

**RESTATED  
ARTICLES OF INCORPORATION  
OF  
ATASCADERO BIBLE CHURCH**

A California Nonprofit Religious Corporation

Stan McDonald and Jeff Zippi certify that:

1. They are the Chair of the Board and Secretary, respectively, of ATASCADERO BIBLE CHURCH, a California Nonprofit Religious Corporation.
2. The Articles of Incorporation of this Corporation are amended and restated to read as follows:

**ARTICLE 1**

**NAME**

The name of this Corporation is: ATASCADERO BIBLE CHURCH.

**ARTICLE 2**

**PURPOSE**

This Corporation is a religious corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Religious Corporation Law exclusively for religious purposes. The specific purposes for which this Corporation is organized are religious ones, to wit: To function as an evangelical, evangelistic, fundamental Church of Jesus Christ, in accordance with the teachings of the Holy Bible; to proclaim the Gospel of Jesus Christ both at home and abroad; to train Christian workers; to promote righteousness, justice, and loyalty to Jesus Christ and the Holy Bible as the very word of God. To acquire by purchase or gift, such property whether real or personal to facilitate the foregoing purposes, and to have and exercise all other powers, rights and privileges granted by the State of California. The recital of these purposes as contained in this paragraph is intended to be exclusive of any and all other purposes, this Corporation being formed for such religious purposes only.

## **ARTICLE 3**

### **STATEMENT OF FAITH**

This Corporation shall continually and steadfastly uphold and maintain the following Statement of Faith of the Corporation, to wit:

#### **1. THE TRINITY**

We believe in the Triune God: Father (Genesis 1:1), Son (John 10:30), and Holy Spirit. (Acts 5:3-4)

#### **2. VERBAL INSPIRATION**

We believe that the Scriptures of the Old and New Testaments are verbally inspired and are our revelation of the will of God. (II Timothy 3:16-17)

#### **3. TOTAL DEPRAVITY**

We believe that all men are by nature corrupt and lost. (Romans 3:19)

#### **4. SATAN**

We believe that Satan is a personality. (Job 1:6-7)

#### **5. THE VIRGIN BIRTH**

We believe in the Virgin Birth and the Deity of Jesus Christ. (Luke 1:35)

#### **6. THE VICARIOUS DEATH OF CHRIST**

We believe that Christ died for the ungodly. (Romans 3:25)

#### **7. THE BODILY RESURRECTION OF JESUS CHRIST**

We believe that Christ was raised from the dead, bodily. (I Corinthians 15:3-4)

#### **8. THE RESURRECTION OF THE DEAD**

We believe that all of the dead shall be raised: the righteous to everlasting life; the lost to condemnation. (John 5:29)

## 9. THE EXALTATION OF JESUS CHRIST

We believe that Jesus Christ ascended to the Father's right hand where He is now. (Acts 2:32-33; I Timothy 2:5)

## 10. JUSTIFICATION BY FAITH

We believe that men are justified upon the ground of faith in the finished work of Jesus Christ. (Romans 4:5)

## 11. THE PERSON AND WORK OF THE HOLY SPIRIT

We believe that the Holy Spirit is a Person, who convicts the world of sin, righteousness and judgment to come; that He regenerates, indwells, enlightens, and empowers the saved. (John 16:8; I Corinthians 3:16)

## 12. ETERNAL SECURITY

We believe in the eternal security and assurance of all the saved. (John 10:28-29)

## 13. THE CHURCH

We believe that all of the saved in this dispensation are members of the universal church, which is the Body of Christ. (Ephesians 4:12-16)

## 14. SEPARATION FROM THE WORLD

We believe that all of the saved are called into a life of separation from all worldly and sinful practices. (James 4:4; Romans 12:1-2; I John 2:16; II Corinthians 6:14)

## 15. THE TWO NATURES

We believe that those who become new creatures in Christ possess two natures and that they may have victory over the old nature through the power of the new nature; but that the eradication of the old nature is unscriptural. (Romans 6:13; 8:12-13; Colossians 3:1-10; Galatians 5:16-25; Ephesians 4: 22-24; I Peter 1: 1-16; I John 3:5-9)

## 16. MISSIONS

We believe that it is the obligation of the saved to witness by life and word to these truths and to proclaim the Gospel to all the world. (Acts 1:8)

## 17.HELL

We believe that Hell is a place of conscious torment and is reserved for the Devil and his angels and all who die unsaved. (Revelation 20:10-15)

## 18.THE SECOND COMING OF CHRIST

We believe that Christ will return to this earth personally and that He will rule and reign over the world as the Scriptures state. (Acts 1:11; I Thessalonians 4: 16-17)

## 19.HUMAN SEXUALITY

Sexual activities, such as, but not limited to, adultery, fornication, incest, homosexuality, pedophilia, and bestiality are inconsistent with the teachings of the Bible and the Church. Further, lascivious behavior, the creation and/or distribution and/or viewing of pornography, and efforts to alter one's gender are incompatible with the biblical witness. Legitimate sexual relations are exercised solely within marriage between one man and one woman. (Genesis 2:18-24; Leviticus 18:22-26; Matthew 9:3-9; I Corinthians 6:9-19; Hebrews 13:4)

## **ARTICLE 4**

### **TAX EXEMPTION REQUIREMENTS**

This Corporation is organized and operated exclusively for religious purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements on behalf of any candidate for public office).

## **ARTICLE 5**

## **DISTRIBUTION UPON DISSOLUTION**

The property of this Corporation is irrevocably dedicated to religious purposes meeting the requirements of Section 501(c)(3) of the Internal Revenue Code, and no part of the net income or assets of this Corporation shall ever inure to the benefit of any director, trustee, officer or member of this Corporation, or to the benefit of any individual.

Upon the winding up and dissolution of this Corporation, and after paying and adequately providing for all debts and liabilities of the Corporation, the assets of this Corporation shall be distributed to a nonprofit fund, foundation or corporation, which is organized and operated exclusively for religious purposes and which is currently exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

## **ARTICLE 6**

### **GOVERNED BY NONPROFIT CORPORATION LAW**

The Corporation elects to be governed by all of the provisions of the Nonprofit Corporation Law effective January 1, 1980, not otherwise applicable to it under Part 5 thereof.

