

BLACK SHEEP MINISTRIES

BYLAWS

A Pennsylvania Nonprofit Corporation

Organized Under the Pennsylvania Nonprofit Corporation Law of 1988

Adopted by the Board of Directors

Date of Adoption: _____

Effective Date: _____

PREAMBLE

These Bylaws constitute the primary operational governance document of Black Sheep Ministries, a Pennsylvania nonprofit corporation organized and operated exclusively for charitable and religious purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

These Bylaws are adopted pursuant to and in subordination to the Master Charter of Black Sheep Ministries and the Pennsylvania Nonprofit Corporation Law of 1988 (15 Pa.C.S. §§ 5301 et seq.). In the event of any conflict between these Bylaws and the Master Charter, the Master Charter shall control. In the event of any conflict between these Bylaws and Pennsylvania law, Pennsylvania law shall control.

These Bylaws, together with the Master Charter and all Board-adopted policies, constitute the complete governance framework of the organization. Each document is intended to operate in conjunction with the others as one cohesive system of governance.

ARTICLE I — GENERAL PROVISIONS

Section 1.1 — Legal Name

The legal name of this organization is Black Sheep Ministries. The organization may operate under this name or any duly authorized assumed name in accordance with Pennsylvania law.

Section 1.2 — Principal Office

The principal office of the organization is located at 413 East 4th Avenue, Suite 1A, Tarentum, Pennsylvania 15084. The Board of Directors may change the principal office by resolution, provided that any required filings with the Pennsylvania Department of State are made in accordance with applicable law.

Section 1.3 — Registered Agent

The organization shall maintain a registered office and registered agent in the Commonwealth of Pennsylvania as required by 15 Pa.C.S. § 5507. The registered agent may be changed by Board resolution and filing with the Pennsylvania Department of State.

Section 1.4 — Mission and Purpose

Black Sheep Ministries exists to provide structured, trauma-informed, faith-rooted stabilization support to individuals and families navigating addiction, incarceration, foster care, and community crisis in Armstrong, Westmoreland, and Allegheny Counties, Pennsylvania — with primary emphasis on continuity of care and relational presence after formal systems end.

The organization operates exclusively for charitable and religious purposes as defined under Section 501(c)(3) of the Internal Revenue Code. No part of its activities shall constitute carrying on propaganda or otherwise attempting to influence legislation, and the organization shall not participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

Section 1.5 — Nonmember Structure

Black Sheep Ministries shall have no statutory members as defined under the Pennsylvania Nonprofit Corporation Law of 1988. All governance authority is vested exclusively in the Board of Directors. Program participation, volunteer service, financial contribution, or community affiliation shall not create membership rights, voting rights, ownership interests, or governance authority of any kind.

Section 1.6 — Fiscal Year

The fiscal year of the organization shall commence on January 1 and end on December 31 of each calendar year, unless changed by Board resolution.

Section 1.7 — Faith-Based Identity

Black Sheep Ministries is a faith-based organization rooted in Christian biblical principles. The organization's internal governance, leadership standards, and foundational philosophy are grounded in its Statement of Faith, adopted separately and incorporated herein by reference. Participation in faith-based elements by program participants is voluntary and shall never be required as a condition of receiving services.

ARTICLE II — BOARD OF DIRECTORS

Section 2.1 — Governing Authority

The governing authority of Black Sheep Ministries is vested exclusively in its Board of Directors, consistent with the Master Charter and 15 Pa.C.S. § 5721. The Board exercises all corporate powers and manages all affairs of the organization, subject to the Articles of Incorporation, Master Charter, these Bylaws, and applicable law.

The Board acts only as a collective body. No action shall constitute an act of the Board unless adopted at a duly called meeting at which quorum is present, or by unanimous written consent as set forth herein. No individual director, officer, volunteer, employee, or donor possesses independent governing authority except as expressly delegated by formal Board action.

Section 2.2 — Board Composition

The Board shall consist of no fewer than five (5) and no more than seven (7) voting directors. The Board shall actively maintain a composition within this range. Falling below five directors shall constitute an emergency governance condition requiring immediate corrective action by the remaining directors.

