

# APPENDIX L

## LTS CONSTITUTION/ARTICLES/BY-LAWS

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### AMENDED AND RESTATED CONSTITUTION AND CHARTER AND ARTICLES OF INCORPORATION OF LEXINGTON THEOLOGICAL SEMINARY

KNOW ALL PERSONS BY THESE PRESENTS:

*That more than two-thirds of the Board of Trustees of Lexington Theological Seminary having consented and agreed that the Constitution and Charter and Articles of Incorporation of Lexington Theological Seminary be amended as hereinafter set out and that at a regular meeting of the Board of Trustees duly held on March 29, 2004, and called pursuant to notice given more than ten days prior to said meeting, and at which meeting more than two-thirds of the Board of Trustees acted to amend the Constitution and Charter and Articles of Incorporation of Lexington Theological Seminary, it was resolved, authorized and directed that the Constitution and Charter and Articles of Incorporation be amended as hereinafter set out, to wit:*

#### **Section 1.**

The name of this corporation shall be and is LEXINGTON THEOLOGICAL SEMINARY, and as such may sue and be sued, plead and be impleaded, in all courts of law and equity, and have a common seal, which may be altered at pleasure.

#### **Section 2.**

The affairs of the corporation shall be managed and conducted by a Board of Trustees, not more than twenty-eight (28) in number. The trustees shall at an annual or adjourned meeting be elected by ballot and hold office for a term of four years respectively and until their successors are elected and qualified. An elected trustee has qualified when he/she accepts the office and agrees to serve to the best of his/her ability. Ex officio members may be appointed at the discretion of the Board of Trustees.

The trustees shall have power to fill all vacancies, which may occur in their number, for the unexpired terms. Said trustees shall have full power to conduct and transact the business, and to promote and carry on the objects and purposes of the corporation, and are empowered to exercise all the powers and to do all the acts and things, as may be exercised or done by the corporation in addition to the powers and authorities expressly conferred upon them herein or by statute, subject, nevertheless, to the Laws of the State of Kentucky, and may delegate their power and authority to an Executive Committee, when and as appointed by the Board. The Board of Trustees shall fix the number of trustees and may at any annual meeting increase or decrease the number of trustees.

Any trustee may be removed by a vote of a majority of the Board of Trustees upon any of the following: (i) breach or default by Trustee of any of his duties or responsibilities to the Corporation, or (ii) conviction of, or pleading *nolo contendere* to, any crime or offense involving monies or other property of the Corporation, any felony offense, or any crime of moral turpitude.

### **Section 3.**

The powers of this corporation without limitation or derogation of the rights, powers and privileges hereinbefore or hereinafter stated or otherwise given by law, and the nature of the business, objects and purposes to be transacted, promoted and carried on by it shall be (a) to educate and prepare men and women for usefulness in the ministry of the Word of God, and for such purposes shall have the right to maintain a seminary and/or an institution of Christian teaching and learning, from which it may grant diplomas and degrees to graduates, and certificates for attainments achieved; (b) to receive, hold and acquire property, real, personal, mixed, and of all kinds whatsoever by purchase, gift, grant, devise, bequest, donation, conditional or otherwise, and/or by any other lawful means, wherever situated, either within or without this state, and in such amount as may be necessary, expedient, or proper to carry on or promote its objects; (c) to borrow money, execute notes, contract obligations and make contracts for benefits in consideration of funds received; (d) to sell, convey, pledge, lease, mortgage and/or dispose of any of its property as it may deem necessary and/or expedient for the best conduct of its business, unless the property has been received as a gift, bequest, or devise for some special purpose, and if so received, it shall be used and applied only for such purposes; (e) to invest its funds in mortgages, bonds, certificates of stock, debentures, real estate and/or any securities, as in its discretion may seem proper and shall not be prohibited by law, and shall have the right to take such action thereabout as may seem necessary or proper to preserve, protect, improve or enhance such investments; (f) to elect and employ a president, professors, instructors and tutors for said Seminary, and to appoint and employ such other officers, agents and employees as the necessities of the corporation may require, or as may be suitable or proper; (g) to adopt by-laws for the government of the Seminary which from time to time may be changed, altered, modified and/or amended in such manner and at such time and place as may be provided in said by-laws, and may adopt such measures for the management of its affairs and business as it may deem proper, and not inconsistent with the laws of the State of Kentucky or the United States.