The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the Board of Directors.

The foregoing amendments of Articles of Incorporation have been duly approved by the required vote of the members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: \_\_\_\_\_, 2013

\_\_\_\_\_  
Stan McDonald, Chair of the Board

\_\_\_\_\_  
Jeff Zippi, Secretary

**BYLAWS**  
**OF**  
**ATASCADERO BIBLE CHURCH**

A California Nonprofit Religious Corporation

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**PREAMBLE**

As an independent, nondenominational Church, desiring to maintain ourselves for the worship of God and the preservation of "the faith, which was once delivered unto the saints," and for the propagation of that faith in evangelistic and missionary enterprises, Atascadero Bible Church has adopted these bylaws.

**ARTICLE 1**

**LOCATION OF OFFICES**

The name of this Corporation is ATASCADERO BIBLE CHURCH. It is a California nonprofit religious corporation with its principal office in Atascadero, California.

The church has been incorporated in the State of California for legal purposes, but said incorporation shall in no way interfere with the spiritual organization of the local church as given in the New Testament.

**ARTICLE 2**

**PURPOSE**

This Corporation is a religious corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Religious Corporation Law exclusively for religious purposes. The specific purposes for which this Corporation is organized are religious ones, to wit: To function as an evangelical, evangelistic, fundamental Church of Jesus Christ, in accordance with the teachings of the Holy Bible; to proclaim the

Gospel of Jesus Christ both at home and abroad; to train Christian workers; to promote righteousness, justice, and loyalty to Jesus Christ and the Holy Bible as the very word of God. To acquire by purchase or gift such property, whether real or personal, to facilitate the foregoing purposes, and to have and exercise all other powers, rights and privileges granted by the State of California. The recital of these purposes as contained in this paragraph is intended to be exclusive of any and all other purposes, this Corporation being formed for such religious purposes only.

## **ARTICLE 3**

### **STATEMENT OF BELIEF**

#### **Section 3.1 Statement of Belief**

The statement of belief of this Corporation is that which is incorporated in its Articles of Incorporation as filed in the office of the Secretary of State of the State of California.

#### **Section 3.2 Practices and Policies**

Baptism is an ordinance practiced by the early and continuing Church. It is not necessary for salvation. Believers should enter into Baptism at an age of accountability in obedience to God's command and as a testimony to the acceptance of Jesus Christ as Savior. The mode of baptism practiced at Atascadero Bible Church is that of immersion. The Elders/Directors may honor other modes of baptism performed, after confession of faith, upon review.

a. The Ordinance of the Lord's Supper shall be a service for heart searching and shall be held monthly and upon other special occasions as deemed best by the Elders/Directors.

b. The financial support for the preaching of the Gospel of Jesus Christ by this Church shall be by tithes, offerings and gifts. The members shall be encouraged to consider their financial obligations to God and the Church.

c. Marriage is an ordinance of the Church. Marriage has been ordained, established, and instituted by God. This Church recognizes marriage as exclusively the legal union of one man and one woman in which such union is a lifetime commitment. Gen. 2:18-24; Matt. 19:3-9; Mk. 10:6-8; I Cor. 7:2.

d. The Board of Elders/Directors, in consultation with the members and Pastors of the Church, may adopt other practices and policies necessary for the operation of the Church, copies of which shall be maintained with the records of the Corporation.

e. Unless specifically set aside by a majority of the members and/or Board members present at a meeting, Roberts Rules of Order, as currently revised, will be used to manage all meetings of this Corporation.

## **ARTICLE 4**

### **MEMBERSHIP**

#### **Section 4.1 Members.**

The members of this Corporation shall consist of those who have complied with the requirements set forth in Section 4.2 of this Article, have properly presented themselves for membership in accordance with the procedures determined by the Elders/Directors, and who have been enrolled as members on the membership roster. No person may hold more than one (1) membership.

Membership in this Corporation shall not vest in any member any distributions from the Corporation during the existence of the Corporation but shall only entitle the member to vote at meetings of the members. Membership shall not be assignable during lifetime by any member, nor shall membership vest to any personal representative, heir or devisee.

#### **Section 4.2 Requirements for Membership.**

Candidates for membership must attend a new members' class, complete a membership application and agree to abide by the bylaws and policies of the Church.

- a. Candidates for membership must be baptized in water after committing their lives to Jesus Christ.
- b. A person fifteen years of age or older may become a member.
- c. Each candidate for membership shall be interviewed by an Elder/Director or Pastor. The interviewer shall ensure that the applicant meets the criteria for membership and has signed and dated a membership application.
- d. It is the duty of all members to participate in the work and service of the Church, under the direction of the Church Elders/Directors and Pastors.

#### **Section 4.3 Removal of Members.**

Membership of any member shall cease upon the happening of any of the following events:



- a. The member's death or resignation.
- b. The determination by the Board of Elders/Directors that said member has ceased to maintain an active involvement in the affairs of the Corporation, or is spiritually disqualified. Any member so removed has the right to appeal to a group of persons identified in Article 10 of these Bylaws.

#### **Section 4.4 Discipline of Member.**

All members of the local Church, by applying for membership, have agreed to submit themselves to Church discipline as defined by the New Testament Scriptures (Matthew 18). Church discipline shall be pursued by this Corporation as necessary to fulfill its purpose as a New Testament church. Such Church discipline may result in such consequences as loss of voting rights, removal from membership, and as a last resort, disfellowshipping of the disciplined individual.

#### **Section 4.5 Place of Meetings of Members.**

Notwithstanding anything to the contrary in these Bylaws, any meeting, whether regular, special or adjourned of the members of this Corporation, may be held at any place within or without California which has been designated by the Board of Elders/Directors.

#### **Section 4.6 Regular Annual Meetings of Members.**

The regular annual meeting of the members, of which no notice need be given, shall be held at the principal office of the Corporation (as the same shall be from time to time designated in the minutes of the Elders/Directors) at 10:00 AM on the second Sunday in February of each year. The Elders/Directors may designate a different time, date or location, in which case notice must be given in the manner specified for special meetings. At the regular annual meeting, the members shall consider reports of the affairs of the Corporation, and transact such other business as may properly be brought before the meeting, including but not limited to the election of Elders/Directors of the Corporation to serve for the ensuing term and until their successors are elected and qualified.

