$ **1,000**

d. MORTGAGE CLAUSE: Subject to the provisions of the Mortgage Clause in Part I of this policy, Loss (if any) on building items under Part I shall be payable to: (insert name, address and item number)
Donald M. Pike
916 E. 16th Spanaway, Wa. 98987 (as respects 18635-8th Ave S.)

e. Part II Comprehensive General Liability

Combined Limits of Liability	Per Occurrence \$ 500,000	Aggregate \$ 500,000
------------------------------	----------------------------------	-----------------------------

Optional Liability Extensions: Only those coverages where an appears are included. Except as otherwise indicated the Comprehensive General Liability limits apply.

- Medical Payments (\$1,000 Per Person, unless otherwise indicated) \$ _____ Per Person
- Fire Legal Liability (\$50,000 per occurrence, unless otherwise indicated) \$ _____ Per Occurrence
- Personal Injury (the above aggregate applies, unless otherwise indicated) \$ _____ Aggregate
- Blanket Contractual
- Broad Form Property Damage

See Part II for any other coverages and limits of liability which may be afforded.

f. Part III Crime and Part IV Boiler and Machinery: See Part III and IV for Coverage and Limits **Not Included**

3. Forms and Endorsements made part of this policy at time of issue include: (insert number and suffix)

~~G-39200B, G-39224B, G-39239A~~ *Per checklist*
PART I: G-39282A98, G-39282099, G-41099A, SEA-102, G-30454C, G-41396A99, CFI218(5-77)
GL0210(6-76), G-31824A - GL0412(1-73), GL2114(7-68)
PART II: G-31670B, G-39025A, G-39250C, G-39251B, GL2205(1-74), GL2208(1-74), GL0905(7-65)

Provisional Premium is \$ **10,866.1508** and is payable \$ **888.84** at inception, and \$ **Nil** at each anniversary.

The premium for Installments subsequent to the Initial installment shall be subject to adjustment on the basis of the rates in effect at each anniversary date, unless indicated by an X in the box. NOT APPLICABLE

This policy shall not be valid unless countersigned by a duly authorized agent of this Company.

15152 4/21/89 27216

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF PIERCE

AMERICAN CASUALTY COMPANY OF
READING, PENNSYLVANIA, a
Pennsylvania corporation,

Plaintiff,

vs.

IRA GABRIELSON and CAROL
GABRIELSON, husband and wife;
DONALD LEE BARNETT and BARBARA
BARNETT, husband and wife;
COMMUNITY CHAPEL AND BIBLE
TRAINING CENTER, a Washington
corporation; JACK McDONALD and
JANE DOE McDONALD, husband and
wife,

Defendants.

No. 88-2-00047-7

DEPOSITION UPON ORAL EXAMINATION
OF
DONALD L. BARNETT

VOLUME I

Taken at 2250 Century Square
Seattle, Washington

DATE TAKEN: MAY 10, 1988

REPORTED BY: MARY A. WHITNEY, CSR

1 ● And what did you do then?

2 A. I started Community Chapel and Bible
3 Training Center.

4 MR. DONALDSON: Can we take about a
5 two-minute break?

6 MR. WINCHELL: Sure.

7 (A short break was taken.)

8 Q. (By Mr. Winchell) What made you decide to
9 form Community Chapel?

10 A. God was calling me into the full-time
11 ministry, and what I was -- what happened was, I felt
12 a strong goading of God to move into the full-time
13 ministry for a number of months prior to me leaving
14 the Des Moines Assembly of God church. My wife was
15 working with the pastor's wife on Welcome Wagon,
16 welcoming people to the community, and asking them --
17 one of the questions is what church you go to, and
18 where is there a church located, and their
19 denomination, and if she learned they were interested
20 in spiritual things, maybe didn't have a church or
21 something, wanted to talk more about it, why, she'd
22 let me know and I'd go back with her in the evening
23 and we'd talk to the individuals, and pretty soon we
24 had a whole room full of people that I was giving
25 Bible studies to, and they were becoming born gain.

1 A. Broadway Tabernacle in Seattle, Assembly
2 of God church in north Seattle -- I don't remember
3 the exact name -- Church By the Side of the Road, in
4 the Seattle Assembly of God church in West Seattle
5 for eight years, Assembly of God church in Des Moines
6 for eight years. That's it.

7 Q. Are those all Pentecostal churches?

8 A. Yes.

9 Q. And they all shared a common doctrine,
10 "polity," if that's the correct word?

11 A. Well, all of those churches I mentioned
12 shared a common doctrine and polity.

13 Q. Are those two different things?

14 A. Yes.

15 Q. Okay. What are they?

16 A. Doctrine is the thesis, and polity is the
17 carrying out of the thesis. In other words, doctrine
18 is the concept, and polity is the exercise of much --
19 at least part of that concept in worship and in
20 government and action in the church. Polity is the
21 action. Doctrine is the thinking; is the concept.

22 Q. So, was it around 1967, then, that you
23 left the Assembly of God church in Des Moines?

24 A. That's pretty close. Maybe the exact
25 time.

1 Q. And how long were you at that location?

2 A. We probably moved over to the present
3 sanctuary about '78, I would guess, '76 or '78.
4 Probably '78.

5 Q. Now, did you own the surrounding land
6 prior to that, whatever year that was?

7 A. We -- we're on two campuses, and we moved
8 to the new campus shortly -- new sanctuary shortly
9 after we bought that land.

10 Q. The land you own, as I understand it, is
11 approximately 40 acres in Burien; is that correct?

12 A. A little more than that.

13 Q. That was purchased in the mid- to late
14 '70s?

15 A. There were two purchases, two campuses.
16 This one was purchased somewhere about '69, maybe,
17 and this one was purchased somewhere about '78.

18 Q. And how many acres were there in the 1979
19 purchase?

20 A. I think it was 8.6.

21 Q. Does that land adjoin the land which was
22 purchased later?

23 A. It's across the street and at a corner.

24 Q. In 1978, you purchased the remainder?

25 A. (Witness nods head.)

1 Q. So, that would have been 30-some acres?

2 A. Thirty-six acres, I believe.

3 Q. Do you still own the land that was
4 purchased in 1969?

5 A. Yes.

6 Q. And what buildings are on the 8.6 acres?

7 A. Corporation offices, Bible college,
8 including the chapel and the publishing department,
9 the music department -- music studio.

10 Q. And what buildings are on the 36 acres
11 that were purchased in 1978?

12 A. Sanctuary, Christian education building
13 and dormitories.

14 Q. Do you recall the purchase price of the
15 1969 purchase?

16 A. No, I don't.

17 Q. Do you recall the purchase price for the
18 1978 purchase?

19 A. No, I don't.

20 Q. Is there a debt associated with any of
21 the --

22 A. Yes, the new campus has a debt.

23 Q. So, that would be the land and the
24 buildings on the land that was purchased in 1978?

25 A. About that time.

1 Q. There is no debt relating to the 1969
2 purchase?

3 A. No.

4 Q. Do you know the amount of the debt?

5 A. No, I don't.

6 Q. Do you know the approximate amount of the
7 debt?

8 A. No, I really don't.

9 Q. How many satellite churches are there?

10 A. About eight or nine.

11 Q. Tell me the ones that you can remember.

12 A. One in Kirkland, Washington; Yakima;
13 Spokane; Bozeman, Montana; Kalispell, Montana.

14 Q. Can you spell that, please?

15 A. K-A-L-I-S-P-E-L-L.

16 Chippewa Falls, Wisconsin; I don't know
17 the exact town, but, say, Johnson, Kansas, we're
18 close; Vancouver, British Columbia; Victoria, British
19 Columbia. We've got a church in the Philippines.

20 Q. Is that a satellite church?

21 A. I don't believe it's classified as a
22 satellite church. No, I'm sure it's not. It's
23 independent.

24 Q. Would it be a fellowship, then? Is that
25 what you are before you're a satellite?

1 A. That's what you are before you're a
2 satellite. I think, because of international
3 problems, that it's not a fellowship. I think it is
4 an independent church. I don't believe there is any
5 tie, actually.

6 Q. That sounds like a fairly complete listing.

7 Is it correct that Chippewa Falls
8 was the first?

9 A. Yes.

10 Q. Is it correct that all of these churches
11 are separate corporate entities?

12 A. Yes.

13 Q. Each has its own pastor?

14 A. Yes.

15 Q. Each has its own board of elders or board
16 of directors which is responsible for governing the
17 satellite?

18 A. Yes.

19 Q. What does it mean to be a satellite?

20 MR. DODGE: I'll put in a continuing
21 objection just as to the document speaks for itself.
22 That's just my two cents worth.

23 A. It means that those ministers from
24 Community Chapel, who went out from us to extend the
25 ministry and truths that we feel that we have, have

1 established a church elsewhere, and have taught
2 that church in such a way that they represent --
3 that they represent a church which has common
4 beliefs and practices, and that they have applied to
5 become a satellite church so that they can have
6 some additional benefits of receiving our tapes and
7 selling our music tapes and selling our literature
8 and coming to our camp meetings and this type of
9 thing.

10 Q. So, you share a common doctrine?

11 A. Yes.

12 Q. And they make use of the name?

13 A. Yes.

14 Q. And if you're so inclined, you can give
15 them a little help in the form of tapes and printing
16 and things like that?

17 A. Yes.

18 Q. Let's take a look at Page 32 of Exhibit 4,
19 looking at Article 4, which states, "The satellite
20 church shall be considered part of the corporation
21 church in polity, discipline, faith and denomination,
22 but it shall not be able to encumber the corporation
23 church with its own obligations. The satellite
24 church shall be financially self-supporting and
25 financially self-governing. The corporation church

1 shall assume no financial obligation to the satellite
2 church."

3 Do you have any knowledge respecting
4 who drafted that particular paragraph or its
5 predecessor? I assume it may be taken from a
6 predecessor.

7 A. That came about as a result, I think, of
8 the senior elders discussing having satellite
9 churches, and everybody would be giving their inputs,
10 and out of our discussion would come these set of
11 rules. It would be impossible to really say who
12 originally thought of what parts of what paragraph.
13 These were decided on and agreed to by all of us as
14 we discussed these things.

15 Q. I realize the document speaks for itself,
16 but what did this paragraph mean to you, this
17 Article 4?

18 A. It means that the satellite church is an
19 independent church that -- although having a common
20 denomination of teaching, basically by reason of
21 the fact that the person who is a pastor came out
22 from among us, that they, nonetheless, are a separate
23 corporation, and are responsible for their own
24 selves.

25 Q. And financially responsible for their own

1 selves?

2 A. Yes.

3 Q. And that was expressly discussed among the
4 board of senior elders who drafted this, I take it?

5 A. All of these things were. Everything was
6 discussed.

7 Q. Let's take it one question at a time.
8 That was expressly discussed?

9 A. Yes.

10 Q. When satellite churches were formed -- let's
11 talk about Tacoma, specifically.

12 Is it fair to say that generally that
13 would be discussed with the people who were forming
14 the church, that they were a separate corporation,
15 financially self-supporting, responsible for their
16 own financial condition?

17 A. In general, you're talking about?

18 Q. Yes.

19 A. Well, I think what happened, in general,
20 was that when -- let's say a person who has graduated
21 from a Bible college felt his heart in the ministry,
22 maybe he's from Kansas and he wishes to go back to
23 Kansas; he wants to teach people the things he's
24 learned.

25 He goes back there and starts a Bible

1 study, and maybe there is even a Bible study going.
2 Maybe he goes back and talks to them, and some of
3 them even have a Bible study going back there, and
4 it's getting pretty large.

5 They're asking if they can have a
6 pastor, then it grows, they start a church, they
7 incorporate, call it any name they want to.

8 They get to a place where they keep
9 coming back to camp meetings, that is, the pastor and
10 those that can afford it, and eventually they feel
11 one with us, and they're getting information, some
12 things from us, so they're wanting to become a
13 satellite church, and so they apply for this.

14 So the particular minister, he's had a
15 ministerial orientation, A, B and C classes, three
16 different classes in Bible college, and in that
17 class, the bylaws, the articles, are gone through and
18 explained to them. So, he basically understands what
19 the requirements are and why.

20 At this time, we would review his
21 letter, ask questions, see whether we felt like they
22 were really one in fellowship with us and so forth; if
23 we'd want to let them have our name. If we agree,
24 we would send the pastor and his elders the bylaws,
25 and they would build, then, their own bylaws from

1 that, and they would read this, and -- see, he would
2 have this knowledge anyway, because of his Bible
3 college class. But as a refresher to him, he would
4 read this, and he would understand, before the thing
5 is finally nailed down, what he's agreeing to and
6 what the benefits would be, and what the obligations
7 would be.