The Board should, to the extent practicable, include representation across the following areas of expertise: behavioral health and/or social work; community, ministry, or faith leadership; nonprofit administration and governance; legal or regulatory; and financial oversight or accounting.

Section 2.3 — Qualifications for Directors

All voting directors must:

- Be at least eighteen (18) years of age.
- Affirm the Statement of Faith of Black Sheep Ministries at the time of election and upon each term renewal.
- Comply with all Pennsylvania Act 153 background clearance requirements applicable to the organization's service activities.
- Disclose all known actual or potential conflicts of interest as required by the Conflict of Interest Policy.
- Operate free from any financial interest, familial relationship, or organizational affiliation that would materially compromise independent fiduciary judgment, except as disclosed and managed pursuant to the Conflict of Interest Policy.

A majority of voting directors shall be persons who do not receive compensation from the organization, directly or indirectly, including through related parties.

Section 2.4 — Election of Directors

Voting directors shall be elected by a majority vote of the seated Board of Directors at a duly called meeting at which quorum is present. Nominations may be made by any seated director, by the Executive Director, or by a Board-established nominating process.

Prior to election, the Board shall review each nominee's intake form, background clearances, Statement of Faith affirmation, and conflict of interest disclosure.

Section 2.5 — Terms of Office

Each voting director shall serve a term of four (4) years, commencing on the date of election unless a different commencement date is specified by Board resolution. There shall be no limit on the number of consecutive terms a director may serve, subject to the removal and resignation provisions of these Bylaws and the qualification requirements of Section 2.3.

To promote governance continuity, the Board should stagger terms so that no more than approximately one-half of director seats expire in any single calendar year. Initial staggering, if not established at the time of original Board formation, may be accomplished by Board resolution designating shorter initial terms for a portion of seated directors.

Section 2.6 — Holdover Directors

In the event a director's term expires and no successor has been elected, the director shall continue to serve in a holdover capacity until a successor is duly elected. Holdover status shall not exceed six (6) months without formal Board action.

Section 2.7 — Founder Provisions

Joseph Hesketh, as Founder and Executive Director of Black Sheep Ministries, shall serve as a non-voting presiding officer of the Board if compensated, as set forth in the Master Charter. If uncompensated, the Founder may serve as a voting director subject to all qualifications and governance provisions applicable to directors generally.

Nothing in these Bylaws shall be construed to diminish the Founder's role, operational authority, or institutional standing as established in the Master Charter. The Founder's removal as Executive Director shall require a two-thirds supermajority vote as set forth in Section 3.7 of the Master Charter.

Section 2.8 — Fiduciary Duties

Each director owes the organization the following duties, consistent with 15 Pa.C.S. § 5712:

- **Duty of Care** — Directors shall act in good faith, in a manner reasonably believed to be in the best interests of the organization, with the care an ordinarily prudent person in a like position would exercise under similar circumstances.
- **Duty of Loyalty** — Directors shall act in the best interests of the organization and shall not use their position for personal advantage, private benefit, or reputational gain inconsistent with the organization's mission.
- **Duty of Obedience** — Directors shall adhere to the organization's mission, governing documents, and all applicable federal and state law.

Failure to meet fiduciary duties may constitute grounds for removal pursuant to these Bylaws and the Master Charter.

Section 2.9 — Resignation

A director may resign at any time by delivering written notice to the Board Chair or Executive Director. Resignation shall be effective upon receipt unless a later date is specified. Resignation does not relieve a director of obligations accrued prior to the effective date of resignation.

Section 2.10 — Removal

A director may be removed by two-thirds (2/3) supermajority vote of seated directors at a duly called meeting at which quorum is present, for:

- Breach of fiduciary duty.
- Failure to meet qualifications set forth in Section 2.3.
- Unexcused absence from three or more consecutive regular Board meetings.
- Conduct materially inconsistent with the organization's mission, Statement of Faith, or governing documents.
- Conviction of a crime that would disqualify the director from meeting Act 153 clearance requirements.
- Any conduct constituting grounds for removal under the Master Charter.

The director subject to a removal vote shall receive written notice at least ten (10) days prior to the meeting at which removal will be considered and shall have the opportunity to address the Board before the vote. The director subject to removal shall not vote on the question of their own removal.

