

INTERNATIONAL CHURCHES OF CHRIST
A California Nonprofit Religious Corporation
An Affiliation of Churches

Charter Affiliation Agreement

I

PARTIES

This Charter Affiliation Agreement dated June 1, 2003 (the "Affiliation Agreement") is entered into by and between the International Churches of Christ ("ICOC"), a California nonprofit religious corporation, whose address is 3731 Wilshire Boulevard, Suite 800, Los Angeles, CA 90010 and (the "Local Church"), whose address is , (collectively the "Parties" and individually a "Party").

II

RECITALS

A. ICOC serves as an "Affiliation of Churches," or the central organization through which local church congregations affiliate, associate, fellowship and cooperate with one another to pursue certain common goals and objectives.

B. The members of this affiliation are separately organized, independent local church congregations or associations throughout the United States and U.S. territories (the "Local Churches").

C. The purpose of this Affiliation Agreement is to formalize and document the terms and conditions that comprise; (1) the mutual commitment of the Local Churches to affiliate with each other through ICOC, and (2) the relationship between ICOC and the Local Churches.

D. ICOC and Local Churches agree that this affiliation and their relationships are based on: (1) the Christian faith, (2) the call to Discipleship as modeled by Jesus Christ, (3) the Holy Bible as the inspired and inerrant Word of God and (4) their mutual beliefs that a person is saved by the grace of God and the blood of Jesus Christ at the point of repentance and baptism by immersion for the forgiveness of sins and that all true Christians must model their lives by the Word of God.

E. ICOC and the Local Churches share a mutual belief, desire, intent and commitment to spread the Gospel of Jesus Christ to and throughout the whole world so that all people may know Christ and have a saving relationship with God.

F. ICOC and the Local Churches share a mutual belief, desire, intent and commitment to foster and promote spiritual and biblical unity with each other by agreeing on significant doctrinal, biblical and church life matters.

III AGREEMENT

In light of the foregoing, and in mutual reliance on the covenants, conditions, representations, privileges and obligations set forth herein, The Parties agree as follows:

A. Definitions: Words, terms and phrases used in this Affiliation Agreement are subject to the Definitions set forth in Schedule A, which is attached to this document and fully incorporated by this reference.

B. Church Polity: In structuring ICOC as an Affiliation of Churches, the Local Church intends, in affiliation with the Local Churches, to formally adopt a model of church polity characterized by the following:

1. Independent Local Churches that affiliate with each other through ICOC;
2. ICOC with no authority over the Local Churches on ecclesiastical and non-ecclesiastical matters except the authority granted to ICOC in this Affiliation Agreement and any subsequent mutually agreed revision or renewal thereof; and
3. The election or appointment of Delegates from the Local Churches, who meet in a Delegate convention called the Unity Meeting under the auspices of ICOC, to advance the purposes of this affiliation.

C. Affiliation Elements:

1. ICOC shall (a) function as the religious organization through which the Local Churches maintain their affiliation with one another; (b) research, draft, publish and maintain current Minimum Standards and other recommended or sample policies; (c) annually secure and bind, or recommend or arrange options for Local Churches to secure and bind, Insurance Coverage; and (d) organize and sponsor Unity Meetings of Delegates at least annually.

2. Local Church shall (a) as an affiliate member, participate in the ICOC as a Corporate Member; (b) accept and comply with the Minimum Standards; (c) annually pay the required premiums and fees for inclusion in the Insurance Coverage; (d) participate in Unity Meetings by sending Delegate(s) to Unity Meetings; and (e) regularly pay any other fees required to continue in this affiliation as further outlined below.

3. Local Church acknowledges and agrees that sending Delegate(s) for participation in Unity Meetings, compliance with Minimum Standards, payment of all affiliation fees and insurance premiums due and inclusion and participation in Insurance Coverage are requirements of this Affiliation Agreement, and Local Churches shall not have discretion to refuse participation in any of these functions.

4. At any time after May 31, 2004, ICOC reserves the right to charge Local Church affiliation fees for participation in this Affiliation of Churches, subject to the following:

a. Any such affiliation fees shall be first approved by the Delegates at a Unity Meeting and by the ICOC Board of Directors;

b. No such affiliation fees will be charged retroactively; and

c. Local Church will have the right to withdraw from the affiliation and terminate this Affiliation Agreement in lieu of paying any affiliation fees.