8 Q. And a little later, we'll get to the bylaws
9 for the Tacoma church, but those would be typical of
10 the type of bylaws that would be given to and
11 discussed with the people forming a satellite church?

12 A. Yes.

13 Q. Let's talk a little bit about the
14 appointment of the pastor for the satellite church.

15 Now, in the bylaws for your church,
16 there are indications that the parent church or the
17 corporation church may appoint the pastor, and what
18 I'm wondering is, in practice, how did this really
19 work as a general matter? Was it really the Burien
20 church appointing these people, or was it, in
21 reality, more a selection by the congregation,
22 subject to a second look by the folks at Burien?

23 A. Well, it's done one of two ways. Either the
24 individual from Kansas will say -- or Tacoma, whoever,
25 that is in charge of a fellowship, that's become a

1 church, has it in his heart to --

2 Ask me the question again to make sure
3 I get the question right.

4 Q. I want to get a sense for how pastors are
5 picked.

6 A. How the pastor is picked, okay.

7 So, in this case, because he's the
8 fellowship leader, he came from there, graduated from
9 Bible college, he took the initiative to come back;
10 they go back.

11 Q. You're talking about McDonald, then?

12 A. No, generally. There are one or two ways.
13 This is Way No. 1: The person goes back, he's
14 teaching them Bible studies, fellowship. It's built
15 in the place they've got a lot of people. They want
16 to have a church, so they incorporate, give it a name,
17 and he is their acting pastor, the actual pastor.
18 Actually, if they're a corporation, he's an acting
19 pastor, or leader if it's a fellowship.

20 At that point, they'll ask to become a
21 church. It's pretty much the foregone conclusion,
22 not entirely, that he'll be the pastor, since he's
23 got the heart for it and he's leading them.

24 So, generally, they'll apply for status
25 and he's just regarded as the pastor. He's the one.

1 They regard him as their pastor, and so, as long as
2 we have no objections to it, he becomes the pastor,
3 because he's taken the role of ministry.

4 It's possible that somebody who
5 started a church might say, "Well, I don't want to
6 pastor. I don't feel like pastoring it. I want to
7 come back and get my master's degree, or go on to
8 something else," and that's a possibility.

9 In a case like that, or in Case No.
10 2, where there is an opening and there isn't somebody
11 already there, we would generally circulate kind of a
12 survey that would say that. Well, we would do one of
13 two things. Typically, the way we've done it is, the
14 ministries department, that is involved with keeping
15 track of all these ministries and all the fellowships
16 and Bible studies and all of this --

17 Q. Who would that have been?

18 A. Don Lockrem is in charge of the
19 ministries office. He would suggest a number of
20 name possibilities, senior elders, themselves, would
21 suggest name possibilities, the Bible college dean
22 would submit name possibilities.

23 We might, under some circumstances,
24 even state to the congregation, through a bulletin or
25 verbally, that we need a pastor in a certain area.

1 If -- "Anybody who is a college graduate, who feels
2 in their heart to minister, give us your
3 application," and we review these, we review all
4 these names and see if there was anybody who we had
5 an objection to, or it would -- it would be a problem
6 being a minister, we would nail it down to the ones
7 that we felt would best be able to handle the job and
8 do a good job. We'd contact these individuals, find
9 out what their job situation is, the family
10 situation, and see if they're interested in the
11 ministry.

12 And we would -- typically, these
13 people are people that wouldn't really be known by
14 people back there. They're just wanting a pastor
15 from our church. Like there was a fellowship in Twin
16 Falls, says, "Get us a pastor. We've got a group
17 going, so send us a pastor." They don't know anybody
18 here, somebody came in for a while and left, they
19 wanted to keep going.

20 So, we, then, would vote on these
21 people, would agree, and we'd pray and pray over
22 them, and if we found a person we felt like, one, had
23 the capabilities, and, two, he had it on his heart,
24 why, if that was so, we would make the best selection
25 possible and offer to them as a pastor. That's

1 typically one of these two ways.

2 Q. Let's talk about the first way, where
3 somebody goes back and starts getting together with
4 a group of people and doing Bible studies and things
5 like that.

6 Can you recall any instance in which
7 there was a situation where there was a clear leader
8 who came back and said, "We now would like to become a
9 church, and I would like to be the minister," where
10 that person was not approved by the board of senior
11 elders or yourself?

12 A. No.

13 Q. Can you think of any instance in which
14 there maybe wasn't a clear leader, but one of
15 several choices was submitted or survey was taken of
16 the congregation to indicate who they would like to
17 have be the pastor, and the results of that survey
18 were not honored?

19 A. Were what?

20 Q. Were not honored.

21 A. Were not honored?

22 Q. In other words, the congregation wants one
23 guy --

24 A. No, we've had no case like that.

25 Q. So, you've never gone against the wishes of

1 a congregation with respect to the selection of their
2 pastor?

3 A. No.

4 Q. Are there any instances in which you have
5 simply selected a pastor without any input
6 whatsoever from the congregation of the satellite
7 church?

8 A. No.

9 Q. Now, when a satellite church is formed,
10 they have their own board of elders; is that
11 correct?

12 A. Yes.

13 Q. And people who are elders at a satellite
14 church are not elders in the corporation church?

15 A. That's true.

16 Q. And elders in the corporation church are
17 not elders in a satellite church?

18 A. True.

19 Q. Let's look at Page 33. And we're in
20 Section 2, talking about government of satellite
21 churches, and Article 1 talks about the pastor.
22 We've discussed some of the things concerning
23 appointment already.

24 Now, No. 3, under letter A, says, "The
25 pastor shall be officially in charge of all services

1 of the church, whether or not they are held on church
2 grounds or whether or not he is present at the
3 meetings."

4 There, I take it, you're talking about
5 the pastor of the satellite church?

6 A. Yes.

7 Q. You have, as pastor of the Burien church,
8 no day-to-day responsibility for the services that
9 go on at the satellite church?

10 A. That's true.

11 Q. The next paragraph says, "The pastor shall
12 have the prerogative to minister and lead the
13 services as he feels the Holy Spirit shall lead
14 him."

15 Again, we're talking about the pastor
16 of a satellite church, correct?

17 A. Yes.

18 Q. Again, it is not your position, or the
19 position of any senior elder or elder within the
20 corporation church, to tell that pastor how to
21 minister and lead the services?

22 A. That's true.

23 Q. The next paragraph says, "The pastor shall
24 have authority to question and advise any and all
25 members of the church, including its governing bodies,

1 as he feels led."

2 Maybe you'd better explain that one
3 to me a little bit. I'm not sure I know what that
4 one means.

5 A. That means, simply, that the pastor of the
6 satellite church has authority to govern his own
7 church in its entirety, which means that he can, in
8 any governing bodies -- its referring to, like, the
9 Sunday school, music department, so it means he's
10 over his entire church as a pastor, and he can advise
11 anybody in the church or he can question any of these
12 departments.

13 He can't say, "Well, sorry, that's the
14 music department. You have no authority over the
15 music department." He's pastor over the music,
16 overall aspects of it, because it all works together
17 in one whole.

18 Q. If somebody comes to him, with a personal
19 problem, he, as under this particular article, is
20 free to advise this person as he feels is proper,
21 as in his role?

22 A. Yes.

23 Q. It's in no way your job or position, or job
24 of or position of the senior elders, to somehow get in
25 the middle of that or interfere with the way he

1 advises members of his church?

2 A. That's true.

3 Q. The next paragraph says, "The pastor shall
4 have the authority to appoint, instruct, oversee
5 and remove any and all Bible and Sunday School
6 teachers in the Church."

7 Once again, I take it that refers to
8 the satellite pastor?

9 A. Yes.

10 Q. And you, as pastor of the corporation
11 church, and the elders and senior elders of that
12 church, again, have no power, right, duty or
13 obligation to appoint, instruct, oversee or remove
14 any or all Bible and Sunday school teachers of the
15 satellite church?

16 A. That's true.

17 Q. The next paragraph says, "The pastor shall
18 appoint, oversee and remove associates and assistants
19 from spiritual ministries at discretion."

20 I take it that confers sole control
21 upon the pastor of the satellite church, and by the
22 same token, excluded any such control from the hands
23 of yourself, as head of the corporation church, or
24 the elders or the senior elders of the corporation
25 church?

1 A. That's true.

2 Q. I won't read the entire Paragraph 8, but it
3 seems generally to confer upon the pastor the power
4 to make all appointments which deal with spiritual
5 matters?

6 A. Yes.

7 Q. Those appointments aren't in any way
8 subject to your approval, you being the pastor of
9 the corporation church?

10 A. That's true.

11 Q. They're not subject to the approval of the
12 senior elders?

13 A. That's true.

14 Q. They're not subject to the approval of the
15 elders?

16 A. That's true.

17 Q. Then there seems to be a paragraph that
18 talks about jurisdiction of the deacon board, which I
19 take to be another governing body, sort of a lower
20 governing body of the satellite church, and they
21 appoint some of the more mundane positions, not
22 spiritual types of positions; is that correct?

23 A. Yes.

24 Q. And, once again, no one at the Burien
25 church has anything whatsoever to say about those

1 appointments?

2 A. That's true.

3 Q. Then the next major paragraph, B, talks
4 about the duties of the pastor being to preach,
5 teach, admonish?

6 A. Pardon me, what page are we on?

7 Q. Page 34, now, "Duties of the Pastor."

8 A. Uh-huh.

9 Q. "Each pastor shall preach, teach,
10 admonish, encourage, and advise as God gives him
11 ability. The pastor shall live a Godly life, and
12 endeavor to shepherd the flock to its spiritual
13 benefit."

14 Was it in any way your job to
15 entangle yourself or interfere or oversee or
16 administer in a manner in which satellite pastors
17 preached, taught, admonished, encouraged or advised
18 as God gave them the ability?

19 A. No.

20 Q. I take it that direction, would, in fact,
21 come from God, and not from the parent church, as it
22 says in here; is that correct?

23 A. Well, it would come from his own
24 understanding and from God, as God gives him the
25 ability. God has given all ability. He has some

1 human ability.

2 Q. Did you ever send people out to sort of
3 audit what was being taught at satellite churches to
4 see if they were adhering to doctrine?

5 A. No.

6 Q. That was never done?

7 A. No.

8 Q. Did you ever do any kind of financial
9 audits of the satellite churches?

10 A. No.

11 Q. Did you ever give money to satellite
12 churches? I'm not talking about something like off
13 in the Philippines, where it's more of an outreach
14 ministry; I'm talking about a satellite church.

15 A. Yes.

16 Q. Tell me about that.

17 A. The church up in Vancouver was struggling
18 a bit, financially. I think, when we sent the pastor
19 up there, it was understood that, as he went up
20 there, he didn't really have the -- we didn't want
21 him to go out and have to get a full-time job, and
22 there was going to be shortfall to begin with, and
23 so we agreed to send him a certain amount of support
24 money to help him in the field.

25 Q. Was that a result of any obligation on the

1 part of the Burien church?

2 A. No. No.

3 Q. Can you think of any other instances in
4 which that sort of financial support was given to
5 satellite churches?

6 A. I don't think so. There was a minister in
7 Victoria who was under a lot of stress for a long
8 time, and he needed the vacation, and he didn't have
9 enough money. I think we gave him some money to
10 take a vacation with, but we didn't really support
11 the church.

12 Q. Did you receive financial reports from the
13 satellite churches?

14 A. We also sent some money to some satellite
15 churches -- I think we -- I think we bought some
16 airplane tickets for some pastors to come to camp
17 meeting who otherwise wouldn't have come because
18 they were running kind of tight. These are just
19 gifts.

20 Q. Without obligation on your part?

21 A. Right.

22 Q. Did you receive financial reports from the
23 satellite churches?

24 A. No.

25 Q. Did you know the salary of the ministers?

1 A. No.

2 Q. Did you know the salaries of the
3 employees?

4 A. No.

5 Q. Did you receive reports as to what the
6 revenues of the church were?

7 A. No.

8 Q. Did you receive reports as to what the
9 liabilities were?

10 A. No.

11 Q. Did you have to make any sort of approval
12 before liabilities were incurred by those separate
13 corporations?

14 A. No.

15 Q. Were they responsible for their own
16 insurance programs?

17 A. Yes.

18 Q. Did you at any time involve yourselves in
19 the budgeting that went on in the satellite
20 churches?

21 A. No.

22 (The luncheon recess was
23 held from 12:10 to
24 1:35.)