#### **Section 4.7 Special Meetings of Members.**

Special meetings of the members may be called at any time by order of the Chairman of the Board or any Vice Chairman or the Secretary, or two or more members of the Elder/Director Board.

#### **Section 4.8 Notice of Special Meetings of Members.**

Written notice of special meetings of members shall be given by publication in the Church bulletin or by announcement at all regular services at least two Sundays before the scheduled meeting, or personally, by electronic transmission by the Corporation, or by mailing by first class, registered or certified mail, postage prepaid, to each member, at the address of such member appearing on the books of the Corporation or given by the member to the Corporation for purpose of notice, a notice of the meeting at least ten (10) days before the time fixed for holding the meeting.

Notice of any meeting of members shall specify the place, the day and the hour of meeting, and in case of a special meeting as provided by the Corporations Code of California, the general nature of the business to be transacted.

#### **Section 4.9 Electronic Transmission to Member.**

a. "Electronic transmission" by the Corporation to a member means:

(1) A communication delivered by

i) Fax or e-mail, when sent to the member's fax number or e-mail address on record with the Corporation,

ii) A posting on an electronic message board or network, which the Corporation has designated for those communications, together with a separate notice to the member of the posting. Such posting is considered validly delivered upon the posting or delivery of the separate notice thereof, whichever is later, or

iii) Other means of electronic communication; and

(2) That creates a record that is capable of retention, retrieval and review, and that may thereafter be printed clearly in hardcopy format.

b. A member must have provided consent to the use of the method of electronic communications before the Corporation may send electronic transmissions to the member, and the member must have been given a clear written statement (either before the consent, or as a part of the consent) setting forth:

(1) Any rights the member may have to receive the communication on paper or in nonelectronic form;

(2) Whether the consent applies only to that transmission, to specified categories of communications or to all communications from the Corporation; and

(3) The procedures the member must use to withdraw consent.

- c. Notice shall not be given by electronic transmission after either:
- (1) The Corporation is unable to deliver two consecutive notices to the member by that means; or
  - (2) The inability to deliver the notices to the member becomes known to the person responsible for the giving of the notice.
- d. The notice must state the place, date and time of the meeting, and/or the means of electronic transmission by and to the Corporation by which the member may participate.

**Section 4.10 Quorum.**

A quorum consists of 1/3 (one-third) of the members of the church. At all meetings of the members, whether regular, special or adjourned, a quorum shall consist of those present in person or by written ballot. The only matters that may be voted upon at any regular meeting actually attended by less than one-third (1/3) of the voting power are those matters, notice of the general nature of which has been given in the manner required for special meetings.

**Section 4.11 Adjournments.**

Any business which might be done at a regular meeting of the members may be done at a special or at an adjourned meeting. If no quorum is present at any meeting of the members, such meeting may be adjourned by those present from day to day or from time to time until a quorum is obtained. In that case, no notice need be given of the adjourned meeting.

**Section 4.12 Waiver and Consent.**

The transaction of any special meeting of members, however called or noticed shall be as valid as though conducted at a meeting duly held after regular call and notice, if a quorum is present, and if either before or after the meeting, each of the members, not present in person, has an opportunity to sign a written waiver of notice or a consent to the holding of such meeting, or an approval of the minutes of the meeting.

Any action that may be taken at a meeting of the members may be taken without a meeting if authorized by a writing signed by all the members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary of the Corporation.

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**Section 4.13 Absentee Ballots.**

Absentee ballots specifically setting forth the resolution to be voted on may be prepared for any regular or special meeting of members. These ballots may be used by voting members in good standing who are unable to attend, who request the same. Completed absentee ballots will be used to establish a quorum.

**Section 4.14 Voting Rights.**

Only persons whose names stand on the membership records of the Corporation on the day of any meeting of members shall be entitled to vote at such a meeting.

Every member entitled to vote at any election for Elders/Directors shall be entitled to one (1) vote.

Voting privileges of a member may be disallowed if it is determined by the Elders/Directors that the member has ceased to be active or if the member has become subject to Church discipline, or has ceased to qualify as a member, as set forth in Section 4.2 of this Article. Any disputed case shall be decided by a majority of the Elders/Directors, giving consideration to these elements.

**Section 4.15 Proxies.**

Voting by proxy is not allowed.

**ARTICLE 5**

**Elders/Directors**

**Section 5.1 Powers.**

Subject to limitations of the Articles and these Bylaws and of pertinent restrictions of the Corporations Code of the State of California, all the activities and affairs of the Corporation shall be exercised by or under the direction of the Board of Elders/Directors, who shall be the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws:

- a. To select and remove officers, agents and employees of the Corporation, prescribe such duties for them as may not be inconsistent with law, with the Articles of Incorporation, or with these Bylaws, fix the terms of their offices and their compensation

and in their discretion require from them security for faithful service. The Board responsibilities shall include but not be limited to:

(1) Approving the selection, compensation, discipline and dismissal of the Senior/Lead Pastor.

(2) Establishing personnel policies and procedures, including selection and dismissal procedures, salary and benefit scales, employee grievance procedures, and equal opportunity practices.

b. To make disbursements from the funds and properties of the Corporation as are required to fulfill the purposes of this Corporation as are more fully set out in the Articles of Incorporation, and generally to conduct, manage and control the activities and affairs of the Corporation and to make rules and regulations not inconsistent with law, with the Articles of Incorporation or with these Bylaws, as they may deem best.

c. To adopt, make and use a corporate seal and to alter the form of such seal from time to time as they may deem best.

d. To borrow money and incur indebtedness for the purposes of the Corporation and to cause to be executed and delivered therefore, in the Corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities therefore.

e. To the extent permitted by the exempt status of the organization, to carry on a business related to the exempt purpose, at a profit and apply any such profit that results from the business activity to any activity in which it may legally engage.