D. Compliance: The failure or refusal of Local Church to accept and comply with the terms of this Affiliation Agreement, or the termination of this Affiliation Agreement for any reason, shall result in forfeiture of Local Church's right to use the ICOC trade name and other ICOC intellectual property (see paragraph III.J), and to otherwise identify with ICOC, as well as the forfeiture of all other rights and privileges under this Affiliation Agreement. The final decision on whether Local Church has committed an act or omission that may lead to expulsion as a member of this affiliation shall be that of the Delegates at a Unity Meeting.

E. Local Church Authority Over Ministers:

1. Local Churches shall continue to issue ministerial and ordination credentials to their ministers.

2. A minister of a Local Church may be disciplined and/or his ministerial credentials withdrawn only by the employing Local Church.

F. Limitation of ICOC Authority: Other than the agreed Minimum Standards and official actions of Delegates at a Unity Meeting as authorized in this Affiliation Agreement, ICOC has no authority to control or direct any of the day- to-day, temporal, corporate, business, financial, local ministry, and all other local affairs of the Local Churches. Those matters are expressly excluded from the intents, purposes and provisions of this Affiliation Agreement. As independent congregations, the Local Churches are independent from ICOC with respect to all such matters.

G. No Agency Authority: Nothing in this Affiliation Agreement shall be construed to constitute a merger, consolidation, partnership or joint venture between the parties, and neither ICOC nor Local Church shall be bound by any representation, act, or omission of the other, not expressly provided for in this Affiliation Agreement. Both ICOC and Local Church will remain as separate and distinct corporate entities with independent governing bodies that will remain ultimately responsible for the management and governance of their respective organizations. Except to the limited extent expressly provided herein or in other agreements, each entity will remain solely responsible and liable for its respective claims, debts, obligations and liabilities, and neither entity hereby succeeds to the rights, interests, powers, privileges, assets or liabilities of the other. Neither ICOC nor Local Church will, and by this Affiliation Agreement, does not:

1. Manifest consent of any sort that either Party or their respective clergy or employees may act on behalf of the other Party and is subject to the other Party's control, with respect to any matter, including but not limited to corporate, business and financial matters; or

2. Request or accept any consent by the other Party or its clergy or employees to act as agent; or

3. Actually exert any type of non-ecclesiastical control over the other Party or its clergy or employees.

H. Indemnity. Local Church agrees to indemnify, release and hold harmless ICOC and each other Local Church together with their

respective employees, officers, directors, attorneys and volunteers, from and against any and all claims, losses, expenses, liabilities, damages, causes of action, penalties, judgments and suits arising from Local Church's affiliation with ICOC and the other Local Churches, except to the extent of the negligence or willful misconduct of ICOC or the other Local Churches respectively. ICOC agrees to indemnify, release and hold harmless Local Church from and against any and all claims, losses, liabilities, damages, causes of action, penalties, judgments and suits caused by ICOC's negligence or willful misconduct, except to the extent of Local Church's negligence or willful misconduct.

I. Trade Name. ICOC hereby grants and Local Church hereby accepts a non-exclusive license to use, solely in connection with the legitimate activities of Local Church and only for so long as Local Church remains a member of good standing of this affiliation, the ICOC trade name(s) and the following designated intellectual property rights owned by ICOC: ICOC trade names, Minimum Standards, recommended and sample policies distributed or made available by ICOC and other items that ICOC may from time to time add or designate. ICOC shall act diligently and in good faith to protect the interests of ICOC and all the Local Churches in the ICOC trade name. Local Church shall protect the interests of ICOC and all the Local Churches in the ICOC trade name and all other intellectual property rights owned by ICOC under this Affiliation Agreement.

J. Alternative Dispute Resolution. In the event of a claim, dispute or controversy, relating to non-ecclesiastical matters between ICOC and Local Church, or between any of the Local Churches, ICOC and Local Church are mutually committed to resolving such disputes according to Biblical guidelines, and ultimately by submission to Christian conciliation rather than through the secular courts. Specifically, ICOC and Local Churches expressly agree to abide by the following statement of alternative dispute resolution:

"The parties to this Affiliation Agreement are committed to the Christian faith and believe that the Bible commands them to make every effort to live at peace and to resolve disputes with each other in private or within the Christian church (see Matthew 18:15-20; I Corinthians 6:1-8). Therefore, the parties agree that any claim, dispute or controversy relating to non-ecclesiastical matters, or arising from or related to this Affiliation Agreement, shall be settled by biblically based

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mediation and, if necessary, legally binding arbitration in accordance with the then- current Rules of Procedure for Christian Conciliation of the Institute for Christian Conciliation (the "Institute"), which are incorporated by reference into this Affiliation Agreement. Prior to engaging in legally binding arbitration, the first step of biblical mediation or conciliation shall be submission of any claim, dispute or controversy to the Institute in accordance with a process and rules established by Institute. Judgment upon an arbitration award may be entered in any court otherwise having jurisdiction. The parties understand that these methods shall be the sole remedy for any claim, dispute or controversy arising out of any non-ecclesiastical matter, or this Affiliation Agreement, and expressly waive their right to file a lawsuit in any civil court against one another for such disputes, except to enforce an arbitration decision."