25 Q. (By Mr. Winchell) At Page 34, continuing

1 Article 2, voting and non-voting elders, it's stated
2 there, "The pastor shall appoint at least three
3 voting elders."

4 Again, I take it the pastor in the
5 satellite church has the sole authority to make the
6 appointments for the elders of the satellite church?

7 A. That's true.

8 MR. DODGE: Let me just go ahead,
9 since we just started up again, and restate the
10 objection that I asked to be continuing as to the
11 question about the bylaws, and the objection being,
12 the document speaks for itself.

13 With that, I'll just let you go ahead.

14 MR. WINCHELL: Let me briefly
15 respond.

16 Q. (By Mr. Winchell) I'm asking you for your
17 understanding of the bylaws and the operations of the
18 church. I'm not asking you to just read the bylaws;
19 we can all do that on our own. So, I want your
20 understanding of the way things operated.

21 And you did not at any time
22 interfere or entangle yourself in the decisions of
23 the pastors of the satellite churches in their
24 appointments of elders?

25 A. No, I didn't.

1 Q. Your elders or senior elders did not do
2 that, either?

3 A. No, they didn't.

4 Q. Paragraph B says that the pastor may also
5 initially appoint other non-voting elders.

6 Once again, I take it that is the sole
7 authority of the pastor in the satellite church, and
8 a decision to be made about any interference or
9 supervision or oversight from either yourself or
10 elders or senior elders of the Burien church?

11 A. That's true.

12 Q. Going down to Paragraph G on Page 35, it
13 states that, "The voting eldership shall direct the
14 satellite church in the same areas as non-voting
15 elders, and in such matters as creating new
16 departments within the church," is the first area
17 listed.

18 Now, once again, I take it, in vesting
19 that power in the elders of the satellite church, the
20 understanding and the way things actually worked was
21 that this was the decision of those elders, and was a
22 decision made without supervision from anybody, such
23 as yourself, or the elders or senior elders of the
24 Burien church?

25 A. That is true.

1 Q. The same would be true with respect to
2 establishing the goals of the satellite church, as
3 indicated on No. 2?

4 A. Yes.

5 Q. No. 3 is settling disputes within the
6 church that will not be handled by the previously
7 delegated authority.

8 Once again, the same thing would be
9 true, would it not?

10 A. Yes.

11 Q. No. 4, determining whether or not to buy,
12 sell, or trade real property if and as supported by
13 the congregation of satellite church.

14 Once again, that's the decision for
15 the elders without supervision from the pastor or the
16 elders or senior elders of the Burien church,
17 correct?

18 A. Yes.

19 Q. No. 5 has to do with overriding the deacon
20 board's decision on some of the areas within their
21 authority. Once again, the elders of the satellite
22 church would be operating without oversight or
23 supervision from yourself or the elders or senior
24 elders of your church?

25 A. That's true.

1 Q. No. 6 says, "Requesting modification of
2 bylaws from the satellite church from the
3 corporation church."

4 Let me ask you, first of all, are
5 there instances where the bylaws of the satellite
6 church were, to your knowledge, amended after
7 initially being adopted? Do you recall any such
8 instance?

9 A. You mean by the corporation church?

10 Q. No, where the satellite church's bylaws
11 were amended by anybody.

12 If it never happened, we don't have to
13 talk about the procedure probably quite as much, is my
14 reason for asking.

15 A. Well, I need to answer that by saying, as
16 the corporation grows, and you learn and see where
17 your problems are, and -- there is always a need to
18 keep revising your documents to reflect current --
19 I'm quite sure, although I can't say categorically,
20 if you're asking if Section 6 of all bylaws have ever
21 been modified from the time we first made satellite
22 church bylaws, I'm sure that they have been modified.

23 Q. I didn't state the question clearly.

24 What I was wondering about is
25 modification of bylaws of the satellite church?

1 A. Made by them?

2 Q. Right.

3 A. See, if the bylaws from the satellite
4 churches -- they take our skeleton bylaws, and then
5 they add bylaws onto them as they want to.

6 Now, they can and, I suppose, did -- we
7 have no knowledge of it, I have no knowledge of it,
8 myself -- probably have revised their own bylaws,
9 made bylaws and revised them, and we would have
10 nothing to do with -- I have no knowledge of what
11 they revised.

12 Q. Okay. So, notwithstanding some of the
13 language in portions of both your bylaws and the
14 bylaws of perhaps some of the satellite churches,
15 which discusses an oversecretary function by the
16 Burien church, that function is not one that was
17 actually practiced.

18 These churches were free to amend
19 their bylaws of their own accord?

20 A. Yes. I do not know of any case where a
21 satellite church made some bylaws and we asked them
22 to amend those bylaws, if that's what you're asking.

23 Q. That is at least part of what I'm asking,
24 probably the most important part.

25 Let's take the things under H, which, I

1 believe, deals with the duties of non-voting elders.
2 I'll just get them in the record, read them as a
3 group.

4 It says, "Pray for the sick in church,
5 home and hospitals" -- this is on Page 36 -- 2 is
6 "Preach and exhort"; 3 is to teach; 4 is "Counsel
7 those in need"; 5 is "Direct services, fellowship
8 classes, and other meetings"; 6 is "Lead visitations
9 or witnessing groups"; 7, "Lay hands upon those being
10 installed into office as elders"; 8, Perform other
11 spiritual functions as needed."

12 Once again, I take it that, as it
13 states, these functions by the non-voting elders
14 are to be performed under the supervision of the
15 pastor of the satellite church; is that correct?

16 A. That's true. The pastor and the senior
17 elders of the corporation church don't get involved
18 in any of the government structure or deacons or
19 the eldership, any of that.

20 Q. Let's talk a bit more specifically, then,
21 about Tacoma.

22 You didn't really know Jack McDonald
23 when he graduated in 1979?

24 A. No.

25 Q. Did you hear anything of what he was doing

1 between, say, 1979 and 1982? Which would have been
2 around the time the fellowship was formed.

3 A. No. I know nothing about any actual
4 details of any of his ministry as a fellowship,
5 leader or as a person over in Tacoma, or actually in
6 Seattle, either. I really didn't know.

7 Q. You had no communications with him?

8 A. No.

9 Q. From 1979 until 1982, at least?

10 A. No.

11 Q. And you exercised no supervision over him
12 during that time frame with regard to whatever he
13 was doing down in Tacoma?

14 A. No.

15 (Exhibit No. 6 was marked
16 for identification.)

17 Q. (By Mr. Winchell) Can you identify
18 Exhibit 6, please.

19 A. I haven't read it yet. It says it's a
20 letter to the Tacoma fellowship from myself.

21 Q. Why don't you take a minute just to look
22 through it?

23 A. Okay.

24 Q. We don't have a copy with a signature, your
25 signature on it.

1 Does this, nevertheless, appear to be
2 a letter that you wrote?

3 A. It appears to be a modification of a
4 letter I wrote. In other words, it appears to have
5 been edited, probably by the editor of our
6 publications department. Anytime you write a letter
7 that goes to the outside, we have a policy that the
8 editor reviews it and edits it, makes sure that the
9 English is good, makes sure that it's what we want to
10 say and so forth.

11 I can tell some of my ideas are in
12 here. I can also tell it's been reworded a bit. I
13 can tell it's not a letter drafted by somebody else
14 for me, with just my name on it, but I can also tell
15 it's not the original that I wrote.

16 Q. Are there any important substantitive
17 statements in here that, as a result of the editing,
18 you do not agree with?

19 A. There is nothing in here I would say I
20 disagree with.

21 Q. What I wanted to primarily focus on was the
22 third paragraph on Page 1, which says, "The results
23 of the surveys collected, although with great
24 variations of opinions, were conclusive. It is
25 evident that Jack McDonald has won your hearts and

1 confidence the most, and he is your choice for
2 leader. I personally think you had four good
3 leaders, each like every man on earth, with their
4 strong points and weak points, but all very capable."

5 A. I'm going to add something to what I said
6 before. It was possible this was edited by the
7 editor of publications, as I just said. It is also
8 possible it was edited by Jack Hicks, vice-president.

9 Q. I got the feeling, from reading that
10 paragraph, that it really was the congregation in
11 Tacoma that picked Jack McDonald to be their pastor.

12 Is that a correct --

13 A. That's true.

14 Q. I guess this is 1982 that the fellowship
15 formally formed.

16 Do you recall anything about how that
17 fellowship was formed?

18 A. No. I know that -- I know that it -- one
19 of our ministers formed it, and it's changed hands
20 two or three times as far as fellowship leaders go.

21 Q. What is a fellowship?

22 A. Fellowship is a group of people in an area
23 that are having Bible studies and/or worshipping with
24 the leader from Community Chapel at a --
25 fellowshiping together with one another, but do not

1 have a church status, don't have a pastor or elders,
2 not incorporated as a church. They're an extension
3 -- they're an extension of our ministry only inasmuch
4 as one of our people are there leading them in
5 worship and so forth.

6 (Exhibit Nos. 7 and 8 were
7 marked for identification.)

8 Q. (By Mr. Winchell) Have you ever seen
9 Exhibit 7 before?

10 A. Not to my knowledge. I may have.

11 Q. There is a reference in the third paragraph,
12 to an agreement, and I'm wondering whether Exhibit 8
13 is the agreement that's referred to.

14 A. It appears to be, yes.

15 MR. DONALDSON: I'd like to clarify,
16 Don. If you don't have personal knowledge of the
17 contents of the letter, don't assume what it refers
18 to. If you have knowledge, then go ahead and answer.

19 Q. (By Mr. Winchell) I realize you probably
20 don't really know for sure, but it looked that way to
21 me and I wanted to get your sense of it?

22 A. Well, Exhibit 7, I don't remember seeing,
23 and I may not have seen it. Vice-president handles
24 a lot of things for the president.

25 Exhibit 8 -- well, I remember that

1 Jack Hicks, I believe, in a meeting, the suggestion
2 that we have such a satellite fellowship covenant to
3 have people -- let me see now -- yes, to have people
4 sign. We discussed it, all felt it was a good idea.
5 Jack Hicks undoubtedly drafted it, and it appears
6 that Jack McDonald and myself both signed it.

7 Q. Do you recall anything of discussions,
8 regarding the covenant, as to why it was felt that it
9 would be a good idea to have such a covenant?

10 A. Well, we wanted to be sure that when we
11 sent somebody out to start our work, that he
12 wouldn't go out and immediately become independent
13 and represent -- and not -- and represent something
14 different than what we are.

15 Q. So, if you were going to let them use the
16 name, you wanted to know that this person was
17 subscribing to the doctrine of church?

18 A. Yes, had the same heart in mind, wanted
19 to further our vision.

20 Q. So, in essence, it was designed to ensure
21 a spiritual unit. Would that be another way to say
22 it?

23 A. Yes, to ensure that he had a unit of mind
24 and spirit. What we do at the outset, presuming
25 that he was with us first, when, in actuality, he may

1 have had in independent spirit and ideas, that is --
2 we wanted to know, in essence, he was going to build
3 another Community Chapel, as far as general belief,
4 practice was concerned.

5 (Exhibit No. 9 was marked
6 for identification.)

7 Q. (By Mr. Winchell) Can you identify
8 Exhibit 9, please.

9 A. Well, it appears to be the Articles of
10 Incorporation of Community Chapel and Bible Training
11 Center, Tacoma.

12 Q. I wouldn't imagine you can identify the
13 signatures, but it appears to be signed by
14 Jack McDonald, George Jewell and Hal Price.

15 Were any of those gentlemen involved
16 as elders, senior elders or deacons at the Burien
17 church?

18 A. No.

19 Q. They had no administrative or oversight
20 responsibilities at all within the Burien church?

21 A. No.

22 Q. At the bottom of Page 3, Paragraph 9-B
23 says, "This corporation shall have no members. All
24 decision-making for this corporation shall be
25 hereafter vested in the board of directors, except as

1 specifically limited by the corporation bylaws."

2 Was it your understanding that it was
3 the board of directors of the Tacoma church that had
4 the power to govern that church?