The foregoing shall be construed both as objects and powers, and it is expressly provided that the foregoing enumeration of specific powers shall not be held to restrict in any manner the powers of this corporation.

### **Section 4.**

A person shall be eligible to serve as a trustee who has demonstrated interest in, concern for, and support of the stated purpose of the Seminary.

### **Section 5.**

The time, place and character of notice for the annual and/or other meetings of the Board of Trustees shall be fixed in the by-laws, and it shall be the duty of the Secretary to give such notice thereof to each trustee. In the absence of the Secretary or his/her inability to act, said notice shall be given by the Chairperson of the Board of Trustees.

## **Section 6.**

The officers of the corporation shall be a Chairperson, one or more Vice-Chairpersons, Secretary, and Treasurer. Said officers shall be elected by the trustees at their annual meeting, and shall hold their respective offices until the next annual meeting of the Board of Trustees, and until their successors are elected and qualified, but the Treasurer shall hold office at the will of the Board of Trustees.

## **Section 7.**

The Chairperson, Vice-Chairpersons and Secretary shall discharge the duties usually belonging to such officers, together with such as shall be assigned them by the Board of Trustees and/or as the by-laws may from time to time prescribe. The Secretary's books shall at all times be subject to examination by any trustee and/or such other person or persons as the by-laws may prescribe.

## **Section 8.**

The Treasurer shall perform such duties as the by-laws may from time to time prescribe, but before entering upon his/her duties, shall give a bond with security for such a sum as the Board of Trustees shall fix, to be approved by the Board or the Executive Committee, for the faithful discharge of the same. The Treasurer shall:

- *have charge of all the funds of the corporation, and shall pay out no money except as directed by order of the Board of Trustees or Executive Committee;*
- *present to the Board of Trustees, at their annual meeting, a complete and detailed report of the finances of the corporation;*
- *have his/her books available at all times for examination by any trustee, and/or such other person or persons as the by-laws may designate; and when his/her term of office expires, he/she shall promptly deliver to his/her successor all books, papers, funds, and other articles of value belonging to the corporation which may be in his/her possession;*
- *not be a member of the Executive Committee, and may or may not be a member of the Board of Trustees.*

## **Section 9.**

There may be an Executive Committee to consist of not fewer than five members to be elected from and by the trustees. This committee shall have general superintendence, management and control of the corporation, and its business and affairs during the intervals between the meetings of the Board of Trustees; it shall have power to employ agents, servants and other employees and fix their compensation, to fill vacancies in its own body and in the corps of professors, tutors and employees of the corporation when the Board of Trustees is not meeting; it shall audit or cause to be audited all accounts, including the Treasurer's report, and shall, when the Board of Trustees is not in session, direct the payment of bills and disposition of funds of the corporation. All contracts, mortgages, deeds of conveyance, notes, leases, releases or liens, and other instruments of the corporation shall be executed by the Chairperson of the Executive Committee, when authorized and directed by the Executive Committee or Board of Trustees, and in the Chairperson's absence or inability to act, by such person as may be designated by the Executive Committee or Board of Trustees, and said executive Committee and

the chairperson, therefore, shall perform such other duties as the Board of Trustees may from time to time assign to them or either of them and all acts performed or caused to be performed by the Executive Committee, by virtue of the authority herein granted, shall be as valid and binding upon the corporation as if legally done by the Board of Trustees in meeting assembled.

#### **Section 10.**

No person shall act as President of the Seminary of this corporation who is not a member in good standing of some congregation of the religious body known as the Christian Church (Disciples of Christ).

#### **Section 11.**

All lands, money, and other property which shall be given to The College of the Bible or Lexington Theological Seminary by donation, deed, devise, bequest, gift or otherwise, for any specific purpose connected with its work, shall be applied in strict accordance as directed by the donor or testator.