K. Duration & Termination. This Affiliation Agreement shall remain in effect so long as ICOC remains an Affiliation of Churches and the undersigned Local Church remains an affiliate member in good standing, or until it is superseded by a subsequent agreement. Local Church shall have the right to withdraw from the Affiliation of Churches and terminate this Affiliation Agreement for any reason at any time upon prior written notice to ICOC. In the event Local Church terminates this Affiliation Agreement, then Local Church shall immediately cease to be both an affiliate member and a Corporate Member of ICOC.

IN WITNESS THEREOF, the undersigned, as duly authorized representatives of and on behalf of the parties identified below, consent to and agree to the foregoing:

For INTERNATIONAL CHURCHES OF CHRIST

By:

Printed Name:

Title:

For

(name of Local Church)

By:

Printed Name:

Title:

SCHEDULE A

DEFINITIONS

A. Corporate Members. The official members of the ICOC corporation. All Local Churches under this Affiliation Agreement shall be Corporate Members of ICOC. As Corporate Members, Local Churches will have the right and authority to elect the ICOC board of directors, and exercise such other rights and privileges as are granted to members of ICOC in accordance with the by laws of ICOC.

B. Delegates. The representatives of the Local Churches who are authorized to attend a Unity Meeting and to cast votes on all matters calling for a vote. Delegates may meet in their capacities as Delegates only in a Unity Meeting. While attending any conference, meeting, fellowship or any event that is not an officially recognized Unity Meeting, Delegates no longer function as Delegates, but as individual members of their respective Local Churches. The ICOC board of directors shall establish a reasonable process to determine the number of Delegates a Local Church may elect to send to the first Unity Meeting, and in so doing shall endeavor to ensure adequate representation of all Local Churches taking into account geographic diversity and local church size. Nonetheless each Local Church will have the right to select the specific individuals from its local membership to fill the number of Delegate positions allotted to that Local Church. The number of Delegates from each Local Church for future Unity Meetings shall be determined by a process to be established by either (1) decision by the Delegates at a Unity Meeting, or, if no such process is established at the first Unity Meeting, (2) decision of the ICOC board of directors.

C. Unity Meeting. An officially recognized meeting of Delegates who assemble under the auspices of ICOC or its corporate subsidiary or integrated auxiliary, to foster and promote doctrinal and biblical unity among the Local Churches, by their discussions and cooperation on ecclesiastical and non-ecclesiastical matters. For any given year, ICOC shall make sure that at least one Unity Meeting is held, but the Delegates may decide to hold additional Unity Meetings.

D. Minimum Standards. Administrative policies and procedures that are intended to facilitate responsible risk management and compliance by Local Churches with relevant local, state, federal and, where appropriate, international laws, rules and regulations affecting church organizations. Minimum Standards address legal and risk management issues to be followed and implemented by the ICOC and the Local Churches. Local Churches are free to require stricter standards, but may not fall below the minimum standards articulated in the Minimum Standards. The affiliation requirement that Local Churches adopt Minimum Standards is based in the biblical principle that Christians must obey governing authorities and be responsible stewards and managers of the assets, opportunities and risks they control (Romans 13:1-7; 1 Timothy 3:1-7).

E. Insurance Coverage. Insurance coverage that is annually researched and negotiated, then bound, or made available or recommended for binding by the Local Churches, through ICOC's efforts, or the efforts of a professional insurance brokerage service engaged by ICOC, in the following insurance areas: General Liability, Property, Directors and Officers (D&O), Professional Liability, and Camps (but only for Local Churches sponsoring camps). Minimum and appropriate levels of Insurance Coverage shall be determined annually by the ICOC board of directors, and Insurance Coverage may be bound through one or more carriers.

By decision of the ICOC board of directors, the requirement of participation in the Insurance Coverage may be replaced by the establishment of minimum insurance requirements approved by the ICOC board of directors.