5 A. Yes.

6 Q. Paragraph 10 contains a discussion. I'll
7 just read it. This is on Page 4. "Amendments to
8 these Articles of Incorporation may be made with a
9 three-fourth's affirmative vote of the board of
10 directors, the Pastor's concurrence and the
11 concurrence of the board of directors (board of
12 senior elders) of Community Chapel and Bible Training
13 Center, having a current address of 18635 8th Avenue
14 South, Seattle Washington, 98148." I want to explore
15 that briefly.

16 Does this alter your understanding in
17 any way that, in fact, it was the board of directors
18 of the satellite church that had the right to govern
19 the satellite church?

20 A. No.

21 (Exhibit No. 10 was marked
22 for identification.)

23 Q. (By Mr. Winchell) I want to direct your
24 attention to a statute, and you may not have ever
25 read it before, and I don't want to ask your legal

1 opinion. It's 24.03.165. It starts down at the
2 bottom, on the left-hand column, and the title of the
3 statute is "Procedure to Amend Articles of
4 Incorporation."

5 Now, the Tacoma chapel was a
6 non-member, not-for-profit corporation, so Paragraph
7 2 applies, which says -- and it's at the top of the
8 right-hand column -- "Where there are no members or
9 no members having voting rights with regard to a
10 question, an amendment shall be adopted at the
11 meeting of the board of directors upon receiving the
12 vote of a majority of the directors in the office."

13 Had you ever seen that statute at
14 the time that the Articles of Incorporation for the
15 Tacoma chapel were adopted?

16 A. No.

17 Q. Would you agree that that statute seems to
18 indicate that it's the board of directors of the
19 Tacoma chapel that would have the authority to amend
20 the Tacoma chapel's Articles of Incorporation without
21 interference from some outside body, such as
22 the Burien chapel?

23 MR. DODGE: Object to the form of the
24 question. Asks for a legal opinion, and also
25 disregards other portions of the bylaws that state

1 that satellites are a division of the corporation.

2 MR. WINCHELL: We're just talking
3 about the articles.

4 Q. (By Mr. Winchell) Would that be your
5 understanding?

6 A. Let me read it, please.

7 MR. DONALDSON: I'm also going to
8 instruct you not to render an answer upon what you
9 feel is the legal implication of that statute.

10 If you haven't seen the statute
11 before, and you're reading it now to give a legal
12 opinion, I'm instructing you not to answer.

13 THE WITNESS: Okay.

14 MR. DONALDSON: If you have questions
15 as to what his understanding is, you can go ahead.

16 Q. (By Mr. Winchell) Do you have an
17 understanding of that? Again, I'm not asking for a
18 legal opinion. I do think it's Paragraph 2. You can
19 read the whole thing.

20 A. I want to look at 1, too.

21 Q. If you don't feel you can answer the
22 question, that's okay.

23 A. Well, I was struggling with something else
24 entirely different. Let me look at this once more.

25 Well, it seems clear to me that

1 Paragraph 2 is for a non-profit corporation with no
2 members, which is our situation, and --

3 Q. Tacoma chapel's situation?

4 A. Any satellite church, including the Tacoma
5 church, have no voting right as members. So, the
6 board of directors has to call a meeting of the board
7 of directors and make amendments.

8 Is this a -- this is an '87 revision.

9 MR. DONALDSON: I'm going to ask
10 that we rephrase the question in terms of what his
11 understanding is of the way that it was actually
12 operated, not what his feeling of the impact of the
13 statute is.

14 Q. (By Mr. Winchell) To your understanding,
15 did you have any understanding that the Burien church
16 had any right to interfere in the process of the
17 board of directors of the Tacoma church amending
18 their Articles of Incorporation?

19 A. No.

20 (Exhibit No. 11 was marked
21 for identification.)

22 Q. Can you identify Exhibit 11.

23 A. This appears to be the Articles of Faith
24 and Bylaws of the satellite church of Community
25 Chapel and Bible Training Center, Tacoma.

1 Q. Did you have any input in drafting these
2 bylaws?

3 A. No.

4 MR. DODGE: Are you talking to him
5 personally?

6 MR. WINCHELL: Him personally.

7 A. Well, before I -- is this one and the same
8 -- this appears to be the same as Section 6 of our
9 bylaws, is it not?

10 MR. WINCHELL: Off the record.

11 (Off the record.)

12 A. There is some confusion in my mind as to
13 what that is exactly.

14 Q. (By Mr. Winchell) Do I understand you're
15 not sure whether you had any input into drafting
16 these bylaws?

17 A. Without a lot more study, I'm not sure.

18 Q. Would you please look, on Page 2, Section
19 2, Article 1, letter D, "Jurisdiction of the
20 Pastor." I believe we've talked a lot about some of
21 these things, but would you read those over briefly,
22 and then I'll ask you a question.

23 A. Okay. We have talked about all of those.

24 Q. The items identified there in Item D were,
25 with respect to the Tacoma chapel, the

1 responsibilities of Jack McDonald; isn't that
2 correct?

3 A. Yes, the jurisdiction of Jack McDonald,
4 the pastor.

5 Q. They were not the jurisdiction of
6 Don Barnett, correct?

7 A. No.

8 Q. And they were not the jurisdiction of the
9 board of senior elders?

10 A. No.

11 Q. And they were not the jurisdiction of the
12 board of elders of the Burien church?

13 A. No.

14 Q. And, in fact, in no way, shape or form
15 was the Burien church in any way responsible for
16 Jack McDonald's execution of these duties, either by
17 oversight or any other manner?

18 A. That's true.

19 Q. Looking on Page 3, letter F, again, we've
20 talked generally about salaries of pastors of
21 satellite churches, but just to confirm the specific
22 case of Jack McDonald, did you ever even know how
23 much money he made?

24 A. No.

25 Q. Did you ever know what the revenues of the

1 Tacoma chapel were?

2 A. No.

3 Q. Did you ever know what the liabilities
4 were?

5 A. No.

6 Q. Did you know what sort of lease
7 arrangements they may have entered into?

8 A. No.

9 Q. Did you know what kind of property they
10 were purchasing?

11 A. No.

12 Q. Have you ever heard that anybody on the
13 board of senior elders was looking into any of those
14 things?

15 A. No.

16 Q. And, in fact, are you aware of anybody at
17 any time from the Burien chapel that exercised any
18 oversight with respect to the financial matters
19 going on down at the Tacoma chapel?

20 A. No.

21 Q. Would you turn to Page 7, please, letter J,
22 "Duties of Deacons: The deacon board shall oversee
23 the necessary payments, insurance programs,
24 maintenance and safety of the buildings and grounds,
25 janitorial work, construction, purchases, appointment

1 of ushers, and other financial and mundane operations
2 of this satellite church."

3 Is it fair to say that it was your
4 understanding that the Burien chapel never intended
5 to provide insurance for the Tacoma chapel?

6 A. That's true.

7 Q. And, in fact, isn't it your understanding
8 that, by this paragraph, and from the bylaws of the
9 Tacoma chapel, that it is the job of the deacon board
10 to make sure the Tacoma chapel has an insurance
11 program?

12 MR. DODGE: I'll object to the form
13 of the question. He can testify what his
14 understanding was.

15 MR. WINCHELL: That's how I intended
16 to ask it, if I didn't.

17 A. I don't know what they actually did, but
18 the obligation, the deacon board's obligation would
19 be to take care of their own insurance programs and
20 financial obligations.

21 Q. (By Mr. Winchell) Was Jack McDonald ever an
22 employee of the Burien chapel?

23 A. No.

24 MR. DODGE: Object as far as that
25 calls for a legal conclusion.

1 MR. WINCHELL: You've got the answer.

2 Q. (By Mr. Winchell) Have you ever heard
3 anybody say that they considered Jack McDonald to be
4 an employee of the Burien chapel?

5 A. No.

6 Q. Did you ever consider him to be an
7 employer of the Burien chapel?

8 A. No. To be an employee of the Burien chapel
9 he'd have to appear on our payroll, which he doesn't.

10 Q. The Burien chapel never paid any Workers
11 Compensation premiums for Jack McDonald, I take it?

12 A. Never paid anything for him.

13 Q. You never provided health insurance for
14 him?

15 A. No.

16 Q. Never provided any disability insurance?

17 A. No.

18 Q. Never paid him any salary?

19 A. No.

20 Q. Never withheld any taxes?

21 A. No.

22 Q. On Page 10, first paragraph, if you want to
23 just read that to yourself.

24 A. We're talking about B?

25 Q. Yes.

1 A. Okay.

2 Q. It's the last clause in this. This
3 paragraph is generally talking about members of the
4 church, and one thing that is indicated, what the
5 members are supposed to do is willingly receive
6 counsel from church-appointed counselors as deemed
7 necessary by this church.

8 Now, when they talk about
9 "church-appointed counselors," I take it it would be
10 your understanding that they're talking about
11 counselors appointed by the Tacoma church?

12 A. Yes.

13 Q. They're not talking about counselors -- in
14 fact, there were no counselors appointed by the
15 Burien church, were there?

16 A. Yes, but not over the Tacoma church.

17 Q. That's what I meant, there were no
18 counselors appointed to go down to the Tacoma
19 church and counsel down there?

20 A. No.

21 Q. Did you ever know the Gabrielsons?

22 A. No.

23 Q. To your knowledge, have you ever met them?

24 A. No.

25 Q. Did you ever talk to Jack McDonald about

U.V.E. SEP 7 1988

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR PIERCE COUNTY

AMERICAN CASUALTY COMPANY OF)
READING PENNSYLVANIA, a)
Pennsylvania corporation,)
)
) Plaintiff,)
)
) v.)
)
) IRA GABRIELSON and CAROL)
) GABRIELSON, husband and wife;)
) DONALD LEE BARNETT and)
) BARBARA BARNETT, husband and)
) wife; COMMUNITY CHAPEL and)
) BIBLE TRAINING CENTER, a)
) Washington corporation,)
) JACK McDONALD and "JANE DOE")
) McDONALD, husband and wife,)
)
) Defendants.)

NO. 88-2-00947-9

MOTION TO EXCLUDE AFFIDAVIT
OF WILLIAM HICKMAN

FILED
IN COUNTY CLERK'S OFFICE
A.M. SEP 7 1988 P.M.
PIERCE COUNTY WASHINGTON
BY _____ DEPUTY

American Casualty Company moves to exclude the affidavit
of William Hickman filed by Gabrielson in connection with
Gabrielson's motion for partial summary judgment on the
issue of employee status and the scope of American's professional
services exclusion. This motion is based upon briefing

ORIGINAL

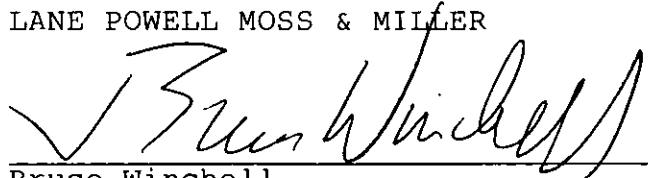
LANE POWELL MOSS & MILLER
3800 RAINIER BANK TOWER
SEATTLE, WASHINGTON 98101 2647
223 7000

5/21/2003 9:25:4
JBJ

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

contained within American's Memorandum's Opposing Gabrielson's
Motion for Partial Summary Judgment (Employee status).

LANE POWELL MOSS & MILLER



Bruce Winchell
Attorneys for Defendant

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

W.E. SEP 7 1988

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR PIERCE COUNTY

AMERICAN CASUALTY COMPANY OF)
READING PENNSYLVANIA, a)
Pennsylvania corporation,)
)
) Plaintiff,)
)
) v.)
)
) IRA GABRIELSON and CAROL)
) GABRIELSON, husband and wife;)
) DONALD LEE BARNETT and)
) BARBARA BARNETT, husband and)
) wife; COMMUNITY CHAPEL and)
) BIBLE TRAINING CENTER, a)
) Washington corporation,)
) JACK McDONALD and "JANE DOE")
) McDONALD, husband and wife,)
)
) Defendants.)