## **Section 5.2 Number of Elders/Directors.**

The authorized number of Elders/Directors of the Corporation shall be not fewer than three (3), and not more than twenty-one (21), with the exact number to be determined from time to time by the Elders/Directors, until changed by an amendment of the Articles of Incorporation or by an amendment to these Bylaws.

## **Section 5.3 Selection and Tenure of Office of Elders/Directors.**

At least one (1) Pastor shall be elected by the Board of Elders/Directors to serve as an Elder/Director. Not more than thirty-three percent (33%) of the Elders/Directors may be Pastors. Thirty-Three percent (33%) of the remaining Elders/Directors shall be elected at each annual meeting of the members from those nominated by the Board of Elders/Directors. Any member may recommend nominees to the Board of Elders/Directors prior to the annual meeting. If the nominated candidates are not elected by the members for the Elder/Director offices to be voted upon at the annual

meeting, the Board shall nominate additional candidates for election at a special meeting of the members.

Each Elder/Director shall serve for a period of three (3) years and until a successor has been elected and qualified. If an annual meeting is not held or the Elders/Directors are not elected at such meeting, the Elders/Directors may be elected at any special meeting of members held for that purpose.

#### **Section 5.4           Qualifications of Elders/Directors.**

Each Elder/Director must be a man who has been a member for at least one (1) year immediately prior to election and must believe without reservation in purposes of the organization. Each Elder/Director must meet the spiritual qualifications of an Elder/Director as set forth in 1 Timothy 3:1-13; Titus 1:5-9, and must sign an annual statement that he believes, without reservation, in the Statement of Belief of this Corporation, and will evidence this belief in his daily life. Violation of this provision is grounds for removal.

#### **Section 5.5           Removal of Elders/Directors.**

An Elder/Director may be removed from office if any of the following has been found to have occurred:

- a.     The Director is absent at ten (10) or more consecutive board meetings or twenty (20) meetings in a calendar year without cause.
- b.     The Elder/Director becomes physically incapacitated or his inability to serve is established in the minds of a majority of the Board.
- c.     He becomes spiritually unqualified in the minds of a two-thirds (2/3) majority of the Board.
- d.     An undisclosed and/or unapproved conflict of interest is found to exist between the Elder/Director and the Corporation.
- e.     The Elder/Director is found to have engaged in activities that are directly contrary to the interests of the Corporation.
- f.     The Elder/Director is found to be engaged in the misrepresentation of the Corporation and its policies to outside third parties, either willfully, or on a repeated basis.

g. A two-thirds (2/3) majority of Elders/Directors who meet the qualifications set forth in Section 5.4 determine that the Elder/Director has not continued to meet these qualifications.

Before any such removal occurs, the Elder/Director will be advised of the allegation and the basis for the same, and will be given an opportunity to present any contrary evidence, or explanation he may have to the Board. Removal must be by a two-thirds (2/3) majority vote of the Elders/Directors other than the Elder/Director being removed.

Any Elder/Director so removed has the right to appeal to a group of persons identified in Article 10 of these Bylaws.

### **Section 5.6 Resignation of Elders/Directors.**

Any Elder/Director may resign effective upon giving written notice to the Chair of the Board or the Secretary of the Board, unless the notice specifies a later time for the effectiveness of the resignation.

If the resignation is to take effect at some future time, a successor may be selected before such time, to take office when the resignation becomes effective.

### **Section 5.7 Vacancies in the Elder/Director Board.**

Vacancies in the Board shall be filled in the same manner as the Elder(s) whose office is vacant was selected, provided that vacancies to be filled by election by Elders/Directors may be filled by a majority of the remaining Elders/Directors, although less than a quorum, or by a sole remaining Elder, and providing further, that the Elders/Directors may fill any vacancy that occurs more than six (6) months before a regular members meeting. Each Elder/Director so elected shall hold office until the expiration of the term of the replaced Elder/Director and until a successor has been named and qualified. If the office was held by a designated or appointed Elder, the vacancy shall be filled in the same manner as the Elder/Director whose office is vacant was selected.

A vacancy or vacancies in the Board shall be deemed to exist in case of the death, resignation or removal of any Elder, or if the authorized number of Elders/Directors is increased.

The Board may declare vacant the office of an Elder/Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or has been found by a final order or judgment of any court to have breached any duty arising under the California Nonprofit Religious Corporation Law.

No reduction of the authorized number of Elders/Directors shall have the effect of

removing any Elder/Director prior to the expiration of the Elder's term of office.

**Section 5.8 Place of Meetings of Elders/Directors.**

Notwithstanding anything to the contrary provided in these Bylaws, any meeting (whether regular, special or adjourned) of the Board of Elders/Directors of the Corporation may be held at any place within or without California that has been previously designated for that purpose by resolution of the Board of Elders/Directors or by the written consent of all the members of the Board. If no place has been designated, then the meetings will be held at the principal executive office of the Corporation.

**Section 5.9 Regular Meetings of Elders/Directors.**

Regular meetings of the Board shall be held without call or notice on a schedule established after the adjournment of each annual meeting of members.

**Section 5.10 Special Meetings of Elders/Directors.**

Special meetings of the Board of Elders/Directors may be called at any time by order of the Chairman of the Board, of any Vice Chairman, the Secretary, or of two or more of the Elders/Directors.

**Section 5.11 Notice of Special Meetings of Elders/Directors.**

Special meetings of the Board shall be held upon four days' notice by first class mail or a forty-eight hour notice given personally or by telephone, including a voice messaging system or by electronic transmission by the Corporation. The notice shall be addressed or delivered to each Elder/Director or at the Elder's address as it is shown upon the records of the Corporation or as may have been given to the Corporation by the Elder/Director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place at which the meetings of the Elders/Directors are regularly held.