Section 2.11 — Vacancies

Vacancies on the Board, arising from resignation, removal, death, disqualification, or expiration within the authorized range, may be filled by majority vote of the remaining directors, even if fewer than quorum, for the purpose of filling vacancies only. A director elected to fill a vacancy shall serve the remainder of the unexpired term.

ARTICLE III — BOARD MEETINGS

Section 3.1 — Regular Meetings

The Board shall hold a minimum of four (4) regular meetings per calendar year, spaced at approximately quarterly intervals. The Board shall hold at least one (1) in-person meeting per calendar year. Additional meetings may be called as needed. The annual schedule of regular meetings shall be established by the Board at the beginning of each calendar year.

Section 3.2 — Special Meetings

Special meetings of the Board may be called by the President (Executive Director), the Vice President, or by written request of any two (2) voting directors. Notice of a special meeting shall specify the purpose of the meeting, and business at a special meeting shall be limited to the stated purpose unless all directors waive this limitation.

Section 3.3 — Notice

Written notice of each Board meeting shall be provided to all directors not fewer than seven (7) days prior to a regular meeting and not fewer than twenty-four (24) hours prior to a special meeting, except in the case of a declared emergency. Notice may be delivered by mail, email, or other electronic means to the address on file with the organization.

Notice may be waived in writing by any director. Attendance at a meeting constitutes waiver of notice unless the director attends solely to object to the transaction of business on the grounds that the meeting was not lawfully called.

Section 3.4 — Quorum

Two-thirds (2/3) of currently seated voting directors shall constitute a quorum for the transaction of business at any Board meeting. Fractional quorum calculations shall be rounded up to the next whole number. No business shall be conducted at any meeting at which quorum is not present except as provided under Section 2.11 for filling vacancies in an emergency governance condition.

If quorum is lost during a meeting due to the departure of directors, the Board may continue to conduct business already under deliberation at the discretion of the presiding officer, but shall not call new business.

Section 3.5 — Voting

Each seated voting director shall have one (1) vote. Unless otherwise required by the Master Charter, these Bylaws, or applicable law, all matters shall be decided by a majority vote of directors present at a meeting at which quorum exists. The following actions require a two-thirds (2/3) supermajority vote of seated directors, consistent with the Master Charter:

- Removal of a director.
- Removal of the Executive Director.
- Termination of a program.
- Approval of Executive Director compensation.
- Amendment of the Master Charter.
- Amendment of these Bylaws.
- Doctrinal amendments.
- Approval of dissolution.
- Approval of real estate acquisition or disposition.
- Creation of subsidiary or affiliated entities.

If the Executive Director is compensated and serves as a non-voting presiding officer, the Executive Director may cast a tie-breaking vote only in the event of a deadlocked vote on a matter not involving the Executive Director's own compensation, discipline, or removal.

Section 3.6 — Remote Participation

Directors may participate in Board meetings by telephone, video conference, or other electronic communication technology through which all participants can hear each other simultaneously and participate in deliberation. Participation by such means shall constitute presence at the meeting for all purposes, including quorum. Consistent with 15 Pa.C.S. § 5708.

Section 3.7 — Action Without Meeting

Any action required or permitted to be taken at a Board meeting may be taken without a meeting if all seated voting directors consent in writing or by electronic communication to the action. Such consent shall be filed with the minutes of the Board and shall have the same effect as a unanimous vote at a duly called meeting. Action without meeting shall not be used for supermajority actions without the consent of all seated directors.

Section 3.8 — Executive Sessions

The Board may convene in executive session, excluding the Executive Director and any other non-director attendees, to address matters involving Executive Director performance, compensation, discipline, investigation, or other sensitive governance matters. The Vice President shall preside during any executive session involving the Executive Director.

Section 3.9 — Minutes

The Secretary (or Recording Secretary if designated) shall prepare and maintain accurate minutes of all Board meetings, including the names of directors present, matters discussed, motions made, votes recorded with outcome, and actions taken. Minutes shall be presented for approval at the subsequent Board meeting and shall be maintained as part of the organization's permanent governance records, consistent with the Document Retention and Destruction Policy.

