

BYLAWS
OF
GRACE CHURCH OF ORLAND
A California Nonprofit Religious Corporation

ARTICLE I
Purpose

Section 1.01 Purpose. This Corporation is organized for exclusively religious purposes, namely, to proselytize non-Christians and to teach Christians to obey all that Jesus Christ has commanded (Matthew 28:18–20).

ARTICLE II
Statement of Faith

Section 2.01 Statement of Faith. The religious instruction and other activities of this Corporation shall be governed by a statement of faith that shall be published to all Elders, Deacons, and the congregation. Teaching contrary to these beliefs within the activities of the Corporation shall be considered a divisive act and shall be handled according to the process found in Titus 3:10–11. The authority to revise or amend this statement rests solely in the Board of Elders, herein after “the Elders.” However, the congregation shall be notified of proposed changes well in advance of their official adoption.

ARTICLE III
Corporate Membership

Section 3.01 Corporate Members. The Corporation shall have no members. Any action which otherwise would require approval by the members shall require approval only of the Elders. All rights which otherwise would vest in the members including, without limitation, the right to appoint Elders, shall vest in the Elders.

Section 3.02 Church Members. This corporation may refer to people who regularly attend services and participate in its programs and ministries as “church members,” even though those persons are not voting members. No such reference will constitute anyone as a member within the meaning of Corporations Code §5056. These individuals will be considered church members, who are subject to the spiritual authority of the Elders. Church membership is subject to the approval of the Elders.

ARTICLE IV Church Membership

Section 4.01 Qualifications. Church membership in Grace Church of Orland shall be open to all persons who confess Jesus Christ as their Lord and Savior, who affirm the sixty-six books of the Bible to be the sole infallible rule of faith for the church, who affirm that salvation is through faith alone in Jesus Christ, and who have been baptized as a believer.

Section 4.02 Voting Privileges. Membership in this church shall not vest in any church member any proprietary rights in the Corporation, but shall only entitle the church member to vote at a meeting of the church members on those matters that the Elders choose to submit to the church membership for affirmation. In such cases, voting privileges are restricted to church members who are in good standing and who are not under any disciplinary action.

Section 4.03 Applications for Membership. All requests for membership shall be made to an Elder or Deacon. Upon making such a request, the person shall be given an application for membership, along with a copy of the Statement of Faith and a copy of the Bylaws. An Elder or Deacon shall meet with the applicant following receipt of the application to evaluate their fitness for membership. Each applicant shall assent to the Statement of Faith and subscribe to the Bylaws. Any questions about or disagreements with the Statement of Faith or Bylaws must be indicated on the membership application. The Elders possess the right to grant or withhold membership.

Section 4.04 Admission of Applicants. Applicants admitted to membership shall, if possible, present themselves at a worship service designated by the Elders, at which service such applicants shall publicly affirm their membership commitment and be publicly acknowledged as church members.

Section 4.05 Church Discipline. The members of Grace Church of Orland shall be subject to church discipline at the discretion of the Elders.

- (a) The threefold purpose of church discipline is to glorify God by maintaining purity in the local church (1 Corinthians 5:6), to edify believers by deterring sin (1 Timothy 5:20), and to promote the spiritual welfare of the offending believer by calling him or her to return to a biblical standard of doctrine and conduct (Galatians 6:1).
- (b) Members of this church and all other professing Christians who regularly attend or fellowship with this church who teach contrary to the Statement of Faith, or who engage in conduct that violates Scripture, shall be subject to church discipline, including dismissal according to Matthew 18:15–18. Before such dismissal, however, (1) it shall be the duty of any member of this church who has knowledge of the erring individual's heresy or misconduct to warn and correct such erring individual in private, seeking his or her repentance and restoration. If the erring individual does not heed this warning, then (2) the warning church member shall again go to the erring individual, seeking his or her repentance, but