**Section 5.12 Electronic Transmission (other than to a member)**

- a. "Electronic transmission" by the Corporation (other than to a member) means:
  - (1) A communication delivered by
    - i) Fax or e-mail, when sent to the person's fax number or e-mail address on record with the Corporation,



ii) A posting on an electronic message board or network, which the Corporation has designated for those communications, together with a separate notice to the member of the posting. Such posting is considered validly delivered upon the posting or delivery of the separate notice thereof, whichever is later, or

iii) Other means of electronic communication; and

(2) That creates a record that is capable of retention, retrieval and review, and that may thereafter be printed clearly in hardcopy format.

b. Before the Corporation may send electronic transmissions, the recipient must have provided the Corporation consent to the use of that method of transmission for communications, which consent remains unrevoked.

c. The Corporation shall not give notice by electronic transmission after either:

(1) The Corporation is unable to deliver two (2) consecutive notices to the recipient by that means; or

(2) The inability to so deliver the notices to the recipient becomes known to the person responsible for the giving of the notice.

d. The notice must state the place, date and time of the meeting, and/or the means of electronic transmission by and to the Corporation by which the director may participate.

### **Section 5.13 Quorum.**

Except as otherwise provided herein, a majority of the authorized number of Elders/Directors shall constitute a quorum except when a vacancy or vacancies prevents such majority, whereupon a majority of the Elders/Directors in office shall constitute a quorum, provided such majority shall constitute either one-third (1/3) of the authorized number of Elders/Directors or at least two (2) Elders/Directors, whichever is larger, or unless the authorized number of Elders/Directors is only one (1). A majority of the Elders/Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Except as the Articles of Incorporation, these Bylaws and the California Nonprofit Religious Corporation Law may provide, the act or decision done or made by a majority of the Elders/Directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Elders/Directors, provided, however, that any meeting at which a quorum was initially present may continue to transact business notwithstanding the withdrawal of Elders/Directors, if any action taken shall be approved by at least a majority of the required quorum for such a meeting, or such greater number as is required by the Articles, these Bylaws or by law.

**Section 5.14            Participation in Meetings of Elders/Directors by Conference Telephone.**

Elders/Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other electronic transmission by and to the Corporation. Participation in a meeting through use of conference telephone or electronic video screen communication pursuant to this Section constitutes presence in person at that meeting as long as all Elders/Directors participating are able to hear one another. Participation in a meeting through use of electronic transmission by and to the Corporation (other than conference telephone or electronic video screen communication) pursuant to this Section constitutes presence in person at the meeting so long as all Elders/Directors participating in the meeting can communicate with all of the other Elders/Directors concurrently, each Elder/Director is provided the means of participating in all matters before the board, including the capacity to propose, or to interpose an objection to, a specific action to be taken.

**Section 5.15            Waiver of Notice.**

Notice of a meeting need not be given to any Elder/Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior to the meeting or at its commencement, the lack of notice to such Elder. All such waivers, consents and approvals shall be filed with the Corporate records or made a part of the minutes of the meetings.

**Section 5.16            Adjournment.**

A majority of the Elders/Directors present, whether or not a quorum is present, may adjourn any Elders/Directors' meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Elders/Directors if the time and place is fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than twenty-four (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/Directors who were not present at the time of the adjournment.

**Section 5.17            Action Without Meeting.**

Any action required or permitted to be taken by the Board may be taken without a meeting if all Elders/Directors individually or collectively consent in writing to such action. Such consent or consents shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of proceedings of the Board.

### **Section 5.18 Rights of Inspection.**

Every Elder/Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation of which such person is an Elder/Director, for a purpose reasonably related to that person's interest as an Elder/Director.

### **Section 5.19 Fees and Compensation.**

Elders/Directors (as such) shall not receive compensation for their services as Elders/Directors. Elders/Directors may receive a reasonable allowance for personal services actually rendered pursuant to resolution passed by a majority vote at a regular or special meeting of the members; reimbursement for expenses as may be fixed or determined by the Board.

Elders/Directors may serve the organization in some other capacity for which compensation is paid.

## **ARTICLE 6**

### **COMMITTEES**

#### **Section 6.1 Official Board Committees.**

Committees of the Board may be appointed by resolution passed by a majority of the whole Board. Committees shall be composed of two (2) or more members of the Board, and shall have such powers of the Board as may be expressly delegated to it by resolution of the Board of Elders/Directors, except with respect to:

- a. The approval of any action for which the California Nonprofit Religious Corporation Law also requires members' approval;
- b. The filling of vacancies on the Board or on any committee;
- c. The fixing of compensation of the Elders/Directors for serving on the Board or on any committee;
- d. The amendment or repeal of Bylaws or the adoption of new Bylaws;
- e. The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- f. The appointment of other committees of the Board or the members thereof;

- g. The expenditure of Corporate funds to support a nominee for Elder/Director after there are more people nominated for Elder/Director than can be elected; or
- h. The approval of any self-dealing transaction, as such transactions are defined in Section 9243 (a) of the California Nonprofit Religious Corporation Law.

Any committee may be designated an Executive Committee or by such other name as the Board shall specify. The Board shall have the power to prescribe the manner in which proceedings of any committee shall be conducted. In the absence of any such prescription, the committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or the committee shall otherwise provide, the regular and special meetings and other actions of the committee shall be governed by the provision of this Article applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee.

## **Section 6.2 Standing Board Committees.**

The Board shall have the following standing board committees:

a. **Personnel Committee** – The Personnel Committee is responsible to periodically review personnel policies of the Corporation, including employment practices, employee benefits, employee health and welfare services, retirement benefits and personnel relations, and to make appropriate reports and recommendations to the Board. The committee shall also periodically review the general use of outside consultants, and compensation paid. The establishment of personnel policies and procedures, including selection and dismissal procedures, salary and benefit scales, employee grievance procedures, and equal opportunity practices, are the ultimate responsibility of the board, but the committee shall make recommendations to the board.

The Personnel Committee is responsible for the oversight of the Pastors and for preparing periodic evaluations of their activities, for review by the entire Board. Selection and dismissal of a Pastor may be done only by the entire Board.

b. **Nominating Committee** – The Nominating Committee has the responsibility for locating qualified candidates to serve as Elders/Directors and Deacons, the election of whom will comply with the composition requirements for the Board, and for recommending the same to the Board whenever a vacancy in the position of Elder/Director or Deacon occurs. The Committee also has the responsibility to provide orientation to new Elders/Directors as well as ongoing training and development for all Elders/Directors.

c. **Audit Committee** – The duties of the Audit Committee consist of:

(1) Recommending to the Board the retention and termination of an independent auditing firm.