Section 3.10 — Attendance Expectations

Directors are expected to attend all scheduled regular meetings. An unexcused absence is any absence for which no advance notice is provided to the President or Secretary. Three or more consecutive unexcused absences may constitute grounds for removal under Section 2.10. The Board may adopt an attendance policy by resolution.

ARTICLE IV — OFFICERS

Section 4.1 — Required Officers

The organization shall have the following required officer positions:

- President — Held by the Executive Director and/or Founder, serving as presiding officer of the Board.
- Vice President — Elected by the Board from among voting directors.
- Treasurer — Elected by the Board from among voting directors.

The Vice President may serve concurrently as Secretary of the Board, in which case the Vice President shall fulfill both roles. The Board may, by resolution, designate a Recording Secretary to assist with minute-taking without conferring officer status.

Section 4.2 — President (Executive Director)

The President shall be the Executive Director and Founder of Black Sheep Ministries and shall serve as presiding officer of the Board. The President shall set meeting agendas in coordination with Board officers, preside over regular and special meetings, represent the organization as authorized spokesperson for duly adopted Board positions, and fulfill all duties set forth in the Master Charter.

If the Executive Director is compensated, the Executive Director serves as a non-voting presiding officer with tie-breaking vote authority as described in Section 3.5. If uncompensated, the Executive Director/President shall hold full voting rights as a director.

The President shall not preside over deliberation or vote on any matter involving the President's own compensation, discipline, evaluation, or removal. The Vice President shall preside during such deliberation.

Section 4.3 — Vice President

The Vice President shall be elected by majority vote from among voting directors. The Vice President shall:

- Preside over Board meetings in the absence of the President.
- Assume interim operational leadership and serve as interim Executive Director in the event of incapacity, resignation, death, or removal of the Executive Director, for a period not to exceed six (6) months unless formally installed by Board vote.
- Preside over all deliberation involving the compensation, performance, discipline, or removal of the Executive Director.
- Perform such additional duties as assigned by the Board.
- Serve as Secretary if designated, maintaining official records of Board proceedings.

Section 4.4 — Treasurer

The Treasurer shall be elected by majority vote from among voting directors. The Treasurer shall:

- Oversee financial transparency and the organization's financial reporting to the Board.
- Conduct or supervise monthly review of all organizational accounts consistent with the Internal Financial Controls Policy.
- Prepare or supervise preparation of the annual budget in collaboration with the Executive Director.
- Present regular budget-to-actual financial reports to the Board.
- Ensure compliance with the Budgeting and Financial Oversight Policy and Internal Financial Controls Policy.
- Ensure appropriate independent financial review or audit is obtained when required by law or funding conditions.

Section 4.5 — Officer Terms

Officer terms shall correspond to the director term of the individual serving in the officer role. Officers shall serve until their successor is elected or until resignation or removal from office. An officer's removal from an officer position does not automatically remove the individual from the Board.

Section 4.6 — Removal from Officer Position

An officer may be removed from their officer position (without removal from the Board) by majority vote of the seated directors, excluding the officer in question, at a meeting at which quorum is present. An officer may also be removed from office as a consequence of removal from the Board pursuant to Section 2.10.

Section 4.7 — Vacancies in Officer Positions

Vacancies in any officer position shall be filled by majority vote of the seated directors at the next regular or special meeting. An officer appointed to fill a vacancy shall serve the remainder of the unexpired officer term.

ARTICLE V — EXECUTIVE DIRECTOR

Section 5.1 — Role and Authority

The Executive Director shall serve as the chief executive officer of Black Sheep Ministries, responsible for implementation of Board-adopted strategy, oversight of daily operations, supervision of staff and volunteers, execution of the approved budget within Board-authorized limits, and compliance with all safeguarding, reporting, and regulatory obligations.

The Executive Director's authority and limitations are set forth in detail in the Master Charter, Section 3.4, and the Board Governance and Authority Policy, which are incorporated herein by reference.