NO. 88-2-00947-9

MOTION TO EXCLUDE EXHIBIT I
TO THE AFFIDAVIT OF DANIEL
HANULA FILED IN CONNECTION
WITH GABRIELSON'S MOTION
FOR PARTIAL SUMMARY JUDGMENT

FILED
IN COUNTY CLERK'S OFFICE
A.M. SEP 7 1988 P.M.
PIERCE COUNTY WASHINGTON
120 NORTH, COUNTY CLERK'S
BY _____ DEPUTY

American Casualty Company moves to exclude Exhibit
I to the Affidavit of Daniel L. Hanula in Support of Defendant
Gabrielson's Motion for Summary Judgment Against Plaintiff.
This motion is based upon briefing contained within American's
Memorandum Opposing Gabrielson's Motion for Partial Summary

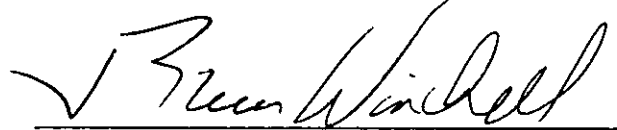
ORIGINAL

LANE POWELL MOSS & MILLER
3800 RAINIER BANK TOWER
SEATTLE, WASHINGTON 98101 2647
223 7000

15152
9/21/2003 88266
JBL

1 Judgment (Employee Status) and upon the attached Affidavit
2 of Bruce Winchell (Exhibit I).

3 LANE POWELL MOSS & MILLER

4 

5 Bruce Winchell
6 Attorneys for

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

MOTION TO EXCLUDE
EXHIBIT I

10798 5007/17/4 70101

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF PIERCE

W.E. SEP 7 1988

AMERICAN CASUALTY COMPANY OF)
READING PENNSYLVANIA, a)
Pennsylvania corporation,)
Plaintiff,)
vs.)
IRA GABRIELSON and CAROL)
GABRIELSON, husband and wife;)
DONALD LEE BARNETT, husband and)
wife; COMMUNITY CHAPEL and)
BIBLE TRAINING CENTER, a)
Washington corporation,)
Defendants.)

No. 88-2-00947-9

MEMORANDUM IN
SUPPORT OF
MOTION FOR
SUMMARY JUDGMENT

FILED
IN COUNTY CLERK'S OFFICE

A.M. **SEP 7 1988** P.M.

PIERCE COUNTY WASHINGTON
TAB HUNT, COUNTY CLERK
BY _____ DEPUTY

COMES NOW defendant Community Chapel and Bible Training Center ("Community Chapel") through its attorney and submits the following in support of defendant Gabrielson's motion for summary judgement.

FACTS AND DISCUSSION

The facts relevant herein are well stated in memoranda and supportive documents submitted by co-defendants Gabrielson and Barnett. There is no evidence that the Community Chapel had any knowledge of the alleged relationship between Jack MacDonald and Carol Gabrielson until often its cessation. See, Affidavits of Donald and Barbara Barnett.

MEMO IN OPPOSITION - 1

LAW OFFICES OF
JOHN S. GLASSMAN
625 COMMERCE STREET
TACOMA, WASHINGTON 98402
(206) 572-2746

15152 4/21/2003 00258
[Signature]

1 As the court knows, the underlying personal injury
2 action is being defended under a reservation of rights.
3 That case was filed in Spring, 1986. The present
4 declaratory action was not commenced until Spring, 1988.
5 Gabrielson's Motion is a narrow one - it seeks only coverage
6 for those injuries alleged to have been sustained arising
7 from any negligent counseling (and for any vicarious
8 liability arising therefrom). Despite the far reaching
9 allegations contained in Gabrielson's complaint (in the
10 underlying action) plaintiff has made little or no effort
11 to thoroughly investigate the alleged tortious conduct and
12 the nature and severity of the plaintiffs' injuries.
13 Rather, it has waited 2 1/2 years, allowed its insured to
14 swear under oath that coverage exists, has failed to conduct
15 any discovery whatsoever, on present evidence that would
16 justify its perfunctory use of the reservation of rights
17 procedure. Plaintiffs' real attitude is betrayed by its
18 counsel who often states that the Community Chapel has
19 "twelve million dollars in assets." So What? Insurance is
20 purchased to protect assets. Judges, for example, routinely
21 instruct juries that the wealth, or poverty of a defendant
22 is immaterial, and that individuals, corporations, etc. are
23 to be treated equally by the jury.

24 POLICY PROVISIONS

25 Between May 9, 1979 and May 9, 1986 Community Chapel
26 was a named insured under a general liability policy issued

MEMO IN OPPOSITION - 2

1 by plaintiff, No. IP50214020. Attached are relevant pages
2 of that policy. (See, Ex A, affidavit of Dan Hannula).
3 the document states that it is part of the "Encompass
4 Series" written by CNA " For all the commitments you make;"
5 and that the company shall defend any suit against the
6 insured even if the allegations are "groundless, false or
7 fraudulent."

8 The policy provides coverage for all damages arising
9 out of Bodily Injury caused by an occurrence. An occurrence
10 is defined as an accident including repeated or continuous
11 exposure to a condition which is neither expected nor
12 intended from the stand point of the insured. The coverage
13 provided is separate for each person or organization
14 qualifying as an insured, except with respect to policy
15 limits.

16 Summary Judgement is appropriate where there is no
17 genuine issue of material fact. CR 56

18 In Seven Gables v. MGM/UA Entertainment, 106 Wn. 2d 1,
19 13, 721 P.2d 1 (1986) our Supreme Court held the non-
20 moving party must set forth specific facts to rebut the
21 moving party's contentions, otherwise the motion must be
22 granted. See, Grimwood v. Puget Sound, 110 Wn. 2d 355, 359-
23 60, 753 P.2d 517 (1988).

24 No showing has been made by American as to why summary
25 judgement is inappropriate. Rather, American will attempt
26 to try issues more appropriately tried in the underlying

MEMO IN OPPOSITION - 3

1 action, e.g., vicarious liability. If American contests
2 this issue in this action, and loses, Gabrielson may argue
3 in the underlying trial that Community Chapel is estopped
4 from contesting vicarious liability in that forum-
5 substantially prejudicing Community Chapel. Americans non-
6 consideration for its insured is "heightened" considering
7 trial on the injury action is only days away. Further,
8 given American's expressed attitude ("\$12,000,000.00") it is
9 demonstrating that it could care less whether it harms
10 Community Chapels' defense, so long as it can escape
11 coverage.

12 In any event, Community Chapel directs the court to
13 Unigard v. Spokane School District., 20 Wn. App. 261, 265-
14 66, 579 P.2d 1015 (1979) wherein the parents of a child
15 that intentionally set fire to a school were afforded
16 coverage under their general liability (homeowners) policy
17 because they were named insurers and separate, per insured,
18 rather than joint, coverage was provided. Therefore
19 MacDonalds intent on expectation is not relevant to any
20 coverage issue as far as Community Chapel is involved. See,
21 Federated American v. Strong, 102 Wn. 2d 665, 689 P.2d 68
(1984).

22 Finally, the court should rule as a matter of law that
23 Americans' purported "professional services" exclusion does
24 not bar coverage in this case.

25 //

26 MEMO IN OPPOSITION - 4

1 Carol Gabrielson does not claim damages due to the
2 provision of school, college, university or college
3 preparatory operations. Yet, construing the exclusion in a
4 light most favorable to the insured, Dairyland Ins. Co. v.
5 Ward, 83 Wn. 2d 353, 517 P.2 966 (1974), coverage must be
6 granted.

7 The supposed exclusionary clause for professional
8 services provides:

9 It is agreed that with respect to any operations
10 described below or designated in the policy as subject
11 this endorsement the insurance does not apply to bodily
12 injury or property damage due to

13 1. the rendering of or failure to render. . .

14 (b) any service or treatment
15 conducive to Health or of a
16 professional nature. . .

17 Description of Operations: School --
18 Colleges, Universities or College Preparatory.

19 The American policy is presumed to provide coverage
20 because it does not specifically exclude professional
21 services related to Church operation. Phil Schroeder, Inc.
22 v. Royal Globe, 99 Wn. 2d 65, 69, 659 P.2d 509 (1983).

23 CONCLUSION

24 For the reasons above stated, the court should declare
25 that there insurance coverage paid for by the Community

26 //

//


//

//

MEMO IN OPPOSITION - 5

Chapel will cover and protect it from any judgement or
verdict in Gabrielson's favor in the underlying action.

DATED this 6 day of September, 1988.



JOHN S. GLASSMAN
Attorney for Defendant
Community Chapel

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

W.E. SEP 7 1988

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR PIERCE COUNTY

AMERICAN CASUALTY COMPANY OF)
READING PENNSYLVANIA, a)
Pennsylvania corporation,)

NO. 88-2-00947-9

Plaintiff,)

DECLARATION OF BRUCE WINCHELL
(EXHIBIT I)

v.)

IRA GABRIELSON and CAROL)
GABRIELSON, husband and wife;)
DONALD LEE BARNETT and)
BARBARA BARNETT, husband and)
wife; COMMUNITY CHAPEL and)
BIBLE TRAINING CENTER, a)
Washington corporation,)
JACK McDONALD and "JANE DOE")
McDONALD, husband and wife,)

Defendants.)

FILED
IN COUNTY CLERK'S OFFICE
A.M. SEP 7 1988 P.M.
PIERCE COUNTY WASHINGTON
CLERK OF SUPERIOR COURT
BY _____ CLERK

1. My name is Bruce Winchell. I am one of the attorneys for American Casualty Company.

2. Exhibit I to the affidavit of Daniel L. Hanula should be excluded because it is irrelevant, contains information which is protected by the attorney-client privilege and is work product. Attached to this affidavit is a letter from Harold Dodge in which he indicates that this letter was produced by Jack Hicks during Jack Hicks' deposition. At the time that Mr. Hicks responded to a

DECLARATION OF BRUCE WINCHELL
(EXHIBIT I)

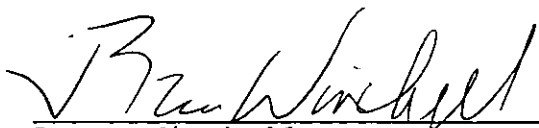
LANE POWELL MOSS & MILLER
3800 RAINIER BANK TOWER
SEATTLE, WASHINGTON 98101 2647
223 7000

ORIGINAL

4/21/2003 08274
15152
JBY

1 subpoena by producing this letter, he was not an employee
2 of the Community Chapel and Bible Training Center. Therefore,
3 there was no action taken by Community Chapel and Bible
4 Training Center which would constitute a waiver of any
5 of the privileges which ought to preclude the court from
6 considering that document.

7 LANE POWELL MOSS & MILLER

8 

9 Bruce Winchell
10 Attorneys for Defendant

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

15152 4/21/2003 88275

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

FILED
IN COUNTY CLERK'S OFFICE
A.M. SEP 7 1988 P.M. W.E. SEP 7 1988
PIERCE COUNTY WASHINGTON
THE COURT OF COUNTY CLERK
CLERK

SUPERIOR COURT OF WASHINGTON FOR PIERCE COUNTY

AMERICAN CASUALTY COMPANY OF)
READING, PENNSYLVANIA, a)
Pennsylvania corporation,)
Plaintiff,)
v.)
IRA GABRIELSON and CAROL)
GABRIELSON, husband and wife;)
DONALD LEE BARNETT and BARBARA)
BARNETT, husband and wife;)
COMMUNITY CHAPEL and BIBLE)
TRAINING CENTER, a Washington)
corporation; JACK McDONALD and)
"JANE DOE" McDONALD, husband and)
wife,)
Defendants.)

No. 88-2-00947-9

AMERICAN CASUALTY'S
MEMORANDUM OPPOSING
GABRIELSONS' MOTION
FOR PARTIAL SUMMARY
JUDGMENT

I.

INTRODUCTION

Gabrielson's motion for summary judgment seeks a declara-
tion that Jack McDonald, pastor of the Community Chapel and
Bible Training Center of Tacoma ("Tacoma Corporation"), a not
for profit corporation, was an employee of the Community Chapel
and Bible Training Center (Burien Corporation), a separate not

ORIGINAL

01288 5882717/4

Handwritten initials and marks at the bottom right corner.

1 for profit corporation. Gabrielson's motion is based upon the
2 unsupported proposition that the Burien Corporation's bylaws
3 affect control of the Tacoma Corporation. Some of the factors
4 which demonstrate how utterly frivolous Gabrielson motion are
5 are listed below.

- 6 • Under Washington law, the question of employment
7 status is a question of fact.
- 8 • Under Washington law, the separateness of
9 corporate entities will not be disregarded absent
10 fraud.
- 11 • Under Washington law, the ultimate authority over
12 not for profit corporations with non-voting mem-
13 bers is vested in the Board of Directors. None
14 of the Burien Corporation's officers or directors
15 served on the board of the Tacoma Corporation.
- 16 • Jack McDonald was not selected as pastor by the
17 Burien Corporation.
- 18 • Jack McDonald was not paid by the Burien
19 Corporation.
- 20 • Jack McDonald's activities as a minister were not
21 supervised by the Burien Corporation.
- 22 • Jack McDonald was not terminated by the Burien
23 Corporation.

