

BY-LAWS OF THE CROSSING COMMUNITY CHURCH OF BULVERDE

WHEREAS, the Word of God is the complete, infallible and final authority over the entirety of creation, including man;

WHEREAS, the Word of God addresses the entirety of man's relationship to both God and man;

WHEREAS, the Word of God places upon the Senior Elder full responsibility and accountability to God for the direction and leadership of the Church which he is Senior Eldering.

T H E R E F O R E

THE CROSSING COMMUNITY CHURCH OF BULVERDE (sometimes called "the Church") does hereby adopt the Bible as the Word of God in its entirety as the By-Laws of **THE CROSSING COMMUNITY CHURCH OF BULVERDE**. Further, the Senior Elder of this Church shall be the final authority in the interpretation of God's Word as it relates to all Church matters.

All praise, honor and glory be to God and His Son, our Savior, JESUS CHRIST.

ARTICLE I – CHURCH LEADERSHIP

Section 1.1. The Church shall endeavor to be a Member-driven, Elder-led church.

Section 1.2 All positions of leadership in the Church shall initially be appointed by the Founding Elders. Thereafter, and subject to the life long positions as defined herein, leadership shall be determined as follows:

- (a) Directors will be nominated by the Senior Elder and elected by a majority of the Board of Directors;
- (b) Elders will be nominated by the members of the Church, approved by the Senior Elder and elected by a majority of the Board of Elders;
- (c) Officers will be appointed by the Board of Directors, subject to the approval of the Senior Elder;
- (d) Deacons will be nominated by a majority of the members of the Church, approved by a majority of the Board of Elders and elected by a majority of the Board of Deacons.

ARTICLE II – OFFICERS

Section 2.1. Officer Positions - The Church's officers will be a Senior Elder, additional Elders, and Deacons. The Church will also have a President, a Secretary and a Treasurer. If directed by a majority of the Board of Directors, the Church may have other officers as deemed necessary. The Senior Elder shall serve as the President.

Section 2.2 President. The President shall be the Chief Executive Officer of the Church and,

subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Church. The President shall, when present, preside at all meetings of the Board of Directors. The President may sign all documents on behalf of the Church which are in the ordinary course of business of the Church. The President may also sign any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized in writing to be executed, except in cases where the signing and executing hereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Church, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as from time to time may be assigned to such officer by the Board of Directors.

Section 2.3 Secretary. The Secretary shall attend all meetings of the Board of Directors, Board of Elders, and meetings of the Officers and shall record all votes and the minutes of all proceedings and shall perform like duties of the standing committees when required. The Secretary shall give or cause to be given notice of all meetings of the Board of Directors, Board of Elders and Officers and shall perform such other duties as may be prescribed by the Board. The Secretary shall keep in safe custody the seal, if any, of the Church, and when authorized by the Board, affix the same to any instrument requiring it, and when so affixed, it shall be attested by the signature of the Secretary. The Secretary shall perform such other duties as from time to time may be assigned by the Board of Directors or by the President.

Section 2.4 Treasurer.

(a) The Treasurer, if such an officer has been appointed by the Board of Directors, shall have the custody of the Church funds and securities and shall keep full and accurate accounts of receipts and disbursements in books or records belonging to the Church and shall deposit all monies and other valuable effects in the name and to the credit of the Church in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Church as may be ordered by the Board of Directors, taking proper vouchers for such disbursements. The Treasurer shall keep and maintain the Church's books or records of account and shall render to the President and Directors an account of all the transactions of such officer as Treasurer and of the financial condition of the Church and exhibit the books, records, and accounts of such officer to the President or directors at any time. The Treasurer shall disburse funds for capital expenditures as authorized by the Board of Directors and in accordance with the orders of the President, and present to the President for the President's attention any requests for disbursing funds if in the judgment of the Treasury any such request is not properly authorized. The Treasurer shall perform such other duties as from time to time may be assigned to the Treasurer by the Board of Directors or by the President.

(b) If required by the Board of Directors, the Treasurer shall give the Church a bond in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of such individual's office and for the restoration to the Church, in case of such individual's death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in such individual's possession or under such individual's control belonging to the Church.

Section 2.5 Compensation. The salaries of the officers shall be determined from time to time by the Board of Directors, but no formal action of the directors shall be required in determining such salaries. No officer shall be prevented from receiving such salary by reason of the fact that the individual is also a Director of the Church.