- accompanied by one or two individuals who shall confirm that the sin has occurred or is continuing to occur, and/or that the erring individual has been appropriately confronted and has refused to repent. The first and second warnings may occur with no specified time interval. If the erring individual still refuses to heed this warning, then (3) it shall be brought to the attention of the Elders. If the Elders determine—after thorough investigation in accord with the procedures prescribed by pertinent Scripture, including Matthew 18:15–18 and 1 Timothy 5:19—that there is corroborating evidence that the erring individual has sinned or is continuing to sin, that he or she has been appropriately confronted, and that he or she has refused to repent, then the Elders shall inform the church and the congregation thereof at a regularly scheduled worship service in order that the church may call the erring individual to repentance. If the erring individual demonstrates repentance, then notice to that effect may be given at a regularly scheduled worship service. If, however, the erring individual does not repent in response to the church in its collective call to repentance, then (4) he or she shall be publicly dismissed from the fellowship and/or membership of the church and the congregation thereof at a regularly scheduled worship service. If the erring individual, after such dismissal, heeds the warning, demonstrates repentance, and requests reinstatement before the Elders, then he or she shall be publicly restored to all the rights, duties, privileges, and responsibilities of fellowship and/or membership.
- (c) Notwithstanding the foregoing, the Elders in the exercise of their discretion may proceed directly to the third stage of church discipline, (i.e. the informing of the church and the congregation thereof at a regularly scheduled worship service in order that the church may call the erring individual to repentance) or to the fourth stage of church discipline, (i.e. the dismissal from the fellowship and/or membership of the church) when one or more of the following have occurred:
 - (i) Where the transgression and the refusal to repent have been public, i.e. openly and to the offense of the whole Church (1 Cor. 5:1–5);
 - (ii) Where the disciplined party has been warned twice to cease from factious and divisive conduct and has chosen to disregard that warning (Titus 3:10–11).
 - (d) The members of this church, and all other professing Christians who regularly attend or fellowship with this church, agree that there shall be no appeal to any court because of the dismissal or because of public statements to the congregation at the third or fourth stages of church discipline. Members of this church who are under discipline by the church, as defined in the previous paragraphs, forfeit and waive the right to resign from this church. Resignations from membership are possible only by church members who are in good standing and who are not under any disciplinary action.
 - (e) Separate and apart from the process of church discipline, but subject to the discretion and approval of the Elders, a church member, non-member regular attender, or other individual may be notified that he or she is not to be present upon church premises for such a period of time as is deemed necessary for the safety and well-being of others on church premises. Such required absence may, but need not, be concurrent with church discipline of that person.

- (f) Separate and apart from the process of church discipline, but subject to the discretion and approval of the Elders, the names of any church members who have not attended a worship service at Grace Church of Orland for a period of six months or longer may be removed from the membership rolls.

ARTICLE V Elders

Section 5.01 Power of the Elders. Subject to any limitations in the Articles of Incorporation, the activities and affairs of the Corporation shall be conducted, and all corporate powers shall be exercised by or under the direction of the Elders. The Elders may delegate the management of the activities of the Corporation to any person or persons, management company, or committee or committees however composed, provided that the activities and affairs of the Corporation shall be managed, and all corporate powers shall be exercised under the ultimate direction of the Elders.

Section 5.02 Appointment and Term of Office. The office of Elder is restricted to qualified men (1 Timothy 2:12). Those aspiring to the office of Elder shall submit themselves to an ordination process in which the current Elders will assess the man according to the biblical qualifications found in 1 Timothy 3:1–7 and Titus 1:6–9. If approved by the Elders, the candidate shall be announced well in advance of his appointment to give the congregation an opportunity to raise concerns. Each Elder shall hold office as long he is willing and biblically qualified. There is no term limit on the office of Elder.

Section 5.03 Resignation and Vacancies. Any Elder may resign effective upon giving written notice to the Elders unless the notice specifies a later time for the effectiveness of such resignation. An Elder may give oral notice of resignation to an officer, but the resignation will not take effect until the Secretary provides written confirmation of the resignation by letter, email or text, to which the resigning Elder makes no objection within one week.

Section 5.04 Removal. The Elders may remove an Elder from office if the man is found to be disqualified according to 1 Timothy 3:1–7 and Titus 1:6–9. Elders who persist in sin, as defined by the Bible, shall be publicly rebuked in the Sunday morning service (1 Timothy 5:20).

The Elders may remove an Elder from office who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty arising under the California Corporation Law.

Section 5.05 Place of Meetings. Meetings of the Elders may be held at any place within or without the State of California which has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal office of the Corporation.

Section 5.06 Regular Meetings. Regular meetings of the Elders shall be held monthly, pursuant to the notice requirements set forth in section 5.08 of these bylaws, at the principal office of the Corporation unless the Elders set a different time or location. The June meeting will be the annual meeting.

Section 5.07 Special Meetings. Special meetings of the Elders for any purpose or purposes may be called at any time by the Chairman of the Board, the President, or any two Elders.