#### **Section 12.**

The principal office and place of business of this corporation shall be located in Lexington, Fayette County, Kentucky.

#### **Section 13.**

All property, real, personal, and mixed, wherever situated, acquired by this corporation by purchase, donation, gift, devise, bequest or otherwise shall be the absolute property of this corporation, unless at the time of acquiring such property it be otherwise in writing specified.

No trustee or member of this corporation, as such and because of such trusteeship or membership, shall ever have any right, title or interest in and/or to its property or any part thereof, but this provision shall not be construed to prevent this corporation from paying its officers, trustees, agents, teachers, workers and employees compensation for services rendered.

#### **Section 14.**

No trustee or officer of this corporation or his/her estate shall be personally liable for any debts or obligations incurred or to be incurred by the corporation.

#### **Section 15.**

The liability of each and all of the Trustees of the Corporation shall be and is hereby limited to be the greatest extent permitted by law, and no Trustees of the Corporation shall be liable to the Corporation for monetary damages for breach of such Trustee's duties as a trustee except for the following (which exceptions shall be construed as narrowly as legally permissible):

1. Any transaction in which the Trustee's personal financial interest is in conflict with the financial interests of the Corporation or its shareholders;
2. Acts of omissions not in good faith or which involve intentional misconduct or are known to the Trustee to be a violation of law; or
3. Any transaction from which the Trustee derives an improper personal benefit.

# BY-LAWS OF LEXINGTON THEOLOGICAL SEMINARY

AS AMENDED March 29, 2004

## ARTICLE I

### Name, Seal and Governance

*Section 1. Name:* The name of this corporation is Lexington Theological Seminary.

*Section 2. Seal:* The corporate seal shall consist of an elliptical plate upon which shall be inscribed: Lexington Theological Seminary, Lexington, Kentucky, and in the center a sketch of open book with hasps below which shall be inscribed: Holy Bible, and above which shall be inscribed: Founded: 1865.

*Section 3. Governance:* Governance is the process by which the Seminary shall balance the competing interests of authority structures. Authority shall be shared among the Board of Trustees, the President, and the Faculty. The Board of Trustees shall have final authority in all matters. The President has designated authority from the Board of Trustees, and as such has delegated responsibility for the operation of the Seminary. The Faculty has functional authority from the Board of Trustees in recommending faculty and developing curriculum, and is accountable to the Board through the President.

## ARTICLE II

### Trustees

*Section 4. Numbers, Qualifications and Powers:* The entire management and control of the affairs of the corporation shall be vested in a Board of not more than twenty-eight members, at least sixty percent (60%) of whom shall be members in good standing of the religious body known as the Christian Church (Disciples of Christ). Trustees shall be elected for a term of four years each, divided into four classes, the term of office of one class expiring at each annual meeting. Four ex officio members without vote shall be appointed as representatives of the student body, the alumni, the staff and the faculty. The General Minister of the Christian Church (Disciples of Christ) In Kentucky shall be an ex officio member with vote. Any elected trustee, who has faithfully served the Seminary as a trustee, but is unable to continue to so serve or who requests he/she not be renominated, may be elected a Trustee Emeritus. A Trustee Emeritus will be entitled to full privileges of trusteeship except the right to vote.

*Section 5. Trusteeship Committee of the Board of Trustees:* At the annual meeting of the Board of Trustees each year, a Trusteeship Committee consisting of not more than five members shall be elected upon recommendation of the Executive Committee of the Board, which Committee shall bring to the next annual meeting of the Board nominations of persons to succeed those trustees whose terms expire with said annual meeting. It shall also bring to the annual meeting nominations to fill vacancies in the membership of the Board and nominations for officers of the Board.

*Section 6. Election of Trustees:* The trustees shall at the annual meeting of the Board of Trustees, cast their ballots for the election of trustees nominated by the Trusteeship Committee of the Board of

Trustees or by members of the Board. In the case of a vacancy occurring on the Board by death, resignation or otherwise, the vacancy shall be filled by the Executive Committee and such a trustee so elected shall serve out the unexpired term. Upon election, the trustee shall sign a conflict of interest statement indicating that the newly elected trustee has read and understands the conflict of interest policy.