ARTICLE III – BOARD OF DIRECTORS

Section 3.1. Composition – The secular affairs and business of the Church will be managed and governed by its Board of Directors. Directors shall be residents of the State of Texas. The Board of Directors shall be comprised of three (3) to twelve (12) persons who shall serve without compensation. Members of the Board of Directors may hold other positions of service with the Church at the same time as serving on the Board of Directors.

Section 3.2. Meetings – The Board of Directors shall have annual meetings in April of each year to conduct the formal annual meeting of the Directors. In addition to the annual meetings, the Board of Directors may meet in Special Meetings as set forth herein as often as necessary to conduct the business affairs of the Church.

Section 3.3. Conduct of the Meetings – The Senior Elder shall serve as the Chairman of all meetings of the Board of Directors and shall have a vote on any matter properly before the Board of Directors. In the absence of the Senior Elder, the Vice-Chairman of the Board of Directors shall assume the duties of Chairman. In the absence of both the Senior Elder and the Vice-Chairman, the Elders shall elect a temporary chairman to chair the meeting by a majority vote of the Elders. As described in Section 2.2, the Secretary of the Directors shall record the minutes and perform the duties of Secretary as set forth herein. Meetings shall be conducted pursuant to the latest edition of Robert’s Rules of Order.

Section 3.4. Officers of the Directors – At each annual meeting, the Directors shall elect officers from the members of the Board of Directors. The Senior Elder may not serve as an Officer of the Directors other than as the Chairman. Other officers shall be elected by a majority vote of the Directors.

Section 3.5. Secretary - The Secretary of the Board of Directors shall keep the minutes of all meetings of the Board of Directors and of the voting members and shall record all proceedings of these meetings. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and meetings of the voting members and shall perform such other duties as may be prescribed by the Senior Elder or the Board of Directors.

Section 3.6. Nominating Directors – At any meeting at which the election of a Director is held, the Senior Elder, or a duly-appointed Nominating Committee shall present names to the Board of Directors for a vote. However, a Director may nominate a person with the second of any other Director.

Section 3.7. Election – The Directors shall be elected at the annual meeting of the voting members by a majority vote of the Directors. The annual meeting shall be held in April, or at

another time as the Board of Directors shall determine. The term of office of each Director shall be three (3) years or until the respective successor is chosen. It is the intent of the Church to not have more than two (2) Directors rotating off each year.

Section 3.8. Vacancies - The Board will fill any vacancy in the Board and any Director position to be filled due to an increase in the number of Directors or the resignation or removal of a Director. A vacancy is filled by the affirmative vote of a majority of the remaining Directors, even if it is less than a quorum of the Board, or if it is a sole remaining Director. A Director selected to fill a vacancy will serve for the unexpired term of his or her predecessor in office. At the end of the term of office, the Director who is chosen to replace the vacancy may be elected for a new term.

Section 3.9. Special Meetings - Special meetings of the Board of Directors may be called by the Senior Elder on the minimum of two (2) days' notice to each Director, either personally or by mail or by electronic mail to the address provided in the annual roster for THE CROSSING COMMUNITY CHURCH OF BULVERDE. Special meetings may be called by the Senior Elder or Secretary in like manner and on like notice upon the written request of two (2) or more Directors.

Section 3.10. Notice of Special Meetings - Written or printed notice of any special meeting of the Board of Directors will be delivered to each Director not less than two (2), nor more than thirty (30) days before the date of the meeting. The notice will state the place, day, and time of the meeting; who called and the purpose or purposes for which it is called or by electronic mail to the address provided in the annual roster for the Directors of THE CROSSING COMMUNITY CHURCH OF BULVERDE.

Section 3.11. Quorum - At all meetings of the Board of Directors of the Church, the presence at the commencement of such meetings by two-thirds (2/3) of the Board of Directors constitutes a quorum. A Director may be present via telephone, video conference, in person.

Section 3.12. Decision Without Meeting - Any decision required or permitted to be made at a meeting of the Board of Directors may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all the persons entitled to vote on the matter. The original signed consents (which may include electronic signatures) will be placed in the Church minute book and kept with the Church records.

Section 3.13. Duties of Directors - Directors will discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the Church's best interest. In this context, the term "ordinary care" means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed or power conferred on Directors, Directors may, in good faith, rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Church or another person that has been prepared or presented by a variety of persons, including officers and employees of the Church, professional advisors or experts such as accountants or legal counsel. A Director is not relying in good faith if he or she has knowledge concerning a matter in question that renders reliance unwarranted.