Section 5.2 — Limitations

The Executive Director shall not, without express Board authorization:

- Override or contravene a formal Board decision.
- Amend any governing document.
- Bind the organization to financial obligations outside the approved budget or delegated authority thresholds.
- Incur debt.
- Alter the mission, doctrinal standards, or program structure.
- Enter into contracts or agreements exceeding thresholds established by Board resolution.

Section 5.3 — Compensation

Compensation for the Executive Director, if any, shall be determined and approved by the disinterested voting directors of the Board, without participation of the Executive Director. The Board shall document that compensation is reasonable based on comparability data, scope of responsibilities, and organizational capacity, consistent with IRS intermediate sanctions standards under IRC § 4958 and the Conflict of Interest Policy.

Section 5.4 — Evaluation

The Board shall conduct a formal performance evaluation of the Executive Director on a periodic basis, with a comprehensive evaluation to occur at minimum every four (4) years, consistent with the Master Charter. A formal vote of assurance or no confidence shall be conducted every four (4) years as set forth in Section 3.8 of the Master Charter.

Section 5.5 — Succession

In the event of incapacity, resignation, death, or removal of the Executive Director, the Vice President shall assume interim operational leadership for a period not to exceed six (6) months unless a successor is formally installed by Board vote. The Board shall develop and maintain a written succession plan to ensure organizational continuity.

ARTICLE VI — COMMITTEES

Section 6.1 — Authority to Establish

The Board may establish standing or ad hoc committees by resolution to assist in carrying out the work of the Board. No committee shall possess governing authority. All committee actions are advisory and subject to Board approval unless the Board expressly delegates limited authority by written resolution.

Section 6.2 — Committee Composition

Each committee shall include at least one (1) voting director. The Board may appoint non-director volunteers, advisors, or staff to committees in a non-voting or advisory capacity, subject to applicable conflict of interest and clearance requirements.

Section 6.3 — Executive Committee

The Board may establish an Executive Committee consisting of the President, Vice President, and Treasurer to act on behalf of the Board on time-sensitive operational matters between regular meetings, within limits defined by the Board by resolution. The Executive Committee shall not take action on supermajority matters, shall report all actions to the full Board, and the full Board shall ratify or reject Executive Committee actions at the next regular meeting.

Section 6.4 — Finance Committee

The Board shall establish or otherwise ensure the function of a Finance Committee, which shall assist the Treasurer in financial oversight, budget review, audit coordination, and compliance with the Budgeting and Financial Oversight Policy and Internal Financial Controls Policy.

Section 6.5 — Reporting

All committees shall maintain records of their proceedings and shall report to the Board at each regular meeting or more frequently as required.

ARTICLE VII — ADVISORY DIRECTORS

Section 7.1 — Non-Voting Advisory Status

The Board may designate individuals as advisory directors or advisory board members to provide non-voting counsel on matters of strategic, legal, ministry, or community relevance. Advisory directors shall not possess governance authority, voting rights, or fiduciary obligations.

Section 7.2 — Appointment and Terms

Advisory directors shall be appointed by majority vote of the seated Board. Terms shall be defined by the Board at the time of appointment. Advisory directors may be removed by majority vote of the seated Board.

Section 7.3 — Statement of Faith and Conduct

Advisory directors are not required to affirm the Statement of Faith unless the Board establishes that requirement by resolution for a particular advisory role. All advisory directors shall be subject to the Code of Ethics for Board and Leadership and shall maintain confidentiality consistent with the Confidentiality Policy.

ARTICLE VIII — PROGRAMS

Section 8.1 — Program Authorization

All programs operated by Black Sheep Ministries must be authorized by formal Board vote and shall operate under a written program charter approved by the Board. Each program charter shall be subordinate to the Master Charter and these Bylaws. The three currently authorized programs are:

- Grace Circles — Youth and Family Stabilization Initiative
- Family Restoration and Foster Support — Non-Custodial Family Stabilization Program
- Black Sheep Care Team — Crisis Hospitality and Street-Level Ministry

Section 8.2 — Program Directors

Program Directors shall be appointed by majority vote of the Board and shall report directly to the Executive Director. Program Directors operate within the scope of their Board-approved charters and approved budgets. Program Directors may not independently alter program scope, mission alignment, policy structure, or financial framework without Executive Director oversight and Board approval where required.