### **ARTICLE III**

#### **Officers**

**Section 7. Officers – Title and Number:** The officers of the corporation shall be Chairperson of the Board of Trustees, one or more Vice-Chairpersons of the Board of Trustees, Secretary of the Board of Trustees, and Treasurer.

**Section 8. Election of Officers:** At the annual meeting each year the officers shall be elected to serve for one year, and shall serve until their successors are elected and qualified. It shall require a majority vote of trustees present to elect an officer. No proxies shall be allowed.

**Section 9. Duties of the Chairperson of the Board of Trustees:** The Chairperson shall preside at all meetings of the Board and of the Executive Committee and may call special meetings of the Board of Trustees on his/her own motion or at the request of five members of the Board. The Chairperson shall:

- *sign all deeds for the conveyances of real estate, when authorized so to do by the Board of Trustees, under the corporate seal of the corporation duly attested by the Secretary of the Board;*
- *sign all bonds, notes or other evidences of indebtedness of the Seminary, duly attested by the Secretary and countersigned by the Treasurer;*
- *submit to the annual meeting of the Board of Trustees such recommendations as shall be deemed necessary to the welfare of the Seminary, and perform such other duties as the Board of Trustees may from time to time designate;*
- *be an ex officio member of each standing committee.*

In the absence or disability of the Chairperson, the Vice-Chairperson or the Second Vice-Chairperson shall respectively discharge any or all duties of the Chair.

**Section 10. Duties of the Secretary of the Board of Trustees:** The Secretary shall:

- *keep a true and faithful record of all proceedings of the Board of Trustees;*
- *keep a true and faithful record of all the proceedings of the Executive Committee;*
- *preserve all papers placed in his/her hands, holding them in trust;*
- *mail written notices of all regular meetings of the Board of Trustees to each trustee at least fifteen days previous thereto, and of all special meetings at least ten days previous thereto;*
- *draw all orders authorized by the Board of Trustees or the Executive Committee, and with the Chairperson of the Board of Trustees attesting the same;*
- *be the custodian of the official seal of the corporation, and shall affix it to all papers requiring it, and attesting the same;*



- *perform such other duties pertaining to the office as may be assigned to the Secretary from time to time by the Board of Trustees or the Executive Committee.*

In the absence or disability of the Secretary, the Board of Trustees or the Executive Committee, shall have power to assign the Secretary's duties to a Secretary pro tem.

## **ARTICLE IV**

### **Meetings of the Board of Trustees**

#### ***Section 11. Meetings:***

- Annual Meeting:* The Board of Trustees shall hold its annual meeting each year at a date agreed upon during the months of September or October for receiving reports and recommendations from the President of the Seminary, officers, and committees of the Board, for the election of trustees and officers, and for the transaction of such other business as may come before the meeting. Fifteen days written notice of such meeting shall be given each trustee.
- Other Meetings of the Board of Trustees:* The Board of Trustees shall hold at least two meetings each year, inclusive of the annual meeting, on dates agreed upon by the Board to receive reports from the President of the Seminary, officers and committees and to transact such other business as may come before the meeting. Fifteen days written notice of such meetings shall be given to each trustee.

***Section 12. Special Meetings of the Board of Trustees:*** Special meetings may be held at such time and place as the Executive Committee or the Chairperson of the Board of Trustees may determine. Special meetings of the Board of Trustees may be called at any time on motion of the Chairperson of the Board, or at the written request of five members of the Board, and if the Chairperson refuses to call such a meeting, the same may be called by seven members of the Board. Ten days written notice of such special meetings shall be given each trustee. At special meetings only such business may be transacted as is set forth in the notice of the call, unless by unanimous vote of the trustees present, in which event any other business may be considered.

***Section 13. Quorum:*** Fifteen voting trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. It shall be necessary to the validity of any act or the passage of any resolution, that it be sustained by the concurring vote of the majority of all trustees present and voting; provided that in all elections of officers or trustees a concurring vote of a majority of all the trustees shall be necessary to a choice, unless the election be with unanimous vote of all the trustees present. "Present" for the purposes of these by-laws, means present, in person, by telephone, teleconference, or other electronic means.