24 The complete lack of control exercised by or available to the
25 Burien corporation is discussed in greater detail in
26 Section III below.

Gabrielson's motion must also be denied because it seeks
coverage in the event of a jury verdict for negligent counsel-
ing by Jack McDonald in the underlying action. Under
Washington law, American is not bound by such findings in the
underlying action. Moreover, Gabrielson has not even attempted

11798 5892/17/4 25151

1 to address the question of whether McDonald acted "within the
2 scope of his duties". Gabrielson has also ignored key ques-
3 tions of fact raised by the insurance application and Declara-
4 tions pages of the policy, particularly insofar as they relate
5 to coverage for counseling operations in Tacoma. Gabrielson's
6 motion should be denied.

7 II.

8 PROCEDURAL BACKGROUND^{1/}

9 The case underlying this declaratory action, Gabrielson v.
10 McDonald, et al., was instituted in the Spring of 1986. Claims
11 were made against Jack McDonald, the Tacoma Corporation, Pastor
12 Don Barnett, and the Burien Corporation. The Burien
13 Corporation and Barnett tendered defense of the claims against
14 them to American Casualty ("American"). American agreed to
15 defend the matter under a reservation of rights. McDonald and
16 the Tacoma Corporation did not tender defense of the claims
17 against them until February 1988.

18 American retained attorney Michael Bond to defend Barnett
19 and the Burien Corporation. Because the matter was being
20 defended under a reservation of rights, Mr. Bond was prohibited
21 from reporting any information to American which might
22 prejudice his clients with respect to coverage matters.
23 Tank v. State Farm, 105 Wn.2d 381, 715 P.2d 1133 (1986).

24
25
26 ^{1/}See Affidavit of Bruce Winchell.

1 In the Fall of 1987, Pastor Barnett was deposed after the
2 court ordered that his deposition be sealed. Following that
3 deposition, Mr. Bond withdrew as counsel for Barnett due to an
4 irreconcilable conflict of interest between Barnett and the
5 Corporation. The firm of Evans, Craven & Lackey was retained
6 to represent Barnett. At that juncture, there was an April
7 1987 trial date. In related lawsuits pending in King County,
8 Mr. Bond also withdrew as to all defendants except the Burien
9 Corporation. The Evans, Craven firm and two other firms were
10 retained to represent the individual defendants in that litiga-
11 tion. What at its inception had appeared to be a relatively
12 frivolous claim which could be disposed of by summary judgment
13 was now the focus of intense scrutiny from the press, with
14 multiple attorneys involved for multiple defendants, and
15 American was precluded from reviewing the testimony of Pastor
16 Barnett, the single most critical witness. Because of these
17 unforeseen events, American retained Lane Powell Moss & Miller
18 to represent its interests in these actions. Tank v. State
19 Farm expressly permits such representation.

20 In an effort to learn what was occurring in the underlying
21 actions, American sought to intervene for the purpose of
22 attending depositions in that case. That motion was denied.
23 American then instituted a declaratory judgment action. In
24 February of 1988, two months before trial, Pastor McDonald and
25 the Tacoma Corporation tendered the defense of the claims
26 against them to American. American agreed to defend those

C1288 5987/17/4 75191

1 claims under a reservation of rights and retained yet another
2 law firm for that purpose.

3 American acted quickly to obtain discovery of documents
4 relevant to the declaratory action. It then moved for partial
5 summary judgment on the question of whether there was a duty to
6 pay any judgment for emotional distress under the bodily injury
7 provisions of its policy. That motion was denied. At that
8 same time all of the defendants in the declaratory action
9 expressed concerns about American engaging in discovery before
10 trial in the underlying action. For instance, counsel for
11 Barnett noted in their supplemental brief:

12 Until the underlying action is resolved, the only
13 issues presently before this court are upon the duty
14 to defend. See Western National Assur. v. Hecker, 43
15 Wn. App. 816, 820-21, 719 P.2d 954 (Div. II 1986).
16 The only information which is relevant upon this issue
17 is the complaint filed in the underlying action.
18 ". . . [T]he duty to defend hinges not on the
19 insured's potential liability to the claimant, but
20 rather on whether complaint contains any factual alle-
21 gations rendering the insurer liable to the insured
22 under the policy." State Farm Insurance v. Emerson,
23 102 Wn.2d 477, 486, 687 P.2d 1139 (1984). None of the
24 information contained within the deposition of Don
25 Barnett bear any relevance to this issue. None of the
26 information contained therein changes the face of the
Gabrielson complaint.

The duty of American Casualty to pay depends upon
resolution of the underlying action. See Western
National Assurance v. Hecker, 43 Wn. App. 816, 820-21,
719 P.2d 954 (Div. II 1986). Until this underlying
action is resolved, this court has no basis to deter-
mine the relevancy, if any, of information contained
within the deposition of Dan Barnett.

* * *

American Casualty is presently defending the Barnetts
under a reservation of rights. An insurance company

00700 0007/17/4 75151

1 defending under a reservation of rights owes an
enhanced obligation of good faith to its insured.
2 . . . American Casualty's attempt to push discovery in
3 this matter prior to trial in the underlying action is
4 a direction violation of this duty. . . . In American
Casualty's rush to have coverage issues determined, it
5 has given counsel for the Gabrielsons a second oppor-
6 tunity to depose Don Barnett and Jack McDonald prior
7 to trial in the underlying action. In short, many of
the issues which American Casualty seeks to establish
8 to defeat coverage, such as intent on the part of its
insured, are contrary to defense of the underlying
action. At the same time American Casualty has under-
9 taken to defend its insured against the claims of the
Gabrielsons in the underlying action, it seeks to try
the Gabrielsons case for them in this action.

10 . . . Clearly, there is no prejudice to it in awaiting
11 the outcome of the underlying action. In Wier v.
12 Farmers Insurance Company, 49 Wn. App. 655, 745 P.2d
13 526 (Div. II 1987), the Court of Appeals for this
14 division held that an insurance company would not be
15 bound by determinations adverse to its interests that
16 are made in an underlying action in which the insurer
17 is defending under a reservation of rights.

18 Defendant Barnetts' Supplemental Brief and Affidavit in Opposi-
19 tion to Motion to Compel Discovery, pp. 4-6 (emphasis added).
20 Furthermore the court will recall that in ruling upon
21 American's motion for partial summary judgment, its expressed
22 concern about American engaging in discovery and bringing
23 partially dispositive motions before trial of the underlying
24 action.

25 Accordingly, American stipulated to limit its discovery to
26 taking the deposition of Pastor Barnett (which was permitted by
court order) and receiving copies of depositions which were not
sealed in the underlying action. The court file reflects that
85 depositions have been noted in the underlying action.
American has requested production of those depositions.

19798 5907/17/4 7C151

1 Counsel for the church, David Anderson, and for Barnett have
2 agreed to produce depositions which are not sealed. To date,
3 only seven depositions have been produced. American has
4 completed the bulk of Barnett's deposition. However, Barnett
5 refused to discuss anything relating to his own sexual
6 activities except during a nine month period which he deemed
7 relevant to this action. American has refrained from all other
8 discovery pending resolution of the underlying action.

9 In short, American's opportunity for meaningful discovery
10 has been practically non-existent. At virtually every junc-
11 ture, American's efforts to learn the facts relevant to cover-
12 age have been the subject of allegations of bad faith, claims
13 or moving the quickly, claims of moving too slowly, and
14 generally obstructive conduct by certain of the parties.
15 Throughout, American has paid for very able counsel to
16 vigorously defend these underlying lawsuits. American has
17 informed this court that it does not contest its duty to
18 defend. American has acknowledged the concerns regarding
19 potential conflicts and willingly limited its discovery in view
20 of those concerns only to be faced with the incredible
21 contention, never expressed until now, that the stay was
22 ineffective because of a three month continuance of the
23 underlying case. Gabrielson, in a complete reversal of its
24 previous position now asserts that McDonalds employment status
25 should be resolved by summary judgment after one deposition.
26

1 [T]he issue of whether Jack McDonald is an employee
2 . . . will involve a very in-depth examination of the
3 corporate structure of community chapel . . . and the
4 relationship of satellite churches to the main
5 corporation.

6 * * *

7 [G]reat questions of fact exist as to whether or not
8 Jack McDonald is an . . . employee of the plaintiffs
9 insured.

10 [P]laintiff's motion is untimely at this point because
11 defendants, Carol and Dan Gabrielson have not had an
12 opportunity to engage in discovery pertinent to
13 coverage issue.

14 Defendant Gabrielson's Memorandum in Opposition to Plaintiff's
15 Motion for Summary Judgment pp. 3, 7, 19. Gabrielson now
16 asserts employment status is to be decided as a matter of law,
17 that no "in-depth examination" of Community Chapel's structure
18 is needed, and that further discovery by American is uncalled
19 for.

20 III.

21 FACTUAL BACKGROUND

22 The Burien Corporation was incorporated in 1967. Barnett
23 Deposition at 31-32. By 1987, eight or nine "satellite"
24 churches existed which utilized the name Community Chapel and
25 Bible Training Center. Barnett Deposition at 86. The Tacoma
26 Corporation was one of those separate entities. The Burien
Corporation had become immensely successful with, according to
news accounts, over 2,000 members and property which cost
\$10 million. Exhibit A to Affidavit of Bruce Winchell.

88288 8887/17/4 76151

1 Jack McDonald has indicated in an interview that he became
2 a member of the Burien Corporation in 1973. He attended bible
3 college and graduated in 1979. He then founded a bible study
4 group in Tacoma. By 1982, the group had grown considerably and
5 expressed interest in becoming a satellite church. The Burien
6 Corporation assisted them in incorporating by providing form
7 articles and bylaws. Affidavit of Bruce Winchell Opposing
8 Gabrielson's Motion for Partial Summary Judgment (Employee
9 Status).

10 Based upon an interview with Jack Hicks, who was the chief
11 administrator for the Burien Corporation, it is clear that it
12 was always the Burien Corporation's intent that the satellite
13 corporations would be separate legal entities entirely respon-
14 sible for management of their own affairs and their financial
15 well-being. Affidavit of Bruce Winchell. The following
16 factors demonstrate the separate nature of the Tacoma
17 Corporation.

18 A. Testimony of Pastor Barnett.

19 1. All of the satellite churches were separate
20 corporations. Barnett Deposition, pp. 87, ll. 10-12.

21 2. Each corporation had its own Pastor. Barnett
22 Deposition, pp. 87, ll. 13-14.

23 3. Each satellite corporation had its own board of
24 directors responsible for governing the satellite. Barnett
25 Deposition, pp. 87, ll. 15-18. Satellites "are a separate
26

48798 5887/17/4 75191

1 corporation, and are responsible for their own selves."

2 Barnett Deposition, pp. 89, ll. 18-24.

3 4. The satellite corporations select their own pastors.
4 There has never been an instance in which the selection by the
5 congregation was disputed by the Burien Corporation. Barnett
6 Deposition, pp. 92, l. 13, 97, l. 8.

7 Q. So, you've never gone against the wishes of a
8 congregation with respect to the selection of
9 their pastor?

9 A. No.

10 5. The board of directors for a satellite corporation is
11 not the same board of directors as for the Burien corporation.
12 Barnett Deposition, p. 97, ll. 13-18.

13 6. The pastor of the Burien corporation has no
14 "day-to-day responsibility for the services that go on at the
15 satellite church." Barnett Deposition, p. 97, ll. 24-28,
16 pp. 98, l. 10.

17 7. The pastor of the satellite corporation has "the
18 prerogative to minister and lead the services as he feels the
19 holy spirit shall lead" and it "is not . . . the position of
20 any senior elder or elder within the corporation church, to
21 tell that pastor how to minister and lead the services."
22 Barnett Deposition, p. 98, ll. 11-22.

23 8. "[T]he pastor of the satellite church has authority to
24 govern his own church in its entirety." Barnett Deposition,
25 p. 98, l. 23 - p. 99, l. 22.

26

1 9. The pastor of the satellite corporation has "the
2 authority to appoint, instruct, oversee and remove any and all
3 bible and sunday school teachers in the church." The leaders
4 of the Burien corporation have no right, duty or power in that
5 respect. Barnett Deposition, p. 100, ll. 3-16.