(2) Negotiating the auditing firm's compensation on behalf of the Board;

(3) Meeting and conferring with the auditing firm in order to satisfy each member of the committee that the affairs of the Corporation are in order;

(4) Reviewing and determining whether to accept the auditing firm's report and communicating the same to the Board;

(5) Assuring that non-audit services performed by the auditing firm conform to the standards for auditor independence; and

(6) Approving the performance of non-audit services by the auditing firm.

The Audit Committee may include non-Elders/Directors, but may not include anyone employed by the Corporation or having a material financial interest in any entity that does business with the Corporation. Deacons may serve on the Audit Committee, as long as they constitute less than half of the audit committee; but the Chair of the Audit Committee may not be a Deacon. The Treasurer shall be an ex-officio, non-voting member of the Audit Committee.

### **Section 6.3 Ad-hoc Committees.**

The Board of Elders/Directors may also establish ad-hoc committees for special purposes as it deems necessary. Ad-hoc committees shall have the authority to recommend actions or policies to the Board of Elders/Directors, and to implement such actions or policies as directed by the Board of Elders/Directors. Ad-hoc committees shall have no authority to act on behalf of the organization except as expressly granted by action of the Board of Elders/Directors.

### **Section 6.4 Other (Non-Board) Committees.**

Other committees may be appointed to make recommendations, to carry out specific responsibilities, or to otherwise help in the administration and operation of the Corporation. These Committees must be chaired by an Elder/Director who will be appointed by resolution of the Board of Elders/Directors; additional individuals serving on the Committee may be chosen by the chair of the Committee and need not be Elders/Directors but should be members of the Corporation. Other Committees may not act in place of the Board.

## **ARTICLE 7**

### **OFFICERS**

#### **Section 7.1           Officers.**

The officers of the Corporation shall be a Chairman of the Board of Elders/Directors, a Vice Chairman, a Secretary and a Treasurer. Each officer position shall be filled by an Elder. One (1) person may hold two (2) or more offices, except that neither the Secretary nor the Treasurer may serve concurrently as the Chair. The officers of the Corporation shall be chosen annually by, and shall serve at the pleasure of, the Board of Elders/Directors. Each officer shall hold his office until he resigns, is removed, or becomes otherwise disqualified to serve, or until his successor is elected and qualified.

#### **Section 7.2           Election.**

The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 4 or Section 6 of this Article, shall be chosen annually by, and shall serve at the pleasure of, the Board of Elders/Directors, subject to the rights, if any, of an officer under any contract of employment. Each officer shall hold his office until he resigns, is removed, or becomes otherwise disqualified to serve, or until his successor is elected and qualified.

#### **Section 7.3           Removal and Resignation.**

Any officer may be removed, either with or without cause, by a 2/3 majority of the Elders/Directors at the time in office, at any regular or special meeting of the Board, or except in case of an officer chosen by the Board of Elders/Directors, by any officer upon whom such power of removal may be conferred by the Board of Elders/Directors.

Any officer may resign at any time, without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party, by giving written notice to the Board of Elders/Directors, or to the Secretary of the Corporation. The 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, the acceptance of such resignation shall not be necessary to make it effective.

#### **Section 7.4           Vacancies.**

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in the Bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

### **Section 7.5           Inability to Act.**

In the case of absence or inability to act of any officer of the Corporation and of any person herein authorized to act in his or her place, the Board of Elders/Directors may from time to time delegate the powers or duties of such officer to any other officer, or any director or other person whom the Board may select.

### **Section 7.6           Chairman of the Board.**

The Chairman of the Board, if there shall be such an Officer, shall, if present, preside at all meetings of the Board of Elders/Directors, and exercise and perform other powers and duties as may be from time to time assigned to him or her by the Board of Elders/Directors or prescribed by the Bylaws. The Chairman shall also have the powers otherwise given to the President and Chief Executive Officer of the Corporation and shall, subject to the control of the Board of Elders/Directors, have general supervision, direction and control of the activities and Officers of the Corporation. The Chairman shall be ex-officio a member of all the standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of a President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Elders/Directors or the Bylaws.

### **Section 7.7           Vice Chairman.**

In absence or disability of the Chairman, the Vice Chairman 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 him by the Board of Elders/Directors or the Bylaws.

### **Section 7.8           Secretary.**

The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Elders/Directors may order, of all meetings of the Board and its committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at the Board and committees' meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of California, the original and a copy of the Corporation's Articles and Bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board and any committees thereof required by these Bylaws or by law to be given, shall keep the seal of the Corporation in safe custody, and shall have such other powers and perform such other duties as prescribed by the Board.

The Secretary shall keep or cause to be kept, at the principal office of the Corporation, a Membership Register, or a duplicated Membership Register, showing the names of the members and their addresses.

The Secretary shall also keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board may order, of all meetings of the members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof, the names of those present at meetings, and the proceedings thereof. The Secretary shall give, or cause to be given, notice of all meetings of the members required by these Bylaws.

### **Section 7.9 Treasurer and Chief Financial Officer.**

The Treasurer shall be the Chief Financial Officer of the Corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation. The books of account shall at all reasonable times be open to inspection by any Director.

The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation with depositories designated by the Board of Elders/Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Elders/Directors, shall render to the Elders/Directors, whenever they request it, an account of all transactions 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 Board of Elders/Directors.

## **ARTICLE 8**

### **DEACONS**

#### **Section 8.1 Board of Deacons.**

The Board of Deacons shall consist of those men selected by the Board of Elders/Directors in accordance with Section 8.2 of this article. The number of Deacons shall be not less than seven (7) and not more than thirteen (13) with the exact number to be determined from time to time by the Elders/Directors.

The Board of Deacons shall act as advisor to the Board of Elders/Directors in all financial affairs of the Corporation, including, but not limited to the annual operating budget, which will include all anticipated income and expenses related to items that would, under generally accepted accounting principles, be considered income and expense items.