***Section 14. Order of Business at Regular Board Meetings:*** Except as otherwise agreed upon and ordered by the Board, the order of business shall be as follows:

- Call to order, prayer, roll call and communications.*
- Reading of the minutes of previous meeting and action thereon with approval of minutes of Executive Committee subsequent to previous meeting.*



3. *Report of the Chairperson of the Board of Trustees.*
4. *Report of the President of the Seminary.*
5. *Report of the Comptroller and Treasurer of the Seminary.*
6. *Report of other Seminary officials when requested.*
7. *Report of committees.*
8. *Unfinished business.*
9. *New business.*
10. *Election of trustees (annual meeting only).*
11. *Election of officers for ensuing year (annual meeting only).*
12. *Set date of next meeting.*
13. *Executive session.*
14. *Adjournment with prayer.*

## **ARTICLE V**

### **Committees**

**Section 15. *Executive Committee:*** At the annual meeting of the Board of Trustees each year, it shall elect the Executive Committee to serve for the ensuing year. This Committee of the Board of Trustees shall consist of the Chairperson of the Board, the Vice-Chairpersons of the Board, the Secretary of the Board, and six other members of the Board, each of whom serve as chair of a standing committee.

The Executive Committee shall meet on the call of the Chairperson at a time and place to be designated. It shall have power to transact all necessary business of the Seminary during intervals between the meetings of the Board of Trustees. Six members of the committee shall constitute a quorum for the transaction of business.

**Section 16. *Other Committees:*** Other committees may be authorized by the Board as needs arise. Membership on these committees shall be appointed by the Chairperson of the Board of Trustees.

**Section 17. *Standing Committees:*** The standing committees of the Board are Academic and Student Life, Institutional Advancement, Facilities, Finance, Trusteeship, and Strategic Planning. Each committee shall have such responsibilities as may be assigned by the Board.

### **Section 18. *Administrative Officers and Personnel:***

- a) *President of the Seminary* – The Board of Trustees shall elect a President of the Seminary who shall be administrative head of the entire educational and business affairs of the corporation. Furthermore, the Chairperson of the Board shall appoint a committee of trustees to periodically assess the performance of the President. The President shall:
  - be elected for and during the pleasure of the Board of Trustees;
  - be responsible for the proper conduct of the affairs of the Seminary;
  - have authority by and with the approval of the Board of Trustees or the Executive Committee, of employing and discharging all administrative personnel such as Librarian, Assistant Treasurer, Registrar and the like, and shall sign all contracts of employment;
  - discharge all such other duties as pertain to the office of Seminary President.

- b) *Vice-President of the Seminary* – The Board of Trustees may appoint on the recommendation of the President one or more Vice-Presidents of the Seminary at its discretion to carry such administrative and promotional functions as are prescribed by the President of the Seminary.
- c) *Comptroller and Treasurer of the Seminary* – On recommendation of the President of the Seminary, the Board of Trustees shall elect a Comptroller and Treasurer who shall be responsible for the business affairs of the Seminary. The Comptroller and Treasurer shall:
- keep regular books and accounts in accurate order which shall be open at all times to the inspection of the Board of Trustees, or any member thereof, and the President of the Seminary;
  - prepare or have prepared an audit of all books and accounts at the end of each fiscal year which shall be submitted to the Board of Trustees;
  - countersign all notes, or checks or other obligations of the Seminary, and shall perform such duties as may from time to time be assigned by the President;
  - give bond for the faithful discharge of all his/her duties of the office with corporate surety as security. Said bond shall be in such amount or on such conditions as may be approved by the Executive Committee, and the expenses of the same shall be paid from the general treasury of the Seminary. Said bond shall be held by the Secretary of the Board of Trustees.
  - deliver to the successor in office, or to the Chairperson of the Board of Trustees, or to the President of the Seminary, when demanded, all books, papers, or other articles belonging to the Seminary obtained by virtue of the office.