6 10. The pastor of the satellite corporation has the sole
7 power and authority to appoint associates and assistants within
8 the satellite corporation. Barnett Deposition, p. 100, l. 17 -
9 p. 101, l. 1.

10 11. The pastor of the satellite corporation has the sole
11 power to appoint members of the deacon board. The leadership
12 of the Burien corporation hs no such power. Barnett
13 Deposition, p. 101, l. 17 - p. 102, l. 2.

14 12. The pastor of each satellite corporation has the power
15 to minister "as God gives him ability" without any sort of con-
16 trol as to what was being taught at the satellite churches or
17 to see if the satellite churches were adhering to the doctrine
18 espoused by the Burien corporation.

19 Q. Did you ever send people out to sort of audit
20 what was being taught at satellite churches to
21 see if they were adhering to doctrine?

22 A. No.

23 Q. That was never done?

24 A. No.

25 Barnett Deposition, p. 102, l. 7 - p. 103, l. 7.

26 13. No financial audits were ever performed on the
satellite corporations. Barnett Deposition, p. 103, ll. 8-10.

1 14. The Burien corporation never received financial
2 reports from satellite corporations. Barnett Deposition,
3 p. 104, ll. 22-24.

4 15. The Burien corporation did not know the salaries of
5 the ministers for the satellite corporations. Barnett
6 Deposition, p. 104, l. 25 - p. 105, l. 1.

7 16. The Burien corporation did not know the salaries of
8 the employees of the satellite corporations. Barnett
9 Deposition, p. 105, ll. 2-4.

10 17. The Burien corporation received no reports of revenues
11 of the satellite corporations. Barnett Deposition, p. 105,
12 ll. 5-7.

13 18. The Burien corporation received no reports as to
14 liabilities of the satellite corporations. Barnett Deposition,
15 p. 105, ll. 8-10.

16 19. No approval was necessary by the Burien corporation in
17 order for the satellite corporation to incur liabilities.
18 Barnett Deposition, p. 105, ll. 11-14.

19 20. The satellite corporations were completely responsible
20 for their own insurance needs.

21 Q. Were they responsible for their own insurance
22 programs?

23 A. Yes.

24 Barnett Deposition, p. 105, ll. 15-17.

25 21. The Burien corporation had no involvement in budgeting
26 at the satellite corporations. Barnett Deposition, p. 105,
ll. 18-21.

1 22. The pastor for the satellite corporation appointed all
2 voting and non-voting elders for the satellite corporation.

3 Barnett Deposition, p. 105, l. 25 - p. 106, l. 7.

4 23. The board of elders for the satellite corporation was
5 free to act without any supervision from the Burien
6 corporation. Barnett Deposition, p. 107, ll. 12-15.

7 24. All decisions with respect to the purchase or sale of
8 real property were within the sole jurisdiction of the board of
9 elders for the satellite corporation. Barnett Deposition,
10 p. 108, ll. 11-18.

11 25. The congregation of the Tacoma corporation selected
12 Jack McDonald to be their pastor. Barnett Deposition, p. 114,
13 ll. 9-13.

14 26. The incorporators of the Tacoma corporation were never
15 involved as elders, senior elders or deacons of the Burien
16 corporation. Barnett Deposition, p. 117, ll. 12-18.

17 27. The board of directors of the Tacoma corporation had
18 the power to govern the corporation. Barnett Deposition,
19 p. 118, ll. 2-5.

20 28. The board of directors of the Tacoma Corporation had
21 the sole right and power to amend the articles of incorporation
22 or the Tacoma corporation. Barnett Deposition, p. 121,
23 ll. 14-19.

24 29. The Burien corporation never intended to insure the
25 Tacoma corporation.
26

00200 5007/12/R 25101

1 Q. Is it fair to say that it was your understanding
2 that the Burien Corporation never intended to
provide insurance for the Tacoma Corporation?

3 A. That's true.

4 Barnett Deposition, p. 125, ll. 3-6.

5 30. Jack McDonald was never an employee of the Burien
6 Corporation. Barnett Deposition, p. 125, ll. 21-23.

7 Q. Was Jack McDonald ever an employee of the Burien
8 Corporation?

9 A. No.

10 * * *

11 Q. Have you ever heard anybody say that they
12 considered Jack McDonald to be an employee of the
Burien Corporation?

13 A. No.

14 Q. Did you ever consider him to be an employee of
the Burien Corporation?

15 A. No. To be an employee of the Burien Corporation
16 he'd have to appear on our payroll, which he
doesn't.

17 Q. The Burien Corporation never paid any worker's
18 compensation premiums for Jack McDonald, I take
it?

19 A. Never paid anything for him.

20 Q. You never provided health insurance for him?

21 A. No.

22 Q. Never provided any disability insurance?

23 A. No.

24 Q. Never paid him any salary?

25 A. No.

26 Q. Never withheld any taxes?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

A. No.

Barnett Deposition, p. 127, l. 21 - p. 126, l. 21.

31. Counselling of the Tacoma Corporation members was to be provided by the Tacoma Corporation. Barnett Deposition, p. 127, ll. 2-20.

B. Articles of Incorporation of Tacoma Corporation.

32. The Tacoma Corporation's Articles of Incorporation provide:

b. . . . All decision making for this corporation shall be hereafter vested in the board of directors, except as specifically limited by the corporation bylaws.

c. The affairs of this corporation shall be managed by a board of directors.

Article 9.

C. Bylaws of Tacoma Corporation.

33. The Tacoma Corporation's Articles provide:

c. The bylaws of the corporation may be amended by a three-fourths ($\frac{3}{4}$) affirmative vote of the board of directors and the Pastor's concurrence.

Section I, Article 10. There is no limitation on the Tacoma Corporation's Board's power to amend Bylaws.

34. The Tacoma Corporation's bylaws provide:

This Satellite Church shall be financially self-supporting and financially self-governing. The corporation church shall not be obligated to assume any financial obligation of this Satellite Church.

Section I, Article Three.

35. The bylaws conferred nearly unlimited power for day to day management upon Jack McDonald:

00788 5882/1724 25151

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

1. The Pastor shall be responsible for all services . . .

2. The Pastor shall have the freedom to minister and lend the services as he feels the Holy Spirit Leads him.

3. The Pastor may question and advise any and all members of the Church, including its governing bodies, as he feels led.

4. The Pastor may appoint, instruct, oversee, and remove any and all school tenders in the Church.

5. The Pastor may appoint, oversee, and remove associates and assistants for spiritual ministries.

6. The Pastor may appoint and oversee a vice-president . . .

7. The Pastor may appoint and oversee officers and helpers.

Section II, Article One, D.

36. The bylaws provide:

The Pastor's salary shall be determined by the Board . . .

Section II, Article One, F.

37. The Bylaws provide:

All . . . Elders . . . are elders only with this Satellite Church . . .

Section II, Article Two, H.

38. The Bylaws provide:

New Deacons shall be elected to office by a simple majority of the voting congregation.

Section II, Article Three, D.

39. The Bylaws provide:

The Pastor shall appoint one of the Deacons to be Chairman, or he shall appoint himself . . .

16728 8007/17/4 25151

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Section II, Article Three, H.

40. The Bylaws provide:

The Deacon Board shall oversee the necessary payments, insurance program, . . . and other financial and mundane obligations of this Satellite Church.

Section II, Article Three, J.

41. The Bylaws provide:

The Chairman of the Board of Voting Elders shall appoint . . . the Secretary.

Section II, Article Four, A.

42. All approvals of expenditures are within the

Satellite. No approval by the Burien Corporation is needed.

Section II, Article Five, B.

43. The Bylaws provide:

The Treasurer shall be appointed by the Deacon Board . . .

Section II, Article Six, A.

44. The Bylaws provide:

Congregational business meetings may be called only by the Pastor . . .

Section II, Article Nine.

45. The bylaws provide:

The counselor shall not attempt to control or manipulate the life of another individual

Section II, Article Four, B. Any actions by McDonald contrary to this last provision were not within the scope of his authority.

26288 6802/1728 26151

1 If any order granting summary judgment is appropriate, it
2 should be that Jack McDonald was not an employee of the Burien
3 Corporation.

4 III.

5 LEGAL ARGUMENT

6 A. Employment Status.

7 The policy at issue provides coverage to "any employee, of
8 the named insured, while acting within the scope of their
9 duties. The named insured was the Burien corporation. Jack
10 McDonald was an employee of the Tacoma corporation. As such,
11 he is not an insured under the policy.

12 A general statement of the rule which applies to
13 determination of employment status is contained in Section 220
14 of the Restatement (Second) of Agency:

15 A servant is a person employed to perform
16 services in the affairs of another and who with
17 respect to physical conduct in the performance of the
services is subject to the other's control or right to
control.

18 The U.S. Supreme Court has identified seven factors bearing
19 upon determination of employment status.

20 (1) The degree of control exercised over details
of the work.

21 (2) Investment in work facilities.

22 (3) Opportunity for profit or loss.

23 (4) Whether the work is a regular part of the
24 principal's business.

25 (5) Right of discharge.

26 (6) Permanency of the relationship.

1 (7) The relationship the parties think they are
2 creating.

3 United States v. Silk, 331 U.S. 704, 716 (1947). The question
4 of employee status is a question of fact. Baxter v.
5 Morningside, 10 Wn. App. 873, 521 P.2d 946 (1979); McGuire v.
6 United States, 349 F.2d 644, 646 (9th Cir. 1965). Resolution
7 of employee status depends upon the facts and circumstances of
8 each case. One who is an independent contractor is not an
9 employee as that term is used in an insurance policy. Lilly v.
10 Lorenzon, 192 Wash. 318, 73 P.2d 798 (1937).

11 The word "employee" . . . imports some sort of
12 continuous service rendered for wages or salary and
13 subject to the direction of the employer . . . as to
14 how the work shall be done.

15 Id. at 324.

16 In this case, McDonald was not paid by the Burien Corpora-
17 tion and was not subject to any control whatsoever during the
18 entire five years he was pastor of the Tacoma Corporation.
19 That total lack of control is clearly demonstrated by Barnett's
20 testimony, the Tacoma Corporation's Articles of Incorporation
21 and the Tacoma Corporation's Bylaws.

22 Of importance in this case is the fact that there were two
23 separate corporations. In the context of parent and subsidiary
24 corporations, (a much closer relation) the negligent act of an
25 employee of the subsidiary will not be imputed to the parent
26 absent fraudulent manipulation by the parent of the subsidiary.
Peterick v. State, 22 Wn. App. 163, 184-185, 587 P.2d 250
(1977). Mere control is insufficient.

15152 4/21/85 08234
5827/17/5 25151

1 Thus, in addition to the usual elements of common
2 stockholders, directors and officers, the following
3 facts have been relied upon: excessive financing by
4 the parent of the subsidiary corporation; payment of
5 the subsidiary's expenses and losses by the parent;
6 use by the parent of the subsidiary's property as his
7 or its own; description by the parent of the subsidi-
8 ary as part of its business; the acts of the subsidi-
9 ary in the interest of the payment rather than its own
10 interest; the fact that the subsidiary has no business
11 except with a parent corporation and no assets except
12 those conveyed to it by the parent corporation; the
13 fact that formal legal requirements . . . are not
14 observed by the subsidiary.

8 Horowitz, Disregarding the Entity of Private Corporations, 14
9 Wash. L. Rev. 285, 272-73 (1939). Applying the cited factors,
10 in this case there were no common officers of directors; no
11 financial support by the Burien Corporation; no use of the
12 Tacoma Corporation property by the Burien Corporation; the
13 Tacoma Corporation did not exist simply to serve the Burien
14 Corporation; the Tacoma Corporation did not transact business
15 only with the Burien Corporation; and no property was conveyed
16 by the Burien Corporation to the Tacoma Corporation. It is
17 clearly impermissible to disregard the separate corporate
18 entities under the facts of the this case.

19 Another factor of importance is that an employee-employer
20 relationship is based upon contract. Hauger v. Central
21 Lutheran Church, 58 Wn.2d 166, 168, 361 P.2d 637 (1961).
22 Bylaws do not create an employer-employee relationship.