Section 5.08 Notice of Meetings. Meetings of the Elders shall be held upon forty-eight hours' notice delivered personally or by telephone, SMS, or e-mail. Any such notice shall be addressed or delivered to each Elder at the most recent address, email address or phone number each Elder has on file with the Secretary.

Section 5.09 Quorum and Action of the Elders. A majority of Elders in office constitutes a quorum of the Elders for the transaction of business, except for purposes of adjournment as provided in Section 5.11 of these Bylaws. Unless a greater number is required by law, the Articles of Incorporation or elsewhere in these Bylaws, every action taken or decision made by a majority of the Elders present at a meeting duly held at which a quorum is present is the act of the Elders; provided, however, that a meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Elders, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 5.10 Participation in Meetings by Conference Telephone and Electronic Means. Members of the Elders may participate in a meeting through the use of telephone, video conferencing, or similar communications systems, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this Section 5.10 constitutes presence in person at such meeting.

Section 5.11 Adjournment. A majority of the Elders present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Elders who were not present at the time of the adjournment.

Section 5.12 Action Without Meeting. Any action required or permitted to be taken by the Elders may be taken without a meeting, if all members of the Elders shall individually or collectively consent, whether by writing or electronic communication, to such action; provided, however, that the preceding provision shall not include the consent of any Elder who has a material financial interest in a transaction to which the Corporation is a party and who is an "interested director" as defined in §9243 of the California Nonprofit Religious Corporation Law. Such written consent or consents shall be filed with the minutes of the proceedings of the Board and shall have the same force and effect as the unanimous vote of such Elders.

Section 5.13 Committees. The Elders may, by resolution adopted by a majority of the number of Elders then in office, create one or more committees, each consisting of at least one Elder, to serve at the pleasure of the Elders. Appointments to such committees shall be by a majority vote of the Elders then in office. The Elders may appoint one or more Elders as alternate members of any such committee, who may replace any absent member at any meeting of the committee. Any such committee shall have delegated authority only as specifically provided for in the resolution of the Elders.

Section 5.14 Meetings and Actions of Committees. Regular and special meetings and actions of committees of the Elders shall be governed by the provisions of this Article V applicable to meetings and actions of the Elders, provided however, that the Elders may adopt rules for the conduct of the business of any committee consistent with these Bylaws, or in the absence of rules adopted by the Elders, the committee may adopt such rules.

Section 5.15 Fees and Compensation. The Elders may fix the compensation and reimburse the expenses of Elders for their services to the Corporation in such capacity as the Elders may determine is just and reasonable at the time such compensation is authorized, ratified, or approved.

Section 5.16 Procedural Requirements of Meetings. The meetings of the Elders, and its committees may be conducted with informality. However, this informality does not apply to procedural requirements mandated by the Articles of Incorporation, these Bylaws, or the Code. When circumstances warrant, or when otherwise invoked by any person entitled to vote at a meeting, any such meeting or a portion of such meeting will be conducted according to the latest edition of Robert's Rules of Order, Newly Revised to the extent that such procedural reference authority does not conflict with the Articles of Incorporation, Bylaws, or the Code.

ARTICLE VI

Senior Pastor

Section 6.01 Qualifications.

- (a) He shall meet the qualifications for the office of Elder as found in 1 Timothy 3 and Titus 1.
- (b) He shall have the experience, training, and education, including seminary level education or the equivalent (2 Timothy 2:15) to equip the Church.
- (c) He shall be in full accord with the Statement of Faith of the church, shall become a church member, and shall accept and work within the organizational structure of the church as determined by the Elders.

Section 6.02 Duties. The Senior Pastor is appointed by the Elders to lead the worship services of the church and, on the basis of his spiritual gifts and theological training, to direct the other teaching ministries of the church. He shall, with the approval of the Elders, hire, direct, and supervise the members of the staff, delegating responsibility and

authority where appropriate, establishing priorities in the ministries, and promoting the effective functioning of the total staff.

Section 6.03 Authority. The authority of the Senior Pastor is no different from the authority of any individual Elder. He shall be a member of, and responsible to, the Elders. His authority to perform the duties defined in this Article are delegated to him by the Elders.

Section 6.04 Appointment. He shall be called and appointed to serve by the Elders. The congregation shall be given adequate opportunity for interaction, input, and affirmation prior to his appointment.