Section 8.3 — Suspension and Termination

Any program may be suspended or terminated by two-thirds (2/3) supermajority vote of the seated Board. Program suspension or termination shall include a written plan addressing participant transition, outstanding obligations, and record retention.

ARTICLE IX — FINANCIAL GOVERNANCE

Section 9.1 — Fiscal Controls

The organization shall maintain internal financial controls consistent with the Internal Financial Controls Policy, the Budgeting and Financial Oversight Policy, and the Anti-Fraud Policy, all adopted pursuant to the Master Charter and incorporated herein by reference. The Board retains ultimate fiduciary responsibility for financial oversight.

Section 9.2 — Budget

The Board shall adopt an annual operating budget prior to the commencement of each fiscal year. No fiscal year shall begin without a Board-approved budget. Material amendments to the adopted budget shall require Board approval and shall be documented in Board minutes.

Section 9.3 — Dual Signature and Financial Controls

No single individual shall have unilateral control over any material financial transaction. The Board shall establish and maintain dual authorization requirements for disbursements exceeding Board-established thresholds. No individual may authorize a payment to themselves. Authorized bank signatories shall be approved by the Board by resolution.

Section 9.4 — Operating Reserve

The organization shall maintain a minimum three-month operating reserve fund as a governance standard. Depletion of the reserve below this threshold shall require Board notification and a corrective action plan.

Section 9.5 — Prohibited Transactions

No part of the net earnings of the organization shall inure to the benefit of any private individual, director, officer, employee, or donor, except reasonable compensation for services rendered. The organization shall not engage in any transaction that constitutes private inurement, private benefit, or an excess benefit transaction as defined under IRC § 4958.

Section 9.6 — Independent Review and Audit

The Board shall determine annually whether an independent financial review, compilation, or audit is warranted based on revenue levels, grant requirements, and applicable regulatory thresholds. If required by law, regulation, or grant conditions, the organization shall engage a qualified independent certified public accountant.

Section 9.7 — Contracts and Obligations

The Executive Director is authorized to execute contracts and agreements within the scope of the approved budget and delegated authority thresholds established by the Board. Contracts or obligations outside delegated authority shall require Board approval. Real estate acquisitions, dispositions, and debt obligations of any kind shall require Board approval.

ARTICLE X — CONFLICT OF INTEREST

Section 10.1 — Policy Adoption

The organization shall maintain a written Conflict of Interest Policy consistent with IRS requirements and Pennsylvania law, as adopted by the Board and incorporated herein by reference.

Section 10.2 — Annual Disclosure

All directors, officers, and key employees shall annually complete a conflict of interest disclosure certification. Disclosures shall be maintained as part of the organization's permanent governance records.

Section 10.3 — Recusal

Any director or officer with an actual or potential financial, familial, or material interest in a matter before the Board shall disclose such interest prior to deliberation and shall recuse from both discussion and vote on the matter. Recusal and the basis therefor shall be documented in the minutes.

Section 10.4 — Governance Review Triggers

The Board shall conduct a formal governance structure review upon occurrence of the trigger events specified in the Conflict of Interest Policy, including cumulative government grants or funding exceeding \$250,000 within a rolling twelve-month period, employment of more than three full-time equivalent staff, and other events set forth in that Policy.

ARTICLE XI — SAFEGUARDING AND COMPLIANCE

Section 11.1 — Safeguarding Obligation

Safeguarding the welfare of participants, especially minors, vulnerable adults, and those in crisis, is a core organizational obligation. The organization shall maintain and enforce the following adopted policies, incorporated herein by reference:

- Abuse Prevention and Misconduct Policy
- Mandatory Reporter Compliance Policy (consistent with Pennsylvania's Child Protective Services Law, 23 Pa.C.S. §§ 6301 et seq., and related statutes)
- Incident Reporting and Documentation Policy
- Two-Adult Rule Policy
- Volunteer Background Clearance Policy (consistent with Pennsylvania Act 153 of 2014, as amended)

Section 11.2 — Background Clearances

All directors, officers, employees, and volunteers with direct participant contact shall obtain and maintain current Pennsylvania Act 153 clearances, including the Pennsylvania State Police Criminal History Record, Pennsylvania Child Abuse History Clearance, and FBI Criminal History Record (fingerprint-based), as required by applicable law and the Volunteer Background Clearance Policy.