Directors are not deemed to have the duties of trustees of a trust with respect to the Church or with respect to any property held or administered by the Church, including property that may be subject to restrictions imposed by the donor or transferor of the property.

Section 3.14. Duty to Avoid Improper Distributions - Directors who vote for or assent to improper distributions are jointly and severally liable to the Church for the value of improperly distributed assets, to the extent that, as a result of the improper distribution or distributions, the Church lacks sufficient assets to pay its debts, obligations, and liabilities. Any distribution made when the Church is insolvent, other than in payment of corporate debts, or any distribution that would render the Church insolvent, is an improper distribution. A distribution made during liquidation without payment and discharge of or provision for payment and discharge of all known debts, obligations, and liabilities is also improper. Directors present at a Board meeting at which the improper action is taken are presumed to have assented, unless they dissent in writing. The written dissent must be filed with the secretary of the Church before adjournment of the meeting in question or mailed to the secretary by registered mail immediately after adjournment.

A Director is not liable if, in voting for or assenting to a distribution, the Director (1) relies in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the Church; legal counsel, public accountants, or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or a committee of the Board of which the Director is not a member; (2) while acting in good faith and with ordinary care, considers the Church's assets to be at least that of their book value; or (3) in determining whether the Church made adequate provision for paying, satisfying, or discharging all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements or other information concerning a person who was or became contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Furthermore, Directors are protected from liability if, in exercising ordinary care, they acted in good faith and in reliance on the written opinion of an attorney for the Church.

Directors held liable for an improper distribution are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

Section 3.15. Delegating Duties – If approved by a majority vote of the Directors, Directors may select advisors and delegate duties and responsibilities to them, such as the full power to buy or otherwise acquire stocks, bonds, securities, and other investments on the Church's behalf; and to sell, transfer, or otherwise dispose of the Church's assets and properties at a time and for a consideration that the advisor deems appropriate. The Directors have no liability for actions taken or omitted by the advisor if the Board acts in good faith and with ordinary care in selecting the advisor. The Board may remove or replace the advisor at any time and without any cause whatsoever.

Section 3.16. Interested Directors - Contracts or transactions between Directors, officers, or members who have a financial interest in the matter are not void or voidable solely for that

reason. Nor are they void or voidable solely because the Director, officer, or member is present at or participates in the meeting that authorizes the contract or transaction, or solely because the interested party's votes are counted for the purpose. However, every Director with any personal interest in the transaction must disclose all material facts concerning the transaction, including all potential personal benefit and potential conflicts of interest, to the other members of the Board or other group authorizing the transaction. The transaction involving an interested Director must be approved by a two-thirds (2/3) vote of the uninterested Directors or other group with the authority to authorize the transaction.

Section 3.17. Actions of the Board of Directors - The Board will try to act by consensus. However, if a consensus is not available, the vote of a majority of Directors present and voting at a meeting at which a quorum is present is enough to constitute the act of the Board, unless the act of a greater number is required by law or by some other provision of these Bylaws. A Director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the Board's decision. For the purpose of determining the decision of the Board, a Director who is represented by proxy in a vote is considered present.

Section 3.18. Removing Directors - The Board may vote to remove a Director at any time, but only for good cause. Good cause for removal of a Director includes the unexcused failure to attend three (3) consecutive Board meetings, or any other reason a majority of the Board of Directors deems worth of removal. A meeting to consider removing a Director may be called and noticed following the procedures provided in these Bylaws for a Special Meeting of the Board of Directors. The notice of the meeting will state that the issue of possibly removing the Director will be on the agenda and the notice will state the proposed cause for removal.

At the meeting, the Director may present evidence of why he or she should not be removed and may be represented by an attorney at and before the meeting. Also, at the meeting, the Church will consider possible arrangements for resolving the problems that are in the mutual interest of the Church and the Director.

A Director may be removed by the affirmative vote of fifty-one percent (51%) of the Board.

ARTICLE IV-ELDERS

Section 4.1. Composition – The spiritual affairs and business of the Church will be managed and governed by its Board of Elders. Elders shall be residents of the State of Texas, members in good standing with the Church and meet the qualifications for Elders as set forth in the Word of God. The Board of Elders shall be comprised of three (3) to twelve (12) persons who shall serve without compensation. Members of the Board of Elders may hold other positions of service with the Church at the same time as serving on the Board of Elders.