Section 6.05 Accusations. No accusation shall be brought against the Senior Pastor except on the basis of at least two witnesses (1 Timothy 5:19-21). If it is determined he has erred in doctrine or conduct, the Elders shall investigate the matter and take appropriate action.

Section 6.06 Resignation. If the Senior Pastor desires to resign, three months written notice must be given in advance of the termination date. Length of time may be shortened upon mutual consent.

ARTICLE VII Board of Deacons

Section 7.01 Deacons. Deacons will serve the congregation by overseeing matters delegated to them by the Elders (Acts 6:1–7).

Section 7.02 Qualifications for Deacons. Deacons must be members of the Church in good standing and meet the biblical qualifications found in 1 Timothy 3:8–13.

Section 7.03 Appointment and Terms of Office of Deacons. Deacons are appointed by the Elders. There is no term limit on the office of Deacon.

Section 7.04 Resignation, Removal, and Termination. A Deacon may resign at any time upon giving notice to the Elders. A Deacon may be removed if found by the Elders to be unable to perform the duties of a Deacon due to illness, moral failure, or refusal to abide by the tenets of the church's statement of faith or these Bylaws.

ARTICLE VIII Officers

Section 8.01 Officers. The officers of the Corporation shall be a Chairman, a Secretary, and a Treasurer. The Corporation also may have, at the discretion of the Elders, other officers as may be appointed in accordance with the provisions of Section 8.02 of this

Article. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve concurrently as the Chairman.

Section 8.02 Appointment of Officers. The officers of the Corporation shall be chosen by, and shall serve at the pleasure of the Elders, and shall hold their respective offices until their resignation, removal, or other disqualification from service.

Section 8.03 Removal and Resignation. Any officer may be removed by the Elders at any time. Any such removal shall be without prejudice to the rights, if any, of the officer under any contract of employment.

Any officer may resign at any time by giving written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein.

Section 8.04 Vacancies. A vacancy in any office shall be filled in the manner prescribed in these Bylaws for that office.

Section 8.05 Chairman. The Chairman is the general manager and chief executive officer of the Corporation and, subject to the control of the Elders shall be responsible for the general supervision, direction, and control of the business and officers of the Corporation. The Chairman shall preside at all meetings of the Elders.

Section 8.06 Vice Chairman. In the absence or disability of the Chairman, the Vice Chairman, if one is appointed, shall perform all the duties of the Chairman and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Chairman. The Vice Chairman shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Elders.

Section 8.07 Secretary. The Secretary shall keep, or cause to be prepared and maintained, a record of minutes of all meetings of the Elders and its committees. The minutes shall include, at a minimum the time and place of meetings, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present, the precise language of all motions and resolutions presented to the Elders, and the outcome of all votes on such motions and resolutions. The Secretary shall have principal responsibility for assuring that all corporate documents and records are maintained in accordance with any Document Retention or Destruction Policy prescribed by the Elders and shall certify such records as needed by the Corporation in carrying out its business.

The Secretary shall give, or cause to be given, notice of all meetings of the Elders and its committees required by law or by these Bylaws to be given, and shall have such other powers and perform such other duties as may be prescribed by the Elders.

Section 8.08 Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the properties and business

transactions of the Corporation. The books of account shall be open at all reasonable times to inspection by any Elder.

The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name, and to the credit, of the Corporation with such depositories as may be designated by the Elders. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Elders, shall render to the Chairman and the Elders, whenever requested, an account of all transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Elders.

ARTICLE IX Emergency Powers

Section 9.01 Emergency Powers. In anticipation of or during an emergency, the Elders may relocate the principal office, designate alternative principal offices or regional offices, or authorize the officers to do so.

During an emergency, (1) notice of a meeting of the Elders need be given only to those Elders it is practicable to reach and may be given in any practicable manner; and (2) those Elders who participate in a meeting of the Elders shall constitute a quorum.

Corporate action taken in good faith during an emergency to further the ordinary activities and affairs of the corporation: (1) binds the corporation; and (2) may not be used to impose liability on an Elder, officer, employee, or agent.

“Emergency” means any of the following events or circumstances as a result of which, and only so long as, a quorum of the corporation's Elders cannot be readily convened for action: (1) a natural catastrophe, including, but not limited to, a hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought, or, regardless of cause, any fire, flood, or explosion; (2) an attack on this state or nation by an enemy of the United States of America, or upon receipt by this state of a warning from the federal government indicating that an enemy attack is probable or imminent; (3) an act of terrorism or other manmade disaster that results in extraordinary levels of casualties or damage or disruption severely affecting the infrastructure, environment, economy, government functions, or population, including, but not limited to, mass evacuations; or (4) a state of emergency proclaimed by a governor or by the President of the United States.