Section 11.3 — Mandatory Reporting

All directors, officers, employees, and volunteers who serve in capacities defined as mandated reporters under Pennsylvania law shall comply with all mandatory reporting obligations under 23 Pa.C.S. § 6311 and related statutes. The organization shall provide mandatory reporter training consistent with the Mandatory Reporter Compliance Policy.

Section 11.4 — Incident Reporting

All reportable incidents shall be documented and handled consistent with the Incident Reporting and Documentation Policy. Critical incidents shall be reported to appropriate authorities as required by law and to the Board as required by organizational policy.

ARTICLE XII — INDEMNIFICATION AND LIABILITY

Section 12.1 — Indemnification of Directors and Officers

Black Sheep Ministries shall indemnify each director and officer of the organization against all expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement, actually and reasonably incurred in connection with any proceeding to which the director or officer was made a party by reason of their service, to the fullest extent permitted by 15 Pa.C.S. §§ 5741 through 5743, as amended.

Indemnification shall not apply to any action or omission by a director or officer that constituted gross negligence, willful misconduct, knowing violation of law, or conduct resulting in personal financial benefit to the individual at the expense of the organization.

Section 12.2 — Insurance

The Board shall obtain and maintain Directors and Officers liability insurance, general liability insurance, and abuse and molestation coverage in amounts determined by the Board to be appropriate given the nature and scope of the organization's activities, consistent with the Insurance Coverage Policy.

Section 12.3 — Limitation of Liability

To the extent permitted by Pennsylvania law, directors shall not be personally liable for monetary damages as a result of any action taken, or failure to take action, as a director, except as prohibited by 15 Pa.C.S. § 5713 or applicable law.

ARTICLE XIII — RECORDS AND TRANSPARENCY

Section 13.1 — Record Keeping

The organization shall maintain accurate and complete records of all governance actions, financial transactions, program activities, safeguarding documentation, and personnel matters. Record retention shall comply with the Document Retention and Destruction Policy adopted by the Board, which is incorporated herein by reference.

Section 13.2 — Inspection Rights

Directors have the right to reasonable access to organizational records necessary to fulfill fiduciary duties, consistent with 15 Pa.C.S. § 5977 and the Board Governance and Authority Policy. Requests for extensive records shall be coordinated through the Executive Director. Participant records and personnel files shall be subject to confidentiality protections.

Section 13.3 — Public Disclosure

The organization shall comply with all IRS public disclosure requirements applicable to 501(c)(3) organizations, including making Form 990, Form 1023, and applicable financial reports available for public inspection as required by IRC § 6104 and related regulations.

Section 13.4 — Communications Policy

All public statements, media communications, and external representations of organizational positions shall be governed by the Media and Public Communications Policy adopted by the Board, which is

incorporated herein by reference. No director or officer shall issue public statements disputing internal governance matters without Board authorization.

ARTICLE XIV — DISSOLUTION

Section 14.1 — Voluntary Dissolution

Black Sheep Ministries may be dissolved only upon two-thirds (2/3) supermajority vote of the seated Board of Directors at a duly called meeting at which quorum is present. The Board shall adopt a written Plan of Dissolution prior to final action, consistent with Section 11 of the Master Charter and the Pennsylvania Nonprofit Corporation Law of 1988, 15 Pa.C.S. §§ 5971 et seq.

Section 14.2 — Distribution of Assets

Upon dissolution, and after payment or adequate provision for all known liabilities and obligations, all remaining assets shall be distributed exclusively to one or more organizations recognized as exempt under Section 501(c)(3) of the Internal Revenue Code, or to a federal, state, or local governmental entity for a public purpose, consistent with Section 11 of the Master Charter.

Under no circumstances shall any assets be distributed to any director, officer, employee, donor, or private individual upon dissolution. Any attempted distribution inconsistent with this provision shall be void.