Section 4.2. Senior Elder - THE CROSSING COMMUNITY CHURCH OF BULVERDE's Senior Elder will supervise and control all of the church business and affairs and shall preside at all meetings of the members, of the Board of Directors, and of the Elders. As described in Sections 2.1 and 2.2, the Senior Elder also serves as the President. The Senior Elder

may execute any deeds, mortgages, bonds, contracts, or other instruments that are in the ordinary course of the business of the Church and otherwise as authorized by the Board of Directors. However, the Senior Elder may not execute instruments on the church's behalf if this power is expressly delegated to another officer or agent of the church by the Elders, these Bylaws, or statute.

Section 4.3. JOSHUA COLLINS as Senior Elder – Notwithstanding anything contained herein to the contrary, JOSHUA COLLINS shall serve as Senior Elder until the earlier of his (i) death; (ii) resignation; (iii) incapacity; or (iv) removal. Removal of JOSHUA COLLINS as Senior Elder shall require a unanimous vote of all of the Elders other than JOSHUA COLLINS.

Section 4.4. Subsequent Senior Elder – After JOSHUA COLLINS is no longer willing or able to serve as Senior Elder, the Elders shall appoint Subsequent Senior Elder(s) by majority vote of the Elders. Any Subsequent Senior Elder may be removed by a 2/3 vote of the Elders.

Section 4.5. Elders – The Elders shall consist of the Senior Elder and not less than one (1) and no more than twelve (12) additional Elders. It shall be the aim of the Church, but not a requirement, to maintain a Board of Elders whereby a majority of the Elders shall be individuals who are not in the regular pay of the Church.

Section 4.6. Election and Term of Elders - Elders shall be nominated by the members of the Church, approved by the Senior Elder and then elected by a majority the Board of Elders. Elders shall serve a term of three (3) years. Elders may serve more than one consecutive term, but not more than three (3) consecutive terms.

Section 4.7. Elder Qualifications and Duties – Elders shall meet the qualifications set forth in the Word of God and shall perform the duties and functions set forth in the Word of God.

Section 4.8. Founding Elders. The Founding Elders are: JOSHUA COLLINS and JEFFREY SAMPLASKI. A Founding Elder shall serve as an Elder of the Church until the earlier of his (i) death; (ii) resignation; (iii) incapacity; or (iv) removal. Removal of a Founding Elder shall require a unanimous vote of all of the Elders other than Founding Elder whose removal is sought.

ARTICLE V – DEACONS

Section 5.1. Composition – The service of and for the Church will be performed by its Deacons who may also be persons who serve as Officers. Deacons shall be residents of the State of Texas and they shall each be members in good standing of the Church. The Body of Deacons shall be comprised of three (3) to twenty-five (25) persons who shall serve without compensation.

Section 5.2. Meetings – The Deacons shall have regular meetings not less than quarterly to conduct the service of and for the Church. The Deacons may also be called to special meetings as set forth herein.

Section 5.3. Conduct of the Meetings – The Deacons shall elect a Chairman at its annual meeting who will serve for one year. The Chairman shall serve as the chairman of all meetings

of the Body of Deacons and shall vote only in the event of a tie vote among the Deacons on any matter properly before the Body of Deacons. In the absence of the Chairman, the Vice-Chairman shall assume the duties of Chairman. In the absence of both the Chairman and the Vice-Chairman, the Deacons shall elect a temporary chairman to chair the meeting by a majority vote of the Deacons. The Secretary of the Deacons shall record the minutes and perform the duties of Secretary as set forth herein. Meetings shall be conducted pursuant to the latest edition of Robert's Rules of Order.

Section 5.4. Officers of the Deacons – At each annual meeting, the Deacons shall elect officers from the members of the Body of Deacons. The officers so elected shall be a Vice Chairman, and a Secretary. Other officers may be elected by a majority vote of the Deacons.

Section 5.5. Secretary - The Secretary of the Body of Deacons shall keep the minutes of all meetings of the Body of Deacons and of the voting members and shall record all proceedings of these meetings. The Secretary shall give, or cause to be given, notice of all meetings of the Body of Deacons and meetings of the voting members and shall perform such other duties as may be prescribed by the Chairman or the Body of Deacons.