## ARTICLE VII

### Faculty

**Section 19. Faculty:** The faculty of the Seminary shall consist of the President, the Dean, Professors, Associate Professors, Assistant Professors and Instructors. At least a majority of all persons who are appointed and employed as teachers of the Seminary shall be members in good standing of the religious body known as the Christian Church (Disciples of Christ).

With the approval of the Board of Trustees, the faculty shall prescribe conditions for admission of students, shall determine curriculum, and shall make recommendations for the awarding of degrees.

The faculty shall also share with the administrative officers and staff in maintaining necessary general services to students and the general welfare of the Seminary community.

**Section 20. Dean:** The Dean of the Seminary shall be responsible to the President for administering the academic program and for the general supervision of the faculty and student life of the Seminary.

## ARTICLE VIII

### Finances

**Section 21. Fiscal Year:** The fiscal year of the corporation shall begin on the first day of August in each year, and close on the thirty-first day of July following.

**Section 22. Funds of the Seminary:** The funds of the Seminary shall be grouped as follows:

a) *Endowment Funds:*

1. The Legal Endowment Fund shall consist of all gifts, grants, donations, and bequests to the corporation, as by the terms of the gift, grant, donation, or bequest are, or may be made or designated as to or for the use of the Legal Endowment Fund. The Legal Endowment Fund shall neither be expended nor diminished, but shall be kept retained and preserved as a permanent fund for the endowment of the institution.
2. The General Endowment Fund shall consist of all monies or property assigned to this fund by the Board of Trustees.

b) *Building Fund:*

The Building Fund shall consist of the whole of all gifts, grants, donations, and bequests made or to be made to this corporation which, by the terms of the gift, grant, donation, or bequest are or may be made or designated as to or for the use of said Building Fund, and all other monies or property assigned this fund by the Board of Trustees. The Building Fund is chargeable with any and all sums and amounts paid or to be paid for or on account of the Seminary grounds and buildings and improvements made or to be made for the corporation thereon, the proper fixtures, apparatus, furniture, and library for the use of the Seminary.

c) *General Fund:*

The General Fund shall consist of the **earnings** upon all investments of the Endowment Fund, of all cash receipts from churches, from students for rents, tuition, fees, etc., and all other gifts, grants, donations, and bequests to the corporation which by the terms of such gifts, grants, donations, or bequest, are or may be made or designated as for or to the use of the said General Fund. The General Fund is chargeable with any and all amounts payable or to be paid for on account of compensation or salaries to the officers, teachers, staff, agents, or employees of the corporation and Seminary, and all general expenses of the Seminary and corporation not otherwise specifically ordered by the Board of Trustees.

d) *Other Funds:*

The Board of Trustees shall have the power to create other funds from time to time as the occasion demands.

**Section 23. Designation of Funds:** The Board of Trustees shall designate the funds into which the receipts of the corporation shall be paid, provided that they shall apply those collected for specific funds to the purpose for which collected and shall carry out the will of the donor as to gifts to the Seminary, if such will is expressed in writing on or before the date when the gift is made.

## **ARTICLE IX**

### **Amendments to the By-Laws**

**Section 24. *Repeal of Rules in Conflict with These By-Laws:*** By-Laws, rules and regulations heretofore made, passed or adopted, inconsistent with or contravening these By-Laws are hereby repealed.

**Section 25. *Amendments:*** These By-Laws may be altered or amended by the Board of Trustees at any meeting by the concurring vote of the majority of the Trustees provided that notice of such proposed amendment shall have been mailed to each Trustee at least fifteen (15) days before said meeting, except that at the annual meeting of the Board of Trustees the By-Laws may be amended without such notice by a vote under the conditions set forth in this paragraph.

## **ARTICLE X**

### **Amendments to the By-Laws**

The Board of Trustees may create a separate Board consisting of all Trustees emeriti, and such other persons as the Board of Trustees shall determine, the members to serve at the pleasure of the Board of Trustees. This Board shall make recommendations to the Board of Trustees relating to academic, development and general policies as may appear appropriate, and shall meet with the Board of Trustees at its annual meeting, when so requested.