Section 14.3 — Compliance

Dissolution shall be carried out in accordance with the Pennsylvania Nonprofit Corporation Law of 1988 and all applicable Pennsylvania Department of State, IRS, and Pennsylvania Office of Attorney General requirements and filings.

ARTICLE XV — AMENDMENTS

Section 15.1 — Authority

These Bylaws may be amended only by two-thirds (2/3) supermajority vote of seated directors at a duly called meeting at which quorum is present, consistent with Section 3.7 of the Master Charter.

Section 15.2 — Notice and Distribution

No amendment shall be valid unless the proposed amendment has been distributed in writing to all directors at least ten (10) days prior to the meeting at which the amendment will be considered. In emergency circumstances, amendments may be considered with shorter notice upon unanimous written consent of all seated directors.

Section 15.3 — Limitations on Amendments

No amendment to these Bylaws may:

- Alter the organization's exclusive operation for purposes described in Section 501(c)(3) of the Internal Revenue Code.
- Permit private inurement or private benefit.
- Conflict with the Articles of Incorporation or Master Charter.
- Eliminate fiduciary protections required by Pennsylvania law.
- Override mandatory safeguarding compliance obligations.
- Remove dissolution restrictions required under federal tax law.

Any amendment inconsistent with these limitations or with federal tax exemption requirements shall be null and void.

Section 15.4 — Documentation

All adopted amendments shall be documented in Board meeting minutes, incorporated into the official copy of the Bylaws maintained in the organization's governance records, and distributed to all directors. The date of each amendment shall be noted in the Bylaws document.

ARTICLE XVI — PARLIAMENTARY AUTHORITY AND CONSTRUCTION

Section 16.1 — Parliamentary Authority

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Board in all cases to which they are applicable and in which they are not inconsistent with these Bylaws, the Master Charter, the Articles of Incorporation, or any special rules of order the Board may adopt.

Section 16.2 — Severability

If any provision of these Bylaws is found to be invalid, unenforceable, or in conflict with applicable law by a court of competent jurisdiction, such provision shall be deemed severable and shall not affect the validity or enforceability of the remaining provisions.

Section 16.3 — Construction

These Bylaws shall be construed in a manner consistent with the Master Charter, Articles of Incorporation, and applicable Pennsylvania and federal law. In all matters of interpretation, the stated mission and values of Black Sheep Ministries shall serve as a guiding framework.

Section 16.4 — Governing Law

These Bylaws shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, including without limitation the Pennsylvania Nonprofit Corporation Law of 1988 (15 Pa.C.S. §§ 5301 et seq.), and applicable provisions of the Internal Revenue Code.

EXHIBIT A — POLICY AND DOCUMENT CROSS-REFERENCE

The following Board-adopted policies and governing documents are referenced in or operate in conjunction with these Bylaws. All such documents are incorporated herein by reference to the extent they supplement and do not conflict with these Bylaws or the Master Charter.

Governing Documents:

- Black Sheep Ministries Master Charter
- Articles of Incorporation (Pennsylvania Department of State filing)
- Statement of Faith

Governance Policies:

- Board Governance and Authority Policy
- Code of Ethics for Board and Leadership
- Conflict of Interest Policy
- Compensation Policy
- Document Retention and Destruction Policy
- Confidentiality Policy

Financial Policies:

- Budgeting and Financial Oversight Policy
- Internal Financial Controls Policy
- Anti-Fraud Policy
- Grant Compliance Policy
- Donation Acceptance Policy
- Insurance Coverage Policy

Safeguarding and Compliance Policies:

- Abuse Prevention and Misconduct Policy
- Mandatory Reporter Compliance Policy
- Incident Reporting and Documentation Policy
- Two-Adult Rule Policy
- Volunteer Background Clearance Policy
- Volunteer Standards and Conduct Policy

Operational Policies:

- Intake and Referral Policy
- Participant Code of Conduct
- Transportation Policy
- Emergency Response Policy
- Facility Use Policy
- Safety and Security Policy
- Media and Public Communications Policy

Program Charters:

- Grace Circles Program Charter
- Family Restoration and Foster Support Program Charter
- Black Sheep Care Team Program Charter

— End of Document —

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