Section 5.6. Election and Term of Deacons – Deacons shall be nominated by the members of the Church, approved by the Board of Elders and elected by a majority of the Body of Deacons. Deacons shall serve for three (3) year terms and may not serve more than three (3) consecutive terms.

Section 5.7. Deacon Qualifications and Duties – Deacons shall meet the qualifications set forth in the Word of God and shall perform the duties and functions set forth in the Word of God.

ARTICLE VI. – COMMON PROVISIONS FOR OFFICERS, ELDERS, DIRECTORS AND/OR DEACONS

Section 6.1. Duties – Officers, Elders, Directors and Deacons shall be called “Leaders” in this Article VI. Leaders will discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the Church's best interest. In this context, the term “ordinary care” means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed or power conferred on Leaders, Leaders may, in good faith, rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Church or another person that has been prepared or presented by a variety of persons, including officers and employees of the Church, professional advisors or experts such as accountants or legal counsel. A Leader is not relying in good faith if he or she has knowledge concerning a matter in question that renders reliance unwarranted.

Leaders are not deemed to have the duties of trustees of a trust with respect to the Church or with respect to any property held or administered by the Church, including property that may be subject to restrictions imposed by the donor or transferor of the property.

Section 6.2. Duty to Avoid Improper Distributions – Leaders who vote for or assent to improper distributions are jointly and severally liable to the Church for the value of improperly distributed assets, to the extent that, as a result of the improper distribution or distributions, the Church lacks sufficient assets to pay its debts, obligations, and liabilities. Any distribution made when the Church is insolvent, other than in payment of corporate debts, or any distribution that would render the Church insolvent, is an improper distribution. A distribution made during liquidation without payment and discharge of or provision for payment and discharge of all known debts, obligations, and liabilities is also improper. Leaders present at a Board meeting at which the improper action is taken are presumed to have assented, unless they dissent in writing. The written dissent must be filed with the Secretary of the Church before adjournment of the meeting in question or mailed to the secretary by registered mail immediately after adjournment.

A Leader is not liable if, in voting for or assenting to a distribution, the Leader (1) relies in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the Church; legal counsel, public accountants, or other persons as to matters the Leader reasonably believes are within the person's professional or expert competence; or a committee of the Board of which the Leader is not a member; (2) while acting in good faith and with ordinary care, considers the Church's assets to be at least that of their book value; or (3) in determining whether the Church made adequate provision for paying, satisfying, or discharging all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements or other information concerning a person who was or became contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Furthermore, Leaders are protected from liability if, in exercising ordinary care, they acted in good faith and in reliance on the written opinion of an attorney for the Church.

Leaders held liable for an improper distribution are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

Section 6.3. Delegating Duties – Leaders may select advisors and delegate duties and responsibilities they possess, such as the full power to buy or otherwise acquire stocks, bonds, securities, and other investments on the Church's behalf or to sell, transfer, or otherwise dispose of the Church's assets and properties at a time and for a consideration that the advisor deems appropriate. The Leaders have no liability for actions taken or omitted by the advisor if the Leader acts in good faith and with ordinary care in selecting the advisor. The Board of Elders may remove or replace the advisor, including an advisor appointed by a Director, at any time and without any cause whatsoever.

Section 6.4. Interested Leaders - Contracts or transactions between Leaders, officers, or members who have a financial interest in the matter are not void or voidable solely for that reason. Nor are they void or voidable solely because the Leader, officer, or member is present at or participates in the meeting that authorizes the contract or transaction, or solely because the interested party's votes are counted for the purpose. However, every Leader with any personal interest in the transaction must disclose all material facts concerning the transaction, including all potential personal benefit and potential conflicts of interest, to the other members of the Board or

other group authorizing the transaction. The transaction involving an interested Leader must be approved by a two-thirds (2/3) vote of the uninterested group with the authority to authorize the transaction.

Section 6.5. Actions of the Board of Leaders – All Leaders will try to act by consensus. However, if a consensus is not available, the vote of a majority of Leaders present and voting at a meeting at which a quorum is present is enough to constitute the act of the Leaders, unless the act of a greater number is required by law or by some other provision of these Bylaws. A Leader who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the Board's decision. For the purpose of determining the decision of the Board, a Leader who is represented by proxy in a vote is considered present.

Section 6.6. Proxies - A Leader may vote by proxy. All proxies must be in writing, must bear the signature of the Leader giving the proxy, and must bear the date on which the proxy was executed by the Leader. No proxy is valid after three (3) months from the date of its execution.