ARTICLE X Indemnification, Insurance and Director Liability

Section 10.01 Right to Indemnification. This Corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any action or proceeding by

reason of the fact that such person is or was an officer, Elder, or agent of this Corporation, or is or was serving at the request of this Corporation as an Elder, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, or other enterprise, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding, to the fullest extent permitted under the California Nonprofit Corporation Law, upon approval by the Elders.

In determining whether indemnification is available to the Elder, officer, or agent of this Corporation under California law, the determination as to whether the applicable standard of conduct set forth in Corporations Code §9246 has been met shall be made by a majority vote of a quorum of Elders who are not parties to the proceeding. If the number of Elders who are not parties to the proceeding is less than two-thirds of the total number of Elders seated at the time the determination is to be made, the determination as to whether the applicable standard of conduct has been met shall be made by the court in which the proceeding is or was pending.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled and shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 10.02 Insurance. This Corporation has the power and must use its best efforts to purchase and maintain insurance on behalf of any Elder, officer, or agent of the Corporation, against any liability asserted against or incurred by the Elder, officer, or agent in any such capacity or arising out of the Elder's, officer's, or agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under Section 5.01 of these Bylaws; provided, however, that the Corporation may not purchase and maintain such insurance to indemnify any Elder, officer, or agent of the Corporation for any self-dealing transaction, as described in Corporations Code §9243.

ARTICLE XI Settlement of Disputes

Section 11.01 Settlement of Disputes. In a dispute that comes before the Elders, pastors, or staff pertaining to any matter of spiritual teaching or practices, church finances, or title to property purchased with church contributions, the dispute shall be resolved by the Elders of the church.

ARTICLE XII Church Property

Section 12.01 Property Rights. The Church shall have power through the Elders to buy, own, and sell real and personal property in its own name. The members of the Church

shall have no rights to distribution of the property or any income of the Church, nor shall such property or income be used for their personal and private non-spiritual benefit, but reasonable compensation may be paid to members who provide services to the Church.

Section 12.02 Division. In case of a division of the Church, the property of the Church shall remain in the control of the serving Elders.

Section 12.03 Dissolution

- (a) The Church shall be considered dissolved only by a unanimous determination of the Elders.
- (b) "Dissolution" means the complete disbanding of the Corporation so that it no longer functions as a corporate entity. Upon the dissolution of the Corporation, the Corporation shall, after paying or making provision for payment of all the liabilities of the Corporation, distribute all the assets of the Corporation to an organization or organizations chosen by the Elders that is/are consistent with the Statement of Faith and values of the Church.

ARTICLE XIII Miscellaneous

Section 13.01 Fiscal Year. The fiscal year of the Corporation shall be from July 1st through June 30th, or such other period as may be fixed by the Elders.

Section 13.02 Checks, Notes and Contracts. The Elders shall determine who shall be authorized from time to time on the Corporation's behalf to sign checks, drafts, or other orders for payment of money; to sign acceptances, notes, or other evidences of indebtedness; to enter into contracts; or to execute and deliver other documents and instruments.

Section 13.03 Amendment of Articles of Incorporation and Bylaws. The Articles of Incorporation and Bylaws of the Corporation may be adopted, amended or repealed in whole or in part by majority vote of the Elders then in office.

Section 13.04 Loans to Elders and Officers. The Corporation shall not make any loan of money or property to or guarantee the obligation of any Elder or officer, unless approved by the Attorney General; provided, however, that the Corporation may advance money to an Elder or officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such Elder or officer, provided that in the absence of such advance, such Elder or officer would be entitled to be reimbursed for such expenses by the Corporation, its parent, or any subsidiary. The provisions of this Section do not apply to (1) the payment of premiums in whole or in part by the Corporation on a life insurance policy of an Elder or officer so long as repayment to the Corporation of the amount paid by it is secured by the proceeds of the policy and its cash surrender value; or (2) a loan of money to or for the benefit of an officer in circumstances where it is necessary, in the judgment of the Elders, to provide financing for the purchase of the

principal residence of the officer in order to secure the services or continued services of the officer and the loan is secured by real property located in the state of California.