23 The simple fact is that Jack McDonald was not employed by
24 the Burien Corporation. He was selected by the Tacoma Corpora-
25 tion. He was paid by the Tacoma Corporation. The Tacoma
26

15152 4/21/2003 08255

1 Corporation was completely self-governing. The Burien Corpora-
2 tion did not fund the Tacoma Corporation. There were no common
3 directors, elders or deacons. The Burien Corporation did noth-
4 ing to monitor the Tacoma Corporation's activities. The Tacoma
5 Corporation provided no financial reports to the Burien Corpor-
6 ation. The Tacoma Corporation's bylaws contain virtually noth-
7 ing demonstrating a right of control by the Burien Corpora-
8 tion. Gabrielson, for obvious reasons, cites at length the
9 Burien Corporation bylaws. Gabrielson can cite no authority
10 for the peculiar proposition that the Burien Corporation's
11 bylaws can control the governance of the Tacoma Corporation.
12 Presumably, none exists.

13 B. Burien Corporation's Bylaws Were Illegal.

14 Gabrielson points out that the Burien Corporation's bylaws
15 purport to grant it power to control the form of and amendments
16 to the Tacoma Corporation's bylaws. Such a "grant" of power is
17 illegal under Washington law. RCW 24.03.070 provides:

18 The initial bylaws of a corporation shall be
19 adopted by its board of directors. The power to
20 alter, amend or repeal the bylaws or adopt new bylaws
shall be vested in the board of directors, unless
otherwise provided in the articles of incorporation or
bylaws.

21 RCW 24.03.170 provides:

22 Amendments to the Articles of Incorporation shall
23 be made in the following manner:

24 * * *

25 (2) Where there are no members . . . an amend-
26 ment shall be adopted at a meeting of the board of
directors upon receiving the vote of a majority of the
directors in office.

1 Bylaws may not be inconsistent with Articles of Incorporation.
2 RCW 24.03.070.

3 Thus, any provision in the Burien Corporation's Bylaws pur-
4 porting to limit the power of the Tacoma corporation is irrele-
5 vant. By law, the Tacoma Corporation's board is empowered to
6 adopt and amend the bylaws and Articles of that corporation.
7 Even if there were provisions in the Tacoma Bylaws and Articles
8 acknowledging some right of the Burien Corporation, the Tacoma
9 Board could simply amend them. That power resided solely in
10 the board of directors of the Tacoma Corporation. The ultimate
11 right to control Jack McDonald belonged to the board of the
12 Tacoma Corporation. Presumably, the only right the Burien
13 Corporation had was to prevent the Tacoma Corporation from
14 using the words "Community Chapel and Bible Training Center" as
15 part of its name.

16 C. The Relief Requested Cannot Be Granted.

17 Gabrielson requests an order which would provide coverage
18 if Gabrielson obtains a verdict for negligent counseling
19 against McDonald. Such relief is unavailable for two reasons.
20 First, American is not bound by any result in the underlying
21 action. Second, Gabrielson may not attempt to manipulate a
22 verdict into coverage by calling intentional sex abuse negli-
23 gent counseling. Wear v. Farmers Insurance Co., 49 Wn. App.
24 655 (Division Two, Nov. 1987).

25 In the Farmers case, Wear assaulted Blunck. Blunck sued
26 under theories of negligence and assault. Farmers defended

15152 4/21/2003 88257

1 Wear under a reservation of rights. The jury verdict for
2 \$45,000 found Wear was negligent and that Wear had assaulted
3 Blunck. Farmers denied coverage based upon an intentional acts
4 exclusion. Wear instituted a declaratory action. The trial
5 court concluded the ambiguity of the verdict should be resolved
6 against Farmers to permit coverage. The Court of Appeals
7 reversed. It held first that applying basic principles of
8 collateral estoppel, Farmers was not bound by the result of the
9 underlying action. Farmers had not had a full and fair oppor-
10 tunity to litigate the relevant issues.^{2/}

11 The Court of Appeals went on to find, as a matter of law,
12 that notwithstanding the jury verdict, Wear's act was
13 intentional and non-covered.

14 The court in this action cannot now determine that acts of
15 "negligent counseling" are covered. Negligent counseling is a
16 legal theory. The insurance policy covers damages for bodily
17 injury caused by occurrences, not damages awarded under any
18 particular legal theory. The court or trier of fact must
19 ultimately decide (if plaintiff prevails in the underlying
20 action) whether McDonald was an employee, acting within the
21 scope of his authority, and, if so, whether Gabrielson received
22 bodily injuries caused by an accident which resulted in

23
24 ^{2/}American's lack of opportunity in this regard is all
25 the more obvious where it sought to intervene but was not
26 permitted to do so.

1 unexpected harm.^{3/} The issue raised by Gabrielson is
2 irrelevant to that determination.

3 Furthermore, it is premature for the court to consider the
4 scope of the professional services exclusion at this time for
5 several reasons. First, Gabrielson makes much of the
6 designation "Church and College" on the Declaration page.
7 Attached as an Exhibit B to the affidavit of Bruce Winchell is
8 the application for insurance submitted by the Burien
9 Corporation. It describes the insured as a "Church College".
10 The business of the insured is described as "Church College".
11 Nowhere on the application did the insured give notice that the
12 "business of the insured" included a highly organized
13 counseling program.

14 Second, the address of the insured is shown on the address
15 of the Burien Corporation. Nowhere is there any indication of
16 operations for which insurance was sought included marriage
17 counseling in other cities.

18 Third, consistent with the application, the declaration
19 pages for 1982, 1983, 1984 and 1985 (Exhibit B) describe the
20 insured as a "Church College". Even the 1986 Declarations page
21 indicates that the insured is a "Church College". Each of the
22 Declaration pages lists the Burien Corporation as the named

23 _____
24 ^{3/}Gabrielson has not considered the question of whether
25 McDonald was acting within the scope of his authority as a
26 minister when he "coerced and unduly influenced" Gabrielson
"into having a sexual relationship." Since Gabrielson has not
raised this question, American does not brief this issue.

1 insured and gives the address of the Burien Corporation. There
2 is no indication of any intent to insure operations other than
3 those of the "Church College" located in Burien.

4 American must perform additional discovery, including but
5 not limited to deposing the insurance agent involved, to
6 determine whether there was a material misrepresentation by the
7 Burien Corporation in obtaining the policy. Since the
8 application disclosed only the existence of a "Church College"
9 in Burien, it is only natural that the endorsement excluding
10 liability for professional services did not mention of
11 counseling services in Tacoma.

12 D. Hickman's Affidavit.

13 American objects to consideration of the Hickman affidavit
14 and asks that the court not considered it in this motion. It
15 is nothing more than an advisory legal opinion. Expert
16 testimony is only permitted

17 If . . . specialized knowledge will assist the trier
18 of fact to understand the evidence or to determine a
fact in issue. . . .

19 ER 702.

20 E. Privileged Letter.

21 Exhibit I to Hannula's affidavit is a letter which is
22 clearly privileged as work product and attorney-client
23 privilege. American moved to exclude it from the record on
24 this motion on those grounds and grounds of relevance.

197
1 V.

2 CONCLUSION

3 American respectfully requests that the court deny
4 Gabrielson's motion. The Burien corporation had no right of
5 control over the Tacoma corporation and in fact exercised no
6 control. Furthermore, Gabrielson requests impermissible
7 relief. Finally, there are material issues of fact respecting
8 the scope of insurance based upon possible misrepresentations
9 in the application.

10 DATED this 6th day of September, 1988.

11
12 LANE POWELL MOSS & MILLER

13
14 By 

15 Bruce Winchell
16 Attorneys for Defendant
17 American Casualty Company
18
19
20
21
22
23
24
25
26

JUL 19 1988

LAW OFFICES
RUSH, HANNULA & HARKINS

715 TACOMA AVENUE SOUTH
TACOMA, WASHINGTON 98402

WILLIAM J. RUSH
DANIEL L. HANNULA
VERNON W. HARKINS
DANIEL R. KYLER
SUSAN E. KEERS
HAROLD T. DODGE
THOMAS B. GILL
TERRANCE J. RYAN

HORACE G. GEER
OF COUNSEL

TACOMA 383-5388
SEATTLE 838-4790

July 14, 1988

Bruce Winchell
LANE, POWELL, MOSS & MILLER
2250 Century Square
Seattle, WA 98101

Timothy J. Donaldson
EVANS, CRAVEN & LACKIE, P.S.
3100 Columbia Center
Seattle, WA 98104

David V. Andersen
LEACH, BROWN & ANDERSEN
4040 First Interstate Center
Seattle, WA 98104

RE: Deposition of Donald L. Barnett - Volume III
American Casualty Company vs. Ira Gabrielson,
et ux, et al

Dear Counsel:

Regarding the above referenced deposition, I would like to correct a misunderstanding that I had probably created regarding Exhibit 28 to the deposition of Donald L. Barnett.

In my examination of Pastor Barnett, I indicated that Exhibit 28 was produced in the deposition of Scott Hartley and that Scott Hartley was represented by counsel at that time. Upon checking my records, that statement appears to be inaccurate. Exhibit 28 was produced by Jack Hicks at his deposition in Carol and Ira Gabrielson's lawsuit against the Community Chapel, Don Barnett, and Jack McDonald. At the time of the deposition, Jack Hicks had already resigned as a member of the Board of Senior Elders. Mr. Hicks appeared at the deposition by himself and was not represented by counsel at the deposition.

I apologize for making any representations that have proven to be inaccurate at the time they were made. I hope the contents of this letter clears up the process by which

15152 4/21/2003 86382

Bruce Winchell, Attorney
Timothy J. Donaldson, Attorney
David V. Andersen, Attorney

Re: Deposition of Donald L. Barnett, Volume III
American Casualty Company vs. Gabrielson, et ux, et al

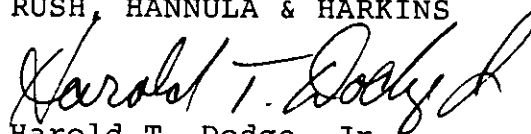
July 14, 1988

Page 2

we came into possession of Exhibit 28.

Sincerely,

RUSH, HANNULA & HARKINS


Harold T. Dodge, Jr.

HTD:gm

In the SUPERIOR Court, for PIERCE County, State of Wash. No. 88 2 00947 9

AMERICAN CASUALTY COMPANY OF READING PENNSYLVANIA, a Pennsylvania corporation

8861 21 NAC JAN 12 1989 Plaintiff

AFFIDAVIT OF SERVICE OF SUPPLEMENTAL AFFIDAVIT OF BRUCE WINCHELL; AMERICAN CASUALTY'S SUPPLEMENTAL BRIEF IN SUPPORT OF MOTION FOR PARTIAL SUMMARY JUDGMENT

IRA GABRIELSON, et ux., et al.

Defendant

Garnishee Defendant

AM. JAN 12 1989 P.M. PIERCE COUNTY WASHINGTON TIED BY THE COUNTY CLERK BY [Signature] DEPUTY

State of Washington

County of King

ss.

The writ served was accompanied by four answer forms and three postage prepaid envelopes which were pre-addressed to the Clerk of the Court, to the Plaintiff or his attorney, and to the Defendant, and cash or check payable to the garnishee, to the amount of Ten Dollars.

A copy of the summons served is attached hereto

The undersigned, being first duly sworn, on oath deposes and says: That he is now and at all times herein mentioned was a citizen of the United States and resident of the State of Washington, over the age of eighteen years, not a party to or interested in the above entitled action and competent to be a witness therein.

That on 1-6-89 at 12:25 P.M., at 4620 Tacoma Ave. S., Tacoma, Pierce King-County, Washington, affiant duly served the above-described documents in the above-entitled matter upon

by then and there personally delivering a true and correct copy thereof to and leaving same with

That at the time and place set forth above affiant duly served the above described documents in the above-entitled matter upon

Jack McDonald

by then and there, at the residence and usual place of abode of said person(s), personally delivering 1 true and correct copy(ies) thereof to and leaving the same with

AGE	HGT	WGHT	HAIR	RACE	SEX	BEARD SCARS OTHER
40's	5'8"	145	brwn	C	F	

Shirley McDonald, Wife

RESIDENCE SERVICE

being a person of suitable age and discretion then resident therein.

Affiant further states that he is informed and believes, and therefore alleges, that neither of said defendants is in the military service of the United States.

TRIPS @ MILES

Subscribed and Sworn to before me 1-9-89

L. Johnson bv

SERVICE ATTEMPTED AT:

SALLY A. BRYAN STATE OF WASHINGTON NOTARY PUBLIC My Commission Expires 4-11-92

NOTARY PUBLIC in and for the State of Washington, residing at Tacoma

Service Fees 6.00 Travel 7.00 Return Fee 5.00 Cert. Mail Total \$ 18.00