The Board of Deacons shall also review and make recommendations about all matters of financial interest with respect to which the Elder/Director Board may request its consideration and action. The development of policies for financial management practices, including a system to assure accountability for corporate resources, the approval of the annual budget, organization priorities, eligibility for services including criteria for partial payment schedules, and long-range financial planning shall be the responsibility of the Board of Deacons; however, approval of these policies shall be the responsibility of the Board of Elders/Directors. The Board of Deacons shall also be responsible to oversee the implementation of any recommendations made by the auditor.

The Board of Deacons shall be responsible for the management and maintenance of the properties, buildings, equipment, and funds of the Church as directed by the Board of Elders/Directors.

### **Section 8.2 Selection of Deacons.**

The Treasurer shall serve ex-officio as a member of the Board of Deacons. Approximately Thirty-Three percent (33%) of the remaining Deacons shall be elected at each annual meeting of the Board of Elders/Directors. Each Deacon shall serve for a period of three (3) years and until a successor has been elected and qualified. If an annual meeting is not held or the Deacons are not elected at such meeting, the Deacons may be elected at any special meeting of the Board of Elders/Directors held for that purpose.

### **Section 8.3 Qualification of Deacons.**

Each Deacon must be a voting member and have been a member of the church for at least one (1) year immediately prior to election and must believe without reservation in purposes of the organization. Each Deacon must meet the spiritual qualifications of a deacon as set forth in 1 Timothy 3:8 -13; and must sign an annual statement that he believes, without reservation, in the Statement of Belief of this Corporation, and will evidence this belief in his daily life. Violation of this provision is grounds for removal.

### **Section 8.4 Removal.**

Any Deacon may be removed, either with or without cause, by a majority of the Elders/Directors at the time in office, at any regular or special meeting of the Board of Elders/Directors.

Any Deacon may resign at any time, without prejudice to the rights, if any, of the Corporation under any contract to which the Deacon is a party, by giving written notice to the Board of Elders/Directors, or to the Chairman of the Board, or to the Secretary of

the Corporation. The 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, the acceptance of such resignation shall not be necessary to make it effective.

## **ARTICLE 9**

### **PASTORS**

**Section 9.1** Pastors must be men, graduates of a recognized, fundamental Seminary or Bible School, or have had at least five (5) years' pastoral experience. They must be in full accord with the Statement of Belief of the Church. The Pastors are employees of the Church in leadership who are duly ordained, licensed or commissioned ministers of the gospel.

#### **Section 9.2 Selection.**

The Pastors shall be chosen by, and shall serve at the pleasure of, the Board of Elders/Directors, subject to the rights under any contract of employment. Each Pastor shall hold his office until he resigns, is removed, or becomes otherwise disqualified to serve.

#### **Section 9.3 Removal and Resignation.**

A Pastor, other than the Senior/Lead Pastor, may be removed, either with or without cause, by a two-thirds (2/3) majority of the Elders/Directors at the time in office, at any regular or special meeting of the Board. In the case of the Senior/Lead Pastor, at least eighty percent (80%) of the Elders/Directors in office at the time must support his removal.

Any Pastor may resign at any time, without prejudice to the rights, if any, of the Corporation under any contract to which the Pastor is a party, by giving written notice to the Board of Elders/Directors, or to the Secretary of the Corporation. The 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, the acceptance of such resignation shall not be necessary to make it effective.

#### **Section 9.4 Salaries.**

The salaries of the Pastors shall be fixed from time to time by the Board of Elders/Directors and no Pastor shall be prevented from receiving such salary by reason of the fact that he is also an Elder/Director of the Corporation.

## ARTICLE 10

### SETTLEMENT OF DISPUTES

#### **Section 10.1      Generally.**

In any dispute arising between Church members, pastors, or staff pertaining to any matters of spiritual teaching or practices, Church finances or title to property purchased with Church contributions, the dispute shall be resolved by the Board of Elders/Directors of the Church. A decision shall be reached after prayerful consideration in a spirit of humility, with each Elder/Director regarding one another before himself.

#### **Section 10.2      Disputes Among Elders/Directors.**

If, after prayerful consideration, the Board of Elders/Directors determines that it is unable to come to an agreement, they shall request the Board of Elders of Grace Church, San Luis Obispo, to arbitrate the matter. Appeal to such a group shall be compulsory. The decision made by a majority of the group selected shall be final, and there shall be no appeal to any Court from that decision.

## ARTICLE 11

### CONFLICTS OF INTEREST

#### **Section 11.1      General.**

All conflicts of interest and even the appearance of conflict of interest must be avoided by all personnel, Board members, consultants and those who provide services or furnish goods to the organization. Policies developed by the Board to implement this provision are material to the operation of this organization, and shall be carried out fully.

#### **Section 11.2      No Political / Partisan Activity Permitted.**

The Board shall not permit itself to be used for political party purposes, or actively participate in the political candidacy of any person. As a body, the Board shall be non-partisan.

## ARTICLE 12

### INDEMNIFICATION OF AGENTS OF THE CORPORATION

## **Section 12.1 Definitions.**

For purposes of this section, "agent" means any person who is or was an Elder/Director, Officer, employee or other agent of this Corporation, or is or was serving at the request of this Corporation as an Elder/Director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a Director, Officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of this Corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Section 10.4 or 10.5b of this Article.

## **Section 12.2 Indemnification in Actions by Third Parties.**

Unless prohibited by law, this Corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by or in the right of this Corporation to procure judgment in its favor, an action brought under Section 9243 of the California Nonprofit Religious Corporation Law, or an action brought by the Attorney General under Section 9230 thereof) by reason of the fact that such person is or was an agent of this Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, has no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

## **Section 12.2 Indemnification in Actions by or in the Right of the Corporation.**

This Corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of this Corporation or brought under Section 9243 of the California Nonprofit Religious Corporation Law, or an action brought by the Attorney General of the State of California under Section 9230 thereof to procure a judgment in its favor by reason of the fact that such person is or was an agent of this Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of this Corporation and with such care, including reasonable inquiry,

as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3:

- a. In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to this Corporation in the performance of such person's duty to this Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;
- b. Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
- c. Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

### **Section 12.3 Indemnification Against Expenses.**

To the extent that an agent of this Corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of this Article in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

### **Section 12.4 Required Indemnification.**

Except as provided in Section 4 of this Article, indemnification under this Article shall be made by this Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 2 or 3, by:

- a. A majority vote of a quorum consisting of Elders/Directors who are not parties to such proceeding; or
- b. The court in which such proceeding is or was pending, upon application made by this Corporation or the agent, attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by this Corporation.