Section 6.7. Removing Leaders - The Church may vote to remove a Leader (other than the Founding Elders) at any time, but only for good cause. Good cause for removal of a Leader shall be determined by the Word of God. At the meeting, the Leader may present evidence of why he or she should not be removed and may be represented by an attorney at and before the meeting.

ARTICLE VII – INDEMNIFICATION

Section 7.1. When Indemnification is Required, Permitted, and Prohibited - The Church will indemnify an Elder, Deacon, officer, member, committee member, employee, or agent of the Church who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Church. For the purposes of this article, an agent includes one who is or was serving at the Church's request as an Elder, Deacon, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee-benefit plan, or other legal entity.

The Church will indemnify a person only if he or she acted in good faith and reasonably believed that his or her conduct was in the Church's best interests. In case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Church will not indemnify a person who is found liable to the Church or is found liable to another on the basis of improperly receiving a personal benefit from the Church. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted. Termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Church.

The Church will pay or reimburse expenses incurred by an Elder, Deacon, officer, member, committee member, employee, or agent of the Church in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Church when the person is not a named defendant or respondent in the proceeding.

In addition to the situations otherwise described in this paragraph, the Church may indemnify an Elder, Deacon, officer, member, committee member, employee, or agent of the Church to the extent permitted by law. However, the Church will not indemnify any person in any situation in which indemnification is prohibited by the paragraphs above.

The Church may advance expenses incurred or to be incurred in the defense of a proceeding to a person who might be eventually be entitled to indemnification, even though there has been no final disposition of the proceeding. Advancement of expenses may occur only when the procedural conditions specified in paragraphs below have been satisfied. Furthermore, the Church will never advance expenses to a person before final disposition of a proceeding if the person is a named defendant or respondent in a proceeding brought by the Church or one or more members or if the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

Section 7.2. Extent and Nature of Indemnity - The indemnity permitted under these Bylaws includes indemnity against judgments, penalties, (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. If the proceeding was brought by or on behalf of the Church, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

Section 7.3. Procedures Relating to Indemnification Payments - Before the Church may pay any indemnification expenses (including attorney's fees), the Church must specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in subparagraphs below. The Church may make these determinations and decisions by any one of the following procedures:

- (i) Majority vote of a quorum consisting of Directors who, at the time of the vote, are not named defendants or respondents in the proceeding.
- (ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all Directors, consisting solely of two or more Directors who at the time of the vote are not named defendants or respondents in the proceeding.
- (iii) Determination by special legal counsel selected by the Board of Directors by the same vote as provided in subparagraphs (i) or (ii), above, or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.
- (iv) Majority vote of members, excluding Directors or other members who are named defendants or respondents in the proceeding.

The Church will authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If special legal counsel determines that indemnification is permissible, authorization of

indemnification and determination of reasonableness of expenses will be made as specified by subparagraph (iii), above, governing selection of special legal counsel. A provision contained in the articles of incorporation, or a resolution of members or the Board that requires the indemnification permitted by Section 7.1, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

The Church will advance expenses before final disposition of a proceeding only after it determines that the facts then known would not preclude indemnification. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment will be made in the same manner as a determination that indemnification is permissible under Section 6.1, above.

In addition to this determination, the Church may advance expenses only after it receives a written affirmation and undertaking from the person to receive the advance. The person's written affirmation will state that he or she has met the standard of conduct necessary for indemnification under these Bylaws. The written undertaking will provide for repayment of the amounts advanced by the Church if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking will be an unlimited general obligation of the person, but it need not be secured and may be accepted without reference to financial ability to repay.

VIII – MEMBERSHIP

Section 8.1 Members of the Church shall be those who meet the qualifications of membership established by the Elders, consistent with the Word of God. Members of the Church may be removed as provided for in the Word of God.

ARTICLE IX – AMENDMENTS TO BY-LAWS

Section 9.1. These By-Laws may be altered, amended, or repealed, and new bylaws may be adopted by a two-thirds (2/3) vote of the Board of Elders.

X. DISSOLUTION

Section 10.1 Upon the dissolution of the Church, the Board of Elders, or other governing body, shall, after paying or making provision for the payment of all the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, and religious purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c) (3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law), as such governing body shall determine. Any such assets not so disposed of shall be disposed of by a civil district Court situated in the County in which the principal office of the Corporation is then located, exclusively for such purposes to or such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.