### **Section 12.5 Advance of Expenses.**

Expenses incurred in defending any proceeding may be advanced by this Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on

behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

#### **Section 12.6 Other Indemnification.**

No provision made by the Corporation to indemnify its or its subsidiary's Elder/Directors or Officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of members or Elder/Directors, an agreement or otherwise, shall be valid unless consistent with this Article. Nothing contained in this Article shall affect any right to indemnification to which persons other than such Elder/Directors and Officers may be entitled by contract or otherwise.

#### **Section 12.7 Forms of Indemnification Not Permitted.**

No indemnification or advance shall be made under this Article, except as provided in Sections 4 or 5b in any circumstances where it appears:

- a. That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- b. That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

#### **Section 12.8 Insurance.**

The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article; provided, however, that this Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 9243 of the California Nonprofit Religious Corporation Law.

#### **Section 12.9 Non-applicability to Fiduciaries of Employee Benefit Plans.**

This Article does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Section 1 of this Article. The Corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

## **ARTICLE 13**

### **RECEIPT, INVESTMENT AND DISBURSEMENT OF FUNDS**

#### **Section 13.1      Receipt of Funds.**

The Corporation shall receive all monies and/or other properties transferred to it for the purposes for which the Corporation was formed (as shown by the Articles of Incorporation). However, nothing contained herein shall require the Board of Elders/Directors to accept or receive any money or property of any kind if it shall determine in its discretion that receipt of such money or property is contrary to the expressed purposes of the Corporation as shown by said Articles.

#### **Section 13.2      Investment of Funds.**

The Corporation shall hold, manage and disburse any funds or properties received by it from any source in a manner that is consistent with the expressed purposes of this Corporation.

#### **Section 13.3      Disbursement of Funds.**

No disbursement of Corporation money or property shall be made until it is first approved by the Chairman of the Board of the Corporation or by the Treasurer or by the Elders/Directors. However, the Elders/Directors shall have the authority to appropriate specific sums to fulfill the objects and purposes for which the Corporation was formed and to direct the officers of the Corporation from time to time to make disbursements to implement said appropriations. Once approved by the Elder/Director Board, the annual church operating budget may be implemented by staff under the general oversight of the Treasurer and the Deacon Board.

#### **Section 13.4      Instruments in Writing.**

All checks, drafts, demands for money and notes of the Corporation, and all written contracts of the Corporation shall be signed by such officer or officers, agent or agents, as the Board of Elders/Directors may from time to time by resolution designate.

## **ARTICLE 14**

### **CORPORATE RECORDS AND REPORTS**

#### **Section 14.1      Records.**

The Corporation shall maintain adequate and correct accounts, books and records of its business and properties. All such books, records and accounts shall be kept at its

principal place of business in the State of California, as fixed by the Board of Elders/Directors from time to time.

#### **Section 14.2            Inspection of Books and Records.**

The Membership Register or duplicate Membership Register, the books of account, and minutes and proceedings of the members and the Board, and of executive committees of the Elders/Directors of this Corporation shall be open to inspection upon the written demand of any member at any reasonable time, for a specifically stated purpose reasonably related to his or her interests as a member, and shall be exhibited at any time when required by the demand of any members' meeting.

Every Elder/Director shall have the absolute right at any reasonable time to inspect all books, records, documents of every kind, and the physical properties of the Corporation, and also of its subsidiary organizations, if any.

#### **Section 14.3            Certification and Inspection of Bylaws.**

The original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, shall be open to inspection by the members and Elders/Directors of the Corporation at all reasonable times during office hours.

### **ARTICLE 15**

#### **OTHER PROVISIONS**

#### **Section 15.1            Endorsement of Documents; Contracts.**

Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between this Corporation and any other person, when signed by any one (1) of the Chairman of the Board or any Vice Chairman, and any one (1) of the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer of this Corporation shall be valid and binding on this Corporation in the absence of actual knowledge on the part of the other person that the signing Officers had no authority to execute the same.

The Board of Elders/Directors, except as otherwise provided in the Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation. This authority may be general or confined to specific instances. Unless so authorized by the Board of Elders/Directors, and except as provided in this Section, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or agreement,



or to pledge its credit, or to render it liable for any purpose or to any amount.

**Section 15.2 Representation of Shares of Other Corporations.**

The Chairman of the Board or any other officer or officers authorized by the Board or the Chairman of the Board are each authorized to vote, represent and exercise on behalf of the Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the Corporation. The authority herein granted may be exercised either by any officer in person or by any other person authorized to do so in proxy or power of attorney duly executed by the officer.

**Section 15.3 Construction and Definitions.**

Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Religious Corporation Law shall govern the construction of these Bylaws.

**Section 15.4 Amendments.**

These Bylaws may be amended by repeal and new and additional Bylaws may be made from time to time at any time by a majority of the members or by the written assent of the members. Subject to right of the members to amend or repeal, these Bylaws may be amended or repealed by the Board in the exercise of the power granted to the Board in these Bylaws.

**Section 15.5 Record of Amendments.**

Whenever an amendment or new Bylaw is adopted, it shall be copied in the Book of Minutes with the original Bylaws, in the appropriate place. If any Bylaw is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filed shall be stated in the Book.

**ARTICLE 16**

**DISSOLUTION**

Upon dissolution of this Corporation, the Board of Elders/Directors shall cause the assets herein to be distributed to another corporation in the manner set forth in the Articles of Incorporation.

## CERTIFICATE OF SECRETARY

I, the undersigned, being the Secretary of ATASCADERO BIBLE CHURCH, do hereby certify that the above Bylaws were adopted as the Bylaws hereof on the \_\_\_\_\_ day of \_\_\_\_\_, 2013 by the Board of Elders/Directors of said Corporation in a regularly called meeting on the same date, to wit, the \_\_\_\_\_ day of \_\_\_\_\_, 2013. Said Bylaws are, as of the date of this certification, the duly adopted and existing Bylaws of this Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Jeff Zippi, Secretary